



MANHATTAN RESOURCES LIMITED

Company Registration No : 199006289K

Unaudited Financial Statement Announcement for the First Quarter and Three Months ended 31 March 2018

1(a)(i). An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Consolidated Income Statement for the First Quarter ended 31 March 2018 ("1Q 2018")

	Group S\$'000		% Change
	1Q 2018	1Q 2017	+/(-)
Revenue*	6,907	5,897	17
Other income *	701	1,337	(48)
Employee benefits expenses	(1,286)	(1,068)	20
Depreciation and amortisation ⁽¹⁾	(2,174)	(1,542)	41
Other expenses *	(6,237)	(5,904)	6
Finance costs on loans and borrowings ⁽²⁾	(848)	(987)	(14)
Share of results of associate, net of tax	(2)	(8)	(75)
Share of results of joint venture company, net of tax	31	36	(14)
Loss before tax	(2,908)	(2,239)	30
Income tax expense	(68)	(68)	-
Loss for the period	(2,976)	(2,307)	29
Loss attributable to:			
Owners of the Company	(2,444)	(2,053)	19
Non-controlling interests	(532)	(254)	109
	(2,976)	(2,307)	29

Unaudited Consolidated Statement of Comprehensive Income for 1Q 2018

	Group S\$'000		% Change
	1Q 2018	1Q 2017	+/(-)
Loss for the period	(2,976)	(2,307)	29
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(646)	(4,264)	(85)
Other comprehensive income for the period, net of tax	(646)	(4,264)	(85)
Total comprehensive income for the period	(3,622)	(6,571)	(45)
Total comprehensive income attributable to:			
Owners of the Company	(3,296)	(5,050)	(35)
Non-controlling interests	(326)	(1,521)	(79)
	(3,622)	(6,571)	(45)

Notes:

n.m. - not meaningful, * - Refer to item 1(a)(ii) for details.

(1) In October 2016, a subsidiary entered into a conditional sale and purchase agreement for the sale of 22 tugs and 22 barges (the "Vessels"). The depreciation for these tugs and barges was suspended since October 2016. As at 31 December 2017, the proposed disposal has not been completed. As such the Group ceased to classify these tugs and barges as held for sale and have recognised the depreciation for the Vessels.

(2) Finance costs pertain to the interest expenses incurred on the bank loans.

- 1(a)(ii). The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	Group S\$'000	% Change
	1Q 2018	1Q 2017
		+ / (-)
Revenue		
Coal transportation income ⁽¹⁾	4,044	1,596
Sale of electricity ⁽²⁾	2,863	4,301
	<u>6,907</u>	<u>5,897</u>
		17
Other income		
Interest income on cash and bank deposits	77	78
Gain on disposal of property, plant and equipment ⁽³⁾	610	90
Foreign exchange gain ⁽⁴⁾	-	1,152
Miscellaneous income	14	17
	<u>701</u>	<u>1,337</u>
		(48)

	Group S\$'000	% Change
	1Q 2018	1Q 2017
		+ / (-)
Other expenses include the following:		
Operating expenses (excluding payroll and depreciation):		
Coal and fuel ⁽⁵⁾	(2,624)	(3,519)
Operations and maintenance ⁽⁶⁾	(979)	(877)
Agent fees and port handling charges ⁽⁷⁾	(469)	(333)
Certificate, license and other compliance expenses ⁽⁷⁾	(146)	(51)
Charter expenses/Equipment leasing ⁽⁷⁾	(324)	(40)
Other expenses ⁽⁸⁾	(485)	(696)
	<u>(5,027)</u>	<u>(5,516)</u>
		(9)
Legal and professional fees ⁽⁹⁾	(52)	(141)
Office and other rental expenses ⁽¹⁰⁾	(92)	(112)
Foreign exchange loss ⁽⁴⁾	(628)	-
	<u></u>	<u></u>
		n.m.

