

*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)*

**(HKEX STOCK CODE: 1208)**

**(ASX STOCK CODE: MMG)**

(1) RESIGNATION OF EXECUTIVE DIRECTOR AND  
CHIEF EXECUTIVE OFFICER AND CONSULTANCY AGREEMENT  
(2) RE-DESIGNATION AS EXECUTIVE DIRECTOR AND  
APPOINTMENT OF CHIEF EXECUTIVE OFFICER  
(3) APPOINTMENT OF NON-EXECUTIVE DIRECTORS AND CHAIRMAN  
(4) RESIGNATIONS AND APPOINTMENTS OF  
MEMBERS OF BOARD COMMITTEES

The Board announces that Mr Andrew Gordon Michelmore has resigned as an Executive Director and the Chief Executive Officer of the Company with effect from 15 February 2017. Mr Michelmore will continue with the Company until 1 July 2017 as an employee, at which point Mr Michelmore will retire from the Company. Mr Michelmore and the Company have agreed that Mr Michelmore will continue to provide consultancy services to the Company upon his retirement.

Mr Jiao Jian has been re-designated as an Executive Director and appointed as the Chief Executive Officer of the Company with effect from 15 February 2017. Mr Jiao has also resigned as the Chairman of the Company with effect from 15 February 2017.

The Board also announces that Mr Guo Wenqing and Mr Zhang Shuqiang have been appointed as Non-Executive Directors of the Company with effect from 15 February 2017. Mr Guo has also been appointed as the Chairman of the Company with effect from 15 February 2017.

As a result of Mr Jiao's re-designation as an Executive Director and appointment as the Chief Executive Officer of the Company, he has resigned from all his positions on the Board committees of the Company. Mr Jiao's position as the Chairman of the Governance and Nomination Committee has been replaced by Mr Leung Cheuk Yan and Mr Gao Xiaoyu has been appointed as a member of the Governance and Nomination Committee. Mr Jiao's position as a member of the Remuneration Committee of the Company has been replaced by Mr Zhang. Mr Jiao's position as the Chairman of the Risk Management Committee of the Company has been replaced by Professor Pei Ker Wei. In addition, Mr Zhang has been appointed as a member of the Audit Committee. These changes to Board committees will take effect from 15 February 2017.

## **RESIGNATION OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER AND CONSULTANCY AGREEMENT**

Reference is made to the announcement of MMG Limited (Company) dated 27 September 2016 regarding the proposed retirement of Mr Andrew Gordon Michelmore (Mr Michelmore) as an Executive Director and the Chief Executive Officer of the Company.

The board of directors (Board) of the Company announces that Mr Michelmore has resigned as an Executive Director and the Chief Executive Officer of the Company with effect from 15 February 2017. Mr Michelmore will continue with the Company until 1 July 2017 as an employee, at which point Mr Michelmore will retire from the Company. Mr Michelmore is retiring from full time executive life after 14 years as the Chief Executive of four different companies.

Mr Michelmore has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company.

Mr Michelmore and the Company have agreed that Mr Michelmore will continue to provide consultancy services and high level strategic advice to the Company upon his retirement. A Consultancy Agreement will be entered into between Mr Michelmore and the Company, pursuant to which Mr Michelmore will provide consultancy services which will take effect from 2 July 2017. The terms of the Consultancy Agreement were arrived at after arm's length negotiations between the Company and Mr Michelmore. The Consultancy Agreement constitutes a fully exempt connected transaction.

## **RE-DESIGNATION OF EXECUTIVE DIRECTOR AND APPOINTMENT OF CHIEF EXECUTIVE OFFICER**

The Board also announces that Mr Jiao Jian (Mr Jiao) has been re-designated from a Non-Executive Director to an Executive Director and appointed as the Chief Executive Officer of the Company with effect from 15 February 2017. Mr Jiao has also resigned as the Chairman of the Company with effect from 15 February 2017.

Mr Jiao, aged 48, was appointed as the Chairman of the Company in August 2014. He had been the Chairman of the Company's Governance and Nomination Committee and Risk Management Committee and a member of the Company's Remuneration Committee from 2015.

Prior to his appointment as the Chairman of the Company, Mr Jiao served as a Non-Executive Director of the Company from December 2010. He also served as a director of certain subsidiaries of the Company, including MMG South America Management Co Ltd. Mr Jiao was appointed as a Vice-President of China Minmetals Corporation (CMC) in December 2015, the Chairman of China Minmetals Non-ferrous Metals Company Limited (CMN) in February 2016 and a director of China Minmetals H.K. (Holdings) Limited in August 2016. He has been a director of CMN since December 2009. Mr Jiao has also been a director of Hunan Nonferrous Metals Holding Group Co., Ltd. (HNG) since July 2010.

