M M P RESOURCES LIMITED

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

CLARIFICATIONS IN RESPONSE TO RECENT POST BY MAK YUEN TEEN

The Board of Directors (the "**Board**") of MMP Resources Limited (the "**Company**" and collectively with its subsidiaries, the "**Group**") refers to a recent post dated 19 June 2020 by Professor Mak Yuen Teen ("**Mak**") on his website https://governanceforstakeholders.com/ titled "*MMP Resources: SGX's Decision to Grant an Extension of Time Unfathomable*".

The Board wishes to make the following clarifications:-

1. Application for Extension of Time – The Proposed Acquisition

The Company's application for extension of time (the "**Application**") which was granted by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**" or "**Exchange**") on 18 June 2020 was submitted on the basis of the Company's proposed acquisition (the "**Proposed Acquisition**") of a Japanese asset, GCM Ltd. (the "**Target**"). The Proposed Acquisition constitutes a Reverse Takeover ("**RTO**") for the purposes of Chapter 10 of the Listing Manual of the SGX-ST (the "**Listing Manual**"). The Proposed Acquisition is subject to shareholders' approval.

Prior to submitting the Application, the Company had conducted preliminary due diligence on the Target to ensure that the Proposed Acquisition would likely be able to satisfy the RTO requirements in the Listing Manual. Based on the preliminary due diligence undertaken by the management, the following representations, among others, were made to the Exchange prior to the Company's entry into a definitive agreement in respect of the Proposed Acquisition:

(a) that the Target holds several finance licences, and is regulated, by the relevant Japanese authorities in relation to its financial services business;

(b) that based on the Target's unaudited financial statements furnished to the Company for its most recently completed financial year ended 31 March 2020, the Target is expected to have a pre-tax profit of approximately US$21.1 million (or approximately S$30.6 million based on the exchange rate of US$1:S$1.45).

Note: The above information was provided to the Exchange before the end of the Target's financial year of 31 March 2020. In any event, based on the unaudited financial statements provided by the Target and as announced by the Company on 28 April 2020, the Target Group (as defined in the foregoing announcement) has a pre-tax profit of approximately S$29.986 million for its latest financial year ended 31 March 2020. In addition, as set out in the same announcement, based on the Target Group's unaudited financial statements, the Target Group has been profitable for its past 3 financial years; and

(c) the Target has an operating track record of at least 3 years, and was registered in 2005.

The Proposed Acquisition involves the acquisition of a viable asset which, the Board believes, will, after completion of the Proposed Acquisition, (i) enable the Company to meet the requirements of Rule 1314(1) of the Listing Manual in order to exit the financial watch-list, and (ii) increase the profits of the enlarged Group. The Board further believes that the injection of the Target into the Group will enable the Company (post completion of the Proposed Acquisition) to maintain a market capitalisation of at least S$150 million, thereby preserving the Mainboard status of the Company.

Shareholders should note that in addition to the Proposed Acquisition, the Company has also taken other active steps being the consolidation of all its debts, constituting millions of dollars, to ensure that after completion of the Proposed Acquisition, the enlarged Group will not be burdened with previous debts. In addition, upon completion of the Proposed Acquisition, it is intended that the Group will be led by a re-constituted new Board and managed by a new management team. The completion of the Proposed Acquisition is also expected to result in a change in control of the Company with the vendor, Majesty Asset Management Ltd ("**Majesty**"), being the new controlling shareholder. The Target has successfully completed significant funding deals of late, one exceeding US$100m, and the Target comprises an experienced team of former Japanese banking practitioners and real estate professionals with proven track records.

Without any extension of time granted by the Exchange, under Rule 1315 of the Listing Manual, the Exchange may either remove the Company from the Official List, or suspend trading of the listed securities of the Company (without the agreement of the Company) with a view to removing the Company from the Official List. This is notwithstanding the viability of the Target identified by the Company for the Proposed Acquisition, and may not be in the best interests of the Company's shareholders.

The Board believes that upon the completion of the Proposed Acquisition and the debt consolidation, the Company will emerge as a transformed company led by a strong management team with substantial experience in managing businesses pertaining to financial advisory services and asset management. The Proposed Acquisition is expected to drastically improve the Company's finances and strengthen its balance sheet, and improve the net asset value per share and returns to shareholders of the Company.

2. Grant of Extension is subject to Conditions

As announced by the Company on 18 June 2020, the grant of the extension by the Exchange is subject to numerous conditions, which include, among others, key milestones and timelines which the Company has to comply with to facilitate and ensure the completion of the RTO.

To meet the key milestones and timeline imposed by the Exchange, the Company has, to date, engaged the relevant professionals to assist in the RTO, including its financial adviser, legal advisers, reporting accountants, an independent valuer, independent financial adviser and Japanese legal counsel. The relevant professionals have been appointed to, among others, carry out proper due diligence on the Target, its subsidiaries and its businesses so as to ensure that the Target and the Proposed Acquisition are able to meet the requirements under Rule 1015 of the Listing Manual. Shareholders may wish to refer to the announcement dated 5 May 2020 for further details on the appointment of the Company's financial adviser to the RTO.

In compliance with the conditions imposed by the Exchange pursuant to the grant of the extension, the Company will make immediate announcements on its progress in meeting key milestones of the Proposed Acquisition. The failure to meet the key milestones and timeline specified by the Exchange under the foregoing conditions would result in a delisting of the Company. The Exchange has also indicated that no further extensions will be granted to the Company.

3. Previous Disclaimers

The post made by Mak made a reference to "eight consecutive disclaimers of opinion given by three different external auditors". The Board wishes to highlight that certain investments by the Company in earlier years were made under the purview of previous directors and/or management which resulted in substantial financial impact to the Company and significant changes in the Board and senior management from 2013 to 2015. The Board has since expended significant time and effort in its attempts to minimise such financial impact, defend litigation and/or change the businesses and strategic direction of the Company.

The Company was evidently not profit-making and was involved in litigation involving a member of its previous senior management, and a large part of the disclaimers have been in connection with ongoing concern issues. It is currently still involved in litigation involving a shareholder of the Company. Notwithstanding the foregoing, the new management, has put in efforts to revamp and improve the business of the Group on extremely limited financial resources.

At the same time, the Board, management and restructuring team encountered much difficulty in its fund raising efforts over the years due to history that pre-dates them, especially the damage caused in March 2015 and negative press but wishes to express its gratitude for all the financial support and patience which it received from its substantial shareholder, Maiora since 2015, which has allowed the Company the current opportunity to revamp and transform itself through the Proposed Acquisition.

By Order of the Board

Drew Ethan Madacsi
Non-Executive Chairman

20 June 2020