Notes:

- (1) The increase in coal transportation income was due to the greater coal carrying activities in 1Q 2018 as compared to 1Q 2017.
- (2) The decrease in sales of electricity were due to the lower sales volume of electricity in 1Q 2018 as compared to 1Q 2017.
- (3) As part of the on-going fleet renewal exercise, the Group has sold some vessels in 1Q 2018.
- (4) The foreign exchange loss/gain in 1Q 2018 was mainly due to the movement of Singapore Dollar ("SGD") against United States Dollar ("USD"), Renminbi ("RMB") and Indonesian Rupiah ("IDR").
- (5) The decrease in coal expenses was in line with the lower electricity sales in 1Q 2018. This is partially offset by the increase in coal prices in 1Q 2018 as compared to 1Q 2017. The overall decrease was also offset by increase in fuel expenses in shipping segment due to the greater coal carrying activities in 1Q 2018.
- (6) The increase in operations and maintenance expenses was due to maintenance of power plant units and more vessels undergoing repair in 1Q 2018.
- (7) The increase in expenses was in line with the increase in coal carrying activities in 1Q 2018.
- (8) The decrease was in line with the decrease in sales of electricity in 1Q 2018 as compared to 1Q 2017, partially offset by increase in other vessel expenses.
- (9) The decrease in legal fees was due to reversal of over accrued legal expenses in FY2017.
- (10) The decrease in 1Q 2018 was due to a decrease in rental rate following renewal of the rental agreement.

1(b)(i). A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

Unaudited Balance Sheets as at 31 March 2018

	Group S\$'000		Company S\$'000	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Non-current assets				
Property, plant and equipment	57,311	60,803	181	202
Land use rights	11,556	12,084	-	-
Intangible assets	19,307	20,466	-	-
Investment property under construction	11,053	10,319	-	-
Property under development	48,437	45,218	-	-
Goodwill	82	82	-	-
Deferred tax assets	-	-	-	-
Prepayments	3,361	3,218	-	-
Interests in subsidiaries	-	-	76,489	76,489
Investment in associate	26,150	26,154	26,150	26,154
Interests in joint venture company	1,750	1,854	-	-
Trade and other receivables	7,150	7,160	-	-
Loan to subsidiary	-	-	31,014	31,462
	186,157	187,358	133,834	134,307
Current assets				
Trade and other receivables	6,278	12,079	53	45
Prepayments	1,013	614	13	6
Due from subsidiaries (trade)	-	-	859	859
Due from subsidiaries (non-trade)	-	-	3,911	3,969
Inventories	357	112	-	-
Cash and bank deposits	45,844	44,201	2,413	2,557
	53,492	57,006	7,249	7,436
	53,492	57,006	7,249	7,436
Current liabilities				
Loans and borrowings	(14,190)	(13,915)	(9,077)	(9,249)
Trade and other payables	(46,249)	(45,142)	(493)	(486)
Due to subsidiaries (non-trade)	-	-	(17,963)	(18,325)
Advance from joint venture company	(1,406)	(750)	(1,406)	(750)
Income tax payable	(270)	(90)	-	-
	(62,115)	(59,897)	(28,939)	(28,810)
Net current liabilities	(8,623)	(2,891)	(21,690)	(21,374)
Non-current liabilities				
Trade and other payables	(26,166)	(26,634)	-	-
Deferred tax liabilities	(8,614)	(9,065)	(14)	(14)
Loans and borrowings	(18,579)	(20,971)	-	-
	(53,359)	(56,670)	(14)	(14)
Net assets	124,175	127,797	112,130	112,919
Equity				
Share capital	189,004	189,004	189,004	189,004
Accumulated losses	(111,459)	(109,015)	(76,948)	(76,159)
Capital reserve	14	14	-	-
Other reserve	(320)	(320)	-	-
Foreign currency translation reserve	(4,419)	(3,567)	-	-
Acquisition revaluation reserve	5,392	5,392	-	-
Employee share option reserve	74	74	74	74
Equity attributable to owners of the Company	78,286	81,582	112,130	112,919
Non-controlling interests	45,889	46,215	-	-
Total equity	124,175	127,797	112,130	112,919

