

CIRCULAR DATED 2 MAY 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Unless otherwise stated, the capitalised terms on this cover are defined in this Circular (as defined herein) under the section entitled “DEFINITIONS”.

If you have sold or transferred all your issued and fully paid up ordinary shares (the “Shares”) in the capital of MMP Resources Limited (the “Company”), you should immediately forward this Circular and the enclosed notice of Extraordinary General Meeting and Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. In-principle approval has been obtained from the SGX-ST for the listing of and quotation for the Conversion Shares, the New Shares, the Allington Consideration Shares and the Maiora Consideration Shares, subject to certain conditions. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Proposed Transactions, the Company and/or its subsidiaries.



MMP RESOURCES LIMITED

(Incorporated in the Republic of Singapore on 11 September 2006)
(Company Registration No. 200613299H)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED ISSUE OF UP TO S\$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF CONVERTIBLE NOTES DUE 2017 CONVERTIBLE INTO FULLY PAID-UP NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY PURSUANT TO THE CONVERSION OF THE CONVERTIBLE NOTES TO MAIORA ASIAN STRUCTURED FINANCE FUND UNDER THE CONVERTIBLE NOTE SUBSCRIPTION AGREEMENT DATED 18 APRIL 2016 (THE “CONVERTIBLE NOTES ISSUE”);
- (2) THE PROPOSED ALLOTMENT AND ISSUE OF 25,000,000 NON-LISTED, NON-TRANSFERABLE WARRANTS CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) SHARE EACH IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.007 PER SHARE TO MAIORA ASIAN STRUCTURED FINANCE FUND PURSUANT TO THE CONVERTIBLE NOTE SUBSCRIPTION AGREEMENT DATED 18 APRIL 2016 (THE “WARRANTS ISSUE”);
- (3) THE RATIFICATION OF THE ENTRY INTO THE 7 OCTOBER RESTRUCTURING AGREEMENT (AS DEFINED HEREIN) AND THE PROPOSED ISSUANCE OF UP TO 586,577,500 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ALLINGTON ADVISORY PTE. LTD. FOR RESTRUCTURING SERVICES PROVIDED TO THE COMPANY PURSUANT TO THE 7 OCTOBER RESTRUCTURING AGREEMENT, WHICH CONSTITUTES AN INTERESTED PERSON TRANSACTION (COLLECTIVELY, THE “ALLINGTON PROPOSALS”); AND
- (4) THE PROPOSED ISSUANCE OF UP TO 174,375,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO MAIORA ASIAN STRUCTURED FINANCE FUND FOR SERVICES PROVIDED TO THE COMPANY (THE “MAIORA CONSIDERATION SHARES ISSUE”)

(COLLECTIVELY, THE “PROPOSED TRANSACTIONS”)

Independent Financial Adviser to the Independent Directors
in relation to the Allington Proposals



RHT Capital Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201109968H)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	15 May 2017 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	17 May 2017 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Onebiz Hub, 1 Irving Place, #08-09 The Commerze @ Irving, Singapore 369546

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

- “Allington Consideration Shares”** : Such number of new Shares, the aggregate value of which is US\$1,700,000 to be issued and allotted to Allington pursuant to the 7 October Restructuring Agreement (as defined in paragraph 1.3) between the Company and Allington (as defined in paragraph 1.3)
- “Allington Consideration Shares Issue”** : The issuance and allotment of up to 586,577,500 Allington Consideration Shares to Allington pursuant to the 7 October Restructuring Agreement
- “Allington Proposals”** : The entry of the Company into the 7 October Restructuring Agreement and the Allington Consideration Shares Issue
- “Audit Committee”** : The audit committee comprising Independent Directors of the Company, duly authorised and appointed by the Board, being (as of the Latest Practicable Date) Chan Ying Wei, Chong Chee Meng Gerard and Toshinori Tanabe
- “Board”** : The board of Directors of the Company as at the date of this Circular
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders
- “Companies Act”** : Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Company”** : MMP Resources Limited
- “Conversion”** : The conversion of the Convertible Notes to the Conversion Shares pursuant to the terms of the Convertible Note Subscription Agreement and the Notes Conditions
- “Conversion Price”** : The exercise price to be paid by Maiora for each Conversion Share, being 99% of the average of the volume weighted average price of the Shares for the five (5) Market Days immediately preceding the Latest Practicable Date
- “Conversion Shares”** : The new ordinary shares in the share capital of the Company to be issued and allotted to Maiora pursuant to the Conversion
- “Convertible Notes”** : The convertible notes for the loan amount of S\$600,000 to be issued by the Company pursuant to the Convertible Note Subscription Agreement, which may be converted into the Conversion Shares at the option of Maiora at the Conversion Price
- “Convertible Note Subscription Agreement”** : The convertible note subscription agreement entered into on 18 April 2016 between the Company and Maiora
- “Deed Poll”** : The deed poll to be executed by the Company constituting the Warrants and containing provisions for the protection of the rights and interests of the Warrantholder

DEFINITIONS

“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on pages N-1 to N-4 of this Circular
“EPS”	:	Earnings per Share
“Exercise Period”	:	The period during which the Warrants may be exercised commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the second (2 nd) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members or on the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Warrantholders may be closed), subject to the terms and conditions of the Warrants to be set out in the Deed Poll. The right to exercise the Warrants will not be extended beyond the Exercise Period
“Exercise Price”	:	The sum payable in respect of each New Share for which the Warrantholder will be entitled to subscribe upon the exercise of a Warrant which shall be \$0.007, subject to certain adjustments in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll
“FY”	:	Financial year ended 31 December
“Group”	:	The Company, its subsidiaries and its associated companies
“Latest Practicable Date”	:	24 April 2017, being the latest practicable date prior to the printing of this Circular
“Lighthouse”	:	Lighthouse Strategic Group Limited (Company Registration Number: 1639631), incorporated in British Virgin Islands with its address at NovaSage Chambers, Wickham’s Cay II, Road Town, Tortola, British Virgin Islands.
“Lighthouse Group”	:	Lighthouse Strategic Group Limited, together with its associate, Allington Advisory Pte. Ltd.
“Mainboard Rules”	:	The rules in the listing manual of the SGX-ST, applicable to issuers listed on the SGX-ST’s mainboard and as may be amended, modified or supplemented from time to time
“Maiora”	:	Maiora Asian Structured Finance Fund having its registered office at 6 Eu Tong Sen Street, #12-20 Soho @ Central 1, Singapore 059817
“Maiora Consideration Shares”	:	Shares to be issued and allotted to Maiora pursuant to Services Agreement (as defined in paragraph 4.2) entered into between the Company and Maiora
“Market Day”	:	A day on which the SGX-ST is open for trading in securities

DEFINITIONS

“New Shares”	:	Up to 25,000,000 new Shares to be allotted and issued by the Company upon the exercise of the Warrants subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll
“Notes Conditions”	:	The terms and conditions of the Convertible Notes as set out in Appendix A of this Circular
“NTA”	:	Net tangible assets
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	Register of members of the Company
“Register of Warrantholders”	:	The register of Warrantholders required to be maintained pursuant to the Deed Poll
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGXNET”	:	The SGXNET Corporate Announcement System
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	RHT Corporate Advisory Pte. Ltd.
“Shareholders”	:	Persons (other than CDP) who are registered as holders of the Shares in the Register of Members and/or who have Shares entered against their names in the Depository Register maintained by CDP
“Shares”	:	Ordinary shares in the capital of the Company
“Warrantholder”	:	Registered holder of the Warrants
“Warrants”	:	Up to 25,000,000 non-listed and non-tradable free detachable warrants in registered form to be issued by the Company together with the Convertible Notes pursuant to the Convertible Notes Issue, and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the warrants to be set out in the Deed Poll (any such additional warrants to rank <i>pari passu</i> with the warrants to be issued together with the Shares and for all purposes to form part of the same series of warrants constituted by the Deed Poll), each warrant entitling the holder thereof to subscribe for one (1) New Share at the Exercise Price

DEFINITIONS

- “S\$” and “cents” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
- “US\$” and “cents” : United States dollars and cents respectively, the lawful currency of the United States of America
- “%” or “per cent” : Percentage or per centum

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Words importing persons include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or reenacted.

Any word defined under the Companies Act, the SFA or the Mainboard Rules or any modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the SFA or the Mainboard Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time.

LETTER TO SHAREHOLDERS

MMP RESOURCES LIMITED

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

Directors:

Drew Ethan Madacsi (*Non-Executive Chairman*)
Christopher Michael Peck (*Non-Executive Director*)
Chong Chee Meng Gerard (*Lead Independent Director*)
Chan Ying Wei (*Independent Director*)
Toshinori Tanabe (*Independent Director*)

Registered Office:

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

Date: 2 May 2017

To: The Shareholders of MMP Resources Limited

Dear Sir / Madam,

- (1) THE PROPOSED ISSUE OF UP TO S\$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF CONVERTIBLE NOTES DUE 2017 CONVERTIBLE INTO FULLY PAID-UP NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY PURSUANT TO THE CONVERSION OF THE CONVERTIBLE NOTES TO MAIORA ASIAN STRUCTURED FINANCE FUND (THE "CONVERTIBLE NOTES ISSUE");
 - (2) THE PROPOSED ALLOTMENT AND ISSUE OF 25,000,000 NON-LISTED, NON-TRANSFERABLE WARRANTS CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) SHARE EACH IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.007 PER SHARE TO MAIORA ASIAN STRUCTURED FINANCE FUND (THE "WARRANTS ISSUE");
 - (3) THE RATIFICATION OF THE ENTRY INTO THE 7 OCTOBER RESTRUCTURING AGREEMENT (AS DEFINED HEREIN) AND THE PROPOSED ISSUANCE OF UP TO 586,577,500 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ALLINGTON ADVISORY PTE LTD FOR RESTRUCTURING SERVICES PROVIDED TO THE COMPANY, WHICH CONSTITUTES AN INTERESTED PERSON TRANSACTION (COLLECTIVELY, THE "ALLINGTON PROPOSALS"); AND
 - (4) THE PROPOSED ISSUANCE OF UP TO 174,375,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO MAIORA ASIAN STRUCTURED FINANCE FUND FOR SERVICES PROVIDED TO THE COMPANY (THE "MAIORA CONSIDERATION SHARES ISSUE"),
- (COLLECTIVELY, THE "PROPOSED TRANSACTIONS").

1. INTRODUCTION

1.1 Purpose of the Circular

The Directors are convening the EGM to be held on 17 May 2017 at 10.00 a.m. at Onebiz Hub, 1 Irving Place, #08-09 The Commerze @ Irving, Singapore 369546 to seek the approval of Shareholders for the Proposed Transactions.

The purpose of this Circular is to provide the Shareholders with relevant information pertaining to the Proposed Transactions to be tabled at the EGM and to seek Shareholders' approval for the resolutions relating to the same. The Notice of EGM is set out on pages N-1 to N-4 of this Circular. Shareholders should note that none of the resolutions are inter-conditional.

LETTER TO SHAREHOLDERS

1.2 The Convertible Notes and Warrants Issue

On 18 April 2016, Maiora Asset Management Pte. Ltd. ("**Maiora Asset Management**"), for and on behalf of Maiora, entered into the Convertible Note Subscription Agreement with the Company whereby the Company proposed to issue to Maiora (or its affiliated person) the Convertible Notes and Maiora proposed to subscribe for the Convertible Notes with a face value of S\$600,000.

In connection with the foregoing, Maiora has agreed to make available to the Company the loan amount of S\$600,000 (the "**Loan**"). In consideration for the Loan, the Company shall issue up to 25,000,000 non-listed and non-transferable free detachable warrants to Maiora, which may be exercisable in full by Maiora into up to 25,000,000 New Shares, each Warrant carrying the right to subscribe for one New Share at an exercise price of S\$0.007 for each New Share. The total gross proceeds from the Convertible Notes Issue is S\$600,000, while the gross proceeds from the Warrants Issue will be S\$175,000.

The Convertible Notes shall be issued in registered form, in denominations of S\$100,000 each. A summary of the Convertible Notes Issue is set out at paragraph 2.4 of this Circular.

As at the Latest Practicable Date, the directors of Maiora Asset Management are Marzio Keiling and Christopher Michael Peck. As at the Latest Practicable Date, Christopher Michael Peck, the Non-Executive Director of the Company, holds approximately 24% of the issued and paid up share capital of Maiora Asset Management. This is not an interested person transaction pursuant to the Mainboard Rules.

1.3 The Allington Consideration Shares Issue

On 27 April 2015, Lighthouse Strategic Group Limited ("**Lighthouse**") entered into a letter of engagement with the Company to provide corporate restructuring services for a period of twelve months ("**27 April Restructuring Agreement**"). On 7 October 2015, the Company entered into another restructuring agreement with Lighthouse and its Singapore associate, Allington Advisory Pte. Ltd. ("**Allington**") which superseded the 27 April Restructuring Agreement (the "**7 October Restructuring Agreement**"). In consideration for certain key performance indicators being fulfilled, the Company shall issue such number of Allington Consideration Shares to Allington, as the Lighthouse Group's nominee, the aggregate value of which may amount to US\$1,700,000. The issue price of the Allington Consideration Shares was to be determined at a later date by the parties to the 7 October Restructuring Agreement. Save for the Allington Consideration Shares Issue, both Lighthouse and Allington shall not receive any other fees in respect of the corporate restructuring services provided to the Company.

On or around May 2016, the Company had provided the Lighthouse Group its services on the preparation of investor presentations. In consideration for such services provided to the Lighthouse Group by the Company, the Lighthouse Group was to pay the Company a sum of S\$75,000 (the "**Lighthouse Receivable**"). As at the Latest Practicable Date, the Lighthouse Receivable remains unpaid. As such, the Company and Lighthouse have agreed to set off the Lighthouse Receivable against the Performance Fees (as defined in paragraph 3.2.3 below). After the completion of Allington's engagement in relation to the 7 October Restructuring Agreement, parties to the 7 October Restructuring Agreement had agreed to fix the issue price of the Allington Consideration Shares based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date in relation to the 7 October Restructuring Agreement. Accordingly, based on the exchange rate of US\$1:S\$1.4243 as agreed by parties to the 7 October Restructuring Agreement and the issue price of S\$0.004 based on volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date, up to 586,577,500 Allington Consideration Shares would be issued and allotted to Allington.

As at the Latest Practicable Date, the sole director of Allington is Leong Jia Min, Jeslyn ("**Jeslyn**"). Drew Ethan Madacsi ("**Drew**") holds 90% of the shares in Allington, while Jeslyn holds 10% of the shares in Allington. As Drew is a Director of the Company, this is an interested person transaction under the Mainboard Rules.

LETTER TO SHAREHOLDERS

Based on the Group's latest audited NTA of S\$0.572 million as at 31 December 2016 and for the purpose of Chapter 9 of the Mainboard Rules, Shareholders' approval will be required if the value of any interested person transaction is equal to, or more than, 5% of the Group's latest audited NTA as at 31 December 2016 being S\$28,600. As the fees to be paid to Allington exceeds 5% of the latest audited NTA, the Company is therefore seeking Shareholders' approval for the Allington Consideration Shares Issue. Please refer to paragraph 3.7 of this Circular for further information on the Allington Consideration Shares Issue as an interested person transaction.

In the Company's annual report for FY2016, the fees payable to Allington had been recognised as an expense as all key performance indicators were fulfilled and the Allington Consideration Shares Issue was listed as share based payment reserve in the Company's accounts. It has yet to be paid out and will only be paid by way of the Allington Consideration Shares Issue. Since the exchange rate used was determined on 31 December 2015, and such share-based payment was already referenced to in the annual report for FY2015, the 31 December 2015 exchange rate was used for consistency.

1.4 The Maiora Consideration Shares Issue

On 13 June 2016, Maiora Asset Management entered into a letter of engagement with the Company to provide introductory services for a period of one year. In consideration for introductory services being provided by Maiora Asset Management and Maiora to the Company, the Company shall issue such number of Maiora Consideration Shares to Maiora, the aggregate value of which may amount to US\$500,000. Maiora Asset Management shall be entitled to 5% of the funds successfully raised from completion of such fundraising exercises which Maiora Asset Management has assisted the Company on. Maiora Asset Management shall be entitled to 6% of the value of the target introduced to the Company by Maiora Asset Management, and the successful acquisition of which was facilitated by Maiora Asset Management.

Accordingly, up to 174,375,000 Maiora Consideration Shares would be issued and allotted to Maiora at an issue price of S\$0.004 per Maiora Consideration Share, which is based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date and an exchange rate of US\$1:S\$1.395, being the exchange rate as at the Latest Practicable Date. The Company had decided to use the exchange rate as at the Latest Practicable Date to provide certainty in the calculation of Maiora Consideration Shares to be issued.

1.5 SGX-ST

An application was made to the SGX-ST for the listing of and the quotation for the Conversion Shares, the New Shares, the Allington Consideration Shares and the Maiora Consideration Shares. The Company had on 24 April 2017 received in-principle approval from the SGX-ST for the listing of and quotation for the Conversion Shares, the New Shares, the Allington Consideration Shares and the Maiora Consideration Shares on the Mainboard of the SGX-ST (the "AIP"), subject to certain conditions as set out in paragraph 5 of this Circular.

The AIP is not to be taken as an indication of the merits of the Proposed Transactions, the Company and/or its subsidiaries. The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

1.6 For Shareholders' easy reference, the Company has calculated the market capitalisation of each resolution against the market capitalisation of the Company.

LETTER TO SHAREHOLDERS

Transaction	Value of transaction	Market capitalisation of resolution against the market capitalisation of the Company ⁽¹⁾
The Convertible Notes Issue	\$600,000.00	7.50%
The Warrants Issue	\$175,000.00	2.19%
The Allington Consideration Shares Issue	\$2,346,310	29.36%
The Maiora Consideration Shares Issue	\$697,500	8.73%

Note:

- (1) Calculated based on the value of the transaction against the value of the market capitalisation of the Company of S\$7,990,628 as at the Latest Practicable Date, comprising 1,997,657,117 Shares at S\$0.004 each.

The Company has decided to include all these resolutions in the Circular as it is most cost-efficient given the contemporaneous nature of the various transactions. The Company also wishes to further emphasise that Rule 1006 of the Mainboard Rules is not applicable to any of the Proposed Transactions as this is not an acquisition or disposal of assets by the Company or a subsidiary that is not listed on the SGX-ST or an approved exchange, including an option to acquire or dispose of assets.

Shareholders should note that for the purposes of illustrating/computing the relative value of each of the Proposed Transactions as a percentage against the market capitalisation of the Company, the Company has not aggregated the value of the Proposed Transactions as Allington and Maiora are parties independent of each other.

2. THE CONVERTIBLE NOTES ISSUE AND THE WARRANTS ISSUE

2.1 Rationale of the Convertible Notes Issue and the Warrants Issue

The Company proposes to raise S\$600,000 in the form of an issue of unsecured convertible notes to be subscribed for by Maiora, as Maiora Asset Management's nominee. Subject to the approval of the SGX-ST and the Shareholders being obtained, in consideration for the Loan, the Company shall issue up to 25,000,000 free detachable warrants to the Lender (as defined in paragraph 2.4), which may be exercisable in full by the Lender into up to 25,000,000 New Shares, each Warrant carrying the right to subscribe for one New Share at an exercise price of S\$0.007 for each New Share.

The rationale for the Convertible Notes Issue and the Warrants Issue is to repay the Company's outstanding creditors and to allow the Company to market itself to potential investors for further funding to pursue acquisition opportunities as part of its strategic objectives. The Company intends to use the net proceeds of the Convertible Notes Issue for the repayment of loans and creditors and operating expenses.

2.2 Use of Proceeds of the Convertible Notes and Warrants Issue

The estimated net proceeds from the Convertible Notes Issue, after deducting estimated fees and expenses of approximately S\$21,000, is approximately S\$579,000 (the "**Net Proceeds**"). On the basis of the foregoing, and assuming that all Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants will be approximately S\$175,000.

LETTER TO SHAREHOLDERS

The Net Proceeds will be utilised by the Company in the following estimated proportions:

Use of Net Proceeds	Percentage allocation
Repayment of loans	50%
Operating expenses	50%

The Company will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Directors are of the opinion that, after taking into consideration the present bank facilities and Net Proceeds of the Convertible Notes Issue and Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

Save as disclosed above, Maiora will not be receiving any additional payments pursuant to the Convertible Notes and Warrants Issue.

2.3 Information on Maiora Asset Management and Maiora

2.3.1 Maiora Asset Management

Maiora Asset Management is a registered fund management company based in Singapore with an Asian focus. Maiora Asset Management's management team has more than sixty years of experience in Asia and Japan, and has completed more than US\$600 million in structured debt deals within the Asia region since 2013. Maiora Asset Management conducts financing, as well as renewable energy businesses across Asia. Maiora is a fund managed by Maiora Asset Management.

2.3.2 Maiora Asian Structured Finance Fund

Maiora is a fund which invests in primary loans with outstanding risk reward characteristics across the Asia Pacific. The fund focuses on Japanese mezzanine real estate debt, but previously provided a bridge loan for solar plants in Japan as well as a senior loan to an Indonesian coal mine. Maiora is not a competitor of the Company nor does it have any businesses that compete with the Company.

2.4 Summary of the Convertible Notes Issue

The Convertible Notes shall be issued in registered form in the denomination of S\$100,000 each. The Convertible Notes are convertible into Conversion Shares which will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls after the date of allotment and issue of the Conversion Shares. The issue price of the Convertible Notes is 100% of the principal amount. The subscription and conversion of the Convertible Notes shall be in accordance with the terms of the Convertible Note Subscription Agreement and subject to the Notes Conditions.

This section contains a summary of the terms and conditions of the Convertible Notes, and does not purport to be complete and may not contain all the information that is important to Shareholders. Shareholders should refer to the actual terms and conditions of the Convertible

LETTER TO SHAREHOLDERS

Notes, which are set out in their entirety in Appendix A of this Circular. Terms defined in the Convertible Note Subscription Agreement and the terms and conditions of the Convertible Notes shall, unless otherwise defined in this Circular, have the same meanings in this Circular.

Company	:	MMP Resources Limited (the “ Borrower ”)
Lender	:	Maiora Asset Management (for and on behalf of Maiora)
Investment	:	Maiora shall lend S\$600,000 by way of Convertible Notes with a face value of S\$600,000 to the Company. The Company will receive such payment by way of cash.
Date of disbursement of the Loan	:	The Loan shall be disbursed on any such date falling within five (5) business days from the fulfilment and/or waiver of the last condition precedent or such other date as mutually agreed between the parties (the “ Completion Date ”).

Notwithstanding that the conditions precedent have not been satisfied and/or waived, the Loan may be first disbursed to the Company provided that the Non-Executive Chairman, Drew Madacsi, transfers 86,000,000 Shares held by him (the “**NEC Shares**”) to Maiora or its nominee. Upon obtaining both SGX-ST’s and the Shareholders’ approval for, among others, the issue of the Conversion Shares pursuant to Maiora’s exercise of its conversion right in relation to the Convertible Notes and the new Shares to be issued pursuant to the Warrants Issue, Maiora shall return the NEC Shares to the Non-Executive Chairman, Drew Madacsi.

As at 18 May 2016, the Loan has been disbursed.

Redemption Amount	:	S\$600,000
Maturity	:	1 year from the Completion Date
Interest Rate	:	0%
Convertibility	:	The Convertible Notes are convertible at the discretion of Maiora, subject to SGX-ST’s and Shareholders’ approval having been obtained and the Loan not having been repaid.

Maiora may exercise this right of conversion at any time after 90 days from the Completion Date up to the close of business on the maturity date.

Conversion Price	:	Subject to SGX-ST’s and Shareholders’ approval having been obtained, Maiora may, in its sole discretion, convert the Convertible Notes at a price per Share equivalent to 99% of the volume weighted average price of the Share for the last 5 trading days immediately preceding the Latest Practicable Date.
Ranking	:	The Convertible Notes shall rank senior to all other obligations of the Company (other than the subordinated obligations and priorities created by law).
Transfer	:	Unless otherwise agreed in writing by the Borrower, no Convertible Note may be transferred by Maiora to any other third party.

