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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in MMG Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

PROPOSALS FOR
(1) RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES;
(3) PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION;
(4) CONNECTED TRANSACTION - ISSUE OF NEW SHARES TO CONNECTED PERSONS UNDER THE LONG TERM INCENTIVE EQUITY PLAN;
AND
NOTICE OF ANNUAL GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



SOMERLEY CAPITAL LIMITED

A notice convening the Annual General Meeting (AGM) of MMG Limited (Company) to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 23 May 2024 at 10:30 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 10:30 a.m. on Tuesday, 21 May 2024. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

A letter from the Board is set out on pages 6 to 20 of this circular.

A letter from the Independent Board Committee to the Independent Shareholders is set out on page 21 of this circular.

A letter from Somerley, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 22 to 37 of this circular.

30 April 2024

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“2021 Award”	the grant of up to 21,306,781 Performance Awards to 82 Incentive Participants on 21 June 2021 under the Long Term Incentive Equity Plan;
“2021 Performance Period”	the performance period in respect of the 2021 Award from 1 January 2021 to 31 December 2023;
“2022 Award”	the grant of up to 29,882,658 Performance Awards to 112 Incentive Participants on 21 April 2022 under the Long Term Incentive Equity Plan;
“2022 Performance Period”	the performance period in respect of the 2022 Award from 1 January 2022 to 31 December 2024;
“24 April Announcement”	announcement made on 24 April 2024 in relation to the resignation of Mr Li Liangang as interim CEO and Executive Director of the Company with effect from 24 April 2024;
“A\$”	Australian dollar(s), the lawful currency of Australia;
“AGM”	the annual general meeting of the Company to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 23 May 2024 at 10:30 a.m., a notice of which is set out on pages AGM-1 to AGM-5 of this circular;
“Announcement”	announcement made on 16 April 2024 in relation to, among others, the issue of new Connected Award Shares to the Connected Incentive Participants pursuant to the 2021 Award and the 2022 Award under the Long Term Incentive Equity Plan;
“Articles of Association”	the articles of association of the Company;
“associate(s)”	has the meaning ascribed to this term under the Listing Rules;
“Award Shares”	the Shares to be awarded to the Incentive Participants pursuant to vesting of the Performance Awards of the 2021 Award and the 2022 Award under the Long Term Incentive Equity Plan;
“Board”	the board of Directors;
“CEO”	chief executive officer;

DEFINITIONS

“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“CMC”	中國五礦集團有限公司 (China Minmetals Corporation), a state-owned enterprise incorporated under the laws of the PRC and the ultimate controlling shareholder of the Company as at the Latest Practicable Date;
“CMN”	五礦有色金屬股份有限公司 (China Minmetals Non-ferrous Metals Co., Ltd), a company incorporated under the laws of the PRC and an indirect non-wholly owned subsidiary of CMC. CMN is the controlling shareholder of the Company, holding indirectly approximately 67.55% of the total number of Shares in issue as at the Latest Practicable Date;
“CMNH”	五礦有色金屬控股有限公司 (China Minmetals Non-ferrous Metals Holding Co., Ltd), a company incorporated under the laws of the PRC and an indirect non-wholly owned subsidiary of CMC;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	MMG Limited, a company incorporated in Hong Kong, the securities of which are listed and traded on the Main Board of the Hong Kong Stock Exchange;
“Connected Award Shares”	the Award Shares awarded to the Connected Incentive Participants;
“Connected Incentive Participants”	the Incentive Participants who are connected persons of the Company;
“connected persons”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“General Mandate”	the general mandate granted or to be granted to the Board from time to time at the general meeting of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

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“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Incentive Participant(s)”	the executive directors of the Company and/or certain executives and managers of the Company and/or subsidiaries of the Company who are granted Performance Awards pursuant to the Long Term Incentive Equity Plan (or any one of them, “Incentive Participant”);
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the Issue;
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the AGM to approve the Issue;
“Index”	the EMIX Global Mining Indices;
“Issue”	the issue and allotment of new Connected Award Shares to the Connected Incentive Participants in respect of the 2021 Award and the 2022 Award to the extent they vest in accordance with their terms;
“Issue Mandate”	the general and unconditional mandate to the Directors to exercise the powers of the Company to allot, issue and deal with (or grant rights to subscribe for or convert any securities into) Shares proposed under ordinary resolution numbered 5 in the notice of the AGM set out on pages AGM-1 to AGM-3 of this circular;
“JORC Code”	Joint Ore Reserves Committee “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”;
“Latest Practicable Date”	23 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong 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;

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“Mineral Resources”	as defined under the JORC Code, a concentration or occurrence of material of intrinsic economic interest in or on the earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction;
“Minmetals HK”	中國五礦香港控股有限公司 (China Minmetals H.K. (Holdings) Limited), a company incorporated in Hong Kong and an indirectly owned subsidiary of CMC. Minmetals HK is the immediate controlling shareholder of the Company holding approximately 67.55% of the total number of Shares in issue as at the Latest Practicable Date;
“Ore Reserves”	as defined under JORC Code, the economically mineable part of a measured and/or indicated mineral resource;
“Performance Awards”	the performance awards granted to the Incentive Participants to be satisfied by Award Shares upon vesting;
“Proposed Amendments”	the proposed amendments to be made to the Articles of Association as set out in Appendix III to this circular;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan unless the context requires otherwise);
“Remuneration Committee”	the governance, remuneration, nomination and sustainability committee of the Company;
“Repurchase Mandate”	the general and unconditional mandate to the Directors authorizing the repurchase of Shares by the Company proposed under ordinary resolution numbered 6 in the notice of the AGM set out on pages AGM-3 to AGM-4 of this circular;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Shareholder(s)”	holder(s) of Shares;
“Share(s)”	fully paid ordinary share(s) of the Company;
“Significant Subsidiary(ies)”	a subsidiary of the Company that is not an “insignificant subsidiary” (as that term is defined in Listing Rule 14A.09) of the Company;

DEFINITIONS

“Somerley” or “Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Issue;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance;
“Takeovers Code”	the Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

Chairman:

XU Jiqing *(Non-executive Director)*

Executive Director:

CAO Liang

Non-executive Director:

ZHANG Shuqiang

Independent Non-executive Directors:

Peter William CASSIDY

LEUNG Cheuk Yan

CHAN Ka Keung, Peter

Registered Office:

Unit 1208

12/F, China Minmetals Tower

79 Chatham Road South

Tsimshatsui

Kowloon

Hong Kong

30 April 2024

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES;
(3) PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION;
(4) CONNECTED TRANSACTION - ISSUE OF NEW SHARES TO CONNECTED
PERSONS UNDER THE LONG TERM INCENTIVE EQUITY PLAN;
AND
NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information relating to the resolutions to be proposed at the AGM, which include among other things, (i) re-election of Directors; (ii) grant of general mandates to issue and to repurchase Shares; (iii) proposed adoption of new articles of association; and (iv) issuance of new shares to connected persons under the Long Term Incentive Equity Plan.

LETTER FROM THE BOARD

The Directors of the Company may, in their absolute discretion, in the event that a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by a super typhoon announced by the Hong Kong Government is/are in force in Hong Kong at 8:00 a.m. on that day, change the place and date of the AGM by way of an announcement without the need to give a new notice of the AGM.

2. RE-ELECTION OF DIRECTORS

The Board currently comprises six Directors, of which one is an Executive Director, namely Mr Cao Liang; two are Non-executive Directors, namely Mr Xu Jiqing and Mr Zhang Shuqiang; and three are Independent Non-executive Directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan and Mr Chan Ka Keung, Peter.

In accordance with Article 77 of the Articles of Association, Mr Cao Liang, who was appointed to fill a casual vacancy will retire at the AGM and, being eligible, offer himself for re-election. Mr Cao was appointed as an Executive Director and the CEO of the Company on 24 April 2024.

In accordance with Article 98 of the Articles of Association, Dr Peter William Cassidy who will retire by rotation at the AGM and, being eligible, offers himself for re-election.

In accordance with Article 98 of the Articles of Association and Code Provision B.2.2 in Appendix C1 of the Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, Mr Leung Cheuk Yan who will retire by rotation at the AGM and, being eligible, offers himself for re-election.

Code provision B.2.3 of Appendix C1 of the Listing Rules provides that the further appointment of an independent non-executive director should be subject to a separate resolution to be approved by shareholders if such independent non-executive director has been serving the company for more than nine years. Dr Peter William Cassidy and Mr Leung Cheuk Yan were appointed as Independent Non-executive Directors in 2010 and 2012 respectively, and if they are re-elected at the AGM, they will continue to serve the Company for more than nine years. Separate resolutions for their re-election will therefore be proposed for approval by the Shareholders at the AGM pursuant to code provision B.2.3 of Appendix C1 of the Listing Rules.

The re-election of retiring Directors at the AGM has been considered by the Governance, Remuneration, Nomination and Sustainability Committee of the Company in accordance with the nomination procedures and selection criteria as set out under its Terms of Reference (including without limitation, skills, knowledge and experience, time commitment and standing) as well as taking into account the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard to the benefits of diversity, as set out under the Board Diversity Statement of the Company.

LETTER FROM THE BOARD

The Company has received from Dr Cassidy and Mr Leung the confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. During the tenure of Dr Cassidy and Mr Leung as Independent Non-executive Directors, they have participated in Board meetings and served on various committees of the Board to give impartial advice and exercise independent judgement on the affairs of the Company but they have not engaged in any executive management of the Company and its subsidiaries. The Governance, Remuneration, Nomination and Sustainability Committee has conducted assessment of their independence, and is of the view that they comply with the independence criteria as set out in Rule 3.13 of the Listing Rules.