Mr Jiao holds a Bachelor's degree in International Economics from the Nankai University in the People's Republic of China and a Master of Business Administration degree from Saint Mary's University in Canada. He has extensive experience in international trade, investment and corporate management.

Mr Jiao joined CMC and its subsidiaries in 1992. He was the Vice-President of CMN from 2007 to May 2010. Mr Jiao was the President of CMN from May 2010 to January 2016. He was a director and the President of China Minmetals Non-ferrous Metals Holding Company Limited (CMNH) from December 2009 to February and January 2016, respectively. Mr Jiao was the Chairman of China Minmetals Rare Earth Co., Ltd (a company listed on the Shenzhen Stock Exchange) and China Tungsten and Hightech Materials Co., Ltd. (a company listed on the Shenzhen Stock Exchange) from April 2010 to April 2014 and from April 2013 to March 2014 respectively. He was a director of Jiangxi Tungsten Industry Group Co., Ltd. and China Minmetals Rare Earth Group Co. Ltd from November 2009 to August 2014 and from December 2011 to September 2016 respectively. Mr Jiao was also the Chairman of Album Enterprises Limited and a director of Top Create Resources Limited from November 2011 to May 2016 and from February 2012 to May 2016 respectively. He resigned as the Chairman of Copper Partners Investment Co., Ltd. in July 2016.

Save as disclosed above, Mr Jiao has not held any directorships in any other listed public company in the three years prior to the date of his re-designation as an Executive Director and appointment as the Chief Executive Officer of the Company. Save as disclosed above, he does not have any other prior positions with the Company or its subsidiaries, nor any relationship with any director, senior management, substantial or controlling shareholder of the Company. As at the date of this announcement, Mr Jiao does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (SFO).

Mr Jiao has entered into an executive contract with the Company for an unspecified term commencing from the date of his re-designation as an Executive Director and appointment as the Chief Executive Officer of the Company. Mr Jiao will be subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

Mr Jiao's re-designation as an Executive Director and appointment as the Chief Executive Officer of the Company are effected by an agreement that replaces all prior agreements with the Company. The agreement will continue until either: (a) the Company terminates it by giving Mr Jiao not less than 12 months' prior written notice; or (b) Mr Jiao terminates the agreement by giving not less than 6 months' prior written notice.

Pursuant to Mr Jiao's employment contract with the Company, Mr Jiao is entitled to a total fixed remuneration of A\$2.2 million (equivalent to approximately HK\$12.98 million) per annum. Mr Jiao is also entitled to: (i) an annual cash bonus of up to 150% of his total fixed remuneration as a short term incentive; and (ii) participate in the prevailing long term performance incentive plan of the Company, providing for a grant of either cash, options and/or performance shares valued at up to 150% of total fixed remuneration. The total fixed remuneration, the maximum participation level in respect of the long term performance incentive plan of the Company and the determination and assessment of performance measures are subject to annual review and determination by the Remuneration Committee of the Company and the Board.

The emolument of an Executive Director and the Chief Executive Officer is determined with reference to the duties and responsibilities of such director towards the Company and the prevailing market conditions and practice.

Save as disclosed above, there are no other matters in connection with Mr Jiao's re-designation and appointment which are required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules), and there are no other matters which need to be brought to the attention of the shareholders of the Company.

## **APPOINTMENT OF NON-EXECUTIVE DIRECTORS AND CHAIRMAN**

The Board announces that Mr Guo Wenqing (Mr Guo) and Mr Zhang Shuqiang (Mr Zhang) have been appointed as Non-Executive Directors of the Company with effect from 15 February 2017. Mr Guo has also been appointed as the Chairman of the Company with effect from 15 February 2017.

### **Mr Guo Wenqing**

Mr Guo, aged 52, is a director and the President of CMC, as well as the Chairman of China Metallurgical Group Corporation (MCC Group) (a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange) since May 2016 and April 2015 respectively. From 1994 to 2002, Mr Guo served as the Deputy Director and, subsequently, the Director of Hebei Province Highways Authority, the Chairman and the General Manager of Hebei Province Highways Development Company Limited, and the Director of Hebei Province Ports Authority. From 2002 to 2008, Mr Guo served as an Executive Director and the Deputy General Manager of CRBC International Co., Ltd. From December 2008 to July 2012, Mr Guo served as a director of Metallurgical Corporation of China Ltd. (MCC Ltd), and a director of MCC Group. From July 2012 to August 2014, Mr Guo held positions as the Vice Chairman and the General Manager of MCC Group. He served as the Chairman of MCC Ltd since September 2013. From August 2014 to April 2015, he served as the Chairman and the General Manager of MCC Group.

