
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect about this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed "Letter from the Board — Warning of the Risks of Dealing in the Shares and Nil Paid Rights" in this Prospectus.

A copy of each of the Prospectus Documents, together with copies of the documents specified in "Appendix IV — General information — Documents delivered to the Registrar of Companies", has been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, HKEX (as defined herein) and the Securities and Futures Commission in Hong Kong take no responsibility for the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Rights Shares (as defined herein) in both nil-paid and fully-paid forms on HKEX and compliance with the stock admission requirements of HKSCC (as defined herein), the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS (as defined herein) with effect from their respective commencement dates of dealings on HKEX or such other date as may be determined by HKSCC. Settlement of transactions between participants of HKEX on any trading day is required to take place in CCASS on the second trading day thereafter. You should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor for details of those settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, HKEX and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

For the entitlement of the PRC Stock Connect Investors (as defined herein) to participate in the Rights Issue, please refer to "Letter from the Board — Rights Issue — PRC Stock Connect Investors" in this Prospectus.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States (as defined herein) or any other jurisdiction in which such release, publication or distribution is unlawful. This Prospectus is for informational purposes only and does not constitute or form part of an offer to sell or a solicitation of an offer to buy any securities in the United States or in any other jurisdiction in which such an offer or solicitation is unlawful.

The securities described herein have not been and will not be registered under the U.S. Securities Act (as defined herein), or the laws of any state or jurisdiction of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The securities described herein are being offered and sold solely outside the United States in offshore transactions in reliance on Regulation S (as defined herein). There is no intention to conduct a public offering of the securities as described herein in the United States.



MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

RIGHTS ISSUE ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 5 SHARES HELD ON THE RECORD DATE

Sole Global Coordinator to the Rights Issue



Joint Underwriters to the Rights Issue



MACQUARIE

BofA SECURITIES



**华泰国际
HUATAI INTERNATIONAL**

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Friday, 5 July 2024. The procedure for acceptance and payment for or transfer of the Rights Shares is set out in "Letter from the Board — Rights Issue — Procedures for Acceptance or Transfer".

The Rights Issue is on an underwritten basis. It should be noted that the Underwriting Agreement (as defined herein) contains provisions granting the Joint Underwriters the right to terminate the obligations of the Joint Underwriters thereunder at any time before the Latest Time for Termination (as defined herein) on the occurrence of certain events. These certain events are set out in the section headed "Termination of the Underwriting Agreement" in the Letter from the Board on pages 43 to 46 of this Prospectus. If the Underwriting Agreement is terminated by the Joint Underwriters or does not become unconditional, the Rights Issue will not proceed.

Pursuant to the Articles (as defined herein) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)(as defined herein), there are no requirements for minimum levels of subscription. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

The Shares have been dealt in on an ex-rights basis from Tuesday, 11 June 2024. Dealings in the Nil Paid Rights are expected to take place from 9:00 a.m. on Monday, 24 June 2024 to 4:00 p.m. on Tuesday, 2 July 2024 (both days inclusive). The Rights Issue is conditional upon the fulfilment of the conditions as set out in "Letter from the Board — Rights Issue — Conditions of the Rights Issue". If any of those conditions is not fulfilled or becomes incapable of fulfilment on or prior to the Latest Time for Termination, the Rights Issue will not proceed. Any dealings in the Shares during the period from the date hereof to the latest time at which all the conditions to which the Rights Issue is subject are fulfilled, which is currently expected to be 4:00 p.m. on Thursday, 11 July 2024, or in the Rights Shares during the period in which they may be traded in their nil-paid form, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating selling or purchasing the Shares and/or the Nil Paid Rights during such periods are advised to exercise caution when dealing in the Shares and/or the Nil Paid Rights and if they are in doubt about their position, they are recommended to consult their own professional advisors.

Thursday, 20 June 2024

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The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms; and (ii) there not having occurred any event which would prevent the Rights Issue from becoming unconditional. If the Rights Issue does not become unconditional, the Rights Issue will not proceed and the Company will make an announcement at the relevant time.

It should also be noted that the Shares have been dealt on an ex-rights basis from Tuesday, 11 June 2024 and that the Nil Paid Rights are expected to be dealt from Monday, 24 June 2024 to Tuesday, 2 July 2024 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled.

Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the Nil Paid Rights from Monday, 24 June 2024 to Tuesday, 2 July 2024 (being the first and last day of dealings in the Nil Paid Rights respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed and should exercise caution. Any person dealing or contemplating any dealing in the securities of the Company and/or the Nil Paid Rights during this period who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of the Nil Paid Rights and/or Rights Shares to confirm, that he or she or it is aware of the restrictions on offers and sales of Nil Paid Rights and/or Rights Shares as described in this Prospectus.

NOTICE TO INVESTORS IN AUSTRALIA

This Prospectus does not constitute a disclosure document under the Corporations Act 2001 (Cth) of the Commonwealth of Australia. Accordingly, this Prospectus does not necessarily contain all of the information a prospective investor would expect an offering document to contain or which he/she/it may require to make an investment decision. The offer to which this Prospectus relates is being made in Australia in reliance upon ASIC Corporations (Foreign Rights Issues) Instrument 2015/356. This Prospectus only constitutes an offer in Australia to persons who are recorded as Shareholders on the Record Date.

This Prospectus is intended to provide general information only and has been prepared by the Company without taking into account any particular person's objectives, financial situation or needs.

Recipients located in Australia should, before determining how to respond to this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Recipients located in Australia should review and consider the contents of this Prospectus and obtain financial advice (or other appropriate professional advice) specific to their situation before making any decision whether to accept the offer.

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NOTICE TO INVESTORS IN THE UNITED KINGDOM

This prospectus is directed at and is only being distributed to persons who are qualified investors in the United Kingdom, being persons falling within the meaning of article 2(e) of prospectus regulation (eu) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”), and who are also (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professional” in article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005, as amended (the “**Order**”) or (ii) persons who high net bodies corporate, unincorporated associations and partnerships and trustees of high value trusts who fall within article 49(2)(a) to (d) of the Order, or (iii) persons to whom it may otherwise be lawfully communicated (all such persons referred to together being referred to as “**Relevant Persons**”).

This prospectus and the terms and conditions set out herein must not be acted on or relied on by persons who are not Relevant Persons. Persons distributing this prospectus must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

NOTICE TO PRC STOCK CONNECT INVESTORS

The PRC Stock Connect Investors may participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Stock Connect Investors to (i) sell (in full or in part) their Nil Paid Rights through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect if such Nil Paid Rights are listed on HKEX; and/or (ii) subscribe (in full or in part) for their pro rata entitlements in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, ChinaClear will not support applications by such PRC Stock Connect Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect. In addition, the PRC Stock Connect Investors (or the relevant ChinaClear participants, as the case may be) whose stock accounts in ChinaClear are credited with Nil-Paid Rights can only sell those Nil-Paid Rights through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect if such Nil-Paid Rights are listed on HKEX until after the Company completes its filing with the CSRC in accordance with the CSRC Notice, but cannot purchase any Nil-Paid Rights nor transfer such Nil-Paid Rights Shares to other PRC Stock Connect Investors.

The PRC Stock Connect Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC in accordance with the CSRC Notice.

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NOTICE TO INVESTORS IN THE PRC (OTHER THAN A PRC STOCK CONNECT INVESTOR)

The Rights Shares in nil-paid or fully-paid form shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Stock Connect Investor (subject to certain limitations in relation to its rights to participate in the Rights Issue as explained in this Prospectus) through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect, or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

If a Shareholder resident in the PRC wishes to invest in the Rights Shares (both in their nil-paid and fully-paid forms), he or she or it shall be responsible for complying with relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and thus, should the Company suffer any losses and damages due to non-compliance with the relevant laws of the PRC by any such Shareholder, the Shareholder shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the Rights Shares (both in their nil-paid and fully-paid forms) to any such Shareholder, if the Company, in its absolute discretion, is satisfied that issuing the Rights Shares (both in their nil-paid and fully-paid forms) to such Shareholder does not comply with the relevant laws of the PRC.

REPRESENTATIONS AND WARRANTIES

Each purchaser of the Nil Paid Rights or subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Joint Underwriters and to any person acting on its or their behalf, unless in their sole discretion, the Company and the Joint Underwriters expressly waive such requirement:

- he/she/it was a Qualifying Shareholder as at 5:00 p.m. on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of the U.S. or any other territory where, in each case, it would be unlawful to extend the Rights Issue;
- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of the U.S. or any other territory where, in each case, it would be unlawful to extend the Rights Issue at the time the instruction to accept was given;

NOTICES

- he/she/it is not taking up for the account of any person who is located in the U.S., unless (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the U.S. and (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- he/she/it is not acquiring the Nil Paid Rights and/or Rights Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the U.S. or any other territory where, in each case, it would be unlawful to extend the Rights Issue; and
- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or the securities laws of any state or jurisdiction of the U.S. and the Nil Paid Rights and/or Rights Shares are being distributed and offered only outside the U.S. in offshore transactions in reliance on Regulation S. Consequently, he/she/it understands the Nil Paid Rights and/or Rights Shares may not be offered, sold, pledged or otherwise transferred within the U.S., except in reliance on an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

NOTICES

The forward-looking statements in this Prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

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

“2021 Performance Awards”	Performance awards granted by the Company to eligible Incentive Participants pursuant to the Long Term Incentive Equity Plan on 21 June 2021
“2022 Performance Awards”	Performance awards granted by the Company to eligible Incentive Participants pursuant to the Long Term Incentive Equity Plan on 21 April 2022
“Acquisition of the Khoemacau Mine in Botswana”	the acquisition of the entire issued share capital of Cuprous Capital Ltd, which indirectly wholly owns the Khoemacau Mine, as disclosed in the announcements of the Company dated 21 November 2023 and 25 March 2024
“Album Enterprises”	Album Enterprises Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of CMN
“Announcement”	the announcement of the Company dated Tuesday, 4 June 2024 relating to, inter alia, the Rights Issue, the Underwriting Agreement, and the Committed Shareholder Irrevocable Undertaking
“Annual Report”	the annual report of the Company for the year ended 31 December 2023
“associate”	has the meaning ascribed thereto under the Listing Rules
“Award Shares”	the Shares to be awarded to the Incentive Participants pursuant to vesting of the Performance Awards granted on 21 June 2021 and 21 April 2022 under the Long Term Incentive Equity Plan
“Beneficial Owner”	any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors or a duly constituted and authorised committee thereof
“Business Day”	any day (other than a Saturday and Sunday) on which licensed banks are open for normal banking business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

“CCASS Clearing Participant”	a person admitted by HKSCC to participate in CCASS as a direct clearing participant/broker participant or general clearing participant
“CCASS Custodian Participant”	a person admitted by HKSCC to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
“CEO”	Chief Executive Officer
“CFO”	Chief Financial Officer
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“Citi” or “Sole Global Coordinator”	Citigroup Global Markets Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities as defined under the SFO
“Closing Date”	the date of completion of the Rights Issue
“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
“CMCL”	中國五礦股份有限公司 (China Minmetals Corporation Limited), a joint stock limited company incorporated under the laws of the PRC and owned as to approximately 87.538% directly 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, as at the Latest Practicable Date. CMC has an attributable interest of approximately 88.384% in CMCL as at the Latest Practicable Date

DEFINITIONS

“CMN”	五礦有色金屬股份有限公司 (China Minmetals Non-ferrous Metals Co., Ltd), a joint stock limited company incorporated 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 the controlling shareholder of the Company, holding indirectly approximately 67.49% 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 joint stock limited company incorporated under the laws of the PRC and a wholly owned subsidiary of CMCL, as at the Latest Practicable Date. CMNH is a controlling shareholder of CMN, holding directly approximately 99.999% of CMN as at the Latest Practicable Date
“Committed Shareholder”	Minmetals HK
“Committed Shareholder Irrevocable Undertaking”	the irrevocable undertaking given by the Committed Shareholder in favour of the Company and the Joint Underwriters to subscribe, and to procure certain subscriptions, for 2,338,866,549 Rights Shares provisionally allotted in respect of the Committed Shareholder Irrevocable Undertaking Shares
“Committed Shareholder Irrevocable Undertaking Shares”	5,847,166,374 Shares in which the Committed Shareholder is beneficially interested as at the Latest Practicable Date
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company” or “MMG”	MMG Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Main Board of HKEX (Stock Code: 1208)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	the China Securities Regulatory Commission

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“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21)
“Deloitte”	Deloitte Touche Tohmatsu
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders (other than the PRC Stock Connect Investors) in respect of applications for excess Rights Shares in connection with the Rights Issue
“Enlarged Group”	has the meaning ascribed thereto under the <u>Khoemacau Circular</u>
“Gearing”	net debt (total borrowings excluding finance charge prepayments, less cash and bank deposits) divided by the aggregate of net debt plus total equity
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKEX”	The Stock Exchange of Hong Kong Limited
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Huatai”	Huatai Financial Holdings (Hong Kong) Limited, a licensed corporation holding a license under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities under the SFO
“Incentive Participants”	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
“Investor Presentation”	any investor presentation materials published, or used at any investor meetings, by the Company in connection with the Rights Issue

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“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Joint Underwriters”	Citi, Macquarie Capital, Merrill Lynch, and Huatai
“Joint Venture”	the joint venture established to operate the Khoemacau Mine, as disclosed in the announcement of the Company dated 30 May 2024
“Khoemacau Circular”	the circular of the Company dated 24 May 2024 in relation to the Acquisition of the Khoemacau Mine in Botswana
“Khoemacau Mine”	the copper mines, processing facilities and associated infrastructure at the Khoemacau copper project located within the Kalahari Copper Belt in north-west Botswana
“Last Trading Day”	Friday, 31 May 2024, being the last full trading day for the Shares before the trading halt on Monday, 3 June 2024 and the release of the Announcement on the date thereof
“Latest Practicable Date”	Friday, 14 June 2024, being the latest practicable date prior to the publication of the Prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Friday, 5 July 2024, or such later time or date as the Joint Underwriters may agree in writing with the Company, being the latest time and date for acceptance of, and payment for, the Rights Shares, and application for and payment for excess Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Thursday, 11 July 2024, or such later date as the Company and the Joint Underwriters may agree in writing
“Listing Rules”	the Rules Governing the Listing of Securities on HKEX as amended from time to time
“Long Term Incentive Equity Plan”	the long-term incentive equity plan adopted by the Company
“Macquarie Capital”	Macquarie Capital Limited, a licensed corporation holding a license under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities under the SFO

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“Merrill Lynch”	Merrill Lynch (Asia Pacific) Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong and owned as to approximately 38.95% directly by Album Enterprises, as to approximately 39.04% directly by CMCL, and as to approximately 22.01% directly by Top Create, as at the Latest Practicable Date
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) and other person(s) whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares or Nil Paid Rights to on account of either the legal restrictions under the laws of a place outside Hong Kong or the requirements of the relevant regulatory body or stock exchange in that place, as more fully described under “Non-Qualifying Shareholders” under the section headed “Letter from the Board” of this Prospectus
“Overseas Shareholder(s)”	the Shareholder(s) on the Record Date whose address(es) as shown on the register of members of the Company is/are outside Hong Kong (other than a PRC Stock Connect Investor), or Beneficial Owners that are known to the Company as being resident outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements in connection with the Rights Issue
“Performance Awards”	the performance awards granted by the Company to the eligible participants pursuant to the Long Term Incentive Equity Plan on 21 June 2021 and 21 April 2022
“PRC”	the People’s Republic of China, which for the purpose of the Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Stock Connect Investor(s)”	the PRC southbound trading investor(s) through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect who hold the Shares through ChinaClear as nominee

DEFINITIONS

“Prospectus”	this prospectus issued in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company at 5:00 p.m. on the Record Date
“Record Date”	Wednesday, 19 June 2024, the date by reference to which entitlements to participate in the Rights Issue were determined
“Registered Owner”	in respect of a Beneficial Owner, a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in respect of the Shares
“Regulation S”	Regulation S under the U.S. Securities Act
“Rights Issue”	the proposed offer by way of rights issue by the Company of the Rights Shares to Qualifying Shareholders on the basis of 2 Rights Shares for every 5 Shares held by the Shareholders at 5:00 p.m. on the Record Date payable in full on acceptance and subject to the terms set out in this Prospectus and the other Prospectus Documents
“Rights Share(s)”	the new Share(s) proposed to be allotted and issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Hong Kong Exchanges and Clearing Limited, the Shanghai Stock Exchange and ChinaClear for the establishment of mutual market access between Hong Kong and Shanghai
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares

DEFINITIONS

“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Hong Kong Exchanges and Clearing Limited, the Shenzhen Stock Exchange and ChinaClear for the establishment of mutual market access between Hong Kong and Shenzhen
“Subscription Price”	the subscription price of HK\$2.62 per Rights Share pursuant to the Rights Issue
“subsidiary(ies)”	has the meaning ascribed thereto under the Companies Ordinance
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Top Create”	Top Create Resources Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of CMN
“Undertaken Shares”	2,338,866,549 Rights Shares, being the number of Rights Shares for which the Committed Shareholder have undertaken to take up (or procure to take up) and to apply for pursuant to the Committed Shareholder Irrevocable Undertaking
“Underwriting Agreement”	the underwriting agreement dated 3 June 2024 entered into between the Company and the Joint Underwriters in relation to the underwriting of the Underwritten Shares and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	such number of Rights Shares as is equal to the total number of Rights Shares less the aggregate number of the Rights Shares which the Committed Shareholder has irrevocably undertaken to subscribe, or procure subscriptions for (as the case may be), pursuant to the Committed Shareholder Irrevocable Undertaking
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended from time to time
“US\$”	U.S. dollar, the lawful currency of the U.S.

DEFINITIONS

“Untaken Shares”	those (if any) of the Underwritten Shares that are not taken up by the Qualifying Shareholders (or their renouces), unsold entitlements of the Non-Qualifying Shareholder to the Rights Shares and any unsold Rights Shares representing the aggregation of fractions
“%”	per cent

In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter.

Unless otherwise specified, conversion of US\$ into HK\$ in this Prospectus is based on the exchange rate of US\$1.00 = HK\$7.80 for the purpose of illustration only.

