M M P RESOURCES LIMITED

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

RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 13 APRIL 2016 WITH RESPECT TO THE COMPANY'S ANNOUCEMENT ON 29 FEBRUARY 2016 ON ITS RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 ("FY2015")

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*The Board of Directors ("**Board**") of MMP Resources Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to respond to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 13 April 2016 with respect to the Company's announcement on 29 February 2016 on its FY2015 results (the "**Announcement**"). Unless otherwise defined herein, all terms and references used herein shall bear the same meaning ascribed to them in the Announcement.*

(1) In paragraph 8 of the Company's 2015 full year results ("FY2015 Results"), it was disclosed that the decrease in revenue was mainly due to significant changes in the Group's operation structures. Please provide details of this revenue of the Company amounting to S$0.998 million.

The revenue of the Group amounting to S$0.998 million refers to the revenue generated by Magnum Modular Power Generation Pte. Ltd. ("**MMPG**"), a subsidiary of the Company, for the sale of power to the Korea Power Exchange.

(2) In the Income Statement, "Administrative expenses" amounted to S$5.68 million. Please provide a breakdown of the Administrative expenses and explain for the material increase of 201% when revenue decreased by 57%.

Breakdown of Administrative Expenses:

	$ '000
CPF	27
Depreciation	79
Directors' Benefits	93
Directors' Remuneration (inclusive of CPF)	1,341
Entertainment	9
Insurance	42
Maintenance Fees	2
Office Expenses	103
Other Expenses	26
Professional Fees	3,062
Realised Gain/Loss	(11)
Relocation Expenses	4
Rental	336
Rental of Equipment & Vehicles	20
Salaries (inclusive of CPF)	455

Tax	60
Travelling Expenses	18
Unrealised Gain/Loss	10
TOTAL	5,678

Increase in administrative expenses in FY 2015 is mainly due to the increase in salary, bonus and directors' remuneration by S$1.172 million. As announced on 9th December 2015, Mr Drew Ethan Madacsi (Executive Director) had been issued with 100,000,000 ordinary shares at an issue price of S$0.012 per share.

Professional fees incurred by the Company increased by S$2.421 million. These expenses relate mainly to the fees associated with restructuring process the Group had undergone throughout FY2015. The restructuring fees amount to USD$1.7 million, which are payable by shares. Furthermore, the Group incurred a significant amount of legal fees due to a legal dispute (as previously announced on 4th September 2015) and various sales of assets that occurred during the year.

(3) In the Income Statement, "Finance costs" amounted to S$0.132mil. Please provide a discussion for the significant increase in "Finance costs".

Breakdown of Finance Costs:

	$ '000
Bank Charges	3
Interest Paid	129
TOTAL	132

The significant increase in Finance Costs is due to the interest paid to the various loans undertaken during the year. Interests on outstanding amounts to suppliers have also been accounted for under the category of "interest paid".

(4) In paragraph 8 of the Company's FY2015 Results, it was disclosed that "Other expenses increased by approximately S$37.742 million for FY 2015. The increase in Other Expenses is mainly due to:-

(i) Impairment loss of S$23.27 million during the dilution process by majority shareholders in Renaissance Enterprises S.A. ("Renaissance") in 2Q2015; and

(ii) Loss of S$12 million from the write off of Ardilaun Energy Limited (Sunny Cove) in 4Q2015.

(iii) Write off of working capital loan amounting to S$1.7 million to Renaissance in 4Q2015."

(a) In relation to the dilution process, please disclose:-

(i) How much did the "majority shareholders" invest in Renaissance;

Based on the Extraordinary General Meeting minutes provided to the Company by Renaissance, the "majority shareholders" invested a total of €1,944,181.

(ii) The reasons for the significant investment by these majority shareholders;

The reason for the significant investment by these "majority shareholders" is for the repayment of debt owing to the shareholders.

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(iii) The stage of progress of the titanium project;

Based on the minimal information provided to the Company, the Company believes that the titanium project had little to no advancement during the year.

(iv) Details of the technical reports for this project.

No technical reports of the project had been provided to the Company during FY 2015. The Company only has the following reports on file:

1. Renaissance Enterprise S.A Annual accounts for the financial year ended December 31, 2013;
2. Indicative Valuation Analysis of Topkapi Mineral San Ve Tic A.S (January 2014); and
3. Turkey Titanium Project: Differentiates among peers (April 2014).

(b) A S$12mil loss was incurred from the write off of Ardilaun Energy Limited.

Please:-

(i) Disclose reasons for the write-off of Ardilaun Energy Limited;

With the final write down of Ardilaun Energy Limited, the Company will have disposed of all its potential loss making assets. This is part of the Company's ongoing restructuring strategy to convert debt to equity.

