Introduction

The following is the illustrative and unaudited pro forma financial information of the Enlarged Group ("unaudited pro forma financial information"), including the unaudited pro forma consolidated balance sheet, the unaudited pro forma consolidated income statement and the unaudited pro forma consolidated cash flow statement of the Enlarged Group. The unaudited pro forma financial information has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Acquisition, as if it had taken place on 31 December 2013 for the unaudited pro forma consolidated balance sheet and on 1 January 2013 for the unaudited pro forma consolidated income statement and the unaudited pro forma consolidated cash flow statement.

The unaudited pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position, results of operations and cash flows of the Enlarged Group had the Acquisition been completed as at 31 December 2013 or 1 January 2013, where applicable, or at any future dates.

The unaudited pro forma financial information should be read in conjunction with other financial information included elsewhere in this circular.

A. UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

	Group as at 31 December 2013 (Audited)	Pro forma adjustments: Target Company as at 31 December 2013	Pro forma adjustments: Project Company as at 31 December 2013	Pro forma adjustments: Pro forma adjustment	Pro forma adjustments: Target Group as at 31 December 2013	Pro forma adjustments: Other pro forma adjustments	Pro forma adjustments: Other pro forma adjustments	Pro forma adjustments: Other pro forma adjustments	Pro forma Enlarged Group as at 31 December 2013 (Unaudited)
	US$ million	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*
	Note 1	*Note 2*	*Note 2*	*Note 3*		*Note 4*	*Note 5*	*Note 6*	
ASSETS									
Non-current assets									
Property, plant and equipment	3,323.1	—	4,187.7	—	4,187.7	—	1,665.4	—	9,176.2
Intangible assets	284.0	—	—	—	—	—	532.9	—	816.9
Inventories	53.9	—	—	—	—	—	—	—	53.9
Deferred income tax assets	136.5	—	—	—	—	—	—	—	136.5
Other receivables	40.6	—	77.5	—	77.5	—	—	—	118.1
Other financial assets	4.3	—	—	—	—	—	—	—	4.3
Other assets	7.5	—	—	—	—	—	—	—	7.5
Investments in subsidiaries	—	1,319.3	—	(1,319.3)	—	2,985.6	(2,985.6)	—	—
	3,849.9	1,319.3	4,265.2	(1,319.3)	4,265.2	2,985.6	(787.3)	—	10,313.4
Current assets									
Inventories	298.0	—	1.9	—	1.9	—	—	—	299.9
Trade and other receivables	263.3	—	135.4	—	135.4	—	—	—	398.7
Current income tax assets	—	0.8	16.4	—	17.2	—	—	—	17.2
Other financial assets	110.5	—	—	—	—	—	—	—	110.5
Cash and cash equivalents	137.4	0.1	1.6	—	1.7	—	—	—	139.1
	809.2	0.9	155.3	—	156.2	—	—	—	965.4
Assets of disposal group classified as held for sale	24.4	—	—	—	—	—	—	—	24.4
	833.6	0.9	155.3	—	156.2	—	—	—	989.8
Total assets	4,683.5	1,320.2	4,420.5	(1,319.3)	4,421.4	2,985.6	(787.3)	—	11,303.2

