M M P RESOURCES LIMITED

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

ISSUE OF 26,700,000 NEW SHARES TO SELECT EQUITY GROWTH LIMITED

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1. INTRODUCTION

The board of directors (the "**Board**" and "**Directors**" respectively) of MMP Resourcs Limited (the "**Company**") wishes to announce that the Company has entered into a settlement agreement dated 25 November 2015 ("**Settlement Agreement**") with Select Equity Growth Limited (the "**Lender**"), pursuant to which the Company agreed to issue 26,700,000 new shares ("**New Shares**") at an issue price of S$0.02 to the Lender as repayment of an outstanding loan ("**Share Issue**").

The Board wishes to provide shareholders of the Company further information on the Share Issue.

2. BACKGROUND AND RATIONALE FOR THE SHARE ISSUE

On 18 March 2015, the Company and Lender entered into a loan agreement under which the Lender lent S$450,000 to the Company (the "**Loan**"). The Loan bore interest at a rate of 22.50% per annum, and was repayable monthly over 24 months. The proceeds from the Loan were applied towards the implementation of the micro power plant ("**MMP**") project in South Korea through the Company's joint venture company, Magnum Modular Power Generation Pte Ltd.

As at the date of the Settlement Agreement, a total of S$534,000 (comprising principal and interest) was outstanding under the Loan Agreement. In view of the Company's incomplete placement on 10 September 2015 and change in strategy in relation to the MMP project[1], the Company has decided to repay the amounts owing to the Lender by the issue of the New Shares, instead of cash.

3. THE LENDER

The Lender is an exempted company incorporated in the Cayman Islands and established as a fund. The Lender's investment objective is to provide long-term capital growth mainly through investment in securities (listed and unlisted) with superior growth potential, primarily in smaller cap companies. The Lender's shareholders are Omar Shah Jahan Malik and Cheah Kian Meng. The Lender's Investment Manager is

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[1] Please refer to the announcement dated 15 November 2015 for more information on the Company's new business plan for the MMP project.

situated on the same floor as the Company, and as the Lender's Investment Manager is a Registered Fund Management Company, the Company approached them directly to see if they or any of their funds under management were interested in providing the Company a loan. There were no introducers involved.

Other than the Loan Agreement, the Lender does not have any connections (including any business relationship) with the Company, the Directors or substantial shareholders of the Company.

Following completion of the Share Issue, the Lender will hold 1.68% of the total issued share capital of the Company.

4. TERMS OF THE SETTLEMENT AGREEMENT AND SHARE ISSUE

4.1. Issue Price

The New Shares shall be allotted and issued at an issue price of S$0.02 per New Share (the "**Issue Price**"). The Issue Price represents a premium of approximately 25.50% to the volume weighted average price of S$0.0149 for trades done on the Company's shares ("**Shares**") for the full market day immediately preceding the Settlement Agreement.

The Issue Price was arrived at following arm's length negotiations between the Company and the Lender.

The New Shares, when allotted and issued, shall rank equally in all respects with the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date the New Shares are issued.

The Company will be making an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the New Shares on the Official List of the SGX-ST.

4.2. Conditions

The Share Issue is subject to certain conditions precedent set out in the Settlement Agreement, including but not limited to:

(a) the Company not being in breach of the terms of the Settlement Agreement;
(b) the Company not ceasing to pay its debts or being unable to pay its debts as they fall due or is deemed unable to or admits its inability to do so or it makes a general assignment for the benefit of or a composition with its creditors or if in the opinion of the Lender there is a material adverse change in the financial condition, operations, business or properties of the Company;
(c) no action, proceedings, procedure of step having been taken for: (A) winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company; or (B) the appointment of a liquidator, receiver, administrator in respect of, or any part of, the undertaking or assets of the Company;
(d) there being no litigation, arbitration or administrative proceedings initiated against the Company which if adversely determined, in the view of the Lender

might be expected to have a material adverse effect on the business, assets or condition of the Company;

(e) the trading of the Shares on the SGX-ST not being suspended for a continuous period of more than 7 calendar days; and

(f) the New Shares being issued no later than 30 December 2015.

4.3. Other Terms

The amounts owing under the Loan Agreement remains due and outstanding until the New Shares are validly issued to the Lender, and the Lender unconditionally reserves all its rights under the Loan Agreement.

4.4. Completion

The New Shares shall be issued to the Lender within 7 calendar days from the date the SGX-ST approves the listing and quotation of the New Shares.

5. FINANCIAL EFFECTS

As at the date of this announcement, the issued and paid-up share capital of the Company is S$132,408,598 comprising 1,561,763,799 Shares. On completion, the issued and paid-up share capital will increase to S$132,942,598 comprising 1,588,463,799 Shares.

The illustrative financial effects of the Share Issue, based on the unaudited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for 9 months ended 30 September 2015, are as follows:

(a) Assuming the Share Issue was completed on 1 January 2015 with all the New Shares being in issue during the period, the net loss per share of the Group will decrease from S$(0.0220) to S$(0.0215); and

(b) Assuming the Share Issue was completed on 30 September 2015, the net asset value per share of the Group will increase from S$0.0055 to S$0.0056.

6. AUTHORITY FOR THE ISSUANCE OF THE NEW SHARES

The New Shares will be issued pursuant to the general share issue mandate granted by the shareholders of the Company pursuant to Section 161 of the Companies Act (Cap. 50) at the annual general meeting of the Company held on 30 April 2015.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders of the Company have any interest, direct or indirect, in the Settlement Agreement, Share Issue, Loan Agreement, or Loan (other than through their respective direct and indirect shareholdings in the Company).

The Company will make the necessary announcements once the in-principle approval for the listing and quotation of the New Shares is obtained from the SGX-ST.

By Order of the Board

Drew Ethan Madacsi
Executive Director
25 November 2015