



MANHATTAN RESOURCES LIMITED
Company Registration No : 199006289K

Unaudited Financial Statement Announcement for the Second Quarter and Half Year ended 30 June 2019

- 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 Second Quarter ("2Q 2019") and Half Year ("1H 2019") ended 30 June 2019

| | Group | | % | Group | | % |
|---|----------------|----------------|-------------|----------------|----------------|-------------|
| | 2Q 2019 | 2Q 2018 | Change | 1H 2019 | 1H 2018 | Change |
| | S\$'000 | S\$'000 | + / (-) | S\$'000 | S\$'000 | + / (-) |
| Revenue* | 3,179 | 7,369 | (57) | 7,162 | 14,276 | (50) |
| Other income * | 36 | 563 | (94) | 94 | 1,264 | (93) |
| Employee benefits expenses ⁽¹⁾ | (725) | (1,319) | (45) | (1,544) | (2,605) | (41) |
| Depreciation and amortisation ⁽¹⁾ | (1,657) | (2,085) | (21) | (3,312) | (4,259) | (22) |
| Other expenses * | (1,842) | (6,095) | (70) | (5,127) | (12,332) | (58) |
| Finance costs ⁽²⁾ | (86) | (851) | (90) | (579) | (1,699) | (66) |
| Share of results of associate, net of tax | (2) | (2) | - | (4) | (4) | - |
| Share of results of joint venture company, net of tax | - | (76) | n.m. | - | (45) | n.m. |
| Loss before tax | (1,097) | (2,496) | (56) | (3,310) | (5,404) | (39) |
| Income tax credit/(expense) | 133 | (7) | n.m. | 224 | (75) | n.m. |
| Loss for the period | (964) | (2,503) | (61) | (3,086) | (5,479) | (44) |
| Loss attributable to: | | | | | | |
| Owners of the Company | (895) | (1,824) | (51) | (2,790) | (4,268) | (35) |
| Non-controlling interests | (69) | (679) | (90) | (296) | (1,211) | (76) |
| | (964) | (2,503) | (61) | (3,086) | (5,479) | (44) |

Unaudited Consolidated Statement of Comprehensive Income for 2Q 2019 and 1H 2019

| | Group | | % | Group | | % |
|--|----------------|----------------|-------------|----------------|----------------|-------------|
| | 2Q 2019 | 2Q 2018 | Change | 1H 2019 | 1H 2018 | Change |
| | S\$'000 | S\$'000 | + / (-) | S\$'000 | S\$'000 | + / (-) |
| Loss for the period | (964) | (2,503) | (61) | (3,086) | (5,479) | (44) |
| Other comprehensive income: | | | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | | | |
| Foreign currency translation | (1,212) | 3,151 | n.m. | 2,549 | 2,505 | 2 |
| Other comprehensive income for the period, net of tax | (1,212) | 3,151 | n.m. | 2,549 | 2,505 | 2 |
| Total comprehensive income for the period | (2,176) | 648 | n.m. | (537) | (2,974) | (82) |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | (1,063) | (1,285) | (17) | 86 | (4,581) | n.m. |
| Non-controlling interests | (1,113) | 1,933 | n.m. | (623) | 1,607 | n.m. |
| | (2,176) | 648 | n.m. | (537) | (2,974) | (82) |

Notes:

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

(1) In August 2018, a subsidiary entered into a conditional sale and purchase agreement for the sale of 27 tugs and 25 barges (the "Vessels"). The Company ceased to depreciate the Vessels and has reclassified the Vessels from "Property, plant and equipment" to "Assets held for sale" under the proposed disposal in September 2018. The transaction was completed in 4Q 2018.

(2) Finance costs includes the interest expenses incurred on the bank loans. The Group had repaid the loans in 1Q 2019.