1(b)(ii). Aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand:

31 March 2018	
Unsecured	Secured
-	14,190

31 December 2017	
Unsecured	Secured
-	13,915

Amount repayable after one year:

31 March 2018	
Unsecured	Secured
-	18,579

31 December 2017	
Unsecured	Secured
-	20,971

The borrowings were secured by (i) the mortgage on the land and certain property, plant and equipment; (ii) fiduciary security over receivables arising out of operational transaction, claims of performance guarantee from certain suppliers and insurance claims; (iii) security over certain receivables and bank accounts.

- 1(c). **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	S\$'000	S\$'000
	1Q 2018	1Q 2017
Cash flows from operating activities		
Loss before tax	(2,908)	(2,239)
Adjustments:		
Depreciation of property, plant and equipment	1,532	842
Amortisation of land use rights	132	144
Amortisation of intangible assets	494	538
Amortisation of prepayments	16	18
Gain on disposal of property, plant and equipment	(610)	(90)
Unrealised foreign exchange differences	107	(5,031)
Finance costs	848	987
Interest income	(77)	(78)
Share of results of associate	2	8
Share of results of joint venture company	(31)	(36)
Operating cash flows before working capital changes	(495)	(4,937)
(Increase)/decrease in inventories	(254)	156
Increase in property under development	(2,453)	(13,548)
Decrease in trade and other receivables	5,604	175
Increase in prepayments	(438)	(1,776)
Increase in trade and other payables	1,846	1,550
Cash flows from/(used in) operations	3,810	(18,380)
Interest received	77	14
Finance costs paid	(793)	(953)
Net cash flows from/(used in) operating activities	3,094	(19,319)
Cash flows used in investing activities		
Purchase of property, plant and equipment	(556)	(1)
Proceeds from sale of property, plant and equipment	616	160
Expenditure on investment property under construction	(560)	-
Net cash flows used in investing activities	(500)	159
Cash flows used in financing activities		
Repayment of bank loans	(1,124)	(827)
Cash at banks pledged	8	(46)
Advances from joint venture	662	-
Net cash flows used in financing activities	(454)	(873)
Net increase/(decrease) in cash and cash equivalents	2,140	(20,033)
Effect of exchange rate changes on cash and cash equivalents	(661)	2,239
Cash and cash equivalents at beginning of the period	33,573	53,970
Cash and cash equivalents at end of the period ⁽¹⁾	35,052	36,176

Note:

- (1) For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and on hand and short term deposits.

	S\$'000	S\$'000
	1Q 2018	1Q 2017
Cash and cash equivalents	35,052	36,176
Fixed deposits	10,524	10,125
Cash at banks pledged	231	326
Restricted cash	37	-
Cash and bank deposits	45,844	46,627

1(d)(i).