No representation is made and there is no assurance that US\$ or HK\$ can be purchased or sold at such rates.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of the Prospectus:

Number of Rights Shares to be issued:	3,465,432,486 Rights Shares
Amount to be raised by the Rights Shares (assuming the Rights Issue is fully subscribed):	Approximately HK\$9,079 million before expenses, or approximately HK\$8,986 million after expenses
Subscription Price:	HK\$2.62 per Rights Share
Latest Time for Acceptance:	4:00 p.m. on Friday, 5 July 2024 (or such later time or date as the Joint Underwriters may agree in writing with the Company as the latest time and date for acceptance of, and payment for, the Rights Shares, and application for and payment for excess Rights Shares as described in the Prospectus Documents)
Basis of Rights Issue:	2 Rights Shares for every 5 Shares held by the Shareholders at 5:00 p.m. on the Record Date
Rights of excess applications:	Qualifying Shareholders (other than the PRC Stock Connect Investors) may apply for Rights Shares in excess of their provisional allotment

EXPECTED TIMETABLE

The expected timetable for the proposed Rights Issue is set out below:

Event	Time and Date
First day of dealings in Nil Paid Rights	Monday, 24 June 2024
Latest time for splitting of the PAL	4:30 p.m., Wednesday, 26 June 2024
Last day of dealings in Nil Paid Rights	Tuesday, 2 July 2024
Latest time for acceptance of and payment for Rights Shares and the application and payment for excess Rights Shares	4:00 p.m., Friday, 5 July 2024
Latest time for termination of the Underwriting Agreement and the date for the Rights Issue to become unconditional	4:00 p.m., Thursday, 11 July 2024
Announcement of results of acceptances of and excess applications for the Rights Issue	Friday, 12 July 2024
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications, or if the Rights Issue is terminated, on or before	Monday, 15 July 2024
Despatch of Share certificates for fully-paid Rights Shares on or before	Monday, 15 July 2024
Commencement of dealings in fully-paid Rights Shares	9:00 a.m., Tuesday, 16 July 2024

Note: All times and dates in this Prospectus refer to Hong Kong local times and dates unless stated otherwise. Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this Prospectus, are indicative only and may be varied by agreement between the Company and the Joint Underwriters. In the event any special circumstances arise, the board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to Shareholders and HKEX as and when appropriate

EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place on Friday, 5 July 2024 if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning and/or extreme conditions:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 5 July 2024. Instead the latest time for acceptance of and payment for the Rights Shares and for application for and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 5 July 2024. Instead the latest time for acceptance of and payment for the Rights Shares and for application for and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place by 4:00 p.m. on Friday, 5 July 2024, the dates mentioned in this section headed “Expected timetable” above may be affected. The Company will notify Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Joint Underwriters the right, which may be exercised by the Joint Underwriters at any time prior to the Latest Time for Termination, to rescind or terminate the obligations of the Joint Underwriters if any of the following occurs:

- (a) any matter or circumstance arises as a result of which any of the conditions set out in the section above below “Conditions of the Underwriting Agreement” has become incapable of satisfaction as at the required time;
- (b) the fact that any of the representations, warranties or undertakings contained in the Underwriting Agreement is untrue, inaccurate or misleading or has been breached in any respect comes to the knowledge of the Joint Underwriters, or there has been a breach on the part of the Company of any other provision of the Underwriting Agreement or a breach on the part of the Committed Shareholder of the Committed Shareholder Irrevocable Undertaking, or the Joint Underwriters have cause to believe that any such breach has occurred;
- (c) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given under the Underwriting Agreement would have rendered or be expected to render any of those representations or warranties untrue, inaccurate, incomplete or misleading in any respect, or would have given rise to or be expected to give rise to any of those undertakings being breached;
- (d) any statement contained in the Announcement and/or a Prospectus Document and/or the investor presentation materials published, or used at any investor meetings, by the Company in connection with the Rights Issue (“the **Investor Presentation**”) has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Announcement, a Prospectus Document and/or the Investor Presentation was to be issued at the time, constitute a material omission therefrom;
- (e) the Company: (A) withdraws the Prospectus (and/or documents issued or used in connection with the Rights Issue) or the Rights Issue; or (B) is required to produce a supplementary prospectus (unless the Company has obtained consent of the Joint Underwriters to such supplementary prospectus); or (C) is required to include in the final Prospectus to be despatched on the date of the Prospectus information which is not included in the draft Prospectus as at the date of the Underwriting Agreement and which is or may be materially adverse to the Company or the Rights Issue, as a result of either a significant change affecting any matter contained in such draft Prospectus or a significant new matter that has arisen (unless the Company has obtained consent of the Joint Underwriters to the inclusion of such information);
- (f) the Company’s application to the Main Board of HKEX for permission for the listing of the Rights Shares (nil paid and fully paid) and permission to deal in the Rights Shares (nil paid and fully paid) on HKEX is withdrawn by the Company and/or rejected by HKEX;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (g) any condition to enable the Nil Paid Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused;
- (h) any expert, who has given advice which is contained in the Prospectus, has withdrawn its respective consent to the issue of the Prospectus with the inclusion of its reports, letters, opinions, advices or references to its name included in the form and context in which it respectively appears prior to the issue of the Prospectus;
- (i) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement; or
- (j) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (A) any adverse change or prospective adverse change in the condition, results of operations, management, business, stockholders' equity, the financial or trading position and/or prospects of any member of the Group, but excluding any unscheduled or unanticipated suspension of mining operations at, or the transport of copper concentrate from, the Company's mining project situated at Las Bambas, Peru as a result of protests or blockages or the consequences of any such suspension unless such suspension results in: (x) the cancellation of, or the declaration of force majeure in respect of, at least three scheduled shipments (after the date of the Underwriting Agreement) of copper concentrate by the Company from Matarani Port; or (y) the amount of copper concentrate produced or transported by trucking from the Las Bambas mining project being, or being reasonably expected to be, less than 45,000 wet metric tonnes in any calendar month during the three calendar months following the date of the Underwriting Agreement;
 - (B) any change (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States or Japan;
 - (C) any event of force majeure including, without limitation, economic sanctions, strike or lock-out (whether or not covered by insurance), civil protest, riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States or Japan;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (D) the declaration of a banking moratorium by the PRC, Hong Kong, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States or Japan authorities occurring due to exceptional financial circumstances or otherwise;
- (E) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on HKEX (or other stock exchanges such as in the PRC, the United Kingdom, Europe, the United States or Japan), or any major disruption of any securities settlement or clearing services in Hong Kong, Australia, PRC, the United Kingdom, Europe, the United States or Japan;
- (F) any suspension or any material limitation in trading in the Company's securities on HKEX (other than pending publication of announcing the Rights Issue or any other announcement relating to the Rights Issue or where such suspension is temporary or routine in nature for not more than two trading days);
- (G) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the Group conducts or carries on business;
- (H) a change or development occurs involving a prospective change in taxation in Hong Kong, the PRC, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States, Japan or any other jurisdiction(s) to which any member of the Group is subject or the implementation of any exchange controls;
- (I) any litigation or claim of material impact to the business, financial or operations of the Group being threatened or instituted against any member of the Group;
- (J) the imposition of economic sanctions, in whatever form, directly or indirectly, in Hong Kong, the PRC, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States, Japan or any other jurisdiction(s) relevant to the Group;
- (K) any governmental or regulatory commission, body, authority or agency, or any stock exchange, self-regulatory organisation or other non-government regulatory authority or any court, tribunal or arbitrator, whether national, central, federal, provincial, state, regional, municipal, in any relevant jurisdiction commencing any investigation, or formally announcing to investigate or take other legal actions, against the Group or any of the Directors in respect of any matter related to the Group's business, which investigation has or would have material adverse effect on the traded price of the Shares or the Group (taken as a whole); or
- (L) order or petition for the winding up of any members of the Group or any composition or arrangement made by any members of the Group with its creditors or a scheme of arrangement entered into by any members of the Group or any resolution for the

TERMINATION OF THE UNDERWRITING AGREEMENT

winding up of any members of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any members of the Group or anything analogous thereto occurring in respect of any members of the Group;

the effect of which events or circumstances referred to in paragraph (j) above, individually or in the aggregate (in the reasonable opinion of the Joint Underwriters): (i) is, or would be, or is likely to be, materially adverse to, or materially prejudicially affects, or would materially prejudicially affect, the results of operation, general affairs, management, business, properties, financial, trading or other condition or prospects of the Group as a whole, (ii) has or will have or is likely to have a material adverse impact on, or prejudicially affects or would prejudicially affect, the success of the Rights Issue or dealings in the Rights Shares in the secondary market, or (iii) makes or may make it impracticable, to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Prospectus Documents, or (vi) will make or is likely to make the Underwriting Agreement incapable of performance in accordance with its terms or prevent the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting thereof.

In the event the Joint Underwriters exercise the right to terminate the Underwriting Agreement by giving written notice of termination prior to the Latest Time for Termination, all the obligations of the parties under the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach) shall terminate forthwith and the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL PAID RIGHTS

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sections headed “Underwriting Agreement — Conditions of the Underwriting Agreement” and “Underwriting Agreement — Termination of the Underwriting Agreement”). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Tuesday, 11 June 2024. Dealings in the Nil Paid Rights are expected to take place from Monday, 24 June 2024 to Tuesday, 2 July 2024 (both days inclusive).

Any Shareholder or other person contemplating selling or purchasing Shares and/or Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser. Any Shareholder or other person dealing in Shares from the date of the Announcement up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Joint Underwriters’ right of termination of the Underwriting Agreement ceases) and any person dealing in the Nil Paid Rights during the period from Monday, 24 June 2024 to Tuesday, 2 July 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

LETTER FROM THE BOARD



MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(HKEX STOCK CODE: 1208)

Executive Director:

Mr CAO Liang (*Chief Executive Officer*)

Non-executive Directors:

Mr XU Jiqing (*Chairman*)

Mr ZHANG Shuqiang

Independent Non-executive Directors:

Dr Peter William CASSIDY

Mr LEUNG Cheuk Yan

Mr CHAN, Ka Keung Peter

Registered Office:

Unit 1208, 12/F
China Minmetals Tower
79 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong

20 June 2024

*To the Qualifying Shareholders, PRC Stock Connect Investors and,
for information only, certain Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
2 RIGHTS SHARES FOR EVERY 5 SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

On 4 June 2024, the Company announced, inter alia, the Rights Issue. Subject to the fulfilment of the conditions of the Rights Issue, the Company proposes to raise approximately HK\$9,079 million before expenses, or approximately HK\$8,986 million, after expenses, by way of the Rights Issue of 3,465,432,486 Rights Shares, at the Subscription Price of HK\$2.62 per Rights Share.

The Company has provisionally allotted 2 Nil Paid Rights for every 5 Shares held by each Qualifying Shareholder on the Record Date. Fractional entitlements have not been provisionally allotted and the Company will not accept application for any fractions of the Rights Shares. All fractions of Rights Shares will be aggregated (and the Rights Shares rounded down to the nearest

LETTER FROM THE BOARD

whole number), and all Nil Paid Rights arising from such aggregation will be provisionally allotted (in nil-paid form) to the Sole Global Coordinator, and will be sold in the market on behalf of the Company if a premium (net of expenses) can be obtained, with the Company retaining the proceeds for its own benefit.

The Rights Issue is not available to the Non-Qualifying Shareholders.

PRC Stock Connect Investors can subscribe for their pro rata entitlements in the Rights Issue, but may not make any applications for excess Rights Shares. The Company will comply with the relevant requirements stipulated in the CSRC Notice.

As at the Latest Practicable Date, the Company had 8,663,581,216 Shares in issue.

Pursuant to the Underwriting Agreement, the Underwritten Shares are fully underwritten by the Joint Underwriters, subject to the conditions set out in the Underwriting Agreement. If the Rights Issue does not become unconditional, the Rights Issue will not proceed.

The Company intends to use the net proceeds from the Rights Issue to repay existing debt, which will allow the Company to use other funds to better support the ongoing development of the Company's operating mines.

The purpose of this Prospectus is to provide you with further details of the Rights Issue, including information on dealings in and transfers of Nil Paid Rights and the procedure for the acceptance of provisional allotments of Rights Shares and certain financial and other information of the Company.

1. THE RIGHTS ISSUE

(A) TERMS OF THE RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue:	2 Rights Shares for every 5 Shares held by the Shareholders at 5:00 p.m. on the Record Date
Subscription Price:	HK\$2.62 per Rights Share
Number of existing Shares in issue as at the Latest Practicable Date:	8,663,581,216 Shares
Undertaken Shares:	2,338,866,549 Rights Shares, being the aggregate number of Rights Shares for which the Committed Shareholder has undertaken to subscribe pursuant to the Committed Shareholder Irrevocable Undertaking

LETTER FROM THE BOARD

Number of Rights Shares to be issued:	3,465,432,486 Rights Shares
Total number of issued Shares as enlarged by the allotment and issue of the Rights Shares:	12,129,013,702 Shares
Sole Global Coordinator:	Citi
Joint Underwriters:	Citi, Macquarie Capital, Merrill Lynch and Huatai
Amount to be raised by the Rights Shares (assuming the Rights Issue is fully subscribed):	approximately HK\$9,079 million before expenses, or approximately HK\$8,986 million after expenses
Rights of excess applications:	Qualifying Shareholders (other than the PRC Stock Connect Investors) may apply for Rights Shares in excess of their provisional allotment.
Status:	The Rights Shares, when allotted, issued and fully-paid, will, subject to the articles of association of the Company, rank <i>pari passu</i> in all respects with the then existing Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be issued and allotted on or before 5:00 p.m. on the Record Date.

In relation to the 2021 Performance Awards, the Company has issued 7,534,028 Award Shares to a nominee agent on 3 June 2024 and the 7,534,028 Award Shares were vested to the respective Incentive Participants on 5 June 2024.

As of the Latest Practicable Date, the Company has 22,990,096 Performance Awards in issue as the 2022 Performance Awards (which were granted by the Company pursuant to the Long Term Incentive Equity Plan), which may be satisfied by the issuance and allotment of new Award Shares to the eligible Incentive Participants at a ratio of one Award Share for one Performance Award. It is expected that the 2022 Performance Awards will vest in Incentive Participants on or around June 2025. For the avoidance of doubt, the 2022 Performance Awards were not be vested before the Record Date. Other than the outstanding 2022 Performance Awards, as at the Latest Practicable Date, the Company (a) has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares in the Rights Issue; and (b) has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

LETTER FROM THE BOARD

The Nil Paid Rights proposed to be provisionally allotted represent:

- (i) approximately 40.00% of the Company's issued shares as at the Latest Practicable Date; and
- (ii) approximately 28.57% of the Company's enlarged issued shares as enlarged by the issue of the Rights Shares.

Subscription Price

The Subscription Price for the Rights Shares will be HK\$2.62 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares, or when a transferee of Nil Paid Rights applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 31.41% to the closing price of HK\$3.82 per Share as quoted on HKEX on the Last Trading Day;
- (ii) a discount of approximately 24.65% to the theoretical ex-rights price of HK\$3.48 per Share, which is calculated on the basis of the closing price of HK\$3.82 per Share as quoted on HKEX on the Last Trading Day;
- (iii) a discount of approximately 35.59% to the average of the closing prices per Share as quoted on HKEX for the five (5) consecutive trading days ending on the Last Trading Day of approximately HK\$4.07 per Share;
- (iv) a discount of approximately 35.88% to the average of the closing prices per Share as quoted on HKEX for the ten (10) consecutive trading days ending on the Last Trading Day of approximately HK\$4.09 per Share;
- (v) a discount of approximately 32.51% to the audited consolidated net asset value of the Group of approximately HK\$3.88 per Share based on the latest published audited consolidated net asset value of the Group of approximately HK\$33,634 million as at 31 December 2023 as set out in the Annual Report and total number of issued Shares of 8,663,581,216 Shares as at the Latest Practicable Date; and
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 10.17%, which is calculated based on the theoretical diluted price of approximately HK\$3.65 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$4.07 per Share, taking into account the higher of the closing price on the Last Trading Day of HK\$3.82 per Share and the average of the closing prices of the Shares as quoted on HKEX for the five previous consecutive trading days prior to the date of the Announcement of approximately HK\$4.07 per Share.

LETTER FROM THE BOARD

Since the Company is incorporated in Hong Kong, the Rights Shares have no par value.

The Subscription Price was determined by the Directors with reference to:

- (i) the recent closing prices of the Shares;

During the twelve months up to and including the Last Trading Day, the share price has been quite volatile trading in the range of HK\$1.68 to HK\$2.85 between June 2023 and February 2024. The share price rallied quite significantly from HK\$2.07 to HK\$4.13 during the three months from March 2024 to the end of May 2024. The Company has set the Subscription Price considering the discount to a more stabilised longer term share price. The Subscription Price represents a 7.4% discount to the 12 month volume-weighted average price of HK\$2.83.

It is also noted that the Rights Issue is fully-underwritten by the Joint Underwriters. The Company has considered the opinion of the Joint Underwriters on the discount required to be attractive enough to Shareholders and investors, in order for the Joint Underwriters to conclude that the proposed Rights Issue is commercially feasible to underwrite.

- (ii) the prevailing market conditions and the financial positions of the Group; and

The recent volatility of the capital market in Hong Kong was also referenced in determining the Subscription Price. Since September 2023, the Hang Seng Index was generally under 19,000 until April 2024, and went as high as 19,636 in mid May 2024. After that, the Heng Seng Index started to go down again to 18,403 by the date of the Announcement.

Separately, the copper price was fluctuating during the period, and rallied to a historical high on 20 May 2024 and then dropped by approximately 7% two weeks later.

At the same time, the Company's gearing ratio is relatively higher than its peers especially following the Acquisition of the Khoemaqau Mine in Botswana. Having considered such volatility and the financial position of the Company, the Company therefore set the Subscription Price at a discount to the then market price of the Shares to encourage Shareholders to participate in the Rights Issue.

LETTER FROM THE BOARD

- (iii) the amount of funds the Company intends to raise under the Rights Issue.

The Company intends to apply the net proceeds from the Rights Issue to repay existing debt, particularly funding for the Acquisition of the Khoemacau Mine in Botswana, which will allow the Company to better support the ongoing development of the Company's operating mines. For further details, please refer to the section headed "Use of Proceeds and Reasons for the Rights Issue" below. Based on the Subscription Price, the net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$8,986 million which shall be sufficient for the use of proceeds purpose. The fundraising size is also one of the largest in the Hong Kong market in the past year. The Subscription Price discount to the last trading price is in line with other sizeable rights issue on HKEX. In the last two years, the average discount to the last closing price of relevant rights issue transactions greater than US\$300 million, is around 31%. This compares well to the Company's offering at a 31.41% discount to the last closing price.

The Company considers that the Subscription Price would encourage Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth and development of the Group by taking into account (i) the discount of the Subscription Price (as reflected in the paragraph headed "Rights Issue Subscription Price" above); (ii) that each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding interest held on the Record Date on a fair and equal basis; (iii) that the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell their nil-paid rights in the market; (iv) the proceeds from the Rights Issue can contribute to the financing of the acquisition of the Khoemacau Mine in Botswana and help improve the financial position of the Group.

The estimated net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) will be approximately HK\$2.59.

The Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above), to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be 2 Rights Shares (in nil-paid form) for every 5 Shares held by the Shareholders as at 5:00 p.m. on the Record Date at the Subscription Price payable in full on acceptance and on other terms and subject to the conditions set out in the Prospectus Documents. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for. Please refer to the section headed "Procedures for Acceptance or Transfer" below for further details.

LETTER FROM THE BOARD

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders by post individually in printed forms. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent reasonably practicable and legally permitted, and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to Non-Qualifying Shareholders (other than Non-Qualifying Shareholders within the United States) for their information only. The Company will not send any PAL or EAF to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at 5:00 p.m. on the Record Date; and
- (ii) not be a Non-Qualifying Shareholder (please refer to the section headed “Non-Qualifying Shareholders” below).

Shareholders having an address in Hong Kong as shown on the register of members of the Company at 5:00 p.m. on the Record Date will qualify for the Rights Issue.