		Pro forma adjustments							
	Group as at 31 December 2013 (Audited)	Target Company as at 31 December 2013	Project Company as at 31 December 2013	Pro forma adjustment	Target Group as at 31 December 2013	Other pro forma adjustments			Pro forma Enlarged Group as at 31 December 2013 (Unaudited)
	US$ million	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*
	Note 1	*Note 2*	*Note 2*	*Note 3*		*Note 4*	*Note 5*	*Note 6*	
EQUITY									
Capital and reserves attributable to equity holders of the Company									
Share capital	33.9	1,320.1	1,319.3	(1,319.3)	1,320.1	—	(1,320.1)	—	33.9
Reserves and retained profits	1,586.2	—	0.1	—	0.1	—	(0.1)	(12.5)	1,573.7
	1,620.1	1,320.1	1,319.4	(1,319.3)	1,320.2	—	(1,320.2)	(12.5)	1,607.6
Non-controlling interests	196.7	—	—	—	—	759.3	—	(7.5)	948.5
Total equity	1,816.8	1,320.1	1,319.4	(1,319.3)	1,320.2	759.3	(1,320.2)	(20.0)	2,556.1
LIABILITIES									
Non-current liabilities									
Deferred income tax liabilities	239.3	—	—	—	—	—	532.9	—	772.2
Borrowings	1,270.6	—	2,939.8	—	2,939.8	2,236.3	—	20.0	6,466.7
Provisions	636.0	—	3.1	—	3.1	—	—	—	639.1
	2,145.9	—	2,942.9	—	2,942.9	2,236.3	532.9	20.0	7,878.0
Current liabilities									
Trade and other payables	235.6	—	156.6	—	156.6	(10.0)	—	—	382.2
Current income tax liabilities	76.6	—	—	—	—	—	—	—	76.6
Borrowings	350.8	—	—	—	—	—	—	—	350.8
Provisions	51.9	0.1	1.6	—	1.7	—	—	—	53.6
	714.9	0.1	158.2	—	158.3	(10.0)	—	—	863.2
Liabilities of disposal group classified as held for sale	5.9	—	—	—	—	—	—	—	5.9
	720.8	0.1	158.2	—	158.3	(10.0)	—	—	869.1
Total liabilities	2,866.7	0.1	3,101.1	—	3,101.2	2,226.3	532.9	20.0	8,747.1
Total equity and liabilities	4,683.5	1,320.2	4,420.5	(1,319.3)	4,421.4	2,985.6	(787.3)	—	11,303.2

B. UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT

	Group for year ended 31 December 2013 (Audited)	Pro forma adjustments: Target Company for year ended 31 December 2013	Project Company for year ended 31 December 2013	Target Group for year ended 31 December 2013	Other pro forma adjustments		Pro forma Enlarged Group for year ended 31 December 2013 (Unaudited)
	US$ million	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*
	Note 1	*Note 2*	*Note 2*		*Note 6*	*Note 8*	
Revenue	2,469.8	—	—	—	—	—	2,469.8
Other income	0.6	99.1	—	99.1	—	(99.1)	0.6
Expenses (excluding depreciation, amortisation and impairment expenses)	(1,719.5)	(0.5)	—	(0.5)	(20.0)	—	(1,740.0)
Earnings/(loss) before interest, income tax, depreciation, amortisation and impairment expenses — EBITDA	750.9	98.6	—	98.6	(20.0)	(99.1)	730.4
Depreciation, amortisation and impairment expenses	(472.6)	—	—	—	—	—	(472.6)
Earnings/(loss) before interest and income tax — EBIT	278.3	98.6	—	98.6	(20.0)	(99.1)	257.8
Finance income	2.8	—	—	—	—	—	2.8
Finance costs	(80.0)	(1.3)	—	(1.3)	—	—	(81.3)
Profit/(loss) before income tax	201.1	97.3	—	97.3	(20.0)	(99.1)	179.3
Income tax expense	(78.6)	—	—	—	—	—	(78.6)
Profit/(loss) for the year	122.5	97.3	—	97.3	(20.0)	(99.1)	100.7
Profit/(loss) for the year attributable to:							
Equity holders of the Company	103.3	97.3	—	97.3	(12.5)	(99.1)	89.0
Non-controlling interests	19.2	—	—	—	(7.5)	—	11.7
	122.5	97.3	—	97.3	(20.0)	(99.1)	100.7

