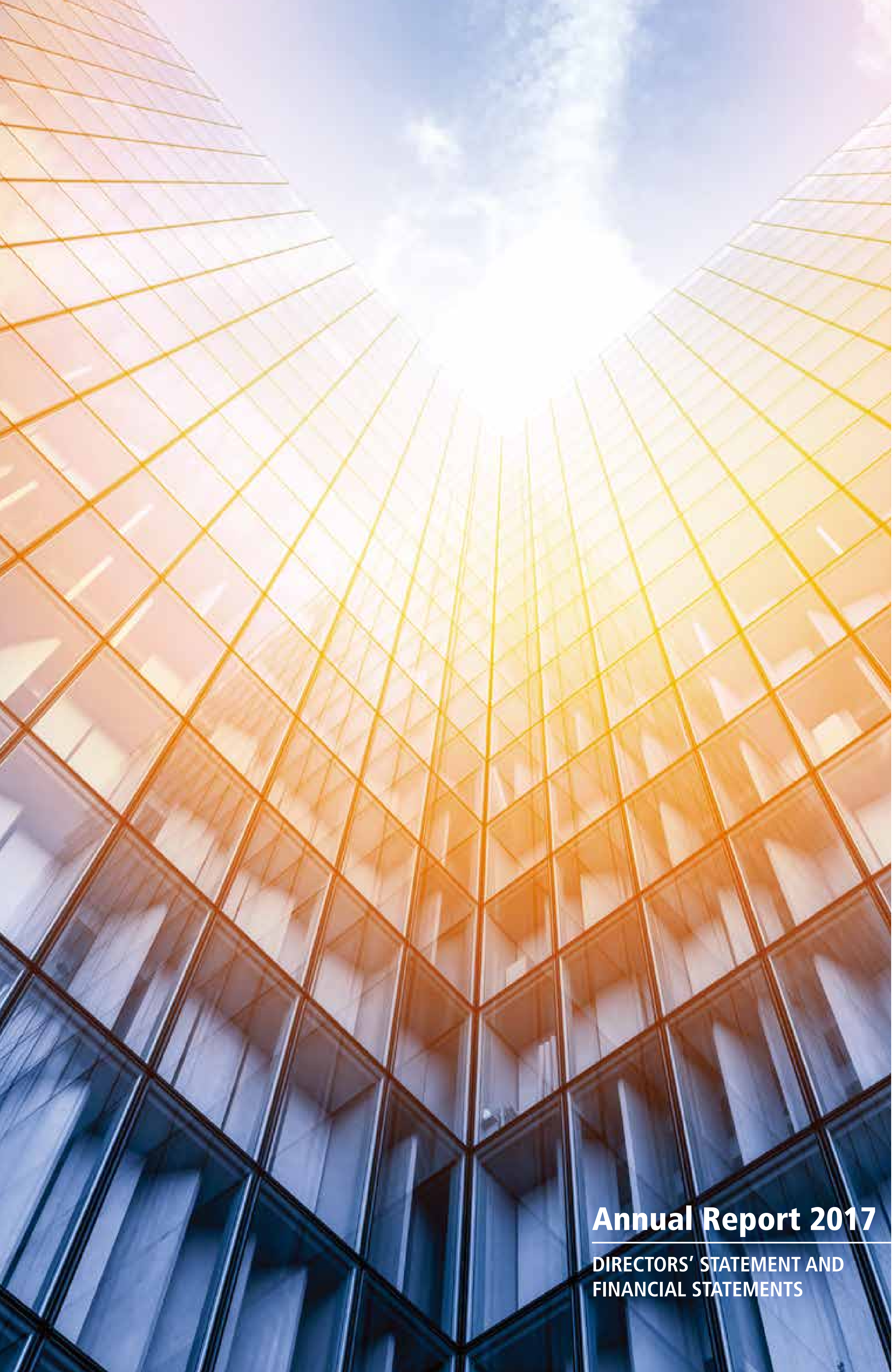

M M P RESOURCES LIMITED

Annual Report 2017

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

PIONEERING RESOURCE AND URBAN DEVELOPMENT

Contents

Corporate Profile

MMP Resources Limited is a construction company, one focused on the creation of dual revenue models via construction and operations. The opportunities are generated through new construction, refurbishment and rebranding of existing or medium-term cash flow businesses, that have a regional or global significance but may not have the current means of advancement. The Company focuses on acquisition and partnership opportunities predominantly within the Travel, Hospitality and Leisure Industry and adds value through construction, renewal, brand conceptualisation, marketing, service and financial leadership.

The Company has an experienced and well-versed Board that span finance, branding, operations, strategy and PR, and are capable of steering and implementing these core business initiatives. The Company has completed its Phase 2 restructuring program that has resulted in more manageable debt parameters, a lower cost of operations and a highly agile vehicle dedicated to capitalising on these expansion opportunities.

Group Structure

M M P RESOURCES LIMITED

- 100% SC Building & Construction Pte. Ltd.
- 100% Magnum Energy Pte. Ltd.
- 100% MMP Resources Japan K.K.

Board of Directors

Drew Ethan Madacsi
Non-Executive Chairman

Mr Madacsi currently holds a number of global leadership and advisory positions, specifically focused on strategy, construction, brand, and corporate restructuring. In addition to these leadership positions, he currently serves as Non-Executive Chairman of MMP Resources Limited.

Mr Madacsi's previous advisory experience has ranged the following industries – Business Services, Consulting, Food & Beverage, Mining, Retail, Venture Capital, and has developed a proven track record of managing multidimensional corporate structures, with specialty focus in Corporate Restructuring and Broad-based Business Strategy. Previously Mr Madacsi has consulted to multiple international companies, providing high-level oversight and established relationships within key jurisdictions; primarily Asia, North America and Africa over two decades.

Christopher Michael Peck
Non-Executive Director

Mr Peck is currently the principal investor of Maiora Asset Management Pte. Ltd., a Registered Fund Management Company in Singapore, which is regulated by the Monetary Authority of Singapore. He is also responsible for the legal and compliance activities of the firm. Mr Peck holds a Certificate in Anti Money Laundering from the International Compliance Association.

Mr Peck has been a senior banking professional for nearly 20 years, and held the most senior risk positions in 2 large, United States Securities Exchange Commission and Japanese SESC and FSA regulated institutions, Lehman Brothers and Deutsche Bank. He also founded and is the representative director of Annupuri Village K.K., which holds a Japanese Real Estate License.

Mr Peck graduated from University of Colorado with a Bachelor of Political Science.

Jason N Block
Non-Executive Director

Mr Block is currently a founding partner of Maiora Asset Management Pte. Ltd., a Registered Fund Management Company in Singapore, which is regulated by the Monetary Authority of Singapore.

Mr Block previously was a Director at Deutsche Bank in Tokyo where he helped establish Deutsche's mezzanine debt business for non-recourse commercial real estate loans. He has over 13 years experience in financial markets and has lived in Asia for over 20 years.

Mr Block holds a B.A from University of Massachusetts, Amherst and speaks English, Japanese and Chinese.

Board of Directors

Chong Chee Meng Gerard

Lead Non-Executive Independent Director

Mr Chong is the Principal Consultant and Managing Partner of Radiant Communications, a Singapore based integrated communications consultancy firm.

Mr Chong has over 20 years of experience in communications, management and team leadership. He has initiated, driven and supervised integrated communications programmes targeting government and industry stakeholders; led and directed local and regional teams and agencies across the Asia-Pacific region; and provided strategic counsel to senior-level private and public sector executives in support of their business and organizational goals.

Mr Chong graduated with a BA in English (Literature) from the University of Calgary, Canada.

Chan Ying Wei

Non-Executive Independent Director

Mr Chan has about 23 years of experience in areas of auditing, accounting and treasury in various industries. He is responsible for financial reporting, governance and compliance and treasury of a public listed company in Malaysia.

Mr Chan graduated from RMIT University, Melbourne Australia with a Bachelor of Business (Accountancy). He is also a Charted Accountant of the Malaysian Institute of Accountants and a member of Certified Practicing Accountants (CPA) Australia.

As the Chairman of the Audit Committee, Mr Chan's experience in financial reporting, governance and compliance would be invaluable to ensure adherence to good corporate governance practices.

Toshinori Tanabe

Non-Executive Independent Director

Mr Tanabe is currently the President of Satoyama Renaissance Institute, a Japan based agriculture related research institute.

He has over 40 years of experience in finance and majority of the time was spent in Bank of Japan. Mr Tanabe was the General Manager (Nagasaki Branch) for the Bank of Japan before he left the organization. Mr Tanabe also spent 2 years as President of Shobi University, Kawagoe Japan.

Mr Tanabe graduated from University of Kyoto with a Bachelor of Law.

Statement by Chairman

The fiscal year of 2017 has marked the final phase of a comprehensive restructuring of MMP Resources Limited ("MMP" or the "Company"). Since mid 2015, the Management Team have worked tirelessly in a singular effort to restructure the Company, fully supported by a Board that has seen little to no financial remuneration over the last two years. The original task was one against the odds - a collapsed share price in March 2015, ongoing market perception surrounding previous shareholders, previous asset acquisitions that required massive capital for realisation, ongoing litigation with previous shareholders, and no cash on hand. The Board and Management Team made a conscience decision in mid 2015, either put the Company into forced liquidation and delist, wiping all shareholder value, or with limited resources, try every possible opportunity to remodel the businesses of the Group to result in stronger fundamentals and a more focused business model. These efforts are finally bearing fruit, with a successful first winter season in the recently finalised projects in Niseko, Hokkaido, Japan.

The Company has not always been able to put all funding to new revenue projects, with the ongoing litigation, normal operations imperatives and previous debt consolidations taking up valuable resources. Although the Company finished 2017 with a higher liability to asset ratio, leading to standard commentary of potential ongoing concerns by our auditors, the actual reality is that the majority of debt is not operational but with large, current shareholders or management, who are working with the Company for the best outcome for shareholders.

A high-level review of the Company's financials will show that 2017 was effectively a significant loss due to a lack of revenue, and abnormally high costs associated with litigation and support structures that surrounded the litigation. The Company was caught in a crucial dilemma, either pay off creditors from 2015 and 2016, and defend shareholder rights, or risk potential litigation while focusing funding on new revenue projects. It was an unenviable position for management to be in, to be caught between the risk of a creditor creating a liquidation type outcome, or the Company not having enough revenue to sustain itself medium to long term. The Board opted for a slower growth window and a reduction of debt.

With the Company now showing an ability to sustain ongoing litigation (one it believes on the basis of fact is unwarranted), and actualising cash flow performances in Japan in 2018, the viability of the Company to be more attractive to funders or other asset owners is the highest it has been in the last three years.

Future Outlook

After the successful refurbishment of two properties in Niseko, Japan, in mid to late 2017, the Company launched its first full winter season of operations at the properties, being The House of Machines ("THoM") in Higashiyama, and The House of Powder ("THoP") in Chisenupuri. These were co-branded with global brand company Alliance Brands Limited but operated by the Company. The THoP brand had successful collaborations with DC Snowboarding and Burton, which translated to a tripling of the starting seasons social media accounts. The THoM property had multiple launch parties and has been well received within the local market. Currently, the operations team at THoM are implementing the Summer program.

Niseko has become a highly attractive tourist location, especially with global skiers and snowboarders, due to the amount of dry, powdery snowfall, making it one of the snowiest resorts in the world. As the 2020 Olympics near, and with a more open immigration policy over the last period, Japan remains a prime tourist location for both regional and global tourists year round.

The Company is exploring further opportunities within Japan and abroad, assets that are attractive to both the Company and future funding partners.

Statement by Chairman

Appreciation

On behalf of the Board, I would like to extend my gratitude to our suppliers for their continued and constant support. The last several years have been trying to say the least, with every step forward often met with two steps behind, yet our staff have remained dedicated and committed to supporting the Board in its mission to save and return shareholder value. My fellow directors have yet again committed immense time to assisting management, taken no or deferred remuneration, and focused their energies to the perseverance of the Company, this dedication is rare.

Finally, an immense “Thank You” our shareholders and investors for their confidence in the Company. Most realised in mid 2015 that the Company could not move forward without a purging restructure and have stood by patiently while the Board has done everything in its power to succeed for its shareholders. 2018 and beyond mark the next chapter in the Company’s evolution.

Drew Ethan Madacsi
Non-Executive Chairman

Statement by Chairman


Financial Highlights

	2017 (S$'000)	2016 (S$'000)	Increase / (Decrease) (%)
Consolidated statement of profit or loss and other comprehensive income			
Revenue	163	1,619	(89.9)
Net (loss)/profit	(3,306)	4,780	(169.2)
Balance Sheet			
Total Assets	2,760	2,301	19.9
Total Liabilities	6,619	1,729	282.8
Total Equity			

	2017 (%)	2016 (%)	Increase / (Decrease) (%)
Ratios			
Return on Equity	n.m.	833.4	(89.7)
Return on Assets	(120.2)	207.2	(158.0)

	2017 (cents)	2016 (cents)	Increase / (Decrease) (%)
Per Ordinary Share			
Basic (loss)/earnings per share	(0.15)	0.27	(155.6)
Diluted (loss)/earnings per share	(0.15)	0.27	(155.6)

*n.m. - Not meaningful

Corporate Governance Report

The Board of Directors (the "Board") of MMP Resources Limited (the "Company") recognises the importance of corporate governance and the offering of high standards of accountability to the shareholders of the Company by complying with the benchmark set by the Code of Corporate Governance 2012 (the "Code").

