MANHATTAN RESOURCES LIMITED

ANNUAL REPORT 2021

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CHAIRMAN AND CEO'S STATEMENT

Dear Shareholders,

A YEAR IN TRANSITION

2021 marked a significant progress on the transition for the Company into a renewable energy company. We had set our journey to pursue renewable energy business as our core business with a rejuvenated Board, comprising individuals with varied qualifications and industry experiences, who provide strategic vision and direction for the green energy.

RESHAPING OUR PORTFOLIO/GO GREEN

The Company aims to be a leading renewable energy company in Asia and Australia by providing green and sustainable power to Commercial & Industrial ("C&I") and Utility customers to reduce their carbon footprint.

The Company has two growth engines, comprising (i) the projects servicing the commercial and industrial clients, where the energy generated by the renewable energy facilities is mainly used by clients for their own consumption ("C&I Projects"); and (ii) utility scale projects that connect into the power grid and sell the electricity generated to the local utility company ("Utility-Scale Projects").

In October 2021, the Company acquired Athena Energy Holdings Pte. Ltd. and its subsidiaries ("Athena"). This strategic acquisition is a catalyst to achieve our transformation vision. Athena is spearheaded by a team of highly experienced management, and has local presence in key renewable energy markets across Asia and Australia.

Athena's management team together with its pipeline projects in Asia and Australia have been amalgamated into the Company. With combined pipelines and strengthened capabilities, the Company is now in a much stronger position to achieve its vision. The focus for the Company for 2022 to 2025 is to pursue the renewable energy opportunities, primarily in Vietnam, Indonesia, Philippines, Bangladesh and Australia.

Following the acquisition of Athena, the team has accelerated the momentum to grow our green energy business in Vietnam. The Company has 4MW of rooftop solar facilities in operation, and is constructing 26MW of rooftop solar facilities to supply electricity to a wholly-owned subsidiary of Huafu Fashion Co., Ltd. in Vietnam ("Huafu"). Huafu is a leading manufacturer and supplier of yarn globally. Their production capacity of Huafu facilities in Vietnam is up to 280,000 spindles of yarn and 20,000 tons of dyeing yarn. The Company had secured a non-recourse loan of up to US$14 million from a European investment fund for these projects.

We have now established our beachhead in Vietnam to grow our renewable energy business.

CHAIRMAN AND CEO'S STATEMENT

EXISTING PORTFOLIO UPDATE

Ningbo Project

Through Manhattan Resources (Ningbo) Property Limited ("MRN"), the Company has been developing the real estate project Ningbo Yinzhou Manhattan Tower ("Ningbo Project"), a mixed-use office and commercial tower, incorporating retail, SOHO and high-end office with 56 storeys. Once completed, the Ningbo Project will be approximately 254 meters tall, which will make it the highest building in the district.

In 2021, we have continued to make steady progress in the construction of the Ningbo Project. The Company will not inject any additional funds for the property development segment. Following shareholders' approval for the dilution, the Company's shareholding interest in Manhattan Property Development Ptd. Ltd. ("MPDPL") had been diluted to 33.20% and MPDPL ceased to be a subsidiary of the Company since 4 May 2021. Accordingly, it is envisaged that KaiYi Investment Pte Ltd ("KaiYi") will take the lead in funding the construction payments for property development in the Ningbo Project moving forward. The Company will seek shareholders' approval for further dilution in 2022, should onshore project financing in China for the Ningbo Project be delayed. With the transformation into a renewable energy company, we will review the assets and will update shareholders as and when required.

The Ningbo Project team is currently in the construction stage of "basement structure capping" and has completed the basement excavation work and raft foundation construction. The tower building and podium building construction has commenced in late January 2022. Most of the underground structure for the main tower has been completed in first quarter of 2022, and the underground structure for the podium is expected to be completed in the third quarter of 2022. We expect the construction of Ningbo Project to complete in June 2025.

We have continued the tender process for the procurement for the design and construction works and will further improve the cost effectiveness of Ningbo Project. We continue to work closely with CapitaLand China and they are instrumental in providing valuable expert support on the project management. Our team, with the support from CapitaLand China, is confident to successfully complete the Ningbo Project.

Thermal Energy

On the thermal energy segment, the demand for electricity supply was lower in FY2021 as compared to FY2020. The power plant business unit has recorded a loss of S$11.2 million in FY2021, mainly due to the impairment loss of S$12.6 million in investment in property, plant and equipment, and intangible assets.

CHAIRMAN AND CEO'S STATEMENT

In December 2021, PT Kariangau Power has entered into a conditional land sale and purchase agreement with PT Dermaga Perkasapratama for the sale of two vacant land parcels. Following the completion of the transaction in March 2022, the Group realised a gain of approximately S$19 million arising from this transaction.

Shipping

The shipping segment charters and provides freight services in Indonesia, mainly for coal carrying activities. The Company currently owns one tug and has chartered tugs and barges built specifically for coal transportation to serve the customer in East and South Kalimantan, Indonesia. The shipping segment recorded a net profit of S$3.4 million in FY2021, mainly due to an increase in coal carrying activities, write-back of creditors and accruals, and write-back of allowance for impairment of trade and other receivables in FY2021. In line with the transformation into a renewable energy company, the Company will review the relevance of these assets in 2022.

IN APPRECIATION

Our thanks to all our employees for their dedication and hard work. On behalf of the Management and Board, we would like to thank Mr Low Yi Ngo and Ms Elaine Low, who will be retiring at the conclusion of the upcoming Annual General Meeting ("AGM"). Mr Low Yi Ngo joined the Company as non-executive director in 2006 and has been leading the Management as our Chief Executive Officer and Managing Director since November 2011. With years of dedicated service, Mr Low was instrumental in driving the development and growth of our shipping, real estate and thermal energy business. From 2020, he also initiated the drive to transform the Company into a renewable energy company. Ms Elaine Low joined the Company as executive director in 2014 and became a non-executive director from April 2017. She has provided valuable insights of the industry trends to the Board. They have made great contributions to the Company and we look forward to their continued support as shareholders of the Company to achieve our Green Vision.

We would also like to express the Company's gratitude to all our stakeholders, including directors, business partners and our loyal shareholders. We look forward to receiving your continued support through the coming years to enable us to achieve our vision to build a brighter and sustainable future for the Company. We will deliver value to all our stakeholders and communities for generations to come.

Tang Kin Fei
Non-Executive and Non-Independent Director and Board Chairman

Low Yi Ngo
Chief Executive Officer and Managing Director
1 April 2022

DIRECTOR'S INFORMATION

TANG KIN FEI

Non-Executive Non-Independent Board Chairman, and Member of Nominating and Remuneration Committees

Mr Tang was appointed to the Board in January 2021 and is currently the Chairman of the Executive Committee of SIA Engineering Company Limited, and the Chairman of Singapore LNG Corporation Pte Ltd, a major energy infrastructure project with strategic intent. He is a Director of Summit Power International Limited, a Board Member of Singapore Cooperation Enterprise, the Council Chairman of Ngee Ann Polytechnic and Vice Chairman of the Kwong Wai Shiu Hospital, a charitable hospital which provides care for needy patients.

Mr Tang was the Group President and Chief Executive Officer of Sembcorp Industries Ltd ("Sembcorp") from 1 May 2005 until his retirement on 31 March 2017. He then remained as an Advisor and a Non-Executive Director on the Board of Sembcorp until 31 May 2017. Mr Tang, who has been with Sembcorp for approximately 30 years, has been credited with driving its transformation into an international energy, water, marine and urban development group. He has headed Sembcorp's utilities business on Jurong Island in Singapore, which grew into a global energy and water player with a sizeable portfolio of assets and capabilities.

LOW YI NGO

Chief Executive Officer and Managing Director, and Member of Nominating Committee

Mr Low was appointed as Chief Executive Officer and Managing Director in November 2011 and is responsible for the overall business strategy, operations and day-to-day management of the affairs of the Group.

Prior to his current appointment, Mr Low started off with Bayan Resources as Project Coordinator for the construction of Kalimantan Floating Transfer Station in 2004. Subsequently, he became the Marketing Director of PT Bayan Resources Tbk, a company related to the controlling shareholder of the Company, with a primary responsibility to market Bayan Resources' coal.

Mr Low is also a Non-Executive Director of Kangaroo Resources Pty Ltd, a coal mining company in Australia.

Mr Low obtained a Bachelor's degree in Mechanical and Production Engineering from the Nanyang Technological University in 2004.

AJAIB HARI DASS

Lead Independent Director, Chairman of Nominating and Remuneration Committees and Member of Audit Committee

Mr Hari Dass was appointed to the Board in January 2021 and is currently an Independent Director of Sembcorp. He is a panel member of the Singapore International Arbitration Centre, the Singapore Chamber of Maritime Arbitration and the Asian International Arbitration Centre. He is also an accredited principal mediator of the Singapore Mediation Centre and a senior accredited specialist (maritime and shipping law), at the Singapore Academy of Law. He is a commissioner for oaths, a notary public and a retired justice of the peace. He is also the Lead Independent Director of Nam Cheong Limited.

DIRECTOR'S INFORMATION

TUNG ZHIHONG, PAUL

Independent Director, Chairman of Audit Committee and Member of Nominating and Remuneration Committees

Mr Tung was appointed to the Board in May 2014 and is currently a Regional Senior Finance Manager with a multinational corporation. Prior to his current role, Mr Tung was an Audit Manager with PricewaterhouseCoopers.

Mr Tung holds a Bachelor of Commerce degree majoring in Financial Accounting, Corporate Finance and Investment Finance from the University of Western Australia.

LEE FOOK CHOON

Independent Director, Member of Audit, Nominating and Remuneration Committees

Mr Lee was appointed to the Board in October 2018 and is currently the Vice President of Software Sales (Asia Pacific) of Rockwell Automation Asia Pacific Business Center Pte. Ltd.

Prior to his current appointment, Mr Lee was the President (Asia) of Leica Geosystems – part of Hexagon from January 2019 to May 2020. Between May 2020 to November 2021, he was the Vice President of Hexagon PPM Division of Bricsys (Asia Pacific).

Mr Lee holds a Master in Business Administration (International Business) from RMIT Graduate Business School, a Master in Public Administration from Nanyang Technological University, and Bachelor of Engineer (Hons) from National University of Singapore.

ELAINE LOW

Non-Executive Non-Independent Director, Member of Audit Committee

Ms Low was appointed to the Board in May 2014 and currently holds several directorships in the medical, education and coal mining industries. She is also an affiliate of Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

Ms Low graduated with a Master's Degree in Public Policy in 2014 from the National University of Singapore, Lee Kuan Yew School of Public Policy.

HENRY WONG CHUEN YUEN

Independent Director

Dr Wong was appointed to the Board in January 2021. Dr Wong has extensive experience in power quality management and system analysis (AIbased), as well as in mechanical and electrical infrastructure management.

Dr Wong is a Chartered Engineer, and holds a PhD from the Department of Electrical and Electronics Engineering from the University of Dundee (UK). Dr Wong is currently the Director-Programmes at the National Research Foundation, Prime Minister's Office, Singapore. He was the Director of the Integrated Programme Office, National Research Foundation, Prime Minister's Office, Singapore, from November 2018 to December 2020. He worked as the Cluster Head for Smart Energy and Environment Department – Institute for Infocomm Research at A*STAR from 2016 to 2018. From 2013 to 2016, he worked as the Head for Smart Grid Department – Institute for Infocomm Research at A*STAR.

KEY MANAGEMENT

YAU WAI HOO, ALAN

Group General Manager/ Chief Executive Officer of Athena Energy Holdings Pte. Ltd.

Mr Yau joined the Group as the Group General Manager and Chief Executive Officer of Athena Energy Holdings Pte. Ltd. ("Athena") in October 2021. Mr Yau is the co-founder of Athena and is leading the Group to achieve growth in a commercial, profitable and sustainable manner.

Mr Yau has more than 20 years of experience in China in the Infrastructure, Energy (fossil & renewable), Water/Waste-Water Treatment, Facilities Management, Township Development and Marine Engineering sectors.

Prior to founding Athena, Mr Yau was the CEO of Sembcorp China Holding Ltd from 2011 to 2015, where he was responsible for the operation of a fleet of 27 utilities companies, including wind farms, water/waste-water treatment plants and fossil power plants. He oversaw operations of water treatment capacity of > 2,700,000 cubic metres/day. Mr Yau also managed a portfolio of energy assets, including wind farms and power plants, with a total capacity of 3,327 MW. Mr Yau was previously the Principal and APAC Regional Director of Advisian, an international consultancy firm, and was credited for spearheading the expansion of Advisian's front-end advisory and consulting business in Southeast Asia and China.

Mr Yau graduated with a Master of Science (MSc), Environmental Management from National University of Singapore and Bachelor of Science (BSc), Management & Marketing from University of Oregon, United States of America.

SIVA SREEDHARAN

Chief Investment Officer

Mr Sreedharan joined the Group as the Chief Investment Officer in October 2021. Mr Sreedharan is the co-founder of Athena and is leading the funding raising and development activities for Athena Projects.

Prior to founding Athena, Mr Sreedharan was leading the advisory practice as APAC Power Director for Advisian, mainly focusing on transaction and mergers & acquisition services, completed 24 deals as an advisor. Prior to that, Mr Sreedharan was leading the management consulting practice as Head of Management Consulting for Black & Veatch in Asia, North Africa and Middle East, part of it, established presence in ASEAN, Saudi Arabia, Egypt and Algeria advising private and public infrastructure firms. Before that, Mr Sreedharan was an asset manager with Marubeni Power previously based in Hong Kong and served as an asset manager, managing a portfolio 35,000+MW and 450+ MIGD ("Million Imperial Gallons per Day") (gross) portfolio of power and water assets with footprint in 25 countries.

Through his career, Mr Sreedharan has worked for more than 35 power and water projects with a total capacity of around 30,000+MW and 400+ MGD ("Million Gallons per Day") of water infrastructure assets, equivalent to approximately US$11 billion around the world.

Mr Sreedharan graduated with a Master of Science in Industrial & Systems Engineering from National University of Singapore and Bachelor of Engineering in Mechanical Engineering from Anna University, India.

KEY MANAGEMENT

GAO DAI YING, DIANA

Chief Technical Officer

Ms Gao joined the Group as the Chief Technical Officer in October 2021. Ms Gao is the co-founder of Athena and is leading the development, technical and operational activities for Athena Projects.

Ms Gao has extensive experiences in overall lifecycle of power infrastructure from early investment planning to commissioning, operations and maintenance in various technologies, including solar, wind, energy storage, gas fired combined cycle gas turbines ("CCGT"), coal fired power plant, mini-hydro project and waste-to-energy generation and transmission and distribution. Over the years, she established intensive network and relationship with key stakeholders in the power sector value chain, including local partners, equipment suppliers, and major EPC contractors.

Prior to founding Athena, Ms Gao was based in Singapore and was a key member of the team that created the Advisian SEA and China utility business portfolio. Ms Gao also worked with China Energy Engineering Group Guangdong Electric Design Institute, subsidiary of Energy China, as Director of Business Development for international projects. During this tenure, Ms Gao set up the Turkey branch Company and oversaw the 6 branches company and representative offices, in Turkey, Bangladesh, Philippines, Pakistan, Thailand and Indonesia for developing of gas-fired co-generation plant, coal-fired power plant, wind farms and renewable energy. She was the leader and key negotiator for most of major international project negotiation in the organisation.

Ms Gao graduated with a Bachelor of Engineering in Electrical Engineering from University of New South Wales, Australia.

WANG WENHAO

General Manager

Mr Wang joined the Group in April 2020 and is responsible for the development of the Ningbo Project.

Mr Wang has over 27 years of experience in the real estate industry. Prior to joining the Group, he was the General Manager of CapitaLand China in Hangzhou for 9 years. He has vast experience in managing commercial and residential projects during his stint with CapitaLand China.

Mr Wang holds a Master of Geotechnical Engineering and a Bachelor Degree in Building Structural Engineering from Zhejiang University.

CHAN PUI FOH, TERRENCE

Deputy General Manager/
Head of Finance

Mr Chan joined the Group in January 2015 and is responsible for the financial matters of the Ningbo Project.

Mr Chan was formerly an Assistance Assurance Manager in an international public accounting firm.

Mr Chan graduated from Sunway University College with a Bachelor of Science in Applied Accounting and is also a member of Association of Chartered Certified Accountants.

KEY MANAGEMENT

KARTHIK SUNDAR
Head of PT Kariangau Power

Mr Sundar had been part of the management of PT Kariangau Power ("PT KP") prior to the Group's acquisition of PT KP in June 2016. Mr Sundar has over 12 years of experience in the power plant industry. Before joining PT KP, he had worked as project engineer in various power plant companies.

Mr Sundar graduated with a Bachelor of Engineering in Mechanical Engineering from Visvesvaraya Technological University.

TAN SOON YUN
Deputy Chief Financial Officer

Ms Tan joined the Group in May 2012. She oversees the Group's finance teams and is responsible for the Group's financial matters.

Ms Tan was formerly an Assurance Manager in an international public accounting firm.

Ms Tan obtained her Bachelor of Business Administration degree from the National University of Singapore and is a chartered accountant with Institute of Singapore Chartered Accountants and member of Association of Chartered Certified Accountants.

HUANG HUI, LOUISE
Regional Legal Counsel

Ms Huang joined the Group as Regional Legal Counsel in April 2015 and her key responsibilities include overseeing and managing the Group's legal and compliance affairs.

Ms Huang is qualified to practise in China and Singapore (Foreign Practitioner Certificate). She specialises in foreign direct investment in PRC, corporate finance and merger and acquisition exercises. Prior to joining the Group, she was heading the legal function of a PRC-focused investment portfolio. Ms Huang started her career as a Registered Foreign Lawyer with well-established law firms in Singapore.

Ms Huang holds a LLM (Master of Law) in International Business Law from National University of Singapore and a LLB in International Economic Law from East China University of Politics and Law.

OPERATIONS AND FINANCIAL REVIEW

INCOME STATEMENT

The Group reported a net attributable loss to equity holders of the Company of S$1.70 million for FY2021 as compared to a net attributable profit to equity holders of the Company of S$8.07 million for FY2020.

The net loss for FY2021 arose mainly due to the impairment loss in the power plant segment amounting to S$12.63 million, offset by the following non-operating one-off income:

	S$'000	Note
Gain on changes arising from dilution of interest in a subsidiary	9,450	(a)
Write-back on amounts owed to creditors	2,698	
Write-back of allowance for impairment of trade and other receivables	1,323	
	13,471	

(a) As a result of the dilution in shareholding interest in MPDPL, the Group has recognised a gain in profit or loss upon deconsolidation.

The Group recorded a turnover of S$9.24 million in FY2021 as compared to S$9.18 million in FY2020. The increase in revenue was mainly due to increase in coal carrying activities offset by lower sales volume of electricity in FY2021. Additionally, the renewable energy segment has contributed S$71,000 of revenue subsequent to the acquisition of Athena in October 2021.

Power plant segment

The power plant segment recorded a net loss of S$11.22 million in FY2021 as compared to S$7.97 million in FY2020. In FY2021, management performed an impairment test to determine the recoverable values of the assets in power plant segment using discounted cash flow method. The Group has recognised an impairment loss of S$12.63 million in property, plant and equipment, and intangible assets mainly due to lower budgeted revenues taking into consideration the current and future market conditions and increased coal prices.

Renewable energy segment

The renewable energy segment recorded a net loss of S$0.11 million in FY2021, mainly due to operating costs and other expenses incurred for the period since acquisition. Operating and other expenses include depreciation expenses and professional fees arising from its corporate activities.

Shipping segment

The shipping segment recorded a net profit of S$3.41 million in FY2021 as compared to a net loss of S$0.58 million in FY2020. The shipping revenue increased from S$0.69 million to S$1.72 million in FY2021 due to higher coal carrying activities during the year. The Group has recognised write-back on amounts owed to creditors and write-back of allowance for impairment of trade and other receivables in FY2021.

Property segment

The property segment recorded a net loss of S$5,000 in FY2021 as compared to a net loss of S$0.36 million in FY2020, mainly due to foreign exchange losses incurred during the period. Following the dilution in shareholding interest in MPDPL and MRN since 4 May 2021, there are no results in the property segment as the Group will be recognising as share of results of associates going forward.

FINANCIAL POSITION

The Group's cash and bank deposits remain healthy at S$20.55 million in FY2021 as compared to S$24.36 million in FY2020. The movement in cash flow was mainly due to changes in working capital, the derecognition of cash and bank deposits held by MPDPL and its subsidiary, net cash outflow on the acquisition of subsidiaries offset by the receipt of deposit on the sale of land. The decrease in cash and bank deposits was also attributable to the capital expenditure incurred for fixed assets and property under development/investment property under construction in 1H2021.