C. UNAUDITED PRO FORMA CONSOLIDATED CASH FLOW STATEMENT

		Pro forma adjustments							
	Group for year ended 31 December 2013 (Audited)	Target Company for year ended 31 December 2013	Project Company for year ended 31 December 2013	Target Group for year ended 31 December 2013	Other pro forma adjustments				Pro forma Enlarged Group for year ended 31 December 2013 (Unaudited)
	US$ million	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*
	Note 1	*Note 2*	*Note 2*		*Note 4*	*Note 6*	*Note 7*	*Note 8*	
Cash flows from operating activities									
Receipts from customers	2,523.5	0.1	—	0.1	—	—	—	—	2,523.6
Payments to suppliers	(1,786.2)	—	(7.7)	(7.7)	(10.0)	(20.0)	—	—	(1,823.9)
Payments for exploration expenditure	(71.9)	—	—	—	—	—	—	—	(71.9)
Income tax paid	(110.9)	(0.5)	(8.7)	(9.2)	—	—	—	—	(120.1)
Net cash generated/(used in) from operating activities	554.5	(0.4)	(16.4)	(16.8)	(10.0)	(20.0)	—	—	507.7
Cash flows from investing activities									
Purchase of property, plant and equipment	(558.2)	—	(1,709.2)	(1,709.2)	—	—	—	—	(2,267.4)
Purchase of intangible assets	(58.1)	—	—	—	—	—	—	—	(58.1)
Purchase of financial assets	(45.7)	—	0.1	0.1	—	—	—	—	(45.6)
Cash consideration to purchase shares in subsidiaries	—	—	—	—	(2,985.6)	—	—	—	(2,985.6)
Proceeds from disposal of property, plant and equipment	0.3	—	—	—	—	—	—	—	0.3
Proceeds from disposal of investment properties	1.1	—	—	—	—	—	—	—	1.1
Net cash used in investing activities	(660.6)	—	(1,709.1)	(1,709.1)	(2,985.6)	—	—	—	(5,355.3)

	Group for year ended 31 December 2013 (Audited)	Target Company for year ended 31 December 2013	Project Company for year ended 31 December 2013	Target Group for year ended 31 December 2013	Pro forma adjustments: Other pro forma adjustments				Pro forma Enlarged Group for year ended 31 December 2013 (Unaudited)
	US$ million	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*
	Note 1	*Note 2*	*Note 2*		*Note 4*	*Note 6*	*Note 7*	*Note 8*	
Cash flows from financing activities									
Proceeds from borrowings	250.0	—	—	—	3,910.6	20.0	161.7	—	4,342.3
Repayments of borrowings	(222.0)	—	—	—	—	—	—	—	(222.0)
Repayments of borrowings on acquisition of subsidiaries	—	—	—	—	(2,939.8)	—	—	—	(2,939.8)
Capital contribution from non-controlling interests	—	—	—	—	759.3	—	—	—	759.3
Proceeds from issuance of convertible redeemable preference shares	338.0	—	—	—	—	—	—	—	338.0
Proceeds from repayments of loan to a related party	100.0	—	—	—	—	—	—	—	100.0
Proceeds from related party borrowings	—	—	1,955.0	1,955.0	1,265.5	—	—	—	3,220.5
Repayments of related party borrowings	(225.0)	—	(190.7)	(190.7)	—	—	—	—	(415.7)
Dividends received	—	99.1	—	99.1	—	—	—	(99.1)	—
Dividends paid	—	(99.1)	—	(99.1)	—	—	—	99.1	—
Dividends paid to non-controlling interests	(20.0)	—	—	—	—	—	—	—	(20.0)
Repayments of finance lease liabilities	(1.5)	—	—	—	—	—	—	—	(1.5)
Interest and financing costs paid	(78.4)	—	(37.5)	(37.5)	—	—	(161.7)	—	(277.6)
Interest received	5.9	—	—	—	—	—	—	—	5.9
Cash transfer during corporate restructure	—	(0.3)	—	(0.3)	—	—	—	—	(0.3)
Net cash generated from financing activities	147.0	(0.3)	1,726.8	1,726.5	2,995.6	20.0	—	—	4,889.1