Dr Cassidy has over 50 years' experience in the resources and energy sectors, including more than 30 years as a director of major public companies listed in Australia, Canada, the USA and Hong Kong. He also possesses diverse experience and expertise in different sectors. Mr Leung is a solicitor admitted to practice law in Hong Kong, England and Wales, and Victoria and the Australian Capital Territory in Australia. He is a corporate finance and capital markets specialist, was a partner at Baker & McKenzie and for many years the head of its securities practice group in Hong Kong until his retirement in 2011.

The Company values Dr Cassidy's and Mr Leung's continued services by bringing different perspectives and insights in the boardroom. The Board, having considered their comprehensive knowledge, professional skills and experience as well as their thorough and deepened understanding of the Company and the Company's relevant industry, is of the view that Dr Cassidy's and Mr Leung's continued tenure will bring valuable contribution to the future sustainable development of the Company which is in the best interests of the Company and of the Shareholders. In particular, the Board considers that Dr Cassidy and Mr Leung remain independent and committed in spite of the length of their services.

The biographical and other details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular. A separate resolution will be proposed for each of the retiring directors for re-election as Director at the AGM.

3. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 25 May 2023, ordinary resolutions were passed to grant general mandates to the Directors, inter alia, (i) to allot, issue and deal with Shares (and to make or grant offers, agreements and options which would or might require the exercise of such power); and (ii) to repurchase Shares. Such mandates will lapse at the conclusion of the AGM.

As at the Latest Practicable Date, a total of 8,656,047,188 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Company would be allowed under the Issue Mandate to issue a maximum of 1,731,209,437 Shares representing 20% of the total number of issued Shares at the date of the AGM, provided that certain issues or grants are not included in determining whether that maximum permitted number of Shares has been reached, as set out under the terms of the Issue Mandate.

LETTER FROM THE BOARD

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 865,604,718 Shares representing 10% of the total number of issued Shares at the date of the AGM.

The Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by Hong Kong Law or the Articles of Association to be held; or (c) the passing of ordinary resolution(s) by Shareholders in general meeting revoking or varying the authority given to the Directors.

It will be proposed at the AGM to grant to the Directors the Issue Mandate and the Repurchase Mandate, as well as to extend the Issue Mandate by adding to it the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

An explanatory statement, as required by the Listing Rules to be given to the Shareholders in connection with the Repurchase Mandate, is set out in Appendix II to this circular.

4. PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Company proposes to amend its Articles of Association in order to bring the Articles of Association up to date and in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect on 31 December 2023. The Board will also propose that the new Articles of Association, which contain all the Proposed Amendments as set out in Appendix III to this circular, be adopted to replace the Articles of Association. The Proposed Amendments and adoption of the new Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the AGM. Full particulars of the Proposed Amendments (marked-up against the Articles of Association) are set out in Appendix III to this circular.

The Proposed Amendments are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of the Articles of Association is purely a translation only. Should there be any discrepancy, the English version shall prevail.

LETTER FROM THE BOARD

5. ISSUE OF NEW SHARES TO CONNECTED PERSONS UNDER THE LONG TERM INCENTIVE EQUITY PLAN

Reference is made to the Announcement and the 24 April Announcement, pursuant to which the Company announced that the Board had resolved to:

- (a) satisfy the Performance Awards in respect of the 2021 Award under the Long Term Incentive Equity Plan, to the extent they vest in accordance with their terms, by the issue and allotment of up to 21,306,781 new Award Shares of the Company to the Incentive Participants, of which up to 4,900,058 (The number of Connected Award Shares was changed from 5,660,673 to 4,900,058 due to lapse of Mr Li Liangang's interest in 2021 Award following his resignation as interim CEO and Executive Director of the Company with effect from 24 April 2024) Connected Award Shares will be issued to 13 Connected Incentive Participants; and
- (b) satisfy the Performance Awards in respect of the 2022 Award under the Long Term Incentive Equity Plan, to the extent they vest in accordance with their terms, by the issue and allotment of up to 29,882,658 new Award Shares of the Company to the Incentive Participants, of which up to 8,709,895 (The number of Connected Award Shares was changed from 9,959,139 to 8,709,895 due to lapse of Mr Li Liangang's interest in 2022 Award following his resignation as interim CEO and Executive Director of the Company with effect from 24 April 2024) Connected Award Shares will be issued to 15 Connected Incentive Participants.

The proposed issue of, in aggregate, up to 13,609,953 Connected Award Shares to 15 Connected Incentive Participants in respect of the 2021 Award and the 2022 Award constitutes a connected transaction of the Company and is subject to reporting, announcement and Independent Shareholders' approval requirements at the AGM.

The purpose of this circular is to provide you with details of the Issue, advice from the Independent Board Committee and advice from Somerley to the Independent Board Committee and the Independent Shareholders, in relation to the Issue.

DETAILS OF THE CONNECTED AWARD SHARES AND THE ISSUE

The Board has resolved to satisfy the Performance Awards in respect of the 2021 Award and the 2022 Award, to the extent they vest in accordance with their terms, by way of issue and allotment of an aggregate of up to 51,189,439 Award Shares pursuant to the General Mandate. As approval from Independent Shareholders at the AGM will be obtained in respect of the Issue (and the Issue is conditional upon such approval being obtained), the issue and allotment of the new Award Shares (including the Connected Award Shares) pursuant to the General Mandate complies with Rule 13.36(2)(b) of the Listing Rules.

The General Mandate authorises or is expected to authorise an allotment of Shares of the Company not exceeding 20% of the total number of Shares of the Company in issue as at the date of the resolution approving the General Mandate. As at the Latest Practicable Date, a total

LETTER FROM THE BOARD

of 8,656,047,188 Shares were in issue, and 20% of this number is approximately 1,731,209,437. Accordingly, the proposed Issue Mandate (if approved by the Shareholders at the AGM) is expected to be sufficient to cover the maximum number of the new Award Shares to be issued, namely 51,189,439 Award Shares.

Details of the Connected Award Shares in respect of the 2021 Award and the 2022 Award and the Issue are set out below.

Securities to be newly issued, to the extent they vest in accordance with their terms, to the Connected Incentive Participants:

Up to 13,609,953 Connected Award Shares, representing approximately 0.16% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.16% of the total number of Shares in issue as enlarged by the issue and allotment of the Connected Award Shares.

The Connected Award Shares, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

Funds to be raised:

No funds will be raised by the Company as a result of the Issue.

Market price of the Shares:

Based on the closing price of HK\$3.51 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market value of the 13,609,953 Connected Award Shares was HK\$47,770,935.

Performance conditions:

The 2021 Award is made up of 3 equal tranches. Each tranche consists of 33.33% of the total number of the Performance Awards granted to the Incentive Participants and is measured independently. The first performance measure is resources growth of the Group. The second performance measure is relative total shareholder return as compared against that of the constituents of the Index over the 2021 Performance Period. The third performance measure is relative return on equity as compared against that of the constituents of the Index over the 2021 Performance Period.

LETTER FROM THE BOARD

The 2022 Award is made up of 3 equal tranches. Each tranche consists of 33.33% of the total number of the Performance Awards granted to the Incentive Participants and is measured independently. The first performance measure is resources growth of the Group. The second performance measure is relative total shareholder return as compared against that of the constituents of the Index over the 2022 Performance Period. The third performance measure is relative return on equity as compared against that of the constituents of the Index over the 2022 Performance Period.

Resources growth in the first performance measure refers to the Mineral Resources included as part of the Company's Mineral Resources and Ore Reserves statement prepared in or around June each year. The initial reference point for this performance measure is the Company's existing Mineral Resources disclosed in its latest Mineral Resources and Ore Reserves statement prior to the grant.

The second performance measure refers to the relative total shareholder return, using the Euromoney Global Base Mining Metals Index or a selected group of comparable companies. The initial reference point for this measure is the level of the index at the beginning of the performance period.

The relative return on equity in the third performance measure uses the Euromoney Global Base Mining Metals Index or a selected group of comparable companies. The initial reference point for this measure is the level of the index at the beginning of the performance period.

The number of an Incentive Participant's Performance Awards that vest is subject to the achievement of the performance measures by the Group, the Incentive Participant's satisfaction of individual performance hurdles under the Company's "My Performance" assessment and the Incentive Participant's continued employment over the relevant performance period.

LETTER FROM THE BOARD

The Group must meet at least the threshold level of each performance measure in order for any Performance Awards in the corresponding tranche to vest. The threshold level of performance will generate a vesting outcome of 50% in the corresponding tranche of Performance Awards. Should the Group exceed the threshold level of performance for a given performance measure, a greater number of Performance Awards corresponding to that performance measure will be vested, with the specific amount of Performance Awards to be vested determined by reference to the performance outcome score for that relevant performance measure (expressed as a percentage). The maximum performance score is capped at 100% for each performance measure, which is the target level of performance for each tranche of Performance Awards.

The threshold and target levels of the resources growth tranche are 80% replenishment of mineral resources and certain percentages of growth in mineral resources of the Group respectively. In determining such threshold and target levels, the Remuneration Committee reviewed data in relation to resources depletion level and replenishment level since 2013 and considered the anticipated future resources. As a base metal resources company, the resources of the Group deplete naturally during day-to-day operations. Replenishment and additions of metal resources are essential for the sustainable growth of the Group's metal resources. The levels of resources growth tranche of the performance measures target for mineral resources growth is aimed at ensuring such natural depletion is replenished and possibly out-grown.

