

POTENTIAL ACQUISITIONS IN JAPAN – NEW REVENUE STREAMS

Singapore, 13 April 2016 - Mainboard-listed, MMP Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that it is now in the final stage of due diligence to purchase 100% of the total issued shares in the capital of a Japanese registered company (the “**Target**”), for a total consideration of ¥140,000,000 (approximately S\$1,733,356 at an exchange rate of S\$1:¥80.77) (the “**Acquisition**”).

The Company is focussed on construction opportunities, asset acquisitions and brand growth in Tier-1 markets, with a specific focus on the Travel, Hospitality and Leisure (“**THL**”) industry. The Company is targeting Japan as the yen’s decline to 22-year lows has created depressed property asset values. With recent aggressive acquisitions by foreign investors, predominantly Chinese, driving property prices up, and the excitement over the 2020 Tokyo Olympics builds, and resulting in higher yields than domestic acquisitions.

The Target is a privately owned Japanese company, consisting of two established cash flow generating businesses. The properties are both unencumbered and freehold. The Company’s management team recently travelled to Japan in early April 2016 to view the properties and met with management and the owners, and will be finalising all necessary due diligence. Among other things, the Company intends to ascertain that all accounts meet Singapore’s accounting and taxation standards, finalise terms of a 5 year management contract with current key management, engage with local architectural and building companies on a total refurbishment programme, meet onsite with key branding consultants and discuss potential anchor tenant synergies with current management.

The Acquisition would allow the Company to execute a construction and refurbishment strategy, and combined with the ownership of an established cash flow business, generate annual unaudited revenue of approximately ¥198,000,000 (approximately S\$2,451,526 at an exchange rate of S\$1:¥80.77). The Target would provide the Company control of a new revenue stream, and its current operating team intends to continue to stay on after completion of the Acquisition, allowing the Company to provide high-level oversight.

Construction and refurbishment of the existing properties will aid in the addition of several synergic brands as anchor tenants, increasing current revenue. The Company would also expect a significant lift in asset value, post construction, bringing the properties on par with current local property pricing.

Highlights of the two acquisitions are as follows:

ACQUISITION 1: Ski Tour Operator, Niseko, Hokkaido (Japan) (the “**Ski Tour Operator**”)

The Ski Tour Operator is situated in Higashiyama, at the foothills of Mount Annupuri, approximately 800m to the Niseko Village Ski Resort and 1.7km to the Hilton Niseko Village. This 11-year-old tour business, specialises in backcountry ski, snowboard and snowmobile tours that targets both domestic and international high net worth clientele, and has a client list with over 6000 clients. Currently, the Ski Tour Operator owns a freehold property of 1200sqm, with a 10-year-old two-storey office (1st Floor 190sqm, 2nd Floor 160sqm), and an attached residence measuring 109sqm

ACQUISITION 2: Ski Lodge, Niseko, Hokkaido (Japan)

The Ski Lodge is situated in Higashiyama, at the foothills of Mount Annupuri, approximately 300m to the Niseko Village Ski Resort, 600m from the location of the Ski Tour Operator and 1.3km from the Hilton Niseko Village. This 10-year-old business, owned by the parent company of the Ski Tour Operator, is an operating lodge. The Ski Lodge currently consists of a freehold property of 1600sqm, with a 30-year-old, split level property (with a total area of 198sqm on the 1st Floor and 490sqm over the 2nd Floor and basement), F&B area, and a 55sqm office housing a small rental car business which operates during peak season.

The Company is currently finalising an information memorandum and will start a robust funding drive to secure capital to complete the Acquisition, working capital requirements and several other transactions, as part of its reemergence strategy. The Company will keep the market updated as and when the Company undertakes any further funding, and if there are any significant changes to the Acquisition.

By Order of the Board

Drew Ethan Madacsi
Executive Director
13 April 2016