As at 31 December 2021, the Group's total assets stood at S$136.77 million as compared to S$191.86 million in FY2020. At the same time, the Group's total liabilities decreased from S$43.61 million in FY2020 to S$40.84 million in FY2021. The decrease in the total assets and liabilities was mainly attributable to the effect of deconsolidation arising from the dilution in shareholding interest in MPDPL and MRN, offset by the increase arising from the acquisition of Athena. Total equity attributable to owners of the Company as at 31 December 2021 for the Group was S$94.49 million and net asset value per ordinary share was 3.15 cents.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Report

Manhattan Resources Limited (the "Company" or "Manhattan Resources") recognises the importance of good governance in establishing and maintaining an operating environment which serves the interests of all stakeholders.

Both the Board and Management of the Company are committed to achieving a high standard of corporate governance and have always been proactive to promote the spirit of good governance throughout the Company and its subsidiaries.

For the financial year ended 31 December 2021, the Company has complied in all material respects with the principles and guidelines set out in the revised Code of Corporate Governance ("2018 Code"). Where there have been deviations from the 2018 Code, explanations are provided. This report outlines our corporate governance framework with specific reference made to the principles and guidelines of the 2018 Code.

I. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs
Board's Duties and Responsibilities

The Board of Directors ("Board") oversees the business affairs of the Company and its subsidiaries (collectively, the "Group"). Each director is expected to act in good faith and objectively take decisions in the best interests of the Group. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group. The principal functions of the Board include the approval of appointment of directors and succession planning process; the setting of strategic plans; the approval of material investments, divestments and funding; overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting, compliance and information technology controls; being responsible for corporate governance practices; dealing with matters such as sustainability issues like environmental and social factors as part of its strategic formulation and conflict of interest issues relating to substantial shareholders or directors or interested person transactions or those transactions or matters which require Board's approval under the provisions of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") or any applicable regulations as well as reviewing the performance of management and the financial performance of the Group. The Group has in place internal guidelines for financial authorisation and approval limits relating to capital and operating expenditure and specified transactions. All directors are expected to exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interests of the Group.

The Board has clear policies and procedures for dealing with conflicts of interest. Where a director faces a conflict of interest, he or she discloses and recuses himself or herself from meetings and decisions involving the issue. Where a director has a conflict or potentially conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is to abstain from voting in relation to the conflict related matters.

Directors' Orientation and Training

All newly appointed directors are briefed on the business activities and strategic directions of the Group. Visits will be arranged for non-executive directors to acquaint themselves with the Group's major overseas operations, after COVID-19 travel restrictions are lifted. All directors are provided with a Directors' Handbook, which sets out directors' duties and responsibilities and the related requirements under the Singapore Companies Act 1967

REPORT ON CORPORATE GOVERNANCE

(the "Act"), SGX-ST's Listing Manual and the latest applicable Code of Corporate Governance. On an ongoing basis, the Company updates the directors regarding developments in new laws and regulations or changes in regulatory requirements and financial reporting standards or corporate governance practices or news articles which are relevant to or may affect the businesses of the Group. In addition, the Company encourages the directors to be members of the Singapore Institute of Directors ("SID"), and for them to receive journal updates and training from SID, as well as to attend relevant courses and seminars, so that they can stay abreast and be apprised of developments in the financial, legal and regulatory requirements and the business environment.

For new directors with no prior experience of an issuer listed on SGX-ST, the Company ensures that they undergo training in the roles and responsibilities of a director of a listed company within one year from the date of his appointment to the Board as prescribed by SGX-ST.

The NC will formalise the process for the selection and appointment of directors.

Board Approval

The Group has adopted internal guidelines governing matters that require the Board's approval which have been clearly communicated to the Management. The Group has in place internal guidelines for financial authorisation and approval limits relating to capital and operating expenditure and specified transactions.

Matters which require Board's approval include:

- strategic plans;
- annual budgets and business plan of the Group;
- material acquisition and disposal of assets/investments;
- borrowings;
- corporate/financial restructurings or corporate exercises;
- incorporation of new entities;
- issuance of shares, dividend payout and other return to shareholders;
- risk appetite and risk tolerance for the different categories of risk;
- matters as specified under the SGX-ST's interested person transactions rules;
- announcement of the Group's half yearly and full year results and the release of Annual Reports; and
- any other matters as prescribed under relevant legislations and regulations, as well as the provisions of the Company's Constitution.

Delegation by the Board

To facilitate effective management, certain functions had been delegated to three board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each board committee has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

REPORT ON CORPORATE GOVERNANCE

Composition of Board and Board Committees

As at the date of this report, the Company has seven directors, namely:

Name of Director	Board	Board Committee	Date of appointment	Date of last re-election
Tang Kin Fei	Non-Executive, Non-Independent Board Chairman	Member of NC and RC	12 January 2021	26 April 2021
Low Yi Ngo	Chief Executive Officer and Managing Director	Member of NC	28 November 2011 (Appointed as Non-Executive Director on 10 September 2006)	22 April 2019
Ajaib Hari Dass	Lead Independent Director	Chairman of NC and RC, Member of AC	12 January 2021	26 April 2021
Elaine Low	Non-Executive and Non-Independent Director	Member of AC	24 April 2017 (Appointed as Executive Director on 2 May 2014)	26 April 2021
Tung Zhihong, Paul	Independent Director	Chairman of AC, Member of RC and NC	2 May 2014	11 May 2020
Lee Fook Choon	Independent Director	Member of AC, RC and NC	18 October 2018	22 April 2019
Henry Wong Chuen Yuen	Independent Director		12 January 2021	26 April 2021

Note: The details of directors' shareholdings in the Company and its related corporations are disclosed in the "Directors' Statement" section of this annual report.

Board Meetings and Attendance

The Board meets regularly and is provided with relevant updates and information. The Board and AC meet at least twice each year. The NC and RC meet as and when required, but usually at least once a year. Where necessary, Board meetings are convened to deliberate on substantive matters. In addition, directors often make themselves available and accessible to management for discussion and consultation. The Board and Board committees may also make decisions by way of circulating resolutions.

The dates of meetings of all the Board and Board Committee meetings, as well as the Annual General Meeting, are scheduled well in advance each year, in consultation with the Board. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means.

REPORT ON CORPORATE GOVERNANCE

The number of Board and Board Committees meetings and general meeting(s) held during the financial year ended 31 December 2021 and the attendance of the directors at these meetings are set out below:

	Number of meetings attended in 2021				
	Board of Directors	Audit Committee	Remuneration Committee	Nominating Committee	Annual General Meeting
Meetings held in 2021	4	3	1	1	1
Name of Director					
Ajaib Hari Dass	4	3	1	1	1
Elaine Low	4	3	NA	NA	1
Henry Wong Cheun Yuen	3	NA	NA	NA	1
Lee Fook Choon	4	3	1	1	1
Low Yi Ngo	3	NA	NA	1	1
Tang Kin Fei	4	NA	1	1	1
Tung Zhihong, Paul	4	3	1	1	1

NA – Not applicable

Multiple Board Representations

All directors are required to declare their board representations. When a director has multiple board representation, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments.

The Board and NC will also consider whether a director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators, and seek clarity on the director's involvement therein. The Board and NC will assess whether a director's resignation from the board of any such company casts any doubt on the director's qualification and ability to act as a director of the Company.

The Board has prescribed that each Board member should not hold more than six board representations in public listed companies. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company. Board and Board Committee meetings are scheduled in advance to facilitate the Directors' scheduling of their commitments.

Access to Information and Access to Management and Company Secretary

Management, including the executive director, keeps the Board apprised of the Group's operations and performance through updates and reports as well as through informal discussions. Prior to the meetings of the Board or Board Committees, directors are provided, where appropriate, with management information to enable them to be prepared for the meetings. On an ongoing basis, all Board members have full and free access to management, the Company Secretary and any information the Board requires. If required, the Board has access to independent professional advice to assist them to fulfil their responsibilities and duties.

REPORT ON CORPORATE GOVERNANCE

At Board meetings, the Board receives half yearly financial statements, annual budgets and explanation to material variances. The strategies and forecast for the following months are also discussed and approved as appropriate. The Board is also provided with updates on the relevant new legislation, regulations and changing commercial risks in the Group's operating environment through regular meetings.

Principle 2: Board Composition and Guidance

The Company strives to achieve an appropriately balance through gender diversity and mix of talent on the Board, principally through combining Directors with diverse but complementary backgrounds and experiences.

Although the Company does not have a written policy on board diversity, the NC has been delegated by the Board to review the Board's composition and effectiveness and make recommendations to the Board on all Board and Board Committee appointments. The NC considers and makes recommendations to the Board concerning its size and the need of the Board, having regard to the appropriate balance and skill mix, knowledge, experience and other aspects such as gender, age and personal qualities required for the diversity of perspectives, avoiding group think and fostering constructive debate and contributing to the overall performance of the Board. The Board is aware of the requirement to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity with effect from financial year starting 1 January 2022 and will endeavour to formulate a policy as soon as possible. The Board has appropriate level of independence in decision-making in the best interest of the Company. The four independent directors on the Board are Mr Ajaib Hari Dass, Mr Tung Zhihong, Paul, Mr Lee Fook Choon and Dr Henry Wong Chuen Yuen, making up a majority of the Board. Mr Low Yi Ngo, the Chief Executive Officer and Managing Director and Ms Elaine Low, Non-Executive and Non-Independent Director of the Company, are the children of the controlling shareholder. Taking into consideration that the Board Chairman is not independent, in addition to having a majority of independent director on the Board, the Board has also appointed Mr Ajaib Hari Dass as the lead independent director to coordinate and lead the independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board.

The independent directors and their immediate family members have no relationship with Manhattan Resources Limited, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of Manhattan Resources Limited.

None of the independent directors have served the Company for a period exceeding nine years.

The composition of the current Board has an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. The Board comprises members who have extensive experience in Group's businesses from industrial utility, energy, shipping, engineering to accounting, financial services and legal sectors. The profiles of the directors are set out on pages 4 to 5 of this Annual Report.

The Board comprises seven members, four of whom are independent. The Board is able to exercise objective judgment in the interests of the Group. No individual or group of individuals dominates the Board's decision-making process. Where a director has a conflict or potential conflict of interest in relation to any matter, he/she is to abstain from voting on the resolution. The Company has complied with the relevant provisions as a majority of the Board members are non-executive.

REPORT ON CORPORATE GOVERNANCE

The views and opinions of the non-executive directors provide alternative perspectives to the Group's business and they bring independent judgment on business activities and transactions involving conflicts of interest and other complexities.

Accordingly, the above practices adopted by the Company are consistent with the intent of Principle 2 of the Code. The Company is also of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of Company.

During FY2021, the non-executive directors met without the presence of Management formally in Board Committee meetings and informally on an ad hoc basis at various times throughout the year. Formal meetings are recorded by minutes that are available to all Board members. One of the Directors who attended an ad hoc meeting will be assigned to provide feedback to the other Directors on relevant issues arising from the discussion.

Principle 3: Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer are separate persons to ensure appropriate balance of power, increased accountability, and great capacity of the Board for independent decision-making.

The Chairman chairs Board meetings and ensures that the directors receive accurate, timely and clear information, guides the Board on its discussion of substantive issues and ensures adequate time is available for such discussion. The Chairman also leads the Board to ensure its effectiveness, including the facilitation of effective contribution by non-executive directors, promotes a culture of openness and debate at the Board, ensures effective communication with shareholders, and encourages constructive relations within the Board and between the Board and management. The Chairman also promotes high standards of corporate governance.

Mr Ajaib Hari Dass, the Lead Independent Director, is able to provide leadership in situations where the Chairman is conflicted. He is available to shareholders when they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Chief Executive Officer is responsible for the execution of the Group's strategies and the day-to-day operations of the Company and the overall performance of the Group. Mr Low Yi Ngo had indicated that he does not wish to seek re-election at the coming Annual General Meeting as he wishes to concentrate on his role as the Marketing Director of Bayan Resources Limited ("Bayan Resources"), a company related to the controlling shareholder of the Company. The Company's controlling shareholder, Dato' Dr Low Tuck Kwong, is also a controlling shareholder of Bayan Resources.

Following the cessation of Mr Low as the Chief Executive Officer and Managing Director of the Group, the Group's General Manager, Mr Yau Wai Hoo, who has more than 20 years of experience in China in the Infrastructure, Energy (fossil & renewable), Water/Waste-Water Treatment, Facilities Management, Township Development and Marine Engineering sectors will lead the Group in the meantime. The Company has sufficient expertise and resources at the (i) board level, which focuses on the strategic direction of the Company and (ii) management level, which focuses on the project execution.

REPORT ON CORPORATE GOVERNANCE

Principle 4: Board Membership
NC Composition and Role

The members of the NC as at the date of this report are as follows:

Ajaib Hari Dass	Chairman
Tang Kin Fei	Member
Low Yi Ngo	Member
Tung Zhihong, Paul	Member
Lee Fook Choon	Member

A majority of the NC members are independent, including the NC Chairman and are not related to any substantial shareholders of the Company.

Under its terms of reference, the NC is responsible for reviewing the Board's composition and effectiveness and makes recommendations to the Board on all Board and Board Committee appointments. It is responsible for the nomination of directors for re-election and also reviews the independence of each director on an annual basis. The NC will also review the training and professional development programmes for directors as well as review Board succession plans for directors, in particular the CEO, Chairman, and key management personnel ("KMP").

The CEO takes charge of the succession planning for KMP and the NC will review the plans that the CEO has made for KMP succession. The NC will consider how key talent is managed within the organization by reviewing the mechanisms for identifying strong candidates and developing them to advance the career ladder.

In recommending new directors, if any, the NC relies mainly on the contacts and network of the entire Board. However, the NC may engage the services of external recruitment companies, if necessary. In nominating new directors, consideration is given to the integrity, skills and experience of the candidates and the overall composition of the Board.

In the process for selection, appointment and re-appointment of directors, the NC will also consider factors such as composition, diversity and progressive renewal of the Board and each director's competencies, commitment and performance as well as the Company's strategic priorities and the factors affecting the long-term success of the Company.

The NC will consider different time horizons as and when required for succession planning: (1) long-term planning, to identify competencies needed for the company's strategy and objectives, (2) medium-term planning, for the orderly replacement of Board members and KMP, and (3) contingency planning, for preparedness against sudden and unforeseen changes.

The NC is charged with determining the independence of the directors as set out under Principle 2 above.

The Board has prescribed that each Board member should not hold more than six board representations in public listed companies. The listed company directorship and principal commitments of each director are disclosed in pages 4 to 5 of the Annual Report. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company. Board and Board Committee meetings are scheduled in advance to facilitate the Directors' scheduling of their commitments.

REPORT ON CORPORATE GOVERNANCE

All directors should be required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years. The Company's Constitution requires one-third, or the number nearest to but not less than one-third, of the Directors, including the person holding the office of Managing Director (or an equivalent appointment however described), to retire from office. The directors to retire every year are those who have been longest in office since their last election or appointment. No director stays in office for more than three years without being re-elected by shareholders. In addition, a newly appointed Director will hold office only until the next annual general meeting at which he/she will be eligible for re-election.

Mr Low Yi Ngo and Mr Lee Fook Choon are due to retire at the forthcoming AGM. Mr Low Yi Ngo, who retires under regulation 101 of the Company's constitution, although eligible, had informed the Company that he does not wish to seek re-election.

Each member of the NC abstains from voting on any resolution, making any recommendation and/or participating in respect of matters in which he/she is interested in.

The NC has used circular resolutions in writing to sanction decisions, as and when necessary.

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to Mr Lee Fook Choon, the Director seeking re-election, as set out in Appendix 7.4.1 of the Listing Manual of SGX-ST is disclosed below:

Name of Director	**Lee Fook Choon**
Date of Appointment	18 October 2018
Age	46
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After reviewing the recommendations made by the Nominating Committee, the Board of Directors is of the view that based on Mr Lee's qualification, experience and overall contribution, he will be able to contribute positively to the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Member of Audit Committee, Nominating Committee and Remuneration Committee
Professional qualifications	Master in Business Administration (International Business), Master in Public Administration, and Bachelor of Engineer (Hons)

REPORT ON CORPORATE GOVERNANCE

Working experience and occupation(s) during the past 10 years	August 2008 to February 2011 Regional Sales Manager, Autodesk Asia Pte. Ltd. February 2011 to April 2013 Senior Sales Manager, Autodesk Asia Pte. Ltd. April 2013 to January 2016 Head of Sales, Autodesk Asia Pte. Ltd. January 2016 to October 2018 Country Manager, Autodesk Asia Pte. Ltd. January 2019 to May 2020 President (Asia) of Leica Geosystems – part of Hexagon May 2020 to November 2021 Vice president of Hexagon PPM Division of Bricsys (Asia Pacific) November 2021 to present Vice President, Asia Pacific of Rockwell Automation Asia Pacific Business Centre Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	300,900 (0.01%)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	NIL
Conflict of interest (including any competing business)	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	
Past (for the last 5 years)	NIL
Present	NIL

REPORT ON CORPORATE GOVERNANCE

Disclosure applicable to the appointment of Director only	
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable, as this relates to re-appointment of director.
Response to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative Confirmation

Principle 5: Board Performance

The Group's activities include the renewable energy business comprising on-grid and off-grid renewable energy business segments and selective clean energy power projects, provision of coal transportation services in Indonesia, and the operations and maintenance of power plants in Indonesia. The Company has an associate company involved in property development in China with the construction of its building in Ningbo, China.

The Board believes its performance would be judged based on the Group's ability to manage the operations of the renewable energy projects, coal transportation activities and power plants in an efficient manner and to seek new investment opportunities to enhance shareholders' value. Updates on progress of projects are made at formal Board meetings. Regular discussions are also held between management and directors who offer their views and guidance on the matters.

The Board, based on the recommendation of the NC, recognises the need for regular reviews and evaluations of the effectiveness of the Board as a whole and the effectiveness of individual directors.

During the financial year, all directors are requested to complete a Board Evaluation Questionnaire which are collated and presented to the NC for review before submitting to the Board to determine actions required to improve the effectiveness of the Board and Committees of the Board as a whole. Taking into account the board size and composition, the NC is of the opinion that the evaluation of the Board as a whole and its Committees would suffice to assess the effectiveness and performance of the Board, its Committees and directors.

REPORT ON CORPORATE GOVERNANCE

In evaluating the contribution and performance of the Board, its Board Committees and directors, the NC takes into consideration a number of factors including attendance, preparedness and participation in decision-making.

II. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
Principle 7: Level and Mix of Remuneration
RC Composition and Role

The members of the RC as at the date of this report are as follows:

Ajaib Hari Dass	Chairman
Tang Kin Fei	Member
Tung Zhihong, Paul	Member
Lee Fook Choon	Member

A majority of the RC members, including the RC Chairman, are independent.

The role of the RC is to review and make recommendations to the Board on the remuneration package of each executive director and key management personnel. The RC also recommends the level of fees for directors and Board Committee members which are subject to the approval of shareholders. No director is involved in the deliberation of his own remuneration or fee level. Where necessary, independent professional advice on the framework for remuneration packages may be sought by the RC.

In recommending the remuneration packages of the executive director and key management personnel, the RC is largely guided by the financial performance of the Company and the Group. The Company believes that the current remuneration level should be competitive and sufficient to attract, retain and motivate the executive director and key management personnel. A remuneration consultant was engaged to review the remuneration package of some of the key management personnel during the year. In the prior financial year, the remuneration package of the executive director comprised a fixed base salary and 13th-month annual wage supplement. No performance-related or incentive bonus was paid to the executive director. Having reviewed and considered the variable components of the service contracts of the executive director and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Chief Executive Officer and Managing Director has entered into an employment agreement with the Company. The RC has reviewed the termination clause of the executive director and key management personnel's contract of service and found them to be fair, reasonable and are in line with market practice.

The Company's remuneration policy may be amended to take into account the overall performance of the Company, the meeting of key targets, shareholders' value enhancement and individual performance.

REPORT ON CORPORATE GOVERNANCE

The RC has used circular resolutions in writing to sanction decisions, as and when necessary.

Disclosure of Remuneration

Taking note of the highly competitive industry conditions and pressure in talent market and the sensitivity and confidentiality of remuneration matters, the Board decided not to disclose the remuneration of each individual director and the total remuneration of the top five key executive officers (who are not directors) of the Group, including names of the top key executives. The Board is of the view that disclosure of such information would not be in the interests of the Company as such information is confidential and sensitive due to the highly competitive industry conditions and pressure in the talent market, and could be exploited by competitors. The Company needs to maintain stability in the management team. There are no employees who are substantial shareholders, save for Mr Low Yi Ngo who is the Chief Executive Officer and Managing Director of the Company.