The threshold and target levels of both of the relative total shareholder return tranche and the relative return on equity tranche are equal to or greater than the median and 75th percentile of the performance of the constituents of the Index respectively. The levels of the relative total shareholder return tranche and the relative return on equity tranche of the performance measures are set at levels which the performance of the Group must be in line with or outperform its peers. Such levels will potentially provide comparatively higher return to the Shareholders and enhance the alignment of the interests of the Shareholders and the Incentive Participants.

LETTER FROM THE BOARD

Vesting:	<p>The vesting of the Performance Awards is subject to certain terms and performance conditions (outlined in detail above) which are applied consistently to all Incentive Participants, regardless of whether they are Connected Incentive Participants or not. Save for the performance conditions outlined above, there are no other conditions in relation to the vesting of Performance Awards.</p>
	<p>The number of Performance Awards that vest for the Incentive Participants under each relevant tranche of Performance Awards will be equal to the performance outcome score under the relevant performance measure, multiplied by the maximum number of Performance Awards in that relevant tranche.</p>
	<p>Vesting will occur in or around June 2024 for the 2021 Award, and in or around June 2025 for the 2022 Award.</p>
Restrictions on the subsequent sale of the Award Shares:	<p>In respect of the 2021 Award and the 2022 Award, holding lock periods will apply to 50% of the Award Shares held by the Incentive Participants from the time of vesting.</p>
	<p>Of these holding-locked Award Shares, half of the Award Shares may be sold on or after one year from the end of the relevant performance periods (i.e. 1 January 2025 and 1 January 2026 for the 2021 Award and the 2022 Award respectively), and the remaining half may be sold on or after two years for the 2021 Award and the 2022 Award respectively from the end of the relevant performance period (i.e. 1 January 2026 for the 2021 Award and 1 January 2027 for the 2022 Award respectively).</p>
Fundraising activities in the past 12 months:	<p>The Company had not engaged in any fundraising exercises in the 12 months immediately preceding the Latest Practicable Date.</p>

LETTER FROM THE BOARD

The details of the Connected Incentive Participants in respect of the 2021 Award and the 2022 Award are as follows:

	2021 Award Number of Connected Award Shares assuming full vesting	2022 Award Number of Connected Award Shares assuming full vesting
Directors of Significant Subsidiaries of the Company		
Ross Carroll	1,241,323	1,958,613
Troy Hey	766,394	1,246,611
Wei Jianxian	718,140	1,204,590
Guan Xiangjun	342,556	541,805
Nicholas Myers	328,015	531,866
Michel Stevering	300,548	487,506
Angus J Henderson	278,100	473,650
Alvaro Ossio	272,627	481,282
Jing Zhao	—	426,290
Xia Weiquan	193,345	393,583
Charles Kyona	182,338	299,910
Claudio Caceres	122,085	205,260
Wong Poh Sang	101,203	169,756
Zhang Liang	53,384	98,077
Zhou Canliang	—	191,096
Total	<u>4,900,058</u>	<u>8,709,895</u>

Conditions to the Issue

The Issue, to the extent they vest in accordance with their terms, shall be subject to the following conditions:

- (a) the grant of the listing approval by the Stock Exchange in respect of the Connected Award Shares; and
- (b) the approval by the Independent Shareholders at the AGM in respect of the Issue.

Application has been made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate of up to 49,179,580 Award Shares, including up to 13,609,953 Connected Award Shares.

LETTER FROM THE BOARD

Reasons for the Issue

The Group recognises that 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 Group has remuneration policies that align with legislative requirements, market practice and requirements and remunerates its employees based on the accountabilities of their role, their performance and the performance of the Group.

In 2012, the Board adopted a ten-year Long Term Incentive Equity Plan (save for the Chapter 17 share option scheme component, which was subject to approval by the Shareholders of the Company) to enable the Company to grant awards to selected employees of the Group as incentives or rewards for their contribution to the development of the Group. Permanent employees of any member of the Group in executive or senior roles on the date on which an award is granted under the Long Term Incentive Equity Plan can be a participant. The ten-year Long Term Incentive Equity Plan expired in 2022 and no further grant of options or awards will be made under such Long Term Incentive Equity Plan.

The principal objectives of the Long Term Incentive Equity Plan and the proposed Issue are to align the interests of executive directors and key senior employees with those of Shareholders, recognise the contribution of such persons, and to incentivise them to remain in employment with the Group, through the application of performance conditions that ensure such persons are rewarded when Shareholders benefit from the performance of the Company.

Pursuant to the terms of the Long Term Incentive Equity Plan, eligible persons may be granted (i) a conditional right to acquire and/or subscribe for Shares granted under the Long Term Incentive Equity Plan (the "**Conditional Award**"); (ii) a right to acquire Shares granted under the Long Term Incentive Equity Plan (the "**Option**"); (iii) cash award; (iv) forfeitable Shares held in the name of or for the benefit of the Incentive Participant subject to the forfeitable share agreement to be entered into between an incentive participant and the Company (to the extent that the forfeitable Shares lapses under the Long Term Incentive Equity Plan, the Shares granted are forfeited and the incentive participant will immediately transfer his or her interest in the Shares, for no consideration or nominal consideration, to any person specified by the Company) (the "**Forfeitable Shares**"); or (v) a combination of the above. Such conditional right under the Performance Awards will usually lapse at the end of the tenth anniversary of the grant of the right or six months after the person holding an award ceases to be an employee of any member of the Group. If eligible persons are granted with a Conditional Award or Forfeitable Shares, the Company may issue new Shares by general mandate or specific mandate, or purchase Shares from the market, to satisfy such award. Under the Long Term Incentive Equity Plan, all Options granted had expired in May 2023 and save for the 2021 Award and 2022 Award, there are no other outstanding Options or awards under the Long Term Incentive Equity Plan. The Company will comply with the applicable requirements of the Listing Rules in respect of any future adoption of a new share scheme.

LETTER FROM THE BOARD

The Board resolved that in respect of the 2021 Award and the 2022 Award, the Connected Award Shares, which, subject to fulfilment of all other Conditions of the Long Term Incentive Equity Plan, will be granted to the Connected Incentive Participants, will be satisfied through the issue of new Shares. Satisfying these Award Shares through the issue of new Shares rather than the purchase of existing Shares will mean that no cash payments need to be made by the Group to acquire existing Shares, since the Award Shares will be satisfied with the issue of new Shares by the Company. If the conditions to the Issue summarised above are not satisfied, the Company must still discharge its obligations under each of the 2021 Award and the 2022 Award, meaning such Award Shares would instead be satisfied via the purchase of existing Shares from the market. The Board resolved to pursue the Issue rather than purchase of existing Shares from the market as the Issue will allow the Company to retain the equivalent amount of cash that would otherwise have been used to purchase existing Shares from the market. As such, the Issue provides an alternative to purchase of existing Shares which allows the Company to preserve its cash resources. These preserved cash resources are proposed to be used for the Group's day-to-day operations and/or any future mineral resources replenishment opportunities.

The Board is of the view that the terms of the proposed Issue are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The proposed Issue constitutes a non-exempt connected transaction of the Company under the Listing Rules, and is therefore subject to reporting, announcement and Independent Shareholders' approval requirements at a general meeting.

Pursuant to the Listing Rules, the resolutions proposed at the AGM will be taken by way of poll and an announcement will be made after the AGM on the results of the AGM.

Pursuant to Rule 13.36(2)(b) of the Listing Rules, conditional upon approval by the Independent Shareholders at the AGM in respect of the Issue being obtained, the new Award Shares (including the Connected Award Shares) can be issued pursuant to the General Mandate.

All the other Directors (excluding the independent non-executive Directors whose views are set out in the "Letter from the Independent Board Committee" of this circular) have approved the Issue.

Pursuant to Chapter 14A of the Listing Rules, the Connected Incentive Participants and their respective associates are required to abstain from voting on the relevant resolution at the general meeting to approve the Issue. To the best of the knowledge of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, the Connected Incentive Participants and their respective associates hold in aggregate a total of 8,843,206 Shares (approximately 0.10% of the Shares in issue as at the Latest Practicable Date) and are required to abstain from voting at the AGM to approve the Issue.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the identities and the respective shareholding for the Connected Incentive Participants and their respective associates who are required to abstain from voting on the relevant resolution at the AGM to approve the Issue are as follows:

Connected Incentive Participants	Number of Shares abstaining from voting	Approximate percentage of Shares in issue
Ross Carroll	312,104	0.004%
Troy Hey	2,123,334	0.025%
Wei Jianxian	2,465,041	0.028%
Guan Xiangjun	770,387	0.009%
Nicholas Myers	463,635	0.005%
Michel Stevering	437,817	0.005%
Angus J Henderson	407,705	0.005%
Alvaro Ossio	422,382	0.005%
Jing Zhao	0	0%
Xia Weiquan	0	0%
Charles Kyona	647,152	0.007%
Claudio Caceres	446,006	0.005%
Wong Poh Sang	347,643	0.004%
Zhang Liang	0	0%
Zhou Canliang	0	0%
Total	<u>8,843,206</u>	<u>0.10%</u>

Save for the Connected Incentive Participants and their respective associates, to the best of the Directors' knowledge, information and belief, no other Shareholder has a material interest in the 2021 Award and the 2022 Award and accordingly none of them is required to abstain from voting on the relevant resolution to approve the Issue at the AGM.

INFORMATION ABOUT THE GROUP

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

6. AGM

A notice convening the AGM to be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 23 May 2024 at 10:30 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the results of the voting by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. ACTION TO BE TAKEN

Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 10:30 a.m. on Tuesday, 21 May 2024. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

8. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 20 May 2024 to Thursday, 23 May 2024, inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 17 May 2024.

The record date for determining Shareholders' eligibility to attend and vote at the AGM will be on Thursday, 23 May 2024.