LETTER TO SHAREHOLDERS

Event of Default : The following events shall constitute an event of default (the “**Event of Default**”):

- (i) the Company's failure to comply with any listing rules of the SGX-ST;
- (ii) breach of the representations, warranties, covenants, and obligations under the transaction documents to be executed in connection with the issuance of the Convertible Notes; and
- (iii) the Shares are suspended from trading by SGX-ST. For the avoidance of doubt, the Company's request for a trading halt shall not constitute a suspension from trading in the Shares.

Upon the occurrence of an Event of Default, the amount due on the Convertible Notes shall be payable immediately. Subject to all requisite approvals having been obtained, Maiora shall be entitled to convert up to the outstanding amount of the Convertible Notes.

Legal Fees : Maiora shall be responsible for all legal costs up until the execution of the Convertible Note Subscription Agreement and any other document relating to the issue, subscription and delivery of the Convertible Notes.

Shareholders' Approval : In the event that the Convertible Notes Issue is not approved by the Shareholders, Maiora will have the right to demand for the return of the Loan. The Company would need to raise further investments but would, in first instance, discuss deferral as well as alternate means of repayment with Maiora. Should the Company be unable to repay the Loan in cash or some other form of consideration, Maiora can call on the Company's default and wind up the Company.

In the event that the Warrants Issue is not approved by Shareholders, the interest on the Convertible Notes shall accrue at the rate of 12% per annum, from the Completion Date to the actual date of payment.

2.5 Conversion Price and Conversion Shares to be Issued

The number of Conversion Shares to be issued on conversion of the Convertible Notes will be determined by dividing the principal amount of the Convertible Notes to be converted by the Conversion Price. The Conversion Price of the Convertible Notes is S\$0.00396 per Conversion Share, computed based on 99% of the volume weighted average price of the Share for the last 5 trading days immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, the Company has an issued share capital of 1,997,657,117 Shares.

The Conversion Price of S\$0.00396 for the Conversion Shares represents a discount of approximately 34% to the volume weighted average price of S\$0.006 for trades done on the SGX-ST for the full Market Day on 17 April 2016 (being the last full Market Day on which the Shares were traded prior to the day on which the Convertible Note Subscription Agreement was signed).

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For compliance with Rule 832(1), the maximum number of Conversion Shares to be allotted and issued by the Company, pursuant to the full conversion of the Convertible Notes, is 151,515,151, representing approximately 7.58% of the existing issued share capital of the Company as at the Latest Practicable Date, and approximately 7.05% of the enlarged issued share capital of the Company on a diluted basis, after adjusting for the issue of 151,515,151 Conversion Shares.

As at the Latest Practicable Date, Maiora owns 135,000,000 Shares, which is approximately 6.76% of the issued share capital of the Company. After the completion of the Convertible Notes Issue, Maiora will hold 286,515,151 Shares in the capital of the Company, and approximately 13.33% of the enlarged issued share capital of the Company on a diluted basis, after adjusting for the issue of 151,515,151 Conversion Shares.

Shareholders should note that the Conversion Price is subject to adjustment events, details of which are set out in Condition 5 of Appendix A of this Circular. As such, in the event that there is an adjustment event and the Conversion Price is subsequently adjusted to a price lower than S\$0.00396, thereby resulting in the number of Conversion Shares to be issued being greater than 151,515,151, the Company will make another application to SGX-ST for the listing and quotation of the additional Conversion Shares to be issued. In any event, the Conversion Price shall, at all times, be no less than S\$0.003.

2.6 Adjustments to the Conversion Price

The Conversion Price will be subject to adjustment following the occurrence of certain events. A summary of the conversion events of the Convertible Notes is set out in Condition 5 of Appendix A of this Circular. Some of the adjustment events include, *inter alia*, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, rights issues of shares or options over shares, rights issues of other securities and issues of shares at less than current market price.

In compliance with Rules 829 and 830 of the Mainboard Rules, the Company will:

- (a) announce any adjustment made to the Conversion Price and resulting number of the Conversion Shares, in the event of rights, bonus or other capitalisation issues;
- (b) announce the expiry of the Convertible Notes on the maturity date, and notice of the maturity will be sent to all noteholders at least one (1) month before the maturity date; and
- (c) obtain Shareholders' approval for any material modification to the Notes Conditions which is for the benefit of Maiora, unless such modification is made pursuant to the terms of the Convertible Notes.

2.7 Liquidation

In the event that the Company goes into liquidation, the Convertible Notes will rank:

- (a) subordinate to any present and future secured debt obligations of the Company;
- (b) *pari passu* among themselves;
- (c) at least *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Company; and
- (d) in priority to all Shares.

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2.8 Summary of the Warrants Issue

Number of Warrants : 25,000,000 Warrants

Exercise price : The exercise price of the Warrants shall be S\$0.007, subject to adjustment(s) in accordance with the terms and conditions of the Warrants as set out in the Deed Poll.

Exercise Period : The Warrants may be exercised at any time during the Exercise Period, being the two-year period commencing on and including the date of issue of the Warrants, and expiring at 5.00 p.m. on the date immediately preceding the second (2nd) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the register of holders of warrants issued by the Company may be closed).

At the expiry of the Exercise Period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose. The expiry of the Warrants will be announced through an SGXNET announcement to be posted on the internet at the SGX-ST's website <http://www.sgx.com> and the notice of expiry will be sent to Maiora at least one (1) month before the maturity date.

Subscription rights : Each Warrant shall entitle Maiora, at any time during the Exercise Period, to subscribe for one (1) New Share at the Exercise Price.

Status of New Shares : The New Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls after the date of allotment and issue of the New Shares.

Transfer : The Warrants are non-transferable.

Adjustments : The Exercise Price and the number of Warrants are subject to adjustment in the event of, *inter alia*, rights, bonus or other capitalisation issues as provided for in the Deed Poll. Any such adjustments shall (unless otherwise provided under the Mainboard Rules from time to time) be announced by the Company.

Any additional warrants which may be issued by the Company pursuant to such adjustment shall rank *pari passu* with the Warrants and will, for all purposes, form part of the series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and on such terms and conditions as the Directors may from time to time think fit, including but not limited to, the terms and conditions of the Warrants set out in the Deed Poll. The terms and conditions of the Warrants do not specifically provide for the extension of the Exercise Period and the issue of new Warrants to replace the existing Warrants.

Alterations : Any material alteration to the terms of the Warrants to the advantage of Maiora shall be approved by the Shareholders in a general meeting, except where the alterations are made pursuant to the terms and conditions set out in the Deed Poll.

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Winding-up : If the Company is wound-up for any reason other than a members' voluntary winding-up, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Shareholders should note that in the event that the Warrants Issue is not approved by the Shareholders, the interest on the Convertible Notes shall accrue at the rate of 12% per annum from the Completion Date to the actual date of payment.

2.9 Exercise Price

The Exercise Price of S\$0.007 for the Warrants represents a premium of approximately 16.67% to the volume weighted average price of S\$0.006 for trades done on the SGX-ST for the full Market Day on 17 April 2016 (being the last full Market Day on which the Shares were traded prior to the day on which the Convertible Note Subscription Agreement was signed).

The Exercise Price for the Warrants was agreed upon based on arm's length negotiations between Maiora and the Company and was based on commercial considerations, including the volume weighted average price of S\$0.006 for trades done on the SGX-ST on 17 April 2016, the Company's need for external funding, the lack of interested investors then, the NTA and the net asset value of the Company.

Assuming that all the Warrants are fully exercised, the number of new Shares to be issued pursuant to the exercise of the Warrants is 25,000,000, representing approximately 1.25% of the existing issued share capital of the Company as at the Latest Practicable Date.

After the completion of the Convertible Notes Issue and the Warrants Issue, and assuming that all the Warrants are exercised, Maiora will hold 311,515,151 Shares in the capital of the Company, and approximately 14.33% of the enlarged issued share capital of the Company.

2.10 Ranking

The Conversion Shares and the New Shares will be issued free from all encumbrances and will rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares of the Company, except that they will not rank for any dividends, rights, allotments or other distributions, accruing on a record date for determining such entitlements, which shall be the date which falls on or before the date of issue of the Conversion Shares and the New Shares (as the case may be).

2.11 Applicable Provisions of the Mainboard Rules

2.11.1 Rule 803 of the Mainboard Rules

Rule 803 of the Mainboard Rules states that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

2.11.2 Rule 805 of the Mainboard Rules

Rule 805 of the Mainboard Rules states that except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:

- (1) The issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or
- (2) If a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:
 - (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or

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- (b) a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. For example, if the issuer has a 70% interest in a principal subsidiary, shareholder approval will be required for any issue of shares in the principal subsidiary reducing the issuer's equity interest to 56%.

2.11.3 Rule 812 of the Mainboard Rules

Rule 812 of the Mainboard Rules states:

- (1) An issue must not be placed to any of the following persons:-
 - (a) The issuer's directors and substantial shareholders.
 - (b) Immediate family members of the directors and substantial shareholders.
 - (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders.
 - (d) Corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%.
 - (e) Any person who, in the opinion of the Exchange, falls within category (a) to (d).
- (2) Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.

As at the Latest Practicable Date, Maiora owns 135,000,000 Shares, which is approximately 6.76% of the issued share capital of the Company. After the completion of the Convertible Notes Issue and the Warrants Issue, and assuming that all the Warrants are exercised, Maiora will hold 311,515,151 Shares in the capital of the Company, and approximately 14.33% of the enlarged issued share capital of the Company.

Pursuant to Rule 805, and save as provided in Rule 806, the Company needs to seek Shareholders' approval to issue Shares or convertible securities. The Company is seeking Shareholders' approval for the issuance of Convertible Notes and new Shares as the Company intends to reserve its general mandate for other corporate actions.

Accordingly, specific Shareholders' approval is being sought pursuant to Rules 803, 805 and 812 of the Mainboard Rules for the Convertible Notes and the Warrants Issue.

2.12 Non-applicability of Rules 826 and 906 of the Mainboard Rules

2.12.1 Rule 826 of the Mainboard Rules

Rule 826 of the Mainboard Rules states:

When listing company warrants or other convertible securities, the issuer should ensure a sufficient spread of holdings to provide for an orderly market in the securities. As a guide, the Exchange expects at least 100 warrant holders for a class of company warrants.

Rule 826 of the Mainboard Rules does not apply to the Warrants Issue on the basis that the Warrants will not be listed on the SGX-ST.

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2.12.2 Rule 906 of the Mainboard Rules

Rule 906 of the Mainboard Rules states:

- (1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:—
 - (a) 5% of the group's latest audited net tangible assets; or
 - (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.
- (2) Rule 906(1) does not apply to any transaction below \$100,000.

Rule 906 of the Mainboard Rules does not apply to the Convertible Notes and Warrants Issue on the basis that the Convertible Notes and Warrants Issue is not an interested person transaction as Christopher Michael Peck, the Non-Executive Director of the Company, holds 24% of the issued and paid up share capital of Maiora Asset Management. The Company confirms that Christopher Michael Peck will not be receiving any benefits from these issues, whether directly or indirectly, through his 24% shareholding in Maiora Asset Management.

2.13 Exemption from requirement of prospectus

The offer by the Company to Maiora to subscribe for the Convertible Notes is made in reliance on the exemption under Section 272B of the SFA. It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore.

2.14 Financial Effects of the Convertible Notes Issue and Warrants Issue

The pro forma financial effects of the Convertible Notes Issue and the Warrants Issue, based on the audited consolidated financial statements of the Group for FY2016 are set out below.

The pro forma analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Convertible Notes Issue and the Warrants Issue.

The financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects of the Convertible Notes Issue and the Warrants Issue on the NTA and NTA per Share of the Group are computed assuming that the Convertible Notes Issue and the Warrants Issue had taken place on 31 December 2016 being the end of the most recently concluded financial year;
- (b) the financial effects of the Convertible Notes Issue and the Warrants Issue on the earnings/loss and EPS/LPS of the Group are computed assuming that the Convertible Notes Issue and the Warrants Issue had occurred on 1 January 2016, being the commencement of the most recently concluded financial year;
- (c) the Convertible Notes have been fully subscribed for on 31 December 2016 and the Conversion Shares and New Shares have been allotted and issued on 31 December 2016; and
- (d) no adjustments have been made to the Conversion Price.

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2.14.1 Share Capital

The effect of the Convertible Notes and Warrants Issue on the issued and paid-up share capital of the Company as at 31 December 2016 is as follows:

	No. of Shares	(\$'000)
Issued share capital	1,997,657,117	124,487
Add:-		
Conversion Shares to be allotted and issued	151,515,151	600
New Shares to be allotted and issued upon the exercise of the Warrants	25,000,000	175
Enlarged share capital after the Convertible Notes Issue and the Warrants Issue	2,174,172,268	125,262

2.14.2 NTA

The effect of the Convertible Notes Issue and the Warrants Issue on the Group's NTA and NTA per Share based on the audited consolidated statement of financial position for FY2016 of the Group is as follows:

	Group (\$'000)	Company (\$'000)
NTA as at 31 December 2016	572	354
Number of Shares in issue as at 31 December 2016	1,997,657,117	1,997,657,117
NTA per Share as at 31 December 2016 (cents)	0.0286	0.0177

THE CONVERTIBLE NOTES ISSUE

Add: Net proceeds from the full subscription of the Convertible Notes	600	600
NTA as at 31 December 2016 (after the Convertible Notes Issue)	(28)	(246)
Number of Shares in issue as at 31 December 2016 (assuming that the Conversion Shares have been allotted and issued)	2,149,172,268	2,149,172,268
NTA per Share as at 31 December 2016 (assuming that the Convertible Notes have been subscribed for and the Conversion Shares have been allotted and issued) (cents)	(0.0013)	(0.0114)

THE WARRANTS ISSUE

Add: Proceeds assuming the exercise of all the Warrants	175	175
NTA after the Convertible Notes Issue and assuming the exercise of all the Warrants	(203)	(421)
Number of Shares in issue as at 31 December 2016 (assuming that the Conversion Shares and New Shares have been allotted and issued)	2,174,172,268	2,174,172,268
NTA per Share as at 31 December 2016 (assuming that the Conversion Shares and New Shares have been allotted and issued) (cents)	(0.0093)	(0.0194)

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2.14.3 EPS

The effect of the Convertible Notes Issue and the Warrants Issue on the Group's EPS/LPS based on the audited consolidated profit and loss statement for FY2016 of the Group is as follows:

	<u>FY2016</u>
Profit attributable to Shareholders for FY2016 (S\$'000)	4,767
Profit attributable to Shareholders after the Convertible Notes Issue and the Warrants Issue (S\$'000)	4,767
Weighted average number of Shares before the Convertible Notes Issue and the Warrants Issue ('000)	1,787,333
EPS before the Convertible Notes Issue and the Warrants Issue (cents)	0.2667
EPS after the Convertible Notes Issue and the Warrants Issue ⁽¹⁾ (cents)	0.2427

Note:

- (1) The adjusted EPS after the Convertible Notes Issue and the Warrants Issue was calculated on the assumption that all the Conversion Shares and the New Shares were in issue at the beginning of FY2016, and added to the weighted average number of Shares in issue in FY2016.

2.14.4 Gearing

The effect of the Convertible Notes Issue and the Warrants Issue on the gearing of the Group, based on the latest audited consolidated financial statements of the Group as at 31 December 2016 is set out below.

	<u>FY2016</u>
Net debt ⁽¹⁾ as at FY2016 (S\$'000)	1,729
Shareholders' equity ⁽²⁾ as at FY2016 (S\$'000)	572
Total capital ⁽³⁾ as at FY2016 (S\$'000)	2,301
Add: Net Proceeds after the Convertible Notes Issue and assuming full conversion of the Warrants (S\$'000)	775
Adjusted Shareholders' equity after the Convertible Notes Issue and the Warrants Issue (S\$'000)	1,347
Adjusted total capital after the Convertible Notes Issue and the Warrants Issue (S\$'000)	3,076
Gearing ⁽⁴⁾ after the Convertible Notes Issue and the Warrants Issue (times)	0.56

Notes:-

- (1) Net debt is computed based on loans and borrowings, trade and other payables and other liabilities of the Group.
- (2) "Shareholders' equity" comprises of equity attributable to owners of the Company.
- (3) Total capital is computed based on Shareholders' equity plus net debt of the Group.
- (4) "Gearing" means the ratio of the Group's total debt to total capital.

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3. THE ALLINGTON CONSIDERATION SHARES ISSUE

3.1 Information on the Lighthouse Group and Drew and the Restructuring Services Agreement entered into between the Company and the Lighthouse Group

3.1.1 Information on the Lighthouse Group

Lighthouse is a company (Company Registration Number: 1639631) incorporated in British Virgin Islands with its address at NovaSage Chambers, Wickham's Cay II, Road Town, Tortola, British Virgin Islands. Lighthouse is an investment, consulting service and independent advisor to corporate management. Lighthouse has a track record spanning more than 5 years of providing restructuring and advisory services covering multiple industries in Asia, Africa and the United States. Lighthouse is not engaged in any competing business of the Company.

Allington was incorporated in Singapore on 13 July 2015, with Lighthouse holding an interest in 90% of the shares of Allington and Drew being the ultimate sole shareholder of Lighthouse. Accordingly, Allington is considered an "interested person" within the meaning of Chapter 9 of the Mainboard Rules. Allington is also an associate of the Lighthouse Strategic Group, aimed specially to undertake corporate advisory work, such as the restructure of Sino Construction Limited in Singapore.

3.1.2 Rationale for appointment of the Lighthouse Group

Lighthouse was first appointed by the Company in 2014 to undertake a comprehensive review of the business and affairs of the Company. Drew was then the principal consultant from Lighthouse who was in charge of the review. In 2015, following the abrupt resignation of the then non-executive chairman and executive director, Drew was requested by the board to take up the role as a director of the Company.

The restructuring of the Company was necessary as the Company was involved in a number of transactions in the mineral and energy resources sector that were becoming more difficult to justify as market sentiment in the natural resources sector had rapidly declined. As announced by the Company on 16 March 2015, the board believed that the infrastructure and financing requirements of such mining operations were extremely difficult for the Company to fulfil in the depressed commodity market then. The Company had sought to restructure its scope of operations. Following the departure of the non-executive chairman, executive director and key executives of the Company in mid-February 2015, the Company extended the Lighthouse Group's mandate to include the provision of staff and services, alongside a full review of the Company's internal procedures and processes.

To support the review and enhance the management's expertise, Drew was appointed as an executive director of the Company on 9th February 2015. Following the abrupt resignation of the then non-executive chairman and other executive director in mid-February, Drew took on the role as the sole executive director of the Company and is responsible for the strategic transformation of the Company.

In appointing the Lighthouse Group for the restructuring, the independent directors of the Company then had considered that the Company had limited potential to attract a major consulting firm as it was unlikely that the Company would be able to guarantee the base fee payment of such consulting firms. Any major advisory or consulting company would require a substantial pre-payment as well as surety of future payments which the Company was not in a financial position to provide then. While most consulting firms were prepared to accept a portion of fees in shares, the Lighthouse Group was prepared to accept the entirety of the Performance Fees to be paid in shares. The independent directors therefore decided, after independent due diligence to ensure that such rates charged by the Lighthouse Group were in line with market rates charged by other consulting firms, to engage the Lighthouse Group due to their experience and existing commitments with the Company, as well as their hands-on approach to operations.

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The scope of review to covered by Lighthouse included a review of all business activities of the Company then as well as providing advice on corporate governance and implementing sound financial and business practices. In addition, Lighthouse was tasked with assisting the Company in reducing its debt.

3.1.3 Progress of the Group since the appointment of the Lighthouse Group and the Lighthouse Group's contributions

As the newly appointed executive director then, and as the Company's current Non-Executive Chairman, the Company has had a significant transformation. Since Drew's appointment to the Board in February 2015, the Company has (i) reduced outstanding contractual liabilities by over S\$26,000,000 (ii) substantially reduced current liabilities from S\$36,010,000 as at 31 December 2014 to S\$7,550,000 as at 31 December 2015, (iii) raised funding of approximately S\$1,590,000 and (iv) commenced a roll out of a micro power plant in Korea.

Drew had never drawn a salary as an executive director from the Company since he took on the position of executive director in February 2015, notwithstanding the agreement between Drew and the Company that Drew would receive a salary, and that any salary, if paid, would be subtracted from the agreed fee structure negotiated in December 2014 and January 2015. In addition, before the Company found accommodation for foreign consultants assisting with the restructure of the Company in April 2015, Drew had been paying for his own accommodation for approximately 2 months, even though it was agreed between the parties that the Company would source for and pay for accommodation, instead of Lighthouse billing the Company. Jeslyn was also seconded to the Company from Lighthouse despite her wages not being included in the package payable by the Company to Lighthouse and Allington.

In addition to Drew and Jeslyn, the Lighthouse Group had also flown in personnel from other international locations at various times to assist in and/or undertake analyst and in-house counsel legal duties, the review of previous acquisitions, tabulate new acquisition data (namely in South Korea), review legal opinions and engage in consultations with Singapore counsel to assist the Lighthouse Group. For instance, a financial analyst from the Lighthouse Group was in Singapore over 3 separate occasions and stayed approximately a total of 8 weeks.

Fees payable to Allington cover salary, travelling costs, allowances for overseas work and accommodation. In addition, the Lighthouse Group continues to commit full international resources to all investor presentations, website, rebranding and all required corporate collateral. Allington also has several staff members based in locations other than Singapore who provide services to the Company from time to time.

3.2 Summary of the Allington Consideration Shares Issue

On 27 April 2015, Lighthouse and the Company entered into the 27 April Restructuring Agreement whereby Lighthouse was appointed as a corporate adviser to the Company to provide corporate restructuring services to the Company for a period of 12 months.

On 7 October 2015, the Company entered into the 7 October Restructuring Agreement with Lighthouse and its Singapore associate, Allington, which superceded the 27 April Restructuring Agreement.

The amendments to the 27 April Restructuring Agreement include:

- (a) introducing a new key performance indicator of reducing 50% of the Company's outstanding creditors by 30 December 2015. The Lighthouse Group would have to achieve this in order to be paid their Performance Fees (as defined in paragraph 3.2.3 below); and

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- (b) amending the Performance Fees from the issuance of 40,000,000 Shares of the Company, the aggregate of which would amount to S\$1,200,000, payable to the Lighthouse Group upon the achievement of certain key performance indicators to the structure detailed in paragraph 3.2.2 below.

The Performance Fees to be paid to the Lighthouse Group were first proposed by the Lighthouse Group, and subsequently confirmed and approved by the Board, with Drew abstaining from the Board's deliberation and voting to approve the Performance Fees. The key performance indicators set out in the 27 April Restructuring Agreement and the 7 October Restructuring Agreement, as detailed in paragraphs 3.2.1 and 3.2.2 below were determined by the Board in accordance with its assessment of the Company's needs then.

On 1 April 2016, Lighthouse and the Company entered into another restructuring services agreement for the period between 1 April 2016 and 31 December 2016 (the "**1 April Agreement**"). The scope of work in relation to the 1 April Agreement includes:

- (a) maintaining the Company's accounting systems, corporate governance procedures and monitoring key performance indicators;
- (b) maintaining daily operations and the Company's compliance with required regulatory boards;
- (c) facilitating the raising of funds; and
- (d) identifying and facilitating the execution of potential investments.

The performance fee in relation to the 1 April Agreement is agreed to be US\$100,000 per month, of which, payment is to be made by the Company on the first day of the month.

On 3 May 2016, Lighthouse and the Company entered into a revised restructuring agreement to amend the 1 April Agreement. Subject to the agreed key performance indicators in the 1 April Agreement being fulfilled, the performance fee payable by the Company will be subject to the approval of the remuneration committee and the Board. Lighthouse shall be paid at the end of every quarter based on the recommendation of an independent remuneration consultant to be appointed.

Allington's engagement in relation to the 7 October Restructuring Agreement was completed on 26 April 2016. Thereafter, parties to the 7 October Restructuring Agreement had agreed to fix the Issue Price of the Allington Consideration Shares based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date in relation to the 7 October Restructuring Agreement.