	Group for year ended 31 December 2013 (Audited)	Target Company for year ended 31 December 2013	Project Company for year ended 31 December 2013	Target Group for year ended 31 December 2013	Other pro forma adjustments				Pro forma Enlarged Group for year ended 31 December 2013 (Unaudited)
		Pro forma adjustments							
	US$ million	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$ million*
	Note 1	*Note 2*	*Note 2*		*Note 4*	*Note 6*	*Note 7*	*Note 8*	
Net increase/(decrease) in cash and cash equivalents	40.9	(0.7)	1.3	0.6	—	—	—	—	41.5
Cash and cash equivalents at 1 January	95.7	0.8	0.3	1.1	(1.1)	—	—	—	95.7
Cash and cash equivalents — acquisition of subsidiaries	—	—	—	—	1.1	—	—	—	1.1
Exchange gains on cash and cash equivalents	0.8	—	—	—	—	—	—	—	0.8
Cash and cash equivalents at 31 December	137.4	0.1	1.6	1.7	—	—	—	—	139.1

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group:

(1) The amounts are extracted from the audited consolidated balance sheet of the Group as at 31 December 2013, and the consolidated income statement and consolidated cash flow statement of the Group for the year ended 31 December 2013, which have been published in the Company's 2013 annual report, dated 11 March 2014.

(2) The amounts are derived from the balance sheets of the Target Company and Project Company as at 31 December 2013, and the income statements and cash flow statements of the Target Company and Project Company for the year ended 31 December 2013 as set out in Appendix IA and IB to this circular. The amounts have been rounded to the nearest million (one decimal place) to conform to the presentation format of the Group's financial statements.

(3) The adjustment represents the elimination of the investment held by the Target Company in the Project Company. The elimination occurs as part of the pro forma consolidation of the Target Group.

(4) The adjustment represents the investment in the Target Group and the funding of:

(i) the estimated Share Consideration; and

(ii) the estimated amount of the Intragroup Loans; and

(iii) the estimated transaction costs incurred by the Purchasers (refer to Note 6).

This pro forma adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated income statement or unaudited pro forma consolidated cash flow statement of the Enlarged Group.

The Share Consideration, under the terms of the Share Purchase Agreement, is calculated by reference to the gross base amount of US$5,850.0 million (equivalent to approximately HK$45,630.0 million), plus the Net Asset Value at Completion, less US$4,187.7 million (equivalent to approximately HK$32,664.1 million) representing the total capitalised cost of the Las Bambas Project as at 1 January 2014.

In addition to the estimated Share Consideration, under the terms of the Share Purchase Agreement, the Purchasers shall also repay the estimated Intragroup Loans at Completion. The estimated Intragroup Loans as at 31 December 2013 are US$2,949.8 million (equivalent to approximately HK$23,008.4 million) comprising US$2,939.8 million (equivalent to approximately HK$22,930.4 million) loans payable to members of the Sellers' Group and US$10.0 million (equivalent to approximately HK$78.0 million) trade payables owing to members of the Sellers' Group.

Had the Acquisition taken place on 31 December 2013, the estimated total amount to be funded would have been US$5,955.4 million (equivalent to approximately HK$46,452.1 million), as follows:

	Note	As at 31 December 2013	
		US$ million	*HK$ million*
(i) Base amount		5,850.0	45,630.0
(ii) The Net Asset Value			
Total assets less total liabilities of the Target Group as at 31 December 2013		1,320.2	10,297.6
Add back: Provision for rehabilitation and restoration of the Target Group	A	3.1	24.2
The Net Asset Value		1,323.3	10,321.8
(iii) Total capitalised cost of the Las Bambas Project			
Property, plant and equipment of the Target Group		(4,187.7)	(32,664.1)
Estimated Share Consideration	B	2,985.6	23,287.7
Trade payables to Seller's Group		10.0	78.0
Loans payable to Seller's Group		2,939.8	22,930.4
Estimated amount of the Intragroup Loans		2,949.8	23,008.4
Estimated transaction costs incurred by the Purchasers	6	20.0	156.0
Estimated total amount to be funded		5,955.4	46,452.1

Note A: The Net Asset Value derived from the Completion Statement excludes the provision for rehabilitation and restoration.