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 | Group S\$'000 | | % Change |
|--|---------------|--------------|----------|---------------|---------------|----------|
| | 2Q 2019 | 2Q 2018 | + / (-) | 1H 2019 | 1H 2018 | + / (-) |
| Revenue | | | | | | |
| Coal transportation income ⁽¹⁾ | 312 | 4,439 | (93) | 689 | 8,483 | (92) |
| Sale of electricity ⁽²⁾ | 2,867 | 2,930 | (2) | 6,473 | 5,793 | 12 |
| | <u>3,179</u> | <u>7,369</u> | (57) | <u>7,162</u> | <u>14,276</u> | (50) |
| Other income | | | | | | |
| Interest income on cash and bank deposits | 23 | 74 | (69) | 81 | 151 | (46) |
| Gain on disposal of property, plant and equipment ⁽³⁾ | - | 482 | n.m. | - | 1,092 | n.m. |
| Miscellaneous income | 13 | 7 | 86 | 13 | 21 | (38) |
| | <u>36</u> | <u>563</u> | (94) | <u>94</u> | <u>1,264</u> | (93) |

| | Group S\$'000 | | % Change | Group S\$'000 | | % Change |
|--|---------------|---------|----------|---------------|---------|----------|
| | 2Q 2019 | 2Q 2018 | + / (-) | 1H 2019 | 1H 2018 | + / (-) |

Other expenses include the following:

Operating expenses (excluding payroll and depreciation):

| | | | | | | |
|---|----------------|----------------|------|----------------|-----------------|------|
| Coal and fuel ^{(1) (4)} | (995) | (3,045) | (67) | (2,627) | (5,669) | (54) |
| Operations and maintenance ^{(1) (5)} | (765) | (1,031) | (26) | (1,464) | (2,010) | (27) |
| Agent fees and port handling charges ⁽¹⁾ | (30) | (464) | (94) | (64) | (933) | (93) |
| Certificate, license and other compliance expenses ⁽¹⁾ | (8) | (66) | (88) | (38) | (212) | (82) |
| Charter expenses/Equipment leasing ^{(1) (7)} | - | (140) | n.m. | - | (464) | n.m. |
| Other expenses ⁽¹⁾ | (123) | (518) | (76) | (209) | (1,003) | (79) |
| | <u>(1,921)</u> | <u>(5,264)</u> | (64) | <u>(4,402)</u> | <u>(10,291)</u> | (57) |
| Legal and professional fees ⁽⁶⁾ | (93) | (220) | (58) | (217) | (272) | (20) |
| Office and other rental expenses ⁽⁷⁾ | - | (91) | n.m. | - | (183) | n.m. |
| Foreign exchange gain/(loss) ⁽⁸⁾ | 582 | (426) | n.m. | 262 | (1,054) | n.m. |

Notes:

- (1) The decrease in shipping revenue and cost was due to completion of disposal of vessels in 4Q 2018.
- (2) The decrease in sales of electricity was mainly due to the lower sales volume of electricity in 2Q 2019 as compared to 2Q 2018. The sales volume of electricity was higher in 1H 2019 as compared to 1H 2018.
- (3) The Group has sold some vessels in 1Q 2018.
- (4) The decrease in coal expenses was in line with the lower electricity sales in 2Q 2019. The overall decrease in coal expense was also contributed by the decrease in coal prices in 2Q 2019 and 1H 2019 as compared to 2Q 2018 and 1H 2018.
- (5) The decrease in operations and maintenance expenses was mainly due to less repair and maintenance costs incurred for the vessels and power plant units in 2Q 2019 and 1H 2019. This was partially offset by the increase in operation and maintenance fee of the power plant in 2019.
- (6) There was professional fee incurred for the corporate exercise such as disposal of vessels in 1H 2018. The legal and professional fee in 1H 2018 was partially offset by the reversal of over accrued legal expenses.
- (7) The Group adopted SFRS(I) 16 lease on 1 January 2019. Lessees will be required to separately recognise the interest expense on the lease liability and depreciation expense on the right-of-use asset.
- (8) The foreign exchange gain/(loss) in 2Q 2019 and 1H 2019 was mainly due to the movement of Singapore Dollar ("SGD") against United States Dollar ("USD"), Renminbi ("RMB") and Indonesian Rupiah ("IDR").

