
DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchasers from the Sellers under the Share Purchase Agreement;
“Acquisition Facility”	has the meaning ascribed thereto in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Funding of Share Consideration and repayment of Intragroup Loans” in this circular;
“Album Enterprises”	Album Enterprises Limited, a wholly owned subsidiary of CMN and a controlling shareholder of the Company holding approximately 43.04% of the total number of Shares in issue as at the Latest Practicable Date;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Australia”	the Commonwealth of Australia;
“Bank Guarantee Facility”	has the meaning ascribed thereto in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Funding of Share Consideration and repayment of Intragroup Loans” in this circular;
“Bechtel”	Bechtel Chile Limitada and Overseas Bechtel, Incorporated, Sucursal Del Peru;
“Board”	the board of Directors;
“BOC”	Bank of China Limited;
“BOCI”	BOCI Asia Limited;
“Call Options”	the Contribution Default Call Option, the Non-participation Call Option and the Transfer Event Call Option;
“CDB”	China Development Bank;
“Citi”	Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and AFSL 240992);
“CITIC”	CITIC Metal Co., Ltd., a company incorporated in the PRC with limited liability;

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“CMC”	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a state-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company;
“CMC Group”	CMC and its subsidiaries from time to time;
“CMCL”	中國五礦股份有限公司 (China Minmetals Corporation Limited), a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC and owned as to approximately 87.538% by CMC and as to approximately 0.846% directly by 中國五金製品有限公司 (China National Metal Products Co., Ltd.), a wholly owned subsidiary of CMC. CMC has an attributable interest of approximately 88.384% directly in CMCL as at the Latest Practicable Date;
“CMN”	五礦有色金屬股份有限公司 (China Minmetals Non-ferrous Metals Company Limited), a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC and owned as to approximately 99.999% directly by CMNH and approximately 0.001% directly by CMCL as at the Latest Practicable Date. CMN is a controlling shareholder of the Company, holding indirectly approximately 73.69% of the total number of Shares in issue as at the Latest Practicable Date;
“CMN Annual Caps”	the maximum aggregate annual amount of copper contained in copper concentrate from the Las Bambas Project to be sold by MMG SA to members of the CMN Group under the CMN Framework Offtake Agreement;
“CMN Framework Offtake Agreement”	the framework offtake agreement dated 27 June 2014 and entered into between CMN and MMG SA in relation to the sale by MMG SA to members of the CMN Group of copper concentrate from the Las Bambas Project to be purchased by MMG SA from the JV Company under the MMG Framework Offtake Agreement;
“CMN Group”	CMN and its subsidiaries and affiliates from time to time (excluding the Group);

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“CMNH”	五礦有色金屬控股有限公司 (China Minmetals Non-ferrous Metals Holding Company Limited), a joint stock limited company incorporated on 22 December 2009 under the laws of the PRC and a wholly owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN, holding directly approximately 99.999% of CMN as at the Latest Practicable Date;
“Company”	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange;
“Competent Person’s Report”	the competent person’s report on the Mineral Resources and Ore Reserves of the Target Group prepared by RPM in accordance with Chapter 18 of the Listing Rules;
“Completion”	completion of the sale and purchase of the Sale Shares under the Share Purchase Agreement;
“Completion Statement”	the completion statement to be prepared after Completion in accordance with the terms of the Share Purchase Agreement;
“Conditions”	the Purchasers Conditions, the MOFCOM Condition and the ProInversion Condition;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Contribution Default Call Option”	has the meaning ascribed thereto in the section headed “Letter from the Board — The JV Company and Shareholders’ Agreement — Principal terms of the Shareholders’ Agreement — Obligations to fund the Acquisition” in this circular;
“Contribution Default Event(s)”	has the meaning ascribed thereto in the section headed “Letter from the Board — The JV Company and Shareholders’ Agreement — Principal terms of the Shareholders’ Agreement — Obligations to fund the Acquisition” in this circular;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Deutsche Bank”	Deutsche Bank AG, Hong Kong Branch;
“DGAAM”	the General Bureau of Environment Mining Affairs of the Peruvian Ministry of Energy and Mines;
“Director(s)”	the director(s) of the Company;
“DRC”	Democratic Republic of Congo;