Shareholders should note that the Company is only seeking Shareholders' approval for the fees to be paid to the Lighthouse Group pursuant to the 27 April Restructuring Agreement and the 7 October Restructuring Agreement in this Circular. Fees which may be payable to Lighthouse subsequent to the 27 April Restructuring Agreement and the 7 October Restructuring Agreement have yet to be determined and may or may not be paid either as shares or other consideration. Should the Board decide to remunerate Lighthouse under any agreement subsequent to the 27 April Restructuring Agreement and the 7 October Restructuring Agreement, an independent review will be conducted to assess the amount payable to Lighthouse and the Company will seek Shareholders' approval at a separate extraordinary general meeting to be convened.

3.2.1 Corporate Restructuring Services to be provided to the Company

The corporate restructuring services to be provided to the Company included, *inter alia*:

- (a) reducing the Company's current obligations – Guildford Coal Limited ("**GUF**") and Signet Coking Coal International Limited ("**Signet**")

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- (b) divesting the Company's shareholdings in Elite Bay Sdn Bhd, Ardilaun Energy Limited and Renaissance Enterprises S.A.;
- (c) setting up accounting systems, corporate governance procedures and key performance indicators;
- (d) facilitating the raising of funds of at least S\$2 million to ensure funding to roll out initial micro power plants ("MPPs") and to reduce existing debt obligations;
- (e) rolling out a pilot MPP in Korea by 30 December 2015; and
- (f) reducing the number of outstanding creditors of the Company by 50% by 30 December 2015.

3.2.2 Fulfilling the key performance indicators

(a) *reducing the Company's current obligations – GUF and Signet*

On 17 February 2015, the Company announced that the takeover bid of GUF would lapse at the end of the offer period on 25 February 2015, pursuant to GUF undertaking a rights issue, which was a breach of the condition set out in paragraph 3(d) of the offer conditions as set out in the Company's announcement dated 25 September 2014. Allington assisted the Company in the review of the Company's financial situation and proposed several options for the Board's consideration accordingly. Following such review, the Company decided not to pursue the takeover bid of GUF. The Company was able to retain working capital as GUF would have required funding from the Company to fund its existing operations.

The Company had owed Signet approximately US\$21 million and was two months overdue on the first payment to Signet when Drew stepped in as an executive director. Signet could have enforced its legal rights in Singapore by successfully suing the Company for payment, and potentially triggering liquidation proceedings.

Allington also assisted the Company in the review and analysis of (a) the Company's rebranding strategy and (b) Signet's request to be released from the sale and purchase agreement entered into on 6 June 2014.

(b) *divesting the Company's shareholdings in Elite Bay Sdn Bhd, Ardilaun Energy Limited and Renaissance Enterprises S.A.*

(i) **Elite Bay Sdn Bhd ("Elite Bay")** – Allington assisted the Company by providing strategic advice including identifying factors and proposing options which would allow the Company to reduce its losses. Continued exposure to Elite Bay's accounting methods would have caused an impairment of the Company's audited accounts. This would have a direct impact on the market value of the Company as well as result in difficulties in fund raising.

(ii) **Ardilaun Energy Limited ("Ardilaun")** – With the global financial downturn, the Company had difficulties in identifying a potential buyer for the Company's stake in Ardilaun. Throughout FY2015, Allington introduced several business contacts, including several professional advisers to the Company, with the objective that such business contacts may refer potential buyers to the Company. Allington also performed an independent cash flow analysis of the Company's 19.9% shareholding stake in Ardilaun. Based on the cash flow analysis, the management concluded that the Company's stake was unlikely to improve from a negative cash flow position in the foreseeable future, due to the global downturn in oil pricing.

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- (iii) **Renaissance Enterprise S.A. (“Renaissance”)** – The Company received a copy of minutes for an extraordinary general meeting conducted by Renaissance held on 29 April 2015, to notify the Company that the share capital of Renaissance had increased by a total amount of EUR 1,944,181 which diluted the Group’s original 19.9% shareholding interest in Renaissance to 0.3%. Allington advised the Board to seek legal advice and to consider if the Company would wish to consider writing off the investment in Renaissance based on the following factors.

Both Ardilaun and Renaissance would have required extensive working capital contributions from the Company when the global commodity markets were beginning to experience severe pricing slides. External capital financing for these projects would more than likely have been delayed or not meet requirements, as information pertaining to these transactions provided by the Company’s previous management was limited. For instance, there was a lack of financial modelling and internal auditors’ opinions which should have formed part of due diligence by potential investors.

- (c) *setting up accounting systems, corporate governance procedures and key performance indicators*

When Allington first took over the management of the Company, there were no accounting systems in place and all accounting records were recorded manually. Allington attended to the following in FY2015:-

- (i) implemented usage of a cloud based accounting system;
- (ii) developed and implemented proper corporate governance procedures and accounting policies and procedures; and
- (iii) implemented key performance indicators evaluation procedures to appraise performance of various Board members and key employees.

- (d) *facilitating the raising of funds of at least S\$2 million to ensure funding to roll out initial MPPs and to reduce existing debt obligations*

Allington introduced several business contacts to the Company. The eventual placement of 110,000,000 Shares at S\$0.0248 per share, with an aggregate placement consideration of S\$2.7 million was facilitated through Allington’s contacts who in turn introduced potential investors to the Company.

- (e) *rolling out a pilot MPP in Korea by 30 December 2015*

Allington introduced Primeforth Renewable Energy Limited (“**Primeforth**”) to the Group. The Group, together with Primeforth, incorporated a subsidiary to construct its first MPP. Investing S\$1.6 million, the Company built, licensed and operated its first plant titled “MMP One” in the city of Pohang.

- (f) *reducing the number of outstanding creditors of the Company by 50% by 30 December 2015.*

Allington assisted with the share placement exercise as described in paragraph 2.3.2(d) above. Part of the proceeds from the share placement exercise was used to repay outstanding creditors. Based on the Company’s accounts payable report dated 7 October 2015 and accounts payable report dated 30 December 2015, the total number of outstanding debtors had been reduced by 60%.

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3.2.3 Fees Payable to Allington

If the objectives in paragraphs 3.2.1(a) to (e) were fulfilled during the mandate period, Allington shall receive a performance fee in the form of such number of Allington Consideration Shares, the aggregate of which amounts to US\$1,200,000 as consideration for the services provided to the Company (the “**Performance Fees**”), computed based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date and an exchange rate of US\$1:S\$1.4243 as at 31 December 2015.

On 20 November 2015, Allington requested for the Company and the Company agreed to amend the key performance criteria of facilitating the raising of funding of at least S\$2 million at paragraph 3.2.1(d) above to S\$1 million, as market conditions had worsened, resulting in an incomplete placement exercise which was beyond Allington’s control.

If the objective in paragraph 3.2.1(f) is fulfilled during the mandate period, Allington shall receive additional performance fees of such number of Allington Consideration Shares, the aggregate of which amounts to US\$500,000, computed based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date and an exchange rate of US\$1:S\$1.4243 as at 31 December 2015. The Board had decided on the additional performance fees to be paid in fulfilment of paragraph 3.2.1(f) as an incentive for the Lighthouse Group to reduce the outstanding debt of the Company.

Save for the Performance Fees and the additional performance fees stated above, the Lighthouse Group shall not receive any other fees save for work done beyond the scope of its mandate.

Should Shareholders not approve the Allington Consideration Shares Issue, the Performance Fees shall be satisfied entirely in cash within 90 days of the date of the EGM. The Company would need to raise further investments at that point but would, in the first instance, discuss deferral as well as alternate means of repayment with Allington but ultimately, should the Company be unable to repay the Performance Fees in cash or some other form of consideration, Allington would be in the same position as any other debtor and may exercise their rights under the 7 October Restructuring Agreement and general law as a creditor.

The Board is of the opinion that the Lighthouse Group has achieved the key performance indicators as set out in paragraphs 3.2.1 and 3.2.2 above, taking into account, *inter alia*, (i) the successful reduction of the Company’s obligations in GUF and Signet, (ii) the divestment of the Company’s shareholdings in Elite Bay, Ardilaun and Renaissance, and (iii) the reduction of at least 50% of the Company’s creditors. As at the Latest Practicable Date, no Performance Fees have been paid to the Lighthouse Group.

3.3 Issuance and allotment of the Allington Consideration Shares

The issuance and allotment of the Allington Consideration Shares as Performance Fees to Lighthouse is in consideration of the corporate restructuring services provided to the Company, as listed in paragraphs 3.2.2(a) to (f) above.

It is assumed, for the purposes of this Circular and for illustrative purposes only, the issue price of the Allington Consideration Shares is S\$0.004 per Allington Consideration Share, computed based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date and an exchange rate of US\$1:S\$1.4243.

On or around May 2016, the Company had provided the Lighthouse Group its services on the preparation of investor presentations. In consideration for such services provided to the Lighthouse Group by the Company, the Lighthouse Group was to pay the Company a sum of S\$75,000 (the “**Lighthouse Receivable**”). As at the Latest Practicable Date, the Lighthouse Receivable remains

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unpaid. As such, the Company and Lighthouse have agreed to set off the Lighthouse Receivable against the Performance Fees (as defined in paragraph 3.2.3 above) and accordingly, up to 586,577,500 Allington Consideration Shares would be issued and allotted to Allington at an issue price of S\$0.004 per Allington Consideration Share, which is based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date and an exchange rate of US\$1:S\$1.4243 as at 31 December 2015.

The details of the issuance and allotment of the Allington Consideration Shares to Allington, assuming that only the Allington Consideration Shares are issued, are as follows:

Name of Allottee	Number of Consideration Shares	Approximate % of the enlarged issued share capital of the Company	Consideration (S\$)
Allington Advisory Pte. Ltd.	586,577,500	22.70%	2,346,310

The Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with and carry all rights similar to the existing Shares, including rights to any dividend, right, allotment or other distributions, the record date for which falls after the date of issue of the Consideration Shares.

The issue price represents a discount of approximately 77.78% to the volume weighted average price of S\$0.018 for trades done on the Shares on the Mainboard of the SGX-ST for the full Market Day on which the 7 October Restructuring Agreement was executed, and was arrived at after negotiation between Lighthouse and the Company on an arm's length basis, and after taking into consideration, *inter alia*, the value to the Company in respect of the services rendered by Lighthouse, the difficulties associated with performance of the services and the efforts and time to be expended by Lighthouse in performing the services.

On or about 7 October 2015, the Company had suffered a sustained fall in share price, a loss of market confidence and had a minimum amount of cash available for operations. The Lighthouse Group had provided services and personnel with the knowledge of the likelihood the Company may not be able to pay the fees pursuant to the 7 October Restructuring Agreement. In addition, the lack of market confidence in the Company meant debt and corporate restructuring had to proceed on an urgent basis which mandated a dedicated and exhaustive use of the full resources of Lighthouse to the exclusion of other clients.

The Company did not initially engage independent financial advisers on this matter as it was considered to be within the competency of the audit committee and the Board and the audit committee has taken the view that the transaction is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

As at the Latest Practicable Date, the Company has 1,997,657,117 existing Shares. The Allington Consideration Shares represent approximately 29.36% of the total issued Shares as at the Latest Practicable Date and prior to the issue and allotment of the Allington Consideration Shares.

As at the Latest Practicable Date, the Lighthouse Group owns 100,000,000 shares, which is approximately 5.0% of the capital of the Company. Upon completion of the Proposed Transactions, Allington and Lighthouse Group will hold approximately 23.39% of the enlarged issued share capital of the Company.

On 20 February 2017, Drew had provided a deed of undertaking to the Company that he shall not, and shall procure that the Lighthouse Group, shall not subscribe for shares in the capital of the Company which would result in him or the Lighthouse Group having a total interest (direct and deemed) of 30% or more in the issued share capital of the Company.

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3.4 Proceeds

There are no proceeds raised from the issuance and allotment of the Allington Consideration Shares to Allington as the issuance and allotment of the Allington Consideration Shares to Allington is consideration for the corporate restructuring services rendered to the Company pursuant to the 7 October Restructuring Agreement entered into between the Lighthouse Group and the Company.

3.5 Ranking

The Allington Consideration Shares will be issued free from all encumbrances and will rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, accruing on a record date for determining such entitlements, which shall be the date which falls on or before the date of issue of the Allington Consideration Shares (as the case may be).

3.6 Applicable Provisions of the Mainboard Rules

3.6.1 Rule 803 of the Mainboard Rules

Rule 803 of the Mainboard Rules states that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

3.6.2 Rule 804 of the Mainboard Rules

Rule 804 of the Mainboard Rules states that except in the case of an issue made on a pro rata basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Mainboard Rules, no director of an issuer, or associate of a director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter. The notice of meeting must state:

- (i) the number of securities to be allotted to each director and associate;
- (ii) the precise terms of the issue; and
- (iii) that such directors and associates will abstain from exercising any voting rights on the resolution.

3.6.3 Rule 805 of the Mainboard Rules

Rule 805 of the Mainboard Rules states that except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:

- (1) The issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or
- (2) If a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:
 - (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or
 - (b) a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. For example, if the issuer has a 70% interest in a principal subsidiary, shareholder approval will be required for any issue of shares in the principal subsidiary reducing the issuer's equity interest to 56%.

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3.6.4 Rule 812 of the Mainboard Rules

Rule 812 of the Mainboard Rules states:

- (1) An issue must not be placed to any of the following persons:-
 - (a) The issuer's directors and substantial shareholders.
 - (b) Immediate family members of the directors and substantial shareholders.
 - (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders.
 - (d) Corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%.
 - (e) Any person who, in the opinion of the Exchange, falls within category (a) to (d).
- (2) Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.

3.6.5 Rule 906 of the Mainboard Rules

Rule 906 of the Mainboard Rules states:

- (1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:—
 - (a) 5% of the group's latest audited net tangible assets; or
 - (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.
- (2) Rule 906(1) does not apply to any transaction below \$100,000.

As at the Latest Practicable Date, Drew is a director and the ultimate sole shareholder of Lighthouse, with Lighthouse holding 90% of the shares in Allington. Accordingly, specific Shareholders' approval is being sought pursuant to Rules 803, 804, 805 and 812 of the Mainboard Rules for the Allington Consideration Shares Issue.

3.7 The Allington Consideration Shares Issue as an interested person transaction

3.7.1 Interested Person Transaction under Chapter 9 of the Mainboard Rules

Lighthouse is wholly owned by the Company's Non-Executive Chairman, Drew, and is therefore an associate of Drew and accordingly, an interested person pursuant to Mainboard Rule 904(4)(a).

Allington is a company (Company Registration Number: 201528757K) incorporated in Singapore with its address at 6 Eu Tong Sen Street #12-20 The Central Singapore 059817. Lighthouse holds 90% of the issued and paid up shares in the capital of Allington. The remaining 10% of the issued and paid up shares in the capital of Allington is held by Jeslyn.

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Accordingly, the issuance of such number of Allington Consideration Shares by the Company, as an “*entity at risk*” to Allington, as an “*interested person*” pursuant to the Allington Consideration Shares Issue, would constitute an interested person transaction subject to Chapter 9 of the Listing Manual.

Notwithstanding the above, the Company has not made an announcement in respect of the Allington Consideration Shares Issue pursuant to Chapter 9 of the Mainboard Rules as (i) the discussion with the Board of Directors on the fees to be paid to the Lighthouse Group commenced on or around December 2014, prior to the appointment of Drew as Executive Director on 9 February 2015, and (ii) the Company was unable to ascertain the full fees payable to the Lighthouse Group then as such fees were dependent on the Lighthouse Group fulfilling several key performance indicators, as described in paragraph 3.2. The Company is therefore seeking approval from Shareholders for the Allington Consideration Shares Issue pursuant to Chapter 9 of the Mainboard Rules.

3.7.2 Materiality Thresholds under Chapter 9 of the Mainboard Rules

In accordance with Rule 906(1)(a) and Rule 918 of Chapter 9 of the Mainboard Rules, where the value of an interested person transaction, or when aggregated with other transactions entered into during the same financial year, is equal to or exceeds 5% of the Group’s latest audited NTA, the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

Based on the Group’s latest audited NTA of S\$0.572 million as at 31 December 2016 and for the purpose of Chapter 9 of the Mainboard Rules, Shareholders’ approval will be required if the value of any interested person transaction is equal to, or more than, 5% of the Group’s latest audited NTA as at 31 December 2016 being S\$28,600.

As the transaction value of the Allington Consideration Shares Issue in the form of the Performance Fees and the additional performance fees is approximately US\$1.7 million as at the Latest Practicable Date, represents approximately 4 times of the Group’s latest audited NTA as at 31 December 2016, the Company is (i) seeking Shareholders’ approval for the entry into the 7 October Restructuring Agreement and (ii) seeking Shareholders’ approval for the Allington Consideration Shares Issue at the EGM to be convened and the ordinary resolution in respect of the entry into the 7 October Restructuring Agreement and the Allington Consideration Shares Issue is set out in the Notice of EGM.

3.7.3 Total Value of Interested Person Transactions

Save for the loan of S\$54,000 from Lighthouse to the Company (which was disclosed at page 81 of the Company’s annual report for FY2016 and in the announcement dated 13 April 2016), for purposes of Mainboard Rule 905(2) and as at the Latest Practicable Date, the Company confirms that it, its subsidiaries and its associated companies have not entered into any other transaction with Drew or the Lighthouse Group in FY2016.

3.7.4 Opinion of the Independent Financial Adviser

Chapter 9 of the Mainboard Rules provides that, where Shareholders’ approval is required for an interested person transaction, the Circular must include an opinion from an independent financial adviser (“**IFA**”) as to whether such transaction (and all other transactions which are the subject of aggregation pursuant to Mainboard Rule 906) is on normal commercial terms and if it is prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, RHT Capital Pte. Ltd., has been appointed as the IFA to the Directors who are independent for the purpose of the Allington Proposals, to opine on whether the entry into

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the 7 October Restructuring Agreement was on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders.

A copy of the IFA's letter (the "**IFA Letter**"), setting out the IFA's advice in full, is set out in Appendix B to this Circular. Shareholders are advised to read the IFA Letter in full and consider it carefully in the context of this Circular.

Taking into consideration the factors set out in the IFA Letter, the IFA is of the opinion that, as of the date of the IFA Letter, the 7 October Restructuring Agreement was entered into on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders.

3.7.5 Statement of the Audit Committee

In relation to the 7 October Restructuring Agreement, the Audit Committee, having considered, *inter alia*, the terms, the rationale and the benefits of entering into the 7 October Restructuring Agreement in paragraph 3 of this Circular and the IFA's opinion, is of the view that the 7 October Restructuring Agreement was entered into on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders.

3.8 **Financial Effects of the Allington Consideration Shares Issue**

The pro forma financial effects of the Allington Consideration Shares Issue, based on the audited consolidated financial statements of the Group for FY2016 are set out below.

The pro forma analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Allington Consideration Shares Issue.

The financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects of the Allington Consideration Shares Issue on the NTA and NTA per Share of the Group are computed assuming that the Allington Consideration Shares Issue had taken place on 31 December 2016 being the end of the most recently concluded financial year;
- (b) the financial effects of the Allington Consideration Shares Issue on the earnings/loss and EPS/LPS of the Group are computed assuming that the Allington Consideration Shares Issue had occurred on 1 January 2016, being the commencement of the most recently concluded financial year; and
- (c) the Allington Consideration Shares have been allotted and issued on 31 December 2016.

3.8.1 Share Capital

The effect of the Allington Consideration Shares on the issued and paid-up share capital of the Company as at 31 December 2016 is as follows:

	No. of Shares	(\$'000)
Issued share capital	1,997,657,117	124,487
Allington Consideration Shares to be allotted and issued	586,577,500	2,346
Enlarged share capital after the Allington Consideration Shares Issue	2,584,234,617	126,833

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3.8.2 NTA

The effect of the Allington Consideration Shares Issue on the Group's NTA and NTA per Share based on the audited consolidated statement of financial position for FY2016 of the Group is as follows:

	Group (\$'000)	Company (\$'000)
NTA as at 31 December 2016	572	354
Number of Shares in issue as at 31 December 2016	1,997,657,117	1,997,657,117
NTA per Share as at 31 December 2016 (cents)	0.0286	0.0177
NTA after the Allington Consideration Shares Issue	572	354
Number of Shares in issue as at 31 December 2016 (assuming that the Allington Consideration Shares have been allotted and issued)	2,584,234,617	2,584,234,617
NTA per Share as at 31 December 2016 (assuming that the Allington Consideration Shares have been allotted and issued)	0.0221	0.0137

3.8.3 EPS

The effect of the Allington Consideration Shares Issue on the Group's EPS/LPS based on the audited consolidated profit and loss statement for FY2016 of the Group is as follows:

	FY2016
Profit attributable to Shareholders for FY2016 (S\$'000)	4,767
Profit attributable to Shareholders after the Allington Consideration Shares Issue ⁽²⁾ (S\$'000)	4,767
Weighted average number of Shares before the Allington Consideration Shares Issue ('000)	1,787,333
EPS before the Convertible Notes Issue the Allington Consideration Shares Issue (cents)	0.2667
EPS after the Allington Consideration Shares Issue ⁽¹⁾ (cents)	0.2008

Notes:

- (1) The adjusted LPS after the Allington Consideration Shares Issue was calculated on the assumption that all the Consideration Shares were in issue at the beginning of FY2016, and added to the weighted average number of Shares in issue in FY2016.
- (2) The issuance of shares pursuant to the Allington Consideration Shares Issue is not an expense that will affect the loss attributable to shareholders as the consultancy fees payable to Allington had been taken into consideration in FY2016 audited figures.

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3.8.4 Gearing

The effect of the Allington Consideration Shares Issue on the gearing of the Group, based on the latest audited consolidated financial statements of the Group as at 31 December 2016 is set out below.

	<u>FY2016</u>
Net debt ⁽¹⁾ as at FY2016 (S\$'000)	1,729
Shareholders' equity ⁽²⁾ as at FY2016 (S\$'000)	572
Total capital ⁽³⁾ as at FY2016 (S\$'000)	2,301
Add: Net Proceeds after Allington Consideration Shares (S\$'000)	–
Adjusted Shareholders' equity after Allington Consideration Shares (S\$'000)	572
Adjusted total capital after Allington Consideration Shares (S\$'000)	2,301
Gearing ⁽⁴⁾ after the Allington Consideration Shares Issue (times)	0.75

Notes:-

- (1) Net debt is computed based on loans and borrowings, trade and other payables and other liabilities of the Group.
- (2) "Shareholders' equity" means the aggregate of the Group's issued and paid-up share capital and reserves
- (3) Total capital is computed based on Shareholders' funds plus total borrowings of the Group.
- (4) "Gearing" means the ratio of the Group's total borrowings to total capital.

4. THE MAIORA CONSIDERATION SHARES ISSUE

4.1 Information on Maiora

Please refer to paragraph 2.3 of this Circular for further details on Maiora.

4.2 Summary of the Maiora Consideration Shares Issue

4.2.1 Scope of Services to be provided to the Company

As (i) the Company intends to undertake several fund-raising exercises and/or corporate actions involving the acquisition or mergers of targets in the future, and (ii) both Maiora Asset Management and Maiora have business contacts in the banking and corporate financial advisory fields (the "**Relevant Professionals**"), on 27 June 2016, Maiora Asset Management, Maiora and the Company entered into an agreement whereby Maiora Asset Management and Maiora were appointed as advisers to the Company to provide introductory services to the Company for a period of twelve months (the "**Services Agreement**"). The services to be provided to the Company included, *inter alia*:

- (a) introducing and referring the Company to the Relevant Professionals;
- (b) providing any factual information in relation to the Company (as permitted and authorised by the Company) to the Relevant Professionals; and
- (c) coordinating meetings between the representatives of the Company and the Relevant Professionals,

(collectively, the "**Services**").

4.2.2 Consideration for Services Provided

In consideration for the Services to be provided to the Company, Maiora shall receive a performance fee in the form of such number of Maiora Consideration Shares, the aggregate of which amounts to US\$500,000. In respect of completion of successful fundraising

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exercises, Maiora Asset Management shall be entitled to 5% of the funds successfully raised from completion of such fundraising exercises which Maiora Asset Management has assisted the Company on. In respect of successful mergers and acquisitions, Maiora Asset Management shall be entitled to 6% of the value of the target introduced to the Company by Maiora Asset Management, and the successful acquisition of which was facilitated by Maiora Asset Management.