This report sets out the corporate governance practices that have been adopted by the Company with specific reference to the principles of the Code, as well as any deviation from any guideline of the Code together with an explanation for such deviation.

STATEMENT OF COMPLIANCE

The Board confirms that for the financial year ended 31 December 2017 ("FY2017"), the Company has generally adhered to the principles and guidelines as set out in the Code, save as otherwise explained below.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with the management to achieve this objective and the management remains accountable to the Board.

The Board has six members comprising three non-executive directors and three independent non-executive directors. The directors as a group possess a wide range of skills, experience, knowledge of the Company and core competence such as accounting, finance, management experience, industry knowledge, strategic planning experience and customer based experience or knowledge. Such diversity of skills will ensure that the Board is equipped to deal with a range of issues enabling them to contribute effectively to the Company.

The Group has internal guidelines governing matters that require the Board's approval which include:-

- approval of the Group's strategic objectives
- approvals of the annual operating and capital expenditure budgets and any material changes to them
- review of performance in the light of the Group's strategic objectives, business plans
- changes relating to the Group's capital structure including reduction of capital, share issues, share buy backs
- major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals
- changes to the Group's management and control structure
- approval of the quarterly/half-yearly/full year's results announcements; annual reports and accounts, including the corporate governance report
- approval of the dividend policy and declaration of the interim dividend and recommendation of the final dividend

Corporate Governance Report

- approval of any significant changes in accounting policies or practices
- ensuring maintenance of a sound system of internal control and risk management
- approval of major capital projects
- contracts regarding acquisitions or disposals of fixed assets (including intangible assets such as intellectual property); substantial bank borrowings etc
- major investments
- approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting including approval of all circulars, prospectuses etc
- approval of press releases concerning matters decided by the Board
- changes to the structure, size and composition of the board, including following recommendations from the nominating committee regarding appointment, cessation of directors, members of Board committees
- determine the remuneration policy for the directors, and other senior executives including the introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval
- establishing Board committees and approving their terms of reference, and approving material changes thereto
- approval of policies, including, code of conduct, share dealing code, whistle blowing policy, environment and sustainability policy, corporate social responsibility policy etc
- any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational

The Board has established three Board committees, namely, the Audit Committee (“AC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”) to assist in the execution of its responsibilities. These committees operate within clearly defined terms of reference.

The Board meets on a quarterly basis. Ad-hoc Board meetings will be convened when they are deemed necessary. In between Board meetings, other important matters will be put to the Board’s approval by way of circulating resolutions in writing. The Company’s Constitution provide for meetings of directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or telegraphic means.

The attendance of the directors at meetings of the Board and Board committees, as well as the frequency of such meetings is disclosed in Table 1 on Page 27 of this Annual Report.

The Company recognizes the importance of appropriate training for its directors. All newly appointed directors are given an orientation on the Group’s business strategies and operations, as well as extensive information about the Company’s history, mission and values. Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in training courses, seminars and workshops as relevant and/or applicable. In addition, directors who have no prior experience as directors of a listed company will undergo training and briefing on the roles and responsibilities as directors of a listed company.

Corporate Governance Report

Briefings and updates provided to the directors in FY2017:-

- the external auditors, Nexia TS Public Accounting Corporation, updated the AC members on the compliance with the Singapore Financial Reporting Standards and other regulatory matters

- the executive director updated the Board at each meeting on business and strategic developments pertaining to the Group's business

As part of the Company's continuing education for directors, the Company Secretary circulates to the Board articles, reports and press releases relevant to the Group's business to keep directors updated on current industry trends and issues. News releases issued by SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the directors are also circulated to the Board.

The Company has an on-going budget for all directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business developments and outlook.

BOARD COMPOSITION AND BALANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and substantial shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at the date of this report, the Board comprises the following members:

Drew Ethan Madacsi	Non-executive chairman
Christopher Michael Peck	Non-executive director
Jason N Block*	Non-executive director
Chong Chee Meng Gerard	Lead Non-executive independent director
Chan Ying Wei	Non-executive independent director
Toshinori Tanabe	Non-executive independent director

* Appointed on 12 September 2017

Non-executive independent directors make up half of the Board. The Board has adopted the Code's criteria of an independent director in its review. An independent director is one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgment with a view to the best interests of the Company. The independence of each independent director is reviewed annually by the NC. Based on the NC's review, the Board is of the view that all the non-executive independent directors have satisfied the criteria of independence as a result of its review.

The composition of the Board will be reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience, which the Group may tap for assistance in furthering its business objectives and shaping its business strategies. Together, the directors as a group provide core competencies in business, accounting, investment, audit and taxation matters.

The non-executive independent directors also communicate regularly to discuss matters such as the Group's financial performance, corporate governance initiatives and the remuneration of the executive director and executive officers. To facilitate a more effective check on management, the non-executive independent directors are encouraged to meet without the presence of management. During FY2017, the non-executive independent directors met four times and there was no major issue to be highlighted.

Corporate Governance Report

The Board comprises directors who are qualified and/or experienced in various fields including business and management, accounting and finance and investor relations. The NC is of the opinion that given the scope and nature of the Group's operations, the size of the Board is appropriate in facilitating effective decision making.

There is no director who has served on the Board beyond nine years from the date of his first appointment.

The profiles of the directors are set out on pages 4 and 5 of this Annual Report. The Board considers the current Board size appropriate for the nature and scope of the Group's operations.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 : There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Code advocates that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business and no one individual should represent a considerable concentration of power.

Mr Drew Ethan Madacsi is a non-executive director and also the Chairman of the Board. He assumes responsibility for the smooth functioning of the Board and ensures timely flow of information between management and the Board; sets agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues; promotes a culture of openness and debate at the Board and promotes high standards of corporate governance. The Company does not have a Chief Executive Officer ("CEO").

The Company is an investment holding company and its major core businesses are in its wholly-owned subsidiaries – MMP Resources Japan K.K. and Magnum Energy Pte. Ltd. which are managed by the non-executive directors, Mr Christopher Michael Peck and Mr Jason N Block who effectively assume full executive responsibility over the mapping of business plans and operational decisions of the Group.

Mr Drew Ethan Madacsi, Mr Christopher Michael Peck and Mr Jason N Block are not related to each other. There is a clear division of responsibilities of the Chairman of the Board and the non-executive directors.

All the Board Committees are chaired by independent directors and half of the Board consists of independent directors.

The Company has a lead independent director, Mr Chong Chee Meng Gerard who was appointed on 9 March 2017 to co-ordinate and lead the other independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He will be available to shareholders in the event their concerns are not resolved through the Chairman, the non-executive directors or the senior accountant, or for which contact is inappropriate.

Corporate Governance Report

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises the following members, all of whom, are independent:

Chong Chee Meng Gerard	(Chairman and lead non-executive independent director)
Chan Ying Wei	(Non-executive independent director)
Toshinori Tanabe	(Non-executive independent director)

The key terms of reference of the NC includes, to:-

- evaluate and review nominations for appointment and re-appointment to the Board and the various committees

- nominate a director for re-election at the Annual General Meeting ("AGM"), having regard to the director's contribution and performance

- determine annually and as and when circumstances require if a director is independent

- recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each director, annual assessment of the effectiveness of the Board

- decide whether a director who has multiple board representations is able to and has been adequately carrying out his duties as director of the Company

- review and make recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman/CEO) and senior management personnel

- review of training and professional development programmes for the Board

The NC is responsible for identifying and recommending new Board members to the Board for approval, after considering the necessary and desirable competencies such as their skills, experience, knowledge and diversity of expertise. Accordingly, in selecting potential new directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. The NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities.

When a vacancy arises under any circumstance, either as part of the progressive renewal of the Board or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC or the Board would determine the selection criteria and source for candidates. The NC would make reference checks, meet up with the candidates, assess their suitability, and make recommendation to the Board. Shortlisted candidates would meet up with the other Board members before the Board approves the appointment.

The NC reviews and recommends to the Board the re-nomination of retiring directors standing for re-election and appointment of new directors. The review ensures that the director to be re-nominated or appointed is able to contribute to the ongoing effectiveness of the Board, has the ability to exercise sound business judgement, and has demonstrated leadership experience, high levels of professional skills and appropriate personal qualities.

Corporate Governance Report

Regulation 104 of the Company's Constitution requires one-third of the directors to retire from office by rotation and subject themselves to re-election by shareholders at the AGM. Every director must retire from office and submit themselves for re-nomination and re-election at least once every three years. Pursuant to Regulation 114, any director so appointed shall hold office until the next AGM and shall be eligible for re-election.

The NC has recommended to the Board that Mr Drew Ethan Madacsi and Mr Chan Ying Wei (retiring pursuant to Regulation 104 of the Company's Constitution) and Mr Jason N Block (retiring pursuant to Regulation 114 of the Company's Constitution) be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had given regard to the results of the Board assessment in respect of their competencies in fulfilling their responsibilities as directors to the Board.

More information on Mr Drew Ethan Madacsi, Mr Chan Ying Wei and Mr Jason N Block can be found in the Key Information on the section entitled "Board of Directors" on Pages 4 and 5 in this Annual Report respectively.

In its annual review of independence, the NC, having considered the guidelines set out in the Code, is of the view that Mr Chong Chee Meng Gerard, Mr Chan Ying Wei and Mr Toshinori Tanabe, are independent. The Board, after taking into consideration the views of the NC, is of the view that Mr Chong Chee Meng Gerard, Mr Chan Ying Wei and Mr Toshinori Tanabe are considered independent.

All directors are required to declare their board representations. When a director has multiple board representation, the NC will consider whether the director is able to adequately carry out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding their multiple Board appointments, Mr Drew Ethan Madacsi, Mr Christopher Michael Peck, Mr Jason N Block, Mr Chong Chee Meng Gerard and Mr Chan Ying Wei, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as directors of the Company. Please refer to Table 2 on Page 28 below for the disclosure of Mr Drew Ethan Madacsi, Mr Christopher Michael Peck, Mr Jason N Block, Mr Chong Chee Meng Gerard and Mr Chan Ying Wei's multiple board representations.

The Board does not see any reason to set the maximum number of listed company representations that any director may hold as all the directors are able to devote to the Company's affairs in light of their other commitments.

There is no alternate director on the Board.

Key information regarding the directors is given in the section entitled "Board of Directors" on Pages 4 to 5 in this Annual Report. The shareholdings of the individual director are set out on Page 29 of this Annual Report.

During FY2017, the NC met on one occasion.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.

The Board through the NC has used its best efforts to ensure that directors appointed to the Board and Board committees, whether individually or collectively possess the necessary background, experience

Corporate Governance Report

and knowledge in our industry and relevant geographic areas, and in business and finance and have the appropriate management skills critical to the Company's business. It has also ensured that each director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC has established a review process to assess the performance and effectiveness of the Board as a whole and the contribution by individual director to the effectiveness of the Board.

During FY2017, all directors are requested to complete a Board Assessment Checklist designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. The performance criteria for the Board evaluation covers amongst other criteria, composition structure and processes of the Board, access to information, corporate strategy, internal control and risk management and standard of conduct of the Board.

The completed checklists are submitted to the Company Secretary for compilation for the NC's review before submitting to the Board for discussion and determining areas for improvement with a view to enhance Board effectiveness.

Following the review, the Board is of the view that the Board and its Board committees operate effectively and each director is contributing to the overall effectiveness of the Board.

The factors taken into consideration for the re-nomination of the directors for the current year are based on the directors' attendance at meetings held during the year including their preparation and participation made by the directors at the meetings.

ACCESS TO INFORMATION

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors are from time to time furnished with complete, adequate information concerning the Group to enable them to be fully cognizant of the decisions and actions of the management. All directors have separate and independent access to management. Detailed board papers are prepared for each meeting of the Board and are normally circulated three days in advance of each meeting. The Board papers include sufficient information from management on disclosure documents, budgets, forecasts, business and quarterly financial statements to enable the directors to be properly briefed on issues to be considered at Board meetings.

Directors are entitled to request from management and should be provided with such additional information as needed to make informed decisions. Management shall provide the same to the directors in a timely manner.

The Board has separate and independent access to the Company Secretaries (each the "Company Secretary"). Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board committees and between the management and independent directors.

The Company Secretary assists the Chairman and the Chairman of each Board Committees in the development of the agendas for the various Board and Board committees meetings. She administers and attends all Board and Board Committees meetings of the Company and prepares minutes of meetings. She is also responsible for, among other things, ensuring that Board procedures are observed and that the relevant rules and regulations, including requirements of the Companies Act, Securities and Futures Act

Corporate Governance Report

and the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual (the "SGX-ST Listing Manual" or the "Listing Rules of the SGX-ST"), are complied with. Her responsibilities also include advising the Board on all governance matters as well as facilitating orientation and assisting with professional developments as directed by the Chairman.

The appointment and the removal of the Company Secretary are subject to the approval of the Board.

