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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 19 May 2015, 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	:	19 May 2015
Total number of Performance Awards Granted	:	84,087,500
Total number of Incentive Participants	:	182
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 2015 – 31 December 2017

Timing of Vesting : On or around April 2018. 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 84,087,500 Performance Awards granted on 19 May 2015, 15,100,000 were granted to Mr Andrew Michelmore, Chief Executive Officer and an 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 Andrew Michelmore will be satisfied by existing Shares to be acquired from the market.

Based on the closing price of HK\$3.30 per Share as quoted on the Stock Exchange on 19 May 2015, the market value of the underlying Award Shares that are the subject of the Performance Awards granted to Mr Andrew Michelmore would be approximately HK\$49,830,000.00.

Listing Rules Implications

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

Mr Andrew Michelmore 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 Andrew Michelmore, 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 Andrew Michelmores, 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 zinc, copper, 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 on 29 July 1988 in Hong Kong with limited liability, 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 directors of the Company and/or certain executives and managers of the Company and subsidiaries of the Company who were 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

Stock Exchange

The Stock Exchange of Hong Kong Limited

%

per cent

By order of the Board

MMG Limited

Jiao Jian

Chairman

Hong Kong, 19 May 2015

As at the date of this announcement, the Board comprises nine directors, of which three are executive Directors, namely Mr Andrew Gordon Michelmore, Mr David Mark Lamont and Mr Xu Jiqing; three are non-executive directors, namely Mr Jiao Jian (Chairman), Mr Wang Lixin and Mr Gao Xiaoyu; and three are independent non-executive directors, namely Dr Peter William Cassidy, Mr Anthony Charles Larkin and Mr Leung Cheuk Yan.