Note B: Investments in subsidiaries of US$2,985.6 million (equivalent to approximately HK$23,287.7 million) will be recognised by the Purchasers.

For the purpose of the preparation of the unaudited proforma financial information and for illustrative purposes, based on the expected sources of funding as at Completion, it is estimated that:

(a) funds required by the JV Group will be sourced 66 per cent from external bank financing and 34 per cent via equity contributions to be made by MMG SA, Elion Holdings and CITIC to the JV Company in proportion to their respective shareholdings in the JV Company in accordance with the terms of the Shareholders' Agreement.

(b) The pro-rata share of equity contribution to be made by MMG SA to the JV Company will be financed by a loan from Top Create, a controlling shareholder of MMG.

Had the Acquisition taken place on 31 December 2013, the estimated sources of funding for the Group are as follows:

	Note	**As at 31 December 2013**	
		US$ million	*HK$ million*
Estimated sources of funding			
Equity contribution from MMG SA — to be financed by a loan from Top Create		1,265.5	9,870.9
Equity contribution from Elion Holdings and CITIC	C	759.3	5,922.5
Equity contribution to the JV Company		2,024.8	15,793.4
External bank financing — the Acquisition Facility		969.0	7,558.2
External bank financing — the Project Facility		2,961.6	23,100.5
Estimated sources of funding		5,955.4	46,452.1

Note C: Equity contribution from Elion Holdings and CITIC to the JV Company will be recognised as the non-controlling interests in the unaudited pro forma consolidated balance sheet of the Enlarged Group. In respect of the Call Options and the Listing Put Option included in the Shareholders' Agreement between the Company, MMG SA, Elion Holdings, GXIIC, CITIC and the JV Company, the Company has assessed that the fair values of the Call Options and the Listing Put Option to be minimal and no value to be recognised. In addition, 0.01 per cent of the issued share capital of the Project Company is held by certain minority shareholders including former employees of the Project Company. These minority shareholders will remain as shareholders in the Project Company after Completion. The fair value of these minority shareholdings under Hong Kong Financial Reporting Standard 3 (Revised) "Business Combination" (the "HKFRS 3"), issued by the Hong Kong Institute of Certified Public Accountants, is estimated to be no greater than US$0.3 million (equivalent to approximately HK$2.3 million).

The pro forma adjustment of US$2,236.3 million (equivalent to approximately HK$17,443.2 million) to non-current borrowings is analysed as follows:

	Note	**As at 31 December 2013**	
		US$ million	*HK$ million*
Loan from Top Create		1,265.5	9,870.9
External bank financing — the Acquisition Facility		969.0	7,558.2
External bank financing — the Project Facility		2,961.6	23,100.5
Less: repayment of loans payable to Seller's Group		(2,939.8)	(22,930.4)
Total impact on borrowings of the Enlarged Group		2,256.3	17,599.2
Less: financing of transaction costs	6	(20.0)	(156.0)
		2,236.3	17,443.2

It is estimated that the amounts to be funded at Completion will be significantly higher than the amounts to be funded as at 31 December 2013, primarily due to the fact that the Purchasers will assume responsibility of any capital expenditure incurred by the Target Group from 1 January 2014 to Completion.

(5) In the opinion of the Directors, the Group has the ability to control the activities of the JV Company and the ability to influence returns from the investment. Therefore, the Group expects to consolidate the JV Company (and JV Group) in its consolidated financial statements. The JV Company will apply the acquisition method of accounting under HKFRS 3 for the Acquisition. In applying the acquisition method, the identifiable assets acquired and liabilities assumed of the Target Group will be recorded on the consolidated balance sheet of the Enlarged Group at their fair values as at the date of Completion. Any goodwill arising from the Acquisition represents the excess of the Consideration over the fair values of the total identifiable net assets at the date of Completion.

