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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(HKEX STOCK CODE: 1208)

(ASX STOCK CODE: MMG)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules).

The board of directors (Board) of MMG Limited (Company) announces that on 15 December 2016, the Company granted share options (2016 Options) to certain employees of the Company and its subsidiaries (Grantees) pursuant to the share option scheme under the long-term incentive scheme of the Company, which was adopted on 26 March 2013 (Long Term Incentive Equity Plan), to subscribe for a total of 149,148,599 new shares (Shares) in the capital of the Company.

As originally contemplated in the 2013 Long Term Incentive Cash Plan, 5,923,307 Options were also granted to Grantees (2013 Options), as a result of the conversion of their entitlements under the 2013 Long Term Incentive Cash Plan pursuant to the Long Term Incentive Equity Plan, to the equity equivalent of the entitlements they would have received historically under the 2013 Long Term Incentive Equity Plan, had they received such equity-based entitlements rather than cash-based entitlements at that time.

2016 Options

Details of the 2016 Options granted are set out below.

Date of grant : 15 December 2016

**Number of Shares issuable
under 2016 Options granted** : 149,148,599

Exercise price of 2016 Options granted	:	HK\$2.29
Closing price of the Shares on the date of grant	:	HK\$2.19
Validity period of the 2016 Options	:	From the date of grant until 7 years from 1 January 2016.
Vesting period of the 2016 Options	:	3 years from 1 January 2016 (40% of the vested 2016 Options will be subject to a 12 month exercise deferral period from 1 January 2019).
Vesting/Performance conditions	:	Vesting of the 2016 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.

Of the 2016 Options granted as referred to above, 2016 Options with respect to a total of 28,893,261 Shares were granted to two executive Directors, details of which are set out below:

Name	Position(s) in the Company	Number of Shares issuable under the 2016 Options granted
Andrew Gordon Michelmore	Executive Director	25,400,000
Xu Jiqing	Executive Director	3,493,261

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of the 2016 Options to the two executive Directors has been approved by the independent non-executive Directors.

If any recipient of the 2016 Options leaves the Company prior to vesting, such 2016 Options will be dealt with in accordance with the terms of the Long Term Incentive Equity Plan.

2013 Options

Details of the 2013 Options granted are set out below.

Date of grant	:	15 December 2016
Number of Shares issuable under the 2013 Options granted	:	5,923,307
Exercise price of the 2013 Options granted	:	HK\$2.51
Closing price of the Shares on the date of grant	:	HK\$2.19

Validity period of the 2013 Options : 7 years from 9 April 2013

Vesting : Vesting of the 2013 Options had been conditional upon the achievement of certain performance conditions, including among others, achievement of financial, resources growth and market related performance targets during the vesting period, namely 3 years from 9 April 2013. The Board had determined that certain performance conditions of the original 2013 Long Term Incentive Equity Plan have been achieved and as a result 66.67% of the share options under the original 2013 Long Term Incentive Equity Plan have vested. The number of 2013 Options granted reflects the proportion of share options vested under the original 2013 Long Term Incentive Equity Plan, being 66.67% vested.

Of the 2013 Options granted as referred to above, 2013 Options with respect to a total of 2,626,701 Shares were granted to Mr Xu Jiqing, an executive director of the Company. Pursuant to Rule 17.04(1) of the Listing Rules, the grant of the 2013 Options to Mr Xu Jiqing has been approved by the independent non-executive directors.

If any recipient of the 2013 Options leaves the Company prior to vesting, such 2013 Options will be dealt with in accordance with the terms of the Long Term Incentive Equity Plan.

Save as disclosed, none of the Grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates (as defined in the Listing Rules).

By order of the Board
MMG Limited
Jiao Jian
Chairman

Hong Kong, 15 December 2016

As at the date of this announcement, the Board comprises eight directors, of which two are executive directors, namely Mr Andrew Gordon Michelmores and Mr Xu Jiqing; two are non-executive directors, namely Mr Jiao Jian (Chairman) and Mr Gao Xiaoyu; and four are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan, Ms Jennifer Anne Seabrook and Professor Pei Ker Wei.