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“EGM”	the extraordinary general meeting of the Company to be held at Studio 1, 7/F, W Hong Kong Hotel, 1 Austin Road West, Kowloon, Hong Kong on Monday, 21 July 2014 at 10:30 a.m. convened for the purpose of considering, and if thought fit, approving, among other things, the Share Purchase Agreement and the Acquisition, the Formation of the Joint Venture pursuant to the Shareholders’ Agreement (including the Call Options and the Listing Put Option) and the CMN Framework Offtake Agreement (including the CMN Annual Caps);
“EIA”	Environmental Impact Assessment;
“Elion Holdings”	Elion Holdings Corporation Limited, a company incorporated in Hong Kong with limited ability and a wholly owned subsidiary of GXIIC;
“Enlarged Group”	the Group and the Target Group;
“EPCM”	has the meaning ascribed thereto in the section headed “Information on the Target Group — Description of the Las Bambas Project — Background Information — Development” in this circular;
“Estimated Intragroup Loan Amount”	the Sellers’ reasonable estimate of the aggregate amount outstanding under the Intragroup Loans, in each case as at the time immediately prior to Completion on the date of Completion and derived from the Completion Statement;
“Estimated Intragroup Receivables”	the Sellers’ reasonable estimate of the amount of the Intragroup Receivables;
“EXIM”	The Export-Import Bank of China;
“Facilities”	has the meaning ascribed thereto in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Funding of Share Consideration and repayment of Intragroup Loans” in this circular;
“Formation of the Joint Venture”	the formation of the joint venture between MMG SA, Elion Holdings and CITIC for the purpose of the Acquisition through the subscription of new shares in the JV Company in accordance with the terms of the Shareholders’ Agreement;
“Glencore”	Glencore plc. (previously known as Glencore Xstrata plc.), a company incorporated in Jersey with registered number 107710;

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“GQL”	Glencore Queensland Limited, a company incorporated in Brisbane, Queensland, Australia with registration number ACN 009 814 019;
“Group”	the Company and its subsidiaries from time to time;
“GXIC”	GUOXIN International Investment Corporation Limited, a company incorporated in Hong Kong with limited liability;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“ICBC”	Industrial and Commercial Bank of China Limited;
“ICBCI”	ICBC International Capital Limited;
“ICMM”	International Council on Mining and Metals;
“IFA Letter”	the letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders in respect of the CMN Framework Offtake Agreement;
“Independent Board Committee”	an independent committee of the Board comprising all of the independent non-executive Directors, namely, Dr Peter William Cassidy, Mr Anthony Charles Larkin and Mr Leung Cheuk Yan established to advise the Independent Shareholders in respect of the CMN Framework Offtake Agreement;
“Independent Financial Advisor”	Somerley Capital Limited, the independent financial advisor to the Independent Board Committee and the Independent Shareholders in respect of the CMN Framework Offtake Agreement;
“Independent Shareholders”	Shareholders other than CMN and its associates;
“Intragroup Loans”	loans from the Sellers’ Group to the Target Group and any trade payables or other accounts payable owing by the Target Group to the Sellers’ Group arising in the ordinary course of the conduct of the business of the Target Group;

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“Intragroup Receivables”	all outstanding loans or other financing liabilities or obligations owed by a member of the Sellers’ Group (other than the Target Company or the Project Company) to the Target Company or the Project Company, but excluding any cash balances, in each case as at the time immediately prior to Completion on the date of Completion and derived from the Completion Statement;
“Inversiones”	Inversiones Republica S.A., a company incorporated in Lima, Peru and registered under registry file number 00709778 of the registry of legal entities of Lima, Peru;
“Jones Lang Lasalle”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited;
“JORC Code”	the 2012 edition of the <i>Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves</i> , prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
“JV Company”	MMG South America Management Company Limited, a company incorporated on 11 February 2014 in Hong Kong with limited liability, a wholly owned subsidiary of the Company as at the Latest Practicable Date;
“JV Board”	the board of directors of the JV Company;
“JV Group”	the JV Company and its subsidiaries from time to time;
“Laos”	the Lao People’s Democratic Republic;
“Las Bambas Project”	the development, construction and operation of the copper mines, processing facilities and associated infrastructure at the Las Bambas copper project located in the Apurimac region in Peru, together with all activities and infrastructure associated with the transportation and export of products from such mines;
“Latest Practicable Date”	27 June 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Put Option”	has the meaning ascribed thereto in the section headed “Letter from the Board — The JV Company and Shareholders’ Agreement — Principal terms of the Shareholders’ Agreement — Listing of a subsidiary of the Company” in this circular;