For the purpose of the preparation of the unaudited pro forma financial information and for illustrative purposes, the goodwill arising from the Acquisition is estimated to be US$532.9 million (equivalent to approximately HK$4,156.6 million), assuming that the Acquisition occurred on 31 December 2013. The goodwill is determined as the excess of (i) the estimated Share Consideration of US$2,985.6 million (equivalent to approximately HK$23,287.7 million) and (ii) the estimated fair values of the net identifiable assets/liabilities of the Target Group, as at 31 December 2013 of approximately US$2,452.7 million (equivalent to approximately HK$19,131.1 million). The goodwill arises as a result of the HKFRS requirement to recognise a deferred tax liability for the difference between the fair value of newly consolidated assets and liabilities and their tax bases. The Group has performed a preliminary review of impairment under Hong Kong Accounting Standard 36 “Impairment of Assets” regarding the goodwill and there is no indication of an impairment charge necessary for the intangible assets and goodwill.

The Company has performed an assessment of the estimated fair values of the net identifiable assets/liabilities of the Target Group as at 31 December 2013. The recognised amounts of identifiable assets acquired and liabilities assumed are summarised as follows:

	Note	*US$ million*	*HK$ million*
Net assets/liabilities acquired			
Property, plant and equipment — excluding mineral rights	D	4,187.7	32,664.1
Property, plant and equipment — mineral rights (fair value uplift)	D	1,665.4	12,990.1
Inventories	E	1.9	14.8
Current income tax assets	E	17.2	134.2
Trade and other receivables	E	212.9	1,660.6
Cash and cash equivalents	E	1.7	13.3
Deferred income tax liabilities	F	(532.9)	(4,156.6)
Provisions	E	(4.8)	(37.5)
Trade and other payables	E	(156.6)	(1,221.5)
Loans payable to Seller's Group	E	(2,939.8)	(22,930.4)
Net assets/liabilities acquired at fair value		2,452.7	19,131.1
Goodwill		532.9	4,156.6
Share Consideration		2,985.6	23,287.7

The fair value of the property, plant and equipment of the Target Group has been assessed by the Group as follows:

	US$ million	*HK$ million*
Independent valuation of Las Bambas as at 31 December 2013	5,850.0	45,630.0
Less: Book value of the property, plant and equipment	(4,187.7)	(32,664.1)
Add: Book value of provision for rehabilitation and restoration	3.1	24.2
Total fair value uplift	1,665.4	12,990.1

At actual Completion of the Acquisition, the assessment of the fair values of the identifiable assets acquired and liabilities assumed and hence goodwill may be different from the amounts stated above.

Note D: The fair value of the property, plant and equipment of the Target Group is assessed by the Directors based on a valuation performed by an independent professional valuer as at 31 December 2013. No additional depreciation or amortisation is recognised in the unaudited pro forma consolidated income statement for the year ended 31 December 2013 as the Target Group was still under development during 2013.

Note E: The fair value of assets and liabilities other than property, plant and equipment has been assumed to be equal to book value, as set out in Appendix IA and IB to this circular.

Note F: The deferred income tax liability arises from the recognition of the fair value uplift on property, plant and equipment of US$1,665.4 million (equivalent to approximately HK$12,990.1 million) and is calculated based on the corporate taxation rate under the mining stability agreement of 32 per cent, multiplied by the pre-tax fair value uplift of US$1,665.4 million (equivalent to approximately HK$12,990.1 million) to give a deferred income tax liability of US$532.9 million (equivalent to approximately HK$4,156.6 million).

(6) The adjustment represents the estimated transaction costs of approximately US$20.0 million (equivalent to approximately HK$156.0 million) incurred by the Purchasers in connection with the Acquisition. This pro forma adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated income statement or unaudited pro forma consolidated cash flow statement of the Enlarged Group.