9. RECOMMENDATION

The Board is of the opinion that the proposals for the re-election of the retiring Directors, the grant of the Issue Mandate, the Repurchase Mandate and adoption of the new Articles of Association are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

The Board (including the independent non-executive Directors) consider that the Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 21 of this circular, which contains its recommendation to the Independent Shareholders as to the Issue; and (ii) the letter from Somerley set out on pages 22 to 37 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Issue, and reasons considered by it in arriving at its opinion.

Yours faithfully
For and on behalf of the Board
MMG Limited
Xu Jiqing
Chairman and Non-executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

30 April 2024

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 30 April 2024 (the “Circular”) to the Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed as members of the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Issue are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Somerley Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Issue.

Your attention is drawn to the “Letter from the Board” set out on pages 6 to 20 of the Circular which contains, inter alia, information about the terms of the Issue and the “Letter of advice from Somerley” set out on pages 22 to 37 of the Circular which contains its advice in respect of the Issue together with the principal factors taken into consideration in arriving at its opinion in respect of the Issue.

We have considered the principal factors taken into account by Somerley in arriving at its opinion in respect of the Issue. We concur with the views of Somerley that the Issue is fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution in respect of the Issue.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
MMG Limited

Dr Peter William Cassidy
Independent
non-executive Director

Mr Leung Cheuk Yan
Independent
non-executive Director

Mr Chan Ka Keung, Peter
Independent
non-executive Director

LETTER OF ADVICE FROM SOMERLEY

The following is the letter of advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders in relation to the Issue, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

30 April 2024

To: the Independent Board Committee and the Independent Shareholders of MMG Limited

Dear Sirs,

CONNECTED TRANSACTION ISSUE OF NEW SHARES TO CONNECTED PERSONS UNDER THE LONG TERM INCENTIVE EQUITY PLAN

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Issue to the Connected Incentive Participants under the Long Term Incentive Equity Plan. Details of the Issue are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 30 April 2024 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcements of the Company dated 16 April 2024 and 24 April 2024 in relation to (i) the issue and allotment of up to 21,306,781 new Award Shares of the Company to the Incentive Participants, of which up to 4,900,058 (The number of Connected Award Shares was changed from 5,660,673 to 4,900,058 due to lapse of Mr Li Liangang's interest in 2021 Award following his resignation as interim CEO and executive Director of the Company with effect from 24 April 2024 (the “**Lapse**”)) Connected Award Shares will be issued to 13 Connected Incentive Participants; and (ii) the issue and allotment of up to 29,882,658 new Award Shares of the Company to the Incentive Participants, of which up to 8,709,895 (The number of Connected Award Shares was changed from 9,959,139 to 8,709,895 due to the Lapse) Connected Award Shares will be issued to 15 Connected Incentive Participants in respect of the 2021 Award and the 2022 Award, respectively, under the Long Term Incentive Equity Plan (the “**Announcements**”).

LETTER OF ADVICE FROM SOMERLEY

As the Issue involves the granting of the Award Shares to a total of 15 Connected Incentive Participants under the 2021 Award and the 2022 Award, it constitutes a non-exempt connected transaction for the Company under the Listing Rules, and is therefore subject to reporting, announcement and Independent Shareholders' approval requirements. Pursuant to Chapter 14A of the Listing Rules, the Connected Incentive Participants and their respective associates are required to abstain from voting on the relevant resolution at the general meeting to approve the Issue.

The Independent Board Committee, comprising all the Company's independent non-executive Directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan and Mr Chan Ka Keung, Peter, has been formed to make recommendation to the Independent Shareholders on (i) whether the Issue is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) whether the terms of the Issue are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. We, Somerley Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

During the past two years, we have not acted as an independent financial adviser to the Company. In addition, we are not associated with the Company, the Connected Incentive Participants or their respective close associates, associates or core connected persons (all as defined under the Listing Rules) and accordingly we are considered eligible to give independent advice on the proposed Issue. Apart from normal professional fees payable to us in connection with this and similar appointments, no arrangement exists whereby we will receive any fees or benefits from the Company, the Connected Incentive Participants or their respective close associates, associates or core connected persons.

In formulating our opinion, we have reviewed, amongst other documents, the Long Term Incentive Equity Plan, the guidebooks provided to the Incentive Participants in respect of the 2021 Award and the 2022 Award (the "**Grant Guidebooks**"), the Announcements, the annual report of the Company for the year ended 31 December 2023 (the "**2023 Annual Report**") and the information contained in the Circular.

We have relied on the information and facts supplied, and the opinions expressed to us, by the management of the Group (the "**Management**") which we have assumed to be true, accurate, complete and not misleading in all material aspects at the relevant time they were supplied or expressed. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth, accuracy or completeness of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

LETTER OF ADVICE FROM SOMERLEY

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation with regard to the proposed Issue, we have taken into account the principal factors and reasons set out below:

1. Information of the Group

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

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2023 as extracted from the 2023 Annual Report:

	For the year ended December 31	
	2023	2022
	US\$ million	US\$ million
Revenue	4,346.5	3,254.2
- Las Bambas ⁽¹⁾	3,417.3	2,086.8
- Kinsevere ⁽²⁾	354.6	421.5
- Dugald River ⁽³⁾	331.2	484.3
- Rosebery ⁽⁴⁾	240.0	259.9
- Others ⁽⁵⁾	3.4	1.7
Profit attributable to equity holders of the Company	9.0	172.4

Notes:

- (1) The Las Bambas mine is a large open-pit, scalable, long-life copper and molybdenum mining operation with prospective exploration options. It is located in the Cotabambas, Apurimac region of Peru.
- (2) Kinsevere is an open-pit copper mining operation located in the Haut-Katanga Province of the Democratic Republic of Congo.
- (3) The Dugald River mine is an underground zinc mining operation located near Cloncurry in North West Queensland.
- (4) Rosebery is an underground polymetallic base metal mining operation located on Tasmania's west coast.
- (5) Includes corporate entities in the Group.

The Group's revenue increased by 33.6% to US\$4,346.5 million in 2023 from US\$3,254.2 million in 2022. The increase was primary attributable to the surge in sales of metal in Las Bambas, from US\$2,086.8 million in 2022 to US\$3,417.3 million in 2023, as a result of stable logistics since March 2023 in contrast to 173 days of road blockage in 2022, and the increase was partially offset by lower copper prices. The revenue derived from Kinsevere decreased by 15.9%, from US\$421.5 million in 2022 to US\$354.6 million in 2023, due to (i) lower copper sales

LETTER OF ADVICE FROM SOMERLEY

volumes in line with lower production; (ii) lower copper prices; and (iii) declining oxide feed grades and lower ore milled caused by an unstable power supply from the national grid affecting ore milled throughput. The revenue derived in Dugald River recorded a decrease of 31.6%, from US\$484.3 million in 2022 to US\$331.2 million in 2023, owing to (i) lower production following a 34-day suspension caused by a tragic incident in February 2023; and (ii) lower zinc prices.

The Group's profit attributable to equity holders of the Company recorded a significant year-on-year decline of 94.8% to US\$9.0 million in 2023 compared to US\$172.4 million in 2022. Such decrease was primary attributable to the loss after tax of US\$55.9 million arising from continuing operations other than Las Bambas in 2023, in contrast to a profit after tax of US\$154.6 million in 2022. In addition to reduction in revenue derived from Kinsevere and Dugald River as mentioned above, the decrease in profit was attributable to (i) the increase in the operating expenses of Kinsevere's mine by 21% driven by higher consumption of third-party ores; and (ii) unfavourable stock movement due to a net drawdown of concentrate inventory and ore stockpiles for Dugald River. As disclosed in the letter from the Board, the performance measures of the 2021 Award and the 2022 Award include (i) resources growth of the Group; (ii) relative total shareholder return as compared against that of the constituents of the Index or a selected group of comparable companies; and (iii) relative return on equity as compared against that of the constituents of the Index or a selected group of comparable companies over the relevant performance periods. The number of Performance Awards to be vested, will be subject to achieving the above-mentioned performance measures and their respective performance targets. The non-achievement of any performance conditions will result in a lower number of Performance Awards to be vested than the number granted.

2. Background of and reasons for the proposed Issue

The Group recognises that 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 Group has remuneration policies that align with legislative requirements, market practice and requirements and remunerates its employees based on the accountabilities of their roles, their performance and the performance of the Group. Employee benefits include market-competitive fixed remuneration, performance-related incentives and, amongst others, the Long Term Incentive Equity Plan. Permanent employees of any member of the Group in executive or senior roles on the date on which an award is granted under the Long Term Incentive Equity Plan can be a participant.

In 2012, the Board adopted a ten-year Long Term Incentive Equity Plan (save for the Chapter 17 share option scheme component, which was subject to approval by the Shareholders) to enable the Company to grant awards to selected employees of the Group as incentives or rewards for their contribution to the development of the Group. The ten-year Long Term Incentive Equity Plan expired in 2022 and no further grant of options or awards will be made under such Long Term Incentive Equity Plan.

LETTER OF ADVICE FROM SOMERLEY

As set out in the letter from the Board contained in the Circular, the principal objectives of the Long Term Incentive Equity Plan and the proposed Issue are to align the interests of executive directors and key senior employees with those of Shareholders, to recognise the contribution of such persons, and to incentivise them to remain in employment with the Group, through the application of performance conditions that ensure such persons are rewarded when Shareholders benefit from the performance of the Company.

