M M P RESOURCES LIMITED

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

SETTLEMENT OF LOANS AND OUTSTANDING AMOUNTS OWING BY THE COMPANY

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of MMP Resources Limited (the "**Company**" and collectively with its subsidiaries, the "**Group**") wishes to announce that the Company has on 2 August 2019 entered into an agreement (the "**Settlement Agreement**") with Maiora Asset Management Pte. Ltd. ("**MAM**") (acting in its own capacity and for and on behalf of Maiora Asian Structured Finance Segregated Portfolio ("**MASFF**")) and Solar Founders Limited ("**Solar Founders**" and together with MAM and MASFF, the "**Creditors**") in respect of, among others, the settlement of certain amounts owing by the Company to the Creditors.

2. INFORMATION ON THE CREDITORS

2.1 MAM

MAM is a registered fund management company based in Singapore with an Asian focus. MAM's management team has more than 60 years of experience in Asia and Japan, and, since 2013, has been involved in more than US$600 million in structured debt deals within the Asia region. MAM conducts financing, as well as renewable energy businesses across Asia.

As at the date of this announcement, Jason N Block ("**Jason Block**"), a Non-Executive Director of the Company and also shareholder of MAM, holds 25% of the issued share capital of MAM (excluding treasury shares).

2.2 MASFF

MASFF is a fund which invests in primary loans with outstanding risk reward characteristics across the Asia Pacific. The fund focuses on structured lending in Asia, but previously provided a bridge loan for solar plants in Japan as well as a senior loan to an Indonesian coal mine and various Japanese Mezzanine Real Estate Loans. MASFF is not a competitor of the Company nor does it have any businesses that compete with the Company. MASFF is a fund managed by MAM.

As at the date of this announcement, MASFF is a substantial shareholder of the Company, with an interest in an aggregate of 305,701,215 shares in the Company (each a "**Share**"), representing approximately 13.04% of the existing issued and paid-up share capital of the Company.

2.3 Solar Founders

Solar Founders is a private company limited by shares incorporated in Cayman Islands. As at the date of this announcement, Jason Block, a Non-Executive Director of the Company, holds 25% of the interests in Solar Founders.

3. THE SETTLEMENT

3.1 Waiver of The Total Debt

Pursuant to the terms of the Settlement Agreement, as consideration for the issuance of the Consideration Shares (as defined below), the Creditors have agreed to waive all of the amounts owing, and as may be owed in the future until the relevant Completion Date (as defined in section 4.4 below), by the Company to the Creditors (collectively, the "**Total Debt**"). As at the date of the Settlement Agreement, the Total Debt comprises the following:-

Total Existing Debt (as defined below)	S$4,690,385.86 which comprises all principals owed and interests accrued up to date of the Settlement Agreement. Further details on the Total Existing Debt is set out in section 3.2 of this announcement.
The Early Payment (as defined below) plus interests accrued	S$2,333,560.02 Further details on the Early Payment is set out in section 3.3.1 of this announcement.

3.2 The Total Existing Debt

As at the date of the Settlement Agreement, the aggregate amount of debt owing by the Company to the Creditors (the "**Total Existing Debt**") is S$4,690,385.86, a breakdown of which is set out below:-

Creditor	**Description of debt**	**Amount of debt**	**Date of announcements**
MAM	Fees payable to MAM for services provided under the advisory services agreement dated 27 June 2016 entered into by and between the Company, MAM and MASFF (the "**First ASA**"), particularly for providing the Company with introductory services in respect of the Company's fundraising activities relating to the placement of Shares to Blue Pegasus Capital Ltd. and Vessel Gate Investments Pte. Ltd. for an aggregate placement price of S$2,300,000 (the "**BP and VG Placements**"). Pursuant to the First ASA, (i) MAM and MASFF had agreed to provide certain introductory services to the Company, including the introduction of	S$115,000	The entry by the Company into the First ASA was announced by the Company on 27 June 2016. Announcements on the BP and VG Placements were released by the Company on 10 August 2016, 31 August 2016, 8 September 2016, 15 September 2016, 30 September 2016 and 6 October 2016.