(7) The adjustment relates to (i) imputed cash interest paid on funding facilities (the loan from Top Create, the Acquisition Facility and the Project Facility) had the loans been drawn down on 1 January 2013 and remained in place at the same value throughout the year ended 31 December 2013; net of (ii) cash interest and financing costs paid during the year ended 31 December 2013 in relation to the Intragroup Loans of the Target Group, assuming that the Intragroup Loans were repaid on 1 January 2013.

Based on an imputed weighted average interest rate of 3.8 per cent per annum across the funding facilities, it is estimated that US$199.2 million (equivalent to approximately HK$1,553.8 million) cash interest would have been paid on the funding facilities for the year ended 31 December 2013. The imputed weighted average interest rate is based on a weighted average estimated margin of 3.5 per cent above the USD LIBOR (6 month) rate as at 31 December 2013. This pro forma adjustment is estimated to have a continuing effect on the unaudited pro forma consolidated cash flow statement of the Enlarged Group, and the actual amount will vary according to the timing of the withdrawal and repayment of funds and the applicable effective interest rates.

The cash interest and financing costs paid in relation to the Intragroup Loans of the Target Group during the year ended 31 December 2013 is estimated at US$37.5 million (equivalent to approximately HK$292.5 million) based on the cash flow statement of the Project Company for the year ended 31 December 2013 included at Appendix IB to this circular.

Any borrowing expenses incurred in relation to the loan from Top Create, the Acquisition Facility and the Project Facility will be capitalised to the cost of the qualifying asset (in the form of property, plant and equipment) in the unaudited pro forma consolidated financial statements of the Enlarged Group and hence no impact to the unaudited pro forma consolidated income statement of the Enlarged Group is presented.

(8) The adjustment relates to the reversal of dividend income received by the Target Company from a subsidiary that was not owned by the Target Company as at 31 December 2013 and does not form part of the Acquisition. The adjustment also reverses a subsequent dividend payment (equal in value) made by the Target Company to its parent company. This pro forma adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated income statement or unaudited pro forma consolidated cash flow statement of the Enlarged Group.

(9) Apart from the above, no adjustments have been made to the unaudited pro forma consolidated balance sheet of the Enlarged Group to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 31 December 2013, and in the case of the unaudited pro forma consolidated income statement and unaudited pro forma consolidated cash flow statement of the Enlarged Group, no adjustment has been made to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 1 January 2013.

The conversion from United States dollars into HK$ in this unaudited pro forma financial information is based on an exchange rate of US$1 to HK$7.8.

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

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 (collectively the "Group"), and Xstrata Peru S.A. and Xstrata Las Bambas S.A. (the "Target Group") (collectively the "Enlarged Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated balance sheet as at 31 December 2013, the unaudited pro forma consolidated income statement for the year ended 31 December 2013, the unaudited pro forma consolidated cash flow statement for the year ended 31 December 2013, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages III-1 to III-13 of the Company's circular dated 30 June 2014, in connection with the proposed acquisition of the Target Group (the "Transaction") by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described in the section headed "Introduction" set out on page III-1 of the Company's circular dated 30 June 2014.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Transaction on the Group's financial position as at 31 December 2013 and its financial performance and cash flows for the year ended 31 December 2013 as if the Transaction had taken place at 31 December 2013 and 1 January 2013, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors from the Group's consolidated financial statements for the year ended 31 December 2013, on which an audit report has been published.

Directors' Responsibility 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 ("HKICPA").

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F:+852 2810 9888, www.pwchk.com

Reporting Accountant's 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 accountant complies with ethical requirements and plans and performs 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 a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity 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 Transaction at 31 December 2013 and 1 January 2013 respectively would have been as presented.

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 accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, 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 by the directors of the Company 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.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 30 June 2014