Pursuant to the terms of the Long Term Incentive Equity Plan, eligible persons may be granted the following:

- (i) a conditional right to acquire and/or subscribe for Shares granted under the Long Term Incentive Equity Plan (the “**Conditional Award**”);
- (ii) a right to acquire Shares granted under the Long Term Incentive Equity Plan (the “**Option**”);
- (iii) cash award;
- (iv) forfeitable Shares held in the name of or for the benefit of the Incentive Participant subject to the forfeitable share agreement to be entered into between an incentive participant and the Company (to the extent that the forfeitable Shares lapses under the Long Term Incentive Equity Plan, the Shares granted are forfeited and the incentive participant will immediately transfer his or her interest in the Shares, for no consideration or nominal consideration, to any person specified by the Company) (the “**Forfeitable Shares**”); or
- (v) a combination of the above.

The conditional right under the Performance Awards will usually lapse at the end of the tenth anniversary of the grant of the right or six months after the person holding an award ceases to be an employee of any member of the Group. The grant of Options pursuant to the terms of the Long Term Incentive Equity Plan is subject to Chapter 17 of the Listing Rules. If eligible persons are granted with a Conditional Award or Forfeitable Shares, the Company may issue new Shares by general mandate or specific mandate, or purchase Shares from the market, to satisfy such award (which will not be subject to the above scheme limit). Under the Long Term Incentive Equity Plan, all the granted Options were expired in May 2023 and save for the 2021 Award and 2022 Award, there are no other outstanding Options or awards under the Long Term Incentive Equity Plan. The Company will comply with the applicable requirements of the Listing Rules in respect of any future adoption of a new share scheme. Details of the Long Term Incentive Equity Plan are set out in the circular of the Company dated 8 March 2013.

The Board resolved that the Connected Award Shares granted under the 2021 Award and the 2022 Award, subject to fulfilment of all other conditions of the Long Term Incentive Equity Plan, will be satisfied through the issue of new Shares (as opposed to the purchase of existing Shares on the stock market). Satisfying these Award Shares through the issue of new Shares rather than the purchase of existing Shares will mean that no cash payments need to be made by the Group to acquire existing Shares. Independent Shareholders are reminded that if the

LETTER OF ADVICE FROM SOMERLEY

conditions to the Issue are not satisfied as aforementioned, the Company will still need to discharge its obligations under each of the 2021 Award and the 2022 Award by purchasing the existing Shares on the stock market. As discussed with the Management, as the Issue will allow the Company to retain the equivalent amount of cash that would otherwise have been used to purchase existing Shares on the stock market, the Company has chosen to pursue the Issue to preserve its cash outlay. These preserved cash resources are proposed to be used for the Group's day-to-day operations.

Furthermore, we have reviewed (i) an executive and remuneration trends report prepared by PricewaterhouseCoopers in May 2021 on the Australian trends both overall and with a specific focus on long-term incentive plan market practices (the "**Remuneration Report**"); (ii) compensation benchmarking advisory reports prepared by Korn Ferry, an independent reputable compensation expert; and (iii) remuneration advisory reports prepared by Mercer, an independent reputable human resources consultant and noted that the grant of award shares is a prevalent practice in the market. We also understand that the proposed Issue has been reviewed and approved by the Board.

3. Background and basis of selecting the Connected Incentive Participants

The Company has granted a total of 21,306,781 Award Shares and 29,882,658 Award Shares under the 2021 Award and the 2022 Award respectively, of which an aggregate of 4,900,058 Connected Award Shares and 8,709,895 Connected Award Shares will be granted to the Connected Incentive Participants under the 2021 Award and the 2022 Award respectively. The identity of, roles and responsibilities of and number of Award Shares to be granted to each Connected Incentive Participant are set out in the table below.

Name	Position/Title	Roles and responsibilities	2021 Award		2022 Award		Total	
			Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date
Directors of Significant Subsidiaries of the Company								
Ross Carroll	Chief Financial Officer (retired with effect from 6 March 2024)	Accountable for the Group's global commercial and finance, mergers and acquisitions, project delivery and exploration functions	1,241,323	0.014%	1,958,613	0.023%	3,199,936	0.037%
Troy Hey	Executive General Manager - Corporate Relations	Accountable for external stakeholder relations (i.e. investors, management, communities and governments) in the jurisdictions in which the Group operates globally	766,394	0.009%	1,246,611	0.014%	2,013,005	0.023%

LETTER OF ADVICE FROM SOMERLEY

Name	Position/Title	Roles and responsibilities	2021 Award		2022 Award		Total	
			Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date
Wei Jianxian	Executive General Manager - Americas	Accountable for all of the Group's mining operations in South America including Las Bambas	718,140	0.008%	1,204,590	0.014%	1,922,730	0.022%
Guan Xiangjun	General Manager - China Relations	Accountable for external stakeholder relations (i.e. investors and government) in China	342,556	0.004%	541,805	0.006%	884,361	0.010%
Nicholas Myers	General Counsel	Accountable for governance and legal compliance in all jurisdictions in which the Group operates	328,015	0.004%	531,866	0.006%	859,881	0.010%
Michel Stevering	Deputy Executive General Manager - Finance	Accountable for the Group's global treasury, global tax, financial and management reporting and budgeting	300,548	0.003%	487,506	0.006%	788,054	0.009%

LETTER OF ADVICE FROM SOMERLEY

Name	Position/Title	Roles and responsibilities	2021 Award		2022 Award		Total	
			Number of Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date
Angus J Henderson	General Manager - Australia operations commercial and business support	Accountable for all business support and commercial activities in relation to the Group's operations in Australia	278,100	0.003%	473,650	0.005%	751,750	0.009%
Alvaro Ossio	General Manager - Commercial	Accountable for the Group's treasury, tax, financial and management reporting and budgeting in Las Bambas	272,627	0.003%	481,282	0.006%	753,909	0.009%
Jing Zhao	General Manager - Sustainability & Corporate Affairs	Accountable for stakeholder relations (i.e. government, company and community) and the management of the social risk to maintain a stable and sustainable environment in relation to the operation of Las Bambas in Peru	—	—	426,290	0.005%	426,290	0.005%

LETTER OF ADVICE FROM SOMERLEY

Name	Position/Title	Roles and responsibilities	2021 Award		2022 Award		Total	
			Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date
Xia Weiquan	General Manager - Kinsevere	Accountable for all of the Kinsevere's mining operations in the Democratic Republic of Congo	193,345	0.002%	393,583	0.005%	586,928	0.007%
Charles Kyona	Manager Stakeholder Relations - Democratic Republic of the Congo	Accountable for stakeholder relations matters in relation to the Group's mining operations in the Democratic Republic of the Congo	182,338	0.002%	299,910	0.003%	482,248	0.006%
Claudio Caceres	Las Bambas Head Legal Counsel	Accountable for governance and legal compliance in relation to the Las Bambas operations in Peru	122,085	0.001%	205,260	0.002%	327,345	0.004%
Wong Poh Sang	Head of Shared Business Services	Accountable for the delivery of all group shared business services to the operations of the Group	101,203	0.001%	169,756	0.002%	270,959	0.003%

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Name	Position/Title	Roles and responsibilities	2021 Award		2022 Award		Total	
			Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date	Number of Performance Awards granted	Approximate % of total issued share capital as at the Latest Practicable Date
Zhang Liang	Head of Supply	Accountable for governance of the global supply function	53,384	0.001%	98,077	0.001%	151,461	0.002%
Zhou Canliang	Acting General Manager Commercial	Accountable for the Group's treasury, tax, financial and management reporting and budgeting in Las Bambas	—	—	191,096	0.002%	191,096	0.002%
Total			4,900,058	0.057%	8,709,895	0.101%	13,609,953	0.157%

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We have also reviewed the biographies and roles and responsibilities in the Group of Connected Incentive Participants. Based on our review, we are of the view that each of Connected Incentive Participants plays an important role over the Group's sustainable development.

4. Key terms of the 2021 Award and the 2022 Award

Set out below is a summary of the principal terms of the 2021 Award and the 2022 Award, as extracted from the Grant Guidebooks. These terms are applied consistently to all Incentive Participants, regardless of whether they are Connected Incentive Participants or not. Further details of the principal terms of the 2021 Award and the 2022 Award are set out in the letter from the Board contained in the Circular.

(i) Performance Awards

A Performance Award under the Long Term Incentive Equity Plan is a contractual right, granted to an Incentive Participant, to be issued a given number of Award Shares for nil cash consideration if the nominated performance measures are achieved and vesting occurs. The Performance Awards do not confer rights to the Incentive Participants as Shareholders until such time as they are converted to a given number of ordinary shares. The Award Shares will, to the extent that they are to be satisfied with the issue of new Shares rather than the purchase of existing Shares on the stock market, be issued and allotted under the General Mandate.

According to the Remuneration Report, grants of performance based stock, such as shares or rights, have been the most common long-term incentive instrument amongst the then top 100 largest companies listed on the Australian Securities Exchange (the "**ASX100 Companies**") and companies in the resources and extractive sector amongst the ASX100 Companies, namely (i) AGL Energy Ltd (AGL.ASX); (ii) BHP Group Ltd (BHP.ASX); (iii) Origin Energy Ltd (ORG.ASX); (iv) South32 Ltd (S32.ASX); and (v) Woodside Petroleum Ltd (WPL.ASX) (collectively, the "**ASX100 Resources Companies**"). Such grants of performance rights have been generally made to chief executives and senior management of the Company's peer companies. As the Company's senior management is mostly based in Australia and the ASX100 Resources Companies comprise reputable international mining companies, the findings presented in the Remuneration Report offer valuable insights into the market practices and trends of long-term incentive plan for assessment of the Issue.