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 30 June 2019

| | Group S\$'000 | | Company S\$'000 | |
|---|------------------|----------------|--------------------|----------------|
| | 30 June 2019 | 31 Dec 2018 | 30 June 2019 | 31 Dec 2018 |
| Non-current assets | | | | |
| Property, plant and equipment | 49,185 | 49,890 | 49 | 102 |
| Land use rights | 10,954 | 11,049 | - | - |
| Intangible assets | 16,626 | 17,666 | - | - |
| Right-of-use assets* | 4,110 | - | 475 | - |
| Investment property under construction | 14,717 | 14,759 | - | - |
| Property under development | 48,914 | 48,980 | - | - |
| Goodwill | 82 | 82 | - | - |
| Prepayments | 3,575 | 3,310 | - | - |
| Interests in subsidiaries | - | - | 76,489 | 76,489 |
| Investment in associate | 26,144 | 26,148 | 26,144 | 26,148 |
| Interests in joint venture company ⁽¹⁾ | - | 1,814 | - | - |
| Trade and other receivables | 5,400 | 7,183 | - | - |
| Loan to subsidiary | - | - | 24,297 | 24,444 |
| | 179,707 | 180,881 | 127,454 | 127,183 |
| Current assets | | | | |
| Trade and other receivables | 3,032 | 5,901 | - | 65 |
| Prepayments | 578 | 640 | 26 | 22 |
| Due from subsidiaries (trade) | - | - | - | 1,448 |
| Due from subsidiaries (non-trade) | - | - | 18,894 | 2,952 |
| Inventories | 29 | 84 | - | - |
| Cash and bank deposits | 41,861 | 66,222 | 14,956 | 28,743 |
| | 45,500 | 72,847 | 33,876 | 33,230 |
| Current liabilities | | | | |
| Loans and borrowings | - | (6,818) | - | - |
| Trade and other payables | (35,420) | (53,436) | (483) | (3,372) |
| Due to subsidiaries (non-trade) | - | - | (22,018) | (29,011) |
| Advance from joint venture company ⁽¹⁾ | - | (1,432) | (1,918) | (1,432) |
| Lease liability* | (1,237) | - | (239) | - |
| Provision for income tax | (1,133) | (3,260) | - | - |
| | (37,790) | (64,946) | (24,658) | (33,815) |
| Net current asset/(liabilities) | 7,710 | 7,901 | 9,218 | (585) |
| Non-current liabilities | | | | |
| Trade and other payables | (35,732) | (25,107) | (10,740) | - |
| Deferred tax liabilities | (8,632) | (8,966) | (14) | (14) |
| Lease liability* | (2,226) | - | (241) | - |
| Loans and borrowings | - | (13,345) | - | - |
| | (46,590) | (47,418) | (10,995) | (14) |
| Net assets | 140,827 | 141,364 | 125,677 | 126,584 |
| Equity | | | | |
| Share capital | 202,932 | 202,932 | 202,932 | 202,932 |
| Accumulated losses | (108,061) | (105,271) | (77,329) | (76,422) |
| Capital reserve | 353 | 353 | - | - |
| Other reserve | (320) | (320) | - | - |
| Foreign currency translation reserve | (5,783) | (8,659) | - | - |
| Acquisition revaluation reserve | 5,392 | 5,392 | - | - |
| Employee share option reserve | 74 | 74 | 74 | 74 |
| Equity attributable to owners of the Company | 94,587 | 94,501 | 125,677 | 126,584 |
| Non-controlling interests | 46,240 | 46,863 | - | - |
| Total equity | 140,827 | 141,364 | 125,677 | 126,584 |

* Refer to paragraph 5 on page 8 for details

⁽¹⁾ The Company received capital return in cash and in specie for the investment in joint venture in 1H 2019.

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

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

| 30 June 2019 | |
|--------------|---------|
| Unsecured | Secured |
| - | - |

| 31 December 2018 | |
|------------------|---------|
| Unsecured | Secured |
| - | 6,818 |

Amount repayable after one year:

| 30 June 2019 | |
|--------------|---------|
| Unsecured | Secured |
| - | - |

| 31 December 2018 | |
|------------------|---------|
| Unsecured | Secured |
| - | 13,345 |

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. The loans were fully repaid in 2019.