Where the directors, whether individually or collectively, require independent professional advice in the furtherance of their duties, the Chairman of the Board and the Company Secretary will assist him/them to appoint an independent professional advisor, if necessary, to render the professional advice and to keep the Board informed of the advice. The cost of such professional advice will be borne by the Company.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises the following members, all of whom, are independent:-

Chong Chee Meng Gerard	(Chairman and lead non-executive independent director)
Chan Ying Wei	(Non-executive independent director)
Toshinori Tanabe	(Non-executive independent director)

All the members of the RC including the Chairman of the RC are independent directors.

The key terms of reference of the RC is to review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each director (executive, non-executive and independent) as well as for the key management personnel.

The RC is responsible for ensuring that a formal and transparent procedure is in place for developing policy on executive remuneration and for determining the remuneration packages of individual directors and key management personnel. It reviews the remuneration packages with the aim of building capable and committed management teams through competitive compensation and focused management and progression policies.

The RC recommends for the Board's endorsement, a framework of remuneration that covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, benefits-in kind and specific remuneration packages for each director. In addition, the RC reviews the performance of the Group's key management personnel taking into consideration the Non-executive chairman's assessment of and recommendation for remuneration and bonus.

All revision to the remuneration packages for the directors and key management personnel are subject to the review and approval of the Board. Directors' fees are further subject to the approval of the shareholders at the AGM.

No member of the RC is involved in deliberating in respect of any remuneration, compensation or any form of benefits to be granted to him.

Corporate Governance Report

The RC reviews the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

During FY2017, the RC met on one occasion.

Each member of the RC abstains from voting on any resolutions and making any recommendation and/or participating in discussion regarding his own remuneration package or on matters in which he is interested.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The RC reviews annually the remuneration of the executive director and key management personnel to ensure that the level and structure of remuneration commensurate is aligned with the long-term interest and risk policies of the Company and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company and (b) key management personnel to successfully manage the Company.

The remuneration package of the executive director has been designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The remuneration package of the key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The Group would follow the above guidelines in the Code had there been any proper service agreements with any executive director or key management personnel.

The non-executive director and non-executive independent directors do not have any service agreements with the Company. Except for directors' fees, which have to be approved by shareholders at AGM, the non-executive and non-executive independent directors do not receive any other forms of remuneration from the Company.

The Company believes in aligning its level and structure of remuneration with the interests of shareholders to promote the long-term success of the Company. To initiate this, MMP Performance Share Plan has been adopted to link rewards to eligible employees including executive director, non-executives, key management personnel and other employees based on corporate and individual performance and align their interests with those of shareholders. The RC is of the view that the remuneration policy and amounts paid to directors are adequate and are reflective of present market conditions.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The executive director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the executive directors in the event of such breach of fiduciary duties.

Corporate Governance Report

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The following shows the breakdown of remuneration of each director paid or payable for FY2017:

Remuneration bands	Salary S$	Bonus S$	Directors' fees(1) S$	Total S$
Drew Ethan Madacsi	–	–	–	–
Christopher Michael Peck	–	–	–	–
*Jason N Block	–	–	–	–
Chong Chee Meng Gerard	–	–	60,000	60,000
Chan Ying Wei	–	–	45,000	45,000
Toshinori Tanabe	–	–	–	–
#Paul Andrew Crosio	–	70,000**	–	70,000

* Appointed on 12 September 2017
** Paid via grant of share awards pursuant to the MMP Performance Share plan
\# Retired at the AGM held on 28 April 2017

Note:-
(1) Directors' fees have been approved by the shareholders at the AGM held on 28 April 2017.

Save for Mr Chan Ying Wei and Mr Chong Chee Meng Gerard, the directors had deliberated on the directors' fees payable for FY2017 and agreed to forgo the directors' fees for FY2017.

Guideline 9.3 of the Code recommends that companies should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. In addition, the companies should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are encouraged to fully disclose the remuneration of the said top five key management personnel.

There was no key management personnel who are not directors or the CEO, given the Group's scale of operations. The directors are assisted by the Company's staff for day-to-day business operations.

The Company does not have any employee who is an immediate family member of a director or the CEO and whose remuneration exceeds S$50,000 for FY2017.

The Company has in place a share scheme known as MMP Performance Share Plan for eligible employees, including directors of the Company and the Group. Details of MMP Performance Share Plan are disclosed in the Directors' statement.

On 13 July 2017 and pursuant to the MMP Performance Share Plan, the Company awarded 23,333,333 ordinary shares to Mr Paul Andrew Crosio, an executive director of the Company who was appointed on 11 May 2016. Mr Paul Andrew Crosio did not seek re-election as director of the Company at the AGM held on 28 April 2017.

Corporate Governance Report

The RC from time to time and where necessary will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for directors and key management personnel. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2017.

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board reviews and approves the results as well as any announcements before their release to the SGX-ST and the media. Shareholders are provided with the quarterly and full year results and annual financial reports on a timely manner. In presenting the quarterly and full year results and annual financial reports to shareholders, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility is extended to regulators. Financial reports and other price-sensitive information are disseminated to shareholders through announcement via SGXNET, press releases and the Company's website. The Company's Annual Report is accessible on the Company's website.

To ensure compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Manual, the Board through management, reviews the relevant compliance reports and ensure that management seeks the Board's approval of such reports or requirements.

In compliance with the Listing Rules of the SGX-ST, the Board provides a negative assurance statement to the shareholders in its quarterly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board, which might render the financial statements false or misleading in any material aspect.

Management provides the Board with management accounts and such explanation and information on a timely basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. As the Board has separate and non-executive independent access to management, the Board has no objection to receiving the management accounts with such explanation and information on a quarterly basis.

The Board also provides an opinion on the adequacy and effectiveness of the Group's risk management and internal controls systems are in place, including financial, operational compliance and information technology controls.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Group does not have a Risk management Committee. However, the management regularly reviews the Company's business, operations and activities to identify possible areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

Corporate Governance Report

The Board has overall responsibility for the management of the Group's key risks to safeguard shareholders' interests and its assets. The Company has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, and operational controls are adequate and business risks are suitably managed.

The Board has engaged the services of an independent accounting firm as its internal auditors ("internal auditors"). The internal auditors have presented their internal audit plan to the AC and the Board during FY2017 to assist the AC and the Board in their review of the Group's risk management and internal control systems focusing on financial, operational, compliance and information technology controls.

Management regularly reviews the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the AC and the Board for further discussion. The AC and the Board also work with the internal auditors, external auditors and management on their recommendations to institute and execute relevant controls with a view to managing such risks.

With the assistance from the internal auditors, key risk areas which have been identified are analysed, monitored and reported. In this connection, the Group has conducted risk assessment and has established the risk reporting dashboard with a view to develop a detailed risk register.

The external auditors provide feedback to the AC highlighting matters that require the attention of the management. The AC keeps under review the effectiveness of the Group's system of accounting and internal financial controls, for which the directors are responsible.

The Group does not utilise sophisticated and complex computer systems in its operations and considers its exposure to information technology risks to be low.

During FY2017, the AC reviewed, with the assistance of the internal auditors, external auditors and the management team, the effectiveness of the Company's financial, operational and compliance internal controls. Any material non-compliance or lapses in internal controls, together with recommendation for improvement are reported to the AC. The AC has made its best effort in ensuring timely and proper implementation of all required corrective, preventive or improvement measures are monitored closely.

The Board is of the opinion that the system of internal controls maintained by the management and that was in place throughout the financial year was adequate and provides reasonable, but not absolute, assurance against material financial misstatements of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk.

Based on the framework of risk management controls and internal controls established and maintained by the Group, work performed by the internal auditors, external auditors and reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's system of internal controls, which addresses the financial, operational, compliance and information technology risks, and risk management systems in place were adequate and effective during the financial year under review.

For FY2017, the Board and the AC have received assurance from the non-executive chairman and the senior accountant that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Corporate Governance Report

AUDIT COMMITTEE

Principle 12: The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

The AC comprises the following members, all of whom are independent:

Chan Ying Wei	(Chairman and non-executive independent director)
Chong Chee Meng Gerard	(Lead non-executive independent director)
Toshinori Tanabe	(Non-executive independent director)

The Board is of the opinion that the AC chairman and members of the AC are appropriate qualified with the relevant accounting, financial, business management and corporate experience to discharge their responsibilities.

The key terms of reference of the AC are to:-

- review with the external/internal auditors the audit plans, their evaluation of the system of internal accounting controls, and their audit report including the scope and results of the external audit, the independence and objectivity of the external auditors

- review the financial statements and balance sheet and profit and loss accounts including reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance, before submission to the Board for approval

- review the internal control procedures, its scope and the results and to ensure co-ordination between the external/internal auditors and the Management; and review the assistance given by management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits

- review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls

- review the effectiveness of the Company's internal audit function

- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the management's response

- make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors

- review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual

- review potential conflicts of interest, if any

- undertake such other review and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and which requires the attention of the AC

- generally undertaking such other functions and duties as may be required by statute or the SGX-ST Listing Manual, and by such amendments made thereto from time to time

Corporate Governance Report

The AC meets with the internal and external auditors, without the presence of the management, at least annually. Matters to discuss include the reasonableness of the financial reporting process, the internal control process, the adequacy of resources, audit arrangements with particular emphasis on the observations and recommendations of the external auditors, the scope and quality of their audits and the independence and objectivity of the external auditors and any matters that may be raised.

The AC reviewed the independence of the external auditors annually. During the current financial year, there was no non-audit related work carried out by the external auditors; hence there was no fee paid in this respect. The AC is satisfied with the independence of the external auditors, and has recommended the re-appointment of the external auditors at the forthcoming AGM.

Please refer to the table below for the aggregate amount of fees paid to the external auditors and a breakdown of fees paid in total to the external auditors for audit and non-audit services respectively for the financial year.

For FY2017	
Fees payable to the external auditors in respect of audit services	S$90,000
Fees payable to the external auditors in respect of non-audit services	Nil
Total	S$90,000

The Company has complied with Rules 712(2)(a) and 715 read with Rule 716 of the SGX-ST Listing Manual in relation to the appointment of its external auditors.

The Company has put in place a whistle blowing policy which has been reviewed, endorsed by the AC and approved by the Board. Under the whistle blowing policy, employees can, in confidence, raise concerns about improper conduct for investigation. The procedures for the whistle blowing policy are made public to the employees of the Group. For FY2017, there were no reported incidents pertaining to whistle blowing.

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC.

Each member of the AC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested.

INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal audit function of the Company is outsourced to an independent accounting firm (the "internal auditors"). The internal auditors report primarily to the Chairman of the AC and have full access to the documents, records properties and personnel including access to the AC.

The Board recognises its responsibilities in ensuring a sound system of internal controls to safeguard shareholders' investments and the Company's assets. Rule 719(1) of the SGX-ST Listing Manual requires an issuer to have a robust and effective system of internal controls, addressing financial, operational and compliance risks. Effective internal controls not only refer to financial controls but include, among others, business risk assessment, operational and compliance controls.

Corporate Governance Report

The AC approves the internal audit plan and the results of the audit findings are submitted to the AC for its review. The internal auditors conducted an annual review in accordance with their audit plans, the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements were reported to the AC. The AC, together with the Board has also reviewed the effectiveness of the actions taken by management on the recommendations made by the internal auditors in this respect. The Board and the AC are of the view that the internal audit is adequately resourced and has the appropriate standing within the Group.

Based on the internal auditors' report submitted by the internal auditors and the various controls put in place by the management and the review and work performed by the internal and external auditors, management and the various Board committees, the Board, with the concurrence of the AC, is of the view that there are adequate internal controls.

The AC is satisfied that the internal auditors has adequate resources to perform its function effectively and is staffed by suitably qualified and experienced professionals with the relevant experience.

The internal audit work carried out by the internal auditors in the FY2017 was guided by the Standards for the Professional Practice of Internal Auditing laid down by the International Professional Practices Framework issued by the Institute of Internal Auditors.

On an annual basis, the AC reviews the internal audit program and function to ensure the adequacy and effectiveness of the Group's internal audit function as well as to align it to the changing needs and risk profile of the Group's activities.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Group's corporate governance culture and awareness promotes fair and equitable treatment for all shareholders. All shareholders enjoy specific rights under the Companies Act and the Constitution of the Company. All shareholders are treated fairly and equitably.

The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company. At general meetings, shareholders will be informed of the rules, voting procedures relating to the general meetings.

Shareholders will be given the opportunity to air their views and ask questions regarding matters affecting the Group. The Company's Constitution allows a Shareholder to appoint one or two proxies to attend and vote at the general meetings on his/her behalf. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meeting without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Manual and the Companies Act, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group. Information will first be disseminated through SGXNET and where relevant, followed by news release and the Company's website. The Company will also make announcements from time to time to update investors and shareholders on developments that are of interest to them.

The Company has appointed an external investor relations firm to facilitate the communication with all stakeholders (shareholders, analysts and media) on a regular basis, to attend to their queries or concerns as well as to keep the investors apprised of the Group's corporate developments and financial performance. To enable shareholders to contact the Company easily, the contact details of the investor relations function are set out on page 89 of this Annual Report.

The Group does not have a concrete dividend policy at present. In considering the declaration of dividends, the Company will have to take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividend has been declared for FY2017 due to the Group's loss position.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the company.

