M M P RESOURCES LIMITED

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

RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 27 MAY 2020 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENT ON 14 MAY 2020 ON ITS ANNOUNCEMENT IN RELATION TO FY2019 ANNUAL REPORT ("FY2019")

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

Response to Queries

The Company would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 27 May 2020 with respect to the Company's announcement on 14 May 2020 on its announcement in relation to the Company's FY2019 Annual Report ("**FY2019**"). Unless otherwise defined herein, terms defined in such announcements shall have the same definitions herein.

(1) We refer to the FY2019 Annual Report announced by the Company on 14 May 2020. We noted that the auditors have issued a disclaimer of opinion over:
(1) going concern,
(2) impairment of PPE,
(3) ECL of the Company's other receivables from subsidiary corporation and related party; and
(4) opening balances.
Given the disclaimer of opinion noted, please explain how the assurances from the non-executive chairman and the senior accountant that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances can be provided on page 18 of the annual report. Please specifically reference each item mentioned in the basis of the disclaimer of opinion in the auditor's report in the explanation.

(1) The Company assessed the Group's ability to continue operating as a going concern based on the following bases:

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

- On 2 August 2019, the Group entered into a loan settlement agreement with Maiora Asian Structured Finance Segregated Portfolio ("MASFF") to extend the maturity date of the loans given to its subsidiary corporation, MMP Resources Japan K.K. ("MMPRJ") and waiver of all the outstanding amount, subject to the satisfaction of the following conditions precedent:

(i) completion of the transfer to MASFF all the shares held by the Company in MMPRJ.
(ii) completion of the acquisition of a new asset or business by the Company or any of its subsidiary corporations.

- The Company has also on the same date of (b) entered into a settlement agreement with Maiora Asset Management Pte. Ltd. ("MAM") (acting in its own capacity and on behalf of MASFF) and Solar Founders Limited ("SFL") to waive all the amounts owing and as may be owed in the future by the Company up to the mutually agreed date in writing. As a consideration of the waivers and as a condition to this settlement agreement, the Company agrees to issue and allot, subject to the relevant conditions being satisfied: (i) new shares to MASFF representing approximately 10.0% of the enlarged share capital of the Company upon completion of an acquisition by the Company or any new asset or business acquired by the Group; and (ii) new shares to MASFF with aggregate value of which shall be equivalent to 2.5% of the Company's market capitalisation of S$300,000,000. The Group and the Company believes that if the conditions are fulfilled, this will reduce its current liabilities and eliminate the need for any cash payments and also improve the Company's net tangible assets value.

- The Company has on 28 April 2020 entered into a conditional sale and purchase agreement with Majesty Asset Management Ltd in respect of the acquisition by the Company of all the shares in the entire issued and paid up share capital of GCM Ltd. ("Target Company") for a purchase consideration of S$118,000,000. This acquisition if undertaken and completed, is expected to result in a Reverse Takeover. The Target Company is a private company limited by shares incorporated under the laws of Japan and it is based in Tokyo, the business is in both the real estate and financial markets industries. The Company believes that with this acquisition it will allow the Group to achieve in a more consistent and sustainable financial growth in view of Target Company's strong financial position and also will potentially increase the market capitalisation of the Company.

(2) A valuation of the property owned by the Company's fully owned subsidiary MMP Resources Japan K.K. ("MMPRJ") had been undertaken. Based on the valuation, management do not deem impairment of property, plant and equipment to be necessary.

(3) Based on the subsidiary's 3 year cash flow projections for the Japanese subsidiary, supported by - the ten year tourism numbers into Japan, 5 year tourism numbers to Hokkaido (in 2018, Hokkaido welcomed 3.12m foreign tourists, the highest in its history) and a greater understanding of operational efficiencies, the Board is of the view that the recoverability of the amount will be possible in the future.

(4) The disclaimer on the opening balance is as a result of the audit opinion issued by the auditors in FY2018.

(2) We refer to page 22 of the annual report under dealings in securities. We noted that there is no mention that the Company is prohibited from dealing in the Company's shares during the black-out period. Please confirm that the Company is also subject to the prohibition as per Listing Rule 1207(19)(c).

The Company had disclosed on page 22 of its FY2019 Annual Report under dealings in securities that it is prohibited from dealing in the Company's shares during the black-out period. as follows:-

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

The Company confirms that it has complied with Listing Rule 1207(19)(c).

(3) We refer to page 17 of the annual report under risk management and internal controls. We noted that there is no mention of the identity of the internal auditors. Please disclose the identity as well as the relevant experience of the accounting firm and the engagement team.

The internal auditor engaged by the Company is Baker Tilly Consultancy (Singapore) Pte Ltd ("Baker Tilly"). Baker Tilly are the appointed outsourced internal auditor to more than 30 public listed companies in Singapore. Baker Tilly adopts the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors.

The engagement team is led by Mr Lim Wei Wei (Partner) and managed by Mr Raymond Seah (Manager).

(4) We refer to page 26 of the annual report under Appendix 7.4.1. In relation to the general statutory disclosures (items (a) to (k) of Appendix 7.4.1) of directors, we noted that the Company did not fully disclose all the information. Please disclose accordingly. If the answer to any question is "Yes", full details must be given.

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

	Drew Ethan Madacsi	**Chan Ying Wei**	**Damian Paul Collins**
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. Mr. Madacsi was a director of Class War, Inc., a California registered company, for the period from June 2017 to November 2018, via a restructuring agreement with the company. Class War, Inc. later filed for Chapter 11 bankruptcy in US courts in 2019, after Mr Madacsi's resignation as director of the company.	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore	No	No	No

or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?			
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or	No	No	No

	elsewhere; or			
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?		No. Mr. Madacsi was however involved in Class War, Inc. Chapter 11 Bankruptcy procedural overview including standard depositions.	No	No

BY ORDER OF THE BOARD

Chong Chee Meng Gerard
Lead Independent Director
28 May 2020