Shareholders having an address outside Hong Kong as shown on the register of members of the Company at 5:00 p.m. on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers that the exclusion of such Overseas Shareholders from the Rights Issue would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

Investors with their Shares held by nominee(s) (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Qualifying Shareholders who take up their pro rata entitlements in full will not suffer any dilution to their interests in the Company under the Rights Issue (apart from fractional entitlements to Rights Shares). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

LETTER FROM THE BOARD

PRC Stock Connect Investors

According to the “Stock Connect Southbound Shareholding Search” available on HKEX’s website, as at the Latest Practicable Date, ChinaClear held 906,132,200 Shares, representing approximately 10.45% of the total number of the Shares in issue.

The Board has been advised that the PRC Stock Connect Investors may participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Stock Connect Investors to (i) sell (in full or in part) their Nil Paid Rights through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect if such Nil Paid Rights are listed on HKEX; and/or (ii) subscribe (in full or in part) for their pro rata entitlements in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, ChinaClear will not support applications by such PRC Stock Connect Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect. In addition, the Board has been advised that the PRC Stock Connect Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts in ChinaClear are credited with Nil Paid Rights can only sell those Nil Paid Rights through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect if such Nil Paid Rights are listed on HKEX until after the Company completes its filing with the CSRC in accordance with the CSRC Notice, but cannot purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Stock Connect Investors.

The Company will file the Prospectus with the CSRC in accordance with the CSRC Notice, and after the Company completes such filing, the PRC Stock Connect Investors may participate in the Rights Issue through ChinaClear.

The PRC Stock Connect Investors should consult their Intermediary (including brokers, custodians, nominees or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions to such Intermediary in relation to the acceptance and/or sale of the Nil Paid Rights. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected timetable” of this Prospectus and otherwise in accordance with the requirements of the Intermediary of the PRC Stock Connect Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.

The Board has been advised that, as the Prospectus Documents have not been and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares (both in their nil-paid and fully-paid forms) issued to the PRC Stock Connect Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Stock Connect Investor (subject to certain limitations in relation to its rights to participate in the Rights Issue as explained in this Prospectus) through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect, or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

LETTER FROM THE BOARD

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong and the PRC in accordance with the CSRC Notice. In particular, Overseas Shareholders located in the United States are not eligible to take part in the Rights Issue.

According to the register of members of the Company as at the Record Date, the Company had a total of 4 Overseas Shareholders holding an aggregate of 23,680 Shares with registered addresses in the jurisdictions as follows:

Jurisdiction of the registered address of the Overseas Shareholders	Number of Shareholders	Aggregate number of Shares held	Approximate percentage of shareholding
Australia	3	17,680	0.0002%
United Kingdom	1	6,000	0.00007%

The Board has made enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders with registered addresses in the jurisdictions set out above.

The Company has obtained advice from legal advisors in the jurisdictions set out above and has been advised that under the applicable legislations in such jurisdiction, there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in such jurisdiction. Accordingly, there was no Non-Qualifying Shareholder as shown on the Register of Members on the Record Date.

Since there was no Non-Qualifying Shareholder as shown on the register of members of the Company on the Record Date, no arrangements will need to be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) to be provisionally allotted to a nominee and to be sold in the market in their nil-paid form.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of Nil Paid Rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with Nil Paid Rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Nil Paid Rights to any person in, into or from, the United States or any other jurisdiction in which such distribution or transfer is unlawful. If a PAL or an EAF or a credit of Nil Paid Rights in CCASS is received by any person in any such territory, or by his/her/its agent, custodian, nominee or trustee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the Nil Paid Rights in CCASS

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unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus, a PAL or an EAF in, into or from such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

The Rights Issue does not constitute or form part of an offer to sell or a solicitation of an offer to buy any securities in the United States or in any other jurisdiction in which such an offer or solicitation is unlawful. Accordingly, Overseas Shareholders and Beneficial Owners in such jurisdiction should exercise caution when dealing in the Shares.

Distribution of this Prospectus and the other Prospectus Documents

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders.

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional advisor without delay. In particular, this Prospectus and the other Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from the United States or any other jurisdiction in which such distribution or transfer is unlawful. **The Company reserves the right to refuse to permit any Shareholder to take up his/her/its Nil Paid Rights or apply for excess Rights Shares where it believes that doing so would violate the Listing Rules or any applicable securities legislation or other laws or regulations of any jurisdiction.**

It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties below.

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than (i) the PRC, in accordance with the CSRC Notice with the approval from HKEX for the listing of the Rights Shares (in nil-paid and fully-paid forms) having been obtained; and (ii) Hong Kong.

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Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will, subject to the articles of association of the Company, rank pari passu in all respects with the then existing Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

Fractions of Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of Rights Shares. All fractions of Rights Shares will be aggregated (and the Rights Shares rounded down to the nearest whole number). All Nil Paid Rights arising from such aggregation will be provisionally allotted (in nil-paid form) to the Sole Global Coordinator, and will be sold in the market on behalf of the Company if a premium (net of expenses) can be obtained, with the Company retaining the proceeds for its own benefit. Any unsold fractions of Rights Shares will be available to meet excess applications by the Qualifying Shareholders (other than the PRC Stock Connect Investors).

Application for listing and dealings of the Rights Shares

The Company has applied to the Listing Committee of HKEX for the listing of, and permission to deal in, the Rights Shares on HKEX, in both nil-paid and fully-paid forms. It is expected that dealings in the Nil Paid Rights will take place from Monday, 24 June 2024 to Tuesday, 2 July 2024 (both days inclusive). No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought on any other stock exchange other than HKEX.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Nil Paid Rights and the Rights Shares on HKEX as well as compliance with the stock admission requirements of HKSCC, the Nil Paid Rights and the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Nil Paid Rights and the Rights Shares on HKEX, respectively, or such other date as determined by HKSCC. Settlement of transactions between participants of HKEX on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both the Nil Paid Rights and Rights Shares will be traded on HKEX in the same board lots of 4,000 Shares.

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Odd lot arrangement

Upon completion of the Rights Issue, the board lots of the Company will remain as 4,000 Shares. In order to facilitate the trading of odd lots of Shares arising from the Rights Issue, Computershare Hong Kong Investor Services Limited has been appointed by the Company to match the sale and purchase of odd lots of Shares at the relevant market price per Share for the period from 9:00 a.m. on Tuesday, 16 July 2024 to 4:00 p.m. on Tuesday, 6 August 2024 (both dates inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot, may directly or through their broker, contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (telephone number: (852) 2862 8555) during office hours (i.e. 9:00 a.m. to 4:30 p.m.) during such period. Holders of the Shares who would like to match odd lots are recommended to make an appointment in advance by dialling the telephone number of Computershare Hong Kong Investor Services Limited set out above. Holders of Shares in odd lots should note that successful matching of the sale and purchase of odd lots of Shares is on a "best effort" basis and successful matching is not guaranteed. Successful matching of the sale and purchase of odd lots of Shares will depend on there being an adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Procedures for Acceptance or Transfer

General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Each purchaser of the Nil Paid Rights or subscriber of the Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Joint Underwriters and to any person acting on its or their behalf, unless in their sole discretion, the Company and the Joint Underwriters expressly waive such requirement:

- he/she/it was a Shareholder as at 5:00 p.m. on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of the U.S. or any other territory where it would be unlawful to extend the Rights Issue;

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- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of the U.S. or any other territory where it would be unlawful to extend the Rights Issue at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the U.S., unless (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the U.S. and (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- he/she/it is not acquiring the Nil Paid Rights and/or Rights Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the U.S. or any other territory where it would be unlawful to extend the Rights Issue; and
- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or the securities laws of any state or jurisdiction of the U.S. and the Nil Paid Rights and/or Rights Shares are being distributed and offered only outside the U.S. in offshore transactions in reliance on Regulation S. Consequently, he/she/it understands the Nil Paid Rights and/or Rights Shares may not be offered, sold, pledged or otherwise transferred within the U.S., except in reliance on an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. As PAL is a form of temporary document of title, it will be despatched to the Qualifying Shareholders in printed form. If a Qualifying Shareholder wishes to take up his/her/its right to subscribe for any or all of the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong

LETTER FROM THE BOARD

Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Friday, 5 July 2024, i.e. the Latest time for Acceptance. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders issued by, a licensed bank in Hong Kong and made payable to "MMG Limited — Rights Issue Account" and crossed "Account Payee Only". It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:00 p.m. on Friday, 5 July 2024, i.e. the Latest Time for Acceptance, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedure to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. Completion and return of a PAL together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. If the Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments will be refunded to the Qualifying Shareholders or such other persons to whom the Nil Paid Rights have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Monday, 15 July 2024.

Transfers and "splitting" of Nil Paid Rights

The Nil Paid Rights can be traded on HKEX. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on HKEX or accept only part of his/her/its provisional allotment and sell the remaining part on HKEX.

If a Qualifying Shareholder wishes to accept only part of, or to renounce or transfer part of, the Rights Shares provisionally allotted to him/her/it under the PAL or to renounce or transfer his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of Nil Paid Rights to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of Form A of the original PAL), by no later than 4:30 p.m. on Wednesday, 26 June 2024 to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road

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East, Wanchai, Hong Kong. The Registrar will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection from the Registrar at the above address after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as “splitting” the Nil Paid Rights.

Having “split” the Nil Paid Rights, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to renounce or transfer all of his/her/its Nil Paid Rights under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the “Form of Transfer and Nomination” (Form B) in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its Nil Paid Rights. The transferee must then complete and sign the “Registration Application Form” (Form C) in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, to effect the transfer by no later than 4:00 p.m. Friday, 5 July 2024.

It should be noted that Hong Kong stamp duty is payable in connection with the transfer of Nil Paid Rights to the transferee(s) and the acceptance by the transferee(s) of such rights.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of Nil Paid Rights

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Owner in respect of your Shares, or sell the respective Nil Paid Rights or “split” those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the Nil Paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected timetable” of this Prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

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Beneficial Owners resident in the United States or any other jurisdiction from which it is unlawful to participate in the Rights Issue are not permitted to take up their rights under the Rights Issue.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of Nil Paid Rights

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective Nil Paid Rights or “split” those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of your Nil Paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Beneficial Owners who are CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with. The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with “An Operating Guide for Investor Participants” and any other requirements of CCASS.

Beneficial Owners resident in the United States or any other jurisdiction from which it is unlawful to participate in the Rights Issue are not permitted to take up their rights under the Rights Issue.

Application for Excess Rights Shares

Qualifying Shareholders (excluding the PRC Stock Connect Investor(s)) may apply, by way of excess applications, for:

- (a) any unsold entitlements of the Non-Qualifying Shareholders (if any) which would have been allotted to Non-Qualifying Shareholders had they been Qualifying Shareholders;
- (b) any unsold Rights Shares created by aggregating fractions of the Rights Shares; and

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- (c) any Rights Shares provisionally allotted but not validly accepted by Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights.

Applications for excess Rights Shares may be made only by Qualifying Shareholders (excluding the PRC Stock Connect Investor(s)) and only by completing and signing an EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:00 p.m. on Friday, 5 July 2024, or such later time and/or date as may be agreed between the Company and the Joint Underwriters in writing. As EAF is an actionable corporate communication, it will be despatched to the Qualifying Shareholders (excluding the PRC Stock Connect Investor(s)) individually in printed form. All remittances in respect of excess applications must be made by cheques or cashier's orders in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**MMG Limited — Excess Application Account**" and crossed "**Account Payee Only**". Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a Registered Owner or Beneficial Owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

Subject to the requirements of Rule 7.21(3)(b) and Rule 8.08(1)(a) of the Listing Rules and the applicable laws and regulations of the relevant jurisdictions, the Company will, upon consultation with the Joint Underwriters, allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (a) any excess Rights Shares will be allocated to Qualifying Shareholders (including the Committed Shareholder but excluding the PRC Stock Connect Investors) who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for;
- (b) reference will only be made to the number of excess Rights Shares being applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by Qualifying Shareholders;
- (c) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of Nil Paid Rights under the PALs is greater than the aggregate number of excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for excess Rights Shares in full application; and
- (d) in the event that the number of excess Rights Shares to be allocated to the Committed Shareholder will result in the public float requirement applicable to the Company being breached, the allocation to the Committed Shareholder will be correspondingly reduced and the relevant excess Rights Shares will then be allocated to the other Qualifying Shareholders on a pro rata basis (provided that such allocation does not exceed the number of excess Rights Shares being applied for by such Qualifying Shareholders).

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In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Investors with their Shares held by nominee(s) (or which are deposited in CCASS) should note that the Board will regard the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, investors with their Shares registered in the name of a nominee(s) (or which are deposited in CCASS) should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected. Completion and return of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a representation and warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it has not been completed in accordance with the relevant instructions. No receipt will be given for such remittance.

If the Board notes unusual patterns of excess applications and has reason to believe that any excess applications may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

Any Rights Shares (excluding the Undertaken Shares) not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Joint Underwriters and/or subscribers procured by it pursuant to the terms and conditions of the Underwriting Agreement.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Monday, 15 July 2024 to those who have accepted and (where applicable) applied and paid for the Rights Shares by ordinary post at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares and excess Rights Shares (if any) are expected to be despatched by ordinary post on or before Monday, 15 July 2024 to the applicants at their own risk.

If the Rights Issue does not become unconditional or does not proceed, the monies received in respect of the relevant provisional allotments and/or applications for excess Rights Shares (if any) will be refunded to the Qualifying Shareholders or such other person to whom the Nil Paid Rights

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have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risks of such Qualifying Shareholders or such other person to their registered addresses by the Registrar on or before Monday, 15 July 2024.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. If the Underwriting Agreement has not become unconditional in accordance with its terms, the Rights Issue will not proceed.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, the HKEX trading fee, the SFC transaction levy, Accounting and Financial Reporting Council transaction levy and any other applicable fees, levies and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of, in the case of Qualifying Shareholders, the receipt, purchase, holding, exercising, disposing of or dealing in the Nil Paid Rights or the Rights Shares and, in the case of Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the Nil Paid Rights on their behalf.

It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

(B) COMMITTED SHAREHOLDER IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, the Committed Shareholder was beneficially interested in 5,847,166,374 Shares, representing approximately 67.49% of the issued Shares. The Committed Shareholder has irrevocably undertaken to the Company and the Joint Underwriters, among other things:

- (1) to procure that the Committed Shareholder Irrevocable Undertaking Shares remain registered in its name until 5:00 p.m. on the Record Date;
- (2) to accept or procure the acceptance of the Undertaken Shares to be provisionally allotted to it in respect of the Committed Shareholder Irrevocable Undertaking Shares registered in its name pursuant to the Rights Issue;

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- (3) to procure that the PAL(s) in respect of the Undertaken Shares shall be lodged with the Registrar, with full payment therefor in accordance with the terms of the Prospectus Documents, by no later than 4:00 p.m. on the Business Day immediately before the last day the Rights Issue is open for acceptance, and to deliver promptly to each Joint Underwriter a certified true copy of such PAL(s) or such other documentation evidencing that the PAL(s) has/have been lodged and duly paid for;
- (4) to waive any rights, if any, and whether by virtue of the constitutional documents of the Company, operation of applicable laws, regulations, the Listing Rules, contractual arrangements or otherwise, to withdraw the Committed Shareholder's acceptance in respect of the Undertaken Shares;
- (5) to procure that, for the period from the date of the Committed Shareholder Irrevocable Undertaking until the first day of trading of the Rights Shares in their fully-paid form on HKEX, subject to having obtained the prior written consent of the Joint Underwriters and the Company, no action shall be taken and no statement shall be made to the public which is or may be prejudicial to the successful completion of the Rights Issue, unless otherwise required or caused by any law or regulation, HKEX, SFC, or any other regulatory, judicial, governmental or other authorities or court having jurisdiction over the Committed Shareholder (the "**Applicable Laws and/or Regulators**") (but in such case, subject to prior consultation with the Joint Underwriters and the Company);
- (6) without first having obtained the prior written consent of the Joint Underwriters and the Company, not to, and to procure its parent company, subsidiaries and fellow subsidiaries not to, transfer or otherwise dispose of (including, without limitation, through entering into any agreement to dispose of, or the creation of any option or derivative over) or acquire (except by taking up Rights Shares provisionally allotted to it pursuant to the Rights Issue or acquiring Nil Paid Rights or submitting EAFs or acquiring Shares in circumstances which do not contravene the Listing Rules and/or the Takeovers Code and do not render information submitted to HKEX and/or the SFC to become untrue, inaccurate or misleading in any material respect (whether by omission or otherwise)) any Share or any interest therein from the date of the Committed Shareholder Irrevocable Undertaking until and including the Closing Date;
- (7) from the Closing Date until 90 days from the Closing Date, except with the prior written consent of the Joint Underwriters, not to:
 - (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of or create any encumbrance over (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares provisionally allotted to the Committed Shareholder) or any interests therein beneficially owned or held by the Committed Shareholder or such controlled companies or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;

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- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares;
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs 7(i) and (ii) above; or
- (iv) offer to or agree to or announce any intention to enter into or effect any such transaction described in paragraphs 7(i), 7(ii) or 7(iii) above,

in each case, whether any such transaction described in paragraphs 7(i), 7(ii) or 7(iii) is to be settled by delivery of Shares or such other securities, in cash or otherwise;

- (8) to make available sufficient funds in Hong Kong dollars for full payment of the subscription monies upon the lodging of the PAL(s) and the EAF(s), in accordance with the terms of the Prospectus Documents by no later than 4:00 p.m. on the last day the Rights Issue is open for acceptance.

The undertakings in paragraphs (1) to (8) above are conditional upon such undertakings not resulting in the Company's non-compliance with the public float requirements under the Listing Rules and, in addition, subject to: (i) the publication of the Announcement by the Company; and (ii) the Joint Underwriters not exercising their right to terminate the Underwriting Agreement in accordance with its terms.

Save for the Committed Shareholder Irrevocable Undertaking, the Company has not received any information or irrevocable undertakings from any other Shareholders of their intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue as at the Latest Practicable Date.

(C) UNDERWRITING AGREEMENT

On Monday, 3 June 2024, the Company and the Joint Underwriters entered into the Underwriting Agreement in relation to the underwriting and respective arrangements in respect of the Rights Issue. Further details of the Underwriting Agreement are set out below:

Principal terms of the Underwriting Agreement

Date:	Monday, 3 June 2024
Issuer:	MMG Limited
Sole Global Coordinator	Citi

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Joint Underwriters:

Citi, in respect of which the entity involved in the securities dealing activities as part of the underwriting of the Rights Issue will be Citigroup Global Markets Asia Limited, which is an affiliate of Citi, and a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities as defined under the SFO and its ordinary course of business includes underwriting of securities;

Macquarie Capital, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities as defined under the SFO and its ordinary course of business includes underwriting of securities;

Merrill Lynch, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO and its ordinary course of business includes underwriting of securities; and

Huatai, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities as defined under the SFO and its ordinary course of business includes underwriting of securities.