All shareholders receive reports or circulars of the Company including notice of general meeting by post within the prescribed period. Notice of general meeting is announced through SGXNET and published in the Business Times.

The Company supports active shareholders' participation. If shareholders are unable to attend the meetings, the Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions.

At general meetings, all the directors, chairman of the Board and the respective chairman of the AC, NC and RC as well as the external auditors should be present and available to address shareholders' queries at these meetings.

The Company with the help of the Company Secretary prepares minutes of general meetings that include substantial and relevant comments relating to the agenda of the meetings and responses from the Board and management and such minutes, where relevant will be made available to shareholders upon their written request.

Corporate Governance Report

The Company put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages at all its general meetings. The Company has yet to adopt electronic poll voting.

RISK MANAGEMENT

Pursuant to the Listing Manual Rule 1207 (4)(b)(iv), the Group endeavours to continually reviewing and improving its business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources and updating work flows, processes and procedures to meet the current and future market conditions. The Group has also considered the various financial risks and Management, details of which are found on pages 68 and 74 of the Annual Report.

DEALING IN SECURITIES

The Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares of the Company. The policies have been made known to directors, executive officers and any other persons as determined by the management who may possess unpublished material price-sensitive information of the Group.

The Group has procedures in place prohibiting directors and officers from dealing in the Company's shares during the two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and the one month before the announcement of the Company's full year financial statements ("Prohibited Periods"), or if they are in possession of unpublished material price-sensitive information of the Group.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the Prohibited Periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

The Board confirms that for FY2017, the Company has complied with Listing Rule 1207(19).

INTERESTED PERSON TRANSACTIONS

The Company is required to comply with the requisite rules under Chapter 9 of the SGX-ST Listing Manual for interested person transactions.

All interested person transactions will be properly documented and submitted to the AC for quarterly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

In the event that a member of the AC is interested in any interested person transaction, he will abstain from reviewing that particular transaction.

The Board will ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the SGX-ST Listing Manual and accounting standards are complied with.

Corporate Governance Report

The Group has entered into the following IPT transactions for FY2017:-

Interest Party	Nature of Transaction	Value	Note
Maiora Asian Structured Finance Segregated Portfolio	Convertible bond and placement shares	S$1,724,301	Transaction is subject to shareholders' approval

The following transaction involves related parties to the Company. The directors of the Company, Christopher Michael Peck and Jason N Block, each holds 25% interest in Solar Founders Limited, which holds 29% of the shares in the used and paid-up capital of Alliance Brands Limited. The aforesaid Directors are also the shareholders of Maiora Asset Management Pte. Ltd., which is a registered fund management Company based in Singapore. Maiora Asset Management Pte. Ltd. manages Maiora Asian Structured Finance Segregated Portfolio, a controlling shareholder of the Company.

Interest Party	Nature of Transaction	Value
Alliance Brands Limited	Loan	S$856,124

MATERIAL CONTRACTS AND LOANS

There are no material contracts of the Company or its subsidiaries involving the interest of the directors or controlling shareholder during the year under review.

TABLE 1 – DIRECTORS' ATTENDANCE AT BOARD, AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATING COMMITTEE MEETINGS

The number of meetings held and attendance at the meetings in FY2017 were as follows:

Name of Director	Board	Audit Committee	Remuneration Committee	Nominating Committee
Drew Ethan Madacsi	5/5	5/5*	1/1*	1/1*
Christopher Michael Peck	3/5	3/5*	–	–
#Jason N Block	1/1	1/1*	–	–
Chan Ying Wei	4/5	4/5	1/1	1/1
Chong Chee Meng Gerard	5/5	5/5	1/1	1/1
Toshinori Tanabe	3/5	3/5	0/1	0/1
^Paul Andrew Crosio	1/1	1/1	–	–

*By invitation
Appointed on 12 September 2017
^ Retired at the AGM held on 28 April 2017

Corporate Governance Report

TABLE 2 – KEY INFORMATION REGARDING THE DIRECTORS, INCLUDING THEIR PRESENT AND PAST THREE YEARS' DIRECTORSHIP IN OTHER LISTED COMPANIES AND PRINCIPAL COMMITMENTS

According to Regulation 104 of the Company's Constitution, Mr Drew Ethan Madacsi and Mr Chan Ying Wei will retire at the Company's forthcoming AGM and will be eligible for re-election.

According to Regulation 114 of the Company's Constitution, Mr Jason N Block will retire at the Company's forthcoming AGM and will be eligible for re-election.

Name of director	Appointment	Date of initial appointment	Date of last re-election	Directorships in listed companies	Past directorship (preceding 3 years) in listed companies	Principal Commitments
Drew Ethan Madacsi	Non-executive director	9 February 2015	30 April 2015	Nil	Nil	- Lighthouse Strategic Group Limited - Laurose Consulting Ltd - African Coal Resources Ltd - MMP Resources Japan K.K.
Christopher Michael Peck	Non-executive director	17 March 2015	14 April 2016	Nil	Nil	- Maiora Asset Management Pte. Ltd. - Annupuri Village,K.K. Hokkaido Japan - Solar Founders I Limited - MMP Resources Japan K.K.
Jason N Block	Non-executive director	12 September 2017		Nil	Nil	- Kenzai Ltd - Kenzai Inc - Operational Alliance Global Limited - Elysian Group Ltd
Chong Chee Meng Gerard	Lead Non-executive independent director	19 December 2013	28 April 2017	Nil	Nil	- SC Building & Construction Pte. Ltd. - Magnum Energy Pte. Ltd. - Radian Communications LLP
Chan Ying Wei	Non-executive independent director	19 December 2013	30 April 2015	Nil	Nil	- British Elite Sdn Bhd
Toshinori Tanabe	Non-executive independent director	22 September 2016	28 April 2017	Nil	Nil	Nil

Key information on the individual directors and their shareholdings in the Company are set out on pages 4 and 5 of this Annual Report. None of the directors hold shares in the subsidiaries of the Company.

Directors' Statement

For the financial year ended 31 December 2017

The directors present their statement to the members together with the audited consolidated financial statements of MMP Resources Limited (the "Company") and its subsidiary corporations (the "Group") for the financial year ended 31 December 2017 and the balance sheet of the Company as at 31 December 2017.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 37 to 79 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, after considering the matters described in Note 2.1 to the financial statements with respect to the Group's and the Company's ability to continue as going concern, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Drew Ethan Madacsi
Chong Chee Meng Gerard
Chan Ying Wei
Toshinori Tanabe
Christopher Michael Peck
Jason N Block (Appointed on 12 September 2017)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those disclosed under "Performance shares" in this statement.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporation, except as follows:

	Holdings registered in the name of director or nominee		**Holdings in which director is deemed to have an interest**	
The Company	**As at 31.12.2017**	**As at 1.1.2017**	**As at 31.12.2017**	**As at 1.1.2017**
(Number of ordinary shares)				
Drew Ethan Madacsi	100,000,000	100,000,000	–	–
Christopher Michael Peck	–	–	457,537,500[(2)]	31,000,000[(1)]
Jason N Block	–	–	457,537,500[(2)]	–

The directors' interests in the ordinary shares of the Company as at 21 January 2018 were the same as those as at 31 December 2017.

(1) Christopher Michael Peck has a deemed interest in shares held by his spouse.
(2) Christopher Michael Peck and Jason N Block are both directors of and each holds more than 20% of the shares in Maiora Asset Management Pte. Ltd. which manages Maiora Asian Structured Finance Segregated Portfolio, the shareholder of the Company.

Directors' Statement

For the financial year ended 31 December 2017

Performance shares

MMP Share Performance Plan 2015 ("MMP SPP")

On 6 August 2015, the Company adopted a performance share plan scheme ("MMP Share Performance Plan 2015" or the "plan"). The plan was approved by shareholders of the Company in a shareholder vote held at the registered office of the Company.

The MMP SPP is administered by the Remuneration Committee ("RC"). The members of the RC as at the date of this statement are:

Chong Chee Meng Gerard	(Chairman and Lead non-executive independent Director)
Chan Ying Wei	(Non-Executive independent Director)
Toshinori Tanabe	(Non-Executive independent Director)

Objectives

The MMP SPP was established with the objective to incentivise the key officers and employees of the Group to meet its long term business objectives.

Eligibility

The following persons, unless they are also controlling shareholders of MMP Resources Limited or the associates of such controlling shareholders, shall be eligible to participate in the MMP SPP:

1. any employee of the Group who meet the relevant age and rank criteria and whose services have been seconded to a company within the Group selected by the RC to participate in the MMP SPP;

2. Non-Executive Directors; and

3. any employee of associated companies (including Executive Directors) selected by the RC to participate in the MMP SPP.

Awards

Awards represent the right of a participant to receive the fully paid shares, their equivalent cash value, or combinations thereof, free of charge, upon the participant achieving prescribed performance targets and/or service conditions or otherwise having performed well and/or made a significant contribution to the Group.

Types of Awards

Awards granted under the MMP SPP may be performance-based, time-based or one-off special awards. Such predetermined performance target may be shorter-term targets aimed at encouraging continued services such as completion of projects and/or stretched targets aimed at sustaining longer-term growth. Time-based awards are awards granted after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years as may be determined or predetermined by the RC. Such awards may also be granted as a sign-on bonus.

The release of the shares awarded under the MMP SPP can take the form of either a new issue of shares and/or the purchase of existing shares (subject to applicable laws).

On 13 July 2017, the Board approved a one-off share awards of 23,333,333 shares as recommended by the Remuneration Committee to former Executive Director, Mr Paul Andrew Crosio, for his services rendered.

Directors' Statement

For the financial year ended 31 December 2017

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of financial year.

Audit committee ("AC")

The members of the AC as at the date of this statement are:

Chan Ying Wei	(Chairman and non-executive independent Director)
Chong Chee Meng Gerard	(Lead non-Executive independent Director)
Toshinori Tanabe	(Non-Executive independent Director)

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the AC carried out the following:

– Reviewed the audit plans of the internal and external auditors of the Group and the Company and reviewed the internal auditor's evaluation of the adequacy of the Group's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

– Reviewed the quarterly financial information and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;

– Reviewed the effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

– Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

– Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

– Reviewed the cost effectiveness and the independence and objectivity of the external auditor and the nature and extent of non-audit services provided by the external auditor;

– Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

– Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate;

– Reviewed the financial statements and other announcements to members and the Singapore Exchange Securities Trading Limited ("SGX-ST"), prior to submission to the Board; and

– Reviewed interested person transactions (as defined in Chapter 9 of the Catalist Listing Manual).

Directors' Statement

For the financial year ended 31 December 2017

Audit committee ("AC") (cont'd)

The AC having reviewed the external auditor's non-audit services was of the opinion that there were no non-audit services rendered that would affect the independence and objectivity of the external auditors.

The AC has held five meetings since the last Directors' Statement with full attendance from all members. In performing its functions, the AC has also met with the Company's internal and external auditors, without the presence of the Company's management, at least once a year.

The Company confirms that Rules 712 and 715 of the Singapore Exchange Securities Trading Limited's Listing Manual have been complied with.

Further information regarding the AC are detailed in the Corporate Governance Report set out in the Annual Report of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Chong Chee Meng Gerard *Director*	**Drew Ethan Madacsi** *Director*

9 April 2018

Independent Auditor's Report

To the Members of MMP Resource Limited
(Incorporated in Singapore)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of MMP Resources Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 37 to 79.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the balance sheet of the Company. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

(1) In the auditor's report dated 31 March 2017, the predecessor auditor expressed a disclaimer of opinion in respect of the financial statements for the previous financial year ended 31 December 2016 due to the following matters:

(a) As disclosed in Note 22(a) to the financial statements, the Group and the Company have engaged in ongoing legal proceedings regarding the funds lent to the Group and the Company amounting to S$4,700,000, recorded as a liability in the balance sheet as at 31 December 2014, and which has been recognised as income during the current financial year. This is a reversal, by the Group and Company in the current financial year, of a liability accrued in 2014. We are unable to ascertain if legal action that has commenced would be successful and hence we are unable to determine whether any adjustments to the accompanying financial statements were necessary.

(b) During the year, the Group and Company recognised revenue of S$1,619,000 which remain uncollected as at 31 December 2016. We were unable to obtain sufficient appropriate audit evidence on the recoverability of these receivables. As revenue is recognised only when collectability is probable, the uncertainty in recoverability impacts the appropriateness of the revenue recognised during the year. Consequently, we were unable to determine whether any adjustment to the accompanying financial statements was necessary.

The matters referred to above remain unresolved in the current financial year. In view of this, our opinion on the current year's financial statements is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

Independent Auditor's Report

To the Members of MMP Resource Limited
(Incorporated in Singapore)

Bases for Disclaimer of Opinion (continued)

(2) Going concern

As disclosed in Note 2.1 to the financial statements, the following circumstances give rise to material uncertainties as to the appropriateness of the use of the going concern assumption in the preparation of the accompanying consolidated financial statements of the Group and the balance sheet of the Company for the current financial year:

(i) As at 31 December 2017, the Group and the Company is in a net current liabilities position of S$4,605,000 and S$3,316,000 (2016: net current assets of S$236,000 and S$339,000) and a net liabilities position of S$3,859,000 and S$3,305,000 (2016: net assets of S$572,000 and S$354,000) respectively.