(ii) Explain why the Company think that the investment in Ardilaun Energy Limited is not viable;

The Company's investment in Ardilaun Energy Limited is unlikely to move from a negative cash flow position in the foreseeable future, which is primarily attributable to a global downturn in oil pricing. Coupled with a general consensus from market analysts on the state of the global oil and gas sector, it was the Board's opinion that the timeline for any value to be derived from the shareholding stake in Ardilaun Energy Limited would be several years away at the earliest.

(iii) Provide details on how the valuation was supported.

The current management does not have sufficient information to determine the valuation of the purchase of Sunny Cove Investment Ltd (Ardilaun Energy Limited's parent company), as there are no documents available on file. Based on the Company's auditors' report for FY2014 and FY2015, the auditors were also unable to ascertain the carrying amount of Sunny Cove Investments Ltd.

(5) It was disclosed that "(o)n 30 June 2015, SC Building & Construction Pte Ltd ("SCBC"), the Company's wholly owned subsidiary, had disposed of its 60% of the equity interests in Elite Bay Sdn Bhd ("Elite Bay") to Mr. Yuen Pin Wai and Mr. Goh Kim Chey for a purchase consideration of S$100,000". Please disclose if the purchase consideration has been fully paid to the Company.

The purchase consideration had been fully paid on 30th July 2015.

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(6) In the Company's Balance Sheet, "Investment in unquoted equities" amounts to NIL for FY2015.

(a) Please provide details on what happened to the shares in the investee companies held by the Company;

(b) What are Company's plans with regards to these investments?

Based on detailed cash flow analysis performed by the Group, it was determined that the investments in Renaissance and Ardilaun Energy Limited will not be recoverable. Accordingly, all interests were fully impaired.

(c) Please obtain shareholders' approval under Listing Rule 1014 for disposal as this amounts to 1105% of the Company's Net Asset Value.

As at the date of disposal, the Company had not written off Ardilaun and Renaissance hence, the disposal of Elite Bay amounted to 7.18% of the Company's Net Asset Value then, Accordingly, no shareholders' approval is required.

(7) The Company announced a negative cash flow from operating activities of S$6.8mil, capital deficiency of S$6.7mil and a loss of S$43.7mil. For the purpose of determining if Rule 1303(3)(c) should apply, please provide the following information:-

(a) the Board's opinion if the Company will be able to operate as going concern noting that it had not been able to successfully undertake fund raising and basis for the Board's view; and

The Board is in the opinion that the Company will be able to operate as going concern for the following reasons:

1. the Group and Company renegotiated repayment terms for borrowings amounting to S$0.5 million to be repaid no later than mid-2017 with the option to be repaid in cash or shares or a combination of the two at the discretion of the Group;

2. the Group and Company have also renegotiated repayment terms for borrowings amounting to S$4.7 million to be repaid no later than mid-2017 with the option to be repaid in cash or shares or a combination of the two at the discretion of the Group;

3. on 15th January 2016, the Company issued new ordinary shares of the Company to ISR Capital, settling payables of approximately S$200,000 and rent expenses amounting to approximately S$62,000 for FY 2016;

4. the Group and Company have renegotiated to repay S$440,000 in loans owing to Broadwell Limited in new ordinary shares of the Company;

5. on 2 March 2016, the Group and the Company entered into a binding term sheet with Maiora Asian Structured Finance Fund ("**Maiora**") whereby the Company proposes to issue to Maiora convertible notes due 2017 and Maiora proposes to subscribe for the convertible notes with a face value of S$600,000; and

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6. through its subsidiary, the Group entered into a service agreement with Primeforth Renewable Energy Limited in November 2015, the Group has contracted to received S$240,000 in fees over a period of 24 months.

(b) the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

The Board confirms that all material disclosures have been provided for trading of the Company's shares to continue.

(8) In the Company's Cash Flow Statement, "Share based payment" amounts to S$27.481mil. Please provide details and a breakdown on this amount.

Breakdown on Share Based Payment:

	$ '000
Redemption of Promissory Note	29
Performance Share	1
Repayment of loan	1
Reversal of prior year reserve	(5)
Repayment of service rendered to the Group *	2
Gain on conversion of debt	(1)
TOTAL	27

* - Service rendered in FY 2015. Payment has yet to be made.

(9) In paragraph 9, the Company is required to disclose whether there are any variances between the prospects disclosed in paragraph 10 of its 3Q2015 Results announcement. This disclosure is applicable. Please disclose accordingly.

With reference to paragraph 10, the updates are as follows:

1. The Management had signed a binding term sheet on 2 March 2016 with Maiora Asian Structured Finance Fund ("Maiora") whereby the Company intends to issue convertible notes with a face value of S$600,000 to Maiora, subject to the approval of the Singapore Exchange Securities Trading Limited and shareholders of the Company being obtained.

2. The Group and Company had entered into a binding sale of shares agreement on 13th November 2015 to sell its stake in its joint venture company, Magnum Modular Power Generation Pte. Ltd..

By Order of the Board

Drew Ethan Madacsi
Executive Director
15 April 2016