Creditor	Description of debt	Amount of debt	Date of announcements
	business contacts of MASFF and MAM in the banking and corporate financial advisory fields, and (ii) the Company shall pay MAM in respect of the completion of successful fundraising activities and mergers and acquisitions.		
MAM	Fees payable to MAM pursuant to the First ASA for providing the Company with introductory services in respect of the Company's acquisition activities, specifically the acquisition of a property in Japan for an aggregate consideration of Japanese Yen 25,000,000 (the "**Japanese Asset Acquisition**").	Japanese Yen 1,500,000 (or equivalent to S$18,895.50 based on an exchange rate of JPY : SGD of 79.3839 : 1 as at 1 August 2019)	The entry by the Company into the First ASA was announced by the Company on 27 June 2016. The Company had announced the Japanese Asset Acquisition on 7 November 2016.
MAM	Consideration for the advisory services provided to the Company by MASFF and MAM pursuant to the advisory services agreement dated 21 September 2017 (the "**Second ASA**").	US$650,000 (or equivalent to S$894,530 based on an exchange rate of USD : SGD of 1.3762 : 1 as at 1 August 2019)	The entry by the Company into the Second ASA was announced by the Company on 22 September 2017.
MAM	Performance fees payable by the Company and assigned by Lighthouse Strategic Group Limited to MAM pursuant to a deed of assignment dated 1 August 2019. Please refer to section 5 of this announcement for further details on the assignment of the performance fees.	S$2,271,310	-
Solar Founders	Amounts owed pursuant to several loan agreements entered into by and between the Company (as borrower) and Solar Founders (as lender).	Aggregate principal amount of S$1,256,000 plus interests of S$134,650.36	Announcements on the SFL Loan Agreements were released by the Company on 22 May 2018, 11 June 2018, 2 July 2018, 31 August 2018, 31

Creditor	Description of debt	Amount of debt	Date of announcements
			October 2018, 10 December 2018, 22 February 2019, 25 April 2019 and 31 July 2019.

3.3 Additional Terms

Pursuant to the terms of the Settlement Agreement, in addition to the waiver of the Total Existing Debt, the relevant parties had further agreed as follows: -

3.3.1 Termination of the Bonds Subscription and Placements

MAM and the Company have agreed to terminate the several bonds subscription and placement agreements entered into by and between the Company and MAM (for and on behalf of MASFF) in respect of the issuance by the Company of such number of bonds and placement shares to MASFF (the "**Bonds Subscription and Placement Agreements**"). The Company had announced its entry into the Bonds Subscription and Placement Agreements on 6 September 2017, 13 September 2017, 3 October 2017, 16 November 2017, 20 December 2017 and 8 March 2018.

Pursuant to the Bonds Subscription and Placement Agreements, subject to the relevant approval of the shareholders of the Company (the "**Shareholders**") being obtained, the Company was to issue to MASFF:

(a) an aggregate of 115,864,106 Shares; and

(b) such number of convertible bonds with an aggregate value of S$1,450,000 (the "**Bonds**").

Both the Company and MAM have agreed that (i) the Settlement Agreement shall be effective and operate as a complete and unconditional discharge and release of all the rights, claims, duties, liabilities, obligations, undertakings of MAM and the Company under the Bonds Subscription and Placement Agreements, and (ii) neither party shall have any rights, claims or cause of action against the other party under the Bonds Subscription and Placement Agreements. Accordingly, as the Bonds Subscription and Placement Agreements are terminated with effect on and from the date of the Settlement Agreement, the Company will no longer be convening an extraordinary general meeting to obtain Shareholders' approval for the issuance of such Shares and Bonds. As at the date of this announcement, the Company has not issued any Bonds or Shares to MASFF pursuant to the Bonds Subscriptions and Placement Agreements.

Shareholders should note that the Company has received an aggregate of S$1,906,663.04 (the "**Early Payment**") being the early payment by MAM (on behalf of MASFF) of the consideration for subscription of the Bonds. With the termination of the Bonds Subscription and Placement Agreements, MAM has agreed to waive the Early Payment (and interests accrued) in its entirety and not claim from the Company for the repayment of the Early Payment and the interests accrued (or any part thereof).

3.3.2 Future loans from Solar Founders

The Company envisages that it may need further loans for, among others, working capital purposes. Accordingly, pursuant to the terms of the Settlement Agreement, both the Company and Solar Founders have agreed that, in addition to any amounts which may already be owing by the Company to Solar Founders and forming part of the Total Existing Debt, Solar Founders shall waive all amounts which may later be owed by the Company pursuant to any

further loan agreement(s) that may be entered into by and between the Company (as borrower) and Solar Founders (as lender) after the date of the Settlement Agreement until the Completion Date for the issuance of the Tranche 1 Consideration Shares (as defined below) (such further amounts hereinafter referred to as the "**Further SFL Loans**").