(ii) For the financial year ended 31 December 2017, the Group incurred a net loss of S$3,317,000 (2016: net profit of S$4,767,000) and net operating cash outflows of S$2,852,000 (2016: S$1,808,000).

(iii) As disclosed in Note 22(a), the Group is currently engaged in a legal dispute for the full and immediate repayment of S$5,200,000 alleged loan given to the Group.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's and the Company's abilities to continue as going concerns. Notwithstanding the above, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2017 is appropriate after taking into consideration the following measures and assumptions:

(a) The major shareholder will continue to provide financial support to enable the Group and the Company to continue in operation and to meet its obligations as and when they fall due for at least the next twelve months.

(b) The operating subsidiary corporation would be able to generate positive cash flows from operations.

(c) The outcome of legal litigation as disclosed in Note 22(a) would be favourable to the Group and the claims would be nullified.

The ability of the Group and of the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due are dependent upon the successful outcome of the measures and assumptions undertaken as disclosed above which cannot be determined at present. At the date of this report, we are unable to obtain sufficient audit evidence regarding the likely outcome of these measures and assumptions including the financial capability of the major shareholder that will provide continuing financial support to the Group and the Company. Therefore, we are not able to form an opinion as to whether the going concern basis of presentation of the accompanying financial statements of the Group and the Company is appropriate.

Independent Auditor's Report

To the Members of MMP Resource Limited
(Incorporated in Singapore)

Bases for Disclaimer of Opinion (continued)

(3) Impairment of property, plant and equipment ("PPE")

The net carrying amount of the Group's PPE amounted to S$746,000 as at 31 December 2017. The performance of the Group during the financial year indicates that the PPE may be impaired. Hence, management has estimated the recoverable amount of the Group's PPE based on value-in-use. However, we were unable to obtain sufficient and appropriate audit evidence to substantiate the recoverable amount for the Group's PPE. Therefore, we were unable to determine whether any adjustment to the carrying amount of PPE were necessary.

(4) Recoverability of the Group's and the Company's trade and non-trade receivables from related parties and subsidiary corporations

As disclosed in Note 12 to the financial statements, as at 31 December 2017, the Group has trade and non-trade receivables from related parties with an aggregate amount of S$1,351,000 (2016: S$514,000) and the Company has trade and non-trade receivables from related parties and subsidiary corporations with an aggregate amount of S$2,282,000 (2016: S$1,736,000). The directors are of the view that these amounts are recoverable and there has not been a significant change in credit quality. We were unable to obtain sufficient appropriate audit evidence with respect to the recoverability of these amounts and therefore unable to determine whether any impairment loss was necessary as required by FRS 39 Financial Instruments: Recognition and Measurement. Any impairment loss which might have been necessary as at 31 December 2017 would have increased the total comprehensive loss for the financial year and the net liabilities as at that date by the same amount.

Other Matter

The consolidated financial statements of the Group for the financial year ended 31 December 2016 and the balance sheet of the Company as at 31 December 2016 were audited by another independent auditor who expressed a disclaimer of opinion on those financial statements on 31 March 2017 on the matters noted earlier in this report.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditor's Report

To the Members of MMP Resource Limited
(Incorporated in Singapore)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Bases for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, except for those matters described in the *Bases for Disclaimer of Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Ms. Chan Siew Ting.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

9 April 2018

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Revenue	4	163	1,619
Cost of sales		(63)	(21)
Gross profit		100	1,598
Other income	5	151	5,367
Other losses - net	6	(662)	(516)
Expenses			
-Administrative		(2,907)	(1,638)
-Finance	9	(7)	(6)
(Loss)/profit before income tax		(3,325)	4,805
Income tax credit/(expense)	10(a)	8	(38)
Net (loss)/profit attributable to equity holders of the Company		(3,317)	4,767
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising from consolidation - gains	20(b)(i)	11	13
Other comprehensive income, net of tax		11	13
Total comprehensive (loss)/income attributable to equity holders of the Company		(3,306)	4,780
(Loss)/earning per share attributable to equity holders of the Company (cents per share)			
-Basic and diluted	11	(0.15)	0.27

The accompanying notes form an integral part of the financial statements.

Balance Sheets

As at 31 December 2017

		Group		Company	
		2017	2016	2017	2016
	Note	S$'000	S$'000	S$'000	S$'000
ASSETS					
Current assets					
Cash and bank balances		312	645	122	352
Trade and other receivables	12	1,492	1,228	2,282	1,786
Inventories	13	19	–	–	–
Other current assets	14	191	92	31	40
		2,014	1,965	2,435	2,178
Non-current assets					
Investments in subsidiary corporations	15	–	–	1	1
Property, plant and equipment	16	746	336	10	14
		746	336	11	15
Total assets		2,760	2,301	2,446	2,193
LIABILITIES					
Current liabilities					
Trade and other payables	17	1,368	591	1,158	720
Current income tax liabilities	10(b)	7	38	7	19
Borrowings	18	5,244	1,100	4,586	1,100
Total liabilities		6,619	1,729	5,751	1,839
NET (LIABILITIES)/ASSETS		**(3,859)**	**572**	**(3,305)**	**354**
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	19	125,783	124,487	125,783	124,487
Other reserves	20	24	2,434	–	2,421
Accumulated losses	21	(129,666)	(126,349)	(129,088)	(126,554)
Total equity		**(3,859)**	**572**	**(3,305)**	**354**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2017

	Note	Share capital S$'000	Other reserves S$'000	Accumulated losses S$'000	Total S$'000
2017					
Beginning of financial year		124,487	2,434	(126,349)	572
Total comprehensive income/(loss) for the financial year		–	11	(3,317)	(3,306)
Reclassification of share-based payment expense	20	–	(2,421)	–	(2,421)
Issuance of new ordinary shares	19	1,361	–	–	1,361
Share issue expense	19	(65)	–	–	(65)
End of financial year		125,783	24	(129,666)	(3,859)
2016					
Beginning of financial year		121,992	2,421	(131,116)	(6,703)
Total comprehensive income for the financial year		–	13	4,767	4,780
Issuance of new ordinary shares	19	2,560	–	–	2,560
Share issue expense	19	(65)	–	–	(65)
End of financial year		124,487	2,434	(126,349)	572

Other reserves are non-distributable.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Cash flows from operating activities			
(Loss)/profit before income tax		(3,325)	4,805
Adjustment for:			
- Depreciation of property, plant and equipment	7	56	16
- Finance expense	9	7	6
- Finance income		(1)	–
- Share-based payments	19	70	260
- Write-off of property, plant and equipment	6	–	32
- Unrealised currency translation losses		50	13
		(3,143)	5,132
Changes in working capital:			
- Trade and other receivables		(339)	(503)
- Inventories		(19)	–
- Other current assets		(99)	(21)
- Trade and other payables		777	(6,410)
Cash used in operations		(2,823)	(1,802)
Interest received		1	–
Interest paid		(7)	(6)
Income tax paid	10(b)	(23)	–
Net cash used in operating activities		(2,852)	(1,808)
Cash flows from investing activities			
Additions to property, plant and equipment	16	(505)	(339)
Net cash used in investing activities		(505)	(339)
Cash flows from financing activities			
Proceeds from borrowings		2,398	600
Repayment of borrowings		–	(49)
Proceeds from issuance of new ordinary shares		691	2,300
Share issuance expense		(65)	(65)
Net cash provided by financing activities		3,024	2,786
Net (decrease)/increase in cash and bank balances		(333)	639
Cash and bank balances			
Beginning of financial year		645	6
End of financial year		312	645

Reconciliation of liabilities from financing activities

	1 January 2017 S$'000	Additions S$'000	Non-cash changes: Reclassification from equity S$'000	Non-cash changes: Equity conversion S$'000	31 December 2017 S$'000
Borrowings	1,100	2,398	2,346	(600)	5,244

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on 9 April 2018.

1 Corporate information

MMP Resources Limited (the "Company") was incorporated and domiciled in Singapore on 11 September 2006 under the Singapore Companies Act, Chapter 50 as a private company limited by shares under the name "Sino Construction Pte Ltd.". On 16 April 2007, the Company converted to a public limited company and changed its name to "Sino Construction Limited" and on 11 August 2015, was renamed as "MMP Resources Limited". On 12 June 2008, the Company was admitted to the official list on the Mainboard of the Singapore Exchange Securities Trading Limited.

The address of its registered office and principal place of business is 6 Eu Tong Sen Street, #12-20, The Central, Singapore 059817.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are disclosed in Note 15.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2017

On 1 January 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to accounting policies of the Group and of the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in Consolidated Statement of Cash Flows to the Financial Statements.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Going concern

In preparing the financial statements, the Board of Directors have considered the operations of the Group and the Company as going concerns notwithstanding the following circumstances:

(i) As at 31 December 2017, the Group and the Company are in a net current liabilities position of S$4,605,000 and S$3,316,000 (2016: net current assets of S$236,000 and S$339,000) and a net liabilities position of S$3,859,000 and S$3,305,000 (2016: net assets of S$572,000 and S$354,000) respectively.

(ii) For the financial year ended 31 December 2017, the Group incurred a net loss of S$3,317,000 (2016: net profit of S$4,767,000) and net operating cash outflows of S$2,852,000 (2016: S$1,808,000).

(iii) As disclosed in Note 22(a), the Group is currently engaged in a legal dispute for the full and immediate repayment of S$5,200,000 alleged loan given to the Group.

Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumptions in the preparation of the financial statements for the financial year ended 31 December 2017 are appropriate after taking into consideration the following measures and assumptions:

(a) The major shareholder will continue to provide financial support to enable the Group and the Company to continue in operation and to meet its obligations as when they fall due for at least the next twelve months.

(b) The operating subsidiary corporations would be able to generate positive cash flows from operations.

(c) The outcome of legal litigation as disclosed in Note 22(a) would be favourable to the Group and the claims would be nullified.

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets to current assets. The financial statements do not include any adjustment which may arise from these uncertainties.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of service

Revenue from service income, management and consultancy fees are recognised in the period in which the services are rendered.

(b) Sale of goods – café operations

Sale of foods and beverages is recognised when these are served and invoiced.

(c) Interest income

Interest income is recognised using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(a) Subsidiary corporations (cont'd)

(i) Consolidation (cont'd)

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(a) Subsidiary corporations (cont'd)

(iii) Disposals

When a change in the Group ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses. Buildings are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.5 Property, plant and equipment (cont'd)

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful Lives
Buildings	10 years
Motor vehicles	5 years
Machine and construction equipment	5 years
Office equipment and furniture and fittings	5 years

Freehold land is not depreciated.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other losses – net".

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.7 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.8 Impairment of non-financial assets

Property, plant and equipment
Investments in subsidiary corporations

Property, plant and equipment and investment in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of these assets, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 12) and "cash and bank balances" on the balance sheet.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.9 Financial assets (cont'd)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group continues to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised costs approximate their carrying amounts.

2.14 Leases

When the Group is the lessee:

The Group leases corporate apartments and office buildings under operating leases from non-related parties.

Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.15 Inventories

Inventories comprises operating supplies and food and beverages inventory items which are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred income tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.17 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

A provision is made using best estimate of the amount recognised in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of shares and/or share options is recognised as an expense with a corresponding increase in the share-based payment reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the equity instruments granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of equity instruments that are expected to be exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of equity instruments that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

The share-based payment reserve is transferred to accumulated losses upon expiry of the share options. When the options are exercised, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expenses as appropriate.

2.19 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("SGD"), which is the functional currency of the Company and have been rounded to the nearest thousand ("S$'000").

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.19 Currency translation (cont'd)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive income within "Other losses - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the balance sheet date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in currency translation reserve. These currency translation differences are reclassified to profit or loss disposal or partial disposal of the entity giving rise to such reserves.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors whose members are responsible for allocating resources and assessing performance of the operating segments.

Notes to the Financial Statements

For the financial year ended 31 December 2017

2 Summary of significant accounting policies (cont'd)

2.21 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least half yearly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in. Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recognised in profit or loss. The carrying amount of the Group's and the Company's loans and receivables at the balance sheet date are S$1,850,000 and S$2,414,000 (2016: S$1,924,000 and S$2,158,000) respectively.

If the net present values of estimated cash flows had been higher or lower by 10% from management's estimates for all loans and receivables, the allowance for impairment of the Group and the Company would have been higher by S$185,000 and S$241,000 (2016: S$192,000 and S$216,000) respectively.

(b) Joint arrangements

Judgement is required to determine when the Group has joint control over an investee. The Group has made an assessment of the relevant activities of the investee and whether the decisions in relation to those activities require unanimous consent. The Group shall determine the type of joint arrangement in which it is involved by considering its rights and obligations arising from the arrangement. The Group assesses its rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

The Group has assessed and concluded that there is no control over the ski resort operations and fees paid to acquire the right to operate the ski resort was taken up as prepayment and amortised over a period of 3 years. The allocated share of net profits was recorded on a net basis as other income in the consolidated statement of comprehensive income.