Each of the Joint Underwriters (and in respect of Citi, Citigroup Global Markets Asia Limited) has confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

Number of Rights Shares
underwritten:

All of the Rights Shares (excluding in aggregate the 2,338,866,549 Rights Shares to be subscribed (or procured to be subscribed) by the Committed Shareholder pursuant to the Committed Shareholder Irrevocable Undertaking), being 1,126,565,937 Rights Shares

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- Joint Underwriters' commission:
- (i) an underwriting commission of 2% of the aggregate subscription price of the Underwritten Shares; and
 - (ii) an additional discretionary incentive fee up to 0.5% of the aggregate subscription price of the Underwritten Shares, at the sole discretion of the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Joint Underwriters are independent third parties of the Company and the Company's connected persons.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiations between the Company and the Joint Underwriters with reference to the existing financial position of the Group, the size of the Rights Issue, the current and expected market condition, recent historical trading price under prevailing market conditions, subscription prices of the rights issue relative to their then trading prices in recent years in Hong Kong and the prevailing underwriting commission rate range for the market.

The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the commission rate) are (i) on normal commercial terms; and (ii) fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

Subject to the fulfilment or waiver (as applicable) of all the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated or rescinded prior to the Latest Time for Termination in accordance with the terms thereof, the Joint Underwriters shall subscribe for or procure the subscription for the Untaken Shares.

In the event there are any Untaken Shares, but only to the extent that it is legally permissible and reasonably necessary in order to promote an orderly disposal of the Untaken Shares, the Joint Underwriters and their affiliates may discuss, agree and undertake a joint approach for the management of such Untaken Shares during a maximum of 30 Business Days following the Latest Time for Acceptance.

Conditions of the Underwriting Agreement

The obligations of the Joint Underwriters under the Underwriting Agreement are conditional upon:

- (a) permission for the listing of the Rights Shares (in their nil-paid and fully paid forms) having been granted (subject only to allotment and despatch of the appropriate documents of title) by HKEX by no later than: (i) in the case of the Nil Paid Rights, the Business Day before the commencement of trading of the Nil Paid Rights on HKEX; and (ii) in the case of the Rights Shares in their fully-paid form, the Latest Time for Termination, and, in each case, and such permission not being withdrawn, revoked or amended prior to the Latest Time for Termination;

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- (b) all relevant consents and approvals being obtained from the regulatory authorities, including HKEX and the SFC, as the case may require, in connection with the Rights Issue by the relevant time that each consent and approval is required, including without limitation, clearance of the timetable for the Rights Issue by HKEX;
- (c) HKEX issuing a certificate authorising registration of the Prospectus with the Registrar of Companies in Hong Kong under section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Business Day prior to the date of the Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing) and, following registration of the Prospectus, a copy of the Prospectus having been submitted to HKEX for publication on its website not later than the date of the Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (d) the delivery to HKEX and registration by the Registrar of Companies in Hong Kong, respectively, not later than the Business Day prior to the date of the Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing) of each of the Prospectus Documents (and any other documents required to be submitted by HKEX or any applicable law or regulation), and the Registrar of Companies in Hong Kong issuing a confirmation of registration letter not later than the Business Day prior to the date of the Prospectus (or such later time and/or date as the Company and the Underwriters may agree in writing);
- (e) the despatch, on the date of the Prospectus, of copies of the Prospectus Documents to the Qualifying Shareholders and a copy of the Prospectus having been submitted to HKEX for publication on its website not later than the date of the Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (f) each condition to enable the Nil Paid Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS being satisfied on or before the Business Day prior to the commencement of trading of the Nil Paid Rights and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (g) the representations and warranties being true and accurate and not misleading in any respect and no such undertakings being breached on and as of the date of the Underwriting Agreement and at any time before the Latest Time for Termination, as though they had been given and made at such time by reference to the facts and circumstances then subsisting, and no matter having arisen which has given rise to, or would reasonably be expected to give rise to any breach of such warranties, representations or undertakings or claim or action in respect of such warranties, representations or undertakings on and as of the date of the Underwriting Agreement or at any time before the Latest Time for Termination;

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- (h) compliance with and performance of all the obligations of the Company taking place by the times specified in the Underwriting Agreement in connection with the Rights Issue, including, without limitation:
 - (i) to publish the Announcement in accordance with the Underwriting Agreement by the time specified therein;
 - (ii) to provisionally allot the Rights Shares in accordance with the Underwriting Agreement by the time specified therein;
 - (iii) to despatch the Prospectus Documents to the Qualifying Shareholders and to make the Prospectus Documents available for display in accordance with the Underwriting Agreement by the time specified therein; and
 - (iv) to deliver to the Joint Underwriters the documents as set out in the Underwriting Agreement in accordance with the timing set out therein;
- (i) compliance with, and performance of all obligations of the Committed Shareholder taking place by the times specified in the Committed Shareholder Irrevocable Undertaking, and the Committed Shareholder Irrevocable Undertaking remaining in full force and effect;
- (j) all relevant consents, approvals, permits, authorisations or clearances (as the case may be) required to be obtained by the Company or any member of the Group under applicable laws, regulations or rules for the Rights Issue and the transactions contemplated hereunder have been obtained (including but not limited to all authorisations from HKEX under the Listing Rules and the State-owned Assets Supervision and Administration Commission of the State Council), and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to the Latest Time for Termination; and
- (k) the Shares (other than the Rights Shares) remaining listed on HKEX at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended or materially limited for a consecutive period of more than three trading days (or such longer period as the Company and the Joint Underwriters may agree) and no indication having been received before the Latest Time for Termination from HKEX to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason.

The Company shall use its best endeavours to procure the fulfilment of each of the conditions set out above on or before the relevant time or date specified, and, in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as are required in compliance with the Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance, the SFO or as may be required by the SFC, HKEX, the Registrar of Companies in Hong Kong or HKSCC in connection with the Rights

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Issue (including obtaining the permission for the listing of, the Rights Shares on HKEX, the listing and admission of the Nil Paid Rights as eligible securities for deposit, clearance and settlement in CCASS) and the arrangements contemplated under the Underwriting Agreement, or as may be reasonably required by the Joint Underwriters.

The Joint Underwriters shall have the right, in their absolute discretion, by giving notice to the Company on or before the latest time at which, or the latest day on which, any of the conditions set out above may be fulfilled to (i) waive any such conditions (except conditions (a) to (f) in the section above), or (ii) extend the time or date for fulfilment of any of such conditions (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended), and such waiver or extension may be made subject to such terms and conditions as are reasonably determined by the Joint Underwriters.

If any of the conditions set out above (which has not previously been waived by the Joint Underwriters if capable of being waived under the Underwriting Agreement) is not fulfilled, or becomes incapable of fulfilment, on or prior to the relevant time and date specified in that clause or, if no such date is so specified or referred to, is not fulfilled on or prior to the Latest Time for Termination (or such later date or dates as the Joint Underwriters may agree with the Company in writing), the Underwriting Agreement (i) save in respect of any breach of condition (i) above; and (ii) save for certain customary clauses set out in the Underwriting Agreement shall remain in full force and effect and (iii) save further that the Company shall pay the fees and expenses in accordance with the Underwriting Agreement shall terminate and no party to the Underwriting Agreement will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the parties to the Underwriting Agreement in respect of any breach of the Underwriting Agreement occurring prior to such termination.

If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Restrictions on dealings

The Company undertakes to the Joint Underwriters that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days after the listing date of the Rights Shares, it shall not (except for the Rights Shares):

- (a) undertake any consolidation or subdivision of its share capital, allot, issue, sell, accept subscription for, or offer to allot or issue or sell, or contract or agree to allot, issue or sell, or grant or sell any option, right or warrant to subscribe for or purchase (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (other than the grant of performance awards or the allotment or issue of any Shares upon the exercise of any employee share options or the vesting of any employee share awards pursuant to any employee share option scheme or employee share scheme adopted in accordance with the Listing Rules);

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- (b) buy back, cancel, retire, reduce, redeem, amalgamate, re-purchase, purchase or otherwise acquire any Shares;
- (c) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraphs (a) and (b); or
- (d) announce any intention to enter into or effect any such transaction described in paragraphs (a) to (c) above,

unless with the prior written consent of the Joint Underwriters; provided that the above restrictions shall cease to apply if the Underwriting Agreement (i) does not become unconditional and is terminated; or (ii) is terminated by the Joint Underwriters pursuant to any of the termination events set out in the section headed “Termination of the Underwriting Agreement”.

Termination of the Underwriting Agreement

The Joint Underwriters may by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement if at any time prior to the Latest Time for Termination, any of the following occurs:

- (a) any matter or circumstance arises as a result of which any of the conditions set out in the section above headed “Conditions of the Underwriting Agreement” has become incapable of satisfaction as at the required time;
- (b) the fact that any of the representations, warranties or undertakings contained in the Underwriting Agreement is untrue, inaccurate or misleading or has been breached in any respect comes to the knowledge of the Joint Underwriters, or there has been a breach on the part of the Company of any other provision of the Underwriting Agreement or a breach on the part of the Committed Shareholder of the Committed Shareholder Irrevocable Undertaking, or the Joint Underwriters have cause to believe that any such breach has occurred;
- (c) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given under the Underwriting Agreement would have rendered or be expected to render any of those representations or warranties untrue, inaccurate, incomplete or misleading in any respect, or would have given rise to or be expected to give rise to any of those undertakings being breached;
- (d) any statement contained in the Announcement and/or a Prospectus Document and/or the investor presentation materials published, or used at any investor meetings, by the Company in connection with the Rights Issue (“the **Investor Presentation**”) has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Announcement, a Prospectus Document and/or the Investor Presentation was to be issued at the time, constitute a material omission therefrom;

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- (e) the Company: (A) withdraws the Prospectus (and/or documents issued or used in connection with the Rights Issue) or the Rights Issue; or (B) is required to produce a supplementary prospectus (unless the Company has obtained consent of the Joint Underwriters to such supplementary prospectus); or (C) is required to include in the final Prospectus to be despatched on the date of the Prospectus information which is not included in the draft Prospectus as at the date of the Underwriting Agreement and which is or may be materially adverse to the Company or the Rights Issue, as a result of either a significant change affecting any matter contained in such draft Prospectus or a significant new matter that has arisen (unless the Company has obtained consent of the Joint Underwriters to the inclusion of such information);
- (f) the Company's application to the Main Board of HKEX for permission for the listing of the Rights Shares (nil paid and fully paid) and permission to deal in the Rights Shares (nil paid and fully paid) on HKEX is withdrawn by the Company and/or rejected by HKEX;
- (g) any condition to enable the Nil Paid Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused;
- (h) any expert, who has given advice which is contained in the Prospectus, has withdrawn its respective consent to the issue of the Prospectus with the inclusion of its reports, letters, opinions, advices or references to its name included in the form and context in which it respectively appears prior to the issue of the Prospectus;
- (i) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement; or
- (j) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (A) any adverse change or prospective adverse change in the condition, results of operations, management, business, stockholders' equity, the financial or trading position and/or prospects of any member of the Group, but excluding any unscheduled or unanticipated suspension of mining operations at, or the transport of copper concentrate from, the Company's mining project situated at Las Bambas, Peru as a result of protests or blockages or the consequences of any such suspension unless such suspension results in: (x) the cancellation of, or the declaration of force majeure in respect of, at least three scheduled shipments (after the date of the Underwriting Agreement) of copper concentrate by the Company from Matarani Port; or (y) the amount of copper concentrate produced or transported by trucking from the Las Bambas mining project being, or being reasonably expected to be, less than 45,000 wet metric tonnes in any calendar month during the three calendar months following the date of the Underwriting Agreement;

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- (B) any change (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States or Japan;
- (C) any event of force majeure including, without limitation, economic sanctions, strike or lock-out (whether or not covered by insurance), civil protest, riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States or Japan;
- (D) the declaration of a banking moratorium by the PRC, Hong Kong, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States or Japan authorities occurring due to exceptional financial circumstances or otherwise;
- (E) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on HKEX (or other stock exchanges such as in the PRC, the United Kingdom, Europe, the United States or Japan), or any major disruption of any securities settlement or clearing services in Hong Kong, Australia, PRC, the United Kingdom, Europe, the United States or Japan;
- (F) any suspension or any material limitation in trading in the Company's securities on HKEX (other than pending publication of announcing the Rights Issue or any other announcement relating to the Rights Issue or where such suspension is temporary or routine in nature for not more than two trading days);
- (G) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the Group conducts or carries on business;
- (H) a change or development occurs involving a prospective change in taxation in Hong Kong, the PRC, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States, Japan or any other jurisdiction(s) to which any member of the Group is subject or the implementation of any exchange controls;
- (I) any litigation or claim of material impact to the business, financial or operations of the Group being threatened or instituted against any member of the Group;

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- (J) the imposition of economic sanctions, in whatever form, directly or indirectly, in Hong Kong, the PRC, Australia, Peru, the Democratic Republic of Congo, the Republic of Botswana, the United Kingdom, Europe, the United States, Japan or any other jurisdiction(s) relevant to the Group;
- (K) any governmental or regulatory commission, body, authority or agency, or any stock exchange, self-regulatory organisation or other non-government regulatory authority or any court, tribunal or arbitrator, whether national, central, federal, provincial, state, regional, municipal, in any relevant jurisdiction commencing any investigation, or formally announcing to investigate or take other legal actions, against the Group or any of the Directors in respect of any matter related to the Group's business, which investigation has or would have material adverse effect on the traded price of the Shares or the Group (taken as a whole); or
- (L) order or petition for the winding up of any members of the Group or any composition or arrangement made by any members of the Group with its creditors or a scheme of arrangement entered into by any members of the Group or any resolution for the winding up of any members of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any members of the Group or anything analogous thereto occurring in respect of any members of the Group;

the effect of which events or circumstances referred to in paragraph (j) above, individually or in the aggregate (in the reasonable opinion of the Joint Underwriters): (i) is, or would be, or is likely to be, materially adverse to, or materially prejudicially affects, or would materially prejudicially affect, the results of operation, general affairs, management, business, properties, financial, trading or other condition or prospects of the Group as a whole, (ii) has or will have or is likely to have a material adverse impact on, or prejudicially affects or would prejudicially affect, the success of the Rights Issue or dealings in the Rights Shares in the secondary market, or (iii) makes or may make it impracticable, to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Prospectus Documents, or (iv) will make or is likely to make the Underwriting Agreement incapable of performance in accordance with its terms or prevent the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting thereof.

In the event the Joint Underwriters exercise the right to terminate the Underwriting Agreement upon by giving written notice of termination prior to the Latest Time for Termination, all the obligations of the parties under the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach) shall terminate forthwith and the Rights Issue will not proceed.

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WARNING OF THE RISKS OF DEALING IN SHARES AND NIL PAID RIGHTS

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sections headed “Underwriting Agreement — Conditions of the Underwriting Agreement” and “Underwriting Agreement — Termination of the Underwriting Agreement”). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Tuesday, 11 June 2024. Dealings in the Nil Paid Rights are expected to take place from Monday, 24 June 2024 to Tuesday, 2 July 2024 (both days inclusive).

Any Shareholder or other person contemplating selling or purchasing Shares and/or Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser. Any Shareholder or other person dealing in Shares from the date of the Announcement up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Joint Underwriters’ right of termination of the Underwriting Agreement ceases) and any person dealing in the Nil Paid Rights during the period from Monday, 24 June 2024 to Tuesday, 2 July 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

2. USE OF PROCEEDS AND REASONS FOR THE RIGHTS ISSUE

Use of Proceeds

The Directors are of the opinion that, under present circumstances, raising funds by way of the Rights Issue is in the interests of the Shareholders and the Company as a whole. A Rights Issue is the most equitable means of raising funds as it provides all Shareholders with an opportunity to participate in the offer. The net proceeds of the Rights Issue will be used to repay existing debt and, to better support the ongoing development of the Company’s operating mines and for general corporate and working capital purposes.

The gross proceeds from the Rights Issue will be approximately HK\$9,079 million. The estimated net proceeds from the Rights Issue will be approximately HK\$8,986 million after deduction of all estimated expenses.

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The Company intends to apply the net proceeds for the following purposes:

- up to US\$611 million (approximately HK\$4,766 million) to be used for early repayment of all amounts outstanding under the US\$2,000 million unsecured shareholder term loan facility between Top Create Resources Limited and MMG Africa Holdings Company Limited, which was used for the Acquisition of the Khoemacau Mine in Botswana and matures in March 2031. The loan will terminate on repayment. The loan carries an interest cost of secured overnight financing rate (“SOFR”) plus a margin of less than 300 basis points, which is lower than the prevailing market interest rates offered by international banks. The aforesaid term loan is intended to be a bridge loan to facilitate the Company to complete the Acquisition of the Khoemacau Mine in Botswana from the original sellers and to be repaid whenever the Company is able to secure financing. However, to allow additional flexibility for the Company to carry out any potential fund raising, the Company negotiated a long maturity date but it was still the intention to repay whenever the Company is able to secure financing in favourable market conditions;
- up to US\$200 million (approximately HK\$1,560 million) to be used for partial repayment of amounts still outstanding under the US\$700 million Tranche A of the US\$2,262.0 million unsecured shareholder term loan facility between Top Create Resources Limited and MMG South America Company Limited, which matures in July 2024. This loan carries a fixed interest rate which was set in line with market conditions of less than 3%. The Company intends to renegotiate any remaining amount owing, and expects the term to be extended for 3 years on SOFR plus a margin rate; and
- the remaining proceeds are to be used for the partial repayment of the US\$550 million outstanding on five unsecured revolving credit facilities advanced by various banks, that mature between June 2025 and April 2027, which carry an interest cost of SOFR plus a margin ranging from 100bps to 160bps.

The repayment of these debt facilities will provide greater flexibility for the Company to fund the general corporate and working capital purposes of the Company and ongoing development of the Company’s mines, including but not limited to essential infrastructure and equipment.

The Company intends to use the proceeds of the Rights Issue within three months after the completion of the Rights Issue.

The Company does not at this time have any definitive plan to conduct further fund-raising. However, given the Company is operating in a capital intensive industry, the Company will continue to monitor and evaluate (i) market conditions; (ii) the financial position of the Group; (iii) potential growth opportunities and (iv) future development of the operating mines of the Group, to evaluate if there is a need for further fund-raising.

LETTER FROM THE BOARD

Reasons for and Benefits of the Rights Issue

After careful consideration, the Directors are of the opinion that the Rights Issue represents a meaningful step as the Company seeks to reduce Gearing. As of 31 December 2023, the Gearing of the Group is 50%. On a pro forma basis, the Acquisition of the Khoemaçau Mine in Botswana and the associated term facility and establishment of the Joint Venture resulted in an increase in the Gearing to around 55%. Following the completion of the Rights Issue, on a pro forma basis, Gearing will reduce to around 44%. The Company has an objective of reducing Gearing through:

- application of net proceeds from the Rights Issue to repay existing debts incurred by the Group, as set out in the section headed “Use of Proceeds and Reasons for the Rights Issue Use of Proceeds” above;
- repayment of certain revolving credit facilities obtained by the Group;
- operating cash flow generated by various projects operated by the Company; and
- continued focus on productivity and cost saving initiatives.