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 1H 2019 | S\$'000 1H 2018 |
| Cash flows from operating activities | | |
| Loss before tax | (3,310) | (5,404) |
| Adjustments: | | |
| Depreciation of property, plant and equipment | 2,056 | 2,987 |
| Amortisation of land use rights | 258 | 261 |
| Amortisation of intangible assets | 966 | 979 |
| Amortisation of prepayments | 32 | 32 |
| Net gain on disposal of property, plant and equipment | - | (1,092) |
| Unrealised foreign exchange differences | 2,735 | 1,241 |
| Finance costs | 579 | 1,699 |
| Interest income | (81) | (151) |
| Share of results of associate | 4 | 4 |
| Share of results of joint venture company | - | 45 |
| Operating cash flows before working capital changes | <u>3,239</u> | <u>601</u> |
| Decrease/(increase) in inventories | 55 | (303) |
| Increase in property under development | (2,176) | (2,733) |
| Decrease in trade and other receivables | 4,846 | 5,458 |
| Increase in prepayments | (642) | (318) |
| Decrease/(increase) in trade and other payables | <u>(5,142)</u> | <u>1,219</u> |
| Cash flows generated from operations | 180 | 3,924 |
| Interest received | 81 | 151 |
| Finance costs paid | (384) | (1,599) |
| Income tax paid | <u>(2,139)</u> | <u>-</u> |
| Net cash flows (used in)/generated from operating activities | <u>(2,262)</u> | <u>2,476</u> |
| Cash flows used in investing activities | | |
| Purchase of property, plant and equipment | (56) | (757) |
| Proceeds from sale of property, plant and equipment | - | 1,102 |
| Expenditure on investment property under construction | (497) | (624) |
| Drawdown of fixed deposits | 107 | - |
| Net cash flows used in investing activities | <u>(446)</u> | <u>(279)</u> |
| Cash flows (used in)/generated from financing activities | | |
| Repayment of bank loans | (20,482) | (2,287) |
| Capital injection in a subsidiary by a non-controlling interest | - | 3,582 |
| Advances from joint venture | - | 662 |
| Repayment of hire purchase/finance lease liabilities | (807) | - |
| Restricted cash | 228 | 36 |
| Net cash flows (used in)/generated from financing activities | <u>(21,061)</u> | <u>1,993</u> |
| Net (decrease)/increase in cash and cash equivalents | (23,769) | 4,190 |
| Effect of exchange rate changes on cash and cash equivalents | (257) | 685 |
| Cash and cash equivalents at beginning of the period | <u>65,887</u> | <u>33,573</u> |
| Cash and cash equivalents at end of the period ⁽¹⁾ | <u><u>41,861</u></u> | <u><u>38,448</u></u> |

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 1H 2019 | S\$'000 1H 2018 |
|---------------------------|--------------------|--------------------|
| Cash and cash equivalents | 41,861 | 38,448 |
| Fixed deposits | - | 10,413 |
| Restricted cash | - | 230 |
| Cash and bank deposits | <u>41,861</u> | <u>49,091</u> |

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.

