M M P RESOURCES LIMITED

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

ENTRY INTO FUNDING AGREEMENT WITH ALLIANCE BRANDS LIMITED

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 7 July 2016 (the "**HOA**") with Alliance Brands Limited ("**ABL**" and collectively with the Company, the "**HOA Parties**") in relation to, *inter alia*, a series of transactions leading to a joint venture between the Company and ABL (the "**Proposed Transactions**").

Following detailed discussions with ABL as well as comprehensive due diligence and notwithstanding the preliminary terms of the HOA, the Board wishes to announce that the Company has instead entered into a funding agreement (the "**Agreement**") with ABL for the purpose of facilitating a global rollout of ABL's most successful brands.

The entry by the Company into the Agreement is part of its strategy to broaden the relationship between the Company and ABL over time which may include closer working relationships in various high potential locations in Japan. 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**") at the appropriate junctures.

2. INFORMATION ON ABL

ABL is a global brand development and operational company incorporated in the British Virgin Islands (BVI Company Number 1838155) with their registered office at NovaSage Chambers, PO Box 4389, Road Town, Tortola, British Virgin Islands. ABL currently consists of an operational team of around 30 consultants, and operates several international food and beverage businesses. ABL is the holding company for the various ventures entered into by ABL with its respective partners. ABL operates in several countries and for operational, tax and accounting convenience, ABL is registered in the British Virgin Islands under which are multiple subsidiaries for ABL's various lines of business.

ABL's business comprises two main segments, brand conceptualization and brand activation, with a specific focus on incubating inception ideas related to global trends within the food and beverage, hospitality, leisure and apparel sectors. ABL has a strong execution and project management team, having worked on transactions all over the world.

3. BRIEF DESCRIPTION OF THE AGREEMENT

ABL requires funds for the global brand rollout of some of its most successful brands. As part of its plan, ABL intends to incorporate a separate subsidiary for the purpose of the rollout of the brand(s) and the brand's associated operations at each specific site (each a "**Borrower**"). The Company has agreed, upon and subject to the terms and conditions of the Agreement, to make available to each Borrower a convertible loan facility (the "**Facility**")

for the aforesaid purpose. The Board wishes to highlight that the Agreement is being entered into by the Company and ABL to set out the funding arrangement between the parties, and that the loans under the Facility will be disbursed to each Borrower that will be subsequently incorporated, and not ABL.

4. SALIENT TERMS OF THE AGREEMENT

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

Lender	The Company
Borrower	Each of the subsidiaries to be incorporated by ABL for the purpose of the brand rollout of the relevant brands within each of the specific jurisdictions.
Purpose	Each Borrower will require funds for the rollout of the relevant brand(s) within its jurisdiction of incorporation. The Company has agreed subject to terms and conditions to make available a convertible loan facility to each of such Borrowers. Each Borrower will use these loan funds in accordance with budgets and plans which have been mutually agreed between each Borrower and the Company.
Loan Amount / Facility Amount	<u>Loan Amount per Borrower</u> Unless the Company otherwise agrees, the aggregate amount of loan under the Facility (the "**Loan**") for a Borrower shall not exceed S$100,000. <u>Facility Amount</u> Unless the Company otherwise agrees, the aggregate amount of Loans to be extended under this Facility to all Borrower(s) shall not exceed S$500,000.
Ranking of Loan	Each Loan shall constitute direct, unconditional and unsubordinated obligations of the relevant Borrower ranking at least *pari passu* with all of that Borrower's other present and future unsecured and unsubordinated indebtedness.
Conditions Precedent	Each Loan will be made subject to, among others, the following conditions:- (a) A budget plan and brand rollout plan to be mutually agreed by the Company and each

	Borrower. (b) All parties obtaining all necessary consents from its board of directors, its shareholders, any other persons and any relevant authorities. (c) There being no material adverse change in the assets, operations or financial condition of ABL and each Borrower. (d) The Facility not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by regulation, statute or otherwise.
Interest Rate	Each Loan shall carry an interest rate of 2.33% per month or 28% per annum based on the amount of the Loan.
Maturity	The maturity date of each Loan shall be the date falling on either (i) the sixth anniversary of the utilisation date for that Loan, or (ii) such other date as the Company may notify the relevant Borrower in writing.
Right of Conversion	The Company can convert, all or any part of the principal of the Loan plus any accrued interest and charges into equity in the relevant Borrower (the "**Conversion Shares**") which will be fully paid up, not subject to further call and ranking *pari passu* with all other existing shares of that relevant Borrower. The Company can exercise this conversion right by notifying the relevant Borrower no later than six (6) months before the maturity date of the Loan for that particular Borrower. The Conversion Shares shall be calculated as: $\text{Number of Conversion Shares to be issued and allotted to the Company or its nominee} = \frac{X}{1.5 \times \text{Audited Gross Revenue}^*}$ Where X is the principal and any outstanding interest under the relevant Loan. *If the audited results of a Borrower are not available, the Company may agree to a substitute by relying on, among other options, the unaudited statements of that

	Borrower.
ABL's undertakings	ABL shall, and shall procure that each Borrower shall: (a) design, build or refurbish and operate all the Borrowers in accordance with the budget plans approved by the Company; (b) obtain prior written approval for all transactions relating to each Borrower; (c) keep and properly maintain audited accounts; and (d) not enter into any funding or sale of share agreements.
Event of Default	As an additional protection, the Company may call forward repayment or convert a Loan into shares in the relevant Borrower upon the occurrence of specific default events as set out in the Agreement.
Shareholders' Approval	The Company's right of conversion shall be subject to the Company obtaining all relevant approvals (including from its shareholders) for the subscription and allotment of the Conversion Shares.

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 Facility and 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 Facility 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 at the appropriate junctures. 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
7 September 2016