The Rights Issue will further strengthen the capital base of the Company, achieve immediate interest cost savings and provide greater flexibility to fund future growth.

The Directors believe that it would be in the best interests of the company and the Shareholders as a whole to raise long-term equity through a Rights Issue. Unlike borrowings or issuance of debt securities, the Directors consider that the Rights Issue would be a preferred means for the Company to raise long-term funds without subjecting itself to interest burden or additional debt. The Rights Issue will enable Shareholders to participate in and benefit from the development of the Company.

3. EFFECT OF RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue assuming there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Rights Issue.

LETTER FROM THE BOARD

Immediately after completion of Rights Issue^(a)

Shareholder	As at the Latest Practicable Date		Immediately following completion of Rights Issue (assuming all Qualifying Shareholders take up their entitlements under the Rights Issue)		Immediately following completion of the Rights Issue (assuming no Qualifying Shareholders take up their entitlements under the Rights Issue, other than the Committed Shareholder who shall take up the Undertaken Shares and the Joint Underwriters and/or subscriber(s) procured by it who shall take up all the Underwritten Shares)	
	No. of Shares	% of issued Shares (%)	No. of Shares	% of issued Shares (%)	No. of Shares	% of issued Shares (%)
The Committed Shareholder and certain of its associates	5,847,166,374	67.49%	8,186,032,923	67.49%	8,186,032,923	67.49%
Director(s) ^(b)	940,050	0.01%	1,316,070	0.01%	940,050	0.01%
The Joint Underwriters ^(c)	0	0	0	0	1,126,565,937	9.29%
Holder(s) of the Award Shares issued pursuant to the 2021 Performance Awards ^(d)	7,534,028	0.09%	10,547,639	0.09%	7,534,028	0.06%
Other Shareholders	2,807,940,764	32.41%	3,931,117,070	32.41%	2,807,940,764	23.15%
Sub-total held by the public	2,815,474,792	32.50%	3,941,664,709	32.50%	3,942,040,729	32.50%
Total:	8,663,581,216	100.00%	12,129,013,702	100.00%	12,129,013,702	100.00%

Notes:

- (a) Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (b) As at the Latest Practicable Date, Mr Xu Jiqing, non-executive Director, is interested in 940,050 Shares.
- (c) Pursuant to its underwriting obligations and excluding any other interests.
- (d) The Awards Shares issued pursuant to the 2021 Performance Awards were issued to a nominee agent on 3 June 2024 and were vested to the respective Incentive Participants on 5 June 2024 (for illustration purpose, not including any Shares held by any of the relevant holders)).

LETTER FROM THE BOARD

4. ADJUSTMENTS IN RELATION TO THE PERFORMANCE AWARDS AS A RESULT OF THE RIGHTS ISSUE

As at the Latest Practicable Date, the Company has 22,990,096 outstanding unvested Performance Awards.

Pursuant to the terms of the Long Term Incentive Equity Plan, which governs the Performance Awards, the Rights Issue is an event which may cause an adjustment to the number of Award Shares issuable upon vesting of the Performance Awards. Any adjustment will be made in compliance with the terms of the Long Term Incentive Equity Plan and the Listing Rules and the applicable guidance and/or interpretation of the Listing Rules issued by HKEX from time to time.

Further announcement(s) will be made by the Company in relation to the actual adjustments upon completion of the Rights Issue and the effective date of the adjustments as and when appropriate.

5. FUND RAISING BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not raised any funds by an issue of equity securities in the 12 months preceding the Latest Practicable Date.

6. BUSINESS REVIEW, TRENDS AND PROSPECTS OF THE GROUP

Business Overview

Founded in 2009, the vision of MMG is to create a leading international mining company for a low carbon future. The Company mines to create wealth for its people, host communities and Shareholders with an ambition to grow and diversify its resource, production and value, by leveraging Chinese and International expertise. The Company holds interests in five operating mines, which are located across Australia, Botswana, the Democratic Republic of the Congo and Peru. The Company primarily produces copper and zinc, but with smaller quantities of gold, silver, cobalt, molybdenum and lead.

Headquartered in Melbourne, Australia and Beijing, China, the Company is managed by a team with significant international experience in the mining sector. The Company has four main strategic pillars:

- (i) China Champion - Build on the strength of the world's largest customer, producer and economy to create a sustainable competitive advantage;
- (ii) Business Miner - A mindset that leverages excellence in operating mines to generate superior return on investment; enhancing our ability to fund and deliver growth;
- (iii) Delivering Progress - Proud of mining's role in driving societal progress through local, regional and national contribution and providing materials for a changing world; and
- (iv) Federation of MMG - Embracing the advantages of a distributed, empowered and diverse operating structure with core group disciplines and guiding values.

LETTER FROM THE BOARD

The Company's flagship asset is a 62.5% operating interest in Las Bambas, which is a large-scale open-pit copper mine located in the Apurimac region of southern Peru. As recently disclosed in the Khoemacau Circular, the Company completed the Acquisition of the Khoemacau Mine in Botswana on 22 March 2024 for a consideration of US\$1,875,000,000 (subject to adjustments), which was satisfied by a combination of shareholder and third-party financing, and adding a high-quality, transformational growth asset to the Company's portfolio. The Acquisition of the Khoemacau Mine in Botswana did not vary the aggregate of the remuneration payable to and benefits in kind receivable by the Directors. The Company's other operating assets include the wholly-owned Kinsevere copper mine in the Democratic Republic of Congo, the wholly-owned Dugald River zinc mine and Rosebery polymetallic mine in Australia.

As also previously disclosed, the Company is focused on maximising the value of our existing assets and is committed to promoting the below three key development projects.

- **Chalcobamba project** - As part of the next phase of development at Las Bambas, the project will underpin an annual production increase to a range of 350,000 to 400,000 tonnes over the medium term.
- **Kinsevere Expansion Project**, which includes the transition to the mining and processing of sulphide ore and the commencement of cobalt production. This next phase of Kinsevere development will extend Kinsevere's mine life to at least 2035 and, once fully ramped up, will result in total annual production of approximately 80,000 tonnes of copper cathode and 4,000-6,000 tonnes of cobalt in cobalt hydroxide. The first production of copper cathode from sulphides is expected in the second half of 2024, and a full ramp-up is expected in 2025.
- **Khoemacau 130,000 tonnes per annum expansion project** - Following the completion of the acquisition, the project has successfully ramped up to nameplate throughput and is operating at a notional production rate of 50,000 tonnes per annum copper in concentrate with a plan to achieve annual production of 60,000 tonnes per annum by 2026. A work plan is underway to expand to 130,000 tonnes per annum of copper in concentrate.

Corporate Governance

The Company is committed to maintaining a high standard of corporate governance practices by emphasising a quality Board, sound internal controls, and transparency and accountability to all Shareholders. The Company is governed by an experienced Board of six Directors, comprising one Executive Directors, two Non-Executive Directors and three Independent Non-Executive Directors.

On 24 April 2024, the board of directors of the Company announced that Mr Li Liangang resigned as the Interim Chief Executive Officer and an executive director of the Company due to his decision to take a career break to consider retirement. Mr Cao Liang has been appointed as the CEO and an Executive Director of the Company.

LETTER FROM THE BOARD

On 22 January 2024, the Board announced that Mr Ross Carroll retired from his role as the Chief Financial Officer of MMG and will depart the company on 1 July 2024 after a transition period. In addition, with the effect on 1 February 2024:

- Mr Song Qian has been appointed as the Executive General Manager Finance;
- Mr Nan Wang has been appointed Executive General Manager Operations; and
- Mr Troy Hey's responsibilities as Executive General Manager Corporate Relations have been expanded.

On 31 May 2024, the Board announced that Mr Wei Jianxian resigned as the Executive General Manager Americas due to his decision to take a career break to consider retirement. Mr Ivo Zhao has been appointed as the Interim Executive General Manager Americas.

Operating Results (three months ended 31 March 2024)

The Company released its quarterly production report for the three months ended 31 March 2024 on 24 April 2024 (which is available at <http://www.hkexnews.hk>).

Key points include:

- (i) the Company set its production guidance in 2024 to be between 349,500-404,500 tonnes of copper and 225,000-250,000 tonnes of zinc. This guidance incorporates the production from the newly included Khoemacau Mine, while the guidance for the other four mines remain consistent;
- (ii) Completion of the Acquisition of the Khoemacau Mine in Botswana occurred effective as at 22 March 2024. The Khoemacau Mine is a rare, high-grade copper producing asset with a planned expansion that will leverage existing skills and infrastructure at a low capital intensity and in the bottom half of the global cost curve. This will be a key asset for MMG with a mine life in excess of 20 years. The 4,040 km² of tenements across the highly prospective, emerging Kalahari Copperbelt provides significant upside potential. The Acquisition significantly increases MMG's business scale and brings increased exposure to copper with greater geographical diversification of earnings;
- (iii) at Las Bambas, the 5 Huancuire community companies working at Chalcobamba have had their contracts extended to the end of the year. MMG machinery and personnel have commenced working alongside the community companies on development activities at the Chalcobamba pit since the beginning of February. Meanwhile, discussions with the Huancuire community continued to progress as the Company works with the community towards an enduring agreement for the development of the Chalcobamba deposit; and

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- (iv) the construction of the Kinsevere Expansion Project remains on track. Various improvement measures have been initiated to support the ramp-up of cobalt production. The construction of the concentrator advanced with the installation of the SAG mill shell and gear ring, hydro cyclone cluster, and flotation cells in the first quarter. Progress has been achieved for the construction of the RGA with the delivery of essential components to the site.

There have been no changes to cost or production guidance since the release of the quarterly production report on 24 April 2024.

Financial Results

The Company released its annual results for the year ended 31 December 2023 on 5 March 2024 (which are available at <http://www.hkexnews.hk>). As disclosed in the aforesaid announcement, for the year ended 31 December 2023, the Group:-

- (i) recorded a net profit after tax of US\$122.1 million, including a profit of US\$9.0 million attributable to equity holders of the Company. This compared to a net profit after tax of US\$243.5 million in 2022, including a profit of US\$172.4 million attributable to equity holders;
- (ii) recorded a net cash generated from operating activities, totalling US\$1,849.9 million, representing growth of 122% compared to 2022. This performance is primarily attributed to favourable working capital movements with a copper concentrate inventory drawdown at Las Bambas compared to a build-up in 2022. Lower tax payments for Las Bambas and Kinsevere also contributed positively;
- (iii) reduced net debt levels by US\$783.6 million as compared to 2022, reducing gearing ratio by 5% to 50% at the end of 2023 as compared to 2022;
- (iv) increased its revenue by US\$1,092.3 million as compared to 2022 (approximately a 34% increase from the financial year ended 31 December 2022 to the financial year ended 31 December 2023) for the period, primarily driven by higher sales volumes from Las Bambas, which more than offset the impact of lower copper and zinc prices; and
- (v) The Company's total EBITDA of US\$1,461.9 million was 5% lower than 2022. This decline was attributed to lower prices for copper and zinc, lower sales at Kinsevere and Dugald River and higher consumption of third-party ores at Kinsevere to offset reduced oxide ore mined during the transition to mining sulphide ores. Higher sales volumes at Las Bambas contributed positively but were partly offset by an unfavourable stock movement.

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As disclosed in the quarterly production report released on 24 April 2024, MMG continued its hedging program during April and May, with additional volumes hedged for both copper and zinc. An updated summary of unsettled hedging volumes as at 31 May 2024 is set out below:

Unsettled Hedging Volumes as at 31 May 2024 — Copper

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Grand Total
Total copper hedged (tonnes)	17,300	18,300	22,200	18,200	19,400	17,450	14,950	10,500	145,000
Collar (tonnes)	600	600	2,600	3,600	9,100	8,100	7,600	5,500	37,700
Fixed Price Swap (tonnes)	16,700	17,700	19,600	14,600	10,300	9,350	7,350	5,000	107,300
Collar - weighted average price put (US\$/t)	9,565	9,600	10,138	10,142	9,616	9,662	9,673	9,793	9,748
Collar - weighted average price call (US\$/t)	10,000	10,020	10,482	10,484	10,064	10,115	10,112	10,191	10,170
Fixed - weighted average fixed price (US\$/t)	9,234	9,391	9,307	9,224	9,381	9,408	9,444	9,207	9,306

Unsettled Hedging Volumes as at 31 May 2024 — Zinc

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Grand Total
Total zinc hedged (tonnes)	8,800	9,500	8,200	8,200	9,150	7,850	7,650	7,750	67,700
Collar (tonnes)	1,000	1,000	800	1,000	1,000	1,000	1,000	900	7,700
Fixed Price Swap (tonnes)	7,800	8,500	7,400	7,200	8,150	6,850	6,650	6,850	60,000
Collar - weighted average price put (US\$/t)	2,887	2,887	2,884	2,887	2,887	2,887	2,887	2,887	2,887
Collar - weighted average price call (US\$/t)	3,256	3,300	3,325	3,342	3,352	3,363	3,370	3,374	3,335
Fixed - weighted average fixed price (US\$/t)	2,821	2,842	2,832	2,838	2,856	2,842	2,845	2,852	2,839

Mineral Resources and Ore Reserves (as at 30 June 2023)

The Company released its Mineral Resources and Ore Reserves Statement as at 30 June 2023 on 5 December 2023 (which is available at <http://www.hkexnews.hk>) and it was disclosed that:-

- (i) the Group's Mineral Resources (contained metal) have increased for lead (17%);
- (ii) the Group's estimated Mineral Resource decreases (contained metal) have occurred in copper (13%), zinc (5%), molybdenum (15%), cobalt (18%), gold (12%) and silver (7%);
- (iii) the Group's Ore Reserves (contained metal) have increased for cobalt (7%);
- (iv) the Group's Ore Reserves (contained metal) have decreased for copper (9%), zinc (7%), lead (<1%), silver (8%), gold (13%) and molybdenum (2%); and
- (v) cost increases are the primary driver that have impacted all sites and metals produced, which have not been offset by increased metal price assumptions in 2023. At Las Bambas drilling in Phase 5 and Phase 3 of the Ferrobamba pit have resulted in reductions in both Mineral Resources and Ore Reserves.

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All data reported here are on a 100% asset basis, with MMG's attributable interest shown against each asset within the mineral resources and ore reserves tables set out in pages 4 to 10 of the Mineral Resources and Ore Reserves Statement as at 30 June 2023 issued on 5 December 2023 excluding the Khoemacau Mine.

Mineral Resources and Ore Reserves data for Khoemacau Mine is set out at pages 33, V-81 to V-84 of the Khoemacau Circular.

Market Outlook

The Company's revenue was significantly influenced by its exposure to copper and zinc, which accounted for 76% and 8% of its full-year revenue, respectively in 2023.

The Company adopts a long-term perspective towards the commodity markets. It maintains a belief in the strong long-term fundamentals of its core commodities, copper and zinc. On the supply side, the copper and zinc mining industry has faced significant supply constraints in recent years, with expectations of continued disruptions to mine development due to environmental, social, or political challenges. Additionally, supply from existing mines is further constrained by grade attrition and reserve depletion, issues that affect both copper and zinc mine supplies.

For copper, its supply challenges were highlighted by the closure of the Cobre Panama mine in the fourth quarter of 2023 and approximately 20% downward revisions to Anglo American's copper production guidance for 2024 and 2025. From a demand perspective, an uptick in copper demand growth is expected. The ongoing push for decarbonisation is likely to continue driving copper consumption growth, supported by the rising adoption of electric vehicles, which saw global sales increase by double digits compared to 2023. The rapid integration of electric vehicles into the automotive market, coupled with the need for power grid upgrades, is anticipated to further boost copper demand.

For zinc, a number of disruptions are affecting mine output, primarily due to rising mining costs and technical challenges. These disruptions have led to the suspension of significant mining operations, including the Aljustrel mine, the Tara mine, and the Middle Tennessee mines. Additionally, delays in the commencement of new projects, such as the Buenavista mine, further compound these challenges. In contrast to these supply-side constraints, zinc demand is anticipated to grow in the long term, albeit at a more moderate pace. Zinc also plays a crucial role in the green energy transition, especially in applications such as galvanising steel for offshore wind turbines and solar structures to prevent corrosion. Furthermore, the development of emerging technologies, such as zinc-air static battery storage, highlights zinc's enduring value and its potential in future energy solutions.

The Company's financial performance is influenced by a variety of financial risk factors, including commodity price, interest rate, foreign exchange, credit, liquidity and risk arising from the interest benchmark reform. The Company implements a comprehensive risk management program, focusing on the unpredictability of financial markets and seeking to minimise potential adverse effects on the Company's financial performance. The Company can use derivative financial instruments such as interest rate swaps, collar hedges and commodity swaps to manage certain exposures. The Company does not and is prohibited from entering into derivative contracts for speculative purposes.

LETTER FROM THE BOARD

Recent Development of Peru Tax Dispute

Reference is made to the announcements of the Company dated 3 August 2020, 16 October 2020, 19 February 2021, 13 July 2021, 22 November 2021, 27 July 2022, 1 February 2023, 5 September 2023 and 2 May 2024 in relation to the tax dispute between the Company and the National Superintendence of Tax Administration of Peru. The Company has recently received a favourable decision of the tax court in Peru determining that Minera Las Bambas S.A. is not liable to penalty withholding tax at a 30% rate in respect of the 2017 tax year. For details, please refer to the announcement of the Company dated 18 June 2024.

7. RISK FACTORS

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. Please refer to Appendix I of this Prospectus for further details.

8. IMPLICATIONS UNDER THE LISTING RULES

As the proposed Rights Issue is not expected to increase the number of issued shares or the market capitalization of the Company by more than 50% within the 12-month period immediately preceding the Latest Practicable Date, there is no requirement under the Listing Rules for the Rights Issue to be approved by Shareholders in a general meeting pursuant to Rule 7.19A(1) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the proposed Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The public float requirements under the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 8.08 of the Listing Rules.

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to IV to this Prospectus.

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

Potential investors should consider carefully all the information set out in this Prospectus and, in particular, should consider the following risks and special considerations associated with an investment in the Company or the Group before making any investment decision in relation to the Rights Issue, the Company or the Group. The occurrence of any of the following risks could have a material adverse effect on the business, results of operation, financial condition and future prospects of the Group. This Prospectus contains certain forward-looking statements regarding the Directors' or the Group's plans, objectives, expectations and intentions that involve risks and uncertainties. The Group's actual results could differ materially from those described in this Prospectus. Factors that could cause or contribute to such differences include those described below as well as those described elsewhere in this Prospectus.

1. RISK FACTORS RELATING TO THE BUSINESS OF THE GROUP

Risks relating to economic and market conditions

The operating and financial performance of the Group is influenced by a variety of general business cycles and economic conditions. Changes in business and economic factors, such as interest rates, exchange rates, inflation, national demographics, government fiscal and monetary policies, and accounting and financial reporting standards, can be expected to have an impact on business. Any future economic downturn that reduces the demand and/or prices for the commodities mined by the Group could materially and adversely affect the Group's business and results of operations and may result in impairment of the Groups assets.