The remuneration of the directors and the top five executives (who are not directors), is set out below:

(a) The table below shows a breakdown (in percentage terms) of the average remuneration of directors, which fall within broad bands, for the financial year ended 31 December 2021:

Directors of the Company	Salary %	Bonus %	Allowance %	Director's Fee %
Below S$250,000:				
Ajaib Hari Dass	–	–	–	100
Elaine Low	–	–	–	100
Henry Wong Chuen Yuen	–	–	–	100
Lee Fook Choon	–	–	–	100
Tang Kin Fei	–	–	–	100
Tung Zhihong, Paul	–	–	–	100
S$250,000 to S$499,999:				
Low Yi Ngo	92	7	1	–

(b) The remuneration paid to the top five key executives (who are not directors) for the financial year ended 31 December 2021 is as follows:

Remuneration Band	Number
Below $250,000	5

The amounts and breakdowns of remuneration of the top five key management personnel are not disclosed for the same reasons above.

There is no immediate family member (as defined in the Listing Manual of SGX-ST) of a director or the Chief Executive Officer in the employment of the Company whose annual remuneration exceeds S$100,000 during the financial year ended 31 December 2021.

REPORT ON CORPORATE GOVERNANCE

For the financial year ended 31 December 2021, there was no termination, retirement and post-employment benefits granted to directors, the Chief Executive Officer and the key management personnel other than the standard contractual notice period termination payment in lieu of service.

III. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls
Accountability

There are comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company's and Group's policies and Board's decisions, and the day-to-day management of the Group's operating units. The Board is capable in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

For effective monitoring of the Group's business and affairs, management and financial information are provided to the Board for review at half yearly Board meetings. This information includes disclosure documents, half yearly results, forecasts for profit and cash flow, working capital and funding levels, compared to approved budgets and the corresponding prior financial periods' results, where applicable. In addition, the Company adopts a policy which welcomes directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from management.

Principle 10:
Audit Committee

The members of the AC as at the date of this report are as follows:

Tung Zhihong, Paul	Chairman
Ajaib Hari Dass	Member
Elaine Low	Member
Lee Fook Choon	Member

A majority of the AC members are independent. Mr Tung Zhihong, Paul, Mr Ajaib Hari Dass, Ms Elaine Low and Mr Lee Fook Choon have the requisite expertise or experience to discharge their responsibility as members of the AC.

The duties of the AC include:

(a) reviewing the audit plans of the internal and external auditors of the Company and reviewing the internal auditor's evaluation of the adequacy of the Company's and Group's system of internal accounting controls and the assistance given by the Company's and Group's management to the internal and external auditors;

(b) reviewing the half yearly and full year financial statements before their announcements;

(c) reviewing the annual financial statements and the external auditor's report on the annual financial statements of the Company and the Group before their submission to the Board;

REPORT ON CORPORATE GOVERNANCE

(d) reviewing the effectiveness of the Company's and Group's material internal controls, including financial, operational and compliance controls, information technology controls and risk management policies and systems;

(e) meeting with the internal and external auditors, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(f) reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(g) reviewing the effectiveness of the internal audit function;

(h) reviewing the cost effectiveness, independence and objectivity of the external auditor and the nature and extent of non-audit services provided by the external auditor;

(i) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and the Group and any formal announcements relating to their financial performance;

(j) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor and reviewing the scope and results of the audit;

(k) reviewing, monitoring and advising the Board on the Company's and Group's overall risk exposures, tolerance and strategy;

(l) reviewing the Company's and Group's overall risk assessment, framework, processes and methodology;

(m) reporting actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate; and

(n) reviewing interested person transactions in accordance with the requirements of SGX-ST's Listing Manual.

The AC has the power to conduct investigations in accordance with the AC's written terms of reference and has full access to and co-operation from management as well as direct access to the Company's external auditor. In discharging its duties, the AC may seek independent advice at the expense of the Company.

The AC is kept abreast by the Management and the external auditors of changes to accounting standards which have impact on the Group's consolidated financial statements.

Following discussions with management and the external auditors, significant issues that impact the financial statements for the year ended 31 December 2021 were identified and included in the Independent Auditor's Report to the Members of the Company under "Key Audit Matters". In the review of the financial statements for the year ended 31 December 2021, the AC had obtained an understanding on the work performed by external auditors and management's assessment of the various key audit matters. The AC is satisfied that these issues including the review of the carrying value of the power plant cash generating unit have been properly dealt with and concurred with management's assessment and conclusion of the key audit matters.

REPORT ON CORPORATE GOVERNANCE

The AC meets with both the internal and external auditors without the presence of management at least once a year to review the overall scope of the internal and external audits and assistance given by management to both the internal and external auditors. During the financial year ended 31 December 2021, an amount of approximately S$300,000 and S$10,000 was paid/payable to the Company's external auditor for audit fee and non-audit services for the financial year ended 31 December 2021. In the opinion of the AC, the nature and extent of these non-audit services did not prejudice the independence and objectivity of the Company's external auditor.

The AC has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as auditor at the forthcoming AGM of the Company.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

In appointing the auditing firms for the Company and its subsidiaries, we have complied with Rules 712 and 715 of the Listing Manual of SGX-ST.

The AC has adopted a whistle-blowing policy to encourage and to provide a channel for stakeholders to report and to raise, in good faith and in confidence, their concerns about possible improprieties in matters of financial reporting and other matters. An email address has been created to receive any whistle-blowing concerns and stakeholders are invited to write to ACchairman@manhattan.sg.

Internal Audit
Risk Management and Internal Controls

The Group continues to reinforce its internal controls (including financial, operational, compliance and information technology) and risk management systems designed to provide reasonable assurance with regard to the keeping of proper accounting records, integrity and reliability of its financial information and safeguarding the Group's assets. The management has further strengthened its human resources to support the internal controls and risk management systems review initiatives and to implement revised policies and procedures.

The AC annually evaluates the findings of the internal auditor on the internal controls. In addition, it also evaluates the observations and recommendations by the external auditor on any material internal control weaknesses which have come to its attention in the course of its statutory audit. On an ad-hoc basis as warranted by particular circumstances, the AC may commission professional independent reviews of the operations of the Company and its subsidiaries and evaluates the results of such professional independent reviews. The evaluation assists the Board in developing policies that enhances the controls and operating systems of the Company and the Group.

The Board, with the assistance from the AC, is responsible for reviewing the appropriateness of framework and policies for managing risks, setting the risk appetite of the Company and the Group, reviewing key risks identified at business unit levels and their related risk treatment plans.

REPORT ON CORPORATE GOVERNANCE

Management has implemented a formalised risk management framework, under the guidance of AC, for the identification, treatment, monitoring and reporting of risks. The AC shall also review and discuss risk management matters at least once a year. A risk self-assessment exercise was conducted at business unit level and a risk register with risk treatment plans was identified. Arising from these risk management activities, the Company and the Group have adopted a set of more stream-lined and comprehensive guidelines for approval limits and delegation of authorities, investment approval and documentation requirements. The AC and the Board are not aware of any matter which suggests that key risks are not being satisfactorily managed.

The Group's financial risk management objectives and policies are discussed further in Note 27 to the financial statements.

The Board has obtained a written confirmation from the CEO and Deputy CFO that:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2021 give a true and fair view of the Group's operations and finances, and

(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Company and the Group in its current business environment.

The AC reviews the assurance from the CEO and the Deputy CFO on the financial records and financial statements.

Based on the internal controls established and maintained by the Company and the Group, the work performed by the internal auditors and statutory audits by the external auditors, and reviews performed by management, Board Committees and the Board, it is the opinion of the Board and AC that the internal controls (including financial, operational, compliance and information technology) and risk management systems, are adequate and effective in meeting the current scopes of the Company's and the Group's operations in the prevailing business environment in all material aspects. However, the Board acknowledges that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

The Board will continually review and improve the internal controls and risk management systems of the Company and the Group on an on-going basis.

The internal audit function is outsourced to Crowe Horwath First Trust Risk Advisory Pte Ltd.

The primary objectives of the internal audit function are to assess if adequate systems of internal controls are in place to safeguard shareholders' investments and the Group's assets and to ensure that such control procedures are continuously complied with. The internal auditor reports to the AC. During the financial year ended 31 December 2021, the outsourced internal audit function has carried out internal audit in accordance with the internal audit plan approved by the AC. The AC has reviewed and discussed the findings from internal audit with the internal auditor.

The AC has considered the internal audit function to be independent, effective and adequately resourced.

REPORT ON CORPORATE GOVERNANCE

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders

The Board is mindful of its obligation to provide timely and relevant information to shareholders.

Manhattan Resources treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting Manhattan Resources. Manhattan Resources gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Timely disclosure of material information is carried out in accordance with the requirements of the Listing Manual of the SGX-ST. The Company's results and annual reports are released on the SGXNET. The Company's Annual Report and Notice of AGM are electronically available on SGX and the Company's website.

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET, press releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half yearly and full year financial results are available on the Company's website – www.manhattan.sg. The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. Shareholders with questions may contact the Company at 133 New Bridge Road #18-09 Chinatown Point Singapore 059413 (Contact Number: +65-6345 0777, Email Address: information@manhattan.sg).

To minimise physical interactions and COVID-19 transmission risks, general meetings were held by electronic means. Shareholders will not be able to attend the general meetings in person. A member (whether individual or corporate) who wishes to attend the general meetings virtually must pre-register or appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the general meetings, if such member wishes to exercise his/her/its voting rights at the general meetings. Shareholders can submit substantial and relevant questions to the Chairman of the general meetings, "live" at, the general meetings, or in advance of the general meetings. The attendance of directors at the general meetings held in 2021 is set out under Principle 1 above.

The Company has been actively facilitating the communication between the Board with its shareholders.

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

The Company would prepare minutes of general meetings, which include substantial and relevant comments and questions raised by shareholders, together with responses from the Board and the Management, and would be available on the Company's website as soon as practicable.

REPORT ON CORPORATE GOVERNANCE

Dividend policy

The Board aims to declare and pay annual dividend. The form, frequency and amount of dividends each year will take into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth, general global economic conditions and other factors as the Board may deem appropriate.

No dividend has been declared or recommended for FY2021 as the Company continued to record accumulated losses as at 31 December 2021.

V. MANAGING STAKEHOLDERS RELATIONSHIPS
Principle 13: Engagement with Stakeholders

The Company maintains a corporate website at http://www.manhattan.sg to communicate and engage with stakeholders.

VI. OTHER CORPORATE GOVERNANCE MATTERS
Sustainability Statement

The Group recognises the growing importance of sustainable growth and how such sustainability practices impact our various stakeholders. We maintain regular engagement with our key stakeholders who have significant influence on our business and to whom our business impacts most. Their needs and concerns are important in helping us understand the accountability of our business actions and improve our decision making. We focus our efforts on addressing their key interests while striving for operational efficiency in order to create long-term sustainable growth for the Group and our stakeholders.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly are able to impact the Group's business and operations.

Four stakeholders groups have been identified through an assessment of their significance to the business operations. They are namely, employees, investors, regulators and customers.

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Governance

Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.

The FY2021 Sustainability Report will be available on the SGXNet and the Company's website together with the 2021 Annual Report. Shareholders are encouraged to refer to the sustainability report for further details.

REPORT ON CORPORATE GOVERNANCE

Dealing in Securities

The Group has adopted a policy to govern conduct in the dealing of the securities of the Company for directors and officers, in accordance with the Listing Manual of SGX-ST. Under this policy, directors and officers are prohibited from dealing in the securities of the Company (i) on short-term considerations, (ii) during the period commencing one month before the announcement of the Company's full-year financial results and two weeks before the release of half yearly financial results ("Blackout Period"), and (iii) when they are in possession of unpublished price-sensitive information.

In addition, two weeks before the release of the Company's half yearly financial results and one month before the release of the Company's full-year financial results, an email is sent to the Company's and Group's directors and employees reminding them of the Blackout Period; and prohibition to trade any time they are in possession of unpublished material price-sensitive information and on short-term considerations.

Interested Person Transactions ("IPTs")

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the SGX-ST are as follows:

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all IPTs under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
	S$'000	S$'000
KaiYi Investment Pte. Ltd.[(1)]		
Lease of office premises	–	(135)
PT Dermaga Perkasapratama[(2)]		
Sale of electricity	5,005	–

Notes:

(1) KaiYi Investment Pte Ltd ("KaiYi"), a substantial shareholder, has 33.97% direct interest in the Company. In addition, Dato' Dr. Low Tuck Kwong, a substantial shareholder of the Company, owns 10.46% of KaiYi, Low Yi Ngo, the CEO and MD, and Elaine Low, a non-independent non-executive director, each owns 34.22% and the immediate family of Dato' Dr. Low Tuck Kwong, Low Yi Ngo and Elaine Low owns 16.16%. Accordingly, KaiYi is deemed to be an Interested Person for the purposes of Chapter 9 of the Listing Manual.

(2) PT Dermaga Perkasapratama is a subsidiary of PT Bayan Resources Tbk. Dato' Dr. Low Tuck Kwong, a substantial shareholder of the Company, owns 55.19% of Bayan Resources, while Low Yi Ngo, the CEO and MD of the Company, owns 0.17% of Bayan Resources. Dato' Dr. Low Tuck Kwong and Low Yi Ngo are on the board of directors of PT Bayan Resources Tbk. Accordingly, the Bayan Group, comprising Bayan Resources and its subsidiaries are deemed to be Interested Persons for the purposes of Chapter 9 of the Listing Manual.

Use of Proceeds

The Group has also fully utilized the net proceeds from the rights issue for the capital investment in the Ningbo Project via MPDPL as well as for working capital in FY2021.

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Manhattan Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Low Yi Ngo	
Elaine Low	
Tung Zhihong, Paul	
Lee Fook Choon	
Tang Kin Fei	(Appointed on 12 January 2021)
Ajaib Hari Dass	(Appointed on 12 January 2021)
Henry Wong Chuen Yuen	(Appointed on 12 January 2021)

Arrangements to enable directors to acquire shares and debentures

Except as described in the paragraph below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company, as stated below:

	Direct Interest			Deemed Interest		
Name of directors	**1 January 2021**	**31 December 2021**	**21 January 2022**	**1 January 2021**	**31 December 2021**	**21 January 2022**
The Company						
Ordinary shares						
Low Yi Ngo	5,341,200	5,980,200	5,980,200	1,849,521,700	1,849,521,700	1,849,521,700
Elaine Low	–	–	–	1,849,521,700	1,849,521,700	1,849,521,700
Lee Fook Choon	300,900	300,900	300,900	–	–	–
Subsidiaries						
PT Kariangau Power						
Share equity						
Elaine Low[(1)]	–	–	–	6.58%	6.58%	6.58%

(1) Elaine Low is deemed to have an interest in 6.58% of the equity held by Gallant Power Pte. Ltd. through her 100% interest in Gallant Power Pte. Ltd.

Except as disclosed in this statement, no other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, either at the beginning of the financial year or at the end of the financial year.

Options

No options were issued by the Company during the financial year. As at 31 December 2021, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

Audit committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. The functions performed are detailed in the Report on Corporate Governance set out in the Annual Report of the Company.

DIRECTORS' STATEMENT

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors,

Low Yi Ngo
Director

Tung Zhihong, Paul
Director

Singapore
1 April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANHATTAN RESOURCES LIMITED

Opinion

We have audited the financial statements of Manhattan Resources Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (the "SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Review of the carrying value of the power plant cash generating unit

As at 31 December 2021, the net carrying amount of the Group's power plant cash generating unit ("CGU") assets amounted to S$31,183,000 which represented 22.8% of the Group's total assets.

The Group's power plant segment recorded losses for the financial year ended 31 December 2021. This gives rise to indication of impairment and management performed an impairment test to determine the recoverable value of the power plant CGU and respective investment in subsidiary. Management has determined the recoverable amount of the power plant based on value in use computations. We have determined this to be a key audit matter based on the quantitative materiality of the power plant and the significant estimation required to determine the recoverable amount.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANHATTAN RESOURCES LIMITED

Review of the carrying value of the power plant cash generating unit (cont'd)

Our audit procedures included, amongst others, evaluating and assessing the assumptions used by management including their considerations on the ongoing impact COVID-19 pandemic has on the power plant operations. We examined management's methodology used to assess the recoverable amount of the power plant. We reviewed the robustness of management's budgeting process by comparing the actual results achieved against previously forecasted budgets. We assessed and tested the assumptions which the outcome of the impairment test is most sensitive to, such as saleable electricity. We corroborated whether the forecast of saleable electricity is supported by customer contracts secured to date, taking into consideration the current and future market conditions. We also checked management's assumptions of gross margins and operating costs against historical performance of the power plant.

With the support of our internal valuation specialists, we assessed the appropriateness of the discount rate used in the calculation. This included an assessment of the specific inputs, inter alia, the risk-free rate, the equity risk premium, along with gearing and cost of debt. Such inputs were compared either against risk rates in specific markets in which the Group operates or equivalent data for peer companies.

We also assessed the adequacy of Note 2.4(a)(i), Note 3 and Note 4 to the financial statements relating to the disclosures.

Acquisition of Athena Energy Holdings Pte Ltd and its subsidiaries

During the year, the Company completed the acquisition of 100% interest in Athena Energy Holdings Pte Ltd and its subsidiaries ("Athena") for a consideration of S$10,199,000 payable in cash, shareholders' loan and with issuance of new shares.

The acquisition of Athena was accounted for using the acquisition method where the Group performed a purchase price allocation ("PPA") exercise as disclosed in Note 6(b) of the financial statements.

Significant judgement and estimates were made in the PPA exercise on the identification of intangible assets, valuation of the acquired assets and liabilities, and measurement of the fair value of the new shares issued as part of the purchase consideration. Given the quantitative materiality of this acquisition, the significant management judgement required in the PPA exercise and the adjustments made to align the accounting policies of Athena with those of the Group, we considered the accounting for the acquisition of Athena to be a key audit matter. In auditing the accounting of the acquisition, we read the sale and purchase agreement and supplemental agreement to obtain an understanding of the transaction and the key terms.

As part of our audit procedures, we have considered the objectivity, independence and expertise of the external appraiser engaged by management. An important element of our audit relates to the identification of the acquired assets and ascertaining their fair values based on valuation models. We corroborated this identification based on our discussion with management and our understanding of the business of Athena. We have also engaged our internal valuation specialists to assist us in reviewing the nature and basis of the fair valuation adjustments to the purchase consideration and the acquired assets. We reviewed the appropriateness of the valuation methodologies used by management in the fair valuation of acquired assets and liabilities, including determining whether the assumptions used in valuing the acquired intangible assets were consistent with what a market participant would use.

We also assessed the adequacy of Note 2.4(a) (ii) and Note 6(b) to the financial statements relating to the disclosures of the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANHATTAN RESOURCES LIMITED

Dilution of equity interest in Manhattan Property Development Pte Ltd

During the year, the Company's equity interest in its subsidiary, Manhattan Property Development Pte. Ltd. ("MPDPL") was diluted and arising from the dilution of the Company's equity interest in MPDPL, both MPDPL and its wholly owned subsidiary Manhattan Resources Ningbo Property Limited ("MRN") ceased to be subsidiaries of the Company. The Company has determined that it retains significant influence and has accounted for its retained equity interest in MPDPL as an associate of the Company.

Management has engaged an external appraiser to determine the fair value of the Company's investment in MPDPL.

As part of our audit procedures, we have considered the objectivity, independence and expertise of the external appraiser engaged by management. Significant judgement and estimates were made in the valuation of the assets and liabilities of the associate. We have considered this to be a key audit matter, due to the quantitative materiality of the carrying amount of the associate and management's judgement required in the valuation exercise.

As part of our audit, we have engaged our internal valuation specialists to assist us in reviewing the nature and basis of the valuation adjustments to the assets and liabilities. We reviewed the appropriateness of the valuation methodologies used by management in the fair valuation of assets and liabilities of the associate.

