



MANHATTAN RESOURCES LIMITED

Company Registration No : 199006289K

Unaudited Financial Statement Announcement for the First Quarter and Three Months ended 31 March 2016

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

Unaudited Consolidated Income Statement for the First Quarter ended 31 March 2016 ("1Q 2016")

	Group S\$'000		% Change +/(-)
	1Q 2016	1Q 2015	
Revenue*	1,174	4,259	(72)
Other income *	141	274	(49)
Employee benefits expenses ⁽¹⁾	(1,168)	(1,442)	(19)
Depreciation of property, plant and equipment	(1,087)	(1,361)	(20)
Other expenses *	(2,551)	(3,058)	(17)
Share of results of associate, net of tax	(23)	(55)	(58)
Share of results of joint venture company, net of tax	53	(44)	n.m.
Loss before tax	(3,461)	(1,427)	143
Income tax expense	(22)	(23)	(4)
Loss for the period	(3,483)	(1,450)	140
Loss attributable to:			
Equity holders of the Company	(3,319)	(1,437)	131
Non-controlling interests	(164)	(13)	1,162
	(3,483)	(1,450)	140

Unaudited Consolidated Statement of Comprehensive Income for 1Q 2016

	Group S\$'000		% Change +/(-)
	1Q 2016	1Q 2015	
Loss for the period	(3,483)	(1,450)	140
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(4,797)	5,443	n.m.
Other comprehensive income, net of tax	(4,797)	5,443	n.m.
Total comprehensive income	(8,280)	3,993	n.m.
Total comprehensive income attributable to:			
Equity holders of the Company	(6,244)	2,141	n.m.
Non-controlling interests	(2,036)	1,852	n.m.
	(8,280)	3,993	n.m.

Notes:

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

(1) There was a decrease in headcount in 1Q 2016 as compared to 1Q 2015.

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

	Group S\$'000		% Change +/(−)
	1Q 2016	1Q 2015	
Revenue			
Coal transportation income ⁽¹⁾	1,174	4,259	(72)
Other income			
Interest income ⁽²⁾	123	256	(52)
Miscellaneous income	18	18	-
	141	274	(49)

	Group S\$'000		% Change +/(−)
	1Q 2016	1Q 2015	
Other expenses include the following:			
Vessels expenses (excluding payroll and depreciation):			
Certificate, license and other compliance expenses ⁽³⁾	(174)	(256)	(32)
Fuel ⁽³⁾	(501)	(1,440)	(65)
Agent fees and port handling charges ⁽³⁾	(202)	(355)	(43)
Upkeep and maintenance ⁽⁴⁾	(228)	(862)	(74)
Other vessels expenses ⁽³⁾	(320)	(408)	(22)
	(1,425)	(3,321)	(57)
Legal and professional fees	(461)	(441)	5
Office and other rental expenses	(134)	(124)	8
Foreign exchange (loss)/gain ⁽⁵⁾	(426)	969	n.m.

Notes:

- (1) The decrease in coal transportation income was due to lower coal carrying activities in 1Q FY2016.
- (2) The decrease in interest income was mainly due to lower fixed deposit interest rates in 1Q 2016 as compared to 1Q 2015.
- (3) The decrease was mainly due to the lower coal carrying activities in 1Q 2016 as compared to 1Q 2015.
- (4) There were lesser vessels undergoing repair in 1Q 2016 as compared to 1Q 2015.
- (5) The foreign exchange loss in 1Q 2016 was mainly due to the movement of United States Dollar ("USD") against Singapore Dollar ("SGD"), Renminbi ("RMB") and Indonesian Rupiah ("IDR").

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

Unaudited Balance Sheets as at 31 March 2016

	Group S\$'000		Company S\$'000	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Non-current assets				
Property, plant and equipment	13,842	14,946	369	400
Property under development	40,278	41,920	-	-
Other receivables	10,566	11,041	-	-
Interests in subsidiaries	-	-	101,909	101,909
Investment in associate	42,227	42,267	-	-
Interests in joint venture company	1,879	1,919	-	-
	108,792	112,093	102,278	102,309
Current assets				
Trade and other receivables	4,676	7,013	108	110
Prepayments	558	426	20	9
Due from subsidiaries (trade)	-	-	-	-
Due from subsidiaries (non-trade)	-	-	45	271
Cash and bank deposits	83,311	86,077	27,209	19,552
	88,545	93,516	27,382	19,942
Current liabilities				
Trade and other payables	(28,551)	(28,539)	(738)	(609)
Due to subsidiary (non-trade)	-	-	(11,332)	(2,346)
Advance from joint venture company	(750)	(750)	(750)	(750)
Income tax payable	(91)	(95)	-	-
	(29,392)	(29,384)	(12,820)	(3,705)
Net current assets	59,153	64,132	14,562	16,237
Deferred tax liabilities	(14)	(14)	(14)	(14)
Net assets	<u>167,931</u>	<u>176,211</u>	<u>116,826</u>	<u>118,532</u>
Equity				
Share capital	189,004	189,004	189,004	189,004
Accumulated losses	(85,513)	(82,194)	(72,252)	(70,546)
Capital reserve	14	14	-	-
Other reserve	(320)	(320)	-	-
Foreign currency translation reserve	(1,804)	1,121	-	-
Acquisition revaluation reserve	5,392	5,392	-	-
Employee share option reserve	74	74	74	74
Equity attributable to equity holders of the Company	<u>106,847</u>	<u>113,091</u>	<u>116,826</u>	<u>118,532</u>
Non-controlling interests	<u>61,084</u>	<u>63,120</u>	<u>-</u>	<u>-</u>
Total equity	<u>167,931</u>	<u>176,211</u>	<u>116,826</u>	<u>118,532</u>