Save as disclosed above, Maiora and Maiora Asset Management will not be receiving any additional payments pursuant to the Services Agreement.

The issuance of the Maiora Consideration Shares amounting to US\$500,000 is a one-off fee for the services of Maiora to cover all costs, outlays and time expended in the promotion of the Company and the identification of suitable assets. Maiora will be using their network of contacts and relationships to assist the Company even though the Company has limits on the size and amount of assets that can be acquired. Hence, an additional fee, which is not paid in cash, is required to ensure that Maiora focuses on the Company as the potential revenue to Maiora from the provision of the Services is likely to be modest.

4.2.3 Maiora and Maiora Asset Management's role pursuant to the Services Agreement

The Company, working with Maiora, must provide financial, operational, marketing, strategic and other information to potential investors and their authorised advisors. Such information must not be such as to violate any disclosure obligations of the Company and will be under strict confidentiality and non-disclosure agreements.

Maiora's role is to review such information, provide counsel on the appropriateness of such information to the investors or potential acquisition targets as well as answering immediate questions from such parties. The Company does not have sufficient full time staff to address these issues and has requested Maiora to assist as part of their mandate.

Maiora and Maiora Asset Management will only facilitate the introduction of the Company to relevant business contacts in the banking and corporate financial advisory fields and do not participate in the valuation of the asset. The Company has instituted a comprehensive valuation methodology which will also be reviewed by the Company's internal auditors. As and when required, the Board may request additional independent financial advice.

The Company has adopted the recommendations of the Singapore Institute of Directors' Statement of Good Practice SGP No. 5/2006 to ensure proper procedures if any potential conflict arises. The Company also seeks the views of its internal auditors, on the rigor and effectiveness of these practices.

4.3 Rationale of the Maiora Consideration Shares Issue

The issuance and allotment of the Maiora Consideration Shares as Performance Fees to Maiora is in consideration of the services provided to the Company, as listed in paragraph 4.2.1 above.

It is assumed, for the purposes of this Circular and for illustrative purposes only, the issue price of the Maiora Consideration Shares is S\$0.004 per Maiora Consideration Share, computed based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date and an exchange rate of US\$1:S\$1.395.

The details of the issuance and allotment of the Maiora Consideration Shares to Maiora, assuming that only the Maiora Consideration Shares are issued, are as follows:

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Name of Allottee	Number of Maiora Consideration Shares	Approximate % of the enlarged issued share capital of the Company	Consideration (US\$)
Maiora Asian Structured Finance Fund	174,375,000	8.03	500,000

The Maiora Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with and carry all rights similar to the existing Shares, including rights to any dividend, right, allotment or other distributions, the record date for which falls after the date of issue of the Consideration Shares.

The issue price represents a premium of approximately 50.0% to the volume weighted average price of S\$0.002 for trades done on the Shares on the Mainboard of the SGX-ST for the full Market Day on which the Services Agreement was executed, and was arrived at after negotiation between Maiora and the Company on an arm's length basis, and after taking into consideration, *inter alia*, the value to the Company in respect of the services rendered by Maiora, the difficulties associated with performance of the services and the efforts and time to be expended by Maiora in performing the services.

As at the Latest Practicable Date, the Company has 1,997,657,117 existing Shares. The Maiora Consideration Shares represent approximately 8.73% of the total issued Shares as at the Latest Practicable Date and prior to the issue and allotment of the Maiora Consideration Shares.

Upon completion of the Proposed Transactions, Maiora will hold approximately 10.54% of the enlarged issued share capital of the Company.

4.4 Proceeds

There are no proceeds raised from the issuance and allotment of the Maiora Consideration Shares to Maiora as the issuance and allotment of the Maiora Consideration Shares to Maiora is consideration for the services rendered to the Company pursuant to the Advisory Services Agreement entered into between Maiora and the Company.

4.5 Ranking

The Maiora Consideration Shares will be issued free from all encumbrances and will rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, accruing on a record date for determining such entitlements, which shall be the date which falls on or before the date of issue of the Maiora Consideration Shares (as the case may be).

4.6 Applicable Provisions of the Mainboard Rules

4.6.1 Rule 803 of the Mainboard Rules

Rule 803 of the Mainboard Rules states that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

4.6.2 Rule 805 of the Mainboard Rules

Rule 805 of the Mainboard Rules states that except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:

- (1) The issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or

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- (2) If a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:
 - (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or
 - (b) a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. For example, if the issuer has a 70% interest in a principal subsidiary, shareholder approval will be required for any issue of shares in the principal subsidiary reducing the issuer's equity interest to 56%.

4.6.3 Rule 812 of the Mainboard Rules

Rule 812 of the Mainboard Rules states:

- (1) An issue must not be placed to any of the following persons:-
 - (a) The issuer's directors and substantial shareholders.
 - (b) Immediate family members of the directors and substantial shareholders.
 - (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders.
 - (d) Corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%.
 - (e) Any person who, in the opinion of the Exchange, falls within category (a) to (d).
- (2) Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.

As at the Latest Practicable Date, Maiora owns 135,000,000 Shares, which is approximately 6.76% of the capital of the Company. Accordingly, specific Shareholders' approval is being sought pursuant to Rules 803, 805 and 812 of the Mainboard Rules for the Maiora Consideration Shares Issue.

4.7 **Financial Effects of the Maiora Consideration Shares Issue**

The pro forma financial effects of the Maiora Consideration Shares Issue, based on the audited consolidated financial statements of the Group for FY2016 are set out below.

The pro forma analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Maiora Consideration Shares Issue.

The financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects of the Maiora Consideration Shares Issue on the NTA and NTA per Share of the Group are computed assuming that the Maiora Consideration Shares Issue had taken place on 31 December 2016 being the end of the most recently concluded financial year;
- (b) the financial effects of the Maiora Consideration Shares Issue on the earnings/loss and EPS/LPS of the Group are computed assuming that the Maiora Consideration Shares Issue had occurred on 1 January 2016, being the commencement of the most recently concluded financial year; and
- (c) the Maiora Consideration Shares have been allotted and issued on 31 December 2016.

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4.7.1 Share Capital

The effect of the Maiora Consideration Shares on the issued and paid-up share capital of the Company as at 31 December 2016 is as follows:

	No. of Shares	(\$'000)
Issued share capital	1,997,657,117	124,487
Maiora Consideration Shares to be allotted and issued	174,375,000	698
Enlarged share capital after the Maiora Consideration Shares Issue	2,172,032,117	125,185

4.7.2 NTA

The effect of the Maiora Consideration Shares Issue on the Group's NTA and NTA per Share based on the audited consolidated statement of financial position for FY2016 of the Group is as follows:

	Group (\$'000)	Company (\$'000)
NTA as at 31 December 2016	572	354
Number of Shares in issue as at 31 December 2016	1,997,657,117	1,997,657,117
NTA per Share as at 31 December 2016 (cents)	0.0286	0.0177
NTA after the Maiora Consideration Shares Issue	1,270	1,052
Number of Shares in issue as at 31 December 2016 (assuming that the Maiora Consideration Shares have been allotted and issued)	2,172,032,117	2,172,032,117
NTA per Share as at 31 December 2016 (assuming that the Maiora Consideration Shares have been allotted and issued)	0.0585	0.4844

4.7.3 EPS

The effect of the Maiora Consideration Shares Issue on the Group's EPS/LPS based on the audited consolidated profit and loss statement for FY2016 of the Group is as follows:

	FY2016
Profit attributable to Shareholders for FY2016 (S\$'000)	4,767
Profit attributable to Shareholders after the Maiora Consideration Shares Issue (S\$'000)	4,070
Weighted average number of Shares before the Maiora Consideration Shares Issue ('000)	1,787,333
EPS before the Maiora Consideration Shares Issue (cents)	0.2667
EPS after the Maiora Consideration Shares Issue ⁽¹⁾ (cents)	0.2074

Note:

- (1) The adjusted LPS after the Consideration Shares Issue was calculated on the assumption that all the Consideration Shares were in issue at the beginning of FY2016, and added to the weighted average number of Shares in issue in FY2016.

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4.7.3 Gearing

The effect of the Maiora Consideration Shares Issue on the gearing of the Group, based on the latest audited consolidated financial statements of the Group as at 31 December 2016 is set out below.

	FY2016
Net debt ⁽¹⁾ as at FY2016 (S\$'000)	1,729
Shareholders' equity ⁽²⁾ as at FY2016 (S\$'000)	572
Total capital ⁽³⁾ as at FY2016 (S\$'000)	2,301
Add: Net Proceeds after the Maiora Consideration Shares Issue (S\$'000)	697
Adjusted Shareholders' equity after the Maiora Consideration Shares Issue (S\$'000)	1,269
Adjusted total capital after the Maiora Consideration Shares Issue (S\$'000)	2,998
Gearing ⁽⁴⁾ after the Maiora Consideration Shares Issue (times)	0.58

Notes:-

- (1) Net debt is computed based on loans and borrowings, trade and other payables and other liabilities of the Group.
- (2) "Shareholders' equity" comprises of equity attributable to owners of the Company.
- (3) Total capital is computed based on Shareholders' equity plus total debt of the Group.
- (4) "Gearing" means the ratio of the Group's total debt to total capital.

5. SGX-ST CONDITIONS

On 24 April 2017, the Company received the AIP, subject to, *inter alia*, the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Proposed Transactions;
- (c) announcement of the conditions under which the price of the Convertible Notes may be adjusted and the conditions under which the Convertible Notes may be redeemed;
- (d) submission of the following:
 - (i) a written confirmation from the Company that the terms of the Convertible Notes will comply with Rule 829(1) of the Mainboard Rules;
 - (ii) a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Mainboard Rules in relation to the use of the proceeds from the Proposed Transactions and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

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- (iii) a written undertaking from the Company that it will comply with Rule 803 of the Mainboard Rules;
- (iv) a written confirmation from the Company that it will not place the Convertible Notes to persons prohibited under Rule 812(1) of the Mainboard Rules;
- (v) a written confirmation from the Company to announce any adjustment made pursuant to Rule 829(1) of the Mainboard Rules;
- (vi) a written undertaking from the Company that it will comply with Rule 831 of the Mainboard Rules; and
- (vii) a written confirmation from the Company that the terms of the Convertible Notes has included the maximum number of shares which would be issued upon conversion as required under Rule 832(1) of the Mainboard Rules and to disclose accordingly via SGXNET.

The AIP is not to be taken as an indication of the merits of the Proposed Transactions, the Company and/or its subsidiaries. The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

6. DISCLOSURE OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

6.1 The interests of the Directors and substantial Shareholders in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

	Direct Interests		Deemed Interest	
	No. of Shares ⁽¹⁾	%	No. of Shares ⁽¹⁾	%
Directors				
Drew Ethan Madacsi	100,000,000	5.00	—	—
Christopher Michael Peck	—	—	2,200,000	0.11
Chan Ying Wei	—	—	—	—
Chong Chee Meng Gerard	—	—	—	—
Rajesh Dilip Wadhvani	—	—	—	—
Substantial Shareholders				
Maiora Asian Structured Finance Segregated Portfolio	135,000,000	6.75	—	—
Drew Ethan Madacsi	100,000,000	5.00	—	—

Note:-

(1) Based on the issued share capital of 1,997,657,117 Shares as at the Latest Practicable Date.

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6.2 Following the Proposed Transactions, the interests of the Directors and substantial Shareholders in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

	Direct Interests		Deemed Interest	
	No. of Shares ⁽¹⁾	%	No. of Shares ⁽¹⁾	%
Directors				
Drew Ethan Madacsi	100,000,000	3.40	586,577,500	19.98
Christopher Michael Peck	–	–	2,200,000	0.07
Chan Ying Wei	–	–	–	–
Chong Chee Meng Gerard	–	–	–	–
Toshinori Tanabe	–	–	–	–
Substantial Shareholders				
Allington Advisory Pte. Ltd.	586,577,500	19.98	100,000,000	3.40
Maiora Asian Structured Finance Segregated Portfolio	485,890,151	16.55	–	–
Drew Ethan Madacsi	100,000,000	3.40	586,577,500	19.98

Note:-

(1) Based on the issued share capital of 2,935,124,768 Shares after the Proposed Transactions.

Save as disclosed in this Circular and other than through their respective shareholdings in the Company, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Convertible Notes Issue, the Warrants Issue, the Allington Consideration Shares Issue and the Maiora Consideration Shares Issue.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at Onebiz Hub, 1 Irving Place, #08-09 The Commerze @ Irving, Singapore 369546 on Wednesday, 17 May 2017 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the Notice of EGM.

8. DIRECTORS' RECOMMENDATION

8.1 The Convertible Notes and Warrants Issue

Having fully considered the terms of and rationale for the Convertible Notes Issue and the Warrants Issue, the Directors, save for Christopher Michael Peck, are of the opinion that the Convertible Notes Issue and the Warrants Issue are in the best interests of the Company. Accordingly, they, save for Christopher Michael Peck, recommend that Shareholders vote in favour of the ordinary resolutions to approve the issuance and allotment of the Convertible Notes, the Conversion Shares, the Warrants and the New Shares to Maiora at the EGM.

8.2 The Allington Proposals

Having fully considered the terms of and rationale for the Allington Proposals, the Directors, save for Drew Ethan Madacsi, are of the opinion that the Allington Proposals are in the best interests of the Company. Accordingly, they, save for Drew Ethan Madacsi, recommend that Shareholders vote in favour of the ordinary resolution to approve (i) the entry of the Company into the 7 October Restructuring Agreement and (ii) the issuance and allotment of the Allington Consideration Shares to Allington at the EGM.

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8.3 The Maiora Consideration Shares Issue

Having fully considered the terms of and rationale for the Maiora Consideration Shares Issue, the Directors, save for Christopher Michael Peck, are of the opinion that the Maiora Consideration Shares Issue is in the best interests of the Company. Accordingly, they, save for Christopher Michael Peck, recommend that Shareholders vote in favour of the ordinary resolution to approve the issuance and allotment of the Maiora Consideration Shares to Maiora at the EGM.

9. ABSTENTION FROM VOTING

9.1 The Convertible Notes and Warrants Issue

In accordance with Rule 812(2) of the Mainboard Rules, Maiora and its associates will abstain from voting on the resolutions pertaining to the Convertible Notes Issue and the Warrants Issue. In addition, Maiora shall decline, and shall ensure that its associates decline to accept appointment as proxy/proxies to vote at the EGM in respect of the resolutions relating to the Convertible Notes Issue and the Warrants Issue to Maiora for other Shareholders unless the Shareholders concerned shall have given specific instructions as to the manner in which his votes are to be cast at the EGM.

Save for the 135,000,000 Shares held by Maiora, which is approximately 6.75% of the share capital of the Company, Maiora does not own any other shares in the capital of the Company.

9.2 The Allington Proposals

In accordance with Rule 812(2) and Rule 919 of the Mainboard Rules, Allington and its associate, Drew Ethan Madacsi, will abstain from voting on the resolution pertaining to the Allington Proposals. Furthermore, Allington shall decline, and shall ensure that its associate, Drew Ethan Madacsi, declines to accept appointment as proxy/proxies to vote at the EGM in respect of the resolutions relating to the Allington Proposals for other Shareholders unless the Shareholders concerned shall have given specific instructions as to the manner in which their votes are to be cast at the EGM.

Save for the 100,000,000 Shares held by Drew Ethan Madacsi, which is approximately 5.0% of the share capital of the Company, Allington and its associate, Drew Ethan Madacsi, do not own any other shares in the capital of the Company.

9.3 The Maiora Consideration Shares Issue

In accordance with Rule 812(2) of the Mainboard Rules, Maiora and its associates will abstain from voting on the resolutions pertaining to the Maiora Consideration Shares Issue. Furthermore, Maiora shall decline, and shall ensure that its associates decline to accept appointment as proxy/proxies to vote at the EGM in respect of the resolutions relating to the Maiora Consideration Shares Issue for other Shareholders unless the Shareholders concerned shall have given specific instructions as to the manner in which his votes are to be cast at the EGM.

Save for the 135,000,000 Shares held by Maiora, which is approximately 6.75% of the share capital of the Company, Maiora does not own any other shares in the capital of the Company.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 6 Eu Tong Sen Street, #12-20, The Central, Singapore 059817 not later than 48 hours before the time fixed for the EGM. The completion and return of a proxy form by a Shareholder will not prevent him from attending and voting in person at the EGM if he so wishes.

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A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, as at 72 hours before the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 this Circular in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the registered office of the Company at 6 Eu Tong Sen Street, #12-20, The Central, Singapore 059817 during normal business hours from the date hereof up to and including the date of the EGM:-

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2016;
- (c) the Convertible Note Subscription Agreement dated 18 April 2016 entered into between the Company and Maiora;
- (d) the 27 April Restructuring Agreement;
- (e) the 7 October Restructuring Agreement;
- (f) the accounts payable report dated 7 October 2015 and 30 December 2015;
- (g) the Services Agreement; and
- (h) the IFA Letter.

Yours faithfully
for and on behalf of the Board of Directors
MMP RESOURCES LIMITED

Chan Ying Wei
Independent Director

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

The statements in these terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Convertible Note Subscription Agreement. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Convertible Note Subscription Agreement. References to the “**Registrar**” (as defined below) are references to the registrar for the time being of the Convertible Notes. The Noteholders (as defined below) are entitled to the benefit of the Convertible Note Subscription Agreement and are bound by, and are deemed to have notice of, all the provisions of the Convertible Note Subscription Agreement applicable to them.

Definitions

In these Conditions, the following expressions bear the following meanings, namely:

“**Book Closure Period**” has the meaning ascribed to it in Condition 5.1.1;

“**Borrower’s Board**” means the board of directors of the Borrower;

“**Borrower’s Group**” means the Borrower, its subsidiaries and related companies as at the date of this Agreement;

“**Business Day**” means a day (other than Saturday and Sunday) on which banks are open for business in Singapore;

“**Certificate(s)**” means the certificate(s) evidencing ownership to the Convertible Notes which are to be issued by the Borrower to all Noteholders pursuant to the Notes Conditions, in substantially the form set out in Appendix B of the Convertible Note Subscription Agreement;

“**Completion Date**” means any date falling within five (5) Business Days from the fulfilment and/or waiver of the last Condition Precedent or such other as mutually agreed between Parties;

“**Confidential Information**” means any information which is proprietary and confidential to the Lender or the Borrower (as applicable), including the terms and conditions of this Agreement, which is either marked confidential or is by its nature intended to be exclusively for the knowledge of the recipient alone;

“**Conversion**” means the conversion of the Convertible Notes to the Conversion Shares pursuant to the terms of the Convertible Note Subscription Agreement and the Notes Conditions;

“**Conversion Date**” means the date specified in the Conversion Notice on which the Convertible Notes is required to be converted into the Conversion Shares and as determined pursuant to Condition 5.2.1(b);

“**Convertible Notes**” means the Convertible Notes for the Redemption Amount to be issued by the Borrower pursuant to this Agreement, which may be converted into the Conversion Shares at the option of the Lender at the Conversion Price;

“**Conversion Notice**” means the notice issued by the Lender pursuant to Condition 5.2.1, substantially in the form set out in **Appendix A** to the Convertible Note Subscription Agreement;

“**Conversion Period**” has the meaning ascribed to it in Condition 5.1.1;

“**Conversion Price**” means the exercise price to be paid by the Lender for each Conversion Share, being 99% of the average of the volume weighted average price of the Shares for the five (5) Trading Days immediately preceding the Conversion Date;

“**Conversion Right**” has the meaning ascribed to it in Condition 5.1.1;

“**Conversion Shares**” means the new ordinary shares in the share capital of the Borrower to be issued and allotted to the Lender;

“**Default Notice**” has the meaning ascribed to it in Condition 8.2.3;

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

“**Depository**” has the meaning ascribed to it in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore;

“**Equivalent Amount**” has the meaning ascribed to it in Condition 5.2.3(d);

“**Events of Default**” has the meaning ascribed to it in Condition 8.2.1;

“**Group Company**” means any one company within the Borrower’s Group and “**Group Companies**” shall be construed accordingly;

“**Listing Rules**” means the Mainboard Rules set out in the Listing Manual of the SGX-ST;

“**Loan Amount**” means the principal sum of S\$600,000 or any principal sum outstanding on the aforesaid amount from time to time;

“**Lower Amount**” has the meaning ascribed to it in Condition 5.1.2;

“**Majority Noteholders**” means one or more Noteholders who, in aggregate hold more than 50% in respect of the aggregate principal amount of Convertible Notes for the time being outstanding;

“**Maturity Date**” means the date of expiry of the Term, and for the avoidance of doubt, if the Term expires on a day which is not a Business Day, the Maturity Date shall be the next succeeding Business Day;

“**Noteholder**” or “**holder**” means, in relation to any Convertible Note, the person whose name is registered on the issuer’s register of noteholders as holder of such Convertible Note;

“**Notes Conditions**” means these terms and conditions of the Convertible Notes, as the same may from time to time be amended, supplemented or modified in accordance with the provisions of the Convertible Note Subscription Agreement and the Notes Conditions and any reference to a specific Notes Condition shall be construed accordingly;

“**person**” shall include an individual, corporation, company, partnership, firm, trustee, trust, executor, administrator or other legal personal representative, unincorporated association, joint venture, syndicate or other business enterprise, any governmental, administrative or regulatory authority or agency (notwithstanding that “**person**” may be sometimes used herein in conjunction with some of such words), and their respective successors, legal personal representatives and assigns, as the case may be, and pronouns shall have a similarly extended meaning;

“**Redemption Amount**” means the amount of up to S\$600,000 to be repaid by the Borrower to the Lender;

“**Register**” has the meaning ascribed to it in Condition 3.1;

“**Registrar**” has the meaning ascribed to it in Condition 2.1;

“**Registration Date**” has the meaning ascribed to it in Condition 5.2.3(c);

“**Relevant Cash Dividend**” has the meaning ascribed to it in Condition 5.3.2;

“**Representatives**” means, in relation to a Party hereto, its directors, officers, employees, advisers, agents, or other representatives;

“**Scrip Dividend**” has the meaning ascribed to it in Condition 5.3.2;

“**SGX-ST**” means the Singapore Exchange Securities Trading Limited;

“**Shares**” means ordinary shares in the capital of the Borrower;

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

“**Tax**” means any tax, levy, impost, charge, duty or other charge or withholding of a similar nature (including any related interest, penalty, fine or expense);

“**Term**” means the period of twelve (12) months commencing from the Completion Date;

“**Trading Day**” means a day when the SGX-ST is open for dealing business, provided that if no closing price is reported in respect of the relevant issuer’s Shares on the SGX-ST for one (1) or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days; and

“**S\$**” or “**Singapore dollars**” means the lawful currency of Singapore.

1. Status

The Convertible Notes constitute direct unconditional and unsubordinated obligations of the Borrower and the Convertible Notes are unsecured.

The Convertible Notes shall at all times rank *pari passu* and without any preference or priority among themselves, and the payment obligations of the Borrower under the Convertible Notes shall rank senior to all other unsecured obligations (other than the subordinated obligations and priorities created by law) of the Borrower.

2. Form, denomination and title

2.1 Form and denomination

The Convertible Notes are issued in registered form in the denomination of S\$100,000 each. A Certificate will be issued to each Noteholder in respect of its registered holding of Convertible Notes. Each Convertible Note and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Borrower will procure to be kept by the share registrar of the Borrower (the “**Registrar**”).

2.2 Title

Title to the Convertible Notes passes only by transfer and registration in the register of Noteholders as described in **Condition 3**. The holder of any Convertible Note will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

3. Transfers of Convertible Notes; Issue of Certificates

3.1 Register

The Borrower will cause to be kept at the specified office of the Registrar a register on which shall be entered the names and addresses of the holders of the Convertible Notes and the particulars of the Convertible Notes held by them and of all transfers of the Convertible Notes (the “**Register**”).

3.2 Transfer Restrictions

Unless otherwise agreed in writing by the Borrower, no Convertible Note may be transferred by the Lender to any third party.