Notes to the Financial Statements

For the financial year ended 31 December 2017

4 Revenue

	Group	
	2017	2016
	S$'000	S$'000
Rendering of services – management fee	128	1,619
Sale of goods – café operations	35	–
	163	1,619

5 Other income

	Group	
	2017	2016
	S$'000	S$'000
Allocated share of net profits from ski resort operations	104	–
Write-back of loans and borrowing	47	[1]5,133
Sundry income	–	234
	151	5,367

[1] See note 22 (a) and (b)

6 Other losses - net

	Group	
	2017	2016
	S$'000	S$'000
Allowance for impairment of trade and other receivables from non-related parties (Note 25(b))	588	435
Write-off of property, plant and equipment	–	32
Write-off of non-trade receivables from a non-related party	44	–
Others	30	49
	662	516

Notes to the Financial Statements

For the financial year ended 31 December 2017

7 Expenses by nature

	Group 2017 S$'000	Group 2016 S$'000
Change in inventories	(19)	–
Depreciation of property, plant and equipment (Note 16)	56	16
Employee compensation (Note 8)	451	325
Fees on audit services paid/payable to:		
- Auditor of the Company	90	110
- Other auditors	14	11
	104	121
Professional fees	1,722	638
Promotional expenses	36	–
Purchase of inventories	36	–
Rental expenses on operating leases	91	352
Travelling	112	132
Other expenses	381	75
Total cost of sales and administrative expenses	2,970	1,659

8 Employee compensation

	Group 2017 S$'000	Group 2016 S$'000
Wages and salaries	317	184
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	19	21
Other short-term benefits	115	120
	451	325

9 Finance expenses

	Group 2017 S$'000	Group 2016 S$'000
Bank charges	7	6

Notes to the Financial Statements

For the financial year ended 31 December 2017

10 Income tax expense

(a) Income tax (credit)/expense

	Group 2017 S$'000	Group 2016 S$'000
Tax expense attributable to (loss)/profit is made up of:		
(Loss)/profit for the financial year:		
- Current income tax - Foreign	–	38
- Overprovision in prior years	(8)	–
	(8)	38

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group 2017 S$'000	Group 2016 S$'000
(Loss)/profit before income tax	(3,325)	4,805
Tax calculated at tax rate of 17% (2016: 17%)	(565)	817
Effects of:		
- Expenses not deductible for tax purposes	388	194
- Income not subject to tax	(8)	(891)
- Tax exemptions	–	(54)
- Corporate tax rebate	–	(39)
- Deferred tax assets not recognised	185	11
- Overprovision of income tax in prior financial years	(8)	–
	(8)	38

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of S$1,153,000 (2016: S$65,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those entities with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

Notes to the Financial Statements

For the financial year ended 31 December 2017

10 Income tax expense (cont'd)

(b) Movement in current income tax liabilities

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Beginning of financial year	38	–	19	–
Reversal of overprovision of income tax in prior year	(8)	–	–	–
Income tax paid	(23)	–	(12)	–
Tax expense	–	38	–	19
End of financial year	7	38	7	19

11 (Loss)/earning per share

Basic and diluted (loss)/earning per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2017	2016
Net (loss)/profit attributable to equity holders of the Company (S$'000)	(3,317)	4,767
Weighted average number of ordinary shares ('000)	2,157,975	1,787,333
Basic and diluted (loss)/earning per share (cents per share)	(0.15)	0.27

There were no dilutive potential ordinary shares outstanding during the current and prior financial years.

Notes to the Financial Statements

For the financial year ended 31 December 2017

12 Trade and other receivables

	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Trade receivables				
- non-related parties	1,149	1,010	–	–
- related parties	445	514	445	514
	1,594	1,524	445	514
Less: Allowance for impairment (Note 25(b))				
- non-related parties	(1,010)	(400)	–	–
Trade receivables – net	584	1,124	445	514
Non-trade receivables				
- non-related parties	2	139	–	50
- subsidiary corporations	–	–	1,840	1,222
- related parties	919	–	906	–
	921	139	2,746	1,272
Less: Allowance for impairment (Note 25(b))				
- non-related parties	–	(35)	–	–
- subsidiary corporations	–	–	(909)	–
- related parties	(13)	–	–	–
	(13)	(35)	(909)	–
Non-trade receivables - net	908	104	1,837	1,272
	1,492	1,228	2,282	1,786

Non-trade receivable due from a related party amounting to S$856,000 is unsecured and repayable in full within 5 years from the date of disbursement. Interest is fixed at 12% per annum.

All other non-trade receivables due from related parties and subsidiary corporations are unsecured, interest-free and repayable on demand.

13 Inventories

	Group 2017 S$'000	Group 2016 S$'000
Trading goods	19	–

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S$17,000 (2016: Nil).

Notes to the Financial Statements

For the financial year ended 31 December 2017

14 Other current assets

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Deposits	46	51	10	20
Prepayments	145	41	21	20
	191	92	31	40

15 Investments in subsidiary corporations

	Company	
	2017 S$'000	2016 S$'000
Equity investment at cost		
Beginning of financial year	101	100
Additions	–	1
End of financial year	101	101
Allowance for impairment		
Beginning and end of financial year	100	100
Net carrying amount	1	1

The Group had the following subsidiary corporations as at 31 December 2017 and 2016:

Name of entities	Country of incorporation	Principal activities	Proportion of ordinary shares directly held by the Group 2017 %	2016 %
Held by the Company				
SC Building & Construction Pte. Ltd. ("SCBC")[a]	Singapore	Dormant	100	100
Magnum Energy Pte. Ltd.[a]	Singapore	Dormant	100	100
MMP Resources Japan K.K.[b]	Japan	Construction in Tier-1 markets, with a specific focus on the Travel, Hospitality and Leisure ("THL") industry	100	100

(a) Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.

(b) For the purpose of the consolidated financial statements, audited by Nexia TS Public Accounting Corporation.

Notes to the Financial Statements

For the financial year ended 31 December 2017

16 Property, plant and equipment

	Freehold land S$'000	Buildings S$'000	Motor vehicles S$'000	Machinery and construction equipment S$'000	Office equipment and furniture and fittings S$'000	Total S$'000
Group						
2017						
Cost						
Beginning of financial year	141	180	–	–	20	341
Currency translation differences	(11)	(14)	(2)	(2)	(13)	(42)
Additions	–	9	143	43	310	505
End of financial year	130	175	141	41	317	804
Accumulated depreciation						
Beginning of financial year	–	3	–	–	2	5
Currency translation differences	–	(1)	–	–	(2)	(3)
Depreciation charge (Note 7)	–	17	5	4	30	56
End of financial year	–	19	5	4	30	58
Net book value						
End of financial year	130	156	136	37	287	746

	Freehold land S$'000	Buildings S$'000	Office equipment and furniture and fittings S$'000	Total S$'000
Group				
2016				
Cost				
Beginning of financial year	–	–	68	68
Additions	141	180	18	339
Write-off	–	–	(66)	(66)
End of financial year	141	180	20	341
Accumulated depreciation				
Beginning of financial year	–	–	23	23
Depreciation charge (Note 7)	–	3	13	16
Write-off	–	–	(34)	(34)
End of financial year	–	3	2	5
Net book value				
End of financial year	141	177	18	336

Notes to the Financial Statements

For the financial year ended 31 December 2017

16 Property, plant and equipment (cont'd)

	Company	
	2017	**2016**
	S$'000	**S$'000**
Office equipment and furniture and fittings		
Cost		
Beginning of financial year	16	63
Additions	–	14
Write-off	–	(61)
End of financial year	16	16
Accumulated depreciation		
Beginning of financial year	2	18
Depreciation charge	4	13
Write-off	–	(29)
End of financial year	6	2
Net book value		
End of financial year	10	14

17 Trade and other payables

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Trade payables				
- non-related parties	894	231	578	229
Non-trade payables				
- non-related parties	25	61	4	4
- subsidiary corporation	–	–	236	201
- related parties	50	–	–	–
	75	61	240	205
Accrual for operating expenses	357	299	340	286
Advance receipts from customers	42	–	–	–
	1,368	591	1,158	720

Non-trade payables to a subsidiary corporation and related parties are unsecured, interest-free and payable on demand.

Notes to the Financial Statements

For the financial year ended 31 December 2017

18 Borrowings

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Current				
Borrowings				
- non-related party	500	500	500	500
- related parties	4,744	600	4,086	600
	5,244	1,100	4,586	1,100

Non-related party borrowings bear an interest at rate of Nil% (2016: Nil%) per annum.

Included in related parties borrowings are advances from lenders amounting to approximately S$1,724,000. On 6 September 2017, 13 September 2017, 10 October 2017, 15 November 2017 and 20 December 2017 respectively, the Group and the Company entered into a Notes Subscription Agreement (the "Agreements") with related parties for bonds and placement shares with a total face value of S$1,724,000. The terms of the Agreements would only be enforceable on the Group's ability to meet certain conditions, including the necessary approvals from SGX-ST and the shareholders of the Company. As at the date of this report, the conditions have not been met. The borrowings are unsecured, interest-free and repayable on demand.

Included in related parties borrowings are amounts due to a related party amounting to approximately S$2,346,000 which pertains to share-based payment reserve representing equity-settled share options granted in prior financial years. During the financial year ended 31 December 2017, the Company has come to an agreement with the related party for the payment to be made in cash. The amounts due to a related party are unsecured, interest-free and repayable within 12 months from the balance sheet date.

Borrowings from a related party amounting to S$658,000 are unsecured and repayable within 12 months of the disbursement date. Interest is fixed at 15% per annum.

All other borrowings from related parties are unsecured, interest-free and repayable on demand.

As disclosed in Note 19, borrowings from a related party amounting to S$600,000 has been converted into 150,000,000 ordinary shares in the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2017

19 Share capital

(a) Share capital

	Number of ordinary shares '000	Amount S$'000
Group and Company		
2017		
Beginning of financial year	1,997,657	124,487
Shares issued	345,871	1,361
Share issue expense	–	(65)
End of financial year	2,343,528	125,783
2016		
Beginning of financial year	1,688,464	121,992
Share issued	355,080	2,560
Share issue expense	–	(65)
Cancellation of shares	(45,887)	–
End of financial year	1,997,657	124,487

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

FY2017

On 13 June 2017, the Company issued 172,537,500 ordinary shares at an issue price of S$0.004 as consideration for professional services performed by a related party amounting to US$500,000 (equivalent to S$690,000). The newly issued shares rank pari passu in all respects with the previously issued shares.

On 13 July 2017, the Company issued 23,333,333 ordinary shares in the Company under the MMP SPP with fair value of S$0.003 per share at the grant date amounting to S$70,000. The newly issued shares rank pari passu in all respects with the previously issued shares.

On 23 August 2017, the Company converted loans amounting to S$600,000 into 150,000,000 ordinary shares in the Company at an issue price of S$0.004 (Note 18). The newly issued shares rank pari passu in all respects with the previously issued shares.

FY2016

On 25 January 2016, the Company issued 26,509,090 ordinary shares in the Company at an issue price of S$0.0098 as settlement for rent payables amounting to S$260,000. The newly issued shares rank pari passu in all respects with the previously issued shares.

On 11 October 2016, the Company completed a placement of 328,571,385 ordinary shares of the Company at a price of S$0.007 per placement share for a total consideration of S$2,300,000. The newly issued shares rank pari passu in all respects with the previously issued shares

Notes to the Financial Statements

For the financial year ended 31 December 2017

19 Share capital (cont'd)

(b) MMP Share Performance Plan 2015 ("MMP SPP")

On 6 August 2015, the Company adopted a performance share plan scheme ("MMP Share Performance Plan 2015" or the "plan"). The plan was approved by shareholders of the Company in a shareholder vote held at the registered office of the Company.

The MMP SPP is administered by the Remuneration Committee ("RC").

Objectives

The MMP SPP was established with the objective to incentivise the key officers and employees of the Group to meet its long term business objectives.

Eligibility

The following persons, unless they are also controlling shareholders of MMP Resources Limited or the associates of such controlling shareholders, shall be eligible to participate in the MMP SPP:

1. any employee of the Group who meet the relevant age and rank criteria and whose services have been seconded to a company within the Group selected by the RC to participate in the MMP SPP;
2. Non-Executive Directors; and
3. any employee of associated companies (including Executive Directors) selected by the RC to participate in the MMP SPP.

Awards

Awards represent the right of a participant to receive the fully paid shares, their equivalent cash value, or combinations thereof, free of charge, upon the participant achieving prescribed performance targets and/or service conditions or otherwise having performed well and/or made a significant contribution to the Group.

Types of Awards

Awards granted under the MMP SPP may be performance-based, time-based or one-off special awards. Such predetermined performance target may be shorter-term targets aimed at encouraging continued services such as completion of projects and/or stretched targets aimed at sustaining longer-term growth. Time-based awards are awards granted after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years as may be determined or predetermined by the RC. Such awards may also be granted as a sign-on bonus.

The release of the shares awarded under the MMP SPP can take the form of either a new issue of shares and/or the purchase of existing shares (subject to applicable laws).