Mr Guo graduated from Hebei University of Science and Technology with a Bachelor's degree in Business Administration. He also holds an executive MBA degree from Tsinghua University.

Save as disclosed above, Mr Guo has not held any directorships in any other listed public company in the three years prior to the date of his appointment as a Non-Executive Director and the Chairman of the Company. Save as disclosed above, he does not have any prior positions with the Company or its subsidiaries, nor any relationship with any director, senior management, substantial or controlling shareholder of the Company. As at the date of this announcement, Mr Guo does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr Guo has entered into an appointment agreement with the Company for a term of three years commencing from the date of his appointment, and he is subject to retirement from office and re-election at the next following general meeting of the Company after his appointment, in accordance with the articles of association of the Company.

Mr Guo has elected to waive the payment of a director fee.

Save as disclosed above, there are no other matters in connection with Mr Guo's appointment which are required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there are no other matters which need to be brought to the attention of the shareholders of the Company.

### **Mr Zhang Shuqiang**

Mr Zhang, aged 50, is currently the General Manager of the Finance Department of CMC.

Mr Zhang started his career at China National Nonferrous Metals Import & Export Corporation, working as the Financial Accountant since 1987. From 1997 to 2000, Mr Zhang 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 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 Chief Financial Officer of CMN and CMNH. From December 2015 to January 2016, Mr Zhang was the acting Deputy General Manager of the Finance Department of CMC. He has served as the General Manager of the Finance Department of CMC since January 2016.

Mr Zhang was appointed as a director of China Minmetals H.K. (Holdings) Limited in August 2016, a director of China Tungsten and Hightech Materials Co. Ltd in June 2016, and a director of Minmetals Development Co. Ltd in December 2016. He has been a director of CMN and CMNH since February 2016. He is also a director of certain subsidiaries of the CMC Group. 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 HNG from August 2013 to January 2017.

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

Save as disclosed above, Mr Zhang has not held any directorships in any other listed public company in the three years prior to the date of his appointment as a Non-Executive Director of the Company. Save as disclosed above, he does not have any prior positions with the Company or its subsidiaries, nor any relationship with any director, senior management, substantial or controlling shareholder of the Company. As at the date of this announcement, Mr Zhang does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr Zhang has entered into an appointment agreement with the Company for a term of 3 years commencing from the date of his appointment, and he is subject to retirement from office and re-election at the next following annual general meeting of the Company after his appointment, in accordance with the articles of association of the Company.

Mr Zhang will be provided a director fee of A\$200,000 (equivalent to approximately HK\$1,180,000) per annum for his appointment as a Non-Executive Director of the Company in accordance with the standard rates payable to directors. The emolument of a Non-Executive Director is determined with reference to the duties and responsibilities of such director towards the Company and the prevailing market conditions and practice.

Save as disclosed above, there are no other matters in connection with Mr Zhang's appointment which are required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there are no other matters which need to be brought to the attention of the shareholders of the Company.

## **RESIGNATIONS AND APPOINTMENTS OF MEMBERS OF BOARD COMMITTEES**

As a result of Mr Jiao's re-designation as an Executive Director and appointment as the Chief Executive Officer of the Company, he has resigned from all of his positions on the Board committees of the Company.

Mr Jiao's position as the Chairman of the Governance and Nomination Committee has been replaced by Mr Leung Cheuk Yan and Mr Gao Xiaoyu has been appointed to be a member of the Governance and Nomination Committee. Mr Jiao's position as a member of the Remuneration Committee of the Company has been replaced by Mr Zhang. Mr Jiao's position as the Chairman of the Risk Management Committee of the Company has been replaced by Professor Pei Ker Wei. In addition, Mr Zhang has been appointed as a member of the Audit Committee. The changes in relation to Board committees will take effect from 15 February 2017.

The Board would like to express its sincere gratitude to Mr Michelmore for his valuable contributions to the Company during his tenure of full time service and to extend a warm welcome to Mr Guo and Mr Zhang in joining the Board.

*Unless otherwise specified, conversion of A\$ into HK\$ in this announcement is based on the exchange rate of A\$1.00 = HK\$5.9, for the purpose of illustration only. No representation is made and there is no assurance that A\$ or HK\$ can be purchased or sold at such rate.*

By order of the Board  
**MMG Limited**  
**Jiao Jian**  
CEO and Executive Director

Hong Kong, 15 February 2017

*As at the date of this announcement, the Board comprises nine directors, of which two are executive directors, namely Mr Jiao Jian and Mr Xu Jiqing; three are non-executive directors, namely Mr Gao Xiaoyu, Mr Guo Wenqing (Chairman) and Mr Zhang Shuqiang; 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.*