We also assessed the adequacy of Note 2.4(a)(iii) and Note 6(c) to the financial statements relating to the disclosures of the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANHATTAN RESOURCES LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANHATTAN RESOURCES LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Amanda Lim.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
1 April 2022

BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	3	26,735	33,977	236	21
Intangible assets	4	12,839	10,275	–	–
Right-of-use assets	24	2,198	11,900	55	184
Investment property under construction	5	–	21,390	–	–
Property under development	5	–	77,003	–	–
Prepayments	9	1,175	5,523	–	–
Interests in subsidiaries	6	–	–	80,077	131,878
Investment in associates	7	60,436	–	60,436	–
Trade and other receivables	8	1,701	3,896	–	–
		105,084	163,964	140,804	132,083
Current assets					
Trade and other receivables	8	4,366	3,099	70	73
Prepayments	9	172	71	20	10
Due from associate (non-trade)		205	–	205	–
Inventories	11	155	367	–	–
Cash and bank deposits	12	20,545	24,355	3,140	4,303
		25,443	27,892	3,435	4,386
Assets held for sale	25	6,244	–	–	–
		31,687	27,892	3,435	4,386
Current liabilities					
Trade and other payables	13	(26,374)	(26,122)	(534)	(435)
Due to subsidiaries (non-trade)	10	–	–	(15,303)	(24,368)
Lease liabilities	24	(451)	(779)	(44)	(127)
Income tax payable		(38)	(89)	–	–
		(26,863)	(26,990)	(15,881)	(24,930)
Net current assets/(liabilities)		4,824	902	(12,446)	(20,544)
Non-current liabilities					
Trade and other payables	13	(12,278)	(10,813)	(12,278)	(2,154)
Deferred tax liabilities	19	(1,700)	(5,112)	(14)	(14)
Lease liabilities	24	–	(696)	–	(44)
Net assets		95,930	148,245	116,066	109,327

BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Equity					
Share capital	14	222,180	221,427	222,180	221,427
Accumulated losses		(128,057)	(126,358)	(106,336)	(112,174)
Capital reserves		339	353	–	–
Other reserve		(320)	(320)	–	–
Foreign currency translation reserve		(5,265)	(6,223)	–	–
Acquisition revaluation reserve		5,392	5,392	–	–
Employee share option reserve		222	74	222	74
Equity attributable to owners of the Company		94,491	94,345	116,066	109,327
Non-controlling interests		1,439	53,900	–	–
Total equity		95,930	148,245	116,066	109,327

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group	
	Note	2021 $'000	2020 $'000
Revenue	15	9,237	9,182
Other income	16	14,316	21,592
Employee benefits expenses	17	(2,578)	(2,497)
Depreciation and amortisation		(4,974)	(5,729)
Operating expenses	18	(6,481)	(7,375)
Impairment loss	18	(12,628)	(11,718)
Other expenses	18	(1,879)	(1,630)
Finance costs	18	(164)	(157)
Share of results of associate, net of tax		(728)	–
(Loss)/profit before tax		(5,879)	1,668
Income tax credit	19	1,799	3,746
(Loss)/profit for the financial year		(4,080)	5,414
(Loss)/profit attributable to:			
Owners of the Company		(1,699)	8,068
Non-controlling interests		(2,381)	(2,654)
(Loss)/profit for the financial year		(4,080)	5,414
(Loss)/earnings per share (cents) attributable to owners of the Company	20		
– Basic		(0.06)	0.35
– Diluted		(0.06)	0.35

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group	
	2021	**2020**
	$'000	**$'000**
(Loss)/profit net of tax	(4,080)	5,414
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	2,423	908
Share of other comprehensive income of associates	1,668	–
Other comprehensive income for the financial year, net of tax	4,091	908
Total comprehensive income for the financial year	11	6,322
Total comprehensive income attributable to:		
Owners of the Company	1,775	7,044
Non-controlling interests	(1,764)	(722)
	11	6,322

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Total attributable to owners of the Company									
	Share capital $'000	Accumulated losses $'000	Capital reserve[1] $'000	Other reserve $'000	Foreign currency translation reserve[2] $'000	Acquisition revaluation reserve[3] $'000	Employee share option reserve[4] $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
At 1 January 2020	202,932	(134,426)	353	(320)	(5,199)	5,392	74	68,806	45,125	113,931
Shares issued upon debt conversion (Note 14)	18,495	–	–	–	–	–	–	18,495	–	18,495
Profit net of tax	–	8,068	–	–	–	–	–	8,068	(2,654)	5,414
Other comprehensive income										
Foreign currency translation	–	–	–	–	(1,024)	–	–	(1,024)	1,932	908
Other comprehensive income for the financial year, net of tax	–	–	–	–	(1,024)	–	–	(1,024)	1,932	908
Total comprehensive income for the financial year	–	8,068	–	–	(1,024)	–	–	7,044	(722)	6,322
Changes in ownership interests in subsidiaries										
Capital injection in a subsidiary by a non-controlling interest	–	–	–	–	–	–	–	–	9,497	9,497
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	9,497	9,497
Total transactions with owners in their capacity as owners	–	–	–	–	–	–	–	–	9,497	9,497
At 31 December 2020	221,427	(126,358)	353	(320)	(6,223)	5,392	74	94,345	53,900	148,245

(1) Capital reserve represents the capital contribution in excess of the registered capital and differences between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received.

(2) Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's functional currency. It is also used to record the effect of hedging net investments in foreign operations.

(3) Acquisition revaluation reserve represents the fair value adjustments on acquisition of subsidiary in 2009 relating to previously held interest.

(4) Employee share option reserve represents the equity-settled share options granted to directors and employees. The reserve is made up of the cumulative value of services received from directors and employees recorded over the resulting period commencing from the grant dates of equity-settled share options and is reduced by the expiry of exercise of the share options.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Total attributable to owners of the Company									
	Share capital $'000	Accumulated losses $'000	Capital reserve[1] $'000	Other reserve $'000	Foreign currency translation reserve[2] $'000	Acquisition revaluation reserve[3] $'000	Employee share option reserve[4],[5] $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
At 1 January 2021	221,427	(126,358)	353	(320)	(6,223)	5,392	74	94,345	53,900	148,245
Loss net of tax	–	(1,699)	–	–	–	–	–	(1,699)	(2,381)	(4,080)
Other comprehensive income										
Foreign currency translation	–	–	–	–	1,806	–	–	1,806	617	2,423
Share of other comprehensive income of associates	–	–	–	–	1,668	–	–	1,668	–	1,668
Other comprehensive income for the financial period, net of tax	–	–	–	–	3,474	–	–	3,474	617	4,091
Total comprehensive income for the financial period	–	(1,699)	–	–	3,474	–	–	1,775	(1,764)	11
Contributions by and distributions to owners										
Shares issued for acquisition of a subsidiary (Note 14)	753	–	–	–	–	–	–	753	–	753
Shares-based payments	–	–	–	–	–	–	148	148	–	148
Total contributions by and distributions to owners	753	–	–	–	–	–	148	901	–	901
Changes in ownership interests in subsidiaries										
Changes arising from dilution of interest in subsidiary (Note 6(c))	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
Total changes in ownership interests in subsidiaries	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
Total transactions with owners in their capacity as owners	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
At 31 December 2021	222,180	(128,057)	339	(320)	(5,265)	5,392	222	94,491	1,439	95,930

(1) Capital reserve represents the capital contribution in excess of the registered capital and differences between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received.

(2) Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's functional currency. It is also used to record the effect of hedging net investments in foreign operations.

(3) Acquisition revaluation reserve represents the fair value adjustments on acquisition of subsidiary in 2009 relating to previously held interest.

(4) Employee share option reserve represents the equity-settled share options granted to directors and employees. The reserve is made up of the cumulative value of services received from directors and employees recorded over the resulting period commencing from the grant dates of equity-settled share options and is reduced by the expiry of exercise of the share options.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Total attributable to owners of the Company			
Company	**Share capital $'000**	**Accumulated losses $'000**	**Employee share option reserve $'000**	**Total $'000**
At 1 January 2020	202,932	(112,938)	74	90,068
Shares issued upon debt conversion (Note 14)	18,495	–	–	18,495
Profit net of tax	–	764	–	764
At 31 December 2020	221,427	(112,174)	74	109,327
At 1 January 2021	221,427	(112,174)	74	109,327
Shares issued for acquisition of a subsidiary (Note 14)	753	–	–	753
Shares-based payments	–	–	148	148
Profit net of tax	–	5,838	–	5,838
At 31 December 2021	222,180	(106,336)	222	116,066

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
(Loss)/profit before tax		(5,879)	1,668
Adjustments:			
Depreciation and amortisation		4,974	5,729
Gain from fair value of investment property under construction	16	–	(161)
Impairment loss on intangible assets	18	2,681	2,776
Impairment loss on property, plant and equipment	18	9,947	8,923
Impairment loss on trade and other receivables	18	–	19
Gain on debt-to-equity conversion	16	–	(19,992)
Unrealised foreign exchange differences		1,474	(1,887)
Interest expenses		164	157
Interest income	16	(60)	(259)
Share of results of associates		728	–
Share-based payment expenses	17	148	–
Loss on issuance and allotment of shares		199	–
Gain on changes arising from dilution of interest in subsidiary	6(c),16	(9,450)	–
Loss on deemed disposal of associates		70	–
Write-back of allowance for impairment of trade and other receivables	16	(1,323)	–
Write-back on amounts owed to creditors	16	(2,698)	–
Operating cash flows before working capital changes		975	(3,027)
Decrease/(increase) in inventories		212	(319)
Increase in property under development	5	(2,439)	(15,359)
Decrease in trade and other receivables		303	1,667
(Increase)/decrease in prepayments		(859)	651
(Decrease)/increase in trade and other payables		(3,150)	8,117
Cash flows used in operations		(4,958)	(8,270)
Interest received		60	259
Income tax paid		(252)	(107)
Net cash flows used in operating activities		(5,150)	(8,118)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1,013)	(505)
Subsequent expenditure on investment property under construction	5	(557)	(3,505)
Effect of dilution of investment on cash flows	6(c)	(7,239)	–
Net cash outflow on acquisition of subsidiaries	6(b)	(3,614)	–
Deposit received from sale of land		14,126	–
Net cash flows generated from/(used in) investing activities		1,703	(4,010)
Cash flows from financing activities			
Capital injection in a subsidiary by a non-controlling interest		–	9,497
Repayment of lease liabilities	24	(868)	(898)
Increase in amount due from associate		(205)	–
Net cash flows (used in)/generated from financing activities		(1,073)	8,599
Net decrease in cash and cash equivalents		(4,520)	(3,529)
Effect of exchange rate changes on cash and cash equivalents		710	16
Cash and cash equivalents at beginning of financial year		24,355	27,868
Cash and cash equivalents at end of financial year	12	20,545	24,355

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

Manhattan Resources Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413.

The principal activities of the Company are those of investment holding and the provision of management services.

The principal activities and principal place of business of the subsidiaries are as shown in Note 6.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with the provisions of Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ($ or SGD) and all values in the tables are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021.

The adoption of these standards did not have any material effect on the financial performance or position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*	1 January 2022
Amendments to SFRS(I) 3 Reference to the Conceptual Framework	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)	1 January 2022
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	1 January 2023
Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(i) Impairment of non-financial assets

The non-financial assets of the Group include power plant, intangible assets and right-of-use assets.

Management has determined the recoverable amount based on value in use computation which involved significant estimates. Such estimates are based on valuation techniques, which require considerable judgments in forecasting future cash flows and developing other assumptions. The recoverable amount is most sensitive to discount rate used for the discounted cash flow model as well as the expected future cash inflows from forecasted revenue. The key assumptions applied in the determination of the value in use including a sensitivity analysis are disclosed and future explained in Note 4.

The carrying amount of the Group's power plant, intangible assets and right-of-use assets at the balance sheet date are disclosed in Note 3, Note 4 and Note 24 respectively.

(ii) Acquisition of Athena Energy Holdings Pte Ltd and its subsidiaries

In 2021, the Company completed the acquisition of 100% equity interest in Athena Energy Holdings Pte Ltd and its subsidiaries.

The Group is required to recognise separately, at the acquisition date, the identifiable assets, liabilities and contingent liabilities acquired or assumed in a business combination at their fair values, which involves estimates.

Such estimates are based on valuation techniques, which require considerable judgments in forecasting future cash flows and developing other assumptions as disclosed in Note 6(b) of the financial statements.

(iii) Dilution of equity interest in Manhattan Property Development Pte Ltd

In 2021, the Company's 51%-owned subsidiary, Manhattan Property Development Pte. Ltd. ("MPDPL") increased its paid-up share capital by the issuance and allotment of an additional 5,000,000 ordinary shares to KaiYi Investment Pte. Ltd. ("KaiYi") for a total consideration of US$5,000,000 (approximately S$6,736,000). Accordingly, the Company's shareholding interest in MPDPL was diluted from 51% to 48.40%.

Consequently, the effective shareholding interest in Manhattan Resources (Ningbo) Property Limited ("MRN") held by the Company through MPDPL was also diluted from 51% to 48.40%. Arising from the dilution of the Group's equity interest in MPDPL, both MPDPL and MRN ceased to be subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(a) *Key sources of estimation uncertainty (cont'd)*

(iii) *Dilution of equity interest in Manhattan Property Development Pte Ltd (cont'd)*

The Company has recognised its investment retained in MPDPL at its fair value. In determining the fair value of its retained interest in MPDPL, management has engaged an independent valuer to perform a valuation of the underlying assets and liabilities of MPDPL and MRN. Significant judgement and estimates were made in connection with the valuation of the underlying assets and liabilities of the associates.

The details of the dilution of equity interest in MPDPL is disclosed in Note 6(c) and Note 7 respectively.

(b) *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) *Investment in Manhattan Property Development Pte Ltd*

Arising from the dilution of the Company's equity interest in MPDPL as disclosed in Note 2.4(a)(iii), the Company has accounted for its investment in MPDPL as an associate.

The shareholders agreement between the Company and KaiYi permitted the majority shareholder to appoint the chairman who will also have the casting vote in the event of a deadlock. As KaiYi became the majority shareholder subsequent to the capital injection, KaiYi was deemed to be able to exercise control over MPDPL.

The Company has determined that it has significant influence because it has representation on the board of directors of MPDPL.

(ii) *Determining the lease term of contracts with renewal and termination options – Group as Lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(b) Judgments made in applying accounting policies (cont'd)

(ii) Determining the lease term of contracts with renewal and termination options – Group as Lessee (cont'd)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group did not include renewal periods as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

2.5 Subsidiaries, basis of consolidation and business combinations

(a) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Subsidiaries, basis of consolidation and business combinations (cont'd)

(b) Basis of consolidation (cont'd)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;

– De-recognises the carrying amount of any non-controlling interest;

– De-recognises the cumulative translation differences recorded in equity;

– Recognises the fair value of the consideration received;

– Recognises the fair value of any investment retained;

– Recognises any surplus or deficit in profit or loss;

– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(c) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Subsidiaries, basis of consolidation and business combinations (cont'd)

(c) Business combinations and goodwill (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Joint arrangements (cont'd)

Joint venture

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.8.

2.8 Joint venture and associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associate and joint venture using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate or joint venture are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associate or joint venture. Distributions received from joint venture or associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate and joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss, except for foreign exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.10 Mineral exploration, evaluation and development expenditure

Pre-licence costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Mineral exploration, evaluation and development expenditure (cont'd)

Once the legal right to explore has been acquired, exploration and evaluation expenditure incurred in respect of areas of interest are capitalised in respect of each area of interest for which the rights of tenure are current and where:

(i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(ii) exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and while active and significant operations in, or in relation to, the area are continuing.

Exploration and evaluation expenditure incurred that does not satisfy the policy stated above is expensed in the period in which it is incurred. Exploration and evaluation expenditure that has been capitalised which no longer satisfies the policy stated above is written off in the period in which that decision is made.

No amortisation is provided in respect of mineral exploration, evaluation and development expenditure until they are reclassified as mining properties following a decision to develop the mine. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable and where a decision is made to proceed with development, the deferred exploration, evaluation and development expenditure is reclassified to mining properties and then amortised.

The net carrying value of each area of interest is reviewed regularly and, to the extent to which this value exceeds its recoverable value, that excess is provided for or written off in the year in which this is determined.

2.11 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure for additions, improvements and renewals is capitalised. Expenditure for repair and maintenance, including overhaul and dry-docking for vessels, is charged to profit or loss unless such expenditure is separately identified and assessed by management to have increased the future economic benefits derived from the vessels.

The capitalised assets of overhaul and dry-docking are recorded as an additional cost of tugboats and barges and the costs are depreciated over the period up to the next scheduled overhaul and dry-docking. Any remaining carrying amount of the cost of the previous overhaul and dry-docking is derecognised and charged to current year's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Property, plant and equipment and depreciation (cont'd)

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Power plant	–	25 – 26 years
Infrastructure	–	20 – 26 years
Vessels	–	15 years
Leasehold improvements	–	shorter of 10 years or lease terms
Machinery and equipment	–	4 – 26 years
Furniture, fittings and office equipment	–	3 – 5 years
Motor vehicles	–	4 – 8 years
Computers	–	1 – 3 years

Construction-in-progress for qualifying assets, includes borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.12 Intangible assets

Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Intangible assets (cont'd)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Business licence

The business licence was acquired in a business combination. Customer contracts and customers relationships have also been included in the value of the business licence as these contracts are not separable from the business licence. The business licence together with the customer contracts are amortised on a straight-line basis over its finite useful life based on the validity of the business licence as disclosed in Note 4.

Power purchase agreements

The power purchase agreements were acquired in a business combination. The power purchase agreements are amortised on a straight-line basis over its finite useful life based on the validity of the power purchase agreements as disclosed in Note 4.

2.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures, an asset which includes may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of non-financial assets (cont'd)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.14 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Investments in debt instruments

Amortised costs

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Impairment of financial assets (cont'd)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and fixed deposits, less cash at bank and fixed deposits pledged to secure banking facilities, and which are subject to an insignificant risk of changes in values.

Cash at bank and on hand and fixed deposits are classified and accounted for as financial assets under SFRS(I) 9. The accounting policy for this category of financial assets is stated in Note 2.14.

2.17 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

The costs of development properties include:

– Freehold and leasehold rights for land;

– Amounts paid to contractors for construction; and

– Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for at purchase costs on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Provisions (cont'd)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.22 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) Share option plans

Directors and employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with directors and employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The employee share option reserve is transferred to retained earnings upon expiry of the share options.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Leases

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises	–	1 – 4 years
Vessels	–	5 years
Land use rights	–	24 years

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are presented separately as "Right-of-use assets" and are subject to impairment according to the accounting policy as set out in Note 2.13.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Leases (cont'd)

As lessee (cont'd)

(b) Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.24 Revenue

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of electricity

Revenue from sale of electricity is recognised when electricity is transmitted to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the power generation revenue, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Revenue (cont'd)

(b) Coal transportation income

Revenue from coal carrying activities are recognised over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(c) Charter hire income

Charter hire income is recognised as operating lease income in accordance with SFRS(I) 16 Leases. Revenue from the operating lease component of charter hire is recognised on a time-apportioned basis over the charter hire period.

(d) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Consideration from customers in relation to sale of electricity, coal transportation income, charter hire income and rental income are billed to the customers on a monthly basis according to the terms stated in the contract and the Group's credit term policies.

(e) Interest income

Interest income is recognised over time using the effective interest method.

(f) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.25 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of temporary differences associated with investments in subsidiaries, associate and interests in joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associate and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.26 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.29 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Additional disclosures on each of these segments are shown in Note 23, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.30 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Where the grant relates to compensation for expenditure, it is deferred and is set-off on a systematic basis over the periods in which the entity incurs the related costs.

2.31 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Non-current assets are not depreciated or amortised once classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. PROPERTY, PLANT AND EQUIPMENT

Group	Power plant $'000	Infrastructure $'000	Vessels $'000	Leasehold improvements $'000	Machinery and equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Cost										
At 1 January 2020	45,469	4,052	1,767	993	5,711	317	407	175	–	58,891
Additions	16	128	–	82	232	28	–	19	–	505
Exchange differences	(1,554)	(137)	(42)	(3)	(204)	14	(7)	–	–	(1,933)
At 31 December 2020 and 1 January 2021	43,931	4,043	1,725	1,072	5,739	359	400	194	–	57,463
Additions	152	190	–	11	9	1	–	43	607	1,013
Acquisition of subsidiaries (Note 6(b))	–	3,125	–	–	–	–	–	–	465	3,590
Dilution of interest in subsidiary (Note 6(c))	–	–	–	(492)	–	(162)	(140)	–	–	(794)
Exchange differences	299	28	8	1	43	44	5	–	–	428
At 31 December 2021	44,382	7,386	1,733	592	5,791	242	265	237	1,072	61,700

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Power plant $'000	Infrastructure $'000	Vessels $'000	Leasehold improvements $'000	Machinery and equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Accumulated depreciation and impairment										
At 1 January 2020	8,584	709	433	925	1,114	301	364	160	–	12,590
Depreciation charge for the financial year	1,801	201	92	9	393	5	24	–	–	2,525
Impairment loss	7,233	715	–	–	975	–	–	–	–	8,923
Exchange differences	(459)	(28)	(5)	–	(80)	20	–	–	–	(552)
At 31 December 2020 and 1 January 2021	17,159	1,597	520	934	2,402	326	388	160	–	23,486
Depreciation charge for the financial year	1,420	250	93	13	398	2	–	27	–	2,203
Impairment loss	7,714	965	–	–	1,268	–	–	–	–	9,947
Dilution of interest in subsidiary (Note 6(c))	–	–	–	(491)	–	(127)	(140)	–	–	(758)
Exchange differences	46	5	18	–	8	10	–	–	–	87
At 31 December 2021	26,339	2,817	631	456	4,076	211	248	187	–	34,965
Net book value										
At 31 December 2021	18,043	4,569	1,102	136	1,715	31	17	50	1,072	26,735
At 31 December 2020	26,772	2,446	1,205	138	3,337	33	12	34	–	33,977

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Cost					
At 1 January 2020	431	56	182	–	669
Additions	–	–	19	–	19
At 31 December 2020 and 1 January 2021	431	56	201	–	688
Additions	–	–	43	200	243
At 31 December 2021	431	56	244	200	931
Accumulated depreciation					
At 1 January 2020	429	55	172	–	656
Depreciation charge for the financial year	1	1	9	–	11
At 31 December 2020 and 1 January 2021	430	56	181	–	667
Depreciation charge for the financial year	1	–	27	–	28
At 31 December 2021	431	56	208	–	695
Net book value					
At 31 December 2021	–	–	36	200	236
At 31 December 2020	1	–	20	–	21

Impairment loss

During the financial year, the Group carried out a review of the recoverable amount of its power plant, infrastructure, machinery and equipment and business licence as there were indicators of impairment.