| | <i>Total attributable to owners of the Company</i> | | | | | | | <i>Non-controlling interests</i> | Total Equity | |
|--|--|---------------------------|------------------------|----------------------|---|--|--------------------------------------|----------------------------------|---------------------|----------------|
| <i>(in S\$'000s)</i> | <i>Share capital</i> | <i>Accumulated losses</i> | <i>Capital reserve</i> | <i>Other reserve</i> | <i>Foreign currency translation reserve</i> | <i>Acquisition revaluation reserve</i> | <i>Employee share option reserve</i> | <i>Total</i> | | |
| <u>GROUP - 2Q 2018 and 2019</u> | | | | | | | | | | |
| At 1 April 2018 | 189,004 | (111,459) | 14 | (320) | (4,419) | 5,392 | 74 | 78,286 | 45,889 | 124,175 |
| Loss for the period, net of tax | - | (1,824) | - | - | - | - | - | (1,824) | (679) | (2,503) |
| <u>Other comprehensive income</u> | | | | | | | | | | |
| Foreign currency translation | - | - | - | - | 539 | - | - | 539 | 2,612 | 3,151 |
| Other comprehensive income for the period, net of tax | - | - | - | - | 539 | - | - | 539 | 2,612 | 3,151 |
| Total comprehensive income for the period | - | (1,824) | - | - | 539 | - | - | (1,285) | 1,933 | 648 |
| <u>Changes in ownership interests in subsidiaries</u> | | | | | | | | | | |
| Capital injection by a non-controlling interest | - | - | - | - | 115 | - | - | 115 | - | 115 |
| Acquisition of subsidiary | - | - | - | - | - | - | - | - | - | - |
| Total changes in ownership interests in subsidiaries | - | - | - | - | 115 | - | - | 115 | - | 115 |
| Total transactions with owners in their capacity as owners | - | - | - | - | 115 | - | - | 115 | - | 115 |
| At 30 June 2018 | 189,004 | (113,283) | 14 | (320) | (3,765) | 5,392 | 74 | 77,116 | 47,822 | 124,938 |
| At 1 April 2019 | 202,932 | (107,166) | 353 | (320) | (5,615) | 5,392 | 74 | 95,650 | 47,353 | 143,003 |
| Loss for the period, net of tax | - | (895) | - | - | - | - | - | (895) | (69) | (964) |
| <u>Other comprehensive income</u> | | | | | | | | | | |
| Foreign currency translation | - | - | - | - | (168) | - | - | (168) | (1,044) | (1,212) |
| Other comprehensive income for the period, net of tax | - | - | - | - | (168) | - | - | (168) | (1,044) | (1,212) |
| Total comprehensive income for the period | - | (895) | - | - | (168) | - | - | (1,063) | (1,113) | (2,176) |
| At 30 June 2019 | 202,932 | (108,061) | 353 | (320) | (5,783) | 5,392 | 74 | 94,587 | 46,240 | 140,827 |

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.

| | <i>Total attributable to owners of the Company</i> | | | | | | | <i>Non-controlling interests</i> | <i>Total Equity</i> | |
|--|--|---------------------------|------------------------|----------------------|---|--|--------------------------------------|----------------------------------|---------------------|----------------|
| <i>(in S\$'000s)</i> | <i>Share capital</i> | <i>Accumulated losses</i> | <i>Capital reserve</i> | <i>Other reserve</i> | <i>Foreign currency translation reserve</i> | <i>Acquisition revaluation reserve</i> | <i>Employee share option reserve</i> | <i>Total</i> | | |
| <u>GROUP - 1H 2018 and 2019</u> | | | | | | | | | | |
| 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 | - | (4,268) | - | - | - | - | - | (4,268) | (1,211) | (5,479) |
| <u>Other comprehensive income</u> | | | | | | | | | | |
| Foreign currency translation | - | - | - | - | (313) | - | - | (313) | 2,818 | 2,505 |
| Other comprehensive income for the period, net of tax | - | - | - | - | (313) | - | - | (313) | 2,818 | 2,505 |
| Total comprehensive income for the period | - | (4,268) | - | - | (313) | - | - | (4,581) | 1,607 | (2,974) |
| <u>Changes in ownership interests in subsidiaries</u> | | | | | | | | | | |
| Capital injection by a non-controlling interest | - | - | - | - | 115 | - | - | 115 | - | 115 |
| Acquisition of subsidiary | - | - | - | - | - | - | - | - | - | - |
| Total changes in ownership interests in subsidiaries | - | - | - | - | 115 | - | - | 115 | - | 115 |
| Total transactions with owners in their capacity as owners | - | - | - | - | 115 | - | - | 115 | - | 115 |
| At 30 June 2018 | 189,004 | (113,283) | 14 | (320) | (3,765) | 5,392 | 74 | 77,116 | 47,822 | 124,938 |
| At 1 January 2019 | 202,932 | (105,271) | 353 | (320) | (8,659) | 5,392 | 74 | 94,501 | 46,863 | 141,364 |
| Loss for the period, net of tax | - | (2,790) | - | - | - | - | - | (2,790) | (296) | (3,086) |
| <u>Other comprehensive income</u> | | | | | | | | | | |
| Foreign currency translation | - | - | - | - | 2,876 | - | - | 2,876 | (327) | 2,549 |
| Other comprehensive income for the period, net of tax | - | - | - | - | 2,876 | - | - | 2,876 | (327) | 2,549 |
| Total comprehensive income for the period | - | (2,790) | - | - | 2,876 | - | - | 86 | (623) | (537) |
| At 30 June 2019 | 202,932 | (108,061) | 353 | (320) | (5,783) | 5,392 | 74 | 94,587 | 46,240 | 140,827 |