A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Total attributable to owners of the Company								Non-controlling interests	Total Equity
(in S\$'000s) GROUP	Share capital	Accumulated losses	Capital reserve	Other reserve	Foreign currency translation reserve	Acquisition revaluation reserve	Employee share option reserve	Total		
At 1 January 2017	189,004	(94,572)	14	(320)	1,664	5,392	74	101,256	49,036	150,292
Loss for the period, net of tax	-	(2,053)	-	-	-	-	-	(2,053)	(254)	(2,307)
Other comprehensive income										
Foreign currency translation	-	-	-	-	(2,997)	-	-	(2,997)	(1,267)	(4,264)
Other comprehensive income for the period, net of tax	-	-	-	-	(2,997)	-	-	(2,997)	(1,267)	(4,264)
Total comprehensive income for the period	-	(2,053)	-	-	(2,997)	-	-	(5,050)	(1,521)	(6,571)
At 31 March 2017	189,004	(96,625)	14	(320)	(1,333)	5,392	74	96,206	47,515	143,721
At 1 January 2018	189,004	(109,015)	14	(320)	(3,567)	5,392	74	81,582	46,215	127,797
Loss for the period, net of tax	-	(2,444)	-	-	-	-	-	(2,444)	(532)	(2,976)
Other comprehensive income										
Foreign currency translation	-	-	-	-	(852)	-	-	(852)	206	(646)
Other comprehensive income for the period, net of tax	-	-	-	-	(852)	-	-	(852)	206	(646)
Total comprehensive income for the period	-	(2,444)	-	-	(852)	-	-	(3,296)	(326)	(3,622)
At 31 March 2018	189,004	(111,459)	14	(320)	(4,419)	5,392	74	78,286	45,889	124,175

- 1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(in S\$'000)	Total attributable to owners of the Company			
	Share capital	Accumulated losses	Employee share option reserve	Total
Company				
At 1 January 2017	189,004	(74,251)	74	114,827
Loss for the period, net of tax	-	(907)	-	(907)
At 31 March 2017	<u>189,004</u>	<u>(75,158)</u>	<u>74</u>	<u>113,920</u>
At 1 January 2018	189,004	(76,159)	74	112,919
Loss for the period, net of tax	-	(789)	-	(789)
At 31 March 2018	<u>189,004</u>	<u>(76,948)</u>	<u>74</u>	<u>112,130</u>

- 1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of outstanding options	No. of outstanding warrants	No. of unissued shares	No. of shares issued
As at 1 January 2017 and 31 March 2017	<u>275,000</u>	<u>-</u>	<u>275,000</u>	<u>568,490,975</u>
As at 1 January 2018 and 31 March 2018	<u>275,000</u>	<u>-</u>	<u>275,000</u>	<u>568,490,975</u>

Each option entitles the option holder to subscribe for one new ordinary share in the Company at the exercise price of S\$0.48 per share. The options' expiry date is 23 February 2019.

- 1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 Mar 2018	31 Dec 2017
Total number of ordinary shares issued	<u>568,490,975</u>	<u>568,490,975</u>

- 1(d)(iv). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the external auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Section 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the financial year ended 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted the following new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for the financial periods beginning on 1 January 2018:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
<i>Amendments to FRS 40 Transfers of Investment Property</i>	1 January 2018
<i>Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
<i>FRS 109 Financial Instruments</i>	1 January 2018
<i>FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
<i>Improvements to FRSs (December 2016)</i>	
<i>-Amendments to FRS 28 Investment in Associate and Joint Ventures</i>	1 January 2018
<i>INT FRS 122 Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

The adoption of the revised FRSs does not have material impact on the financial statements of the Group and Company.

6. Earnings/(Loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

		Group	
		1Q 2018	1Q 2017
<i>Earnings/(Loss) per share</i>			
i) Based on the weighted average number of ordinary shares on issue	Cents	(0.43)	(0.36)
ii) On a fully diluted basis	Cents	(0.43)	(0.36)

Note to item 6 (i)

The basic loss per ordinary share ("EPS") of the Group is computed based on net loss attributable to owners of the Company for 1Q 2018 amounting to S\$2,444,000 (1Q 2017: S\$2,053,000) and weighted average number of 568,490,975 ordinary shares in issue during 1Q 2018 (1Q 2017: 568,490,975).

Note to item 6 (ii)

The EPS of the Group, on a fully diluted basis, is computed based on net loss attributable to owners of the Company for 1Q 2018 amounting to \$2,444,000 (1Q 2017: S\$2,053,000) and weighted average number of 568,490,975 ordinary shares in issue during 1Q 2018 (1Q 2017: 568,490,975).