4. CONSIDERATION

4.1 Consideration Shares

4.1.1 As consideration for the waivers and undertakings by the Creditors in the Settlement Agreement and as a condition subsequent to the Settlement Agreement, the Company agrees to issue and allot:

(a) (in respect of the waiver of all debt owing to SFL) subject to satisfaction of the relevant conditions, such number of new Shares to MASFF (the "**Tranche 1 Consideration Shares**"), such that upon issuance of the Tranche 1 Consideration Shares, MASFF shall hold, in aggregate, such number of Shares (which shall include Shares which MASFF may already hold immediately before the issuance of the Tranche 1 Consideration Shares) representing approximately 10.0% of the enlarged share capital of the Company upon completion of an acquisition by the Company or any other Group Company of a new asset or business (the "**Proposed Acquisition**").

The Company had discussed with the Creditors and agreed that such new asset or business to be acquired by the Company or any other Group Company should have a value of at least S$5,000,000; and

(b) (in respect of the waiver of all debt owing to MAM) subject to satisfaction of the relevant conditions, such number of new Shares to MASFF (the "**Tranche 2 Consideration Shares**"), the aggregate value of which shall be equivalent to 2.5% of the Company's market capitalisation of S$300,000,000.

The foregoing consideration was arrived at after arm's length negotiations between the Company and the Creditors and after taking into consideration the current financial condition of the Group and the rationale for the Company's entry into the Settlement Agreement as set out in section 6 of this announcement.

For the purposes of this announcement, references to "**Consideration Shares**" herein shall refer to the Tranche 1 Consideration Shares and Tranche 2 Consideration Shares, collectively, or any of them.

4.1.2 As at the date hereof, the Company has not identified any new asset or business to be acquired for the Proposed Acquisition or entered into any discussions or negotiations in respect of the Proposed Acquisition. Accordingly, there is no firm indication as to when the Consideration Shares will be issued. Nevertheless, the Company will use reasonable endeavours to try to procure that a definitive agreement in respect of the Proposed Acquisition (the "**Definitive Agreement**") is entered into by the Company or any other Group company (a "**Group Company**") no later by 31 December 2019 or such other date as may be mutually agreed by the Company and the Creditors.

4.1.3 For the avoidance of doubt, the above date for the Company's entry into the Definitive Agreement is only indicative and is not intended to be binding, and the Company will not be obliged to adhere to such date if the Board is of the view that there is no suitable new asset or business to be acquired by the Company or any other Group Company for the Proposed Acquisition that will be in the best interests of the Group and the Shareholders.

4.1.4 The issuance of the Consideration Shares is a condition subsequent to the Settlement Agreement. Accordingly, notwithstanding that the Consideration Shares may not have been completely, or in part, issued and allotted in accordance with the terms of the Settlement Agreement, the Creditors agree that, with effect on and from the date of the Settlement

Agreement, the Total Debt shall be considered waived and fully and finally settled in accordance with the terms of the Settlement Agreement.

4.1.5 Shareholders should however note that if the Company is still unable to identify any new asset or business to be acquired for the Proposed Acquisition by 31 December 2019, the Company and the Creditors agree that:

(a) the waiver and settlement of the Total Debt (including the Further SFL Loans) shall be deemed to be revoked and of no effect;

(b) the waiver of the Early Payment shall be deemed to be revoked and of no effect; and

(c) the parties shall discuss on a feasible payment plan for the Company to repay the Total Debt (including the Further SFL Loans, if any).

4.2 Number of Tranche 1 Consideration Shares and Issue Price

4.2.1 Pursuant to the Settlement Agreement, the issue price of the Tranche 1 Consideration Shares shall be computed based on the face value of the total debt owed to SFL (the "**Total SFL Debt**") being, as at the date of this announcement, the aggregate sum of S$1,390,650.36, comprising the principal amount of S$1,256,000 and interests of S$134,650.36 accrued up to the date of this announcement.

Shareholders should note that the face value of the Total SFL Debt set out above is not final and is subject to change depending on:

(a) the amount of interests which will continue to accrue on the relevant principal amount of debts which form part of the Total SFL Debt; and

(b) if the Company obtains any Further SFL Loans.