Risks relating to commodity prices

The prices of copper, zinc, lead, gold, silver, molybdenum and cobalt are affected by numerous factors and events that are beyond the control of the Group. These metal prices change on a daily basis and can vary significantly up and down over time. The factors impacting metal prices include both broader macro-economic developments and micro-economic considerations relating more specifically to the particular metal concerned. Examples of macro-economic factors that can impact metal prices include global economic activity and growth and related future expectations (most notably, of the PRC), changes in currency exchange rates, interest rates, inflationary expectations, the performance of investment markets such as equities and political developments including military and terrorist activity. Micro-economic factors that can impact the price of a specific metal include the current and expected supply and demand for the metal, production disruptions due to factors such as equipment failure, industrial activity and weather, changes to cost structures and forward selling activity. A change in commodity prices could result in the Group reporting a financial loss, being unable to meet its obligations under its financial liabilities and/or an impairment of the Group's assets.

During the year ended 31 December 2023, the Group entered into various commodity trades to hedge the sales prices for copper and zinc. The Group has entered into additional hedges for copper and zinc in 2024, as summarised under section 6 of the Letter from the Board, that partly mitigates this risk in the short term. In the longer-term, the Company remains fully exposed to changes in commodity prices. Additional hedging arrangements may be entered into in the future. A change in commodity prices during the year can result in favourable or unfavourable financial impact for the Group.

Risks relating to borrowings, financial covenants and cash flow liquidity

Management utilises short and long-term cash flow forecasts and other consolidated information to ensure that appropriate liquidity buffers are maintained to support the Group's activities.

As a percentage of total borrowings excluding finance charge prepayments, our current borrowings represent 10% for the year ended 31 December 2021, 22% for the year ended 31 December 2022, and 28% for the year ended 31 December 2023, respectively. The Group's ability to make scheduled payments and comply with its financial covenants will depend heavily upon operating performance and cash flow, which in turn will depend upon prevailing economic and political conditions and other factors (including relationships with external financiers and its major Shareholder), many of which are beyond the Group's control. Failure to manage financing risks could have a material impact on the Group's cash flows, earnings and financial position as well as reducing the funds available to the Group for working capital, capital expenditure, dividends and other general corporate purposes.

Risks relating to interaction with local communities and potential disputes

Issues with local communities may materially and adversely affect the Group's operations. Issues with the local communities surrounding the areas where the Group operates may arise from the implementation of the Group's business activities, including disputes related to settlement relocation and transportation. These issues may result in community protests, road blockades and third party claims. The failure to successfully settle any local community issues could have a material and adverse effect upon the Group's business, prospects, financial condition and results of operations. Specifically in Peru, MMG remains committed to working closely with the Government of Peru and community members for transparent and constructive dialogue. Discussions with the Huancuire community have advanced with the signing of five contracts with community companies and these companies are now working alongside MMG machinery and personnel on the development activities at the Chalcobamba pit. The Las Bambas team is working with the Huancuire community towards enduring agreements for the development of the Chalcobamba deposit. As the community disruptions and political situation are expected to evolve in the near future, the Group will continue to work closely with the relevant authorities and community groups to minimise the potential risk of social instability and disruptions to the Las Bambas operations. Over the longer term, failure to successfully reach agreements with local communities for land access and development will impact the Group's ability to explore, develop and produce from potential future ore sources and extend or build new tailings storage facilities, mining waste storage facilities and other critical mining and processing infrastructure.

Risks relating to the requirement for significant project and operational capital investment

Mining construction projects and operations require significant and continuous capital investment. The completion of base metals production projects may be delayed or may not be completed as planned, may exceed the original capital expenditure estimate and may not achieve the intended economic results or commercial viability. Thus, the actual capital investment for operation and development of the Group may significantly exceed the anticipated capital expenditure because of factors beyond the Group's control.

Risks relating to impairment assessments and the recoverable values of Las Bambas, Kinsevere and Dugald River mines

The Company conducts impairment assessments on the non-current assets of the Company annually and makes provisions for impairment losses accordingly. As disclosed in the Company's annual report for the year ended 31 December 2023, no further impairment was required for the carrying values of Las Bambas, Kinsevere or Dugald River. These operations remain highly sensitive to movements in the key assumptions impacting discounted cash flow models, which include commodity prices, discount rates, cost assumptions, land access and the timing of identifying and converting potential resources and reserves of exploration targets, tax disputes, permitting delays, as well as the success of optimisation of operational activity and productivity and other factors which are normal benchmarks of recoverable values. Any adverse movement in the factors described above may result in a non-cash impairment when impairment testing is completed for the 30 June 2024 half year end or the 31 December 2024 year end. Any such impairment could have a negative impact on the Company's financial results, the Company's financial ratios and could limit the Company's ability to obtain financing in the future.

Risks relating to potential future acquisitions

As part of its growth plans, the Group may seek to increase its mining inventory, Mineral Resources and/or Ore Reserves through selected acquisitions of companies or mining assets with existing exploration rights and additional mining assets. The Group does not, however, have any specific plans, and there is no assurance that it will be able to identify suitable companies or mining assets for acquisition. The Group may not be in a position to finance an acquisition, it may encounter intense competition during the bid process or fail to identify appropriate acquisition targets. In addition, any such acquisition may be subject to obtaining government or regulatory approvals and/or permits, and there can be no assurance that any such approvals or permits will be obtained in a timely manner or at all. If the Group does make future acquisitions, there can be no assurance that it will be able to obtain the necessary approvals and/or permits required to undertake the development of the Mineral Resources and/or Ore Reserves comprised in any such acquired mining assets. Accordingly, the Group's plans and objectives may change from those described in this Prospectus.

Risks relating to future development plans

Whether the Group ultimately implements the development plans of the Group, as described in this Prospectus, and whether such plans achieve the objectives described in respect of such plans, will depend on a number of factors including, but not limited to: (i) the availability and cost of capital; (ii) current and projected prices of metals; (iii) metal markets; (iv) costs and availability of construction and drilling services, costs and availability of heavy equipment, supplies and personnel; (v) success or failure of activities in similar areas to those in which its projects are situated; and (vi) changes in estimates of project completion costs. The Group will continue to gather information about its projects, and it is possible that additional information will cause the Group to alter its schedule or determine that a project should not be pursued at all. Accordingly, the Group's plans and objectives may change from those described in this Prospectus.

Risks relating to foreign operations and sovereignty

The Group conducts all of its operations outside of Hong Kong and, as such, it is exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country. Material risks include, but not limited to, regime or policy change, fluctuation in currency exchange rates, changes to licensing regimes and amendments to concessions, licences, permits and contracts, and changing political conditions and governmental regulations. Changes in any aspects above or shifts in political attitudes in the jurisdictions in which the Group operates may adversely affect the Group's operations and profitability.

The decline in growth and macroeconomic activity in many developing nations has resulted in governments seeking alternative means of increasing their income, including increases to corporate tax, VAT and royalty rates, coupled with increased audit and compliance activity. The DRC Government during 2018 made changes to the 2002 Mining Code and Mining Regulations. These changes were enacted (2018 Mining Code) and continue to result in an increased tax burden on mining companies and increasing challenges with permitting approvals and potential amendments to concessions; In Peru, over the past decades, Las Bambas has experienced heightened political instability with succession of regimes with differing political policies.

Some of the countries in which the Group operates carry higher levels of sovereign risk. Political and administrative changes and reforms in law, regulations or taxation may impact sovereign risk. Political and administrative systems can be slow or uncertain and may result in risks to the Group including the ability to obtain tax refunds in a timely manner. The Group has processes in place to monitor any impact on the Group and implement responses to such changes.

Risks relating to local taxes

Any change in government tax regulations or policies in a manner that is unfavourable to the Group may materially and adversely affect its profitability. The changes in the shareholdings of the Company may be reviewed by local tax authorities for tax obligations under local laws.

The Group currently enjoys a number of benefits under a stability agreement between the Group and the government of Peru. This is a long-term agreement which is subject to renewal and confirmation at prescribed intervals by government authorities. The loss of the benefits granted under the stability agreement may have an adverse impact on the business and results of operations of the Group as the Group will become subject to changes in tax law (and other laws) which it is currently protected from. Any failure to renew or maintain these agreements or any change in the criteria adopted for determining eligibility for these treatments may impose additional burdens and costs on the Group.

Risks relating to interest rate movements

The Group is exposed to interest rate risk primarily through interest bearing borrowings and investment of surplus cash holdings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk. The Group regularly monitors its interest rate risk to ensure that there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed periodically in light of the Group's overall exposure, the prevailing interest rate market and any funding counterparty requirements.

The Group does not currently use any derivative financial instruments to manage the interest rate risk, however this position may change and is subject to ongoing review.

Risks relating to foreign currency exchange rate fluctuations

The Group operates internationally and is exposed to foreign currency exchange risk. The Group's reporting currency and the functional currency of the majority of subsidiaries within the Group is U.S. dollars and the majority of Group revenue is generated in U.S. dollars. The Group's foreign currency exchange risk arises predominantly from the currency of the countries in which the Group's operations are located. A significant portion of the Group's operating costs are denominated in Australian dollars, Botswana Pula and Peruvian soles. Hence, the cost competitiveness, profitability and financial position of the Group will be affected by appreciation of the Australian dollar, Botswana Pula and the Peruvian sol against the U.S. dollar without the offsetting improvements in U.S. dollar-denominated commodity prices. Further, mineral resource prices have historically fluctuated widely and have been affected by numerous factors over which the Group does not have any control, including, but not limited to, currency exchange fluctuations. The effect of currency exchange fluctuations is impossible to predict with any degree of certainty and this may materially and adversely affect the Group's operations and financial performance. The Group tries to minimise its foreign exchange risk exposures through natural hedges wherever possible. For instance, external debt and surplus cash is to, to the extent possible, denominated in U.S. dollars. A portion of cash may be held in Peruvian soles, or other relevant currencies to meet operating costs. As disclosed in the Annual Report, any decision to hedge foreign currency risk is assessed periodically in light of the Group's exposure, the prevailing foreign currency market and any counterparty requirements.

Risks relating to changes in the estimates of the Mineral Resources and Ore Reserves

The Mineral Resource and Ore Reserve estimates of the Group and the competent person's report comply with the JORC Code, but no assurance can be given that an identified Mineral Resource will continue to contain reasonable prospects for eventual economic extraction or that the particular level of metal recovery from the Ore Reserves will be realised.

The estimation of Mineral Resources involves interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The process of producing annual estimates takes some time to complete. Therefore, Mineral Resource estimations are not timely or precise calculations and are only referred to as estimations. The estimation of Ore Reserves involves interpretation of limited information to determine the economic portion of the Mineral Resource.

There can be differences between a Mineral Resource estimate or an Ore Reserve estimate and the actual extraction performance of the deposits encountered, leading to material changes in economic viability from estimates. The exploration of mineral tenements can be speculative in nature and is frequently unsuccessful. Estimated Mineral Resources and Ore Reserves may have to be re-estimated based on changes in metals prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume or grade of mineralisation, estimated recovery rates or other important factors that influence Mineral Resource or Ore Reserve estimates. Market price fluctuations for metals, increased production costs, reduced recovery rates or other factors may render the present proved Ore Reserves and probable Ore Reserves of the Group uneconomical or unprofitable to develop, hence removing their JORC classification as Ore Reserves.

Risks relating to inclement weather and natural disasters

The operations of the Group are at risk from inclement weather, earthquakes, floods, droughts and other natural disasters in the regions where it operates. Inclement weather and natural disasters may affect the supply of fresh water required for mining operations, cause evacuation of personnel, curtailment of operations and damage to mineral properties, transportation routes and loading facilities. This could in turn result in temporary suspension of the operations, a general reduction in productivity or an increase in the budget for the projects. There is no assurance that inclement weather and natural disasters will not cause significant losses to the Group in the future. Any damage to the Group's projects or delays to its operations by prolonged periods of inclement weather or any kind of natural disaster could materially affect its business and results of its operations.

Risks relating to competition

The markets for the commodities mined or contemplated to be mined by the Group, including copper, zinc, lead and molybdenum are intensely competitive and the Group faces competition from other miners. Competition in these markets is based on many factors, including, among others, price, production, capacity, quality, transportation capabilities and costs, blending capability and brand name. Some of the Group's competitors may have greater production capacity as well as greater financial, marketing, distribution and other resources, and may benefit from more established brand names in the international market.

The mineral commodities industry is also characterised by technological advancements and the introduction of new production process using new technologies. Some of the Group's competitors may develop new technologies and processing methods that are more effective or less costly than those currently used by the Group.

Competitive activities in the markets served by the Group could have a significant impact on the prices realised for its products and can therefore have a material adverse effect on its results of operations and financial condition. The Group's future success will depend on its ability to respond in an effective and timely manner to competitive pressure.

Risks relating to credit

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to counterparty credit risk through sales of metal products on normal terms of trade, through deposits of cash and settlement risk on foreign exchange transactions. The credit risk on investments in cash, short-term deposits and similar assets is with approved counterparty banks and the intermediate holding company of the Company. Counterparties are assessed prior to, during and after the conclusion of transactions to ensure exposure to credit risk is limited to acceptable levels. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure.

Risks relating to suppliers

The Group has exposure to movements in prices charged by external suppliers, including those that provide inputs to production such as electricity and other energy providers, explosives and other consumables suppliers, sea freight and transport and other service providers. A significant increase in one or more of these cost items for a sustained period could have an adverse impact on the financial performance of the Group, especially in circumstances where alternative suppliers are not available. In addition, unforeseen adverse changes in quality or reductions in the quantity of supplies provided may also have an adverse impact on operations.

Risks relating to a concentrated shareholder base

CMC holds indirectly approximately 67.49% of the total number of Shares on issue as at the Latest Practicable Date. As the Company's largest Shareholder, CMC is able to influence the Group's major policy decisions through its voting rights, including the Group's overall strategic and investment decisions, dividend plans, issuances of securities and adjustments to its capital structure and other actions that require the approval of Shareholders. As a result, CMC is able to exert significant influence over the Group's actions and may have the ability to require the Group to effect corporate transitions irrespective of the desires of other Shareholders. The interests of CMC may not coincide with those of the other Shareholders. If the interests of CMC conflict with the interests of other Shareholders, or if CMC chooses to cause the Group's business to pursue strategic objectives that conflict with the interests of other Shareholders, those Shareholders could be disadvantaged by the actions that CMC chooses to pursue. Due to the concentrated Shareholder base, the Company has lower share trading liquidity, and daily trading in Shares may not be readily available to other Shareholders.

Risks relating to limited insurance coverage

The Group currently maintains insurance to protect itself against certain risks and in such amounts as it considers appropriate. Its insurance, however, does not cover all potential risks associated with a mining company's operations. The Group is therefore not fully insured against all risks to which it is subject in development projects and ongoing operations. Exploration, development and production operations on mineral properties involve numerous risks and hazards, including rock bursts, slides, earthquakes or other adverse environmental occurrence, industrial accidents, labour disputes, political and social instability, technical difficulties due to unusual or unexpected geological

formation, failure of pit walls, and flooding and periodic interruptions due to inclement or hazardous weather conditions. These risks can result in, among others, damage to and destruction of mineral properties or production facilities, personal injuries, environmental damages, delays in mining, monetary losses and legal liability.

Should any liabilities arise for which the Group is not insured or for which insurance coverage is inadequate to cover the entire liability, the Group may have to pay out of its funds for such liabilities which could result in a reduction or elimination of its actual or prospective profitability, increasing costs and a decline in the value of the Shares, and could materially and adversely affect the Group's business and results of operations.

The Group does not have political risk insurance for any country in which it currently operates.

Risks relating to disputes and litigation

As with any company, the Group is and will be exposed to risks of disputes and litigation. To the extent such risks are not covered by insurance, an adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on financial performance or, the operations of the Group. This risk is heightened for the Group where it is not familiar with the local legal systems or practices of particular foreign jurisdictions in which it operates. Contingent liabilities are disclosed in the Group's financial statements including current disputes relating to withholding taxes and income taxes in Peru.

Risks relating to the ability to attract, retain and train key personnel

The future performance of the Group depends, to a significant extent, upon its ability to attract, retain and motivate key qualified personnel, key senior management and other employees in the business. There is no assurance that these key qualified personnel will continue to provide services to the Group or will honour the agreed terms and conditions of their employment or service contracts. Any loss of key qualified personnel or failure to recruit and retain personnel may have a material adverse effect on the Group's mining business, financial condition, results of operations and future prospects.

In addition, the Group's ability to train operating and maintenance personnel is a key factor for the success of its mining business activities. If the Group is not successful in recruiting, training and retaining such personnel, its business and results of operations could be materially and adversely affected.

Risks relating to not being able to detect and prevent fraud or other misconduct

The Group may not be able to detect and prevent fraud or other misconduct committed by their respective employees, representatives, agents, customers or other third parties. Consequently, the Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject it to litigation, financial losses and sanctions imposed by governmental authorities, as well as affect its reputation.

2. RISK FACTORS RELATING TO THE MINING INDUSTRY

Risks relating to mining development and operation

Mining operations generally involve a high degree of risk. Mining operations by nature involve significant risks and hazards, including the potential for harm (e.g. injury or fatality/ies), environmental pollution, accidents or spills, industrial and transportation accidents, unexpected labour shortages and compensatory claims, disputes with employees or local community members, strikes, blockades and protests at or in the area of its sites, cost increases for contracted and/or purchased goods and services, shortages of required materials and supplies, infrastructure disruptions such as to water supply, electrical power or logistical or access interruptions, mechanical and electrical equipment failures, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods, droughts and earthquakes, encountering unusual or unexpected climatic conditions which may or may not result from global warming, and encountering unusual or unexpected geological conditions or unforeseen technical issues associated with development or construction works. The occurrence of any of these hazards can delay or interrupt production leading to a reduction in sales, increased production costs, breach of licenses and permits or, adverse impacts on the community, which may impact the continuing operations of the Group and result in the Group being liable. The Group could become subject to liability for pollution, community unrest or other hazards against which it has no insurance coverage or cannot obtain insurance coverage, including those in respect of past activities for which it was not responsible.

Risks relating to mining exploration

Exploration drilling to establish Mineral Resources is inherently speculative. The techniques presently available to technical specialists to identify the existence and location of Mineral Resources are indirect and subject to a wide variety of variables that are subjective in nature. The exploration projects undertaken by the Group involve many risks. Success in exploration is dependent upon a number of factors, including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. The Group cannot give any assurance that the future exploration efforts of the Group will result in the discovery of a Mineral Resource or Ore Reserve, or that any current and future exploration programmes will result in the expansion or replacement of current production with new Mineral Resources and Ore Reserves. The Group cannot give assurance that its exploration programmes will be able to extend the life of its existing mines or result in the discovery of new producing mines.

Mining operations have a limited life and the Group is responsible for the eventual closure and rehabilitation of its mines

The Group's mining operations have a limited life. The key costs and risks for mine closures are (i) long-term management of permanent engineered structures; (ii) achievement of environmental closure standards (such as rehabilitation requirements); (iii) orderly retrenchment of employees and third-party contractors; and (iv) relinquishment of the sites with associated permanent structures and community development infrastructure and programs to new owners.