3.3 Transfers

Subject to **Conditions 3.6, 3.7 and 3.8**, a Convertible Note may be transferred by delivery of the Certificate issued in respect of that Convertible Note, together with the form of transfer in the form on the back of the Certificate, duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar. No transfer of title to a Convertible Note will be valid unless and until entered on the Register.

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3.4 Minimum Transfer Amount

The minimum principal amount of Convertible Notes to be transferred in any single transaction by any Noteholder shall be S\$100,000, except that if the aggregate principal amount of the Convertible Notes held by any Noteholder is less than S\$100,000 (whether as a result of any adjustment, transfer or otherwise), then the Noteholder shall be allowed to transfer all but not part of such Convertible Notes held by such Noteholder even if it is lower than the aforesaid minimum principal amount.

3.5 Delivery of New Certificates

3.5.1 Each new Certificate to be issued upon a transfer of Convertible Notes will, within ten (10) Business Days after receipt by the Registrar of the form of transfer on the back of the Certificate, be duly completed and signed or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder entitled to the Convertible Notes (but free of charge to the holder) to the address specified in the form of transfer.

3.5.2 Where only part of a principal amount of the Convertible Notes (being that of one (1) or more Convertible Notes) in respect of which a Certificate is issued is to be transferred or converted, a new Certificate in respect of the Convertible Notes not so transferred or converted will, within ten (10) Business Days after delivery of the original Certificate to the Registrar, be made available for collection at the specified office of the Registrar, and if so requested in the form of transfer, be mailed by registered mail at the risk of the holder of the Convertible Notes not so transferred or converted (but free of charge to the holder) to the address of such holder appearing on the Register or (in respect of joint holders) the address of the joint holder whose name appears first in the Register in respect of the joint holding.

3.6 Formalities free of charge

Registration of a transfer of Convertible Notes will be effected without charge by or on behalf of the Borrower or the Registrar (as the case may be), but upon (i) payment (or the giving of such indemnity as the Borrower or the Registrar (as the case may be) may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; and (ii) the Borrower or the Registrar (as the case may be) being satisfied that the regulations concerning transfer of Convertible Notes have been complied with.

3.7 Closed periods

No Noteholder may require the transfer of a Convertible Note to be registered:

- (i) during the period of fifteen (15) days ending on (and including) the date for redemption pursuant to **Condition 8.1**;
- (ii) after a Conversion Notice (as defined in **Condition 5.2.1**) has been delivered with respect to such Convertible Note; and
- (iii) after a Default Notice (as defined in **Condition 8.2.3**) has been deposited in respect of such a Convertible Note.

3.8 Regulations

All transfers of Convertible Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Convertible Notes as set out in this **Condition 3**. The regulations may be changed by the Borrower, with the prior written approval of the Majority Noteholders. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder upon request.

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

4. Interest

Subject to the Convertible Note Subscription Agreement, the Parties agree that there shall be no interest to be accrued on the Loan Amount.

5. Conversion

5.1 Conversion Right

5.1.1 Conversion Period: Subject as hereinafter provided, each Noteholder has the right to convert part or all of its outstanding Convertible Notes into the Conversion Shares at any time during the Conversion Period referred to below.

The right of a Noteholder to convert any Convertible Note into the Conversion Shares is called the “**Conversion Right**”. Subject to and upon compliance with the provisions of these Conditions, the Conversion Right attaching to any Convertible Note may be exercised, at the option of the holder thereof, at any time on and after the date of issue of such Convertible Note up to the close of business on the Maturity Date (the “**Conversion Period**”).

Notwithstanding the foregoing, if the Conversion Date (as defined below) in respect of a Convertible Note would otherwise fall during a period in which the register of members of the Borrower is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the Conversion Shares (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Trading Day after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and shall be deemed to have expired if, as a result of any postponement pursuant to this Condition, the Conversion Date would fall on a day after expiry of the Conversion Period or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date. The Borrower shall ensure that the Book Closure Period is as short a period as is reasonably practicable, having regard to applicable Singapore law.

The number of the Conversion Shares to be issued on conversion of a Convertible Note will be determined by dividing the aggregate of the principal amount in respect of the Convertible Note (or such amount outstanding in respect thereof) to be converted, and any applicable accrued interest by the Conversion Price. A Conversion Right may only be exercised in respect of one or more Convertible Notes, subject to the Minimum Conversion Amount set out in **Condition 5.1.2**. If more than one (1) Convertible Note held by the same holder is converted at any one time by the same holder, the number of the Conversion Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Convertible Notes to be converted. The Borrower shall have the final decision on the number of Conversion Shares to be issued on conversion of a Convertible Note based on the provision in this Condition.

5.1.2 Minimum Conversion Amount: Unless otherwise agreed by the Borrower, the minimum aggregate principal amount of Convertible Notes to be converted in any single conversion of Convertible Notes shall be S\$100,000, except that if the aggregate principal amount of the Convertible Notes held by any Noteholder is less than S\$100,000 (whether as a result of any adjustment, transfer or otherwise) (“**Lower Amount**”), then the Noteholder shall be allowed to convert all but not part of such Convertible Notes held by such Noteholder even if it is lower than the aforesaid minimum aggregate principal amount. The Borrower may reject any Conversion Notice (as defined in **Condition 5.2.1**) which relates to a request for conversion of Convertible Notes of an aggregate principal amount of less than:

- (a) S\$100,000, if the aggregate principal amount of Convertible Notes held by the Noteholder is S\$100,000 or more; or
- (b) the Lower Amount, if the aggregate principal amount of Convertible Notes held by the Noteholder is the Lower Amount.

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5.1.3 *Fractions of the Conversion Shares:* Fractions of the Conversion Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

5.2 Conversion procedure

5.2.1 *Conversion Notice:*

- (a) To exercise the Conversion Right attaching to any Convertible Note, the holder thereof must complete, execute and deposit at his own expense at the specified office of the Registrar a Conversion Notice, together with the relevant Certificate and any amounts required to be paid by the Noteholder under **Condition 5.2.2**.
- (b) The Conversion Date in respect of a Convertible Note must fall at a time when the Conversion Right attaching to that Convertible Note is expressed in these Conditions to be exercisable and will be deemed to be the Trading Day immediately following the date of the surrender of the Certificate in respect of such Convertible Note and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Borrower consents to such withdrawal.

5.2.2 *Stamp Duty & Registration Fees etc.:* A Noteholder delivering a Certificate in respect of a Convertible Note for conversion must pay to the Registrar any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp or issue or registration duties payable in Singapore in respect of the allotment and issue of Conversion Shares (including any amounts payable in relation to the allotment and registration of the Conversion Shares in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice and the depositing of the share certificate issued in favour of the Depository for that purpose with the Depository) and listing of the Conversion Shares on the SGX-ST on conversion, which shall be borne by the Borrower) and such Noteholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Note in connection with such conversion. The Noteholder (and, if applicable, the person other than the Noteholder to whom the Conversion Shares are to be issued) must provide the Registrar with details of the relevant tax authorities to which the Registrar must pay monies received in settlement of taxes payable pursuant to this **Condition 5.2.2**. The Registrar is under no obligation to determine whether a Noteholder is liable to pay any taxes including stamp, issue, registration or similar taxes and duties or the accounts payable (if any) in connection with this **Condition 5.2.2**.

5.2.3 *Registration:*

- (a) As soon as practicable, and in any event not later than five (5) Business Days after the Conversion Date, the Borrower will, in the case of Convertible Notes converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Noteholder deposited or paid as required by **Conditions 5.2.1** and **5.2.2**, procure that the relevant number of the Conversion Shares are allotted to and registered in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice for so long as the Conversion Shares are listed on the SGX-ST and that share certificate issued in favour of the Depository for that purpose is deposited with the Depository.
- (b) If the Conversion Date in relation to any Convertible Note shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant to **Condition 5.3**, but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the Borrower shall procure the issue to the converting Noteholder (or in accordance with the instructions contained in the Conversion Notice

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(subject to applicable exchange control or other laws)), such additional number of the Conversion Shares as, together with the Conversion Shares issued or to be issued on conversion of the relevant Convertible Note, is equal to the number of the Conversion Shares which would have been required to be issued on conversion of such Convertible Note if the relevant adjustment to the Conversion Price had been made and became effective immediately after the relevant record date.

- (c) The person or persons designated in the Conversion Notice will become the holder on record of the number of the Conversion Shares issuable upon conversion with effect from the date he is or they are registered as such in the Borrower's register of members (the "**Registration Date**"). The Conversion Shares issued upon conversion of the Convertible Notes will in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Conversion Shares issued on conversion of Convertible Notes shall not be entitled to any rights the record date for which precedes the relevant Registration Date.
- (d) If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Convertible Note, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in **Condition 5.3** prior to the time such retroactive adjustment shall have become effective), the Borrower will pay to the converting Noteholder or his designee an amount (the "**Equivalent Amount**") in Singapore Dollars equal to the Fair Market Value (as defined in **Condition 5.5.4**) of any such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven (7) days thereafter. The Equivalent Amount shall be paid by means of a Singapore Dollar cheque drawn on a bank in Singapore and sent to the address specified in the relevant Conversion Notice.

5.3 Adjustments to Conversion Price

The Conversion Price will be subject to adjustment in the following events:

5.3.1 Consolidation, Subdivision or Reclassification: If and whenever there shall be an alteration to the number of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{\text{NSB}}{\text{NSA}}$$

where:

NCP: is the new Conversion Price;
OCP: is the old Conversion Price;
NSB: is the aggregate number of Shares immediately before such alteration; and
NSA: is the aggregate number of Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

5.3.2 Capitalisation of profits or reserves:

- (i) If and whenever the Borrower shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves, save where Shares are issued in lieu of the whole or any part of a specifically declared cash dividend (the "**Relevant Cash**"),

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Dividend”), being a dividend which the Shareholders concerned would or could otherwise have received (a “**Scrip Dividend**”) and which would not have constituted a Capital Distribution (as defined herein), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{\text{NSB}}{\text{NSA}}$$

where:

NCP : is the new Conversion Price;
OCP : is the old Conversion Price;
NSB : is the aggregate number of Shares immediately before such alteration;
and
NSA : is the number of Shares immediately after such alteration.

In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares exceeds one hundred and five (105.0) per cent of the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \left(\frac{\text{NSB} + \frac{(\text{NSLD} \times \text{RCD}/\text{CMP})}{\text{NSB} + \text{NSLD}}}{\text{NSB} + \text{NSLD}} \right)$$

where:

NCP : is the new Conversion Price;
OCP : is the old Conversion Price;
NSB : is the aggregate number of Shares immediately before such alteration;
NSLD : is the aggregate number of Shares issued by way of such Scrip Dividend;
RCD : is the Relevant Cash Dividend or the relevant part thereof; and
CMP : is the Current Market Price of the Shares issued by way of Scrip Dividend in lieu of the whole, or the relevant part, of the Relevant Cash Dividend.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

5.3.3 Capital Distribution: If and whenever the Borrower shall pay or make any Capital Distribution (as defined in **Condition 5.5.1**) to the Shareholders (except where the Conversion Price falls to be adjusted under **Condition 5.3.2** above), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \frac{(\text{CMP} - \text{FMV})}{\text{CMP}}$$

where:

NCP : is the new Conversion Price;
OCP : is the old Conversion Price;
CMP : is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and
FMV : is the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one (1) Share.

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Such adjustment shall become effective on the date that such Capital Distribution is made.

Where the Capital Distribution is by means of distribution of a cash dividend, only such portion of cash dividend or distribution which exceeds any distribution in cash in respect of Shares arising out of 25% of the Borrower's distributable earnings and profits of the current financial year (the "excess portion") shall be regarded as Capital Distribution and only the excess portion shall be taken into account in the determination of the Fair Market Value of the portion of the Capital Distribution attributable to one (1) Share.

- 5.3.4** *Rights Issues of Shares or Options over Shares:* If and whenever the Borrower shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than ninety (90.0) per cent of the Current Market Price (as defined in **Condition 5.5.2**) per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \left(\frac{NSB + NSLI}{NSB + NSI} \right)$$

where:

- NCP : is the new Conversion Price;
OCP : is the old Conversion Price;
NSB : is the aggregate number of Shares immediately before such alteration;
NSLI : is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights would have obtained had such Shares or options or warrants or other rights issued by way of rights been purchased at the Current Market Price per Share at the time of such alteration; and
NSI : is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- 5.3.5** *Rights Issues of Other Securities:* If and whenever the Borrower shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares), the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \left(\frac{CMP - FMV}{CMP} \right)$$

where:

- NCP : is the new Conversion Price;
OCP : is the old Conversion Price;
CMP : is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and
FMV : is the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

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5.3.6 *Issues at less than Current Market Price:* If and whenever the Borrower shall issue (otherwise than as mentioned in **Condition 5.3.4**) wholly for cash any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise as mentioned in **Condition 5.3.4**) options, warrants or other rights to subscribe for or purchase Shares in each case at a price per Share which is less than ninety (90.0) per cent of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \left(\frac{\text{NSB} + \text{NS(CMP)}}{\text{NSA}} \right)$$

where:

NCP : is the new Conversion Price;
OCP : is the old Conversion Price;
NSB : is the aggregate number of Shares immediately before such alteration;
NS (CMP) : is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares would have obtained had such additional Shares or options or warrants or other rights been purchased at the Current Market Price per Share at the time of such alteration; and
NSA : is the aggregate number of Shares immediately after such alteration.

References to additional Shares in the above formula shall, in the case of an issue by the Borrower of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

5.3.7 *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this **Condition 5.3.7**, the issue wholly for cash by the Borrower or any Subsidiary (otherwise than as mentioned in **Conditions 5.3.4, 5.3.5** or **5.3.6** above) or (at the direction or request of or pursuant to any arrangements with the Borrower or any Subsidiary) any other company, person or entity of any securities (other than the Convertible Notes) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Borrower upon conversion, exchange or subscription at a consideration per Share which is less than ninety (90) per cent of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities.

In such an event, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \left(\frac{\text{NSB} + \text{NS(CMP)}}{\text{NSB} + \text{NS (ICP)}} \right)$$

where:

NCP : is the new Conversion Price;
OCP : is the old Conversion Price;
NSB : is the aggregate number of Shares immediately before such alteration;
NS(CMP) : is the number of Shares which the aggregate consideration receivable by the Borrower for the Shares to be issued on conversion or exchange or

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on exercise of the right of subscription attached to such securities would have obtained had such conversion or exchange or exercise of the right of subscription been effected at the Current Market Price per Share at the time of such alteration; and

NS(ICP) : is the maximum number of Shares to be issued had such conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto been effected at the initial conversion or exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

5.3.8 *Modification of Rights of Conversion etc:* Any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in **Condition 5.3.7** (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than ninety (90.0) per cent of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification.

In such an event, the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \left(\frac{NSB + NS(CMP)}{NSB + NS(FMV)} \right)$$

where:

NCP : is the new Conversion Price;

OCP : is the old Conversion Price;

NSB : is the aggregate number of Shares immediately before such alteration;

NS(CMP) : is the number of Shares which the aggregate consideration (if any) receivable by the Borrower for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities (in each case so modified) would have obtained had such conversion or exchange or exercise (in each case so modified) been effected at the Current Market Price per Share at the time of such alteration; and

NS(FMV) : is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate, but giving credit in such manner as a reputable investment bank or an independent auditor selected by the Borrower (acting as an expert) considers appropriate (if at all) for any previous adjustment under this **Condition 5.3.8** or **Condition 5.3.7**.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

5.3.9 *Other Offers to Shareholders:* The issue, sale or distribution by or on behalf of the Borrower or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Borrower or any Subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Borrower or any Subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least fifty (50.0) per cent of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under **Conditions 5.3.4, 5.3.5, 5.3.6** or **5.3.7**).

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In such an event, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times \left(\frac{\text{CMP} - \text{FMV}}{\text{CMP}} \right)$$

where:

NCP: is the new Conversion Price;
OCP: is the old Conversion Price;
CMP: is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue is publicly announced; and
FMV: is the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities.

5.3.10 Other Events: If the Borrower determines that an adjustment should be made to the Conversion Price as a result of one (1) or more events or circumstances not referred to in this **Condition 5.3**, the Borrower shall at its own expense request a reputable investment bank or an independent auditor (acting as an expert) selected by the Borrower, to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment shall be made and shall take effect in accordance with such determination **PROVIDED THAT** where the circumstances giving rise to any adjustment pursuant to this **Condition 5.3** have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this **Condition 5.3** as may be advised by a reputable investment bank or an independent auditor (acting as an expert) selected by the Borrower, to be in such investment bank's or auditor's opinion appropriate to give the intended result.

5.4 Calculation of Consideration Receivable: For the purpose of any calculation of the consideration receivable pursuant to **Conditions 5.3.4, 5.3.5, 5.3.6, 5.3.7, 5.3.8** and **5.3.10**:

5.4.1 Issue of Shares for Cash: the aggregate consideration receivable in respect of Shares issued for cash shall be the amount of such cash, provided that in no case shall any deduction be made for any commission or any expenses paid or incurred by the Borrower for any underwriting of the issue or otherwise in connection therewith.

5.4.2 Issue of Shares for Consideration in whole or in part other than Cash: the aggregate consideration received or receivable by the Borrower, if in whole or in part other than cash, shall be the Fair Market Value thereof.

5.4.3 Issue of Shares on Conversion or Exercise of Securities: (1) the aggregate consideration receivable in respect of the Shares to be issued on the conversion or exchange of any securities shall be deemed to be the consideration received or receivable by the Borrower for any such securities, and (2) the aggregate consideration receivable in respect of the Shares to be issued on the exercise of rights of subscription attached to any securities shall be deemed to be that part (which may be the whole) of the consideration received or receivable by the Borrower for such securities which is attributed by the Borrower to such rights of subscription or, if no part of such consideration is so attributed or the Noteholders so require by written notice to the Borrower, the Fair Market Value of such rights of subscription as at the date of the announcement of the terms of issue of such securities, plus in the case of each of (1) and (2) above, the additional consideration (if any) to be received by the Borrower upon (and assuming) the conversion or exchange of such securities, or on the exercise of such rights of subscription (the consideration in all such

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cases to be determined subject to the proviso in **Condition 5.4.1**, and (3) the consideration per Share receivable by the Borrower on the conversion or exchange of, or on the exercise of such rights of subscription attached to, such securities shall be the aggregate consideration referred to in (1) or (2) above (as the case may be) converted into Singapore Dollars if such consideration is expressed in a currency other than Singapore Dollars at such rate of exchange as may be determined in good faith by a reputable investment bank or an independent auditor (acting as an expert) selected by the Borrower, to be the spot rate prevailing at the close of business on the date of announcement of the terms of issue of such securities, divided by the number of Shares to be issued on such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate.

5.5 For the purposes of these Conditions:

5.5.1 “Capital Distribution” means: (i) any distribution of assets in specie by the Borrower for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid by way of capitalisation of reserves)); and (ii) any cash dividend or distribution of any kind by the Borrower for any financial period (whenever paid and however described).

5.5.2 “Current Market Price” means, in respect of a Share at a particular time on a particular date, the average of the daily volume-weighted average prices quoted by the SGX-ST for one (1) Share (being a Share carrying full entitlement to dividend) for the fifteen (15) consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said fifteen (15) Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the Fair Market Value thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Shares on each of the said fifteen (15) Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share;

and provided further that:

- (a) if such daily volume-weighted average prices are not available on each of the fifteen (15) Trading Days during the Relevant Period, then the arithmetic average of such daily volume-weighted average prices which are available in the Relevant Period shall be used (subject to a minimum of two (2) such daily volume-weighted average prices); and
- (b) if only one (1) or no such daily volume-weighted average prices is available in the Relevant Period, then the Current Market Price shall be determined in good faith by a reputable investment bank or an independent auditor (acting as an expert) appointed by the Borrower.

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- 5.5.3** “**Dividend**” means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid up) provided that:
- (i) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, then, the Dividend in question shall be treated as a Dividend of (a) the cash Dividend so announced or (b) the Current Market Price on the date of announcement of such Dividend, of such Shares or the Fair Market Value of other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Shares elected therefor, regardless of whether any such election is made) if the Current Market Price of such Shares or the Fair Market Value of other property or assets is greater than the cash Dividend so announced; and
 - (ii) any issue of Shares falling within **Condition 5.3.2** or **5.3.3** shall be disregarded.
- 5.5.4** “**Fair Market Value**” means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by a reputable investment bank or an independent auditor (acting as an expert), selected by the Borrower provided that (i) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such investment bank or auditor) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily volume-weighted average prices of such options, warrants or other rights during the period of five (5) Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded.
- 5.5.5** “**Relevant Period**” means the period beginning on the 30th Trading Day prior to the record day for the first dividend or distribution, and ending on the Trading Day immediately preceding the record date for the latest dividend or distribution, which when aggregated with any intervening dividends or distributions, causes an adjustment to the Conversion Price to be made pursuant to **Condition 5.3**.
- 5.5.6** “**Record Date**” means, in relation to the relevant transaction, the date as at the close of business (or such other time as may be notified by the Borrower) on which the Shareholders must be registered as such to participate therein.
- 5.5.7** On any adjustment, the relevant Conversion Price, if not an integral multiple of one (1) Singapore cent, shall be rounded down to the nearest one (1) Singapore cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one (1) per cent of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Noteholders in accordance with **Condition 12** as soon as practicable after the determination thereof.
- 5.5.8** The Conversion Price may not be reduced so that, on conversion of Convertible Notes, Shares would be issued in a manner and at a value not permitted by applicable law.
- 5.5.9** Where more than one (1) event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of a capital markets licence holder or an independent auditor (acting as an expert) selected by the Borrower, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by a capital markets licence holder or an

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independent auditor (acting as an expert) selected by the Borrower, to be in such capital markets licence holder's or auditor's opinion appropriate in order to give such intended result.

5.5.10 No adjustment shall be made to the Conversion Price where share options are granted pursuant to the Borrower's employee performance share plan and where Shares are issued pursuant to the exercise of the said share options or pursuant to such said share awards.