4.2.2 The number of Tranche 1 Consideration Shares and the issue price per Tranche 1 Consideration Share (the "**Issue Price**") can only be determined after the terms of the Proposed Acquisition and the manner in which the consideration for the Proposed Acquisition is to be satisfied by the Company are finalised. The Company will update Shareholders on the number of Tranche 1 Consideration Shares to be issued and the Issue Price at the appropriate juncture(s).

4.3 Conditions to the Issuance of the Consideration Shares

The issuance of the Consideration Shares is subject to the fulfilment and satisfaction of, among others, the following conditions (the "**Conditions**"):

(a) the completion of the Proposed Acquisition;

(b) the Company obtaining such approval required from the Directors on the issuance of the Consideration Shares;

(c) the receipt by the Company from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") of the listing and quotation notice ("**LQN**") for the listing and quotation of the Consideration Shares on the Main Board of the SGX-ST, such LQN remaining in full force and effect and not having been revoked or amended, and where such approval is subject to conditions, such conditions being reasonably acceptable to the parties;

(d) the Company receiving the relevant approvals from its Shareholders as may be required under the Listing Manual of the SGX-ST (the "**Listing Manual**") and any other applicable laws and regulations at an extraordinary general meeting of the Company to be convened; and

(e) in respect of the Tranche 2 Consideration Shares only, the Company determines that it has achieved a market capitalisation of S$300,000,000.

4.4 Completion

The First Tranche Consideration Shares and Second Tranche Consideration Shares shall be issued and allotted within 30 calendar days after the fulfilment or satisfaction of all of the respective Conditions or such other date as may be mutually agreed in writing by the Company and the Creditors (such date referred to as the "**Completion Date**").

For the avoidance of doubt, the issuance of the Tranche 1 Consideration Shares and the Tranche 2 Consideration Shares need not be completed simultaneously.

4.5 Ranking of Consideration Shares

The Consideration Shares shall, when allotted and issued on conversion, (i) be duly authorised and free from all encumbrances whatsoever, (ii) be validly issued and credited as fully paid up, and (iii) in all respects rank *pari passu* with the then existing Shares (except that the Consideration Shares shall not rank for any rights, dividends, entitlements or other distributions, the Record Date for which falls on or before the date of allotment of the Consideration Shares).

For the purposes herein, "**Record Date**" refers to the date fixed by the Company for the purposes of determining the entitlements to dividends or other distributions to or rights of holders of Shares.

5. THE ASSIGNMENT OF THE PERFORMANCE FEES

5.1 Background

5.1.1 The Company refers to the Company's circular dated 2 May 2017 (the "**2017 Circular**") in relation to, among others, the issuance of up to 586,577,500 Shares to Allington Advisory Pte. Ltd. ("**Allington**"), as the nominee for Lighthouse Strategic Group Limited ("**Lighthouse**") as consideration for the performance fees payable by the Company for the restructuring services provided pursuant to a restructuring agreement dated 7 October 2015 (the "**Restructuring Agreement**").

5.1.2 As set out in the 2017 Circular, pursuant to the Restructuring Agreement, the Company was to pay to Allington, as Lighthouse's nominee, a performance fee to be satisfied by way of the issuance and allotment of such number of Shares, the aggregate amount of US$1,700,000 (the "**Allington Consideration Shares**") as consideration for the services provided to the Company (the "**Performance Fees**"). On or around May 2016, the Company had provided Lighthouse its services on the preparation of investor presentations. In consideration for such services provided to Lighthouse by the Company, Lighthouse was to pay the Company a sum of S$75,000 (the "**Lighthouse Receivable**"). The Company and Lighthouse had agreed to set off the Lighthouse Receivable against the Performance Fees (such amount of the Performance Fees after setting off the Lighthouse Receivable hereinafter referred to as the "**Net Performance Fees**").

5.1.3 Accordingly, based on the agreed issue price of S$0.004 per Shares, an aggregate of 586,577,500 Allington Consideration Shares were to be issued and allotted to Allington, as Lighthouse's nominee, as satisfaction of the Net Performance Fees. The issuance and allotment of the 586,577,500 Allington Consideration Shares to Allington was approved by shareholders of the Company at the extraordinary general meeting of the Company convened on 17 May 2017.

5.1.4 Pursuant to a letter dated 31 May 2019 issued by Allington to the Company, Allington has ceased to be the nominee for Lighthouse. The Allington Consideration Shares have not been issued to Allington (as Lighthouse's nominee) and the Net Performance Fees remain to be outstanding and payable by the Company. Accordingly, any payment and satisfaction of the Net Performance Fees is to be made to Lighthouse directly.