The Group may experience difficulties associated with the closure of any of its mines, the consequences of which include increased closure costs, handover delays and conflicts with local communities in relation to ongoing monitoring and environmental rehabilitation costs that may damage the Group's reputation if desired outcomes cannot be achieved. In the event of a difficult closure, the Group's business, financial condition and results of operations could be materially and adversely affected.

Risks relating to the environment, health and safety

The Group's mining and development operations are subject to the environmental risks inherent in the exploration and production industry and the environmental laws and regulations in connection with all of its operations.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events such as unpredictable rainfall or bushfires may have an impact on the Group's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

Environmental regulations and health guideline standards for certain products and by-products produced by the Group are generally becoming more onerous and will likely require stricter standards and enforcement and more stringent environmental assessments of proposed projects, involve increased fines and penalties for non-compliance, and impose a heightened degree of responsibility for mining companies and officers. Any future changes in the environmental regulations, could significantly increase the operating costs of the Group and materially and adversely affect its financial condition, business and results of operations.

Further, the Group may require approval from the relevant authorities before it can undertake activities that are likely to have an impact on the environment. Failure to obtain such approvals or such approval only being available on uneconomic terms will prevent the Group from undertaking its desired activities. The Group is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the cost of carrying on business by the Group or affect the Group's operations in any aspect. The Group is also unable to predict whether its activities will disturb or uncover new species of flora or fauna that may become subject to environmental laws and regulations.

Risks relating to government policies and regulations

Mining operations are subject to various applicable laws and regulations and require compliance with extensive governmental approvals, licences, regulations, policies and controls. There can be no assurance that the relevant government will not change such laws and regulations or impose additional or more stringent laws or regulations. Failure to comply with certain relevant laws and regulations and failure to or delay in obtaining certain approvals or licences for the Group's business may prevent the Group from completing its exploration and development work programs or beginning commercial production of the commodities, which may adversely affect the Group. In addition, there can be no certainty that any approvals or licences, once granted, will not be withdrawn or that they will be renewed. Certain changes to government policies may materially increase the operating costs and adversely affect the operating results of the Group.

Risks relating to mining investments in a new business and country risks

There are risks beyond the control of the Group associated with investing in mineral exploration, mine development and mining in developing and other foreign jurisdictions. These risks include, but are not limited to: health and safety issues; unexploded ordnance; civil instability; terrorism; religious, ethnic or tribal issues; social unrest; standard of living and wealth distribution; crime; business and regulatory environment and changes to that environment; political instability; government policy changes; expropriation of assets; ability to repatriate funds; corruption; quality and comprehensiveness of the legal regimes in relation to mining or generally; the effectiveness of the legal system or judiciary; the rights of indigenous people; actions of non-government organisations; adverse changes in attitude by host governments or host communities; transportation and infrastructure failure (e.g., road, transmission lines and air services) and associated safety and production impact; energy supply and availability; increased negative social issues in the local area; and tension regarding the government's and host communities' revenue share.

Risks relating to mining contractors

The Group contracts with third parties to provide mining operation services in respect of certain sites. If such contractors cannot provide the service to the required standard for a sustained period, this may adversely affect the Group's production and financial performance, to the extent that the Group is unable to perform the services itself, or does not have sufficient product reserves or access to alternative providers.

1. FINANCIAL RESULTS

Financial information of the Group for each of the three years ended 31 December 2023 are disclosed in the following documents which have been published on the Company's website at <http://www.mmg.com/en/Investors-and-Media/Reports-and-Presentations/Annual-Reports> and on HKEX's website at www.hkexnews.hk:

- (a) annual report of the Company for the year ended 31 December 2021 (pages 98 - 192);
- (b) annual report of the Company for the year ended 31 December 2022 (pages 109 - 200);
- (c) annual report of the Company for the year ended 31 December 2023 (pages 110 - 203);
- (d) the accountants' report of Cuprous Capital Ltd and its subsidiaries for each of the three years ended 31 December 2023 (pages II-1 - II-69 of the Khoemacau Circular); and
- (e) the unaudited pro forma financial information of the Enlarged Group as at 31 December 2023 (pages IV-1 - IV-12 of the Khoemacau Circular), which is incorporated by reference into this Prospectus.

In addition, please refer to:

- (a) the statement of mineral resources and ore reserves of the Company as at 30 June 2023 released on 5 December 2023; and
- (b) the Q4 2023 production report of the Company released on 30 January 2024.

2. INDEBTEDNESS

Outstanding borrowings

As at the close of business on 30 April 2024, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding borrowings of approximately US\$7,239.2 million (equivalent to approximately HK\$ 56,465.8 million), which comprised (i) unsecured and unguaranteed bank borrowings of approximately US\$3,722.4 million (equivalent to approximately HK\$ 29,034.7 million); (ii) unsecured and guaranteed bank borrowings of approximately US\$1,500.0 million (equivalent to approximately HK\$ 11,700.0 million). Of these, US\$ 450.0 million were guaranteed by China Minmetals Non-ferrous Metals Co., Ltd with the rest guaranteed by China Minmetals Corporation; (iii) secured and unguaranteed bank borrowings of approximately US\$2,016.8 million (equivalent to approximately HK\$ 15,731.0 million) which were secured by share security over the entire share capital of MMG South America Management Co Ltd and each of its subsidiaries including Minera Las Bambas (**MLB**), a debenture over the assets of MMG South America Management Co Ltd, an assets pledge agreement and production unit mortgage in respect of all of the assets of MLB, assignments of shareholder loans between MMG South America Management Co Ltd and its subsidiaries and security agreements over bank accounts of MLB.

Bank guarantees on issue

As at the close of business on 30 April 2024, the Group had bank guarantees on issue to the value of approximately US\$333.2 million (equivalent to approximately HK\$ 2,599.0 million). Certain bank guarantees have been provided in connection with the operations of certain subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licenses or key contracting arrangements.

Lease liabilities

As at the close of business on 30 April 2024, MMG Group had lease liabilities amounting to approximately US\$139.7 million (equivalent to approximately HK\$1,090.0 million). These included lease liabilities of US\$95.6 million with associated bank guarantees, and also included lease liabilities of US\$11.5 million with associated securities (e.g., rental deposits).

Contingent liabilities — tax related contingencies

The Group has operations in multiple countries, each with its own taxation regime. The nature of the Group's activities requires it to comply with various taxation obligations including corporation tax, royalties, withholding taxes, transfer pricing arrangements with related parties, resource and production-based taxes, environmental taxes and employment related taxes. Application of tax laws and interpretation of tax laws may require judgement to assess risk and estimate outcomes, particularly in relation to the application of income taxes and withholding tax to the Group's cross-border operations and transactions. The evaluation of tax risks considers both assessments received and potential sources of challenge from tax authorities. Additionally, the Group is currently subject to a range of audits and reviews by taxation authorities in Australia, Peru, Botswana and the Democratic Republic of the Congo.

Tax matters with uncertain outcomes arise in the normal course of business and occur due to changes in tax law, changes in interpretation of tax law, periodic challenges and disagreements with tax authorities, and legal proceedings. The status of proceedings for such uncertain tax matters will impact the ability to determine the potential exposure, and in some cases, it may not be possible to determine a range of possible outcomes, including timing of resolution or determining a reliable estimate of the potential exposure.

Peru — Withholding Taxes (2014, 2015, 2016 and 2017)

Included within such uncertain tax matters are audits of the 2014, 2015, 2016 and 2017 tax periods for MLB in relation to withholding taxes (**WHT**) on interest and fees paid under certain loans, which were provided to MLB pursuant to facility agreements entered into among MLB and a consortium of Chinese banks in connection with the acquisition of the Las Bambas mine in 2014. MLB received assessment notices from the SUNAT, which advised that, in its opinion, MLB and the Chinese banks are related parties and thus a 30% withholding tax rate ought to be imposed rather than the 4.99% applied. The assessments of omitted tax plus penalties and interest as at 30 April 2024 totalled PEN2,081 million (approximately US\$554 million).

The Tax Court hearing for the case WHT 2017 has been scheduled for May 23, 2024. MLB and SUNAT will present their final arguments prior to the issuance of the decision.

In relation to these assessments, having received external legal and tax advice, the Group has formed the view that the Company and its controlled entities are not related parties to Chinese banks under Peruvian tax law. Additionally, the Peruvian tax law was amended (with effect from October 2017) to provide expressly that parties are not related by being under state ownership for the purposes of withholding taxes. MLB has appealed the assessments issued by SUNAT in the Peru tax court and the pronouncement is pending. In parallel, MLB filed an Amparo lawsuit to request a Constitutional Court the nullity of withholding tax Assessments due to the violation of MLB's constitutional rights in the issuance of SUNAT Assessments. Where MLB is not successful in rebutting or appealing such challenge(s), this could result in significant additional tax liabilities.

Peru — Income Taxes (2016 and 2017)

- *Peru — 2016 Income Tax*

In January 2023, MLB received assessment notices from SUNAT in connection with the 2016 income tax audit (the “**2016 Income Tax Assessment**”). The assessment denied the deductions for all interest on borrowings expensed during the 2016 tax year. This included the loans from Chinese banks where SUNAT denied the interest deductions on the basis that the borrowings were from related parties and that the alleged related party debt should be included in calculating MLB's related party ‘debt to equity’ ratio (the ‘thin capitalization’ threshold) which would then be breached. SUNAT also alleged that interest payable on the shareholder loan from MMG Swiss Finance A.G. is non-deductible, due to the application of the “Causality Principle” (i.e., the loan has no relevance to the income-producing activities of MLB). Further, SUNAT separately alleged that the accounting treatment of the merger of Peruvian entities (subsequent to the acquisition of MLB in 2014) should have resulted in a negative equity adjustment which would result in MLB having no equity for the purposes of calculating its thin capitalization allowance. The assessment issued by SUNAT for tax, interest and penalties for the income tax year 2016 totalled PEN661 million (approximately US\$176 million) as at 30 April 2024.

On 27 July 2023, SUNAT confirmed that it had considered MLB's appeal against the Assessment and concluded that the Assessment remains correct and valid.

MLB appealed the decision to the Peru tax court on 17 August 2023.

- *Peru — 2017 Income Tax*

In August 2023, MLB received assessment notices from SUNAT in connection with the 2017 income tax audit (2017 Income Tax Assessment). Similar to the 2016 Income Tax Assessment, SUNAT has continued to challenge MLB's treatment of interest expense in the 2017 tax year on the same basis as that described above. Further, SUNAT has not considered previous years' tax losses, including 2014, 2015 and 2016 development costs (US\$710 million). The Assessment for tax, interest and penalties for the income tax year 2017 totalled PEN 3,610.4 million (approximately US\$961.0 million) as at 30 November 2023. However, on 30 November 2023 SUNAT issued Resolution No.

4070140000905 and declared the nullity of tax debt. An updated Assessment for 2017 was received on 13 December 2023 and notified a tax debt of PEN 3,460.2 million (approximately US\$924.0 million). The new assessments have been appealed to the Peru Tax Court on 20 March 2024. The assessment amounts to PEN 3,523 million (approximately US\$938 million) as at 30 April 2024.

- *Peru — 2018 Income Tax*

On 30 April 2024, the Company received assessments notices from SUNAT in connection with the 2018 income tax audit. The assessment was issued on the basis that all of the loan interest expensed during 2018 tax year were non-deductible. The assessment issued by SUNAT for tax, interest and penalties totalled approximately PEN 3,274 million (approximately US\$872 million). MLB strongly disagrees with these interpretations and will file an appeal before SUNAT in the following months and, if unsuccessful, to the Tax Court.

The Company will also review other avenues for resolution of the dispute; however, if the Company is not successful in rebutting or appealing such challenges, this could result in significant additional tax liabilities.

Regarding the above SUNAT interpretations, management strongly disagrees and is of the view that SUNAT has disregarded all available evidence and independent opinions on the accounting treatment, submitted by MLB for consideration the income tax assessment process. Further, in not considering prior years' tax losses, SUNAT has failed to acknowledge the Peru tax court decisions in respect of development costs for the 2012 and 2013 years which were ruled in MLB's favour.

MLB has notified the government of Peru of a dispute pursuant to the Peru-Netherlands Bilateral Investment Treaty (the "**Treaty**") and the government of Peru has confirmed its inability to resolve the dispute by way of commercial negotiation. MLB is currently evaluating its legal options to seek damages from the government of Peru for a number of breaches of the Treaty.

Considering the MLB's proposed appeals and advice from MLB's tax and legal advisers, the Group did not recognise a liability in its consolidated financial statements for any assessed amount. If MLB is unsuccessful in its challenge on the SUNAT assessments, this could result in significant liabilities being authorized.

Save as aforesaid or otherwise disclosed herein, and apart from the intra-group liabilities and normal trade payables, MMG Group did not have any outstanding debt securities issued or outstanding and authorized or otherwise created but unissued, bank overdrafts, loans, borrowings or other similar indebtedness, hire-purchase commitments, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other material contingent liabilities as at the close of business on 30 April 2024.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the expected completion of the rights issue as mentioned in this Prospectus and the financial resources available to the Group, including but not limited to its internally generated funds, cash and cash equivalents and other external facilities from banks and financial institutions, and in the absence of unforeseen circumstances, the Group has available sufficient working capital for its present requirements for the next 12 months.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUES**

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2023 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group attributable to equity holders of the Company as if the Rights Issue had taken place at 31 December 2023.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to equity holders of the Company had the Rights Issue been completed as at 31 December 2023 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2023 which assumed the completion of the acquisition of the entire issued share capital of Cuprous Capital Limited (the “**Acquisition**”) as of 31 December 2023, in manner similar to as the pro forma financial information included in the Company’s Circular published on 24 May 2024, relating to the “Major Transaction in Relation to the Acquisition of the Entire Issued Share Capital of Cuprous Capital Ltd” (the “**Circular**”, refer to Note 1) and after incorporating the unaudited pro forma adjustments described in the accompanying notes.

	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company, including effect of Acquisition, as at 31 December 2023	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company, including effect of Acquisition, as at 31 December 2023 immediately after the completion of the Rights Issue
	<i>US\$ million</i>	<i>US\$ million</i>	<i>US\$ million</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	
Based on 3,465,432,486 Rights Shares to be issued at the Subscription Price of HK\$2.62 per Rights Share	1,251.9	1,151.0	2,402.9

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUES**

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Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company, per share, including effect of Acquisition, as at 31 December 2023 before the completion of the Rights Issue (Note 3) **14.45**

Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company, per share, including effect of Acquisition and immediately after completion of the Rights Issue (Note 4) **19.81**

Notes:

- (1) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company of US\$1,251.9 million (equivalent to approximately HK\$9,764.8 million) as at 31 December 2023 have been calculated based on the unaudited pro forma adjusted consolidated net assets attributable to equity holders of the Company of approximately US\$2,103.4 million (equivalent to approximately HK\$16,406.5 million) as at 31 December 2023, assuming the Acquisition had occurred at 31 December 2023, (and with reference to the Circular) after deducting unaudited pro forma intangible assets of the Group attributable to equity holders of the Company of approximately US\$851.5 million (equivalent to approximately HK\$6,641.7 million).
- a. As set out in the Circular:
- i. Total assets: US\$14,976.8 million
- ii. Total liabilities: US\$10,684.8 million
- b. Therefore the net assets are US\$4,292.0 million, of which:
- Attributable to equity holders of the Company: US\$2,103.4 million
 - Attributable to non-controlling interests: US\$2,188.6 million (as reported in the annual consolidated financial statements of the Group at 31 December 2023)
- (2) The estimated net proceeds from the Rights Issue are based on number of Rights Shares of 3,465,432,486, which is based on that the Company has 8,663,581,216 shares in issue as at the Latest Practicable Date (refer to the definition in the Prospectus) assuming that the exercising of 7,534,028 award shares under 2021 Performance Awards on 5 June 2024 has taken place on 31 December 2023, to be issued at the Subscription Price of HK\$2.62 per Rights Share and after deduction of the estimated related expenses, which are directly attributable to the Right Issue, of approximately US\$13.0 million (equivalent to approximately HK\$101.4 million). Any proceeds from exercise of any remaining share options and performance awards have not been reflected in the net proceeds from the Rights Issue as set out in the above table. The table also assumes that Rights Issue will be fully subscribed.
- (3) The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company, per share, as at 31 December 2023 (including the effect of the Acquisition and before the completion of the Rights Issue) is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company of US\$1,251.9 million (equivalent to approximately HK\$9,764.8 million) divided by the number of shares being 8,663,581,216 (see note 2).

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUES**

- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company, per share, including the effect of Acquisition, and immediately after the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2023, including the effect of Acquisition and immediately after the completion of the Rights Issue of approximately US\$2,402.9 million (equivalent to approximately HK\$18,742.6 million) divided by 12,129,013,702 shares. The total shares of 12,129,013,702 represent (i) 8,663,581,216 shares assumed to be on issue as at 31 December 2023 (see Note 2), and (ii) 3,465,432,486 Rights Shares assumed as issued pursuant to the Rights Issue (if such Rights Issue was to be completed and full subscribed to at 31 December 2023).
- (5) No other adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2023.
- (6) The translation between US\$ and HK\$ has been made at the rate of US\$1 to HK\$7.80. No representation is made that the HK\$ amounts have been, could have been or could be converted to US\$, or vice versa, at that rate or at any other rates or at all.
- (7) On 30 May 2024, the Group announced that it entered into a Share Subscription Agreement (“SSA”), under which a 45% shareholding of MMG Africa Resources Company Limited (a previously wholly indirect owned subsidiary of the Company, and the indirect parent of Khoemacau Copper Mining Proprietary Limited (“KCM”) recently acquired in Botswana), will now be held by Comor Holdings Corporation Limited.

Had the SSA been entered into at 31 December 2023, and had the settlement of the issue of subscription shares defined in the SSA completed at 31 December 2023 (assuming that Acquisition had also been completed as of 31 December 2023), the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2023 including the effect of Acquisition, would increase by US\$232.4 million. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2023, including the effect of Acquisition, and immediately after completion of the Rights Issue would also increase by same amount.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE RIGHTS ISSUES

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte.