(ii) Performance period

The Long Term Incentive Equity Plan rewards performance of the Incentive Participants over a three-year period against the performance targets (as discussed in paragraph (iv) below). The performance periods are from 1 January 2021 to 31 December 2023 and 1 January 2022 to 31 December 2024 (the "**Performance Periods**") for the 2021

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Award and the 2022 Award, respectively. The Group's achievement against the corresponding performance targets will be determined in early 2024 and early 2025 for the 2021 Award and the 2022 Award, respectively for the purpose of vesting of the Performance Awards.

According to the Remuneration Report, 73% of the ASX100 Companies set their performance period to be three years, which makes the three-year performance period the most common practice.

We also consider the Performance Periods to be adequate (but not prolonged) durations for assessing the Group's performance, striking the balance between sufficient evaluation time and the interests of Incentive Participants in realising their Performance Awards.

(iii) Performance measures and performance targets

Similar to the grant of Performance Shares under the Long Term Incentive Equity Plan in 2018 to 2020 ("**2018-2020 Awards**"), each of the 2021 Award and the 2022 Award is made up of three equal tranches and each tranche will be measured independently. Each tranche has its respective performance measures on individuals (the "**Performance Measures**") and performance targets of the Group (the "**Performance Targets**"), which are the same as those of the 2018-2020 Awards. Details of Performance Measures and Performance Targets are set out in the letter from the Board and our discussion is set out in our letter contained in circular of the Company dated 10 February 2021.

(iv) Total quantum of the Performance Awards

The quantum of the Performance Awards for each of the Incentive Participants, including the Executive General Managers and other senior management of the Group, was determined with reference to, amongst other things, the total fixed remuneration, the percentage of long-term incentive to total fixed remuneration, seniority and complexity of the work of the Incentive Participants and the prevailing market price of the Shares.

The Remuneration Committee regularly seeks advices on the remuneration levels of the senior management of the Group from compensation experts including Korn Ferry and Mercer. To assess the fairness and reasonableness of the remuneration level of the Incentive Participants, we have obtained and reviewed the reports issued by Korn Ferry in 2023 and Mercer in 2024, and noted that Korn Ferry employed a proprietary evaluation method of their own based on their proprietary database which includes more than 398,000 incumbents serving in 671 organisations in Australia, while Mercer compared executive general manager's remuneration of the Company with 19 peer companies selected from (i) 226 participants of 2023 Mercer Australia Resources Remuneration Survey; (ii) 47 participants of 2023 Mercer Peru Energy and Mining Remuneration Survey; and (iii) 27 participants of 2023 Mercer Democratic Republic of Congo Remuneration

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Survey. We further noted that the remuneration packages, including the total fixed remuneration and the long-term incentive (i.e. the 2021 Award and the 2022 Award), of the Connected Incentive Participants generally lie within the range of those of the executives in similar capacities employed by industry peers.

(v) Holding lock periods

Holding lock periods will apply to 50% of the Award Shares held by the Incentive Participants from the time of vesting. Of these holding-locked Award Shares, half of them may be sold at, or after one year from, the end of the Performance Periods (i.e. 1 January 2025 and 1 January 2026 for the 2021 Award and the 2022 Award respectively), and the remaining half may be sold at, or after two years for the 2021 Award and the 2022 Award from, the end of the relevant Performance Periods (i.e. 1 January 2026 and 1 January 2027 for the 2021 Award and the 2022 Award respectively).

We consider the specified holding lock periods appropriate for the ensuring the ongoing alignment of interests of the Shareholders and the Incentive Participants.

Based on the above assessment, we are of view that the terms (including the vesting conditions which are the same as those of 2018-2020 Awards) of the 2021 Award and the 2022 Award pursuant to the Company's Long Term Incentive Equity Plan are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

5. Financial effects of the Issue

During the Performance Period of three years, the Company recognises the fair value of the Performance Awards proposed to be granted to the Incentive Participants as an expense in its consolidated statement of profit or loss. Simultaneously, an equivalent amount is accounted for in a share-based payment reserve account in the equity in its consolidated statement of financial position, prior to the issuance of the Award Shares. The fair value of the Performance Awards was determined at the date of grant using Monte Carlo Simulations, incorporating the market based condition (i.e. relative total shareholder return) and referencing the share price on the grant dates for the 2021 Award and the 2022 Award. Additionally, non-market based vesting conditions (i.e. resources growth and return on equity) are included in assumptions about the number of the Performance Awards that are expected to vest.

At each reporting date, the Group revises its estimates of the number of the Performance Awards that are expected to vest based on non-market based vesting conditions. It recognises the impact of the revision of original estimates, in the consolidated statement of profit or loss. A corresponding adjustment will be made to the share-based payment reserve account in the equity in its consolidated statement of financial position. Once the Award Shares are issued under the Performance Awards, the balance held in the aforesaid reserve account will be transferred and credited to the share capital account in the equity in its consolidated statement of financial position.

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As mentioned in the section headed “2. Background of and reasons for the proposed Issue” above, in the event that the Independent Shareholders’ approval for the Issue is not obtained at the general meeting, the Company still needs to honour its obligations under both the 2021 Award and the 2022 Award. In such a scenario, the Company will proceed with purchasing existing Shares on the stock market and thus reduce its cash balance, consequently resulting in a negative impact on the Group’s net asset value. For illustration purpose, assuming the purchase of all Connected Award Shares (i.e. 13,609,953 Shares) took place on the Latest Practicable Date at HK\$3.51 per Share, this would reduce the net asset value of the Group by approximately HK\$47.8 million (or equivalent to approximately US\$6.1 million) and the net asset value per Share (based on the consolidated net asset value of the Group as at 31 December 2023 of approximately US\$2,123.4 million and the total number of Shares in issue of 8,656,047,188 as at the Latest Practicable Date) will decrease by approximately 0.3%. On the contrary, the Issue is anticipated to have a minimal dilution impact of approximately 0.2% on the net asset value per Share. Overall, the Issue is expected to have limited effect on the net asset value of the Group and effectively preserve cash.

The Issue is anticipated to have an insignificant impact on the cash flows of the Group. However, if the obligations under each of the 2021 Award and the 2022 Award are fulfilled through the purchase of existing Shares from the stock market, it will further deplete the Group’s cash resources.

Apart from those discussed above, there will be no material difference in the impact on the Group’s consolidated statement of profit or loss between the Issue and purchase of existing Shares from the stock market, in order to satisfy the Company’s obligations under each of the 2021 Award and the 2022 Award.

In light of the above, we take a balanced view of factors including (i) the fact that the Issue has a lower dilutive effect on the net asset value per Share compared to purchasing an equivalent number of existing Shares from the stock market; (ii) the importance of preserving cash for the operations of the Group; and (iii) no material difference in the Group’s profit or loss between the Issue and purchase of existing Shares on the stock market. Taking into consideration the combined impact of these three factors, we are of the view that the Issue is an acceptable alternative to the purchase of existing Shares on the stock market.

6. Effects on the shareholding dilution

As at the Latest Practicable Date, there were 8,656,047,188 Shares in issue. The total maximum number of the Connected Award Shares to be issued to the Connected Incentive Participants under the Issue will be 13,609,953 Shares, representing approximately 0.1572% of the issued share capital of the Company as at the Latest Practicable Date, and approximately 0.1570% of the issued share capital of the Company after completion of the Issue.

Considering the aforementioned reasons for and benefits of the Issue and terms and conditions of the Issue, the shareholding dilution to the Independent Shareholders upon the issuance of the Connected Award Shares to the Connected Incentive Participants is considered acceptable.

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OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Issue is conducted in the ordinary and usual course of business of the Group, the terms of the Issue are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and thus in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the relevant ordinary resolution to be proposed at the general meeting in relation to the Issue.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Jenny Leung
Director

Ms Jenny Leung is a licensed person and responsible officer of Somerley Capital Limited registered with the Securities Futures Commission to carry out type 6 (advising on corporate finance) regulated activity under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

The biographical and other details of the retiring Directors proposed to be re-elected at the AGM are set out as follows:

MR CAO LIANG

Mr Cao, aged 44, was previously the Vice President of China Minmetals Non-ferrous Metals Co., Ltd. and the Vice President/Chief of Staff of Minera Las Bambas S.A. at the Company. He has a Bachelor's Degree in Resources Engineering and a Master's Degree in Mining Engineering from the University of Science and Technology Beijing in China. Mr Cao has nearly 20 years' experience in international mining investment and strategy. He also has a deep understanding of international mining project management and mine operations. Further, he has collaborated with and has had experience with different stakeholders in China, Peru and Australia. Mr Cao has participated in mining acquisitions and divestments and mining project construction for China Minmetals Non-ferrous Metals Co., Ltd. and MMG.

Mr Cao has not held any directorships in any other listed public company in the three years prior to the Latest Practicable Date. 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 Latest Practicable Date, Mr Cao does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr Cao had entered into an employment contract with the Company acknowledging his appointment as the CEO of the Company. Pursuant to Mr Cao's executive employment contract with the Company, either party can terminate the contract by giving to the other not less than six months' prior written notice. Mr Cao is entitled to a total fixed remuneration of A\$1,660,000 per annum. In addition, Mr Cao received an annual amount of A\$39,000, paid as a monthly allowance of A\$3,250, to reflect his CEO duties. He 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 Governance, Remuneration, Nomination & Sustainability 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.

Save as disclosed above, there are no other matters in relation to the re-election of Mr Cao which need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

DR PETER WILLIAM CASSIDY

Dr Cassidy, aged 78, was appointed as an Independent Non-executive Director of the Company in December 2010. He is the Chairman of the Company's Governance, Remuneration, Nomination and Sustainability Committee and a member of Audit and Risk Management Committee.

