



M M P RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Registration No: 200613299H)

RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 14 DECEMBER 2017 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENT ON 9 NOVEMBER 2017 ON ITS 3Q2017 RESULTS

The Board of Directors (“**Board**”) of MMP Resources Limited (the “**Company**” and together with its subsidiaries the “**Group**”) wishes to announce the following:-

Response to Queries

The Company would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 14 December 2017 with respect to the Company's announcement on 9 November 2017 on its 3Q2017 results. Unless otherwise defined herein, terms defined in such announcements shall have the same definitions herein.

- (1) **In the Income Statement, it was disclosed that the “decrease in revenue was due to the termination of monthly management fees generated from operating the Micro Power Plants (“MPP”) on behalf of Primeforth Renewable Energy Ltd (“Primeforth”). Please:-**
- (i) **Disclose the date of the termination;**
Settlement Agreement was executed on 8 December 2016 with a last management fee charged for 13 December 2016 to 12 January 2017.
 - (ii) **Disclose the reasons for termination;**
The contract has been terminated for the following reasons:-
 - A shift in Primeforth's focus with regards to their renewable energy business plan.
 - Lack of payment from Primeforth.
 - (iii) **Provide an update on the status of the Micro Power Plants;**
The Company did not have further updates of the MPP since the termination of the contract.
 - (iv) **Disclose how much had been invested in this project, the amount of loan that had been extended and the current book value of this investment; and**
A total of S\$1.68mil had been invested in the MPP project before the sale of the investment. No loan has been extended to the project and the sale of the investment was completed in March 2016, therefore there is no current book value of the investment.

(v) **The revenue generated from the Group's Japan operations.**

The revenue generated from the Group's Japan operations was ¥13mil (S\$156,203 based on exchange rate of S\$1:¥83.605).

(2) **In the statement of financial position, "Trade and receivables" amounted to S\$1.29mil. Please explain why the amount is so significant when revenue amounted to only S\$18.**

Majority of the trades and other receivables consist of trade receivables of S\$1mil from management fees receivable with regards to the MPP management. The Company had taken steps in recovering the debt.

(3) **In the statement of financial position, "Loan and Others" amounted to S\$610K. Please:-**

(i) **Disclose the terms of the loan; and**

The salient terms of loan are set out in the table below:

Lender	The Company
Borrower	Operation Alliance Global Limited (" OAGL "), a subsidiary incorporated by Alliance Brands Limited (" ABL "), for the purpose of the brand rollout of the relevant brands within each of the specific jurisdictions. ABL holds approximately 99% of the entire issued and paid-up share capital of OAGL.
Purpose	OAGL will require funds for the rollout of the relevant brand(s). The Company has agreed subject to terms and conditions of the Agreement to make available a loan facility to OAGL. OAGL will use the loans provided by the Company pursuant to the Facility (the " Loans ") in accordance with budgets and plans mutually agreed between ABL and the Company.
Facility Amount	Unless the Company otherwise agrees, the aggregate amount of Loans to be extended under the Facility to OAGL shall not exceed S\$6,000,000.
Ranking of Loan	Each Loan shall constitute direct, unconditional and unsubordinated obligations of OAGL ranking at least <i>pari passu</i> with all of OAGL's other present and future unsecured and unsubordinated indebtedness, except for obligations mandatorily preferred by law applying to

	<p>companies generally and save for inter-company loans and loans between OAGL and its shareholders and/or directors.</p>
<p>Conditions Precedent</p>	<p>The disbursement of a Loan by the Company shall be conditional upon the following conditions having been fulfilled or waived or, as the case may be, not having been breached on or before the relevant Utilisation Date:</p> <ul style="list-style-type: none"> (a) the Company and ABL having agreed to the budget plan in respect of OAGL; (b) the Company having duly obtained all necessary internal consents, approvals and waivers from its management personnel, board of directors (if relevant), and any other persons or authorities in respect of the Finance Documents; (c) the transaction contemplated under the Finance Documents, not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority; and (d) the Company having duly obtained all relevant shareholders' approvals at an extraordinary general meeting (if applicable), and where any such shareholders' approval is subject to any conditions, such conditions being acceptable to the Company. <p>To the extent that any such conditions are not fulfilled on or before the relevant Utilisation Date or such other date as may be mutually agreed by the Parties, ABL shall procure that any Loans as may be advanced by the Company to OAGL pursuant to the Facility shall be repaid in full (together with interest and all other sums due in respect of such Loans advanced) by OAGL within ninety (90) Business Days of demand from the Company.</p>

Interest Rate	<p>The Parties agree, and ABL shall procure that OAGL agrees, that each Loan shall carry an interest rate of 12% per annum based on the amount of the Loan outstanding plus any unpaid interest (the “Accrued Interest”). All Accrued Interest shall continue to accrue until full repayment of the Loan or be paid current at OAGL’s election.</p> <p>The Parties agree that each Loan will carry an interest free period of 3 months from its Utilisation Date.</p>
Maturity	<p>The maturity date of each Loan shall be the date falling on either (i) the fifth anniversary of the utilisation date for that Loan, or (ii) such other earlier date as OAGL may notify the Company in writing.</p>
ABL’s undertakings	<p>ABL shall, and shall procure that OAGL shall:</p> <ul style="list-style-type: none"> (a) design, build or refurbish and operate in accordance with the budget plans approved by the Company; (b) keep and properly maintain financial accounts for OAGL and such accounts shall be made available to the Company, within twenty (20) Business Days of the Company’s request; (c) not enter into any funding or sale of share agreements or such other agreements which will contemplate the transfer or issue of shares in OAGL, without the prior written consent of the Company; and (d) by November 30th 2017, or such other date as may be mutually agreed by the Parties, transfer such number of shares in OAGL, representing twenty four (24) percent of the ordinary issued share capital of OAGL, for a purchase consideration of USD240, and (if necessary), obtain the relevant pre-emption waivers prior to such transfer.
Event of Default	<p>As an additional protection, if any breach or default continues for a period of twenty (20) Business Days after the Company or ABL or OAGL (as the case may be) delivers a default notice, then the Company may terminate the Agreement with immediate effect by giving a notice of termination to OAGL or ABL.</p>

(ii) Elaborate on how does the loan enhance the Group's position in Travel, Hospitality and Leisure.

The Group has been recently focused on the development, refurbishment, new construction and operations of commercial assets within this sector. The strategy was to increase earning potential and longer term cash flow opportunities, which are diminished in purely construction only contracts due to competitive tension. By assisting other established retail brands with construction funding, the Group not only receives interest payments but establishes an increase in knowledge and availability to these brands, which gives the Group enhanced access to these brands as potential anchor tenants in its own construction initiatives. The Group's own exposure in the Travel, Hospitality and Leisure industry is also increased.

BY ORDER OF THE BOARD

Chong Chee Meng Gerard
Lead Independent Director
18 December 2017