M M P RESOURCES LIMITED

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

ANNOUNCEMENT IN RELATION TO RULE 704(5) OF THE LISTING MANUAL – DISCLAIMER OF OPINION BY INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS

In compliance with Rule 704(5) of the SGX-ST Listing Manual of The Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board of Directors of MMP Resources Limited (the "**Company**" or the "**Group**") wishes to announce the following in respect to Moore Stephens LLP ("**MS**"), the Company's external auditors, Independent Auditors' Report for the financial year ended 31 December 2016:

Basis for Disclaimer of Opinion

3. In our auditors' report dated 8 April 2016, we expressed a disclaimer of opinion in respect of the financial statements for the previous financial year ended 31 December 2015 due to the following matters:

    a. As disclosed in Note 12 to the financial statements, included in loss from discontinued operations of S$231,000 for the financial year ended 31 December 2015 is a loss of S$515,000 arising from the results of Elite Bay prior to its disposal, and a gain of S$284,000 arising from the disposal of Elite Bay. We were unable to obtain sufficient appropriate audit evidence that the results of Elite Bay, prior to its disposal, have been appropriately included in the consolidated financial statements of the Group. We were also unable to assess the appropriateness of the gain on disposal of Elite Bay.
    b. As disclosed in Note 14 to the financial statements, the Group and the Company have recognised impairment charges amounting to S$35,380,000 and S$23,380,000 respectively in respect of the unquoted equity investments during the financial year ended 31 December 2015. We were unable to obtain sufficient appropriate audit evidence on the appropriateness of the impairment charges recognised.
    c. As disclosed in Note 15 to the financial statements, the Company has recognised an impairment charge of S$12,000,000 in respect of its investment in a subsidiary during the financial year ended 31 December 2015. We were unable to obtain sufficient appropriate audit evidence on the appropriateness of the impairment charge recognised.

    The matters referred to above remain unresolved in the current year. In view of this, our opinion on the current year's financial statements is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

4. As disclosed in Note 24 to the financial statements, during the year, the Group and Company have engaged in ongoing legal proceedings regarding funds lent to the Group and Company amounting to S$4.7 million, recorded as a liability in the balance sheet as at 31 December 2014, and which has been recognised as income during the current financial year. This is a reversal, by the Group and Company in the current financial year, of a liability accrued in 2014. We are unable to ascertain if legal action that has commenced would be successful and hence we are unable to determine whether any adjustments to the accompanying financial statements was necessary.

5. During the year, the Group and Company recognised revenue of S$1,619,000 which remain uncollected as at 31 December 2016. We were unable to obtain sufficient appropriate audit evidence on the recoverability of these receivables. As revenue is recognised only when collectability is probable, the uncertainty in recoverability impacts the appropriateness of the revenue recognised during the year. Consequently, we were unable to determine whether any adjustment to the accompanying financial statements was necessary.

6. As disclosed in Note 24, the Group received a writ of summons on 9 December 2016 for full and immediate repayment of borrowings amounting to S$5,215,000. This condition indicates the existence of an uncertainty that may cast significant doubt as to the ability of the Group and the Company to continue as going concerns.

7. In view of the material uncertainties as discussed above, we were also unable to obtain sufficient audit evidence to satisfy ourselves as to the ability of the Group and the Company to continue as going concerns. In the event that the Group and the Company are unable to continue as going concerns, it could have an impact on the Group's and the Company's ability to realise assets at their recognised amounts and to extinguish liabilities in the normal course of business at the amounts stated in the balance sheets of the Group and the Company. The Group and the Company may also have to provide for further liabilities which arise, and to reclassify non-current assets as current assets. No such adjustments have been made to these financial statements.

Copies of the aforesaid Independent Auditors' Report together with extracts of the relevant notes to the Financial Statements are annexed to this announcement.

BY ORDER OF THE BOARD

Paul Andrew Crosio
Executive Director
4 April 2017