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Net asset value per ordinary share (cents)	13.77	14.35	19.72	19.86

Note:

Net asset value per ordinary share of the Group and of the Company are computed based on 568,490,975 ordinary shares (31 December 2017: 568,490,975) in issue at the respective balance sheet dates.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Turnover, costs and net loss

The Group recorded a higher turnover in 1Q 2018 of S\$6.9m as compared to S\$5.9m in 1Q 2017, mainly due to greater coal carrying activities in the shipping segment. The shipping segment contributed to 153% increase in coal transportation income in 1Q 2018 as compared to 1Q 2017. This increase was offset by lower sales volume of electricity.

The shipping segment incurred a loss of S\$0.4m in 1Q 2018, as compared to net loss of S\$0.3m in 1Q 2017 mainly attributable to the increase in fuel price from 2017 to 2018 and the increase in charter expenses. In addition, there are more vessels undergoing repair in 1Q 2018. The power plant segment recorded a loss of S\$1.5m in 1Q 2018, as compared to net loss of S\$2.1m in 1Q 2017, mainly attributable to the decrease in sales of electricity, less coal expenses and decrease in professional and consulting expenses in 1Q 2018.

Finance costs incurred in 1Q 2018 were due to the bank loans of the Group. The Group recorded a net loss attributable to owners of the Company of S\$2.4m for 1Q 2018 as compared to S\$2.1m for 1Q 2017. The increase in losses in 1Q 2018 was contributed by foreign exchange losses. As part of the fleet renewal exercise, the Group has disposed some existing vessels in 1Q 2018. The gain on disposal of the vessels is approximately S\$0.6m.

Cash flow, working capital, assets and liabilities

The Group's cash and bank deposits remain healthy at S\$45.8m as at 31 March 2018 as compared to S\$44.2m as at 31 December 2017. The movement in cash flow was mainly due to changes in working capital. The increase in cash and bank deposits was also attributable to the sales proceeds from property, plant and equipment and advance from joint venture. This is accompanied by expenditure for fixed assets, property under development, repayment of principal and interest expenses on bank loans.

The increase in property under development and investment property under construction in 1Q 2018 was due to capitalisation of development expenditure for the property development in Ningbo. The decrease in the property, plant and equipment, land use rights and intangible assets was mainly due to the depreciation and amortisation charges incurred in 1Q 2018. The increase in prepayments mainly relates to the value added tax prepayments arising from the property development segment. The decrease in trade and other receivables was mainly attributable to collection. The increase in trade and other payables was mainly attributable to foreign exchange movement and longer payable terms. Loans and borrowings decrease subsequent to repayment of principal.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In view of the uncertainties in the global economy, the Group shall continue to concentrate its efforts on existing business, while focusing on creating stable revenue base. We will continue to strive for operational efficiency and cost effectiveness.

11. **If a decision regarding dividend has been made: -**

- a **Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

- b **(i) Amount per share (cents)**

Not applicable.

- (ii) Previous corresponding period (cents)**

Not applicable.

- c **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- d **The date the dividend is payable.**

Not applicable.

- e **The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

12. **If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Name of Interested Person	Aggregate value (S\$'000) of all IPTs during the period ended 31 March 2018 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
KaiYi Investment Pte. Ltd. - Lease of office premises	-	(45)
PT Muji Lines - Coal transportation income	-	3,137
PT Dermaga Perkasapratama - Sale of electricity	1,319	-
PT Bara Tabang - Purchase of coal	-	(1,636)

14. Confirmation by the Board pursuant to Rule 720(1) of the listing manual

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

We, Low Yi Ngo and Liow Keng Teck, being two directors of Manhattan Resources Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the first quarter ended 31 March 2018 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

MANHATTAN RESOURCES LIMITED

Low Yi Ngo
Chief Executive Officer and Managing Director

Liow Keng Teck
Independent Director

BY ORDER OF THE BOARD

Madelyn Kwang Yeit Lam
Secretary

7 May 2018