

MANHATTAN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199006289K)

MATERIAL VARIANCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. INTRODUCTION

The board of directors ("**Board**") of Manhattan Resources Limited ("**Company**", together with its subsidiaries, the "**Group**") refers to the unaudited financial statement announcement for the financial year ended 31 December 2018 ("**FY2018**") dated 28 February 2019 ("**Unaudited FY2018 Results**"), and the Board wishes to announce that subsequent to the release of the Unaudited FY2018 Results and upon the finalisation of the audit by the external auditor, the external auditor has proposed certain reclassifications and adjustments which the management of the Company has adopted accordingly.

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2. DETAILS AND EXPLANATION

The details and explanations of the variances between the Unaudited FY2018 Results and the audited consolidated financial statements of the Group for FY2018 ("FY2018 Audited Financial Statements") are set out below:

	Group	Variance	Notes
	Unaudited FY2018 Results \$'000	FY2018 Audited Financial Statements \$'000	\$'000
A) Balance sheets			
Loans and borrowings (current liabilities)	(20,163)	(6,818)	13,345
Loans and borrowings (non-current liabilities)	-	(13,345)	(13,345)
Net current (liabilities)/assets	(5,444)	7,901	13,345
B) Consolidated statement of comprehensive income			
Profit/(loss) net of tax	3,360	3,360	-
Other comprehensive Income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(4,060)	(7,303)	(3,243)
Other comprehensive income for the financial year, net of tax	(4,060)	(7,303)	(3,243)
Total comprehensive income for the year	(700)	(3,943)	(3,243)
Total comprehensive income attributable to:			
Owners of the Company	(1,348)	(1,348)	-
Non-controlling interests	648	(2,595)	(3,243)
	(700)	(3,943)	(3,243)
C) Consolidated Cash Flow Statement			
Unrealised foreign exchange differences	1,073	731	(342)
Purchase of property, plant and equipment	(3,239)	(2,785)	454
Decrease in fixed deposits	-	9,791	9,791
Restricted Cash	36	47	11
Net increase/(decrease) in cash and cash equivalent	21,498	31,410	9,912
Cash and cash equivalents at end of the year	55,975	65,887	9,912
D) IPT Transactions			
Coal transportation income	8,785	10,353	1,568

E) Statements of Changes in Equity							
	Group				Variance		
	Unaudited FY2018 Results		FY2018 Audited Financial Statements				Notes
	Non-controlling interests \$'000	Total equity \$'000	Non-controlling interests \$'000	Total equity \$'000	Non-controlling interests \$'000	Total equity \$'000	
Other comprehensive income							
Foreign currency translation	1,032	(4,060)	(2,211)	(7,303)	(3,243)	(3,243)	2
Other comprehensive income for the financial year, net of tax	1,032	(4,060)	(2,211)	(7,303)	(3,243)	(3,243)	
Total comprehensive income for the financial year	648	(700)	(2,595)	(3,943)	(3,243)	(3,243)	
<u>Changes in ownership interests in subsidiaries</u>							
Capital injection by a non-controlling interest	-	339	3,243	3,582	3,243	3,243	
Total changes in ownership interests in subsidiaries	-	339	3,243	3,582	3,243	3,243	
Total transactions with owners in their capacity as owners	-	339	3,243	3,582	3,243	3,243	

Explanatory Notes

1. The loans and borrowings repayable after one year were reclassified from current liabilities to non-current liabilities as the Group had the unconditional right to defer settlement of the non-current portion twelve months after reporting period. The Group had made full repayments of the loans and borrowings subsequent to the financial year end.
2. This refer to the share of other comprehensive income by the non-controlling interest due to changes in ownership interest in PT Kariangau Power (PT KP). The Group's equity interest in the issued and paid-up capital of PT KP was diluted from 92.18% to 86.11%.
3. The foreign exchange differences arising from the purchase of property, plant and equipment was reclassified from "purchase of property, plant and equipment" to "unrealised foreign exchange differences".
4. Current account balance amounting to \$9,791,000 was inadvertently classified as long term fixed deposits in the Unaudited FY2018 results. Fixed deposits for more than 3 months are not included as cash and cash equivalents for the purpose of the consolidated cash flow statement.
5. The coal transportation income with IPTs as disclosed in the Unaudited FY2018 Results paragraph 13 was inadvertently stated wrongly.

BY ORDER OF THE BOARD

Low Yi Ngo
Chief Executive Officer and Managing Director
4 April 2019