The power plant segment had recorded losses for both 2021 and 2020. The power plant, infrastructure, machinery and equipment, business licence and land use rights have been identified as a single cash generating unit ("CGU") which is also the power plant reportable operating segment.

An impairment loss of $9,947,000 (2020: $8,923,000) (Note 18) representing the write-down of the power plant, infrastructure, and machinery and equipment to their respective recoverable amounts were recognised in "impairment loss" line in profit or loss.

As further disclosed in Note 4, the recoverable amount of the power plant CGU was based on its value in use and the discount rate applied to the cash flow projection was 12.00% (2020: 12.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. INTANGIBLE ASSETS

	Business licence $'000	Power purchase agreements $'000	Total $'000
Group			
Cost:			
At 1 January 2020	23,078	–	23,078
Exchange differences	(692)	–	(692)
At 31 December 2020 and 1 January 2021	22,386	–	22,386
Acquisition of a subsidiary (Note 6(b))	–	6,603	6,603
Exchange differences	138	–	138
At 31 December 2021	22,524	6,603	29,127
Accumulated amortisation and impairment			
At 1 January 2020	7,762	–	7,762
Amortisation	1,813	–	1,813
Impairment loss	2,776	–	2,776
Exchange differences	(240)	–	(240)
At 31 December 2020 and 1 January 2021	12,111	–	12,111
Amortisation	1,414	10	1,424
Impairment loss	2,681	–	2,681
Exchange differences	72	–	72
At 31 December 2021	16,278	10	16,288
Net carrying amount:			
At 31 December 2021	6,246	6,593	12,839
At 31 December 2020	10,275	–	10,275

Business Licence

Business licence relates to the business licence for the rights to supply electricity exclusively within the Kawasan Industri Kariangau ("KIK") zone, which arose from the acquisition of PT Kariangau Power ("PT KP") in 2016. Customer contracts and customer relationships have also been included in the value of the business licence as these contracts are not separable from the business licence.

The useful life of the business licence together with the customer contracts is estimated to be 12 years, with a remaining useful life of 7 years (2020: 8 years).

Power Purchase Agreements

Power Purchase Agreements ("PPAs") relates to the contractual agreements signed between the customers and Athena, which arose from the acquisition of the Athena in October 2021 (Note 6(b)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. INTANGIBLE ASSETS (CONT'D)

Power Purchase Agreements (cont'd)

The useful life of the PPAs acquired is estimated to be 20 years, with remaining useful lives ranging from 19 to 20 years based on the commercial operation date as defined in the agreements (2020: Nil).

The amortisation expense for both business licence and power purchase agreements is included in the "Depreciation and amortisation" line item in profit or loss.

Impairment testing of intangible assets in the power plant segment

Intangible assets acquired through business combinations have been allocated to the power plant CGU for impairment testing annually, or more frequently if impairment indicators exist.

The recoverable amount of the CGU has been determined based on value in use calculation using cashflow projections from financial budgets approved by management covering their power plant operations in Indonesia. The discount rate applied to the cash flow projections is 12.00% (2020: 12.00%) per annum.

The calculations of value in use for the CGU are most sensitive to the following assumptions:

Budgeted revenues – Revenue forecast is based on historical power generation capacity and taking into consideration current and future customer demands.

Budgeted gross margins – Gross margins used in the value in use calculations were based on budgeted gross margins derived from past performance and management's expectations of market developments.

Discount rates – The discount rate reflects the current market assessment of the risks specific to the CGU.

Sensitivity to changes in assumptions

The increase in discount rate by 0.5% would in isolation lead to further impairment losses of $469,000.

Impairment loss recognised

As a result of the above impairment testing, impairment losses on business licence of $2,681,000 (2020: $2,776,000) (Note 18) was recognised to write down the carrying amount of the business licence.

The impairment losses have been recognised in the "impairment loss" line in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENT PROPERTY UNDER CONSTRUCTION PROPERTY UNDER DEVELOPMENT

	Group	
	2021	**2020**
	$'000	**$'000**
Investment property under construction:		
At 1 January	21,390	16,832
Development costs capitalised	557	3,505
Gain on fair value adjustment recognised in profit or loss	–	161
Exchange differences	274	892
Changes arising from dilution of interest in subsidiary (Note 6(c))	(22,221)	–
At 31 December	–	21,390
Property under development:		
At 1 January	77,003	58,482
Development costs capitalised	2,439	15,359
Exchange differences	987	3,162
Changes arising from dilution of interest in subsidiary (Note 6(c))	(80,429)	–
At 31 December	–	77,003

In 2011, the Group had acquired the right to use and develop a piece of land measuring 19,467 square metres, situated at South Commercial Park in Yinzhou District in Ningbo City, Zhejiang Province in the People's Republic of China ("PRC") for the development of a property.

In 2013, the Group further acquired the right to use and develop the two additional pieces of land measuring a total area of 3,914 square metres and this is adjacent to the first piece mentioned above.

The tenure of the land use term for the above lands are 40 years commencing from August 2011.

The Group is required to complete the construction of the property within certain timelines as agreed with the local government authorities. In the event the Group is unable to complete the construction of the property, the deposits as disclosed in Note 8(iv) may be forfeited. In addition, the Group is exposed to additional penalties including the withdrawal of land use rights and fines due to breaches of the agreements. The Group has filed with the local regulatory authorities with the updated construction plan after taking into consideration the design optimisation expert opinion and updated the project timeline.

Property under development is classified based on construction progress and the estimated commencement date of presale. Property under development is classified as non-current as the presale permit is expected to be granted by the local authorities beyond 12 months from the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENT PROPERTY UNDER CONSTRUCTION (CONT'D) PROPERTY UNDER DEVELOPMENT (CONT'D)

The investment property under construction and property under development held by the Group through its associate as at 31 December 2021 is as follows:

Description and location	% owned	Site area (square metre)	Gross floor area (square metre)	Stage of completion as at date of annual report (expected year of completion)
A 56-storey integrated development with residential apartments, offices and retail components along Yinzhou District, Ningbo, People's Republic of China	35.44%	23,381	Approximately 160,000	2025

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

In 2020, investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2020.

The fair value uplift of investment property under construction of $161,000 in 2020 has been recorded in the financial statements.

The valuations were performed by Ningbo Zhengpeng Property Evaluation Co., Limited, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued.

Details of valuation techniques and inputs used in 2020 are disclosed in Note 28.

6. INTERESTS IN SUBSIDIARIES

	Company 2021 $'000	Company 2020 $'000
Unquoted equity shares:		
At 1 January	93,209	83,325
Additions during the year	4,830	9,884
Changes arising from dilution of interest in subsidiary (Note 6(c))	(52,494)	–
	45,545	93,209
Less: Impairment loss	(35,774)	(35,774)
Add: Amounts due from subsidiaries	70,306	74,443
At 31 December	80,077	131,878

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. INTERESTS IN SUBSIDIARIES (CONT'D)

In 2020, the Company subscribed for an additional 7,242,000 ordinary shares for a total consideration of US$7,242,000 (approximately $9,884,000) in MPDPL.

Management performed impairment testing on the Company's investment in subsidiaries as certain subsidiaries have been loss making. There is no additional impairment recorded in the current year based on management's assessment (2020: $17,609,000).

During the current and previous year, the Company entered into arrangements with its subsidiaries whereby the repayments of the principal amount due from subsidiaries are at the sole discretion of the subsidiaries.

Accordingly, these amounts are classified as a part of the Company's net investment in subsidiaries. These comprise amounts due from SLM Holding Pte Ltd ("SLM") and PT KP of $41,590,000 (2020: $41,590,000) and $28,716,000 (2020: $32,853,000) respectively. Included in amounts due from subsidiaries is an amount of $63,185,000 (2020: $67,322,000) denominated in United States Dollars ("USD").

(a) Composition of the Group

The Company has the following subsidiaries as at 31 December 2021:

Name of subsidiary	Principal activities	Principal place of business	Proportion of ownership interest		Cost of investment by the Company	
			2021	2020	2021	2020
			%	%	$'000	$'000
SLM Holding Pte Ltd[(a)]	Investment holding	Singapore	100	100	2,195	2,195
DLM Marine Pte Ltd[(a)]	Dormant	Singapore	100	100	100	100
MR Logistics Pte. Ltd.[(a)]	Investment holding	Singapore	100	100	33,879	33,879
Lian Beng Energy Pte. Ltd.[(a)]	Investment holding	Singapore	100	100	4,541	4,541
Manhattan Property Development Pte. Ltd.[(a),(f)]	Investment holding	Singapore	35.44	51	–	52,494
Athena Energy Holdings Pte. Ltd.[(a),(e)]	Investment holding	Singapore	100	–	4,830	–
					45,545	93,209

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) *Composition of the Group (cont'd)*

Name of subsidiary	Principal activities	Principal place of business	Proportion of ownership interest 2021 %	2020 %
Held through SLM Holding Pte Ltd				
PT Kariangau Power[c]	Power plant	Indonesia	86.11	86.11
PT Niaga Power Kariangau[d]	Operations and maintenance of electrical installation	Indonesia	95	95
PT Power Kariangau Kalimantan[d]	Operations and maintenance of electrical installation	Indonesia	95	95
Held through MR Logistics Pte. Ltd.				
Kaltim Alpha Shipping Pte. Ltd.[a]	Investment holding	Singapore	100	100
Epsilon Shipping Pte. Ltd.[g]	Dormant	Singapore	100	100
PT. Jaya Pesona Abadi[d]	Investment holding	Indonesia	100	100
Held through PT. Jaya Pesona Abadi				
PT. Aneka Samudera Lintas[b]	Shipping activities	Indonesia	100	100
Held through DLM Marine Pte Ltd				
PT. MR Engineering[d]	Dormant	Indonesia	100	100
Held through Lian Beng Energy Pte. Ltd.				
PT Lian Beng Energy[d]	Dormant	Indonesia	100	100
Held through Manhattan Property Development Pte. Ltd.				
Manhattan Resources (Ningbo) Property Limited[b),(f]	Property development	People's Republic of China	35.44	100
Held through Athena Energy Holdings Pte. Ltd.				
Vietrof RE Pte. Ltd.[a),(e]	Developer, owner and operator of renewable energy assets	Singapore	100	–
Vietrof PV Pte. Ltd.[a),(e]	Developer, owner and operator of renewable energy assets	Singapore	100	–
Vietrof Solar Pte. Ltd.[a),(e]	Developer, owner and operator of renewable energy assets	Singapore	100	–
Athena Australia Pty. Ltd.[a),(d),(e]	Developer, owner and operator of renewable energy assets	Australia	100	–
Athena (Shanghai) Co., Ltd.[a),(d),(e]	Dormant	People's Republic of China	100	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of subsidiary	Principal activities	Principal place of business	Proportion of ownership interest 2021 %	2020 %
Held through Vietrof RE Pte. Ltd.				
Vietrof Renewable Energy Co.,Ltd.[(c),(e)]	Developer, owner and operator of renewable energy assets	Vietnam	100	–
Held through Vietrof PV Pte. Ltd.				
Vietrof PV Vietnam Co., Ltd.[(c),(e)]	Developer, owner and operator of renewable energy assets	Vietnam	100	–
Held through Vietrof Renewable Energy Co., Ltd.				
Can Sports Green Energy Co.,Ltd.[(c),(e)]	Developer, owner and operator of renewable energy assets	Vietnam	100	–
Phu Luc Green Energy Co., Ltd.[(c),(e)]	Developer, owner and operator of renewable energy assets	Vietnam	100	–

(a) Audited by Ernst & Young LLP, Singapore.
(b) Audited by member firm of Ernst & Young Global for purposes of Group consolidation.
(c) Audited by member firm of Ernst & Young Global.
(d) Exempted from audit in the country of incorporation.
(e) Acquired during the financial year ended 31 December 2021
(f) During the financial year ended 31 December 2021, the Company's shareholding interest in MPDPL has been diluted from 51% to 35.44%. Consequently, the Company's effective shareholding interest in MRN held through MPDPL has also been diluted from 51% to 35.44%. As a result, both MPDPL and MRN ceased to be the subsidiaries and in turn became associates of the Group.
(g) As at 10 March 2022, Epsilon Shipping Pte Ltd has been struck off from the register

(b) Acquisition of subsidiaries

On 28 October 2021 ("Acquisition Date"), the Company completed the acquisition of 100% equity interest in Athena. Upon the completion of the acquisition, Athena became wholly owned subsidiaries of the Group. The Group has acquired Athena to accelerate the transformation into a renewable energy company, which is in line with the Group's corporate strategy to pursue businesses which will be sustainable and provide a stable income. This business is strongly aligned with the Group's investment policy and transformation objectives.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

Athena Energy Holdings Pte. Ltd. is a Singapore headquartered company with 4MW operating and approximately 30MW of committed of rooftop Commercial & Industrial Solar ("C&I") projects in Vietnam, and with pipeline renewable energy projects across Asia and Australia. Following the acquisition of Athena, the Company has also entered into the employment contracts with the management team of Athena to deliver the pipeline projects and grow its business.

The fair values of the identifiable assets and liabilities of Athena as at the acquisition date were:

	Fair values recognised on acquisition $'000
Property, plant and equipment (Note 3)	3,590
Right-of-use assets	2
Intangible assets (Note 4)	6,603
Trade and other receivables	1,058
Prepayments	14
Cash and cash equivalents	663
	11,930
Trade and other payables	(6,359)
Lease liability	(2)
Provision for tax	(30)
Deferred tax liabilities	(708)
Total identifiable net assets at fair value	4,831
Consideration transferred for the acquisition of Athena	
Cash paid	4,277
Consideration shares issued (14,197,450 ordinary shares of Manhattan Resources Limited)	753
Shareholders' loan provided	5,169
	10,199
Effect of the acquisition of Athena on cash flows	
Total consideration transferred	10,199
Less: Shareholders' loan provided eliminated on consolidation	(5,169)
Less: Consideration shares issued (non-cash consideration)	(753)
Less: Cash and cash equivalents of subsidiary acquired	(663)
Net cash outflow on acquisition	3,614

At the date of completion of the acquisition, the Company has provided a shareholders' loan of an aggregate S$5,169,000 to Athena for the purpose of paying off all previously outstanding shareholders' loans and liabilities of Athena.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

Transaction costs

Transaction costs related to the acquisition of approximately S$392,000 have been recognised in the "Legal and professional fees" line item (Note 18) in the Group's profit or loss for the year ended 31 December 2021.

Impact of the acquisition on profit or loss

From the acquisition date, Athena had contributed S$71,000 of revenue and S$110,000 net loss. If the business combination had taken place at the beginning of the year, the Group's revenue would have been S$508,000 and the Group's loss, net of tax would have been S$833,000.

Provisional accounting of the acquisition of AEH Group

The Power Purchase Agreements ("PPAs") have been identified as intangible assets arising from this acquisition. The Group has engaged an independent valuer to determine the fair values of the PPAs. As at 31 December 2021, PPAs of $6,603,000 have been determined on a provisional basis as the final results of the valuation have not been received by the date the financial statements were authorised for issuance. The carrying amounts of the intangible assets, deferred tax liabilities and amortisation of the intangible assets will be adjusted accordingly on a retrospective basis when the valuation of the brand is finalised.

(c) Dilution of interest in subsidiary

On 4 May 2021 ("Dilution Date"), the Company's 51%-owned subsidiary, MPDPL increased its paid-up share capital by the issuance and allotment of an additional 5,000,000 ordinary shares to KaiYi for a total consideration of US$5,000,000 (approximately S$6,736,000). Accordingly, the Company's shareholding interest in MPDPL has been diluted from 51% to 48.40%. Consequently, the effective shareholding interest in MRN held by the Company through MPDPL will also be diluted from 51% to 48.40%. As a result, both MPDPL and MRN ceased as subsidiaries and became associates of the Company.

As set out in the circular dated 17 April 2020, in the event that MRN's net asset value (excluding unrealised foreign exchange differences) ("Adjusted NAV") is higher than its share capital, the relative shareholding proportions of KaiYi and MRL would be adjusted to take into account the increase in the Adjusted NAV. Where the share capital of MRN is not less than its Adjusted NAV, the further capitalisation will take place based on a dollar-to-dollar contribution basis, such that the relative shareholding percentages of the Company and KaiYi in MRN will be proportionate to their respective aggregate share capital contribution amount.

NOTES TO THE FINANCIAL STATEMENTS

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6. INTERESTS IN SUBSIDIARIES (CONT'D)

(c) Dilution of interest in subsidiary (cont'd)

Management engaged an external valuer to determine the fair values of the identifiable assets and liabilities as at Dilution Date. As at 31 December 2021, the valuation had been completed and the resulting fair value uplift of approximately S$12,991,000 arising from the gain on fair value adjustment on the property under development, investment property under construction and property, plant and equipment have been recognised in profit or loss as gain on changes arising from dilution of interest in subsidiary in accordance to the Company's relative shareholding portion of 48.40% amounting to S$6,288,000. As MRN's Adjusted NAV is higher than its share capital as at Dilution Date, the relative shareholding proportions of KaiYi and MRL have been adjusted to take into account the increase in the Adjusted NAV in accordance with the adjustment formula set out in the 17 April 2020 Circular.

Balance sheet disclosures

The net identifiable assets and liabilities of MPDPL and its subsidiary recorded in the consolidated financial statements as at 4 May 2021, and the effects of the dilution were:

	2021 $'000
Property, plant and equipment	36
Right-of-use assets	255
Trade and other receivables	3,805
Prepayment	5,041
Investment property under construction (Note 5)	22,221
Property under development (Note 5)	80,429
Cash and bank deposits	7,239
	119,026
Trade and other payables	(14,475)
Deferred tax liabilities	(967)
Lease liability	(241)
Carrying value of net assets	103,343
Net assets derecognised	(103,343)
Non-controlling interest derecognised	50,697
Reserves recycled to profit or loss	2,530
Fair value of retained interest	59,566
Gain on changes arising from dilution of interest in subsidiary	9,450

On the Dilution Date, the Group has derecognised the net assets, liabilities, and non-controlling interesting in MPDPL and MRN and has recognised the investment retained at its fair value.

The fair value of retained interest amounting to S$59,566,000 includes the Company's relative shareholding portion of the fair value uplift arising from the valuation of the underlying assets and liabilities of the associates as at the dilution date.

The Group has engaged an independent valuer to determine the fair value of the net identifiable assets of the MPDPL and MRN. As at 31 December 2021, the valuation has been completed and the resulting fair value uplift are approximately S$47,000, S$3,000 and S$12,941,000 to property, plant and equipment, investment property under construction and property under development respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(c) Dilution of interest in subsidiary (cont'd)

Income statement disclosures

	1 January 2021 to 4 May 2021 $'000
Other income	14
Employee benefits expenses	(183)
Depreciation and amortisation	(39)
Operating expenses	(50)
Other expenses	(165)
Finance costs	(6)
Loss before tax	(429)
Income tax	–
Loss for the period	(429)
Loss attributable to:	
Owners of the Company	(219)
Non-controlling interests	(210)
Loss for the period	(429)

Cash flow statement disclosures

	2021 $'000
Operating	(6,209)
Investing	(1,044)
Financing	14
Net cash outflow on dilution	(7,239)

Impact of the changes arising from the dilution of interest in subsidiary on profit or loss

From 1 January 2021 to the Dilution Date, MPDPL and MRN had contributed $Nil revenue and S$219,000 loss to the Group's results.

