M M P RESOURCES LIMITED

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

RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 23 NOVEMBER 2020 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENT ON 11 NOVEMBER 2020 IN RELATION TO THE GROUP'S FINANCIAL STATEMENTS FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2020

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

Response to Queries

The Company would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 23 November 2020 with respect to the Company's announcement on 11 November 2020 in relation to the Company's unaudited financial statements for the 9 months ended 30 September 2020 ("**3Q2020**"). Unless otherwise defined herein, terms defined in such announcement shall have the same definitions herein.

(1) We refer to the financial statements for the third quarter of 2020 announced on 11 November 2020. We noted the group's unsecured borrowings as at 30 September 2020 of $10,231,000 (31 December 2019: $7,749,000). Please provide a breakdown and disclose details of the terms of the unsecured borrowings for both 30 September 2020 and 31 December 2019. Please provide a breakdown for the use of proceeds of new loans obtained.

The details and salient terms of the unsecured borrowings for both 30 September 2020 and 31 December 2019 are as per the tables below:

Table 1

Description (as loan from or amount payable to):	**Increase/ (Decrease) (in $'000)**	**30 Sep 2020 (in $'000)**	**31 Dec 2019 (in $'000)**
Maiora Asset Management	(146)	4,307	4,453
Maiora Asia Structured Finance Fund	9	720	711
Solar Founders Limited	2,563	4,451	1,888
Operation Alliance Global Limited	141	338	197
Payable to Mr. Edward Lee	(85)	415	500
TOTAL	2,482	10,231	7,749

The increase is primarily due to new additional loans being granted by Solar Founders Limited and as announced. As for the amount payable to Mr. Edward Lee, a partial repayment was made in August 2020.

Table 2

Description (as loan from or amount payable to)	**Salient Terms**
Maiora Asset Management	- Amount relates to early payment by Maiora Asset Management for the subscription of bonds under the Notes Subscription Agreements for bonds and placement shares entered into by the Company between 6 September 2017 to 8 March 2018. - Interest at 12.5% per annum. - Pursuant to a settlement agreement dated 2 August 2019 entered into by the Company with Maiora Asset Management and Solar Founders Limited (the "**Settlement Agreement**"), relevant parties have agreed that the Notes Subscription Agreements are terminated with immediate effect on and from the date of the Settlement Agreement, and such early payment (including accrued interests) is waived. The waiver is however subject to, among others, the issuance of such number of new shares in the Company to Maiora Asia Structured Finance Fund upon completion of the Company's proposed acquisition of GCM Ltd., such acquisition being a reverse takeover (the "**GCM Acquisition**"). In light of the GCM Acquisition, the parties have agreed for such shares to be issued no later than 31 March 2021 subject to the relevant conditions for such issuance of shares being satisfied. For further information on the Settlement Agreement, please refer to the announcements released by the Company on 2 August 2019, 31 March 2020, 4 May 2020 and 30 September 2020.
Maiora Asia Structured Finance Fund	- Amount relates to principal and interests accrued under the loan agreement entered into by MMP Resources Japan K.K. (as borrower) and Maiora Global Fund SPC (for and on behalf of Maiora Asia Structured Finance Fund) (as lender) (the "**MMP Japan Loan**") - Interest at 15% per annum. - The loan is secured by, among others, a first priority mortgage over a property held by MMP Resources Japan

	K.K. and a guarantee provided by the Company. - Pursuant to an settlement agreement dated 2 August 2019 entered into by the Company and MMP Resources Japan K.K. with Maiora Asia Structured Finance Fund (the "**MMP Japan Settlement Agreement**"), parties have agreed, among others, that all of the outstanding amount (including interests) as may be owed under the MMP Japan Loan shall be waived subject to, among others, completion of the transfer to Maiora Asia Structured Finance Fund of all the shares held by the Company in MMP Resources Japan K.K., and completion of the GCM Acquisition. Accordingly, with the GCM Acquisition, the Company had on 30 April 2020 entered into a sale and purchase agreement with Maiora Global Fund SPC (for and on behalf of Maiora Asia Structured Finance Fund) for the transfer of all shares held by the Company in MMP Resources Japan K.K. to Maiora Global Fund SPC subject to, among others, completion of the GCM Acquisition (the "**MMP Japan Disposal Agreement**"). For further information on the MMP Japan Settlement Agreement and MMP Japan Disposal Agreement, please refer to the announcements released by the Company on 2 August 2019, 4 May 2020 and 30 September 2020.
Solar Founders Limited	- Amount relates to principal and interests accrued under the loan agreements previously entered into by the Company (as borrower) with Solar Founders Limited (as lender) - Interest at 18% per annum and can be paid in kind or in cash. - The loans and all accrued interests are payable on demand. However, if the Company has not received any written notice from the lender for repayment of the loans and all accrued interests by the first anniversary of the date when the respective loans are disbursed to the Company (the "**Advance Date**"), the Company is entitled to repay the loan and all accrued interests, in full or part thereof, on the first anniversary of the relevant Advance Date by providing written notice to the lender. - Any issuance and allotment of shares in the Company as repayment of the loan and accrued interests under the loan agreements with Solar Founders Limited is subject to the Company having received the relevant shareholders' approval and/or the approval of SGX-ST where required under the applicable laws including the Listing Manual of the SGX-ST.