Dr Cassidy is a metallurgical engineer with over 50 years' experience in the resources and energy sectors, including more than 30 years as a director of major public companies listed in Australia, Canada, the USA and Hong Kong. Following his retirement from the position of CEO of Goldfields Limited in 2001, he has served as a non-executive director on the Boards of companies involved in the base metals, precious metals and renewable energy generation sectors. He was also a member of the Board of Advice of Monash University Division of Mining and Resources Engineering.

Dr Cassidy has most recently been involved in the development and operation of major mining and processing projects in Australia, Peru, PRC, Laos, Papua New Guinea, the Democratic Republic of the Congo and Côte d'Ivoire.

Dr Cassidy has not held any other directorships in any listed public companies in the three years prior to the Latest Practicable Date. He does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr Cassidy does not have any interest in the Shares within the meaning of Part XV of the SFO.

Dr Cassidy has entered into an appointment agreement dated 31 December 2010 with the Company (Dr Cassidy's Appointment Agreement). Subject to earlier termination pursuant to the terms and conditions of Dr Cassidy's Appointment Agreement and retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association, Dr Cassidy's appointment as an Independent Non-executive Director of the Company under such agreement commenced on 31 December 2010 until either the Company or he terminates such appointment agreement by serving on the other not less than one month's prior written notice. Dr Cassidy is entitled to a service fee of A\$188,000 per annum for his appointment as an Independent Non-executive Director of the Company and A\$21,500 per annum as the Chairman of the Governance, Remuneration, Nomination and Sustainability Committee of the Company. In addition, he is entitled to an additional fee of A\$10,000 per annum for each standing board committee which he serves as a member (but does not otherwise chair). Dr Cassidy is currently the Chairman of the Governance, Remuneration, Nomination and Sustainability Committee and a member of the Audit and Risk Management Committee of the Company. The emolument of an Independent Non-executive Director is determined by reference to the duties and responsibilities of such director towards the Company, the remuneration policy of the Company, the benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters in relation to the re-election of Dr Cassidy which need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

MR LEUNG CHEUK YAN

Mr Leung, aged 72, was appointed as an Independent Non-executive Director of the Company in July 2012. He is a member of the Company's Audit and Risk Management Committee and Governance, Remuneration, Nomination and Sustainability Committee.

Mr Leung is a solicitor admitted to practise law in Hong Kong, England and Wales, and Victoria and the Australian Capital Territory in Australia. He holds a Bachelor of Social Science (First Class Honours) degree from the Chinese University of Hong Kong, and a Master of Philosophy degree from the University of Oxford. Mr Leung, a corporate finance and capital markets specialist, was a partner at Baker & McKenzie and for many years the head of its securities practice group in Hong Kong. He retired from Baker & McKenzie in 2011.

Mr Leung was an independent non-executive director of Bank of China Limited (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) from September 2013 to September 2019.

Mr Leung does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Leung does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr Leung has entered into an appointment agreement with the Company as an Independent Non-executive Director for a term of three years commencing on 9 July 2021. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr Leung is entitled to a service fee of A\$188,000 per annum for his appointment as an Independent Non-executive Director of the Company and A\$10,000 per annum as a member of each of the Audit and Risk Management Committee and the Governance, Remuneration, Nomination and Sustainability Committee. Mr Leung is currently a member of the Audit and Risk Management Committee and the Governance, Remuneration, Nomination and Sustainability Committee. The emolument of an Independent Non-executive Director is determined by reference to the duties and responsibilities of such director towards the Company, the remuneration policy of the Company, the benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters in relation to the re-election of Mr Leung which need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders for their consideration of the proposed Repurchase Mandate.

REASONS FOR REPURCHASE MANDATE

While the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the mandate granted to them if the ordinary resolution no. 6 set out in the notice of AGM is passed would be beneficial to the Company and its Shareholders. Trading conditions on the Hong Kong Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when Shares are being traded at a discount to their underlying value, the ability of the Company to repurchase Shares can be beneficial to those Shareholders who retain their investment in the Company since this may, depending on the circumstances, result in increases to the fully diluted net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued shares of the Company is 8,656,047,188 Shares.

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 865,604,718 Shares representing 10% of the total number of issued Shares at the date of the AGM.

SOURCE OF FUNDS FOR REPURCHASES

In repurchasing Shares, the Company may only apply funds from the Company's available cash flow or working capital facilities, which will be funds legally available for such purpose in accordance with its Articles of Association and the Companies Ordinance. Such funds include but are not limited to the Company's profits available for distribution.

While the Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the Company to make purchases pursuant to Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, presently intend to sell any Shares to the Company under the Repurchase Mandate in the event that the latter is granted by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that Repurchase Mandate is granted by the Shareholders.

TAKEOVERS CODE

If as a result of a share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Minmetals HK has an attributable interest of approximately 67.55% of the total number of Shares in issue. In the event that the Repurchase Mandate is exercised in full, the interests of Minmetals HK in the Company would be increased to approximately 75.06% of the total number of Shares in issue and such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of repurchase, an exercise of the Repurchase Mandate in whole would result in an insufficient public float of less than 25% of the total number of Shares in issue, assuming Minmetals HK do not participate in such repurchase. Save as disclosed above, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. The Directors also have no intention to exercise the Repurchase Mandate to an extent that may result in a public shareholding of less than the minimum public float requirement.

MARKET PRICE

The highest and lowest prices at which Shares were traded on the Hong Kong Stock Exchange during each of previous 12 months preceding the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2023		
April	3.58	2.22
May	3.07	2.29
June	2.61	2.19
July	3.08	2.29
August	3.09	2.39
September	2.82	2.33
October	2.43	2.14
November	2.45	2.11
December	2.41	2.05
2024		
January	2.44	1.92
February	2.21	1.75
March	3.33	2.09
April (up to the Latest Practicable Date)	4.16	3.16

SHARES REPURCHASES MADE BY THE COMPANY

No repurchases of Shares (whether on the Hong Kong Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

In order to bring the Articles of Association in line with the latest regulatory requirements under the Listing Rules in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which came into effect on 31 December 2023, certain amendments are proposed to be made to the Articles of Association. In view of the substantial number of amendments, it is proposed that the Company takes this opportunity to adopt a new set of Articles of Association, consolidating all previous and proposed amendments, to replace the existing Articles of Association, with effect from the date of passing the relevant special resolution at the AGM. Set out below are the principal differences between the existing Articles of Association and the new Articles of Association.

The legal advisors to the Company have confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and do not violate Hong Kong Companies Ordinance.

Article 149

By deleting the words “printed” in the second and the fifth lines; inserting the words “or if the recipient has agreed to receive it in electronic form or if not prohibited by any applicable law, in the electronic form and by the electronic means so agreed” after the words “be sent by post to the registered address” in the sixth line of Article 149.

Proposed new term

Every statement of financial position of the Company shall be signed pursuant to the Ordinance, and a copy of the reporting documents (including every document required by law to be annexed to it) which are to be laid before the Company in annual general meeting, together with a copy of the Directors’ report and a copy of the Auditors’ report, shall at least 21 days before the date of the meeting, be sent by post to the registered address or if the recipient has agreed to receive it in electronic form or if not prohibited by any applicable law, in the electronic form and by the electronic means so agreed of every member of, and every holder of debentures of, the Company and every other person entitled to receive notices of general meetings of the Company, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

Article 156

By deleting the words “within Hong Kong” in the sixth line; inserting the words “through electronic means (if the member had agreed to receive it in electronic form or if not prohibited by any applicable law) or by” after the words “the death, mental incapacity or bankruptcy of a member by sending it through” in the third line and inserting the words “within Hong Kong or the electronic address” after the words “at the address” in the fifth line of the Article 156.

Proposed new term

Subject to the Ordinance and the Listing Rules, a notice may be given by the Company to the person entitled to a share in consequence of the death, mental incapacity or bankruptcy of a member by sending it through electronic means (if the member had agreed to receive it in electronic form or if not prohibited by any applicable law) or by the post in a prepaid letter addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address within Hong Kong or the electronic address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if such death, mental incapacity or bankruptcy had not occurred.

Article 158

By deleting the words “registered” in the second line; inserting the words “delivered or sent through electronic means (if the member had agreed to receive it in electronic form or if not prohibited by any applicable law) or” after the words “any notice or document” in the first line and inserting “or the electronic address” after the words “or left at the registered address” in the second line of the Article 158.

Proposed new term

Subject to the Ordinance and the Listing Rules, any notice or document delivered or sent through electronic means (if the member had agreed to receive it in electronic form or if not prohibited by any applicable law) or by post to, or left at the address or the electronic address of any member in pursuance of these Articles, shall notwithstanding that such member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person is registered in his place as the holder or joint holder of such shares, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.

Article 159

By deleting the word “or” in the first line and inserting the words “or made electronically, as the case may be.” After the words “printed” in the last line of the Article 159.

Proposed new term

The signature to any notice to be given by the Company may be written, printed or made electronically, as the case may be.

Article 166

By deleting the words “or” in the fifteenth and the seventeenth lines; inserting the words “or if the recipient has agreed to receive it in electronic form or if not prohibited by any applicable law, in the electronic form and by the electronic means,” after the words “by a registered letter sent through the post and addressed to such member at his address in the register,” in the sixteenth line; inserting the word “, respectively,” after the words “and such notice shall” in the sixteenth line and inserting the words “or the electronic communication is transmitted or published.” after the words “the letter is posted” in the last line of Article 166.

Proposed new term

In the event of a winding up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing a person resident in Hong Kong and stating that person’s full name, address and occupation upon whom all summonses, notices, process, orders and judgments in relation to or under the winding up of the Company may be served. In default of such nomination, the liquidator of the Company shall be at liberty on behalf of such member to appoint any other person for this purpose, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes. Where the liquidator makes any such appointment, he shall give notice of it to such member by advertisement in Hong Kong as he shall deem appropriate, by a registered letter sent through the post and addressed to such member at his address in the register, or if the recipient has agreed to receive it in electronic form or if not prohibited by any applicable law, in the electronic form and by the electronic means, and such notice shall, respectively, be deemed to be served on the day following that on which the advertisement appears, the letter is posted or the electronic communication is transmitted or published.