The gain on disposal attributable to measuring the retained interest amounted to S$9,450,000 was included in "Other income" line item (Note 16) in the Group's profit or loss for the year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(d) Interest in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest		Loss allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period	
		2021 %	2020 %	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Manhattan Resources (Ningbo) Property Limited	People's Republic of China	–	49	(194)[(1)]	(1,106)	–	39,744
PT Kariangau Power	Indonesia	13.89	13.89	(1,904)	(1,324)	1,626	3,530

(1) During the financial year ended 31 December 2021, the Company's shareholding interest in MPDPL has been diluted from 51% to 35.44%. Consequently, the Company's effective shareholding interest in MRN held through MPDPL has also been diluted from 51% to 35.44%. As a result, both MPDPL and MRN ceased to be the subsidiaries and in turn become associates of the Group. As such, loss allocated to NCI is only for the period from 1 January 2021 to 4 May 2021, and accumulated NCI has been derecognised as at Dilution Date (Note 6(c)).

Significant restrictions

As at 31 December 2020, the nature and extent of significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests relate to cash and cash equivalents of $13,519,000 held in People's Republic of China which are subject to local exchange control regulations.

These regulations places restriction on the amount of currency being exported.

NOTES TO THE FINANCIAL STATEMENTS

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6. INTERESTS IN SUBSIDIARIES (CONT'D)

(d) *Interest in subsidiaries with material non-controlling interest (NCI) (cont'd)*

Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	Manhattan Resources (Ningbo) Property Limited		PT Kariangau Power	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Current:				
Assets	–	16,953	21,804	4,460
Liabilities	–	(10,170)	(17,065)	(3,650)
Net current assets	–	6,783	4,739	810
Non-current:				
Assets	–	106,616	30,357	54,724
Liabilities	–	(9,733)	(29,805)	(36,696)
Net non-current assets	–	96,883	552	18,028
Net assets	–	103,666	5,291	18,838

Summarised statement of comprehensive income

	Manhattan Resources (Ningbo) Property Limited		PT Kariangau Power	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Revenue	–	–	7,442	8,488
Loss before income tax	–	(2,106)	(15,785)	(14,572)
Income tax (expense)/credit	–	(40)	2,074	3,356
Loss after tax	–	(2,146)	(13,711)	(11,216)
Other comprehensive income	–	4,231	170	(943)
Total comprehensive income	–	2,085	(13,541)	(12,159)

NOTES TO THE FINANCIAL STATEMENTS

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6. INTERESTS IN SUBSIDIARIES (CONT'D)

(d) Interest in subsidiaries with material non-controlling interest (NCI) (cont'd)

Other summarised information

	Manhattan Resources (Ningbo) Property Limited		PT Kariangau Power	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Net cash flows (used in)/from operations	–	(9,875)	2,717	1,198
Additions to investment property under construction and property under development	–	(18,864)	–	–

7. INVESTMENT IN ASSOCIATES

The investment in associates is summarised below:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Investment, at cost	26,148	26,148	26,148	26,148
Fair value of retained interest upon the dilution of subsidiaries to associates (Note 6(c))	59,566	–	59,566	–
Accumulated share of results, net of tax	(7,268)	(6,540)	(728)	–
Share of other comprehensive income of associates	1,668	–	1,668	–
Loss on deemed disposal of associates[i]	(70)	–	(70)	–
Accumulated impairment loss	(19,608)	(19,608)	(26,148)	(26,148)
At the end of year	60,436	–	60,436	–

Subsequent to the initial dilution on 4 May 2021 (Note 6(c)), MPDPL has further increased its paid up share capital on 9 July 2021, 29 October 2021 and 29 December 2021 through the issuance and allotment of 14,000,000, 9,000,000 and 10,000,000 ordinary shares for a total consideration of US$14,000,000, US$9,000,000 and US$10,000,000 respectively to KaiYi.

As there was no further capital contribution by the Company, the Company's shareholding interest in MPDPL has been diluted from 48.40% to 42.53% to 38.49% and 35.44% at the respective dates KaiYi had subscribed for the additional shares.

Arising from the above dilution, the Group has recognised a loss on deemed disposal of interest in associates of S$70,000 (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. INVESTMENT IN ASSOCIATES (CONT'D)

The Group's associates comprised the following:

Name	Principal activities	Principal place of business	Proportion of ownership interest 2021 %	2020 %
Giantminer Pte. Ltd.	Investment holding and other mining and quarrying	Singapore	25	25
Manhattan Property Development Pte. Ltd.	Investment holding	Singapore	35.44	–

The summarised financial information in respect of Manhattan Property Development Pte. Ltd. and its subsidiary, and Giantminer Pte. Ltd. and its subsidiary, based on its SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Manhattan Property Development Pte. Ltd. and its subsidiary		Giantminer Pte. Ltd. and its subsidiary	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current assets	26,440	–	31	38
Non-current assets	187,554	–	–	–
Total assets	213,994	–	31	38
Current liabilities	(29,898)	–	(31)	(38)
Non-current liabilities	(14,650)	–	–	–
Total liabilities	(44,548)	–	(31)	(38)
Net assets	169,446	–	–	–
Proportion of the Group's ownership	35.44%	–	25.00%	25.00%
Group's share of net assets	60,052	–	–	–
Other adjustments	384	–	–	–
	60,436	–	–	–

Summarised statement of comprehensive income

	Manhattan Property Development Pte. Ltd. and its subsidiary		Giantminer Pte. Ltd. and its subsidiary	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Revenue	–	–	–	–
Loss after tax	(2,536)	–	(3)	(3)
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	(3)	(3)

NOTES TO THE FINANCIAL STATEMENTS

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8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables (current):				
Third parties	6,699	5,374	38	38
Related parties	–	413	–	–
	6,699	5,787	38	38
Less: Allowance for impairment	(4,687)	(4,624)	(38)	(38)
	2,012	1,163	–	–
Other receivables (current):				
GST receivable	51	23	51	23
Deposits	3,033	3,085	3,022	3,022
Due from related parties	568	674	–	–
Other receivables	4,939	4,326	36	67
Interest receivable from banks	2	4	1	1
	8,593	8,112	3,110	3,113
Less: Allowance for impairment	(6,239)	(6,176)	(3,040)	(3,040)
	2,354	1,936	70	73
Trade and other receivables (current)	4,366	3,099	70	73
Trade and other receivables (non-current):				
Other receivables	7,647	11,015	–	–
Less: Allowance for impairment	(5,946)	(7,119)	–	–
	1,701	3,896	–	–
Total trade and other receivables	6,067	6,995	70	73
Add:				
Cash and bank deposits (Note 12)	20,545	24,355	3,140	4,303
Due from associate (non-trade)	205	–	205	–
Total financial assets carried at amortised cost	26,817	31,350	3,415	4,376

(i) Trade receivables are non-interest bearing and are to be settled in cash. Trade receivables are generally on 30 to 120 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(ii) Amounts due from related parties are unsecured, repayable upon demand and are to be settled in cash.

(iii) In 2012, the Group entered into a sale and purchase agreement ("SPA") with a shipbuilder for the purchase of vessels. The Group subsequently sold the vessels to a third-party buyer in 2013. The Group retains an unpaid seller's lien on the vessels until the consideration has been fully paid.

Included in the current and non-current other receivables is the outstanding consideration arising from the sale of the vessels of US$5,636,000 (approximately S$7,618,000) (2020: US$6,533,000 (approximately S$8,627,000), which is to be paid in equal monthly instalments over a period of 120 months. Any outstanding consideration bears interest at 1-month SIBOR + 3.4% per annum. Due to the barge incidents in prior years, the Group and third-party buyer entered into a Second Amendment to the SPA, whereby the monthly instalments were deferred and interest waived commencing from 1 January 2014.

NOTES TO THE FINANCIAL STATEMENTS

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8. TRADE AND OTHER RECEIVABLES (CONT'D)

Management had performed an impairment review and had adjusted the net impairment to $4,576,000 (2020: $7,085,000) on the other receivables due from the third-party buyer in 2015.

(iv) Included in other receivables (non-current) in 2020 is an amount of $3,603,000 placed with local government authorities in Ningbo for the development of a property. These deposits are refundable to the Group based on milestones achieved.

Expected credit losses

The movement in allowance for expected credit losses of trade and other receivables computed based on lifetime ECL are as follows:

	Group		Company	
	Trade receivables $'000	Other receivables $'000	Trade receivables $'000	Other receivables $'000
At 1 January 2020	(5,778)	(13,468)	(34)	(3,040)
Charge for the financial year	(19)	–	(4)	–
Write-off	1,021	–	–	–
Exchange differences	152	173	–	–
At 31 December 2020 and 1 January 2021	(4,624)	(13,295)	(38)	(3,040)
Write-back	–	1,323	–	–
Exchange differences	(63)	(213)	–	–
At 31 December 2021	(4,687)	(12,185)	(38)	(3,040)

9. PREPAYMENTS

Included in non-current prepayments are VAT prepayment arising from the property development segment and advanced payments made for the construction of haul roads to facilitate the transportation of coal to the power plant.

The advanced payments on the road haul costs are amortised over the remaining tenure of 20 years (2020: 21 years). Included in current prepayments are prepaid taxes arising from the sale of electricity amounting to $599,000 (2020: $568,000).

Amortisation expenses of $62,000 (2020: $63,000) has been recognised in the "Depreciation and amortisation" line item of profit or loss for the financial year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. DUE FROM/(TO) SUBSIDIARIES (NON-TRADE)

	Company	
	2021	**2020**
	$'000	**$'000**
Current		
Amounts due from subsidiaries	4,140	4,140
Less: Allowance for impairment	(4,140)	(4,140)
	–	–
Amounts due to subsidiaries	(15,303)	(24,368)

Non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

11. INVENTORIES

	Group	
	2021	**2020**
	$'000	**$'000**
Balance sheets:		
Raw materials (at cost)	155	367
Income statement:		
Inventories recognised as an expense in operating expenses	1,988	2,549

12. CASH AND BANK DEPOSITS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and on hand	18,269	21,220	864	1,168
Short term deposits	2,276	3,135	2,276	3,135
Cash and bank deposits	20,545	24,355	3,140	4,303

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

The effective interest rates as at 31 December 2021 for the Group and the Company were 0.36% (2020: 0.99%) and 0.74% (2020: 0.97%) per annum, respectively. At the balance sheet date, cash and bank deposits denominated in USD amounted to $5,494,000 (2020: $19,203,000) and $2,478,000 (2020: $3,462,000) for the Group and Company respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade payables (current):				
Third parties	(4,317)	(14,123)	(168)	(165)
Related parties	(113)	(111)	–	–
	(4,430)	(14,234)	(168)	(165)
Accrued expenses	(2,857)	(3,885)	(364)	(268)
Other payables	(16,879)	(5,847)	(2)	(2)
Amounts due to related parties	(2,208)	(2,156)	–	–
Trade and other payables (current)	(26,374)	(26,122)	(534)	(435)
Trade and other payables (non-current):				
Other payables	–	(8,659)	–	–
Amounts due to related parties	(12,278)	(2,154)	(12,278)	(2,154)
	(12,278)	(10,813)	(12,278)	(2,154)
Total trade and other payables	(38,652)	(36,935)	(12,812)	(2,589)
Add:				
Due to subsidiaries (non-trade) (Note 10)	–	–	(15,303)	(24,368)
Total financial liabilities carried at amortised cost	(38,652)	(36,935)	(28,115)	(26,957)

Trade and other payables are non-interest bearing. The credit terms of trade payables range from 30 to 120 days (2020: 30 to 120) days, while other payables have an average term of 6 (2020: 6) months.

Other payables (non-current)

Included in other payables in 2020 are government grants received in advance amounting to $8,659,000 for the construction of infrastructure in connection with the land use rights acquired by Manhattan Resources (Ningbo) Property Limited in 2011. These payments may be applied to offset the construction costs of the relevant infrastructure, subject to the applicable development regulations and conditions.

The relevant construction permits were obtained in the previous financial year and the construction of property under development had commenced in the previous financial year. The government grants have been classified as non-current as it is not expected that these grants will be applied to offset the construction costs within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. TRADE AND OTHER PAYABLES (CONT'D)

Amounts due to related parties

The amounts due to related parties are unsecured. At the balance sheet date, amounts due to related parties denominated in USD amounted to $2,154,000 (2020: $2,154,000)

The amounts due to related parties in 2020 included the following:

(i) An amount payable to Energy Resource Investment Pte Ltd ("ERI") of $16,453,000 arising from the acquisition of PT KP in 2016. In 2020, the amount has been fully converted into shares pursuant to the Debt Conversion Agreement as described below.

(ii) The Company and KaiYi had entered into a loan agreement on 27 December 2018 and a Supplemental Agreement on 1 March 2019 under which KaiYi agreed to extend to the Company an interest free loan amounting to US$15,000,000 to be disbursed in five tranches. This amount also has been fully converted into shares pursuant to the Debt Conversion Agreement as described below.

(iii) The Company and KaiYi entered into a loan agreement on 5 December 2019 whereby an additional loan of US$1,630,000 was granted to the Company. The Company and KaiYi further entered into a supplemental agreement on 4 December 2021 for which KaiYi agreed to extend the loan to 30 June 2023.

On 21 June 2019, the Company announced that it had entered into a novation and debt conversion agreement (collectively known as the "Debt Conversion Agreement") with SLM, ERI and KaiYi for the participating debts mentioned in (i) and (ii) above. These debts will be settled on the following basis:

- In respect of ERI, 830,046,700 conversion shares;
- In respect of KaiYi, 543,720,000 conversion shares in relation to the amounts already disbursed under the Loan Agreement and a further 475,755,000 conversion shares in relation to the Remaining Loan. The Remaining Loan was subsequently drawn down in 2019.

On 13 May 2020, the Company announced that pursuant to the Debt Conversion Agreement, an aggregate of 1,849,521,700 shares were allotted and issued to KaiYi and ERI at the conversion price of S$0.02 per share resulting in a gain of $19,992,000 (Note 16).

The Company and KaiYi entered into a loan agreement on 18 October 2021 whereby a loan of S$10,000,000 bearing interest at 3.75% per annum was granted to the Company for the purpose of the acquisition of AEH Group.

Deposits received

On 9 December 2021, PT KP has entered into a conditional land sale and purchase agreement ("CSPA") with PT Dermaga Perkasapratama ("PT DPP" or "Buyer") for the sale of the two remaining vacant land parcels in East Kalimantan ("Proposed Disposal"). Based on the CSPA, the Buyer has made an advance payment to PT KP of approximately IDR 149,200,700,000 (approximately S$14,126,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. SHARE CAPITAL

	Group and Company			
	2021		2020	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid ordinary shares				
At 1 January	2,986,503,650	221,427	1,136,981,950	202,932
Shares issued upon debt conversion(1)	–	–	1,849,521,700	18,495
Consideration shares issued during the financial year(2)	14,197,450	753	–	–
At 31 December	3,000,701,100	222,180	2,986,503,650	221,427

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(1) As disclosed in Note 13, an aggregate of 1,849,521,700 Conversion Shares were allotted and issued to KaiYi and ERI pursuant to the Debt Conversion Agreement.

(2) On 20 October 2021, the Company entered into a sale and purchase agreement with Sandnergy Pte. Ltd. and Goldland Technology Sdn. Bhd to acquire the entire issued and paid-up share capital of Athena Energy Holdings Pte. Ltd. in which the consideration was satisfied by way of cash and shares.

Pursuant to the acquisition, an aggregate amount of 14,197,450 shares were allotted and issued to the nominees of Sandnergy Pte. Ltd on 15 December 2021. For the purpose of the financial statements, the consideration shares have been accounted for based on the market value of shares issued on 15 December 2021, being S$0.053 per share amounting to S$753,000.

15. REVENUE

	Group	
	2021	2020
	$'000	$'000
Disaggregation of revenue		
Sales of electricity	7,442	8,488
Sales of renewable energy	71	–
Coal transportation income	1,724	694
	9,237	9,182
Timing of transfer of services		
Over time	1,724	694
Point in time	7,513	8,488

The Group's revenue by business segment and geographical location is disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. OTHER INCOME

	Group	
	2021 $'000	2020 $'000
Interest income on cash and bank deposits	60	259
Gain on debt-to-equity conversion (Note 13)	–	19,992
Gain from fair value adjustment of investment property under construction	–	161
Gain on changes arising from dilution of interest in subsidiary (Note 6(c))	9,450	–
Write-back on amounts owed to creditors	2,698	1,007
Write-back of allowance for impairment of trade and other receivables (Note 8)	1,323	–
Management fees from an associate (previously, a subsidiary)	673	–
Miscellaneous income	112	173
	14,316	21,592

17. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION)

	Group	
	2021 $'000	2020 $'000
Salaries and bonuses	(2,092)	(2,214)
Central Provident Fund contributions	(177)	(129)
Share-based payments	(148)	–
Others	(161)	(154)
	(2,578)	(2,497)

Directors' and executive officers' remuneration are disclosed in Note 21(a).

During the year, grant income amounting to $26,000 (2020: $144,000) received under the Job Support Scheme ("JSS") has been deducted against employee benefits expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. OPERATING EXPENSES, IMPAIRMENT LOSS AND OTHER EXPENSES

	Group 2021 $'000	Group 2020 $'000
Operating expenses:		
Coal and fuel	(2,465)	(2,877)
Operations and maintenance	(2,285)	(2,936)
Agent fees and port handling charges	(4)	(91)
Certificate, licence and other compliance expenses	(57)	(36)
Other expenses	(1,670)	(1,435)
	(6,481)	(7,375)
Finance costs:		
– Interest expense on lease liabilities	(85)	(153)
– Interest expense on others	(79)	(4)
	(164)	(157)
Impairment loss on:		
– property, plant and equipment (Note 3)	(9,947)	(8,923)
– intangible assets (Note 4)	(2,681)	(2,776)
– trade and other receivables (Note 8)	–	(19)
	(12,628)	(11,718)
Other expenses included the following:		
Office and other rental expenses	(7)	(59)
Foreign exchange loss, net	(442)	(708)
Loss on deemed disposal of associate (Note 7)	(70)	–
Legal and professional fees	(886)	(356)
Included in legal and professional fees are the following:		
– Audit fees:		
Auditors of the Company	(198)	(120)
Affiliates of the auditors of the Company	(93)	(55)
– Non-audit fees:		
Auditors of the Company	(10)	(10)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. INCOME TAX CREDIT

Major components of income tax credit

Major components of income tax credit for the financial years ended 31 December 2021 and 2020 are:

	Group	
	2021	**2020**
	$'000	**$'000**
Income statement:		
Current income tax:		
Over provision in respect of previous years	579	430
Deferred income tax:		
Origination and reversal of temporary differences	1,220	3,316
	1,220	3,316
Income tax credit recognised in profit or loss	1,799	3,746

Relationship between income tax credit and accounting (loss)/profit

The reconciliation of the tax and the product of accounting (loss)/profit before tax multiplied by the applicable tax rate is as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
(Loss)/profit before tax	(5,879)	1,668
Tax at the domestic rates applicable to (loss)/profit in the countries where the Group operates	1,849	577
Adjustments:		
Income not subject to taxation	2,969	3,420
Non-deductible expenses	(2,858)	(381)
Share of results of associate and joint venture	(124)	–
Deferred tax assets not recognised	(616)	(1,099)
Over provision in respect of previous years	579	430
Change in tax rate	–	799
Income tax credit recognised in profit or loss	1,799	3,746

The corporate income tax rate applicable to Singapore companies of the Group was 17% for the year of assessment ("YA") 2022 and YA2021.

The corporate income tax rate applicable to Indonesia companies of the Group was 22% for YA2022 and YA2021, except for a subsidiary's vessel charter income which is subjected to a final tax at a rate of 1.20% of revenue in YA2022 and YA2021 under the Taxation Laws of Indonesia.

The reconciliation of tax and the product of accounting (loss)/profit is prepared by aggregating separate reconciliation for each national jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. INCOME TAX CREDIT (CONT'D)

Deferred tax

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax liability:						
Differences in depreciation	(1,547)	307	(215)	1,472	(14)	(14)
Differences in amortisation	(2,388)	(4,465)	1,435	1,884	–	–
Transfer to assets held for sale (Note 25)	1,976	–	–	–	–	–
Dilution of interest in subsidiary (Note 6(c))	967	–	–	–	–	–
Acquisition of subsidiary (Note 6(b))	(708)	–	–	–	–	–
Fair value adjustment on investment property under development	–	(954)	–	(40)	–	–
	(1,700)	(5,112)			(14)	(14)
Deferred tax credit/(expense)			1,220	3,316		

Unabsorbed tax losses

As at 31 December 2021, the Group and the Company have unabsorbed tax losses of approximately $17,344,000 (2020: $23,640,000) and $5,693,000 (2020: $5,076,000), respectively, that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset has been recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The unutilised tax losses of the Group's subsidiaries in Indonesia of $7,745,000 (2020: $7,640,000) can be carried forward for a maximum period of 5 years from the year of assessment when these losses were incurred. These losses will expire between 2022 and 2023.