- 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 - 2Q 2018 and 2019 | | | | |
| At 1 April 2018 | 189,004 | (76,948) | 74 | 112,130 |
| Profit for the period, net of tax | - | 143 | - | 143 |
| At 30 June 2018 | <u>189,004</u> | <u>(76,805)</u> | <u>74</u> | <u>112,273</u> |
| Company - 1H 2018 and 2019 | | | | |
| At 1 January 2018 | 189,004 | (76,159) | 74 | 112,919 |
| Loss for the period, net of tax | - | (646) | - | (646) |
| At 30 June 2018 | <u>189,004</u> | <u>(76,805)</u> | <u>74</u> | <u>112,273</u> |
| At 1 January 2019 | 202,932 | (76,422) | 74 | 126,584 |
| Loss for the period, net of tax | - | (907) | - | (907) |
| At 30 June 2019 | <u>202,932</u> | <u>(77,329)</u> | <u>74</u> | <u>125,677</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 31 December 2017, 1 January 2018, 31 March 2018 and 30 June 2018 | <u>275,000</u> | <u>-</u> | <u>275,000</u> | <u>568,490,975</u> |
| As at 31 December 2018, 1 January 2019, 31 March 2019 and 30 June 2019 | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,136,981,950</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 expired on 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.

| | 30 June 2019 | 31 Dec 2018 |
|--|----------------------|----------------------|
| Total number of ordinary shares issued | <u>1,136,981,950</u> | <u>1,136,981,950</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 2018.

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 has applied the following SFRS(I)s, interpretations of SFRS(I) and requirement of SFRS(I) which are mandatorily effective from 1 January 2019:

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Amendments to SFRS(I) 3 and SFRS(I) 11 Previously Held Interest in a Joint Operation
- Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation
- Amendments to SFRS(I) 1-12 Income tax consequences of payments on financial instruments classified as equity
- Amendments to SFRS(I) 1-19 Plan Amendment, Curtailment or Settlement
- Amendments to SFRS(I) 1-23 Borrowing Costs Eligible for Capitalisation
- Amendments to SFRS(I) 1-28 Long-Term Interests in Associates and Joint Ventures

The adoption of the above standards do not have any significant impact on the financial statements except for SFRS(I) 16.

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied SFRS(I) 16 using the modified retrospective method as of 1 January 2019 with no restatement of comparative information.

The Group adopted to measure the right-of-use assets to an amount equal to the lease liabilities related to that leases recognized in the statement of financial position as at 1 January 2019. In addition, the Group elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases.
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On adoption of SFRS(I) 16, the Group has recognized right-of-use assets and lease liabilities of approximately \$4.8m as at 1 January 2019.

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 | | | |
|---|---------|---------|---------|---------|
| | 2Q 2019 | 2Q 2018 | 1H 2019 | 1H 2018 |
| <i>Loss per share</i> | | | | |
| i) Based on the weighted average number of ordinary shares on issue (cents) | (0.08) | (0.32) | (0.25) | (0.75) |
| ii) On a fully diluted basis (cents) | (0.08) | (0.32) | (0.25) | (0.75) |

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 1H 2019 amounting to S\$2,790,000 (1H 2018: S\$4,268,000) and weighted average number of 1,136,981,950 ordinary shares in issue during 1H 2019 (1H 2018: 568,490,975).

The basic loss per ordinary share ("EPS") of the Group is computed based on net loss attributable to owners of the Company for 2Q 2019 amounting to S\$895,000 (2Q 2018: S\$1,824,000) and weighted average number of 1,136,981,950 ordinary shares in issue during 2Q 2019 (2Q 2018: 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 1H 2019 amounting to \$2,790,000 (1H 2018: S\$4,268,000) and weighted average number of 1,136,981,950 ordinary shares in issue during 1H 2019 (1H 2018: 568,490,975).