1 RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2 DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive officer of the Company or any of their associates in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (Model Code) as set out in Appendix C3 of the Listing Rules were as follows:

Long Position in the Shares and the Underlying Shares

Name of Directors/chief executive officer	Nature of Interest	Number of Shares Held	Number of Underlying Shares Held		Approximate percentage of Shares in issue as at the Latest Practicable Date ²
			Options	Performance Awards ¹	
Li Liangang ³	Personal	764,962	—	2,009,859	0.032%
Xu Jiqing	Personal	940,050	—	—	0.011%

Notes

- The Directors' interests in the underlying Shares are through performance awards granted by the Company, details of which are set out under section headed "Performance Awards" on pages 72 to 74 of the annual report of the Company for the year ended 31 December 2023. Following resignation of Mr Li Liangang as the interim CEO and an executive Director of the Company with effect from 24 April 2024, his interest in the underlying Shares through performance awards granted by the Company was lapsed with effect from his resignation.
- The calculation is based on the number of Shares and/or underlying Shares as a percentage of the total number of issued Shares (that is, 8,656,047,188 Shares) as at the Latest Practicable Date.
- Mr Li Liangang resigned as the interim CEO and an executive Director of the Company with effect from 24 April 2024.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive officer of the Company or any of their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders' interests and short positions in the Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors and chief executive officer of the Company, the following persons had interests or short positions in the Shares or underlying Shares of the Company that were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, that were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of substantial Shareholders	Capacity	Number of Shares directly or indirectly held¹	Approximate percentage of Shares in issue²
China Minmetals Corporation (CMC)	Interest of controlled corporations	5,847,166,374	67.55%
China Minmetals Corporation Limited (CMCL)	Interest of controlled corporations	5,847,166,374	67.55%
China Minmetals Non-ferrous Metals Holding Co., Ltd (CMNH)	Interest of controlled corporations	5,847,166,374	67.55%
China Minmetals Non-ferrous Metals Co., Ltd (CMN)	Interest of controlled corporations	5,847,166,374	67.55%
Album Enterprises Limited (Album Enterprises)	Interest of controlled corporations	5,847,166,374	67.55%
China Minmetals H.K. (Holdings) Limited (Minmetals HK)	Interest of controlled corporations	5,847,166,374	67.55%

Notes:

1. Minmetals HK is owned as to approximately 39.04%, 38.95% and 22.01% by CMCL, Album Enterprises and Top Create Resources Limited respectively. Album Enterprises and Top Create Resources Limited are wholly owned by CMN, which in turn is owned as to approximately 99.999% and 0.001% by CMNH and CMCL respectively. CMNH is a wholly owned subsidiary of CMCL. CMCL is owned as to approximately 87.5% by CMC and approximately 0.8% by China National Metal Products Co. Ltd., which in turn is a wholly owned subsidiary of CMC. Accordingly, each of CMC, CMCL, CMNH, CMN and Album Enterprises was deemed as interested in the 5,847,166,374 Shares held by Minmetals HK.
2. The calculation is based on the number of Shares that each person is interested in (whether directly/indirectly interested or deemed to be interested) as a percentage of the total number of issued Shares (that is, 8,656,047,188 Shares) of the Company as at the Latest Practicable Date.

Save as disclosed, none of the Directors or proposed directors is a director or employee of a company whose interests or short positions in the Shares or underlying Shares of the Company are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and CEO of the Company, the Company has not been notified by any persons who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3 COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors in a business that competes or is likely to compete with the businesses of the Group, as defined in the Listing Rules, were as follows:

- (a) Mr Xu Jiqing, a Non-executive Director and Chairman of the Company, is/was: (appointed as Chairman of the Company on 18 August 2023), a director and the Chairman of CMN; and the President of CMN until September 2023.
- (b) Mr Zhang Shuqiang, a Non-executive Director of the Company, is/was the General Manager of the Finance Department of CMC until April 2023; the Auditor — General of CMC; a director of CMNH; a director of CMN until March 2023; a director of Minmetals HK; and the Chairman of Minmetals Finance Co., Ltd.

Although the Group and the above companies are involved in businesses in the same industry, they are separate companies operated by separate and independent management. The Company is therefore capable of carrying on its business independently of, and at arm's length from, CMC and its subsidiaries and Hunan Nonferrous Metals Holding Group Co. Ltd.

Save as disclosed above:

- (a) none of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group;
- (b) none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (c) none of the Directors or chief executive of the Company and their respective close associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder of the Company.

4 SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5 MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or trading position of the Group since 31 December 2023, the date to which the latest published audited consolidated accounts of the Group were made up.

6 MATERIAL LITIGATION

As at the Latest Practicable Date, the following litigations or claims of material importance were known to the Directors to be pending or threatened by or against members of the Group:

As disclosed by the Company previously, Minera Las Bambas S.A. (MLB), the Company's subsidiary, received a judgment from the Peru Tax Court in respect of legal proceedings with the National Superintendence of Tax Administration of Peru (SUNAT) in relation to an assessment of income tax and withholding tax. MLB has intended to appeal the decision to the Peru Tax Court. It is noted that appeals in the Peruvian Judiciary System may take several years to resolve. Please refer to pages 199 to 200 of the Company's 2023 annual report published on 23 April 2024 for more details.

7 QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which is contained or referred to in this circular:

Name	Qualification
Somerley	A corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Somerley had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Somerley was not interested, directly or indirectly, in any assets which had since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

8 DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mmg.com) for a period of not less than 14 days from the date of this circular:

- (a) a copy of the Long Term Incentive Equity Plan;
- (b) the letter from the Independent Board Committee to the Independent Shareholders in respect of the Issue;
- (c) the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in respect of the Issue; and
- (d) the letter of consent referred to the paragraph headed “Qualification and Consent of Expert” in this appendix.

NOTICE OF AGM



MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of MMG Limited (Company) will be held at Monet Room B, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 23 May 2024 at 10:30 a.m. (Meeting) for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and of the auditor of the Company for the year ended 31 December 2023;
2. To re-elect, each as a separate resolution, the following retiring directors of the Company (Directors):
 - (a) Mr Cao Liang;
 - (b) Dr Peter William Cassidy; and
 - (c) Mr Leung Cheuk Yan.
3. To authorise the board of directors of the Company (Board) to fix the remuneration of all the Directors;
4. To appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board to fix the remuneration of the auditor;
5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (c) below, pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (Companies Ordinance) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the Company, to grant rights to

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subscribe for, or convert any security into, shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall authorise the Board during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) the grant of options or an issue of shares upon the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
 - (iii) the grant of rights of subscription or conversion or the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; or
 - (iv) any script dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the articles of association of the Company from time to time,

shall not exceed 20 per cent of the total number of shares of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by Hong Kong law or the articles of association of the Company to be held; and

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- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Board by this resolution; and

“Rights Issue” means an offer of shares or an offer or issue of options, warrants or other securities giving the right to subscribe for, or of securities convertible into, shares of the Company, open for a period fixed by the Board to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

- 6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (b) below and pursuant to the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Board during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase securities of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the securities of the Company may be listed and is recognised by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company repurchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the total number of shares of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by Hong Kong law or the articles of association of the Company to be held; and
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Board by this Resolution.”
7. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

“**THAT**, conditional on Resolutions no. 5 and no. 6 set out in this notice being passed, power be given to the Board to add the number of shares purchased by the Company pursuant to the general mandate referred to in Resolution no. 6 set out in this notice to the 20 per cent general mandate to allot, issue and deal with new shares of the Company, to grant rights to subscribe for, or convert any security into, shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power referred to in Resolution no. 5 set out in this notice.”

8. As special business to consider and, if thought fit, pass with or without amendments the following resolution as a Special Resolution:

“**THAT**

- (a) the Proposed Amendments to the existing articles of association of the Company, the details of which are set out in Appendix III to the circular of the Company dated 30 April 2024, be and are hereby approved;
- (b) the new articles of association of the Company which contains all the Proposed Amendments and a copy of which has been produced to the Meeting and marked “A” and initialled by the chairman of the Meeting, be and is hereby approved and in substitution for, and to the exclusion of, such existing articles of association of the Company.”

9. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

“**THAT**

- (a) to the extent they vest in accordance with their terms, the issue and allotment of up to 13,609,953 new Connected Award Shares to up to 15 Connected Incentive Participants in respect of the 2021 Award and the 2022 Award pursuant to the Long Term Incentive Equity Plan is hereby approved and confirmed; and

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- (b) any one or more of the Directors be and is/are hereby authorized to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the transactions contemplated thereunder, including but not limited to the issue and allotment of up to 13,609,953 new Connected Award Shares to up to 15 Connected Incentive Participants in respect of the 2021 Award and the 2022 Award pursuant to the Long Term Incentive Equity Plan.”

10. To transact any other business.

By Order of the Board
MMG Limited
Xu Jiqing
Chairman and Non-executive Director

Hong Kong, 30 April 2024

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a member of the Company.
2. The register of members of the Company will be closed from Monday, 20 May 2024 to Thursday, 23 May 2024, inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 17 May 2024.

The record date for determining Shareholders’ eligibility to attend and vote at the Meeting will be on Thursday, 23 May 2024.

3. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, must be lodged by a member whose name appearing on the register of members keeping at the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 10:30 a.m. on Tuesday, 21 May 2024.