



M M P RESOURCES LIMITED

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

AGREEMENT TO PURCHASE PROPERTY TO SUPPORT JAPANESE OPERATIONS

1. INTRODUCTION

The board of directors (the “**Board**”) of MMP Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly owned subsidiary, MMP Resources Japan K.K. (“**MMPJ**”), has entered into a binding term sheet (the “**Agreement**”) with Iryo Houjin Showakai (the “**Vendor**”) to purchase a three storey property for redevelopment at Aza Hinode, Rankoshi-cho, Isoya-gun (the “**Property**”). Subject to satisfactory due diligence to be conducted by MMPJ, MMPJ will enter into definitive agreements with the Vendor. The Property is within 1 kilometre of the world famous Chisenupuri ski fields, and has access to four other ski resorts within 20 kilometres that are central to the greater Niseko ski area.

MMPJ will comply with Japanese and Singapore accounting standards and will hold and receive funds in Japanese Yen.

2. INFORMATION ON THE PROPERTY

The Property is a three storey zinc, wood and stone house at Aza Hinode, Rankoshi-cho, Isoya-gun, which was constructed in 1991 and has a total floor area of 181.83 square metres and a total surveyed land area of 2,714 square metres.

The Property has four bedrooms over two stories with a basement wet area and a Japanese style “onsen” with hot water flowing from an underground thermal reservoir.

The Property will be renovated to update and modernise kitchen and wet areas and to maximise the utility of the four bedrooms. The expected cost of the renovation is approximately S\$75,000.

3. RATIONALE FOR ENTERING INTO THE AGREEMENT

The rationale for entry by MMPJ into the Agreement is for the redevelopment of the Property into a premium rental asset, providing an authentic Japanese experience for up to 8 people, including access to the exclusive “onsen” (hot springs) which is part of the Property.

The Company will utilise funding from its recently completed placement to Blue Pegasus Capital Ltd and Vessel Gate Investment Pte. Ltd. to finance this acquisition.

The entry by MMPJ into the Agreement is in line with the Group’s corporate strategy to focus on construction opportunities, asset acquisitions and brand growth in Tier-1 markets, with a specific focus on the Travel, Hospitality and Leisure industry. Property acquisition or

leasing opportunities in high potential locations such as Niseko, where the Property is located, offer the Group another source of revenue. The Company will provide further details in subsequent announcements in accordance with the listing rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) as and when relevant.

The location of the Property is within easy walking distance of the Chisenupuri ski fields, which offer world renowned ski and snowboard slopes for the Group’s proposed ski operations and future F&B outlets. Based on the location of the Property and neighbouring properties’ past occupancy records, the Directors believe the Property, after redevelopment, will contribute immediately to cash flow and is expected to provide a substantial return on investment and provides a means to maximise the appeal of the proposed ski, F&B and day lodge developments that the Company is considering in the vicinity.

The Company also believes that the location of the Property and the Travel, Hospitality and Leisure industry has a promising outlook based on a recently published article by Bloomberg Markets on 25 August 2016 which stated the following:-

- a) “The number of foreign tourists has increased more than 10-fold over the past 11 years. The majority of tourists last year were drawn from Asia, led by Hong Kong, with about 35,000, followed by China with around 30,000, then Taiwan and Australia”.
- b) “Residential land prices in the town are increasing at the fastest pace in Japan, surging 20 percent as of January, compared with a decline overall in Japan”.
- c) “The area has the most snowfall on average of any major resort in Asia, and second-highest in the world, behind only Mount Baker in Washington State. Niseko was rated the best ski resort in Japan in 2015 for the third year in a row by the World Ski Awards”.

4. SALIENT TERMS OF THE AGREEMENT

Location of land parcels	554-39 Aza Hinode, Rankoshi-chio, Isoya-gun; 554-56 Aza Hinode, Rankoshi-chio, Isoya-gun; 554-57 Aza Hinode, Rankoshi-chio, Isoya-gun; and 554-58 Aza Hinode, Rankoshi-chio, Isoya-gun.
Total area	2,714m ²
Title	Freehold
Consideration	¥25,000,000, with approximately an additional ¥857,000 yen in fees, taxes and other transfer costs.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company, none of the directors (the “**Directors**”) and, to the best of the Directors’ knowledge, substantial shareholders of the Company have an interest, direct or indirect in the transactions set out in this announcement.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

7. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. The Agreement is subject to the relevant approvals (if any) from the shareholders of the Company (the “**Shareholders**”) and the SGX-ST (if relevant) being obtained, and to such further terms and conditions as are customary in similar transactions. The Company will provide further details in subsequent announcements in accordance with the listing rules of the SGX-ST as and when relevant. Shareholders and potential investors are advised to consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Paul Andrew Crosio
Executive Director
7 November 2016