



M M P RESOURCES LIMITED
(Incorporated in Republic of Singapore)
(Company Registration No. 200613299H)

ISSUE OF 26,509,030 NEW SHARES TO ISR CAPITAL LIMITED

1. INTRODUCTION

The board of directors (hereinafter referred to as the “**Board**” or the “**Directors**” respectively) of MMP Resources Limited (the “**Company**”) wishes to announce that the Company has entered into a settlement agreement dated 15 January 2016 (the “**Settlement Agreement**”) with ISR Capital Limited (the “**Creditor**”), pursuant to which the Company agreed to issue 26,509,030 new shares (the “**New Shares**”) at an issue price of S\$0.0098 to the Creditor as repayment of outstanding rent debt and advance rent (the “**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

SC Building & Construction Pte Ltd, a wholly owned subsidiary of the Company, had on 1 August 2014 entered into a tenancy agreement with the Creditor (the “**Tenancy Agreement**”) pursuant to which the Creditor agreed to rent the office space at 20 Martin Road, #10-02 Seng Kee Building, Singapore 239070 to SC Building & Construction Pte Ltd, from 1 August 2014 to 31 December 2016, with monthly rental payable in accordance with the terms of the Tenancy Agreement. The Tenancy Agreement, by way of a novation agreement (the “**Novation Agreement**”) dated 30 January 2014, was subsequently novated to Magnum Energy Pte Ltd, another wholly owned subsidiary of the Company, on 30 January 2015 for the remaining period from 1 February 2015 to 31 December 2016.

As at the date of the Settlement Agreement, a total of S\$197,545.78 (comprising of outstanding rent, interest charged on rent outstanding and electricity usage charges) was outstanding. An additional 3 months advance rent (up to 31 March 2016) was also taken into consideration in the Settlement agreement. As the Company’s proposed placement was not completed (as announced on 10 September 2015), the Company has decided and agreed with the Creditor to repay the amounts owing to the Creditor by way of issuance of the New Shares, instead of payment in cash.

	S\$
Rental outstanding for the period from 1 March 2015 to 31 December 2015 (\$20,747.57 per month)	207,475.70
Interest of 1.5% per month charged on rent outstanding	14,004.61
Electricity Charges incurred from January 2015 to December 2015	6,065.47
Less: Payment made in November 2015	(30,000.00)
Advance Rent for January 2016 to March 2016	62,242.71
TOTAL	259,788.49



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3. ISSUE PRICE

The New Shares shall be allotted and issued at an issue price of S\$0.0098 per New Share (the “**Issue Price**”). The issue price is based on the volume weighted average price of the Company’s shares for the last 5 trading days. Immediately preceding the date of the Settlement Agreement.

The New Shares, when allotted and issued, shall rank equally in all respects with the existing shares (the “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 (“**SGX-ST**”) for the listing and quotation of the New Shares on the Official List of the SGX-ST.

4. FINANCIAL EFFECTS

As at the date of this announcement, the issued and paid-up share capital of the Company is S\$134,942,599 comprising of 1,688,463,799 ordinary Shares. On completion, the issued and paid-up capital will increase to S\$135,202,388 comprising 1,714,972,829 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\$(0.022) to S\$(0.0169); and
- (b) assuming the Share Issue was completed on 30 September 2015, the net asset value per share of the Group will decrease from 0.0056 cents to 0.0051 cents.

5. 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.

6. 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 and Share Issue (other than through their respective direct and indirect shareholdings in the Company).

The Company will make further announcement(s) once the in-principal approval for the listing and quotation of the New Shares is obtained from the SGX-ST.



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By Order of the Board

Drew Ethan Madacsi
Executive Director
15 January 2016