5.5.11 No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in **Condition 5.3.1** or to correct an error.

5.6 Notice of change in Conversion Price

The Borrower shall give notice to the SGX-ST and the Noteholders in accordance with **Condition 12** of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

6 Undertakings

6.1 The Borrower hereby irrevocably undertakes that so long as any Convertible Note remains outstanding or until the Convertible Note Subscription Agreement is terminated (whichever is later), save with the approval of the Majority Noteholders, it shall:

6.1.1 Availability of Conversion Shares: make available, free from pre-emptive or other similar rights, such number of Conversion Shares as would be required to be issued on conversion of all the Convertible Notes from time to time remaining outstanding, and to satisfy in full all other rights of conversion into or subscription for shares and will ensure that all shares delivered on conversion of the Convertible Notes will be duly and validly issued as fully-paid;

6.1.2 Listing of Shares: (i) maintain a listing on the SGX-ST for all the Shares for the time being, (ii) obtain and ensure that the Listing Approval shall be valid and in full force and effect at all times, and (iii) ensure there shall at all times be a valid Listing Approval constituting approval for the listing of all the Conversion Shares issued on exercise of the Conversion Rights on the SGX-ST immediately following such conversion;

6.1.3 Compliance with Laws:

(a) perform and comply with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on the SGX-ST;

(b) comply with all applicable requirements of the Securities and Futures Act, Chapter 289 of Singapore and all other applicable laws and the Listing Rules in connection with the issue of the Convertible Notes and the Conversion Shares by the Borrower; and

(c) comply with all applicable laws of Singapore and rules and regulations of the SGX-ST, and will procure that each of the Group Companies complies with all applicable laws; and

6.1.4 No Delisting: not to make any application nor take any step to de-list any of its shares which are listed on the SGX-ST, save with the prior written consent of the Majority Noteholders having been received, such consent not to be unreasonably withheld;

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

6.1.5 Books of Account: keep, and will procure that each of the Group Companies keeps, proper books of account and, at any time after an Event of Default has occurred, so far as permitted by applicable law, allow, and procure that each of the other Group Companies will allow, the Noteholder and anyone appointed by it, access to the books of account of the Borrower and/or the relevant Group Company respectively at all reasonable times during normal business hours;

6.1.6 Notice:

- (a) notify the Noteholders in writing promptly on becoming aware of the occurrence of any Event of Default; and
- (b) notify the Noteholders promptly of any change affecting any of its representations, warranties, agreements, undertakings and indemnities under the Convertible Note Subscription Agreement or these Conditions and will take such steps as may be reasonably required by the Noteholders to remedy and/or publicise the same

6.1.7 Information to Noteholders: send to each of the Noteholders one copy or translation, in each case in the English language, of (i) all notices, statements and documents which are issued to the holders of its Shares or (ii) all notices, statements and documents which are issued to its creditors generally as soon as practicable (but not later than 30 days) after their date of issue;

6.1.8 Director's Certificate: if an event happens as a result of which the Conversion Price may be adjusted pursuant to these Conditions, as soon as practicable send to each of the Noteholders a certificate signed by any Director or other duly authorised officer of the Borrower, setting out particulars of the event, whether an adjustment to the Conversion Price falls to be made and, if so, the adjusted Conversion Price and the date on which such adjustment takes effect, whether an amount falls to be carried forward pursuant to **Condition 5.5.7** and if so the amount to be carried forward and in any case setting out such other information as any Noteholder may reasonably require;

6.1.9 Extend Offer: if an offer is made to all (or as nearly as may be practicable all) Shareholders, other than the offeror and/or any associate or associates of the offeror, to acquire all or a majority of the issued ordinary share capital of the Borrower, or if any person proposes a scheme with regard to such acquisition, and if such offer comes to the knowledge of the Borrower, give notice of such offer or scheme to the Noteholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) stating that details concerning such offer or scheme may be obtained from the specified offices of the Registrar and, where such an offer or scheme has been recommended by the Board of Directors of the Borrower or where such an offer has become or been declared unconditional in all respects, use its best endeavours (to the extent permitted under applicable law) to procure that a like offer or scheme is extended to the Noteholders and the holders of any Conversion Shares issued during the period of the offer or scheme arising out of the Conversion Rights; and

Closing of Register: subject to **Condition 3.7** and unless so required by applicable law or regulation or in order to establish a dividend, distribution or other rights attaching to the Shares, not close its register of Shareholders or take any other action which prevents the transfer of the Shares generally and ensure that the Convertible Notes may be converted legally and the Shares issued on conversion may (subject to any limitation imposed by law) be transferred (as between transferor and transferee although not as against the Borrower) at all times while the register is closed or such other action is effective, nor take any action which prevents the conversion of the Convertible Notes or the issue of Shares in respect of such conversion.

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

7. Payments

7.1 Principal, Redemption Amount and etc.

All payments to be made by the Borrower to any Noteholder in respect of any Convertible Note (whether in respect of principal, interest, Redemption Amount, or otherwise) will be made by transfer to the registered account of the Noteholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Noteholder if it does not have a registered account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of the Registrar.

7.2 Registered accounts

For the purposes of this Condition, a Noteholder's registered account means the Singapore Dollar bank account maintained by or on behalf of it with a bank in Singapore or elsewhere, details of which appear on the Register at the close of business on the second Business Day (as defined below) before the due date for payment, and a Noteholder's registered address means its address appearing on the Register at that time.

7.3 Fiscal laws

All payments are subject in all cases to any applicable laws in the place of payment, but without prejudice to the provisions of **Condition 10**. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

7.4 Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day, for value on the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by registered mail, expense of the holder) on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of a payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the Registrar.

7.5 Partial Payment

If an amount which is due on the Convertible Notes is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

8. Redemption, Purchase and Cancellation

8.1 Maturity

8.1.1 Unless previously redeemed, converted or purchased or cancelled as provided in these Conditions, the Borrower shall redeem the Convertible Notes at their Redemption Amount on the Maturity Date. The Convertible Notes may not be redeemed, in whole or in part, prior to that date other than in accordance with these Conditions (but without prejudice to **Condition 10**).

8.1.2 The Borrower shall, at least one (1) month before the Maturity Date, send a notice of expiry to each Noteholder, and the Borrower shall make such announcement of such expiry as may be required under any applicable laws or rules of the SGX-ST.

8.2 Redemption upon Event of Default

8.2.1 The following shall constitute an event of default (the "**Events of Default**"):

- (a) the Borrower's failure to comply with any Listing Rules and/or any regulations as stipulated by SGX-ST;

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

- (b) any breach of the representations, warranties, covenants and obligations under the transaction documents executed in connection with the issuance of the Convertible Notes; and
- (c) the Shares are suspended from trading by SGX-ST. For the avoidance of doubt, the Borrower's request for a trading halt shall not constitute a suspension from trading in the Shares.

8.2.2 If any of the Events of Default specified in Clause 8.1 shall occur during the Term, the Convertible Notes shall be immediately due and the Lender shall be entitled to convert the Convertible Notes at the Conversion Price.

8.2.3 To exercise such right as detailed in Condition 8.2.2 above, the holder of the relevant Convertible Note shall deliver to the Registrar a duly completed and signed notice of redemption (specifying the number of Convertible Notes to be redeemed) ("**Default Notice**") together with the Certificate evidencing the Convertible Notes to be redeemed at any time after it becoming aware of an Event of Default.

8.2.4 A Default Notice, once delivered, shall be irrevocable and the Borrower shall redeem the Convertible Notes, which form the subject of the Default Notice delivered as aforesaid, by no later than the 14th day after the date of the Default Notice.

8.2.5 The Registrar shall not be required to take any steps to ascertain whether an Event of Default or any event which could lead to the occurrence of an Event of Default has occurred.

8.3 Cancellation

All Convertible Notes which are redeemed or converted in accordance with these Conditions will forthwith be cancelled. Certificates in respect of all Convertible Notes cancelled will be forwarded to or to the order of the Registrar and such Convertible Notes may not be reissued or resold.

8.4 Redemption notices

All notices to Noteholders given by or on behalf of the Borrower pursuant to this Condition will be given in accordance with **Condition 12**, and specify the relevant Redemption Amount, the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Convertible Notes outstanding as at the latest practicable date prior to the publication of the notice.

9. Taxation

9.1 All payments of principal and interest made by the Borrower in respect of the Convertible Notes will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Inland Revenue Authority of Singapore or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Borrower will pay the Noteholders the net amounts after such deduction or withholding required by law.

9.2 For the purposes hereof, "**relevant date**" means the date on which such payment first becomes due.

9.3 References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Convertible Note Subscription Agreement.

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

10. Alteration to the Terms of the Convertible Notes

Save as provided herein, any material alteration to the Conditions to the advantage of the Noteholders shall be subject to the approval of shareholders of the Borrower. Without prejudice to the foregoing, no alteration to the Conditions to the detriment of the Noteholders shall be effective or permitted unless with the prior written approval of the Majority Noteholders.

11. Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Borrower and such Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. Notices

All notices to Noteholders will be valid if sent to them by prepaid registered post or by facsimile at their respective addresses or facsimile (as appropriate) in the Register maintained by the Registrar. Any such notice shall be deemed to have been duly served (if given or made by facsimile) immediately (provided that the sender retains a mechanical or electronically generated confirmation of the successful transmission of such facsimile) or (if given or made by letter) two (2) Business Days after posting or after it has been sent by prepaid first class courier and in proving the same it shall be sufficient to show that the envelope containing the same was duly addressed, stamped and posted by certified or registered mail or sent by courier.

13. Registrar

The name of the Registrar and their specified offices is set out below:

Registrar

RHT Corporate Advisory Pte. Ltd.

Specified Offices : 9 Raffles Place #29-01, Republic Plaza Tower 1. Singapore 048619
Facsimile No. : (65) 6381 6888
Attention : Mindy Foo
Email Address : RHTCAOscar@rhtcorporate.com
Telephone : (65) 6381 6899

The Borrower reserves the right, at any time to vary or terminate the appointment of the Registrar and to appoint a replacement Registrar. The Borrower will at all times maintain a Registrar in Singapore. Notice of any such termination or appointment, of any changes in the specified office of the Registrar and of any change in the identity of the Registrar will be given promptly by the Borrower to the Noteholders in accordance with **Condition 12** and in any event not less than forty-five (45) days' notice will be given.

14. Noteholders' approvals

Any decisions by or approvals of the Noteholders required under these Conditions shall be deemed passed if Majority Noteholders agree. Noteholders may make any decisions or approvals by written means if the decision or approval has been formally agreed on any date by Majority Noteholders. A decision or approval is formally agreed by a Noteholder if (i) the Borrower receives from the Noteholder a document that is given to the Borrower in legible form or a permitted alternative form, (ii) such document indicates the Noteholder's agreement to the matter in respect of which decision or approval of the Noteholders is being sought, (iii) such document includes the text of the decision or approval or otherwise makes clear that it is that decision or approval being agreed to, and (iv) the Noteholder had a legible text of the matter in respect of which decision or approval of the Noteholders is being sought before giving such document. For the purposes of this Condition,

APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

something is “in legible form or a permitted alternative form” if, and only if, it is sent or otherwise supplied in a form (such as a paper document) that is legible before being sent or otherwise supplied and does not change form during that process.

The written approval of the Majority Noteholders may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document evidencing the approval of the Majority Noteholders.

15. Contracts (Rights of Third Parties) Act

The Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore shall not under any circumstances apply to the Convertible Note Subscription Agreement and any person who is not the Borrower or the Noteholder (whether or not such person shall be named, referred to, or otherwise identified, or form part of a class of persons so named, referred to or identified in these Conditions) shall have no right under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce these Conditions.

16. Governing Law and Dispute Resolution

The Convertible Note Subscription Agreement and these Conditions shall be governed by and construed in accordance with the laws of Singapore.

The Parties irrevocably agree to submit to the exclusive jurisdiction of the courts of Singapore in all matters arising in connection with this Agreement.

APPENDIX B – IFA LETTER

LETTER OF ADVICE FROM RHT CAPITAL PTE. LTD. TO THE NON-INTERESTED DIRECTORS

RHT CAPITAL PTE. LTD.
(Company Registration No.: 201109968H)
(Incorporated in the Republic of Singapore)
9 Raffles Place, #29-01
Republic Plaza Tower 1
Singapore 048619

2 May 2017

To: The Non-Interested Directors of MMP Resources Limited

Mr Christopher Michael Peck (*Non-Executive Director*)
Mr Chong Chee Meng Gerard (*Lead Independent Director*)
Mr Chan Ying Wei (*Independent Director*)
Mr Toshinori Tanabe (*Independent Director*)

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE RATIFICATION OF THE ENTRY INTO THE 7 OCTOBER RESTRUCTURING AGREEMENT (AS DEFINED HEREIN) AND THE PROPOSED ISSUANCE OF UP TO 586,577,500 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ALLINGTON ADVISORY PTE LTD FOR RESTRUCTURING SERVICES PROVIDED TO THE COMPANY PURSUANT TO THE 7 OCTOBER RESTRUCTURING AGREEMENT, WHICH CONSTITUTES AN INTERESTED PERSON TRANSACTION

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 2 May 2017 issued by the Company to the Shareholders (the “Circular”) shall have the same meaning herein.

1. INTRODUCTION

On 27 April 2015 (the “**Agreement Entry Date**”), the Company entered into a letter of engagement with Lighthouse Strategic Group Limited (“**Lighthouse**”) to provide corporate restructuring services for a period of twelve months (the “**27 April Restructuring Agreement**”). On 7 October 2015, the Company entered into another restructuring agreement with Lighthouse and its Singapore associate, Allington Advisory Pte Ltd (“**Allington**”) which superseded the 27 April Restructuring Agreement (the “**7 October Restructuring Agreement**”, together with 27 April Restructuring Agreement, collectively referred as the “**Restructuring Agreements**”). Under the 7 October Restructuring Agreement, in consideration for certain key performance indicators being fulfilled, the Company shall issue such number of shares to Allington (“**Allington Consideration Shares**”), as Lighthouse’s nominee, the aggregate value of which may amount to US\$1,700,000 (“**Allington Consideration Issue**”). The issue price (the “**Issue Price**”) of the Allington Consideration Shares was to be determined at a later date by the parties to the 7 October Restructuring Agreement. Please refer to section 4.1 of this Letter for further details of the Restructuring Agreements.

On or around May 2016, the Company had provided its services on the preparation of investor presentations to Lighthouse for consideration of S\$75,000 (the “**Lighthouse Receivable**”). As at the Latest Practicable Date, the Lighthouse Receivable remains unpaid and the Company and Lighthouse have agreed to set off the Lighthouse Receivable against the Allington Consideration.

APPENDIX B – IFA LETTER

After the completion of Allington's engagement in relation to the 7 October Restructuring Agreement, parties to the 7 October Restructuring Agreement had agreed to fix the Issue Price of the Allington Consideration Shares based on the volume weighted average price ("**VWAP**") of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date of the Circular in relation to the 7 October Restructuring Agreement. Accordingly, based on the exchange rate of US\$1:S\$1.4243 as agreed by the parties to the 7 October Restructuring Agreement and the Issue Price of S\$0.004 based on VWAP of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date, 586,577,500 Allington Consideration Shares would be issued and allotted to Allington.

Although the engagement of Lighthouse by the Company was only formalised through the 27 April Restructuring Agreement, Lighthouse had commenced their consultancy work in December 2014. Then, Drew Ethan Madacsi ("**Drew**") was a director of Lighthouse, and had interest in 100% of the shares of Lighthouse. He was not a Director of the Company then. Therefore, the engagement of Lighthouse did not constitute an interested person transaction under the SGX-ST Listing Manual ("**Listing Manual**").

Subsequently, on 9 February 2015, Drew was appointed as a Director of the Company, and Lighthouse became "interested person" within the meaning of Chapter 9 of the Listing Manual. Allington was incorporated in Singapore on 13 July 2015. Drew had interest in 90% of the shares of Allington and was a director of Allington. Accordingly, Allington was considered an "interested person" within the meaning of Chapter 9 of the Listing Manual. The Company had proceeded to execute the Restructuring Agreements without seeking approval from Shareholders as it was of the view that Lighthouse (27 April Restructuring Agreement) and Allington (7 October Restructuring Agreement)'s appointments were confirmed before they became "interested persons".

The Company had since consulted with the SGX-ST who deemed the entry of 7 October Restructuring Agreement an interested person transaction as Drew held 90% of the shares in Allington and was a director of both Allington and the Company upon the entry of 7 October Restructuring Agreement. The other Directors, namely, Mr Christopher Michael Peck, Mr Chan Ying Wei, Mr Chong Chee Meng Gerard and Mr Toshinori Tanabe are deemed to be independent for the purpose of the 7 October Restructuring Agreement (the "**Non-Interested Directors**"). Furthermore, based on the Company's latest audited financial statements as at 31 December 2016, the Group's audited NTA amounted to approximately S\$0.57 million. The value of the 7 October Restructuring Agreement amounts more than 5.0% of the Group's latest audited NTA. Pursuant to Rules 906 and 921 of the Listing Manual, the entry into the 7 October Restructuring Agreement will be subject to the approval of the shareholders of the Company (the "**Shareholders**") in an extraordinary general meeting ("**EGM**").

As approval from the Shareholders was not sought prior to the entry of the 7 October Restructuring Agreement, the Company is seeking Shareholders' approval at the forthcoming EGM to approve and ratify the 7 October Restructuring Agreement.

In connection with the above, and in order to comply with the requirements of Chapter 9 of the Listing Manual, RHT Capital Pte. Ltd. ("**RHTC**") has been appointed as the independent financial adviser (the "**IFA**") to the Non-Interested Directors to provide an opinion, from a financial point of view, on whether the 7 October Restructuring Agreement was entered into on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders. This letter ("**Letter**") forms part of the Circular.

2. TERMS OF REFERENCE

The purpose of this Letter is to provide an independent opinion, for the purpose of Chapter 9 of the Listing Manual, from a financial point of view, on whether the 7 October Restructuring Agreement was entered into on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX B – IFA LETTER

We were neither a party to the negotiations entered into by the Company in relation to the Restructuring Agreements nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Restructuring Agreements. We do not, by this Letter, warrant the merits of the Restructuring Agreements other than to form an opinion for the purposes of Chapter 9 of the Listing Manual.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made by the Directors of the Company and the Company's advisers. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness and adequacy of such information, representation and assurance. We have nevertheless made such reasonable enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Restructuring Agreements and the Company are fair and accurate and that there are no material facts or omissions of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the terms of the 7 October Restructuring Agreement and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company in connection with our opinion in this Letter.

Our opinion as set out in this Letter is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of 24 April 2017 (the "**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. **We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.** Shareholders should further take note of any announcements relevant to their consideration of the 7 October Restructuring Agreement which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Non-Interested Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than our Letter set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than our Letter set out in the Circular).

This Letter sets out, *inter alia*, our opinion, from a financial point of view, on whether the 7 October Restructuring Agreement was entered into on normal commercial terms and was not prejudicial to the interests of the Company and its minority Shareholders, and should be considered in the context of the entirety of this Letter and the Circular.

APPENDIX B – IFA LETTER

3. Lighthouse and the Allington Consideration Shares Issue

3.1 Information on Lighthouse and Allington

Lighthouse is a company (Company Registration Number: 1639631) incorporated in British Virgin Islands with its address at NovaSage Chambers, Wickham's Cay II, Road Town, Tortola, British Virgin Islands. Lighthouse is an investment, consulting service and independent adviser to corporate management. Allington is an associate of Lighthouse, and it undertakes corporate advisory work.

Lighthouse has a track record spanning more than 5 years of providing restructuring and advisory services covering multiple industries in Asia, Africa and the United States. Allington is an associate of Lighthouse, which has the same management and provides similar advisory services as Lighthouse. Lighthouse and Allington are not engaged in any businesses competing with the Company.

3.2 Overview of the Restructuring Agreements

The following has been extracted from section 3.2 of the Circular and is set out in italics below. Shareholders are advised to read the extract below carefully.

“3.2 Summary of the Allington Consideration Shares Issue

On 27 April 2015, Lighthouse and the Company entered into the 27 April Restructuring Agreement whereby Lighthouse was appointed as a corporate adviser to the Company to provide corporate restructuring services to the Company for a period of 12 months.

On 7 October 2015, the Company entered into the 7 October Restructuring Agreement with Lighthouse and its Singapore associate, Allington, which superceded the 27 April Restructuring Agreement.

The amendments to the 27 April Restructuring Agreement include:

- (a) introducing a new key performance indicator of reducing 50% of the Company's outstanding creditors by 30 December 2015. The Lighthouse Group would have to achieve this in order to be paid their Performance Fees (as defined in paragraph 3.2.3 below); and*
- (b) amending the Performance Fees from the issuance of 40,000,000 Shares of the Company, the aggregate of which would amount to S\$1,200,000, payable to the Lighthouse Group upon the achievement of certain key performance indicators to the structure detailed in paragraph 3.2.2 below.*

The Performance Fees to be paid to the Lighthouse Group were first proposed by the Lighthouse Group, and subsequently confirmed and approved by the Board, with Drew abstaining from the Board's deliberation and voting to approve the Performance Fees. The key performance indicators set out in the 27 April Restructuring Agreement and the 7 October Restructuring Agreement, as detailed in paragraphs 3.2.1 and 3.2.2 below were determined by the Board in accordance with its assessment of the Company's needs then.

APPENDIX B – IFA LETTER

On 1 April 2016, Lighthouse and the Company entered into another restructuring services agreement for the period between 1 April 2016 and 31 December 2016 (the “**1 April Agreement**”). The scope of work in relation to the 1 April Agreement includes:

- (a) maintaining the Company’s accounting systems, corporate governance procedures and monitoring key performance indicators;
- (b) maintaining daily operations and the Company’s compliance with required regulatory boards;
- (c) facilitating the raising of funds; and
- (d) identifying and facilitating the execution of potential investments.

The performance fee in relation to the 1 April Agreement is agreed to be US\$100,000 per month, of which, payment is to be made by the Company on the first day of the month.

On 3 May 2016, Lighthouse and the Company entered into a revised restructuring agreement to amend the 1 April Agreement. Subject to the agreed key performance indicators in the 1 April Agreement being fulfilled, the performance fee payable by the Company will be subject to the approval of the remuneration committee and the Board. Lighthouse shall be paid at the end of every quarter based on the recommendation of an independent remuneration consultant to be appointed.

Allington’s engagement in relation to the 7 October Restructuring Agreement was completed on 26 April 2016. Thereafter, parties to the 7 October Restructuring Agreement had agreed to fix the Issue Price of the Allington Consideration Shares based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date in relation to the 7 October Restructuring Agreement.

Shareholders should note that the Company is only seeking Shareholders’ approval for the fees to be paid to the Lighthouse Group pursuant to the 27 April Restructuring Agreement and the 7 October Restructuring Agreement in this Circular. Fees which may be payable to Lighthouse subsequent to the 27 April Restructuring Agreement and the 7 October Restructuring Agreement have yet to be determined and may or may not be paid either as shares or other consideration. Should the Board decide to remunerate Lighthouse under any agreement subsequent to the 27 April Restructuring Agreement and the 7 October Restructuring Agreement, an independent review will be conducted to assess the amount payable to Lighthouse and the Company will seek Shareholders’ approval at a separate extraordinary general meeting to be convened.

3.2.1 Corporate Restructuring Services to be provided to the Company

The corporate restructuring services to be provided to the Company included, inter alia:

- (a) reducing the Company’s current obligations – Guildford Coal Limited (“**GUF**”) and Signet Coking Coal International Limited (“**Signet**”)
- (b) divesting the Company’s shareholdings in Elite Bay Sdn Bhd, Ardilaun Energy Limited and Renaissance Enterprises S.A.;
- (c) setting up accounting systems, corporate governance procedures and key performance indicators;
- (d) facilitating the raising of funds of at least S\$2 million to ensure funding to roll out initial micro power plants (“**MPPs**”) and to reduce existing debt obligations;

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- (e) *rolling out a pilot MPP in Korea by 30 December 2015; and*
- (f) *reducing the number of outstanding creditors of the Company by 50% by 30 December 2015.*

3.2.2 Fulfilling the key performance indicators

- (a) *reducing the Company's current obligations – GUF and Signet*

On 17 February 2015, the Company announced that the takeover bid of GUF would lapse at the end of the offer period on 25 February 2015, pursuant to GUF undertaking a rights issue, which was a breach of the condition set out in paragraph 3(d) of the offer conditions as set out in the Company's announcement dated 25 September 2014. Allington assisted the Company in the review of the Company's financial situation and proposed several options for the Board's consideration accordingly. Following such review, the Company decided not to pursue the takeover bid of GUF. The Company was able to retain working capital as GUF would have required funding from the Company to fund its existing operations.

The Company had owed Signet approximately US\$21 million and was two months overdue on the first payment to Signet when Mr Madacsi stepped in as an Executive Director. Signet could have enforced its legal rights in Singapore by successfully suing the Company for payment, and potentially triggering liquidation proceedings.

Allington also assisted the Company in the review and analysis of (a) the Company's rebranding strategy and (b) Signet's request to be released from the sale and purchase agreement entered into on 6 June 2014.

- (b) *divesting the Company's shareholdings in Elite Bay Sdn Bhd, Ardilaun Energy Limited and Renaissance Enterprises S.A.*
 - (i) **Elite Bay Sdn Bhd ("Elite Bay")** – *Allington assisted the Company by providing strategic advice including identifying factors and proposing options which would allow the Company to reduce its losses. Continued exposure to Elite Bay's accounting methods would have caused an impairment of the Company's audited accounts. This would have a direct impact on the market value of the Company as well as result in difficulties in fund raising.*
 - (ii) **Ardilaun Energy Limited ("Ardilaun")** – *With the global financial downturn, the Company had difficulties in identifying a potential buyer for the Company's stake in Ardilaun. Throughout FY2015, Allington introduced several business contacts, including several professional advisers to the Company with the objective that such business contacts may refer potential buyers to the Company. Allington also performed an independent cash flow analysis of the Company's 19.9% shareholding stake in Ardilaun. Based on the cash flow analysis, the management concluded that the Company's stake was unlikely to improve from a negative cash flow position in the foreseeable future, due to the global downturn in oil pricing.*

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- (iii) **Renaissance Enterprise S.A. (“Renaissance”)** – The Company received a copy of minutes for an extraordinary general meeting conducted by Renaissance held on 29 April 2015, to notify the Company that the share capital of Renaissance had increased by a total amount of EUR 1,944,181 which diluted the Group’s original 19.9% shareholding interest in Renaissance to 0.3%. Allington advised the Board to seek legal advice and to consider if the Company would wish to consider writing off the investment in Renaissance based on the following factors.