Notes to the Financial Statements

For the financial year ended 31 December 2017

20 Other reserves

(a) Composition

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Currency translation reserve	24	13	–	–
Share-based payment reserve	–	2,421	–	2,421
	24	2,434	–	2,421

(b) Movements:

i. Foreign currency translation reserve

	Group	
	2017	2016
	S$'000	S$'000
Beginning of financial year	13	–
Net currency translation differences of financial statements of foreign entities	11	13
End of financial year	24	13

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

ii. Share-based payment reserve

	Group and Company	
	2017	2016
	S$'000	S$'000
Beginning financial year	2,421	2,421
Reclassification to payables	(2,421)	–
End of financial year	–	2,421

Share-based payment reserve represents the equity-settled share options granted to a related party. During the financial year ended 31 December 2017, the Company has come to an agreement with the related party for the payment to be made in cash. All corresponding share-based payment reserves have been reclassified to borrowings accordingly.

Notes to the Financial Statements

For the financial year ended 31 December 2017

21 Accumulated losses

Movement in accumulated losses for the Company is as follows:

	Company	
	2017	2016
	S$'000	S$'000
Beginning of financial year	126,554	131,075
Net loss/(profit)	2,534	(4,521)
End of financial year	129,088	126,554

22 Contingent liabilities

(a) Legal litigation

In the financial year ended 31 December 2015, the Group was involved in a legal dispute with Quintestellar Re Capital Inc ("Quintestellar"), a company incorporated in the British Virgin Islands. Quintestellar had commenced an action in the High Court (HC/S 906/2015) against the Company for repayment of an alleged loan given to the Company in the amount of approximately S$4.7 million.

On 12 August 2016, Quintestellar filed a notice of discontinuance in HC/S 906/2015 with no order to costs. Subsequently, Quintestellar had also assigned its claims in HC/S 906/2015 to Mr Kenneth Lim Tiong Hian ("Kenneth Lim"), who was previously a director of the Company. No claims have been filed by Kenneth Lim.

On September 2016, the Group engaged an external accounting specialist to perform a forensic audit on all Company accounts for the period from June 2014 to February 2015, as managed by the relevant executive management of the time. Based on comprehensive review of records and a forensic audit report presented to current management and the Board, it is noted that there was no sufficient documentation to evidence a liability to Quintestellar. Therefore, based upon this review, the Group had written off the liability of S$4.7 million and recognised it as other income for the financial year ended 31 December 2016.

On 9 December 2016, the Company was served with a Writ of Summons (the "Writ") filed by Edward Lee, previously a significant shareholder of the Group. In the writ, Edward Lee claimed to have loaned to the Group and the Company various monies amounting to a total of S$5.2 million, of which S$4.7 million was loaned to the Group via an intermediary. The intermediary in this matter is Quintestellar. Quintestellar was previously a significant shareholder of the Company and was a related party to the Group through a common director, Mr Tet Choy Chee ("Andy Chee"), up to date of his resignation. The balance of S$0.5 million was a loan that had been provided by Edward Lee to the Company in February 2016, and are presented as a borrowing on the balance sheet of the Company and of the Group as at 31 December 2017.

On 6 September 2017, a revised Statement of Claim ("SOC") was filed by Edward Lee which includes Andy Chee as a second defendant. The SOC also clarifies that the claims which Quintestellar had previously assigned to Kenneth Lim has been subsequently assigned to Edward Lee between 27 September 2016 and 29 June 2017. A defence has also been filed by Andy Chee on 5 January 2018 but there has been no further updates to the litigation up to the date of this financial statements.

As at the date of the financial statements, based on the various discrepancies, lack of contemporaneous documentation as well as other significant dispute of fact, the Company, through consultation with the Group's legal representatives, is of the opinion that, on the balance of probabilities, Edward Lee's claims are unlikely to be successful.

Notes to the Financial Statements

For the financial year ended 31 December 2017

22 Contingent liabilities (cont'd)

(b) Loan

The Group received various monies amounting to a total of S$0.418 million from Broadwell Limited ("Broadwell"), a company incorporated in the British Virgin Islands. Broadwell was previously a shareholder of the Group and was a related party of the Group through a common Director, Kenneth Lim, up to the date of his resignation.

The Group had attempted to contact Broadwell and Kenneth Lim to furnish further supporting documents in relation to the alleged loan. Due to the lack of documentation and company search undertaken on 28 February 2017 which shows that Broadwell has been struck off, the Group has written off the loan of S$0.418 million and recognised it in the financial year ended 31 December 2016 as other income in the consolidated statement of comprehensive income.

As at the date of the financial statements, the Group had not been able to contact Broadwell or Kenneth Lim and has not found or received any supporting documents related to this alleged loan.

(c) Financial support

The Company provides financial support to certain subsidiary corporations to enable these subsidiary corporations to operate as going concerns and to meet their liabilities as and when they fall due. No liabilities are recognised by the Company as it is considered unlikely that there will be significant outflows of resources made by the Company as a result of the financial support provided.

23 Operating lease commitments

The Group leases corporate apartments and office buildings from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Not later than one year	156	102
Between two and five years	333	59
	489	161

Notes to the Financial Statements

For the financial year ended 31 December 2017

24 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties.

(a) Provision of services

	Group	
	2017	2016
	S$'000	S$'000
Management fees charged to a related party	77	549
Services provided by a director	–	25
Professional fees paid to a director	294	–

Related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2017, arising from provision of services, are unsecured and receivable/payable within 12 months from the balance sheet date and are disclosed in Notes 12 and 17 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2017	2016
	S$'000	S$'000
Directors' fee	105	–
Short-term benefits paid to directors of the Company	116	120

25 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's principal financial instruments comprise loans from related parties, and cash and short-term bank deposits. The main purpose of these financial instruments is to raise financing for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

It is the Group's policy that no trading in derivative financial instruments shall be undertaken.

The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the Board of Directors in accordance with prevailing economic and operating conditions. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

Notes to the Financial Statements

For the financial year ended 31 December 2017

25 Financial risk management (cont'd)

(a) Market risk

(i) Currency risk

Entities in the Group provide services in several countries, and as a result, transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as Japanese Yen ("JPY") and United States Dollar ("USD"). To manage the currency risk, the Group relies on natural hedging as a risk management tool and does not enter into derivative foreign exchange contracts to hedge its foreign currency risk.

In addition, the Group is also exposed to currency translation risk to the net assets of the Group's foreign operations. Currency exposure to the net assets of the Group's foreign operations in Japan are managed primarily through funding from the immediate holding corporation.

The Company does not have significant exposure to currency risk as it operates only in Singapore. Revenue and expenses are predominantly denominated in Singapore Dollar.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	JPY S$'000	USD S$'000	Total S$'000
Group				
2017				
Financial assets				
Cash and bank balances	122	190	–	312
Trade and other receivables	1,343	149	–	1,492
Other current assets	10	36	–	46
Intercompany receivables	2,155	–	–	2,155
	3,630	375	–	4,005
Financial liabilities				
Trade and other payables	938	388	–	1,326
Borrowings	4,586	–	658	5,244
Intercompany payables	2,155	–	–	2,155
	7,679	388	658	8,725
Net financial liabilities	(4,049)	(13)	(658)	(4,720)
Add: Net financial liabilities denominated in respective entities' functional currencies	4,049	13	–	4,062
Currency exposure	–	–	(658)	(658)

Notes to the Financial Statements

For the financial year ended 31 December 2017

25 Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S$'000	JPY S$'000	Total S$'000
2016			
Financial assets			
Cash and bank balances	352	293	645
Trade and other receivables	1,198	30	1,228
Other current assets	51	–	51
Intercompany receivables	1,905	–	1,905
	3,506	323	3,829
Financial liabilities			
Trade and other payables	585	6	591
Borrowings	1,100	–	1,100
Intercompany payables	1,905	–	1,905
	3,590	6	3,596
Net financial (liabilities)/assets	(84)	317	233
Add: Net financial liabilities/(assets) denominated in respective entities' functional currencies	84	(317)	(233)
Currency exposure	–	–	–

If the USD change against the SGD by 6% (2016: NA) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position to the financial performance of the Group will be as follows:

	Group	
	2017 S$'000	2016 S$'000
USD against SGD		
- Strengthened	(32)	–
- Weakened	32	–

Notes to the Financial Statements

For the financial year ended 31 December 2017

25 Financial risk management (cont'd)

(a) Market risk (cont'd)

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets, the Group's interest income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the impact on adverse movement of interest rates. The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the balance sheet date would not affect profit or loss and equity.

(iii) Price risk

The Group is not exposed to equity price risk as it does not hold any equity financial asset.

(b) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining cash deposits where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with the high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The trade receivables of the Group comprise 3 debtors (2016: 3 debtors) that individually represented 10-50% (2016: 10-50%) of the Group's total trade receivables.

Notes to the Financial Statements

For the financial year ended 31 December 2017

25 Financial risk management (cont'd)

(b) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The carrying amount of trade and other receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Gross amount	1,023	435	909	–
Less: Allowance for impairment	(1,023)	(435)	(909)	–
	–	–	–	–
Beginning of financial year	435	1,746	–	–
Allowance made (Note 6)	588	435	909	–
Allowance utilised	–	(1,746)	–	–
End of financial year (Note 12)	1,023	435	909	–

An allowance for impairment has been made to profit or loss, as management determined the likelihood of recoverability is low and payments are not forthcoming.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to finance the Group and the Company's operations and development activities. The Group manages the liquidity risk by maintaining a level of cash and bank balances deemed adequate to finance the Group's business operations and development activities. The Group's objective is to maintain a balance between continuing of funding and flexibility through the use of borrowings and bills payable.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Notes to the Financial Statements

For the financial year ended 31 December 2017

25 Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year S$'000
Group	
2017	
Trade and other payables	1,326
Borrowings	5,244
	6,570
2016	
Trade and other payables	591
Borrowings	1,100
	1,691
Company	
2017	
Trade and other payables	1,158
Borrowings	4,586
	5,744
2016	
Trade and other payables	720
Borrowings	1,100
	1,820

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Net debt	6,300	1,046	5,622	1,468
Total equity	(3,859)	572	(3,305)	354
Total capital	2,441	1,618	2,317	1,822
Gearing ratio	258%	65%	243%	81%

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2017 and 2016.

Notes to the Financial Statements

For the financial year ended 31 December 2017

25 Financial risk management (cont'd)

(e) Fair value measurements

The carrying amount less allowance for impairment of trade and other receivables and trade and other payables are assumed to approximate their fair value. The carrying amount of current borrowings approximates its fair value.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Loans and receivables	1,850	1,924	2,414	2,158
Financial liabilities at amortised cost	6,570	1,691	5,744	1,820

26 Segment information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the two primary geographic areas: Singapore and Japan. From a business segment perspective, management separately considers the investment holding and travel, hospitality and leisure ("THL") activities in these geographic areas.

Notes to the Financial Statements

For the financial year ended 31 December 2017

26 Segment information (cont'd)

The segment information provided to the management for the reportable segments is as follows:

	Investment holding - Singapore S$'000	THL - Japan S$'000	Total S$'000
2017			
Sales			
Sales to external parties	128	35	163
Finance cost	(3)	(4)	(7)
Loss before income tax	(2,828)	(497)	(3,325)
Income tax credit	8	–	8
Net loss	(2,820)	(497)	(3,317)
Segment assets	1,514	1,246	2,760
Segment liabilities	5,531	1,088	6,619
Other disclosures:			
Allowance for impairment of non-trade receivables from non-related parties	588	–	588
Write-off of other receivables from non-related party	44	–	44
Depreciation of property, plant and equipment	4	52	56

	Investment holding - Singapore S$'000	Investment holding - Japan S$'000	Total S$'000
2016			
Sales			
Sales to external parties	1,619	–	1,619
Finance cost	6	–	6
Profit/(loss) before income tax	4,869	(64)	4,805
Income tax expense	(38)	–	(38)
Net profit/(loss)	4,831	(64)	4,767
Segment assets	1,636	665	2,301
Segment liabilities	1,723	6	1,729
Other disclosures:			
Write-back of loans and borrowings	5,133	–	5,133
Depreciation of property, plant and equipment	13	3	16

Notes to the Financial Statements

For the financial year ended 31 December 2017

26 Segment information (cont'd)

The revenue from external parties reported to the management is measured in a manner consistent with that in the statement of comprehensive income. The management assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation for continuing operations.

Geographical information

The Group's business segments operate in two main geographical areas.

	Revenue	
	2017	**2016**
	S$'000	**S$'000**
Singapore	128	1,619
Japan	35	–
	163	1,619

	Non-current assets	
	2017	**2016**
	S$'000	**S$'000**
Singapore	10	14
Japan	736	322
	746	336

Revenue of approximately S$50,000 (2016: S$1,070,000) is derived from a single external customer. This revenue is attributable to the provision of management services located in Singapore (2016: provision of management services located in Singapore).

Notes to the Financial Statements

For the financial year ended 31 December 2017

27 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2018 and which the Group has not early adopted:

(a) FRS 109 Financial Instruments (effective for annual periods beginning on or after 1 January 2018)

FRS 109 replaces FRS 39 Financial instruments: Recognition and Measurement and its relevant interpretations.

FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

Under FRS 109, there were no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair changes arising from changes in own credit risk. For liabilities designed at fair value through profit or loss, such changes are recognised in OCI. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

There is also now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 January 2018. The new accounting framework has similar requirements of FRS 109 and the impact of adopting the equivalent FRS 109 is disclosed in Note 28.