The EPS of the Group, on a fully diluted basis, is computed based on net loss attributable to owners of the Company for 2Q 2019 amounting to \$895,000 (2Q 2018: S\$1,824,000) and weighted average number of 1,136,981,950 ordinary shares in issue during 2Q 2019 (2Q 2018: 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 | |
|--|-----------------|----------------|-----------------|----------------|
| | 30 June 2019 | 31 Dec 2018 | 30 June 2019 | 31 Dec 2018 |
| Net asset value per ordinary share (cents) | 8.32 | 8.31 | 11.05 | 11.14 |

Note:

Net asset value per ordinary share of the Group and of the Company are computed based on 1,136,981,950 ordinary shares (31 December 2018: 1,136,981,950) 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 turnover of S\$2.9m and S\$6.5m in 2Q and 1H 2019 as compared to S\$2.9m and S\$5.8m in 2Q and 1H 2018 in the power plant segment. The higher turnover was mainly due to more electricity sale in the same period. However, the Group's revenue decrease from S\$7.4m and S\$14.3m in 2Q and 1H 2018 to S\$3.2m and S\$7.2m in 2Q and 1H 2019 subsequent to the disposal of vessels in November 2018. The shipping revenue decrease from S\$4.4m and S\$8.5m in 2Q and 1H 2018 to S\$0.3m and S\$0.7m in 2Q and 1H 2019.

The power plant segment recorded a net profit of S\$0.2m in 2Q 2019 and S\$0.4m in 1H 2019, as compared to a net loss of S\$1.3m in 2Q 2018 and a net loss of S\$2.7m in 1H 2018, mainly due to higher sales and decrease in coal expenses. The gain in 2Q and 1H 2019 was also attributable to the decrease in finance cost and the decrease in maintenance cost incurred for the power plant, offset by the increase in operation and maintenance fee. The shipping segment incurred a loss of S\$0.8m in 2Q 2019 and S\$1.8m in 1H 2019, as compared to net gain of S\$0.2m in 2Q 2018 and loss of S\$0.2m in 1H 2018 as the vessels were undergoing repair in 2Q and 1H 2019. The gain in 1H 2018 was also attributable to a gain of disposal of vessel. The property segment recorded a gain of S\$0.1m in 2Q 2019 and a loss of S\$0.1m in 1H 2019, as compared to a gain of S\$1.4m and \$1m in 2Q and 1H 2018.

As a whole, the Group recorded a net loss attributable to owners of the Company of \$0.9m and \$2.8m for 2Q 2019 and 1H 2019 as compared to a net loss attributable to owners of the Company of \$1.8m and S\$4.3m for 2Q 2018 and 1H 2018.

Cash flow, working capital, assets and liabilities

The Group's cash and bank deposits remain healthy at S\$41.9m as at 30 June 2019 as compared to S\$66.2m as at 31 December 2018. The movement in cash flow was mainly due to changes in working capital. The decrease in cash and bank deposits was attributable to the repayment of bank loans during the period. The Group had fully repaid the outstanding loans in 1Q 2019. This is accompanied by expenditure for fixed assets, property under development/investment property under construction. The decrease in cash was also contributed by the payment to Indonesia tax authority for the gain on disposal of vessels in 2018. Proceeds raised from rights issue have not been disbursed yet as of the date of this announcement.

The increase in property under development and investment property under construction in 2Q and 1H 2019 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 2Q and 1H 2019. 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 decrease in trade and other payables was mainly due to payment to suppliers.

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 optimise operational efficiency and cost effectiveness. The Group will remain focused on creating stable income and concentrating our resources on the existing businesses.

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 30 June 2019 (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 | - | (85) |
| PT Dermaga Perkasapratama - Sale of electricity | 2,514 | - |

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 Tung Zhihong Paul, 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 second quarter and six months ended 30 June 2019 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

Tung Zhihong, Paul
Director

BY ORDER OF THE BOARD

Madelyn Kwang Yeit Lam
Secretary

5 August 2019