Both Ardilaun and Renaissance would have required extensive working capital contributions from the Company when the global commodity markets were beginning to experience severe pricing slides. External capital financing for these projects would more than likely have been delayed or not meet requirements, as information pertaining to these transactions provided by the Company’s previous management was limited. For instance, there was a lack of financial modelling and internal auditors’ opinions which should have formed part of due diligence by potential investors.

- (c) *setting up accounting systems, corporate governance procedures and key performance indicators*

When Allington first took over the management of the Company, there were no accounting systems in place and all accounting records were recorded manually. Allington attended to the following in FY2015:-

- (i) *implemented usage of a cloud based accounting system;*
- (ii) *developed and implemented proper corporate governance procedures and accounting policies and procedures; and*
- (iii) *implemented key performance indicators evaluation procedures to appraise performance of various Board members and key employees.*
- (d) *facilitating the raising of funds of at least S\$2 million to ensure funding to roll out initial MPPs and to reduce existing debt obligations*

Allington introduced several business contacts to the Company. The eventual placement of 110,000,000 Shares at S\$0.0248 per share, with an aggregate placement consideration of S\$2.7 million was facilitated through Allington’s contacts who in turn introduced potential investors to the Company.

- (e) *rolling out a pilot MPP in Korea by 30 December 2015*

Allington introduced Primeforth Renewable Energy Limited (“**Primeforth**”) to the Group. The Group, together with Primeforth, incorporated a subsidiary to construct its first MPP. Investing S\$1.6 million, the Company built, licensed and operated its first plant titled “MMP One” in the city of Pohang.

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- (f) *reducing the number of outstanding creditors of the Company by 50% by 30 December 2015.*

Allington assisted with the share placement exercise as described in paragraph 2.3.2(d) above. Part of the proceeds from the share placement exercise was used to repay outstanding creditors. Based on the Company's accounts payable report dated 7 October 2015 and accounts payable report dated 30 December 2015, the total number of outstanding debtors had been reduced by 60%.

3.2.3 Fees Payable to Allington

*If the objectives in paragraphs 3.2.1(a) to (e) were fulfilled during the mandate period, Allington shall receive a performance fee in the form of such number of Allington Consideration Shares, the aggregate of which amounts to US\$1,200,000 as consideration for the services provided to the Company (the "**Performance Fees**"), computed based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date and an exchange rate of US\$1:S\$1.4243 as at 31 December 2015.*

On 20 November 2015, Allington requested for the Company and the Company agreed to amend the key performance criteria of facilitating the raising of funding of at least S\$2 million at paragraph 3.2.1(d) above to S\$1 million, as market conditions had worsened, resulting in an incomplete placement exercise which was beyond Allington's control.

If the objective in paragraph 3.2.1(f) is fulfilled during the mandate period, Allington shall receive additional performance fees of such number of Allington Consideration Shares, the aggregate of which amounts to US\$500,000, computed based on the volume weighted average price of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date and an exchange rate of US\$1:S\$1.4243 as at 31 December 2015. The Board had decided on the additional performance fees to be paid in fulfilment of paragraph 3.2.1(f) as an incentive for the Lighthouse Group to reduce the outstanding debt of the Company.

Save for the Performance Fees and the additional performance fees stated above, the Lighthouse Group shall not receive any other fees save for work done beyond the scope of its mandate.

Should Shareholders not approve the Allington Consideration Shares Issue, the Performance Fees shall be satisfied entirely in cash within 90 days of the date of the EGM. The Company would need to raise further investments at that point but would, in the first instance, discuss deferral as well as alternate means of repayment with Allington but ultimately, should the Company be unable to repay the Performance Fees in cash or some other form of consideration, Allington would be in the same position as any other debtor and may exercise their rights under the 7 October Restructuring Agreement and general law as a creditor.

The Board is of the opinion that the Lighthouse Group has achieved the key performance indicators as set out in paragraphs 3.2.1 and 3.2.2 above, taking into account, inter alia, (i) the successful reduction of the Company's obligations in GUF and Signet, (ii) the divestment of the Company's shareholdings in Elite Bay, Ardilaun and Renaissance, and (iii) the reduction of at least 50% of the Company's creditors. As at the Latest Practicable Date, no Performance Fees have been paid to the Lighthouse Group."

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4. EVALUATION OF THE 7 OCTOBER RESTRUCTURING AGREEMENT

In arriving at our opinion on whether the 7 October Restructuring Agreement was entered into on normal commercial terms and was not prejudicial to the interest of the Company and its minority Shareholders, we have given due consideration to, *inter alia*, the following:

- (a) Rationale of Entry into the Restructuring Agreements;
- (b) Assessment of the Reasonableness of the Performance Fee;
- (c) Market Quotations and Trading Activity of the Shares;
- (d) Financial Assessment of the Issue Price vis-à-vis Comparable Companies; and
- (e) Other Relevant Considerations in Relation to the 7 October Restructuring Agreement.

4.1 Rationale of Entry into the Restructuring Agreements

The Company, formerly known as Sino Construction Limited, was listed on SGX Mainboard on 12 June 2008. The Company together with its subsidiaries (the “**Group**”) were principally engaged in building construction and civil engineering activities in the People’s Republic of China (the “**PRC**”).

The Group’s construction business took a turn for the worse in 2012. The majority shareholder then, Mr Zhao Chuan Wen (“**ZCW**”), through its wholly-owned subsidiary (“**Offeror**”) made a voluntary condition cash offer (the “**Offer**”) for the Company, with the intention to delist and privatise the Company. The Offeror believed that in view of the difficult business environment and the potential going-concern liquidity issue, delisting and privatisation of the Company would facilitate its restructuring. The Offer had subsequently lapsed as its condition was not met. Then, the Group’s problems, *inter alia*, included a lack of liquidity after the loss of support from its major banker, tax authority investigations, resignation of Directors of the Company and the qualification of audit opinions by its auditors.

After the lapse of the Offer in March 2013, the Company’s Board comprised of only three Independent Directors. The CFO of the Group was subsequently nominated to the Board to assist the restructuring of the Group. The Group had undertaken steps to re-organise and restructure the Group by disposing its non-performing businesses.

In December 2013, ZCW disposed 23.16% of his equity interest in the Company to Mr William Joseph Condon (“**WJC**”). WJC was also appointed as an Executive Director of the Company. Thereafter, the whole Board of Directors was changed. The Group intended to re-focus its strategic direction in its core business of construction in the PRC as well as Singapore and other Asia-Pacific regions. WJC had, *inter alia*, started construction consultancy business and acquired 60% of the issued share capital of a contractor, Elite Bay Sdn. Bhd (“**Elite Bay**”).

In 2014, to diversify the Group’s existing business, the Company had also made mineral and energy related acquisitions to revive the Company. The acquisitions included:

- (1) 100% of the issued share capital of Sunny Cove Investments Limited, which owned 19.9% of the issued shares capital of Ardilaun Energy Limited (“**Ardilaun**”) for consideration of S\$12 million. The principal activities of Ardilaun were oil and gas exploration and development in Irish territories and internationally; and
- (2) 19.9% of the issued share capital of Renaissance Enterprises S.A. (“**Renaissance**”) for consideration of S\$28.59 million which would enable the Company to participate in the titanium and heavy mineral resources industry.

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The Company experienced further substantial changes in its shareholders and management from May to December 2014. During the period between May and June 2014, the Company had appointed Mr Chee Tet Choy Andy (“**Andy Chee**”) as Non-executive Director and Mr. Lim Tiong Hian Kenneth (“**Kenneth Lim**”) as Executive Director. On 14 November 2014, WJC had resigned as Director of the Company. By the end of December 2014, the controlling shareholders of the Company were Mr Edward Lim Ewe Ming (22.1%) and Andy Chee (20.2%).

Amid the new acquisitions and the installation of the new management team, the Independent Directors had observed the developments of the Company intently. Towards the end of December 2014, the Independent Directors felt that the management was not committed to the transformation of the Group and the assimilation of the new acquisitions. The Independent Directors lost confidence in the management of the Company and had doubts over the viability of the Company’s mineral and energy related acquisitions.

The Independent Directors collectively agreed that the Company needed an external consultant to quickly conduct a comprehensive review of the Company and its management, to ensure that the transformation of the Group was on track. Due to the sensitive nature and the urgency of this appointment, the Independent Directors were not able to and did not have the time to obtain many competitive quotes from the various consulting firms with mineral and energy expertise. Lighthouse was one of the candidates that the Independent Directors had considered, as the Independent Directors had opportunity to learn about Lighthouse’s services through meeting with Drew in relation to the Company’s proposed acquisitions. Further details of Lighthouse’s experience are set out in section 3.1 of this Letter.

Due to cash flows issues, the Group was not able to commit to upfront cash payment, which was a necessity for many consulting firms. Consequently, the Company was turned down by many consultants it approached. Lighthouse was the only firm who was willing to accept payment of fees in Shares of the Company. Therefore, the Independent Directors believed that the appointment of Lighthouse for the review of the Company and its management was in the best interests of the Company and the Shareholders. However, no agreement was signed as the Independent Directors wanted to assess the issues with the management and Company, before finalising the scope of work for Lighthouse. Subsequently, to support the review and increase the management expertise of the Company, Drew was appointed as Executive Director of the Company in February 2015 but had never drawn salary from the Company.

Shortly, Kenneth Lim and Andy Chee resigned as Directors abruptly, and the Company faced a management exodus. Thereafter, the Company’s share price plunged 55.8% from 26.5 cents on 27 February 2015 to 11.7 cents on 2 March 2015. The Company’s share price continued to drop and by 9 March 2015, the Share price had decreased by an overall of 80% to 5.4 cents in 7 trading days.

In April 2015, the Board of Directors believed that the infrastructure and financing requirements of its mining operations were extremely difficult for the Company to fulfil in the depressed commodity market. In view of the Company’s dire situation, on 27 April 2015, the Company formally entered into a letter of engagement with Lighthouse, being the 27 April Restructuring Agreement, for a period of twelve months. Lighthouse’s mandate also included the provision of staff to the Group following the exodus of the management team. To resuscitate the Company, Lighthouse’s mandate included *inter alia*, the following scope of work:

- reduction of the Group’s obligations to Guildford Coal Limited (“**GUF**”) and Signet Coking Coal International Limited (“**Signet**”);
- divesting the Company’s shareholdings in Elite Bay, Ardilaun and Renaissance;
- formation of a management team and setting up of human resource policy in the Company;
- setting up accounting systems, corporate governance procedures and key performance indicators;

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- facilitating the raising of funds of at least S\$2 million to ensure funding to roll out initial micro power plants (“MPPs”) and to reduce existing debt obligations;
- rolling out a pilot MPP in Korea.

Provided that the performance indicators stipulated in the 27 April Restructuring Agreements are fulfilled, a performance fee in the form of 40,000,000 new Shares of the Company was payable to Lighthouse.

On 7 October 2015, the Company entered into the 7 October Restructuring Agreement with Lighthouse and its Singapore associate, Allington which superseded the 27 April Restructuring Agreement, amending some of the terms of the 27 April Restructuring Agreement as stated in section 3.2 of the Circular. The amendments to the 27 April Restructuring Agreement, *inter alia*, included:

- introduction of a new key performance indicator of reducing 50% of the Company’s outstanding creditors by 31 December 2015. Additional performance fee of US\$500,000 would be payable to Allington if this indicator is fulfilled. This separate fee is meant to be an incentive for Allington to reduce the debt of the Company;
- amendments to the performance fee from, the issuance of 40,000,000 new Shares of the Company, to the issuance of new Shares of the Company of which amounts to US\$1,200,000. The issue price of the Allington Consideration Shares is to be determined at the later date by the parties to the 7 October Restructuring Agreement; and
- removal of the responsibility of formation of a management team and setting up of human resource policy in the Company.

On 20 November 2015, Allington requested and the Company agreed, to reduce the key performance criteria of facilitating the raising of funds of at least S\$2 million to S\$1 million. This is due to the worsened market conditions, resulting in an incomplete placement exercise which was beyond the control of Allington.

Allington’s engagement in relation to the 7 October Restructuring Agreement was completed on 26 April 2016. The Board of Directors had evaluated all performance indicators stipulated in the 7 October Restructuring Agreement and agreed that these performance indicators had been fulfilled. Thereafter, parties to the 7 October Restructuring Agreement had agreed to fix the Issue Price of the Allington Consideration Shares based on the VWAP of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date of the Circular in relation to the 7 October Restructuring Agreement.

4.2 Assessment of the Reasonableness of the Performance Fee

As set out in section 3.2.3 of the Circular, pursuant to the 7 October Restructuring Agreement, US\$1,200,000 of performance fee and US\$500,000 of additional fee in relation to the debt reduction are payable to Allington. We understand from the Board of Directors that they are satisfied with Lighthouse’s services and all performance indicators stipulated in the 7 October Restructuring Agreement have been fulfilled.

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We understand from the Independent Directors that in arriving at the performance fee of US\$1.2 million, they had considered, *inter alia*, the fee or salary of senior consultants, executive directors, support staffs, experts and ancillary expenses that the Company would have incurred if they were to set up their in-house capability for the restructuring exercise. They had also considered the potential savings in relation to the restructuring exercise (the “**ID Estimated Fee**”). In relation of the incentive fee of US\$500,000 for the reduction of 50% of the Group’s creditors, the Independent Directors had arrived at this fee considering, *inter alia*, the benefits of relieving the Group from its liabilities to allow it to venture into new businesses and the incentive fee of US\$500,000 represented only 2.0% of the total creditors of approximately US\$24.9 million prior to the reduction of the creditors.

The Company was in the process of restructuring and is in a week cash position. As such, the Company did not have sufficient cash to repay the performance fee owing to Allington. The Independent Directors were cognizant that the Allington Consideration is to be satisfied by the issuance of new Shares of the Company, which posed a significant amount of risk to Allington itself, considering the financial situation of the Group. In totality, the Independent Directors are of the view that the performance fee in relation to the 7 October Restructuring Agreement is reasonable.

We have reviewed the computation of the ID Estimated Fee, and the performance fee of US\$1.2 million is within the range of the ID Estimated Fee. We also agreed that the payment of incentive fee of US\$500,000 in exchange for reduction of 50% of the creditors was beneficial to the Group in consideration of the Group’s transformation and circumstances. In addition, we also recognised that the satisfaction of Allington Consideration by issuance of new Shares of the Company is a risky proposition to Allington considering, *inter alia*, the volatility of the share price of the Company and the poor financial health of the Group. The performance and incentive fees of US\$1.7 million payable to Allington in Shares would have included a risk premium.

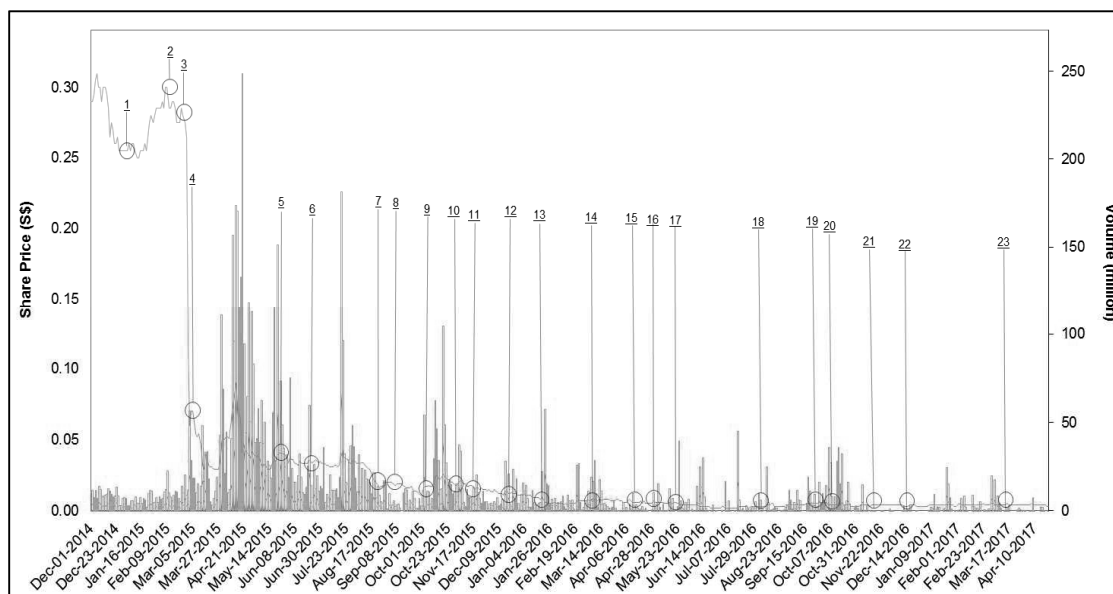
Further, we note that Allington has not received any payment from the Company, even though Allington’s engagement in relation to the 7 October Restructuring Agreement was completed on 26 April 2016. Allington had incurred out-of-pocket expenses including salary, travelling costs, allowances for overseas work and accommodation which were not compensated. The payment terms granted by Allington to the Company were favorable and not common among other consulting firms.

4.3 Market Quotations and Trading Activity of the Shares

4.3.1 Share Price and Volume Chart and Historical Developments of the Company

We set out below a historical chart on the prices and trading volumes of the Shares starting from December 2014 (being the month Allington commenced its consultancy work for the Company) and ending on the Latest Practicable Date.

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Source: Capital IQ

Key developments of the Company

We note that starting December 2014 and up to the Latest Practicable Date, the Company had tried to restructure its business and experienced many developments. In conjunction with section 4.1 of this Letter, we further set out the key developments (referenced to the price volume chart above) of the Company below.

Reference	Developments
1	Disposal of Daqing Nafei Le Consulting Co Ltd for RMB100,000 (29 December 2014)
2	<ul style="list-style-type: none"> • Incorporation of wholly-owned subsidiary, Magnum Energy Pte Ltd (“MEPL”) (23 January 2015) • MEPL entered into joint venture agreement with Primeforth Special Situation Fund Limited (“Primeforth”) to establish and operate a jointly owned company in Singapore, being Magnum Modular Power Generation Pte Ltd (“MMPGPL”) to undertake the business of generation and sales of electricity from renewable energy sources (3 February 2015)
3	Appointment of Drew as Executive Director (9 February 2015)
4	Resignation of Kenneth Lim and Andy Chee as Directors (18 February 2015)
5	Assignment of Renaissance acquisition promissory notes to Maiora Global Fund SPC acting for itself and for the account of Maiora Japan Structured Finance Fund Segregated Portfolio (25 May 2015)
6	<ul style="list-style-type: none"> • Announcement of disposal of Elite Bay for S\$100,000 (1 July 2015) • Issuance of 135,000,000 new ordinary shares at issue price of \$0.2117 per share in relation to the redeemable promissory notes assigned to Maiora Asian Structured Finance Segregated Portfolio (3 July 2015)
7	Receipt of letter of demand for repayment of approximately S\$4.7 million of loan from Quintestellar Re Capital Inc (“ Quintestellar ”) (25 August 2015)
8	Placement of approximately S\$2.7 million shares to Levin Lee Keng Weng and Lim Swee Yean (10 September 2015)
9	Entry into 7 October Restructuring Agreement (7 October 2015)
10	<ul style="list-style-type: none"> • Proposed transfer of listing from Main Board of SGX to Catalist (2 November 2015) • Announcement of disposal of 70% interest in MMPGPL and entry into management services agreement with Primeforth and MMPGPL to manage the operations of two South Korean Micro Power Plants (15 November 2015)

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Reference	Developments
11	Issuance of 26,700,000 new ordinary shares at an issue price of S\$0.02 to Select Equity Growth Limited for repayment of S\$450,000 loan (25 November 2015)
12	<ul style="list-style-type: none"> • Receipt of S\$100,000 as management fee pursuant to management agreement entered into with MMPGPL (31 December 2015) • Rejection by SGX in relation to Company's intention to transfer listing from Main Board to Catalist (4 January 2016)
13	<ul style="list-style-type: none"> • Proposed issuance of convertible notes of up to S\$600,000 to Maiora Asian Structured Finance Fund (2 March 2016) • Inclusion on watch-list (3 March 2016)
14	<ul style="list-style-type: none"> • Issuance of convertible notes of up to S\$700,000 to Empire Capital Partners (8 March 2016) • Appointment of Christopher Michael Peck as Non-Executive Director (17 March 2016)
15	Dismissal of application for summary judgment by Quintestellar against the Company (28 April 2016)
16	<ul style="list-style-type: none"> • Appointment of Paul Andrew Crosio as Executive Director (11 May 2016) • Re-designation of Drew as Non-Executive Chairman (11 May 2016)
17	<ul style="list-style-type: none"> • Entry into advisory services agreement with Maiora Asset Management Pte Ltd and Maiora Asian Structured Finance Fund (13 June 2016) • Entry into underwriting agreement with Maiora Asian Structured Finance Fund (17 June 2016)
18	Resignation of Rajesh Dilip Wadhvani as Independent Director (2 September 2016)
19	<ul style="list-style-type: none"> • Entry into funding agreement with ABL for the purpose of facilitating a global rollout of ABL's most successful brands (7 September 2016) • Entry into 5-year fixed term lease agreement with JRT Trading Pty Ltd, with an option to purchase which grants Company the right to purchase the leased premises at a pre-determined price of ¥80,000,000 (approximately S\$1.04 million) (13 September 2016)
20	<ul style="list-style-type: none"> • Appointment of Toshinori Tanabe as Independent Director (22 September 2016) • Completion of placement of 238,499,662 shares to Blue Pegasus Capital Ltd and 90,071,723 shares to Vessel Gate Investment Pte Ltd (6 October 2016)
21	Entry into binding term sheet with Iryo Houjin Showakai to purchase a three storey property for redevelopment (7 November 2016)
22	<ul style="list-style-type: none"> • Receipt of writ of summons filed by Edward Lee Ewe Ming for a claim of approximately S\$5.2 million (12 December 2016) • Receipt confirmation from Edward Lee Ewe Ming's lawyer that the notice of discontinuance in relation to the writ of summons was filed (15 December 2016)
23	Appointment of Chong Chee Meng Gerard as Lead Independent Director (9 March 2016)

Source: SGX-Net

After the plunge of its share price in late February 2015 (which has never recovered since), the Company is still in the process of restructuring its business. The Company has, *inter alia*, brought in new management and Directors, restructured its debt, raised funds, generated stable income from the management of the micro power plants, and diversified into retail and property business. We note that the efforts to turn the Company around are still ongoing, while the Share price remains relatively unchanged.

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4.3.2 Comparison of the Issue Price against the Share Price of the Company

As mentioned in 4.1 of this Letter, the Issue Price is based on the VWAP of the Shares for the last 5 trading days immediately preceding the Latest Practicable Date. As such, we set out below the VWAP of the Shares, the highest and lowest transacted prices for the Shares and the average number of Shares traded on a daily basis for the period commencing 12 months prior to the Latest Practicable Date.

	VWAP ⁽¹⁾ per Share (S\$)	Premium/ (Discount) of the Issue Price over/ (to) the VWAP per Share (%)	Lowest transacted price per Share (S\$)	Highest transacted price per Share (S\$)	Average daily trading volume ⁽²⁾ (‘mil)	Average daily trading volume as % of free- float ⁽³⁾ (%)
For the period prior to the Latest Practicable Date						
Last transacted price on 24 April 2017	0.003 ⁽⁴⁾	33.3	0.003	0.003	0.8	0.05
Last 1 month	0.004	1.7	0.003	0.005	0.9	0.06
Last 3 months	0.004	(4.3)	0.003	0.006	2.0	0.13
Last 6 months	0.004	(2.0)	0.003	0.006	1.8	0.13
Last 12 months	0.004	(2.4)	0.002	0.007	3.9	0.29

Source: Capital IQ

Notes:

- (1) The VWAP had been weighted based on the average traded price of the Shares and traded volume for the relevant trading days for each of the period;
- (2) The average daily trading volume of the Shares was calculated based on the total volume of Shares traded during the period divided by the number of market days during that period;
- (3) Free float refers to the issued Share capital held by Shareholders, other than the Substantial Shareholders and Directors; and
- (4) This represents the last transacted price instead of VWAP on 4 April 2017.