Notes to the Financial Statements

For the financial year ended 31 December 2017

27 New or revised accounting standards and interpretations (cont'd)

(b) FRS 115 Revenue from Contracts with Customers

FRS115 replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 28). The new accounting framework has similar requirements of FRS 115 and the Group has no significant impact of adopting the equivalent FRS 115.

(c) FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)
FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 January 2018. The new accounting framework has similar requirements of FRS 116. The Group has yet to determine to what extent the commitments as at the balance sheet date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Notes to the Financial Statements

For the financial year ended 31 December 2017

28 Adoption of SFRS(I)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore IFRS-identical Financial Reporting Standards' ("SFRS(I)") hereinafter. As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and will be issuing its first set of financial information prepared under SFRS(I) for the quarter ended 31 March 2018 in April 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS. The Group will also concurrently apply new major SFRS(I) equivalents of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The estimated impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) equivalent of IFRS 1

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under IFRS 1. Management has assessed these optional exemptions and decided not to elect the relevant optional exemptions, as such there will be no significant adjustments to the Group's financial statements prepared under SFRS.

(b) Adoption of SFRS(I) equivalent of IFRS 9

The Group plans to elect to apply the short-term exemption under IFRS 1 to adopt SFRS(I) equivalent to IFRS 9 on 1 January 2018. Accordingly, the requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

Impairment of financial assets

The Group's financial assets, trade receivables will be subject to the expected credit loss impairment model under the SFRS(I) equivalent IFRS 9. Based on the Group's initial assessment, the Group does not expect any significant adjustments on adoption of IFRS 9.

(c) Adoption of SFRS(I) equivalent of IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group plans to adopt IFRS 15 in its financial statements for the year ending 31 December 2018. Based on the Group's initial assessment, the Group does not expect any significant adjustments on adoption of IFRS 15.

Statistics of Shareholdings

As at 23 March 2018

ISSUED AND FULLY PAID-UP CAPITAL	:	125,783,225
NO. OF SHARES ISSUED	:	2,343,527,950
CLASS OF SHARES	:	Ordinary Shares
VOTING RIGHTS	:	1 vote per share
TREASURY SHARES AND SUBSIDIARY HOLDINGS	:	Nil

* This is based on records kept with the Accounting and Corporate Regulatory Authority and differs from the accounting records of the Company which amounts to S$137,724,537.06 due to certain share issue expenses.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	6	0.39	201	0.00
100 - 1,000	82	5.30	74,593	0.00
1,001 - 10,000	277	17.89	1,737,500	0.08
10,001 - 1,000,000	1,012	65.37	233,452,993	9.96
1,000,001 AND ABOVE	171	11.05	2,108,262,663	89.96
TOTAL	**1,548**	**100.00**	**2,343,527,950**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	534,192,000	22.79
2	UOB KAY HIAN PRIVATE LIMITED	233,981,495	9.98
3	KOH YEW CHOO	192,054,100	8.20
4	DREW ETHAN MADACSI	100,000,000	4.27
5	RAFFLES NOMINEES (PTE.) LIMITED	93,883,800	4.01
6	VESSEL GATE INVESTMENT PTE. LTD.	90,071,723	3.84
7	OCBC SECURITIES PRIVATE LIMITED	54,353,700	2.32
8	PHILLIP SECURITIES PTE LTD	51,363,600	2.19
9	HSBC (SINGAPORE) NOMINEES PTE LTD	47,093,800	2.01
10	SINO XIN YUAN CONSTRUCTION INVESTMENTS PTE LTD	42,311,413	1.81
11	ONG AH WHATT	37,982,600	1.62
12	CITIBANK NOMINEES SINGAPORE PTE LTD	30,760,000	1.31
13	SELECT EQUITY GROWTH LIMITED	26,700,000	1.14
14	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	20,505,699	0.87
15	DEALSON LIMITED	20,000,000	0.85
16	ONG CHIN SOON	20,000,000	0.85
17	MAYBANK KIM ENG SECURITIES PTE LTD	17,560,600	0.75
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	16,886,000	0.72
19	CHOO SOON KIAH	15,130,400	0.65
20	TANG POH THONG	14,000,000	0.60
	TOTAL	**1,658,830,930**	**70.78**

Statistics of Shareholdings

As at 23 March 2018

SUBSTANTIAL SHAREHOLDER

Name of Substantial Shareholders	Shareholdings registered in the name of the substantial shareholder	Shareholdings held by substantial shareholder in the name of nominees	Shareholdings in which the substantial shareholder are deemed to be interested	Total	Percentage of issued shares
Maiora Asian Structured Finance Segregated Portfolio[1]	–	457,537,500	–	457,537,500	19.52%
Blue Pegasus Capital Ltd[2]	–	193,377,462	–	193,377,462	8.25%
Koh Yew Choo	192,054,100	–	–	–	8.20%

Notes:

(1) *Maiora Asian Structured Finance Segregated Portfolio is deemed to be interested in 457,537,500 shares of the Company registered under DBS Nominees Pte Ltd.*

(2) *Blue Pegasus Capital Ltd is deemed to be interested in 193,377,462 shares of the Company registered under UOB Kay Hian Pte Ltd.*

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 59.76% the issued ordinary shares of the Company were held in the hands of the public as at 23 March 2018 and therefore Rule 723 of the Listing of Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Onebiz Hub, 1 Irving Place, #08-01 The Commerze @ Irving, Singapore 369546 on Monday, 30 April 2018 at 11.00 a.m. to transact the following business:-

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2017 and the Auditors' Report thereon. **[Resolution 1]**

2. To re-elect Mr Drew Ethan Madacsi, who is retiring by rotation in accordance with Regulation 104 of the Company's Constitution, as a Director of the Company. **[Resolution 2]**

3. To re-elect Mr Chan Ying Wei, who is retiring by rotation in accordance with Regulation 104 of the Company's Constitution, as a Director of the Company.
[See Explanatory note (a)] **[Resolution 3]**

4. To re-elect Mr Jason N Block, who is retiring in accordance with Regulation 114 of the Company's Constitution, as a Director of the Company. [**Resolution 4**]

5. To approve the sum of S$219,000.00 as Directors' fees for the financial year ending 31 December 2018. [2017: S$462,000.00] **[Resolution 5]**

6. To re-appoint Nexia TS Public Accounting Corporation as Auditors of the Company and to authorize the Directors to fix their remuneration. **[Resolution 6]**

7. To transact any other business that may be transacted at an Annual General Meeting.

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:-

8. Share Issue Mandate

That pursuant to Section 161 of the Companies Act, Chapter 50 (the "Act") and the listing rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the Directors of the Company to:-

(A) (i) allot and issue shares in the capital of the Company ("Shares") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements, or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

(B) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below); and

(ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be calculated based on the total number of issued Shares excluding treasury shares and subsidiary holdings at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(iii) in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(C) the 50% limit in sub-paragraph (i) above may be increased to 100% for issue of Shares and/or Instruments by way of a renounceable rights issued where shareholders of the Company are entitled to participate in the same on a pro-rata basis ("Enhanced Rights Issue Limit");

(D) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(E) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (b)] **[Resolution 7]**

Notice of Annual General Meeting

9. Authority to allot and issue shares under MMP Performance Share Plan

That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to:-

(i) offer and grant awards ("Awards") from time to time in accordance with the rules of the MMP Performance Share Plan (the "MMP PSP"); and

(ii) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of Awards granted under the MMP PSP,

provided always that the aggregate number of Shares to be issued pursuant to the Awards granted under the MMP PSP shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue to in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (c)] **[Resolution 8]**

By Order of the Board

Sharon Yeoh
Angeline Chiang
Joint Company Secretaries

Singapore
13 April 2018

Notice of Annual General Meeting

Explanatory Notes:

(a) Mr Chan Ying Wei, if re-elected, will remain as a member of the Company's Remuneration Committee and Nominating Committee and will also continue to be the Chairman of the Audit Committee. Mr Chan Ying Wei will be considered as an Independent Director of the Company.

(b) The ordinary resolution 7 set out in item 8 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date of the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, to issue shares and convertible securities in the Company up to an aggregate number not exceeding (i) 50% of the total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company, of which the aggregate number issued other than on a pro rata basis to all existing shareholders of the Company shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company, and (ii) additional 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) issued by way of renounceable rights issue on a pro rata basis in the capital of the Company, provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares excluding treasury shares and subsidiary holdings.

<u>Enhanced Rights Issue Limit</u>

With regard to item 8(C), the mandate for the issue of shares pursuant to a pro-rata renounceable rights issue is subject to conditions set out in Practice Note 8.3 dated 13 March 2017. The Company will release immediate announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in its annual report. The Board is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders.

(c) The ordinary resolution 8 set out in item 9 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date of next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held or such authority is revoked or varied by the Company in general meeting, whichever is earlier, to offer and grant Awards and to issue Shares in the capital of the Company pursuant to the MMP PSP, provided that the aggregate number of Shares to be issued under the MMP PSP shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company for the time to time.

Notes:

1. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend and vote in his/her stead at the Annual General Meeting. A proxy need not be a member of the Company.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Eu Tong Sen Street #12-20 The Central Singapore 059817 not less than forty-eight (48) hours before the time set for holding the Annual General Meeting.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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MMP RESOURCES LIMITED

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

IMPORTANT
1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We ____________________ NRIC/Passport/Co. Registration No. ____________________

of ____

being a member/members of **MMP RESOURCES LIMITED** hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings to be represented by proxy	
			Number of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings to be represented by proxy	
			Number of Shares	%

as *my/our *proxy/proxies to attend, speak or vote for me/us and on *my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Onebiz Hub, 1 Irving Place, #08-01 The Commerze @ Irving, Singapore 369546 on Monday, 30 April 2018 at 11.00 a.m. and at any adjournment thereof.

*I/We have directed *my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies may vote or abstain from voting at *his/their discretion, as *he/they will on any other matters arising at the AGM.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" with a tick [√] within the box provided.

No.	Resolutions Relating To:	For	Against
AS ORDINARY BUSINESS			
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2017		
2	Re-election of Mr Drew Ethan Madacsi as Director		
3	Re-election of Mr Chan Ying Wei as Director		
4	Re-election of Mr Jason N Block as Director		
5	Approval of Directors' fees FY2018		
6	Re-appointment of Nexia TS Public Accounting Corporation as Auditors of the Company		
AS SPECIAL BUSINESS			
7	Authority to Directors to issue new shares		
8	Authority to allot and issue shares pursuant to the MMP PSP		

Dated this __________ day of __________________ 2018

Total Number of Shares Held

____

Signature(s) of Member(s) or/and
Common Seal of Corporate Member

IMPORTANT
PLEASE READ NOTES OVERLEAF

Notes:

1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, (Cap 289)), you should insert that number of Shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2 A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3 For any member who acts as an intermediary pursuant to Section 181(6) of the Companies Act, Chapter 50, who is either:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

(b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

You are entitled to appoint one (1) or more proxies to attend and vote at the AGM. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming AGM.

4 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 6 Eu Tong Sen Street #12-20 The Central Singapore 059817 not less than 48 hours before the time set for holding the AGM.

5 Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified and the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

6 The instrument appointing a proxy or proxies shall be in writing and signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney duly authorised by the corporation.

7 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a duly certified copy of that power of attorney (failing previous registration with the Company) shall be attached to the instrument of proxy and must be left at the Company's Registered Office, failing which the instrument may be treated as invalid.

8 A corporation which is a member may by resolution of its directors or other governing body authorise any person to act as its representative at the AGM.

9 The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject an instrument of proxy lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2018.

Corporate Information

BOARD OF DIRECTORS
Drew Ethan Madacsi
Christopher Michael Peck
Jason N Block
(Appointed on 12 September 2017)
Chong Chee Meng Gerard
Chan Ying Wei
Toshinori Tanabe

AUDIT COMMITTEE
Chan Ying Wei
Chong Chee Meng Gerard
Toshinori Tanabe

NOMINATING COMMITTEE
Chong Chee Meng Gerard
Chan Ying Wei
Toshinori Tanabe

REMUNERATION COMMITTEE
Chong Chee Meng Gerard
Chan Ying Wei
Toshinori Tanabe

REGISTERED OFFICE
6 Eu Tong Sen Street
#12-20 The Central
Singapore 059817

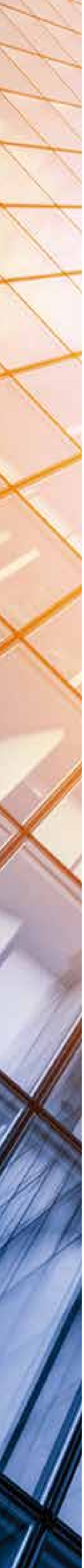
COMPANY SECRETARIES
Sharon Yeoh
Angeline Chiang

SHARE REGISTRAR
RHT Corporate Advisory Pte. Ltd.
9 Raffles Place #29-01
Republic Plaza Tower 1
Singapore 048619

BANKERS
UOB Bank

AUDITORS
Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants
100 Beach Road #30-00
Shaw Tower
Singapore 189702
Director in charge: Chan Siew Ting
(Appointed since Financial Year 2017)

INVESTOR RELATIONS
Mileage Communications Pte Ltd
Ms Patsy Phay
patsy@mileage.com.sg



M M P RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 200613299H
6 Eu Tong Sen Street #12-20 The Central Singapore 059817