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	the date falling 150 days after the date of the Share Purchase Agreement, which is 10 September 2014, or such later date as may be determined in accordance with the terms of the Share Purchase Agreement or as may otherwise be consented to in writing between the Company and the Sellers’ Guarantor;
“MEM”	the Ministry of Energy and Mines of Peru;
“Merrill Lynch”	Merrill Lynch (Asia Pacific) Limited, a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong);
“MMG Framework Offtake Agreement”	the framework offtake agreement dated 27 June 2014 and entered into between MMG SA and the JV Company in relation to the sale of the Products from the Las Bambas Project;
“MMG SA”	MMG South America Company Limited, a company incorporated on 4 May 1990 in Hong Kong with limited liability, a wholly owned subsidiary of the Company;
“MOFCOM”	the Ministry of Commerce of the PRC;
“MOFCOM Condition”	the condition set out in paragraph (a) in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Conditions” in this circular;
“MOFCOM Termination Event”	the circumstances where the MOFCOM Condition has not been satisfied, and either (1) MOFCOM has notified either the Purchasers or the Sellers in writing or stated publicly that the Purchasers do not fulfil certain requirements imposed by MOFCOM or (2) the Purchasers do not fulfil or satisfy or are otherwise in breach of certain requirements imposed by MOFCOM;
“NDRC”	the National Development and Reform Commission of the PRC;
“Net Asset Value”	the aggregate of the assets less liabilities of, together, the Target Company and the Project Company as at the time immediately prior to Completion on the date of Completion and derived from the Completion Statement;

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“Non-participation Call Option”	has the meaning ascribed thereto in the section headed “Letter of the Board — The JV Company and Shareholders’ Agreement — Principal terms of the Shareholders’ Agreement — Cash Calls” in this circular;
“Offtake Entitlement”	has the meaning ascribed thereto in the section headed “Letter from the Board — Introduction — Offtake arrangements” in this circular;
“PRC” or “China”	the People’s Republic of China (which for the purpose of this circular excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China, unless the context otherwise requires);
“Products”	the products (including copper concentrate and molybdenum concentrate) from the Las Bambas Project;
“ProInversion”	Agencia de Promoción de la Inversión Privada — ProInversión, a Peruvian state agency that was created to carry out the policies of promoting national and international investment in Peru, with the aim of creating jobs and modernizing and improving the standard of living for Peruvians;
“ProInversion Condition”	the condition set out in paragraph (b) in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Conditions” in this circular;
“ProInversion Termination Event”	the circumstances where the ProInversion Condition has not been satisfied, and either (1) ProInversion has notified either the Purchasers or the Sellers in writing or stated publicly that the Purchasers do not satisfy certain requirements imposed by ProInversion or (2) the Purchasers do not fulfil or satisfy certain requirements imposed by ProInversion;
“Project Company”	Xstrata Las Bambas S.A., a company incorporated in Lima, Peru with registration number 12587752;
“Project Facility”	has the meaning ascribed thereto in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Funding of Share Consideration and repayment of Intragroup Loans” in this circular;
“Project EIA”	the EIA in relation to the Las Bambas Project;