We note the following:

- (i) Over the 12-month period prior to the Latest Practicable Date, the Shares had traded between a low of S\$0.002 and a high of S\$0.007. The Issue Price represents a premium of S\$0.002 (or 100%) above the lowest transacted price of the Shares and a discount of S\$0.003 (or 43%) to the highest transacted price of the Shares;
- (ii) The Issue Price is at a discount of approximately 2.4%, 2.0% and 4.3% to the 12-month, 6-month and 3-month VWAPs of the Shares, and is at a premium of approximately 1.7% and 33.3% above the 1-month VWAP and last transacted price of the Shares, prior to the Latest Practicable Date respectively; and
- (iii) The average number of Shares traded on a daily basis is approximately 3.9 million, 1.8 million, 2.0 million and 0.9 million Shares, representing approximately 0.29%, 0.13%, 0.13% and 0.06% of the free float of the Shares for the 12-month, 6-month, 3-month and 1-month period prior to the Latest Practicable Date respectively.

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The Issue Price of S\$0.004 was based on the VWAP of the Shares for the last 5 trading days prior to the Latest Practicable Date. We note that the Issue Price was at market, and was also very close to the historical Share price for the last 12 months prior to the Latest Practicable Date.

Non-Interested Directors should note that the past trading performance for the Shares may not be relied upon as an indication or promise of its future trading performance.

4.4 Financial Assessment of Issue Price vis-à-vis Comparable Companies

For the purpose of our evaluation of the 7 October Restructuring Agreement, we have compared the valuation ratio of the Company implied by the Issue Price of the Allington Consideration Shares Issue, with those selected public listed companies on the SGX-ST. We note that the Company had diversified into retail and property related business, however, it still derived majority of its revenue from its power plant related business. As such, we have considered companies which participate in, *inter alia*, power plant related business that are broadly comparable to the Company’s current revenue generating business (“**Comparable Companies**”).

We recognise that there is no company listed on the SGX-ST which we may consider to be identical to the Company in terms of, *inter alia*, market capitalisation, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria.

A brief description of the Comparable Companies listed on the SGX-ST is set as follows:-

Comparable Company	Business Activity Description	Financial Year Ended
China Jinjiang Environment Holding Company Limited (“ China Jinjiang Environment ”)	China Jinjiang Environment focuses on the planning, development, construction, operation, and management of waste-to-energy (WTE) facilities in the PRC. It operates in two segments, WTE business, and project technical and management services and EMC Business. The company receives and processes municipal solid waste from municipal solid waste providers, including local governmental authorities. It operates 16 WTE facilities in 12 provinces, autonomous regions, and centrally-administered municipalities. The company also provides project technical and management, and energy management contracting services, such as equipment selection, construction planning, residual heat utilization, and optimization of operations and maintenance to the companies in the metallurgical, chemical, and power generation industries. In addition, it generates and sells electricity and steam to local power grid companies and commercial customers, as well as manages and operates power plants.	31 December 2015

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Comparable Company	Business Activity Description	Financial Year Ended
<p>Asiatic Group (Holdings) Limited</p> <p>(“Asiatic Group”)</p>	<p>Asiatic Group, an investment holding company, provides engineering management services primarily in Singapore, Cambodia, Vietnam, and Malaysia. It operates in two segments, fire fighting and protection, and power related. The company’s energy business provides planning and development services, participates as an equity investor in power plant projects, and operates as an engineering, procurement, and construction, as well as operation and maintenance contractor. Its controlled power supply business supports the power requirements, and protects data and business operations. The company’s fire protection business designs, supplies, installs, and maintains fire protection equipment and systems, such as hose reels, hydrants, alarm systems, and emergency lights, as well as fire extinguishers for households, factories, office buildings, shopping malls, retail outlets, cruise liners, property developments, marine and offshore industries, and civil defense entities under the KILLFIRE brand. It is also involved in the construction of power generation facilities and operation of power plants.</p>	<p>31 March 2015</p>
<p>Annica Holdings Limited</p> <p>(“Annica”)</p>	<p>Annica, an investment holding company, operates as an engineering, procurement, and construction contractor for biomass power plants. The company operates through engineering services, oil and gas equipment, biomass projects, and investments and other segments. It also trades oilfield parts and equipment, and related products. In addition, the company is involved in designing industrial plant engineering services systems, as well as operates as a general wholesaler and trader. It has operations in Singapore, Malaysia, Indonesia, Thailand, Vietnam, Brunei, Myanmar, the PRC, and internationally.</p>	<p>31 December 2015</p>

Source: Capital IQ

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In our evaluation, we have considered the following widely used valuation measures:-

Valuation Ratio	Description
<p>Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation (“EV/EBITDA”)</p>	<p>EV refers to enterprise value which is the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents.</p> <p>EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation.</p> <p>The EV/EBITDA ratio illustrates the ratio of the market value of an entity’s business in relation to its historical pre-tax operating cashflow performance. The EV/EBITDA multiple is an earnings-based valuation methodology. The difference between EV/EBITDA and the PE ratio (described above) is that it does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.</p> <p>As the Group is loss-making (adjusted for other income in relation to the write off of loans and borrowings) at EBITDA level, it is not meaningful to compare EV/EBITDA ratio of the Company implied by the Issue Price with the EV/EBITDA ratios of the Comparable Companies.</p>
<p>Price-to-earnings ratio (“PER”)</p>	<p>PER or earnings multiple is the ratio of a company’s market capitalisation divided by the historical consolidated net profit attributable to shareholders.</p> <p>The PER is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses.</p> <p>The PE ratio illustrates the ratio of the market capitalisation of an entity in relation to the historical net profit attributable to its shareholders.</p> <p>As such, it is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.</p> <p>As the Group is loss-making (adjusted for other income in relation to the write off of loans and borrowings), it is not meaningful to compare PER of the Company implied by the Issue Price with the PER of the Comparable Companies.</p>

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<p>Price-to-Net Asset Value</p> <p>(“P/NAV”)</p>	<p>NAV refers to consolidated net asset value, which is the total assets of a company less total liabilities.</p> <p>P/NAV refers to the ratio of a company’s share price divided by NAV per share to owners of the company.</p> <p>The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company.</p> <p>The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.</p>
<p>Enterprise Value-to-Revenue</p> <p>(“EV/Revenue”)</p>	<p>Revenue refers to the income that a business has from its normal business activities.</p> <p>The EV/Revenue ratio is a valuation measure that compares the EV of a company to the company's revenue. EV/Revenue gives investors a quantifiable metric of how much it costs to purchase the company's revenue.</p>

The valuation ratios of the Comparable Companies based on their respective last traded share prices as at the Latest Practicable Date are set out as follows:-

Comparable Companies	Market Capitalisation (S\$ million)	EV/Revenue ⁽¹⁾ (times)	P/NAV ⁽²⁾ (times)
China Jinjiang Environment	1,095.14	3.03	1.22
Asiatic	17.22	1.26	0.30
Annica	11.73	0.70	2.26
Min		1.26	0.30
Max		3.03	2.26
Median		1.26	1.22
Mean		1.66	1.26
Company (implied by Issue Price)		5.22	13.97 ⁽³⁾

Source: Capital IQ, annual reports, financial results announcements and RHTC calculations

Notes:

- (1) The EV/Revenue of the Comparable Companies are computed based on their respective published latest full year revenue and balance sheet items or their trailing 12 months revenue and interim balance sheet items, where applicable, as at the Latest Practicable Date. In respect of the Group, the EV/Revenue ratio is based on the Group’s trailing 12 months (“T12M”) revenue of S\$1.62 million. The Group’s EV of S\$8.45 million is calculated based on its equity value of S\$8.0 million implied by the Issue Price, add in debt of S\$1.10 million, and excludes its cash of S\$0.65 million as at 31 December 2016;
- (2) The P/NAV ratios of the Comparable Companies are computed based on their respective NAV values as set out in their latest published financial statements as at the Latest Practical Date. The P/NAV ratio of the Group as implied by the Issue Price is based on the NAV of the Group of S\$0.57 million as at 31 December 2016; and
- (3) We note that the Group has improved its NAV from negative S\$6.51 million as at 30 September 2016 to positive S\$0.57 million as at 31 December 2016. The low absolute value of the NAV has caused the P/NAV implied by the Issue Price to be high. Therefore, it may not be meaningful to compare the P/NAV ratio implied by Issue Price with the P/NAV ratios of the Comparable Companies. We have included the P/NAV ratio implied by the Issue Price for illustration only.

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We note that the EV/Revenue ratio and the P/NAV ratio implied by the Issue Price of 5.22 times and 13.97 times are higher than the upper range, mean and median of the EV/Revenue ratios and P/NAV ratios of the Comparable Companies respectively.

4.5 Financial effects of the Allington Consideration Shares Issue

The financial effects of the Allington Consideration Shares Issue are set out in section 3.8 of the Circular. We recommend that the Non-Interested Directors to advise the Shareholders to read section 3 of the Circular carefully, in particular the assumptions relating to the preparation of the financial effects.

We set out below the summary of the financial effects of the Allington Consideration Shares Issue:

Net tangible liability (“NTL”) per Share

The NTA per Share of the Group as at 31 December 2016 is 0.0286 cents. The NTA per Share of the Group as at 31 December 2015 after adjusting for the issue of the Allington Consideration Shares, assuming that the issuance of the Allington Consideration Shares had been effected on 31 December 2015, will be 0.0221 cents.

Loss per Share

The earnings per Share of the Group for FY2016 is 0.267 cents. The earnings per Share of the Group for FY2016, after adjusting for the issue of the Allington Consideration Shares, assuming that the issuance of the Allington Consideration Shares had been effected on 1 January 2011, will be 0.201 cents.

4.6 Other relevant considerations in relation to the 7 October Restructuring Agreement

- (i) Liquidity of the Group;
- (ii) Dilution Impact;
- (iii) Implication on the Controlling Interest in the Company;
- (iv) Entry into Further Restructuring Agreements

(i) Liquidity of the Group

The Allington Consideration is to be satisfied by issuance of 586,577,500 new Shares of the Company to Allington. Should the shareholders not approve the Allington Consideration Shares Issue, the performance fee shall be required to be satisfied entirely in cash within 90 days of the date of the EGM.

The Group reported a net debt position of S\$0.5 million as at 31 December 2016. Considering the weak financial position of the Group, the issuance of new Shares of the Company to Allington would be beneficial to the Group’s financial position as compared to payment of performance fee in cash. The Company is able to focus on its restructuring exercise and would not need to undertake further fund raising activities to satisfy the Allington Consideration.

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(ii) Dilution Impact

	As at the Latest Practicable Date	%	After Allington Consideration Shares Issue	%	After Convertible Notes Issue, Warrant Issue and Maiora Consideration Shares Issue	%
<u>Directors</u>						
Drew / Lighthouse / Allington ⁽¹⁾	100,000,000	5.01%	686,577,500	26.57%	686,577,500	23.39%
Christopher Michael Peck	2,200,000	0.11%	2,200,000	0.09%	2,200,000	0.07%
<u>Substantial Shareholders</u>						
Blue Pegasus Capital Ltd	238,499,662	11.94%	238,499,662	9.23%	238,499,662	8.13%
Maiora Asset Management Pte Ltd	135,000,000	6.76%	135,000,000	5.22%	485,890,151	16.55%
Public shareholders	1,521,957,455	79.19%	1,521,957,455	58.89%	1,521,957,455	51.85%
Total	1,997,657,117	100%	2,584,234,617	100%	2,935,124,768	100%

Note:

(1) Drew is a director of Lighthouse and Allington. He owns 100% of the shares in Lighthouse indirectly and 90% of the shares of Allington.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,997,657,117 Shares. As shown above, upon the completion of the Allington Consideration Shares Issue, the independent shareholders' interest in the Company will be diluted from 79.19% to 58.89%.

Assuming that the Convertible Notes and Warrants are fully converted into Shares of the Company, together with the Maiora Consideration Shares Issue, the Independent Shareholders' interest in the Company will be further diluted from 58.89% to 51.85%. For further details of the Convertible Notes Issue, the Warrant Issue and Maiora Consideration Shares Issue, please refer to section 2 and 4 of the Circular.

(iii) Implication on the Controlling Interest in the Company

Currently, there is no controlling shareholder in the Company. Upon completion of the Allington Consideration Shares Issue, Drew's direct and indirect interest in the Company would increase from 5.01% to 26.57%. Drew will become a controlling shareholder of the Company.

Assuming that the Convertible Notes and Warrants are fully converted into Shares of the Company, together with the Maiora Consideration Shares Issue, Drew's direct and indirect interest in the Company would decrease from 26.57% to 23.39%. Maiora Asset Management Pte Ltd's direct and indirect interest would increase from 5.22% to 16.55%. Drew and Maiora Asset Management Pte Ltd will become the controlling shareholders of the Company.

(iv) Entry into Further Restructuring Agreements

On 1 April 2016, Lighthouse and the Company have entered into another restructuring services agreement for the period between 1 April 2016 and 31 December 2016 (the "**1 April Agreement**"). The scope of work in relation to the 1 April Agreement include:

- maintain the Company's accounting systems, corporate governance procedures and monitor key performance indicators;
- maintain daily operations and the Company's compliance with required regulatory boards;
- facilitating and raising of funds; and

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- identifying and facilitating the execution of potential investments.

The performance fee in relation to the 1 April Agreement is agreed to be US\$100,000 per month, of which, payment is to be made by the Company on the first day of the month.

On 3 May 2016, Lighthouse and the Company entered into a revised restructuring agreement to amend the 1 April Agreement. Provided that the agreed key performance indicators in the 1 April Agreement being fulfilled, the performance fee payable by the Company will be subject to the approval of the remuneration committee and the Board of Directors. Lighthouse shall be paid at the end of every quarter based on the recommendation of an independent remuneration consultant to be appointed.

Such fees which may be payable to Lighthouse subsequent to the Restructuring Agreements have yet to be determined and may or may not be paid either as shares or other consideration. Should the Board decide to remunerate Lighthouse under any agreement subsequent to the Restructuring Agreements, an independent review will be conducted to assess the amount payable to Lighthouse and the Company will seek Shareholders' approval at a separate extraordinary general meeting to be convened.

5 OPINION

In arriving at our recommendation in respect of the 7 October Restructuring Agreement, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in our Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

- The Company had experienced a series of events that had adversely affected its business activities and financial position. The Company had to enter into the Restructuring Agreements to revive itself as elaborated in section 4.1 of this Letter;
- The performance fee of US\$1.2 million was arrived at based on the estimated costs that the Company would have incurred if they were to set up their in-house capability for the restructuring exercise. The performance fee was within the range of the fees estimated by the Independent Directors. We also agreed that the payment of incentive fee of US\$500,000 in exchange for the reduction of 50% of the creditors was beneficial to the Group in consideration of the Group's transformation;
- We note that Allington has not received any payment from the Company, even though work had been carried out and Allington's engagement in relation to the 7 October Restructuring Agreement was completed on 26 April 2016. Allington had incurred out-of-pocket expenses including salary, travelling costs, allowances for overseas work and accommodation which were not compensated. The payment terms granted by Allington to the Company were favorable and not common among other consulting firms.
- Since the plunge of Share price in late February 2015, the Company is still in the process of restructuring its business. We note that the efforts to turn the Company around are still ongoing and have yet to affect the Share price positively. The Issue Price of S\$0.004 was based on the VWAP of the Shares for the last 5 trading days prior to the Latest Practicable Date. We note that the Issue Price was not only at market, but was also very close to the historical Share price for the last 12 months prior to the Latest Practicable Date.
- The Company was in the process of restructuring and has been having low cash position. As such, the Company did not have enough cash balances to repay the performance fee owing to Allington. The satisfaction of the performance fee in Shares is beneficial to the Company.

APPENDIX B – IFA LETTER

- We note that the EV/Revenue ratio and the P/NAV ratio implied by the Issue Price are higher than the EV/Revenue ratios and P/NAV ratios of the Comparable Companies.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, from a financial point of view, we are of the opinion that, on balance, the 7 October Restructuring Agreement was entered on normal commercial terms and was not prejudicial to the interests of the Company and the minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Restructuring Agreements, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Restructuring Agreements, and we do not warrant the merits of the Restructuring Agreements.

We have prepared this Letter for the purpose as required in Rule 921(4)(a) of the Listing Manual and also for the use by the Non-Interested Directors for their consideration of the 7 October Restructuring Agreement and the recommendation made by them to the Independent Shareholders in relation to the 7 October Restructuring Agreement shall remain the responsibility of the Non-Interested Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the consideration of the 7 October Restructuring Agreement as an interested person transaction.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply to any other matter.

Yours faithfully,
For and behalf of
RHT Capital Pte. Ltd.

Khong Choun Mun
Chief Executive Officer

Mah How Soon
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

MMP RESOURCES LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of MMP Resources Limited (the "**Company**") will be held at Onebiz Hub, 1 Irving Place, #08-09 The Commerze @ Irving, Singapore 369546 on Wednesday, 17 May 2017 at 10.00 a.m. for the purpose of considering, and, if thought fit, passing with or without modifications, the ordinary resolutions as set out below. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 2 May 2017 (the "**Circular**").

ORDINARY RESOLUTION 1: THE CONVERTIBLE NOTES ISSUE

THAT the Company's performance of its obligations pursuant to the Convertible Note Subscription Agreement be and is hereby noted, confirmed and approved AND approval be and is hereby given to the Directors:

- (a) to create and issue convertible notes due 2017 (the "**Convertible Notes**") with an aggregate principal amount of up to S\$600,000 to Maiora Asian Structured Finance Fund ("**Maiora**"), such Convertible Notes to be convertible, at the option of Maiora thereof, into 151,515,151 ordinary shares of the Company (the "**Conversion Shares**") at a conversion price to be determined in accordance with the terms and conditions of the Convertible Notes (the "**Conditions**"), and subject to such adjustments as the Conditions shall stipulate (the "**Convertible Notes Issue**");
- (b) pursuant to Rules 803 and 812 of the Mainboard Rules, to allot and issue:
 - (i) such number of Conversion Shares as may be required or permitted to be allotted or issued on the conversion of the Convertible Notes, to Maiora on the conversion thereof, subject to and otherwise in accordance with the Conditions, whereby such Conversion Shares shall rank *pari passu* in all respects with the then existing shares of the Company, except for any dividend, rights, allotment or other distributions the record date for which is before the relevant conversion date of the Convertible Notes; and
 - (ii) on the same basis as paragraph (b) (i) above, such further Conversion Shares as may be required to be allotted and issued on the conversion of any of the Convertible Notes upon the adjustment of the conversion price in accordance with the Conditions; and
- (c) that any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Convertible Notes Issue, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution 1 or the transactions contemplated pursuant to or in connection with the Convertible Notes Issue.

ORDINARY RESOLUTION 2: THE WARRANTS ISSUE

THAT:

- (a) approval be and is hereby given for the creation, allotment and issue of 25,000,000 non-listed, non-transferable Warrants to Maiora, each carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the "**New Shares**") at an exercise price of S\$0.007 per New Share pursuant to the Convertible Note Subscription Agreement (which shall be subject to adjustment

NOTICE OF EXTRAORDINARY GENERAL MEETING

under such circumstances as may be provided in the Deed Poll), such Warrants to be exercised during the Exercise Period and on such other terms and conditions as the Directors may in their absolute discretion and from time to time deem fit (the “**Warrants Issue**”);

- (b) approval be and is hereby given for the creation, allotment and issue of such additional warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants (any such further warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Warrants);
- (c) pursuant to Rules 803 and 812 of the Mainboard Rules, approval be and is hereby given for the allotment and issue:
 - (i) upon exercise of the Warrants, such number of New Shares as may be required or permitted to be allotted and issued on the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants; and
 - (ii) on the same basis as sub-paragraph (c)(i) above, such further New Shares as may be required to be allotted and issued on the exercise of any additional warrants referred to in paragraph (b) above,

in each case, such New Shares to be credited as fully paid when issued and to rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company, save for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the New Shares, unless otherwise provided in the terms and conditions of the Warrants; and

- (d) the Directors and each of them be and are hereby authorised to implement, effect and complete, and to do all such acts and things (including executing all such documents as may be required in connection with the Warrants Issue) as the Directors or any of them may consider necessary, desirable or expedient to give effect to this resolution as they or he may think fit.

ORDINARY RESOLUTION 3: THE ENTRY INTO THE 7 OCTOBER RESTRUCTURING AGREEMENT AND THE ALLINGTON CONSIDERATION SHARES ISSUE

THAT:

- (a) the entry of the Company into the restructuring agreement between the Company and the Lighthouse Group dated 7 October 2015 (the “**7 October Restructuring Agreement**”) be and is hereby approved, confirmed and ratified;
- (b) pursuant to Rules 803 and 812 of the Mainboard Rules, approval be and is hereby given to the Directors to pay the Performance Fees to Allington Advisory Pte. Ltd. (“**Allington**”) and issue and allot 586,577,500 consideration shares to Allington (the “**Allington Consideration Shares**”) at the issue price of S\$0.004 per Allington Consideration Share, based on the terms and subject to the conditions of the 7 October Restructuring Agreement, such issue of Allington Consideration Shares (i) being an issue of securities in which an associate of Drew Ethan Madacsi, the Non-Executive Chairman of the Company, is participating directly, under Rule 804 of the Mainboard Rules and (ii) constituting an interested person transaction in accordance with Rule 906 of the Mainboard Rules;
- (c) the Directors and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to this Ordinary Resolution 3, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and ratified.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 4: THE MAIORA CONSIDERATION SHARES ISSUE

THAT:

- (a) pursuant to Rules 803 and 812 of the Mainboard Rules, approval be and is hereby given to the Directors to issue and allot 174,375,000 consideration shares to Maiora (the “**Maiora Consideration Shares**”) at an issue price of S\$0.004 per Maiora Consideration Share, based on the terms and subject to the conditions of the agreement entered into between the Company and Maiora Asian Structured Finance Fund on 27 June 2016.
- (b) the Directors and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to this Ordinary Resolution 4, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and ratified.

By Order of the Board

Sharon Yeoh
Angeline Chiang
Company Secretaries

2 May 2017

Notes:-

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member (other than a Relevant Intermediary*) appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
3. A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
4. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.
5. If the appointor is a corporation, the proxy form must be executed under seal or its attorney duly authorised in writing. The dispensation of the use of common seal pursuant to Sections 41A, 41B and 41C of the Companies Act (Chapter 50) effective from 31 March 2017 is applicable at this EGM.
6. In the case of joint shareholders, all holders must sign the form of proxy.
7. The instrument appointing a proxy 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 EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and / or representative(s) to attend, speak and vote at the 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) 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 or service providers), 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 or service providers) 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.

MMP RESOURCES LIMITED

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

PROXY FORM

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.

I/We*, _____ (Name) _____ (NRIC / Passport)*

of _____ (Address)

being a member/members* of **MMP RESOURCES LIMITED** (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings to be presented by Proxy	
			No of Shares	%

and/or* (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings to be presented by Proxy	
			No of Shares	%

as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting (the "EGM") of the Company to be held at Onebiz Hub, 1 Irving Place, #08-09 The Commerze @ Irving, Singapore 369546 on Wednesday, 17 May 2017 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at his/her discretion.

If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

As Ordinary Resolutions	No. of votes "For"	No. of votes "Against"
Resolution 1 (Ordinary Resolution) To approve the Convertible Notes Issue		
Resolution 2 (Ordinary Resolution) To approve the Warrants Issue		
Resolution 3 (Ordinary Resolution) To approve the entry into the 7 October Restructuring Agreement and the Allington Consideration Shares Issue		
Resolution 4 (Ordinary Resolution) To approve the Maiora Consideration Shares Issue		

Dated this ____ day of _____ 2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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

*Delete where inapplicable

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 Chapter 289 of Singapore), 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 one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. 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 appointed for the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. The dispensation of the use of common seal pursuant to Sections 41A, 41B and 41C of the Companies Act (Chapter 50) effective from 31 March 2017 is applicable at this EGM. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. 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 EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Cap. 289) and who 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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 2 May 2017.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.