5.2 Assignment of Performance Fees

On 1 August 2019, the Company was notified by Lighthouse that it had, pursuant to a deed of assignment dated 1 August 2019 (the "**Assignment Deed**"), assigned absolutely all its rights, title and interest in and to the Net Performance Fees (including the full benefit of all rights and remedies, and all rights to make claims) to MAM. Accordingly, by virtue of the assignment pursuant to the Assignment Deed, the Net Performance Fees is now a debt owing by the Company to MAM.

Shareholders should note that, as set out in the 2017 Circular, it was previously agreed between the Company and Lighthouse that the Net Performance Fees would be satisfied by way of the issuance and allotment of the 586,577,500 Allington Consideration Shares. However, as the benefit to the Net Performance Fees has now been assigned to MAM, the 586,577,500 Allington Consideration Shares will not be issued by the Company. By virtue of the Company's entry into the Settlement Agreement and the assignment by Lighthouse to MAM under the Assignment Deed, the settlement of the Net Performance Fees due by the Company to MAM shall, as per the terms of the Settlement Agreement, be consolidated with all other debts owing by the Company to MAM and settled in accordance with the terms therein. Details of the terms of the Settlement Agreement is set out in sections 3 and 4 of this announcement.

6. RATIONALE FOR AND BENEFITS OF THE COMPANY'S ENTRY INTO THE SETTLEMENT AGREEMENT

The Company's entry into the Settlement Agreement will enable the Group to:

(a) reduce its current liabilities and settle all outstanding loans owed by the Company to the Creditors;

(b) eliminate the need for any cash repayment or payment in view of the current financial and cash position of the Group; and

(c) eliminate one of the competing needs for working capital and improve the Company's net tangible assets value and reduce its loss per Share.

In addition to the foregoing, the Board has agreed to issue the Consideration Shares in recognition of the Creditors' show of support for the Group, in particular:

(a) in respect of Solar Founders, Solar Founders having agreed to lend to the Company monies to tide it through its difficult times notwithstanding that Solar Founders is under no such obligation to provide such loans and despite knowing the Group's financial and cash position; and

(b) in respect of MAM, MAM having agreed, among others, to assist the Company with its fundraising plans by previously entering into the First ASA, the Second ASA and the Bonds Subscription and Placement Agreements.

7. SHAREHOLDERS' APPROVAL FOR ISSUANCE OF THE CONSIDERATION SHARES

7.1 Rule 805(1) – Specific Mandate

Section 161 of the Companies Act (Chapter 50) of Singapore and Rule 805(1) of the Listing Manual provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Listing Manual.

The Company will not be relying on the general mandate previously obtained from Shareholders on 29 April 2019 or the general mandate to be obtained from Shareholders at

any upcoming annual general meeting of the Company for the allotment and issue of the Consideration Shares. The allotment and issue of the Consideration Shares will be made pursuant to a specific mandate and as such, the Company will be seeking specific Shareholder's approval for the allotment and issue of the Consideration Shares in accordance with Rule 805(1) of the Listing Manual.

7.2 Rule 812 – Issuance of Shares to Restricted Persons

Rule 812 of the Listing Manual provides, among others, that an issue must not be placed to an issuer's substantial shareholders unless specific shareholder approval for such a placement has been obtained and the substantial shareholder and their respective associates abstain from voting on the resolution approving the placement.

MASFF is a substantial shareholder of the Company as at the date of the Settlement Agreement. Accordingly, pursuant to Rule 812 of the Listing Manual, the Company will be seeking Shareholders' approval for the allotment and issue of the Consideration Shares at an EGM to be convened.

Pursuant to Rule 812(2) of the Listing Manual, MASFF shall abstain, and will procure that their associates abstain, from voting on the resolutions relating to the issuance of the Consideration Shares.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests and / or directorships in the Company (as the case may be) and save as disclosed in this announcement, none of the Directors or, as far as the Company is aware, substantial Shareholders has any interest, direct or indirect, in the Settlement Agreement.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Settlement Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this announcement that no changes will be made to the terms of the Settlement Agreement. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A Copy of the Settlement Agreement is available for inspection at the Company's registered office at 6 Eu Tong Sen Street #12-20 The Central Singapore 059817 during normal business hours for a period of three (3) months commencing from the date of this announcement.

By Order of the Board

Chong Chee Meng Gerard
Lead Non-Executive Independent Director

2 August 2019