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“Purchasers”	Minera Las Bambas S.A.C., a company incorporated on or about 17 February 2014 in Lima, Peru with limited liability and MMG Swiss Finance AG, a company incorporated on 20 February 2014 in Switzerland, each of which is a wholly owned subsidiary of the Company;
“Purchasers Conditions”	the conditions set out in paragraphs (c) and (d) in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Conditions” in this circular;
“Relevant Ratios”	any of the five ratios set out in Rule 14.07 of the Listing Rules;
“Restricted Cash Call”	has the meaning ascribed thereto in the section headed “Letter from the Board — The JV Company and Shareholders’ Agreement — Principal terms of the Shareholders’ Agreement — Cash Calls” in this circular;
“RPM”	Runge Asia Limited (trading as RungePincockMinarco);
“S/.”	Peruvian Nuevo Soles, the lawful currency of Peru;
“SAFE Approval”	foreign exchange registration with the competent local branch of the State Administration of Foreign Exchange of the PRC for the payment of monies by a party to the Shareholders’ Agreement in accordance with the terms thereof;
“Sale Shares”	all the issued shares in the capital of the Target Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Sellers”	XSAL and GQL;
“Sellers’ Group”	the Sellers, their subsidiaries and holding companies and any subsidiary of any such holding companies from time to time, excluding the Target Group;
“Sellers’ Guarantor”	Glencore International AG, a company incorporated in Switzerland with registration number CH-170.3.012.788-3;
“Share Consideration”	the amount payable by the Purchasers to the Sellers for the Sale Shares under the Share Purchase Agreement as described in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Consideration and repayment of Intragroup Loans — Share Consideration” in this circular;

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“Share Purchase Agreement”	the share purchase agreement dated 13 April 2014 between the Sellers, the Sellers’ Guarantor, the Purchasers and the Company in relation to the Acquisition;
“Shareholders’ Agreement”	the subscription and shareholders’ agreement dated 13 April 2014 between the Company, MMG SA, Elion Holdings, GXIIC, CITIC and the JV Company in relation to the Formation of the Joint Venture;
“Shareholder(s)”	holder(s) of the Shares;
“Shares”	the fully paid shares of the Company;
“SPA Break Fee”	the fee payable by the Purchasers to the Sellers’ Guarantor under the Share Purchase Agreement in the event the Share Purchase Agreement is terminated as described in the section headed “Letter from the Board — Acquisition — Principal terms of the Share Purchase Agreement — Termination” in this circular;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto under the Listing Rules;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Swap Agreement”	the swap agreement dated 23 November 2011 and entered into between the Project Company and the Fuerabamba Rural Community pursuant to which the Project Company agreed to, among other things, acquire all of the land owned by the Fuerabamba Rural Community;
“Target Company” or “XPERU”	Xstrata Peru S.A., a company incorporated in Lima, Peru and registered under registry file with registration number 11677748 of the registry of legal entities of Lima, Peru;
“Target Group”	the Target Company and the Project Company;
“TISUR”	Terminal Internacional del Sur S.A.;
“Top Create”	Top Create Resources Limited, a wholly owned subsidiary of CMN and a controlling shareholder of the Company holding approximately 30.65% of the total number of Shares in issue as at the Latest Practicable Date;
“Transfer Agreement”	has the meaning ascribed thereto in the section headed “Information on the Target Group — History of Las Bambas” in this circular;

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“Transfer Events”	has the meaning ascribed thereto in the section headed “Letter from the Board — The JV Company and Shareholders’ Agreement — Principal terms of the Shareholders’ Agreement — Transfer Events” in this circular;
“Transfer Event Call Option”	has the meaning ascribed thereto in the section headed “Letter from the Board — The JV Company and Shareholders’ Agreement — Principal terms of the Shareholders’ Agreement — Transfer Events” in this circular;
“UIT”	Peruvian Tax Unit or <i>Unidad Impositiva Tributaria</i> . As at the Latest Practicable Date, 1 UIT was equivalent to approximately US\$1,358 and it is updated at the beginning of each year;
“US\$” or “US Dollar”	United States dollars, the lawful currency of the United States of America;
“Valuation Report”	the valuation report on the mineral assets of the Target Group prepared by Jones Lang LaSalle in accordance with the Chapter 18 of the Listing Rules;
“XSAL”	Xstrata South America Limited, a company incorporated in the Cayman Islands with registration number 139719;
“XSchweiz”	Xstrata (Schweiz) A.G., a company incorporated in Switzerland;
“XTintaya”	Compañía Minera Antapaccay S.A. (formerly known as Xstrata Tintaya S.A.), a company incorporated in Peru; and
“%”	per cent.

Currency and exchange rates

In this circular, for the purpose of illustration only, unless otherwise specified, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 = HK\$7.8. No representation is made and there is no assurance that US\$ or HK\$ can be purchased or sold at such rate.