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of MMG Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of MMG Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2023 and related notes as set out on pages III-1 to III-3 of Appendix III to the prospectus issued by the Company dated 20 June 2024 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-3 of Appendix III to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of two (2) rights shares for every five (5) shares held on the Record Date (as defined in the Prospectus) (the “**Rights Issue**”) on the Group's financial information as at 31 December 2023 as if the Rights Issue had taken place at 31 December 2023. As part of this process, information about the Group's financial information has been referenced by the Directors from the Group's unaudited pro forma financial information as at 31 December 2023 set out in the Appendix II to the circular of the Company dated 24 May 2024, in relation to the major transaction in relation to the acquisition of the entire issued share capital of Cuprous Capital Ltd, on which an assurance report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE RIGHTS ISSUES

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (**HKSQM**) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2023 would have been as presented.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUES**

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 June 2024

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus 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 Prospectus misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS IN EQUITY OR DEBT SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and the CEO 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 HKEx 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 HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C1 of the Listing Rules (Model Code) were as follows:

Long positions in Shares and underlying shares of the Company as at the Latest Practicable Date:

Name of CEO/Directors	Nature of interest	Number of underlying shares held			Approximate percentage of total number of issued Shares as at the Latest Practicable Date ¹
		Number of Shares held	Performance Options	Performance awards	
XU Jiqing ²	Personal	940,050	—	—	0.011%

Notes:

1. 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, 8,663,581,216 shares) as at the Latest Practicable Date.
2. The shares of Mr Xu Jiqing were the balance of the vested performance awards granted to him in 2015 and 2016 which were subject to holding locks for various periods of up to three years after vesting in 2018.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the CEO of the Company or any of their associates had any interests or short positions in the 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 HKEx 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and HKEx.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors of the Company, the following persons (other than a Director or CEO of the Company) had an interest or a short position in the Shares and 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 that were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in Shares and underlying shares of equity derivatives of the Company as at the Latest Practicable Date:

Name of substantial shareholders	Capacity	Number of Shares held	Approximate percentage of total number of issued Shares as at the Latest Practicable Date ¹
CMC	Interest of controlled corporation ²	5,847,166,374	67.49%
CMCL	Interest of controlled corporation ²	5,847,166,374	67.49%
CMNH	Interest of controlled corporation ²	5,847,166,374	67.49%
CMN	Interest of controlled corporation ²	5,847,166,374	67.49%
Album Enterprises	Interest of controlled corporation ²	5,847,166,374	67.49%
Minmetals HK	Beneficial owner	5,847,166,374	67.49%

Notes:

1. 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, 8,663,581,216 shares) as at the Latest Practicable Date.

2. Minmetals HK is owned as to approximately 39.04 per cent, 38.95 per cent and 22.01 per cent by CMCL, Album Enterprises and Top Create respectively. Album Enterprises and Top Create are wholly owned by CMN that, in turn, is owned as to approximately 99.999 per cent and 0.001 per cent by CMNH and CMCL respectively. CMNH is a wholly owned subsidiary of CMCL. CMCL is owned as to approximately 87.538 per cent by CMC and approximately 0.846 per cent by China National Metal Products Co. Ltd. that, 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 of the Company held by Minmetals HK.

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than a Director or CEO of the Company) who was recorded in the register of the Company, as having an interest or short positions in the Shares or underlying shares of the Company who was required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was recorded in the register required to be kept by the Company under Section 336 of the SFO.

Mr Xu Jiqing is a director and the chairman of CMN and Mr Zhang Shuqiang is a director of CMNH and Minmetals HK, supervisor of CMCL, and the Auditor General and General Manager of Audit Committee of CMC. Apart from that, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares or 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.

4. DIRECTORS' SERVICE CONTRACTS

Each of the Non-executive Directors entered into an appointment agreement with the Company for a specific term of three years, except for Dr Peter William Cassidy. Dr Cassidy's appointment agreement commenced on 31 December 2010 and continues until either the Company or he terminates such agreement by serving on the other not less than one month's prior written notice. As at the Latest Practicable Date, there was no existing or proposed service contracts of Directors which will not expire or is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory compensation.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors and their respective close associates had any interest in a business which competed or may compete with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder of the Company), save as disclosed below:

1. Mr Zhang Shuqiang, a non-executive Director of the Company, is:
 - the Auditor — General of CMC;
 - the General Manager of Audit Department of CMC;
 - a supervisor of CMCL;
 - a director of CMNH; and

- a director of Minmetals HK.
2. Mr Xu Jiqing, a non-executive Director of the Company, is:
- a director and the Chairman of CMN.

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, the above companies.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, or their respective associates (as if each of them was treated as a controlling shareholder under Rule 8.10 of the Listing Rules) had any direct or indirect interest in a business which competes or is likely to compete with the business of the Group.

6. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date:

- (a) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

7. PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Chairman

Mr Xu Jiqing (Non-executive Director) ("Mr Xu")

Mr Xu, aged 56, was redesignated from an Executive Director to a Non-executive Director of the Company in January 2020 and was appointed as the Chairman of the Company in August 2023. Prior to his redesignation, he was an Executive Director and Executive General Manager of the Company from May 2013 to December 2019 with responsibility for various areas, most recently China Relations, Marketing and Supply. Mr Xu was also a Non-executive Director of the Company from May 2009 to May 2013. He is a member of the Company's Audit and Risk Management Committee and the Governance, Remuneration, Nomination and Sustainability Committee.

Mr Xu was appointed as a director and the Chairman of China Minmetals Non-ferrous Metals Co., Ltd (CMN) since February 2016 and September 2023 respectively. He was the President of CMN from January 2020 to September 2023.

Mr Xu holds a Bachelor's degree in Accounting from the University of International Business and Economics in the PRC, and a Master's degree in Business Administration from Saint Mary's University in Canada. He is a qualified senior accountant in the PRC, a fellowship member of the Certified General Accountants Association of Canada and a chartered professional accountant member of the Chartered Professional Accountants of British Columbia, Canada. Mr Xu has extensive experience in strategic planning, accounting, marketing and corporate financial and risk management.

Mr Xu joined the CMC Group in 1991, holding a number of management roles from 1997 in various Finance departments. He was the Vice President and CFO of CMN between 2005 and 2013.

Executive Director

Mr Cao Liang (Executive Director) (“Mr Cao”)

Mr Cao, aged 43, was appointed as the CEO and an Executive Director of the Company in April 2024.

He was previously the Vice President of China Minmetals Nonferrous Metals Co., Ltd. and the Vice President/Chief of Staff of Minera Las Bambas S.A. at the Company. 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 Nonferrous Metals Co., Ltd. and MMG.

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.

Non-executive Director

Mr Zhang Shuqiang (Non-executive Director) (“Mr Zhang”)

Mr Zhang, aged 57, was appointed as a Non-executive Director of the Company in February 2017. He is a member of the Company's Audit and Risk Management Committee.

Mr Zhang has been the Auditor — General of CMC since August 2023; the General Manager of Audit Department of CMC and Supervisor of China Minmetals Corporation Limited since April 2023. He was appointed as a director of CMNH since January 2016 and was designated as a chairman of CMNH in February 2021. Mr Zhang was the General Manager of the Finance Department of CMC from January 2016 to April 2023, a director of CMN from February 2016 to March 2023, and a director of Minmetals HK since August 2016. He was the Chairman of Minmetals Finance Co., Ltd. from September 2018 to April 2023. Mr Zhang was appointed as a director of China Rare Earth Group Co., Ltd since December 2021.

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

Mr Zhang started his career at China National Nonferrous Metals Import and Export Corporation, working as the Financial Accountant since 1987. From 1997 to 2000, he served as the Deputy Chief of the Finance Division of China National Nonferrous Metals Industry Trading Group Corporation. From 2000 to 2002, Mr Zhang served as the Assistant General Manager of the Finance Department of China National Nonferrous Metals Industry Trading Group Corporation. He also served as the Assistant General Manager (from April 2002 to March 2003) and the Deputy General Manager (from March 2003 to October 2005) of the Finance Department of CMN. From October 2005 to May 2013, Mr Zhang was the Deputy General Manager of the Finance Department of CMC. From May 2013 to December 2015, he served as the Vice President and the CFO of CMN and CMNH. From December 2015 to January 2016, Mr Zhang was the acting Deputy General Manager of the Finance Department of CMC. From December 2016 to August 2018, he was a director of Minmetals Development Co., Ltd. From April 2017 to May 2020, Mr Zhang was a director of Minmetals Capital Co., Ltd. and from July 2017 to June 2020, he was a director of Minmetals Innovative Investment Co., Limited. Mr Zhang was the Vice Chairman and a director of Xiamen Tungsten Co. Ltd (a company listed on the Shanghai Stock Exchange) from January 2014 to December 2014. He was also a director of Hunan Nonferrous Metals Holding Group Co., Ltd from August 2013 to January 2017 and a director of China Tungsten and Hightech Materials Co., Ltd. (a company listed on the Shenzhen Stock Exchange) from June 2016 to November 2018.

Independent Non-executive Directors

Dr Peter William Cassidy (Independent Non-executive Directors) (“Dr 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. Dr Cassidy 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, the PRC, Laos, Papua New Guinea, the DRC and Côte d'Ivoire.

Mr Leung Cheuk Yan (Independent Non-executive Director) (“Mr Leung”)

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 Chan, Ka Keung Peter (Independent Non-executive Director) (“Mr Chan”)

Mr Chan, aged 73, was appointed as an Independent Non-executive Director, the Chairman of the Audit and Risk Management Committee and a member of the Governance, Remuneration, Nomination and Sustainability Committee of the Company in December 2019.

Mr Chan graduated from The Hong Kong Polytechnic University majoring in accounting. He is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants of the United Kingdom, an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) of the United Kingdom, and a member of CPA Australia.

From January 1994 to December 2008, Mr Chan served as Beijing-based managing partner of the Tax and Investment Advisory Service Department and then managing partner of the NPA Transaction Advisory Service Department of Ernst & Young. He also served as member of the executive committee of the Hong Kong Chamber of Commerce in China from 1996 to 2003 and the Chairman of Hong Kong Chamber of Commerce in China in 2000 and 2003. Mr Chan was an independent non-executive director of CRRC Corporation Limited (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) from June 2014 to May 2018. He was also an independent non-executive director of Metallurgical Corporation of China Ltd. (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) and China Railway Signal & Communication Corporation Limited (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) from November 2015 to April 2020 and from August 2018 to February 2022 respectively.

SENIOR MANAGEMENT**Mr Troy Hey, Executive General Manager — Corporate Relations (“Mr Hey”)**

Mr Hey, aged 53, has served on the Executive Committee of the Company since August 2013 in his capacity as the Executive General Manager — Stakeholder Relations. His present role title is Executive General Manager — Corporate Relations. In this role, he is responsible for Stakeholder Relations, Corporate Affairs, Human Resources, Global Business Services, Technology and Legal and Company Secretarial. Mr Hey is also a director of a number of subsidiaries of the Company.

Prior to joining the Company as General Manager — Stakeholder and Investor Relations in April 2011, Mr Hey was the General Manager — Media and Reputation at Foster’s Group since 2005. He was previously the Group Manager — Public Affairs for WMC Resources Limited, up to its acquisition by BHP Billiton Limited in 2005. Mr Hey began his career in economic and public policy consultancy at the Allen Consulting Group and Australian Centre for Corporate Public Affairs, before working across the aviation, entertainment and mining sectors.

Mr Hey has over 20 years’ experience in government, media, community and investor relations, economic and public policy, industry association and communications management.

Mr Hey has dual degrees in Law and Commerce from the University of Melbourne and is the recipient of an Australia-Japan Foundation Language Scholarship at Kwansai Gakuin University, Nishinomiya, Japan.

Mr Nan Wang, Executive General Manager — Operations (“Mr Wang”)

Mr Wang, aged 50, has served on the Executive Committee of the Company since May 2022 in his capacity as the Executive General Manager — Australia and Africa and redesignated as the Executive General Manager — Operations which has integrated group operational accountability with operational excellence since 1 February 2024. He is also a director of a number of subsidiaries of the Company.

Mr Wang is a mining executive with over 20 years of management, technical and operational experience, in open cut and underground operations. He previously spent over six years at MMG in Australia as Group Manager Mining between 2013 and 2019 and had extensive knowledge of MMG’s operations.

Prior to his time at MMG, Mr Wang worked with Gold Fields Limited as Vice President and Head of Technical Services for West African Regional operations in Ghana. He also previously worked for various mining companies in different commodities.

Mr Wang has a Bachelor of Engineering — Mining (Honours), University of Queensland, Australia and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM).

Mr Qian Song, Executive General Manager — Finance (“Mr Qian”)

Mr Qian, aged 52, was appointed as Executive General Manager — Finance of the Company with effect from 1 February 2024. He brings to the role significant executive experience within CMC and was most recently the CFO of Minmetals Innovative Investment Co., Limited. Prior to this role, Mr Qian was the Vice President of Capital Markets of CMC from 2019 to 2022. He was also employed by the Company from 2010 to 2012 in the role of Group Manager Board Support.

Mr Qian has over 3 decades of invaluable experience in global treasury systems and a profound understanding of commercial and investment banking, financial markets, and cross-cultural integration in mining assets as well as multi-industrial assets, both domestically and internationally.

Addresses of Directors and senior management

The business address of the Directors and senior management of the Company is at Level 24, 28 Freshwater Place, Southbank, Victoria 3006, Australia.

8. CORPORATE INFORMATION

Registered office:	Unit 1208, 12/F China Minmetals Tower 79 Chatham Road South Tsimshatsui Kowloon Hong Kong
Principal place of business:	Level 24 28 Freshwater Place Southbank Victoria 3006 Australia
Authorised representatives:	Cao Liang Level 24 28 Freshwater Place Southbank Victoria 3006 Australia Wong Lok Wun, Anfield Level 24 28 Freshwater Place Southbank Victoria 3006 Australia
Company secretary:	Wong Lok Wun, Anfield <i>(a chartered secretary, a chartered governance professional and an associate member of The Hong Kong Chartered Governance Institute (HKCGI) (formerly known as The Hong Kong Institute of Chartered Secretaries))</i>

Legal advisers to the Company:	Herbert Smith Freehills 23rd Floor Gloucester Tower 15 Queen's Road Central Hong Kong
Auditors:	Deloitte Touche Tohmatsu <i>Registered Public Interest Entity Auditor</i> <i>Certified Public Accountants</i> 35/F One Pacific Place 88 Queensway, Hong Kong
Share registrar and transfer office:	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai Hong Kong
Principal bankers:	China Development Bank No.16 Taipingqiao Street Xicheng District Beijing PRC The Export-Import Bank of China No. 30 Fu Xing Men Nei Street Beijing PRC Bank of China Limited, Sydney Branch 140 Sussex Street Sydney NSW 2000 Australia China Construction Bank (Asia) Corporation Limited 25/F, CCB Tower 3 Connaught Road Central Central Hong Kong Bank of America Merrill Lynch Limited Level 19 120 Collins Street Melbourne VIC 3000 Australia

	<p>Macquarie Bank Limited 50 Martin Place Sydney NSW 2000 Australia</p>
	<p>Banco Bilbao Vizcaya Argentaria, S.A. Av. República de Panamá 3055 San Isidro Lima Peru</p>
Sole Global Coordinator	<p>Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London, United Kingdom</p>
Joint Underwriters:	<p>Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London, United Kingdom</p> <p>Macquarie Capital Limited Level 22 One International Finance Centre 1 Harbour View Street Central, Hong Kong</p> <p>Merrill Lynch (Asia Pacific) Limited 55/F, Cheung Kong Centre 2 Queen's Road Central Central, Hong Kong</p> <p>Huatai Financial Holdings (Hong Kong) Limited 62/F., The Center 99 Queen's Road Central, Hong Kong</p>
Legal advisers to the Joint Underwriters:	<p>Linklaters 11th Floor Alexandra House 18 Chater Road Hong Kong</p>

9. SHARE CAPITAL AND PERFORMANCE AWARDS**(a) Share capital**

As at the Latest Practicable Date, the number of issued Shares was, and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date to the completion of the Rights Issue) would be, as follows:

8,663,581,216	Shares in issue as at the Latest Practicable Date
<u>3,465,432,486</u>	Rights Shares to be allotted and issued under the Rights Issue
<u>12,129,013,702</u>	Shares in issue immediately after completion of the Rights Issue

All of the Shares currently in issue rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and capital. The Shares in issue are listed on the Main Board of HKEX.

All of the Rights Shares to be allotted and issued will, subject to the articles of association of the Company, rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and capital, and with all Shares in issue as at the date of allotment and issue of Rights Shares such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment of the Rights Shares.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

Dealings in the Shares may be settled through CCASS and Shareholders should consult their stockbrokers or other registered dealers in securities, bank managers, solicitors, professional accountants or other professional advisers for details of these settlement arrangements and how such arrangements may affect their rights and interests.

(b) Performance Awards

As at the Latest Practicable Date, the Company has 22,990,096 Performance Awards in issue which may be satisfied by the issuance and allotment of new Award Shares to the eligible Incentive Participants at a ratio of one Award Share for one Performance Award. 7,534,028 Performance Awards were vested to Incentive Participates on 5 June 2024 and it is expected that 22,990,096 Performance Awards as the 2022 Performance Awards will vest in Incentive Participants on or around June 2025.

Upon the Rights Issue becoming unconditional, the number of Shares issuable upon exercise in full of the Performance Awards may be subject to adjustments. Further announcements will be made in this regard in due course.

Save for the Performance Awards disclosed above, the Company did not have any other options and other convertible securities or rights affecting the Shares and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

10. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date and save as disclosed otherwise in this Prospectus, there had been no material adverse changes in the financial or trading positions of the Company since 31 December 2023, the date to which the latest published audited financial statements of the Company were made up.

11. LITIGATION

As at the Latest Practicable Date and as far as the Directors are aware, other than tax related contingent liabilities outlined in the statement of indebtedness in Appendix II, no litigation or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

12. QUALIFICATION AND CONSENT OF EXPERT

Name	Qualifications
Deloitte Touche Tohmatsu	Registered Public Interest Entity Auditor; Certified Public Accountants

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

Deloitte Touche Tohmatsu has given and has not withdrawn its consent to the issue of this Prospectus with inclusion of all references to its name and opinions in the form and context in which they appear in this Prospectus.

13. MATERIAL CONTRACTS

The following contract(s) (not being contracts entered into in the ordinary course of business) had been entered into by the Company or any members of the Group within the two years immediately preceding the issue of this Prospectus and are or may be material:

- (a) the Underwriting Agreement;
- (b) the Committed Shareholder Irrevocable Undertaking; and

- (c) the share purchase agreement dated 20 November 2023 and entered into between Cupric Canyon Capital L.P., The Ferreira Family Trust, Resource Capital Fund VII L.P., and the Missouri Local Government Employees' Retirement System (the sellers), MMG Africa Ventures Inc (the purchaser), and the Company in relation to the acquisition of all the issued shares in the capital of Cuprous Capital Ltd for a consideration of US\$1,875,000,000 (subject to adjustments provided thereunder).

Save as disclosed above, no material contract (not being a contract entered into in the ordinary course of business) has been entered into by any member of the Group within the two years immediately preceding the issue of this Prospectus.

14. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advisory fees, printing, registration, translation, legal and accountancy charges payable by the Company are estimated to be approximately US\$12.00 million (HK\$93.60 million).

15. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

16. LANGUAGE AND GENERAL

- (a) This Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.
- (b) As at the Latest Practicable Date, the Directors were not aware of any restriction affecting the remittance of profits or repatriation of capital into Hong Kong from outside Hong Kong which materially affects the business of the Group as a whole.

17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, and the written consent of the expert referred to in the paragraph headed "Qualification and Consent of Expert" in this appendix have been delivered to the Registrar of Companies of Hong Kong for registration pursuant to section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

18. DOCUMENTS AVAILABLE ON DISPLAY

The following documents are available on the website of HKEx (<http://www.hkex.com.hk>) and the website of the Company (<http://www.mmg.com>) for a period of 14 days from the date of this Prospectus:

- (a) the report from Deloitte relating to unaudited pro forma financial information of the Group, the text of which is set out in Appendix III;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (c) the written consent referred to in the paragraph headed “Qualification and Consent of Expert” in this appendix; and
- (d) this Prospectus.