M M P RESOURCES LIMITED

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

ENTRY INTO FIVE YEAR LEASE WITH OPTION TO PURCHASE WITH JRT TRADING PTY LTD

1. INTRODUCTION

The board of directors (the "**Board**") of MMP Resources Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcement dated 4 July 2016 in relation to the non-binding heads of agreement (the "**HOA**") entered into by the Company in respect of the proposed acquisition by the Company of the entire issued share capital of JRT Trading Limited.

As at the date of this announcement, the Company has incorporated a wholly owned Japanese entity, MMP Resources Japan K.K. (the "**Subsidiary**"). The Subsidiary will comply with Japanese and Singapore accounting standards and will hold and receive funds in Japanese Yen.

Following a comprehensive due diligence and notwithstanding the preliminary terms of the HOA, the Board wishes to announce that the Subsidiary, has instead entered into a 5 year fixed term lease agreement with JRT Trading Pty Ltd ("**JRT**"), with an option to purchase which grants the Company the right to purchase the leased premises at a pre-determined price of ¥80,000,000.00 (the "**Agreement**") which is approximately S$1.04 million (at an exchange rate of ¥1 = S$0.013). The premises leased by the Subsidiary pursuant to the Agreement comprise both office and residential buildings (the "**Leased Buildings**") which are located at prominent, high traffic location based in Higashiyama, a town located in Niseko, Abuta District, Shiribeshi Subprefecture in Hokkaido, Japan.

2. INFORMATION ON JRT

JRT is a 10-year-old premier mechanised ski (Heli and Snowcat) operator that manages a ski lodge, a Hokkaido tour business and rental business based in Higashiyama, a town located in Niseko, Abuta District, Shiribeshi Subprefecture in Hokkaido, Japan. JRT's main operations include the operating and/or the running of (i) the Black Diamond Tours, (ii) the Hokkaido Backcountry Club, (iii) the Black Diamond Lodge, (iv) Niseko Car Rental and (v) the Chisenupuri Ski Area leases.

JRT additionally owns a pair of two-storey buildings and the associated property of 1,394.4sqm where Black Diamond Tours and Hokkaido Backcountry Club are currently located.

3. RATIONALE FOR ENTERING INTO THE AGREEMENT

The rationale for the entry by the Subsidiary into the Agreement is for the redevelopment of the Leased Buildings for the purpose of housing high value global brand tenants, which operate within the lifestyle and aspirational retail space.

The Group will utilise its recently announced funding arrangement with Alliance Brands Limited ("**ABL**"), and will move to finalise negotiations with several other global lifestyle brands, to develop this site as a retail destination point, focused on F&B, retail and experience based retail initiatives, targeting the winter and summer tourism markets.

The entry by the Subsidiary into the Agreement is also 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 Leased Buildings are located, offer the Group the ability to form joint ventures with global brands wishing to expand into these target markets. 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 Leased Buildings is directly opposite local tourism success story, Milk Kobo, which runs a dairy farm, shops, cafe and the highly successful Prativo restaurant, a high traffic tourism destination in summer. In addition, the Leased Buildings are adjacent to the primary road to the Hilton Niseko, which is 1.7km away.

The Company believes that the location of the Leased Buildings 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

The salient terms of the Agreement are set out in the table below:

Lessor	JRT Trading Pty Ltd
Name of leased premises	BDT Office Buildings, comprising of both office and residential buildings
Location of leased premises	885-3 Soga, Niseko-cho, Abuta-gun, Hokkaido
Term of Lease	1 April 2017 to 31 March 2022
Option to Purchase	Pursuant to the Agreement, the Company is granted the right to purchase the Leased Buildings at a consideration of ¥80,000,000.00. The Company may exercise its option to purchase the Leased Buildings within a period no later than 14 days from the date of expiry of the lease term.

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
13 September 2016