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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)

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

Further to the announcement of 27 April 2018, the Board announces that Mr Jiao Jian has resigned as the Chief Executive Officer (CEO) of the Company with effect from 1 August 2018, to commence a senior executive role with CMC in Beijing. Mr Jiao remains on the Board of the Company and has been re-designated from an Executive Director to a Non-Executive Director with effect from his resignation.

Mr Gao Xiaoyu (Geoffrey) has been appointed as the CEO of the Company, and re-designated as an Executive Director, with effect from the resignation of Mr Jiao.

RESIGNATION OF CHIEF EXECUTIVE OFFICER AND RE-DESIGNATION OF NON-EXECUTIVE DIRECTOR

The board of directors (Board) of the Company announces that Mr Jiao has resigned as the CEO of the Company with effect from 1 August 2018, to commence a senior executive role with China Minmetals Corporation (CMC) in Beijing.

Mr Jiao remains on the Board of the Company and has been re-designated from an Executive Director to a Non-Executive Director with effect from his resignation.

The Board agreed to reduce the period of notice of termination of employment required to be given by Mr Jiao pursuant to his executive contract.

Mr Jiao 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 at this time.

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

The Board also announces that Mr Gao Xiaoyu (Geoffrey) has been appointed as the CEO of the Company, and re-designated from a Non-Executive Director to an Executive Director, with effect from Mr Jiao's resignation.

Mr Gao, aged 48, was appointed as a Non-executive Director of the Company in April 2011. He was a member of the Company's Audit Committee, Governance and Nomination Committee, Remuneration Committee and Risk Management Committee.

Due to Mr Gao's appointment as the CEO of the Company and re-designation as an Executive Director, he has resigned from all his positions on the Board committees of the Company.

Mr Gao was appointed as the President and a director of China Minmetals Non-ferrous Metals Co., Ltd. (CMN) in February 2016. He is a director of certain subsidiaries of CMC, including Top Create Resources Limited since February 2012. Mr Gao was also appointed as the Chairman of Copper Partners Investment Co., Ltd. in July 2016, and of Album Enterprises Limited in May 2016.

Mr Gao holds a Master's degree in Business Management from The Renmin University of China in the People's Republic of China. He has extensive experience in enterprise risk management and control.

Mr Gao joined CMC and its subsidiaries in 1993. He worked in the Futures department of China Nonferrous Metals Import and Export Corporation from 1993 to 1997. He was the General Manager of the Risk Management department of CMN from 2000 to 2009 and Vice-President of CMN from January 2008 to February 2016. He was also Vice-President of China Minmetals Non-ferrous Metals Holding Company Limited (CMNH) from January 2011 to January 2016.

Save as disclosed above, Mr Gao has not held any directorships in any other listed public company in the three years prior to the date of this announcement. 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 Gao 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 Gao has entered into an executive contract with the Company for an unspecified term commencing from the date of his appointment as the CEO of the Company and re-designation as an Executive Director. Mr Gao will be subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

Mr Gao's appointment as the CEO of the Company and re-designation as an Executive Director has been 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 Gao not less than 12 months' prior written notice; or (b) Mr Gao terminates the agreement by giving the Company not less than 6 months' prior written notice.

Pursuant to Mr Gao's employment contract with the Company, Mr Gao is entitled to a total fixed remuneration of A\$2.255 million (equivalent to approximately HK\$13.30 million) per annum. Mr Gao is also entitled to: (i) an annual cash bonus of up to 150% of his total fixed remuneration as a short term incentive, noting that this payment for 2018 will be pro-rated based on his 1 August commencement date and, further, that 30% of any bonus payment will be deferred for 12 months with the deferred value subject to a minimum performance and 12 month term requirement; 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 commencing with participation in the 2019 LTI plan. 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 the CEO and an Executive Director is determined with reference to the duties and responsibilities of such director towards the Company and the prevailing market conditions and practice. The emolument of Mr Gao reflects the arrangements that were in place for Mr Jiao.

Save as disclosed above, there are no other matters in connection with Mr Gao's appointment and re-designation 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.

RE-DESIGNATION OF NON-EXECUTIVE DIRECTOR

Mr Jiao, aged 49, was appointed as the CEO, and an Executive Director, of the Company in February 2017. Prior to this appointment, Mr Jiao was the Chairman of the Company from August 2014, the Chairman of the Company's Governance and Nomination Committee and Risk Management Committee and a member of the Company's Remuneration Committee from October 2015, and a Non-Executive Director of the Company from December 2010.

Mr Jiao has served as a director of certain subsidiaries of the Company from time to time since 2009, including MMG South America Management Co., Ltd.. Mr Jiao was appointed as the Chairman of CMN in February 2016, and has been a director of CMN since December 2009. Mr Jiao has also been a director of Hunan Nonferrous Metals Holding Group Co., Ltd. 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 CMNH from December 2009 to February 2016 and January 2016, respectively. Mr Jiao was a Vice-President of CMC from December 2015 to January 2017. He was also a director of China Minmetals H.K. (Holdings) Limited from August 2016 to March 2017.

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 this announcement. 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 has interests in the shares in the Company within the meaning of the SFO as he was granted 7,333,333 performance awards under the Company's Long Term Incentive Equity Plan for 2017 on 31 August 2017. Mr Jiao's interest in these performance awards have lapsed with effect from his resignation.

Mr Jiao has entered into an appointment agreement with the Company for a term of 3 years commencing from the date of his appointment as a Non-Executive Director. He will be 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 Jiao will be provided a director fee of A\$188,000 (equivalent to approximately HK\$1,109,200) per annum for his appointment as a Non-Executive Director of the Company in accordance with the standard rates payable to directors. Mr Jiao will also be provided a fee of A\$7,500 (equivalent to approximately HK\$44,250) per annum for his appointment as a member of each Board committee. 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 Jiao's re-designation 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 Gao'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 has been appointed to be a member of the Governance and Nomination Committee, the Remuneration Committee, the Risk Management Committee and the Audit Committee of the Company. The changes in relation to Board committees will take effect from 1 August 2018.

The Board would like to express its sincere gratitude to Mr Jiao for his valuable contributions to the Company during his tenure of full time service as the CEO.

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
Gao Xiaoyu
CEO and Executive Director

Hong Kong, 1 August 2018

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