In 2020, the unutilised tax losses of the Group's subsidiary in People's Republic of China ("PRC") of $7,179,000 could be carried forward for a maximum period of 5 years from the year of assessment when these losses were incurred. These losses would expire between 2022 and 2024. Arising from the dilution of the Company's equity interest in MPDPL as discussed in Note 6(c), both MPDPL and MRN ceased as subsidiaries of the Company, as such these tax losses are no longer available for the Group to utilise.

The unabsorbed tax losses brought forward are restated to comply with the tax returns filed in the current financial year with the Comptroller of Income Tax.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. INCOME TAX CREDIT (CONT'D)

Unrecognised temporary differences relating to investment in subsidiaries and associates

At the end of the respective reporting periods, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries and associates as the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

20. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share from continuing operations are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2021	**2020**
	$'000	**$'000**
(Loss)/profit for the financial year, net of tax, attributable to equity holders of the Company used in the computation of basic earnings per share	(1,699)	8,068
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic and diluted earnings per share computation	2,987,164,901	2,314,409,699

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. RELATED PARTY DISCLOSURES

(a) *Remuneration of directors and executive officers*

	Group	
	2021	**2020**
	$'000	**$'000**
Directors' remuneration (including directors' fees):		
Salaries, bonus and directors' fees	(619)	(367)
CPF contributions	(15)	(15)
Other benefits	(7)	(7)
	(641)	(389)
Executive officers' remuneration:		
Salaries and bonus	(1,116)	(958)
CPF contributions	(72)	(64)
Other benefits	(56)	(42)
	(1,244)	(1,064)
	(1,885)	(1,453)

Directors' interest in share option plan

During the financial years ended 31 December 2021 and 31 December 2020, no share options were granted to the Company's directors.

(b) *Sale and purchase of services and lease*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties during the financial year took place at terms agreed between the parties, which were made at terms equivalent to those prevailing in arm's length transactions with third parties:

	Group	
	2021	**2020**
	$'000	**$'000**
Related parties		
– Sale of electricity	5,005	5,115
– Commercial property lease expense	(135)	(121)
– Interest expense	(75)	–

Related parties comprise companies which are related to a substantial shareholder and his close family members.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. CONTINGENT LIABILITIES

Financial support

The Company has committed to provide continuing financial support to certain of its subsidiaries to enable them to operate as going concerns.

23. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has 5 reportable operating segments as follows:

(a) The Power Plant segment relates to the construction, acquisition, operations and maintenance of power plants and the production and sale of electric power in Indonesia;

(b) The Renewable Energy segment relates to the construction, acquisition, operations and maintenance of renewable generation facilities and the production and sale of renewable energy in Vietnam;

(c) The Shipping segment relates to shipchartering and provision of freight services in Indonesia, mainly for coal carrying activities;

(d) The Property Development segment relates to property development activities in the PRC;

(e) The Corporate and Others segment is involved in Group-level corporate services, treasury functions, investments in properties and others, including overburden removal services and equipment leasing services.

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. SEGMENT INFORMATION (CONT'D)

	31 December 2021							31 December 2020						
	Power Plant $'000	Renewable Energy $'000	Shipping $'000	Property Deve-lopment $'000	Corporate and Others $'000	Elimina-tions $'000	Per consolidated financial statements $'000	Power Plant $'000	Shipping $'000	Property Deve-lopment $'000	Corporate and Others $'000	Elimina-tions $'000	Per consolidated financial statements $'000
Revenue													
External customers	7,442	71	1,724	–	–	–	9,237	8,488	694	–	–	–	9,182
Inter-segment	–	–	–	–	24	(24)	–	–	–	–	24	(24)	–
Total revenue	7,442	71	1,724	–	24	(24)	9,237	8,488	694	–	24	(24)	9,182
Results													
Interest income	31	4	2	13	10	–	60	48	14	109	88	–	259
Depreciation and amortisation	(4,094)	(41)	(660)	(39)	(140)	–	(4,974)	(4,829)	(630)	(130)	(140)	–	(5,729)
Impairment loss on trade and other receivables	–	–	–	–	–	–	–	–	–	–	(19)	–	(19)
Share of results of associates	–	–	–	(728)	–	–	(728)	–	–	–	–	–	–
Gain on changes arising from dilution of interest in subsidiary	–	–	–	–	9,450	–	9,450	–	–	–	–	–	–
Interest expenses	(4)	–	(74)	(6)	(80)	–	(164)	(4)	(135)	(6)	(12)	–	(157)
Impairment loss on property, plant and equipment	(9,947)	–	–	–	–	–	(9,947)	(8,923)	–	–	–	–	(8,923)
Impairment loss on intangible assets	(2,681)	–	–	–	–	–	(2,681)	(2,776)	–	–	–	–	(2,776)
Segment (loss)/profit	(15,254)	(108)	3,684	(395)	6,580	(386)	(5,879)	(12,884)	(1,006)	(1,359)	17,594	(677)	1,668
Income tax credit/(expenses)	2,074	(2)	(273)	–	–	–	1,799	3,356	430	(40)	–	–	3,746

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. SEGMENT INFORMATION (CONT'D)

	Power Plant $'000	Renewable Energy $'000	Shipping $'000	Property Development $'000	Corporate and Others $'000	Per consolidated financial statements $'000
31 December 2021						
Assets						
Additions to property, plant and equipment	215	555	–	–	243	1,013
Segment assets	52,161	11,904	8,430	–	64,276	136,771
Segment liabilities	(18,044)	(2,003)	(3,235)	–	(17,559)	(40,841)
31 December 2020						
Assets						
Additions to property, plant and equipment	476	–	–	29	–	505
Segment assets	59,184	–	4,535	123,487	4,650	191,856
Segment liabilities	(7,845)	–	(7,730)	(19,903)	(8,133)	(43,611)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue 2021 $'000	Revenue 2020 $'000	Non-current assets 2021 $'000	Non-current assets 2020 $'000
Singapore	–	–	291	205
Indonesia	9,166	9,182	33,787	57,142
China	–	–	60,436	106,617
Vietnam	71	–	9,701	–
Australia	–	–	869	–
	9,237	9,182	105,084	163,964

Information about major customers

	Power plant 2021 $'000	Power plant 2020 $'000	Shipping 2021 $'000	Shipping 2020 $'000
Revenue from a major customer	5,005	5,115	1,648	694

NOTES TO THE FINANCIAL STATEMENTS

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24. LEASES

Group as lessee

The Group has lease contracts for various items of office premises and vessels used in its operations. Leases of office premise generally have lease terms between 1 to 4 years, while vessels generally have lease terms of 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from subleasing the office premises to third parties. The lease contracts do not include renewal options and variable lease payments.

The Group also has certain leases of staff accommodation and office premise with lease terms of 12 months or less and leases of photocopier machine and warehouse storage with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets recognised and the movements during the period are as follows:

Group	Vessels $'000	Office premises $'000	Land use rights $'000	Total $'000
At 1 January 2020	2,942	403	11,363	14,708
Additions	–	328	–	328
Depreciation charge for the financial year	(535)	(256)	(537)	(1,328)
Derecognition	(1,471)	–	–	(1,471)
Exchange differences	–	–	(337)	(337)
At 31 December 2020 and 1 January 2021	936	475	10,489	11,900
Acquisition of subsidiaries (Note 6(b))	–	2	–	2
Changes arising from dilution of interest in subsidiary (Note 6(c))	–	(255)	–	(255)
Transfer to assets held for sale (Note 25)	–	–	(8,220)	(8,220)
Depreciation charge for the financial year	(535)	(166)	(584)	(1,285)
Exchange differences	–	–	56	56
At 31 December 2021	401	56	1,741	2,198

Arising from the acquisition of PT KP in 2016, the Group has land use rights over three plots of land in Indonesia, of which one plot is currently utilised by the Group's power plant. These land use rights have a lease term of 29 years with a remaining tenure of 19 years (2020: 20 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. LEASES (CONT'D)

Group as lessee (cont'd)

(a) Carrying amounts of right-of-use assets (cont'd)

In 2020, a vessel had sunk due to unfavourable weather conditions in Indonesia. Accordingly, the right-of-use asset and its corresponding lease liability has been derecognised as the Group no longer has any right to use and obligation to make lease payments.

Company	**Office premise $'000**
At 1 January 2020	320
Depreciation charge for the financial year	(136)
At 31 December 2020 and 1 January 2021	184
Depreciation charge for the financial year	(129)
At 31 December 2021	55

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the period are as follows:

	Group		**Company**	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
At 1 January	1,475	3,487	171	300
Additions	–	328	–	–
Accretion of interest	85	153	5	12
Payments	(868)	(898)	(132)	(141)
Derecognition	–	(1,595)	–	–
Changes arising from dilution of interest in subsidiary (Note 6(c))	(241)	–	–	–
At 31 December	451	1,475	44	171
Current	451	779	44	127
Non-current	–	696	–	44

The maturity profile of lease liabilities is disclosed in Note 27(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. LEASES (CONT'D)

Group as lessee (cont'd)

(c) Amounts recognised in profit or loss

The lease expenses recognised in the statement of comprehensive income are as follows:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Interest expenses on lease liabilities	85	153	5	12
Expenses related to low value assets	7	59	–	–
Total amount recognised in profit or loss	92	212	5	12

(d) Total cash outflow

The Group and Company had total cash outflows for leases of $875,000 (2020: $957,000) and $132,000 (2020: $141,000) respectively.

25. ASSETS HELD FOR SALE

On 9 December 2021, PT KP entered into a conditional land sale and purchase agreement with PT DPP for the sale of the two remaining vacant land parcels in East Kalimantan ("Proposed Disposal"). Accordingly, the net book value of the two vacant land parcels has been reclassified as assets held for sale as at 31 December 2021.

On 9 March 2022, the shareholders of the Company approved the Proposed Disposal at an Extraordinary General Meeting. The disposal was completed on 15 March 2022.

The assets and liabilities relating to the land parcels held for sale as at 31 December 2021 are as follows:

	2021
	$'000
Right-of-use assets (Note 24)	8,220
Deferred tax liabilities (Note 19)	(1,976)
Assets held for sale	6,244

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. COMMITMENTS

(a) *Power purchase agreements*

Subsidiaries of the Group have signed power purchase agreements to supply electric power and renewable energy to various customers on an actual, “take or pay” or “take and pay” basis at a pre-determined minimum amount per month and at pre-determined rates. These agreements are valid for a period of 1 to 20 years and can be extended upon the written approvals of the parties.

Future minimum sale of electricity as at 31 December are as follows:

	Group	
	2021	**2020**
	$’000	**$’000**
Not later than one year	3,579	5,214
Later than one year but not later than five years	17,279	585
More than five years	64,304	73
	85,162	5,872

These amounts exclude a power purchase agreement with a major customer as the agreement is on an excess power purchase basis.

PT KP has an on-going power purchase agreement with a related party to supply electricity on a take or pay basis, subject to any amendments as may be agreed by the parties. The rate may be adjusted every month based on a pre-determined formula. PT KP expects the potential sales volume to be approximately $5,154,000 annually. This agreement has a remaining period of 2 months (2020: 1 year) which has been renewed in February 2022 for a period of 6 years.

(b) *Coal sales and purchase agreement*

PT KP has an on-going Coal Sales and Purchase Agreement (“Agreement”) with a party to purchase coal at a fixed price. This Agreement will expire on 30 April 2022, subject to any extensions that may be agreed to by the parties.

27. FINANCIAL INSTRUMENTS

(a) *Financial risk management objectives and policies*

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the Deputy Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

It is and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Foreign currency risk

The Group's subsidiaries in Indonesia have transactional currency exposures arising mainly from purchases that are denominated in other currencies other than their functional currencies, Indonesian Rupiah ("IDR"). The foreign currencies in which these transactions are mainly denominated are United States Dollars ("USD"). Approximately 4% (2020: 3%) of the Group's costs and expenses, excluding impairment losses, are denominated in USD (2020: USD). The Group's trade payable balances as at the balance sheet date have similar exposures.

The Group and Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the balance sheet date, such foreign currency balances are mainly denominated in USD.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit net of tax to a reasonably possible change in the SGD, USD, RMB and IDR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			Group	
			Loss before tax decrease/ (increase) 2021 $'000	**Profit before tax (increase)/ decrease 2020 $'000**
SGD/USD	–	strengthened 3% (2020: 3%)	77	(105)
	–	weakened 3% (2020: 3%)	(77)	105
USD/RMB	–	strengthened 3% (2020: 3%)	–	(406)
	–	weakened 3% (2020: 3%)	–	406
USD/IDR	–	strengthened 3% (2020: 3%)	18	(5)
	–	weakened 3% (2020: 3%)	(18)	5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the balance sheet date, the Group's and the Company's financial liabilities and financial assets are based on the carrying amounts reflected in the financial statements. The table in Note 27(b) summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and amounts due from subsidiaries. For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Credit risk (cont'd)

The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating

– External credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

– Actual or expected significant changes in the operating results of the borrower

– Significant increases in credit risk on other financial instruments of the same borrower

– Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

– Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the borrower

– A breach of contract, such as a default or past due event

– It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

– There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Trade and other receivables

The Group provides for lifetime expected credit losses for all trade and other receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on business operating units. The expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade and other receivables using provision matrix, grouped by business units:

(i) Shipping

At 31 December 2021	**Gross carrying amount $'000**	**Loss allowance provision $'000**
Current	109	–
Past due:		
Within 30 days	330	–
31 to 60 days	223	–
61 to 90 days	59	–
More than 90 days	3,046	(1,370)
	3,767	(1,370)

At 31 December 2020	**Gross carrying amount $'000**	**Loss allowance provision $'000**
Current	10	–
Past due:		
Within 30 days	62	–
31 to 60 days	139	–
61 to 90 days	–	–
More than 90 days	2,862	(1,354)
	3,073	(1,354)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Credit risk (cont'd)

Trade and other receivables (cont'd)

(ii) Power plant

At 31 December 2021	**Gross carrying amount $'000**	**Loss allowance provision $'000**
Current	1,301	–
Past due:		
31 to 60 days	25	–
More than 90 days	457	(432)
	1,783	(432)

At 31 December 2020	**Gross carrying amount $'000**	**Loss allowance provision $'000**
Current	1,272	–
Past due:		
More than 90 days	430	(430)
	1,702	(430)

(iii) Renewable energy

At 31 December 2021	**Gross carrying amount $'000**	**Loss allowance provision $'000**
Current	421	–
Past due:		
Within 30 days	19	–
31 to 60 days	18	–
61 to 90 days	9	
More than 90 days	81	–
	548	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Credit risk (cont'd)

Trade and other receivables (cont'd)

The Company provides for expected credit loss ("ECL") on loans to subsidiary and amounts due from subsidiaries based on the general approach and the extent of loss allowance is dependent on the extent of credit deterioration since initial recognition.

In assessing whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on amounts due from subsidiaries and loan to subsidiary as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supporting information, which includes any significant changes in the expected performance and behaviour of these subsidiaries and joint ventures, including changes in the payment status, financial position and operating results, forward-looking information and market data.

The Company computes expected credit loss using the probability of default approach. In calculating the expected credit loss rates, the Company considers implied probability of default from external rating agency.

A significant increase in credit risk is presumed when there is a significant deterioration in the financial position of these subsidiaries.

A default occurs when these subsidiaries and joint ventures fail to make contractual payments within 90 days of when they fall due. The amounts due from subsidiaries and joint ventures are only written off when the respective subsidiary is liquidated or disposed.

Category	Definition of category	Basis for recognition of expected credit loss provision	Gross carrying amount as at 31 December 2021 $'000	Loss allowance provision $'000
Stage 1	Subsidiaries that have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit loss	–	–
Stage 2	Amounts due from subsidiaries which have a significant increase in credit risk.	Lifetime expected credit loss	–	–
Stage 3	Amounts due from subsidiaries that are 90 days past due.	Lifetime expected credit loss	14,091	(14,091)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Credit risk (cont'd)

Category	Definition of category	Basis for recognition of expected credit loss provision	Gross carrying amount as at 31 December 2020 $'000	Loss allowance provision $'000
Stage 1	Subsidiaries that have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit loss	–	–
Stage 2	Amounts due from subsidiaries which have a significant increase in credit risk.	Lifetime expected credit loss	–	–
Stage 3	Amounts due from subsidiaries that are 90 days past due.	Lifetime expected credit loss	14,921	(14,921)

<u>*Exposure to credit risk*</u>

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk, or the risk of counterparties defaulting, is managed through the application of credit approval and monitoring procedures.

No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile

The Group's trade receivables at balance sheet date are mainly due from customers in the coal mining and electricity industries in the Indonesia market, and customers in the renewable energy industry in the Vietnam market.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Exposure to credit risk (cont'd)

Credit risk concentration profile (cont'd)

The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2021		2020	
	$'000	% of total	$'000	% of total
By country:				
Indonesia	1,910	95%	1,163	100%
Vietnam	102	5%	–	–
	2,012	100%	1,163	100%

At the end of the reporting period, approximately Nil (2020: 36%) of the Group's trade receivables were due from related parties.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification and maturity profile of financial instruments

At the balance sheet date, the Group's and the Company's financial liabilities and financial assets are based on the carrying amounts reflected in the financial statements. The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

		Group	
	One year or less $'000	One to five years $'000	Total $'000
2021			
Financial assets:			
Trade and other receivables	4,366	1,701	6,067
Due from associate (non-trade)	205	–	205
Cash and bank deposits	20,545	–	20,545
Total undiscounted financial assets	25,116	1,701	26,817
Financial liabilities:			
Trade and other payables	(26,374)	(12,278)	(38,652)
Lease liabilities	(463)	–	(463)
Total undiscounted financial liabilities	(26,837)	(12,278)	(39,115)
Total net undiscounted financial liabilities	(1,721)	(10,577)	(12,298)
2020			
Financial assets:			
Trade and other receivables	3,099	3,896	6,995
Cash and bank deposits	24,355	–	24,355
Total undiscounted financial assets	27,454	3,896	31,350
Financial liabilities:			
Trade and other payables	(26,122)	(10,813)	(36,935)
Lease liabilities	(909)	(720)	(1,629)
Total undiscounted financial liabilities	(27,031)	(11,533)	(38,564)
Total net undiscounted financial assets/(liabilities)	423	(7,637)	(7,214)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification and maturity profile of financial instruments (cont'd)

	Company One to five years $'000	One year or less $'000	Total $'000
2021			
Financial assets:			
Trade and other receivables	70	–	70
Due from associate (non-trade)	205	–	205
Cash and bank deposits	3,140	–	3,140
Total undiscounted financial assets	3,415	–	3,415
Financial liabilities:			
Trade and other payables	(534)	(12,278)	(12,812)
Due to subsidiaries (non-trade)	(15,303)	–	(15,303)
Lease liabilities	(44)	–	(44)
Total undiscounted financial liabilities	(15,881)	(12,278)	(28,159)
Total net undiscounted financial liabilities	(12,466)	(12,278)	(24,744)
2020			
Financial assets:			
Trade and other receivables	73	–	73
Cash and bank deposits	4,303	–	4,303
Total undiscounted financial assets	4,376	–	4,376
Financial liabilities:			
Trade and other payables	(435)	(2,154)	(2,589)
Due to subsidiaries (non-trade)	(24,368)	–	(24,368)
Lease liabilities	(132)	(47)	(179)
Total undiscounted financial liabilities	(24,935)	(2,201)	(27,136)
Total net undiscounted financial liabilities	(20,559)	(2,201)	(22,760)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

– Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

– Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

During the current financial year, there have been no transfers between Level 1 and Level 2 and no transfers into or out of Level 3.

<u>Level 3 fair value measurements</u>

Investment property under construction

In 2020, the valuation of investment property under construction is based on the land datum value method and also takes into consideration construction costs incurred to date. The land datum value method measures the fair value using the benchmark land prices published by local government as a reference, and revisions to the benchmark land prices according to a series of correction coefficients.

<u>Valuation policies and procedures</u>

The Group's Deputy Chief Financial Officer who is assisted by the team (collectively referred to as the "Finance Team"), oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the Finance Team reports to the Group's audit committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 1-13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of inputs (including those developed internally by the Group) used in the valuations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value hierarchy (cont'd)

Valuation policies and procedures (cont'd)

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(b) Financial instruments whose carrying amounts approximate fair values

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, amounts due from/to subsidiaries and trade and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently.

29. CAPITAL MANAGEMENT

The Group's capital management is dependent on capital requirements of projects or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Group's structure.

The Group seeks to maintain healthy capital ratios to support its business and maximise shareholder value. The Group would also consider dividend payment to shareholders, return of capital to shareholders, issuance of new shares or borrowings whenever it is in the best interest of the shareholders to do so.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. CAPITAL MANAGEMENT (CONT'D)

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020. The Group monitors capital by monitoring equity attributable to owners of the Company.