	- However, shareholders should note that the Company has previously entered into the Settlement Agreement dated 2 August 2019 in respect of, among others, the waiver of loans (including future loans) disbursed by Solar Founders Limited subject to certain conditions. As the terms of the loan agreements are subject to the Settlement Agreement, the loans and all interests as may be accrued will be waived in accordance with the terms of the Settlement Agreement and subject to the conditions therein. Shareholders may wish to refer to the Company's announcements dated 2 August 2019, 31 March 2020, 4 May 2020 and 30 September 2020 for further information on the Settlement Agreement.
Operation Alliance Global Limited	- Amount relates to principal and interests accrued under the loan agreement previously entered into by MMP Resources Japan K.K. (as borrower) and Operation Alliance Global Limited (as lender) - Interest at 18% per annum and can be paid in kind or in cash. - The loan and all accrued interests are payable on demand. However, if tMMP Resources Japan K.K. (being the borrower) has not received any written notice from the lender for repayment of the loan and all accrued interests by the first anniversary of the advance date, MMP Resources Japan K.K. (being the borrower) has the option to repay the loan and all accrued interests, in full or part thereof, on the first anniversary of the advance date by providing written notice to the lender.
Payable to Mr. Edward Lee	- Payable within 12 months of the completion of the reverse takeover exercise.

The proceeds of new loans obtained were mainly used for the following purposes:

(a) payments of salary and wages;
(b) payments made to professional parties such as corporate secretarial services, legal professionals, share registrar, tax agent and auditors; and
(c) for general working capital.

(2) We noted that "Administrative Expenses" rose by $98,000 or 16.4% to $694,000 in 3Q2020 on higher payroll expenses and office rental and leasing. Please quantity each of these expenses for 3Q2020 against its comparative period. Please also elaborate on the reasons why each of these expenses are higher for this period despite the fall in revenue by 55% in 3Q2020.

Description (with key line items)	Increase/ (Decrease) (in $'000)	3Q2020 (in $'000)	3Q 2019 (in $'000)
Payroll related expenses and fees	90	163	73
Legal & professional fees	25	295	270
Travelling expenses	(64)	25	89
Other general & admin expenses	47	211	164
TOTAL Administrative Expenses	98	694	596

Payroll expenses and fees have increased in 3Q2020 due to the inclusion of monthly salaries and fees to support the additional duties and work scope pertaining to the Group's reverse takeover exercise.

Legal and professional fees increased due to the increase in legal fees associated with the Group's engagement of professionals for work relating to the reverse takeover exercise. The Group had also incurred additional legal fees with regards to the claim by Edward Lee which was later settled on 30 July 2020 and later discontinued on 5 August 2020. Please refer to the announcements released by the Company on 4 August 2020, 5 August 2020 and 24 August 2020 for further information on the settlement of the foregoing claim and discontinuance of the relevant proceedings.

(3) We noted higher interest costs recognised in 3Q2020 of $331,000, a nearly 10 times increase compared to 3Q2019 whilst the Company has minimal operations. Please elaborate further on the significant increase. Please also clarify what is meant by "such interest costs being accounted for at year end for FY2019".

The Group has an overall increase in loans for financial period ended 30 September 2020, the increase in loans have contributed to the increase in interest costs incurred during the period. Furthermore, the Group previously only accounted for the interests for all loans at year end. This was now correctly to be accounted for on a monthly basis.

BY ORDER OF THE BOARD

Chong Chee Meng Gerard
Lead Independent Director
25 November 2020