	Group	
	2021	**2020**
	$'000	**$'000**
Equity		
Share capital	222,180	221,427
Accumulated losses	(128,057)	(126,358)
Capital reserves	339	353
Other reserve	(320)	(320)
Foreign currency translation reserve	(5,265)	(6,223)
Acquisition revaluation reserve	5,392	5,392
Employee share option reserve	222	74
Equity attributable to owners of the Company	94,491	94,345

30. SUBSEQUENT EVENTS

On 14 January 2022, MPDPL had further increased its share capital by the issuance and the allotment of 7,000,000 ordinary shares to KaiYi for a total consideration of US$7,000,000. Consequently, the Company's shareholding interest in MPDPL has been diluted from 35.44% to 33.20%.

31. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 1 April 2022.

STATISTICS OF **SHAREHOLDINGS**

AS AT 21 MARCH 2022

SHARE CAPITAL	:	$254,950,965.29
NUMBER OF SHARES	:	3,000,701,100
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE
NUMBER OF TREASURY SHARES	:	NIL

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	6	0.49	225	0.00
100 – 1,000	112	9.15	96,154	0.00
1,001 – 10,000	436	35.62	2,452,674	0.09
10,001 – 1,000,000	621	50.74	60,716,346	2.02
1,000,001 & ABOVE	49	4.00	2,937,435,701	97.89
TOTAL	1,224	100.00	3,000,701,100	100.00

	TWENTY LARGEST SHAREHOLDERS AS AT 21 MARCH 2022	NO. OF SHARES	%
1	KAIYI INVESTMENT PTE LTD	1,019,475,000	33.97
2	ENERGY RESOURCE INVESTMENT PTE LTD	830,046,700	27.66
3	RAFFLES NOMINEES (PTE) LIMITED	568,359,543	18.94
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	106,229,600	3.54
5	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	81,097,392	2.70
6	DBS NOMINEES PTE LTD	51,075,125	1.70
7	CITIBANK NOMINEES SINGAPORE PTE LTD	49,447,306	1.65
8	DB NOMINEES (SINGAPORE) PTE LTD	35,069,907	1.17
9	TANG KIN FEI	25,000,000	0.83
10	PHILLIP SECURITIES PTE LTD	19,594,495	0.65
11	MAYBANK SECURITIES PTE. LTD.	14,030,700	0.47
12	YUAN RUIDUO	13,676,600	0.46
13	UOB KAY HIAN PTE LTD	8,928,600	0.30
14	CHENG YIN MUI OR HO SING MING	8,147,208	0.27
15	OCBC SECURITIES PRIVATE LTD	8,100,400	0.27
16	ONG SEE BENG	7,540,000	0.25
17	GAO DAIYING	7,098,725	0.24
18	LOW YI NGO	5,980,200	0.20
19	LEE DEBORAH CHEUNG	5,970,000	0.20
20	CHAU WUN	5,660,600	0.19
		2,870,528,101	95.66

STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 21 March 2022)

		DIRECT INTEREST	%	DEEMED INTEREST	%
1	LOW YI NGO (1)	5,980,200	0.20%	1,849,521,700	61.64%
2	ELAINE LOW (2)	–	–	1,849,521,700	61.64%
3	DATO' DR. LOW TUCK KWONG (3)	373,637	0.01%	2,400,639,590	80.00%
4	WONG KAI LAI (4)	–	–	831,736,700	27.72%
5	ENERGY RESOURCE INVESTMENT PTE LTD	830,046,700	27.66%	–	–
6	KAIYI INVESTMENT PTE LTD	1,019,475,000	33.97%	–	–

(1) Mr Low Yi Ngo is deemed interested in (i) the 830,046,700 shares held by Energy Resource Investment Pte Ltd ("ERI") through his 33.3% shareholding interest in ERI; and (ii) the 1,019,475,000 shares held by KaiYi Investment Pte Ltd ("KaiYi") through his 34.22% shareholding interest in KaiYi.

(2) Ms Elaine Low is deemed interested in (i) the 830,046,700 shares held by ERI through her 33.3% shareholding interest in ERI; and (ii) the 1,019,475,000 shares held by KaiYi through her 34.22% shareholding interest in KaiYi.

(3) Dato' Dr. Low Tuck Kwong is deemed interested in 2,400,639,590 shares, of which (i) 549,427,890 shares are registered in the name of Raffles Nominees (Pte) Limited, (ii) 1,690,000 shares are held by his spouse, registered in the name of Citibank Nominees Singapore Pte Ltd, (iii) 830,046,700 shares which are held by ERI through the 33.3% shareholding interest in ERI held by his spouse, and (iv) 1,019,475,000 shares held by KaiYi through his 10.46% shareholding interest in KaiYi and 16.16% shareholding interest in KaiYi held by his spouse.

(4) Mdm Wong Kai Lai is the spouse of Dato' Dr. Low. She is deemed interested in 831,736,700 shares of which (i) 1,690,000 shares are registered in the name of Citibank Nominees Singapore Pte Ltd and (ii) 830,046,700 shares which are held by ERI through her 33.3% shareholding interest in ERI.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF THE PUBLIC

Approximately, 18.84 % of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Manhattan Resources Limited ("Company") will be convened and held by electronic means on Thursday, 28 April 2022 at 9.30 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the directors' statement and the audited financial statements for the financial year ended 31 December 2021, together with the independent auditors' report thereon. **(Resolution 1)**

2. To re-elect Mr Lee Fook Choon, a Director retiring under regulation 101 of the Company's Constitution.

   Note: Mr Low Yi Ngo who retires in accordance with regulation 101 of the Company's Constitution, and, although eligible, has informed the Company that he does not wish to seek re-election (see explanatory notes). **(Resolution 2)**

4. To approve directors' fees of S$600,000 for the financial year ending 31 December 2022 payable half-yearly in arrears (2021: S$400,000). **(Resolution 3)**

5. To re-appoint Ernst & Young LLP as auditors of the Company for the financial year ending 31 December 2022, and to authorise the directors to fix their remuneration. **(Resolution 4)**

6. To transact any other ordinary business that may properly be transacted at an annual general meeting.

As Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as ordinary resolutions:

7. **Share Issue Mandate** **(Resolution 5)**

   That, under section 161 of the Companies Act 1967 ("Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be given to the directors of the Company to:

   (a) (i) issue shares in the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements, or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of Shares to be issued under this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted under this Resolution) does not exceed 50 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted under this Resolution) does not exceed 20 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be calculated based on the total number of issued Shares excluding treasury shares and subsidiary holdings, if any, at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

8. **Renewal of Shareholders' Mandate for Interested Person Transactions** **(Resolution 6)**

That:

(a) for purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be given for the Company, its subsidiaries and associated companies or any of them, to enter into, amend and/or renew any of the transactions falling within the types of interested person transactions described in the addendum to the Annual Report 2021 ("Addendum") with any party who is of the class of interested persons described in the Addendum, provided that such transactions are on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the review procedures for such interested person transactions as set out in the Addendum ("Shareholders' Mandate");

NOTICE OF ANNUAL GENERAL MEETING

(b) the Shareholders' Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors of the Company and each of them be authorised to complete and to do all acts and things (including without limitation to making such arrangements, entering into all such transactions, arrangements and agreements and executing all such documents as may be required or as they (or he/she) may from time to time consider necessary, desirable or expedient, or in the interests of the Company), to give effect to the Shareholders' Mandate and/or this Resolution as they (or he/she) may deem fit (including without limitation to the foregoing, to affix the Common Seal of the Company to any such documents, if required.).

By Order of the Board

Madelyn Kwang
Company Secretary
13 April 2022
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

Note: Mr Low Yi Ngo, who retires under regulation 101 and although eligible, has informed the Company that he does not wish to seek re-election as he wishes to concentrate on his role as the Marketing Director of Bayan Resources Limited, a company related to the controlling shareholder of the Company.

Resolution 2
If re-elected, Mr Lee Fook Choon, an Independent Director of the Company, will remain as a member of each of the Audit, Remuneration and Nominating Committees.

Resolution 5
The proposed Resolution 5, if passed, will empower the directors, from the date of the Annual General Meeting until the next annual general meeting of the Company, to issue Shares and/or Instruments up to an aggregate number not exceeding 50 per cent of the total number of issued Shares excluding treasury shares and subsidiary holdings, if any, with a sub-limit of 20 per cent for Shares issued other than on a *pro rata* basis to Shareholders.

Resolution 6
The proposed Resolution 6, if passed, will renew the Shareholders' Mandate (which was approved at the annual general meeting held on 26 April 2021) and empower the Company, its subsidiaries and associated companies or any of them, to enter into, amend and/or renew any of the Interested Person Transactions as described in the Addendum to this Notice of Annual General Meeting and to do all acts necessary to give effect to the Shareholders' Mandate. The authority under the renewed Shareholders' Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting is required by law to be held, whichever is earlier. In accordance with the requirements of Chapter 9 of the Listing Manual, Dato' Dr Low Tuck Kwong, Madam Wong Kai Lai, Mr Low Yi Ngo, Ms Elaine Low, Energy Resource Investment Pte Ltd, KaiYi Investment Pte Ltd will abstain, and will ensure that their associates will abstain from voting on this Ordinary Resolution 6 in relation to the renewal of the Shareholders' Mandate.

Notes in relation to conduct of AGM/Proxy Forms/Questions and Answers

(1) The AGM is being convened, and will be held, by electronic means pursuant to (i) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020; and (ii) the Additional Guidance on t he Conduct of General Meetings During Elevated Safe Distancing Period jointly issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore, and Singapore Exchange Regulation on 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020, 1 October 2020 and 4 February 2022). Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL http://www.manhattan.sg, and will also be made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

(2) Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM or submitting questions "live" at the AGM, addressing of substantial and relevant questions at the AGM and voting "live" at the AGM or by appointing the Chairman of the AGM as proxy to vote at the AGM are set out in the Notice of AGM dated 13 April 2022, which has been uploaded on SGXNet at the URL http://www2.sgx.com/securities/company-announcements and the Company's website at the URL www.manhattan.sg.

(3) To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to attend the AGM must pre-register or appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying Proxy Form for the AGM may be accessed at the Company's website at the URL http://www.manhattan.sg and will also be made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

(4) **Pre-registration.** Members must pre-register at the pre-registration website at https://globalmeeting.bigbangdesign.co/manhattanresources2022/ from the date of the Notice till **9:30 a.m. on 26 April 2022** (the "Pre-Registration Deadline") to enable the Company to verify their status as members.

    Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 ("Companies Act") (other than investors who have purchased shares (a) using their Central Provident Fund contributions pursuant to the Central Provident Fund Investment Scheme ("CPFIS Investors") and/or (b) pursuant to the Supplementary Retirement Scheme ("SRS Investors")) will not be able to pre-register at the foregoing website, for the "live" audio-video webcast or "live" audio-only stream of the AGM. An investor (other than CPFIS Investors and/or SRS Investors) who wishes to participate in the "live" audio-video webcast or "live" audio-only stream of the AGM should instead approach his/her/its relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her/its name, email address and NRIC/Passport/UEN number) to the Share Registrar, B.A.C.S. Private Limited, via email to main@zicoholdings.com no later than **9:30 a.m. on 26 April 2022**.

NOTICE OF ANNUAL GENERAL MEETING

Following the verification, authenticated members will receive an email by **9:30 a.m. on 27 April 2022** containing login credentials and the link to access the "live" audio-video webcast or "live" audio-only stream of the AGM (the "Confirmation Email"). As this is a private meeting, members must not disclose such details to others. Members who have pre-registered by the Pre-Registration Deadline but have not received the Confirmation Email by **9:30 a.m. on 27 April 2022**, should contact the Company's webcast vendor, Big Bang Design Pte Ltd, by email at webcast@bigbangdesign.co for assistance. The Company advises all members to pre-register as early as possible.

Members who would have been able to be appointed as proxies by relevant intermediaries under Section 181(1C) of the Companies Act, such as CPFIS Investors and SRS Investors, should approach their CPF Agent Banks or SRS Agent Banks, to participate in the "live" audio-video webcast or "live" audio-only stream of the AGM.

(5) **Submission of Questions.** Members, including CPFIS Investors and SRS Investors, can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, "live" at, the AGM, or in advance of the AGM in the following manner:

(a) **Via the pre-registration website.** Members who have pre-registered to observe and/or listen to the AGM proceedings may submit their questions via the pre-registration website at the URL https://globalmeeting.bigbangdesign.co/manhattanresources2022/.

(b) **Via email.** Members may submit their questions via email to agm@manhattan.sg.

(c) **By post:** Members may also submit their questions by post to the Company's registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413. When sending in your questions by post, members should provide the Company with the following details:

(i) their full name;

(ii) their address; and

(iii) the manner in which they hold Shares in the Company (e.g., via CDP, CPFIS or SRS).

Deadline to submit questions. All questions must be submitted by the **Pre-Registration Deadline**. Members must pre-register to ask substantial and relevant questions "live" at the AGM. Verified members (including CPFIS Investors and SRS Investors) can also ask substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, "live" at the AGM, by typing in and submitting their questions via electronic means at the live-streaming platform.

(6) **Live voting.** Members (except a relevant intermediary (as defined in Section 181 of the Companies Act)) may cast their votes for each resolution "live" at the AGM. Unique access details for "live" voting will be provided to members who have pre-registered at https://globalmeeting.bigbangdesign.co/manhattanresources2022/ and who have been verified to attend the AGM.

(7) **Voting via the appointment of the Chairman of the AGM.** As an alternative to "live" voting, a member (whether individual or corporate and including a relevant intermediary as defined in Section 181 of the Companies Act, which includes CPFIS Investors and/or SRS Investors) may appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

(8) In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate and including a relevant intermediary as defined in Section 181 of the Companies Act, which includes CPFIS Investors and/or the SRS Investors) must submit his/her/its instrument appointing the Chairman of the AGM (i.e. the Proxy Form) together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, to vote on his/her/its behalf. A member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

(9) The Chairman of the AGM, as proxy, need not be a member of the Company.

(10) The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

(a) if submitted in hard copy and sent by post, the Proxy Form must be lodged at the Company's registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or

(b) if submitted electronically, the Proxy Forms must be submitted via email to the Company at agm@manhattan.sg,

in either case, at least 48 hours before the time for holding the AGM, by no later than **9:30 a.m. on 26 April 2022** (the "**Proxy Deadline**").

NOTICE OF ANNUAL GENERAL MEETING

Members who wish to submit an instrument of proxy must first download, complete and sign the Proxy Forms, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

(11) Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Investors and SRS Investors) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Agent Banks) to submit their voting instructions by **9:30 a.m. on 19 April 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf **no later than the Proxy Deadline**.

(12) The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the AGM as proxy which was delivered before **9:30 a.m. on 26 April 2022** as a valid instrument appointing the Chairman of the AGM as the member's proxy to vote at the AGM if:

(a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution and the member has not withdrawn the appointment.

(b) A member may withdraw an instrument appointing the Chairman of the AGM as proxy or by sending an email to the Company at agm@manhattan.sg to notify the Company of the withdrawal, **no later than the Proxy Deadline**.

(13) Submission by a member of a valid instrument appointing the Chairman of the AGM as proxy will supersede any previous instrument appointing a proxy submitted by that member.

(14) The Annual Report has been uploaded on SGXNet on 13 April 2022 and may be accessed on SGXNet at the URL https://www.sgx.com/securities/company-announcements or at the Company's website at the URL http://www.manhattan.sg.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

MANHATTAN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199006289K)

PROXY FORM
ANNUAL GENERAL MEETING

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL http://www.manhattan.sg.

A printed copy of this form of proxy will NOT be despatched to members.

IMPORTANT

1. The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to (i) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020; and (ii) the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period jointly issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore, and Singapore Exchange Regulation on 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020, 1 October 2020 and 4 February 2022).
2. Alternative arrangements relating to amongst others, (i) pre-registration and attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions to the Chairman of the AGM in advance of the AGM or "live" at the AGM; (iii) addressing of substantial and relevant questions at the AGM; and (iv) voting "live" at the AGM or by appointing the Chairman of the AGM as proxy to vote at the AGM, are set out in the Notice of AGM dated 13 April 2022, which has been uploaded on SGXNet at the URL http://www2.sgx.com/securities/company-announcements and the Company's website at the URL www.manhattan.sg.
3. A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must pre-register to vote "live" at the AGM by electronic means (excluding relevant intermediaries as defined in Section 181 of the Companies Act 1967 ("Companies Act")) or submit this Proxy Form to appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
4. CPFIS Investors or SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 9:30 a.m. on 19 April 2022.
5. By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2022.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to vote on his/her/its behalf at the AGM.

I/We ________________________ (NRIC/Passport No./Company Registration No.) ________________

of ____ (Address)
being a member/members of Manhattan Resources Limited ("Company"), hereby appoint:

the **Chairman of the AGM**, as my/our proxy to vote for me/us on my/our behalf at the AGM to be held by way of electronic means on **28 April 2022 at 9.30 a.m.** and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes for or against a resolution to be proposed at the AGM, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution to be proposed at the AGM, please indicate with a "ü" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the AGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the AGM as your proxy will be treated as invalid.)**

No.	Resolutions	*No. of votes For	*No. of votes Against	*No. of votes Abstained
	Ordinary Business			
1.	To adopt Directors' Statement and Audited Financial Statements for the year ended 31 December 2021, together with the independent auditors' report.			
2.	To re-elect Mr Lee Fook Choon as a director.			
3.	To approve directors' fees for the financial year ending 31 December 2022.			
4.	To re-appoint Ernst & Young LLP as auditors and to authorise Directors to fix their remuneration.			
	Special Business			
5.	To authorise directors to issue shares and/or Instruments under Section 161 of the Companies Act 1967.			
6.	To approve renewal of Shareholders' Mandate.			

Dated this ______ day of April 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

____
Signature(s) of member(s)/
Common Seal of corporate member

IMPORTANT
PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must: (a) except in the case of a member who is a relevant intermediary as defined in Section 181 of the Companies Act), pre-register to vote "live" at the AGM by electronic means; (b) or submit this Proxy Form to appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.** In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. The Chairman of the AGM, as a proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

   (a) if submitted in hard copy and sent by post, the Proxy Form must be lodged at the Company's registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or

   (b) if submitted electronically, the Proxy Forms must be submitted via email to the Company at agm@manhattan.sg,

   in either case, at least 48 hours before the time for holding the AGM, by no later than 9:30 a.m. on 26 April 2022 (the "Proxy Deadline").

   Members who wish to submit an instrument of proxy must first download, complete and sign the Proxy Forms, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

5. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   Where an instrument appointing the Chairman of the AGM as proxy is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

   Where an instrument appointing the Chairman of the AGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.

6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Investors and SRS Investors) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Agent Banks) to submit their voting instructions by **9:30 a.m. on 19 April 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit the Proxy Forms to appoint the Chairman of the AGM to vote on their behalf **no later than the Proxy Deadline**.

7. The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the AGM as proxy which was delivered before **9:30 a.m. on 26 April 2022** as a valid instrument appointing the Chairman of the AGM as the member's proxy to vote at the AGM if:

   (a) the member had indicated how he/she/it wished to vote for or against or abstain from voting on each resolution; and

   (b) the member has not withdrawn the appointment. A member may withdraw an instrument appointing the Chairman of the AGM as proxy by sending an email to the Company at agm@manhattan.sg to notify the Company of the withdrawal, **no later than the Proxy Deadline**.

8. Submission by a member of a valid instrument appointing the Chairman of the AGM as proxy at by **the Proxy Deadline** will supersede any previous instrument appointing a proxy(ies) submitted by that member.

9. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, **Purposes**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:
Low Yi Ngo, CEO and Managing Director

Non-Executive:
Tang Kin Fei (Board Chairman)
Elaine Low
Ajaib Hari Dass (Independent)
Tung Zhihong, Paul (Independent)
Lee Fook Choon (Independent)
Henry Wong Chuen Yuen (Independent)

Audit Committee
Tung Zhihong, Paul (Chairman)
Elaine Low
Ajaib Hari Dass
Lee Fook Choon

Nominating Committee
Ajaib Hari Dass (Chairman)
Tang Kin Fei
Low Yi Ngo
Tung Zhihong, Paul
Lee Fook Choon

Remuneration Committee
Ajaib Hari Dass (Chairman)
Tang Kin Fei
Tung Zhihong, Paul
Lee Fook Choon

COMPANY SECRETARY
Madelyn Kwang Yeit Lam

REGISTERED OFFICE
133 New Bridge Road
#18-09 Chinatown Point
Singapore 059413

SHARE REGISTRAR
B.A.C.S PRIVATE LIMITED
77 Robinson Road
#06-03, Robinson 77,
Singapore 068896
Telephone No.: (65) 6593 4848

AUDITORS
Ernst & Young LLP,
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner-in-charge: Amanda Lim
(since the financial year ended 31 December 2021)

MANHATTAN RESOURCES LIMITED
CO. Reg. No. 199006289K

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