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

Neither the Company nor any of its subsidiaries had any bank borrowings or debt securities at the end of the period.

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

31 March 2016	
Unsecured	Secured
-	-

31 December 2015	
Unsecured	Secured
-	-

Amount repayable after one year:

31 March 2016	
Unsecured	Secured
-	-

31 December 2015	
Unsecured	Secured
-	-

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

	Group	
	S\$'000	S\$'000
	1Q 2016	1Q 2015
Cash flows from operating activities		
Loss before tax	(3,461)	(1,427)
Adjustments:		
Depreciation of property, plant and equipment	1,087	1,361
Unrealised foreign exchange differences	(6,548)	5,361
Interest income	(123)	(256)
Share of results of associate	23	55
Share of results of joint venture company	(53)	44
Operating cash flows before working capital changes	(9,075)	5,138
Decrease/(increase) in trade and other receivables	2,034	(736)
Increase in prepayments	(150)	(76)
Increase/(decrease) in trade and other payables	920	(857)
Cash flows (used in)/from operations	(6,271)	3,469
Interest received	130	103
Net cash flows (used in)/from operating activities	(6,141)	3,572
Cash flows (used in)/from investing activities		
Purchase of property, plant and equipment	(97)	(6)
Additions to property under development	(52)	(476)
Decrease in fixed deposits	1,909	11,751
Net cash flows from investing activities	1,760	11,269
Net (decrease)/increase in cash and cash equivalents	(4,381)	14,841
Effect of exchange rate changes on cash and cash equivalents	3,524	(3,087)
Cash and cash equivalents at beginning of the period	82,168	53,053
Cash and cash equivalents at end of the period ⁽¹⁾	81,311	64,807

Note:

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

	S\$'000	S\$'000
	1Q 2016	1Q 2015
Cash and cash equivalents	81,311	64,807
Fixed deposits	2,000	16,390
Cash and bank deposits	83,311	81,197

1(d)(i).

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

	Total attributable to equity holders of the Company							Non-controlling interests	Total Equity	
(in S\$'000s) GROUP	Share capital	Accumulated (losses)/ profits	Capital reserve	Other reserve	Foreign currency translation reserve	Acquisition revaluation reserve	Employee share option reserve	Total		
At 1 January 2015	189,004	(57,841)	14	(320)	(2,115)	5,392	74	134,208	61,757	195,965
Loss for the period, net of tax	-	(1,437)	-	-	-	-	-	(1,437)	(13)	(1,450)
Other comprehensive income										
Foreign currency translation	-	-	-	-	3,578	-	-	3,578	1,865	5,443
Other comprehensive income for the period, net of tax	-	-	-	-	3,578	-	-	3,578	1,865	5,443
Total comprehensive income for the period	-	(1,437)	-	-	3,578	-	-	2,141	1,852	3,993
At 31 March 2015	189,004	(59,278)	14	(320)	1,463	5,392	74	136,349	63,609	199,958
At 1 January 2016	189,004	(82,194)	14	(320)	1,121	5,392	74	113,091	63,120	176,211
Loss for the period, net of tax	-	(3,319)	-	-	-	-	-	(3,319)	(164)	(3,483)
Other comprehensive income										
Foreign currency translation	-	-	-	-	(2,925)	-	-	(2,925)	(1,872)	(4,797)
Other comprehensive income for the period, net of tax	-	-	-	-	(2,925)	-	-	(2,925)	(1,872)	(4,797)
Total comprehensive income for the period	-	(3,319)	-	-	(2,925)	-	-	(6,244)	(2,036)	(8,280)
At 31 March 2016	189,004	(85,513)	14	(320)	(1,804)	5,392	74	106,847	61,084	167,931

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

(in S\$'000) Company	Total attributable to equity holders of the Company			
	Share capital	Accumulated losses	Employee share option reserve	Total
At 1 January 2015	189,004	(63,742)	74	125,336
Loss for the period, net of tax	-	(486)	-	(486)
At 31 March 2015	<u>189,004</u>	<u>(64,228)</u>	<u>74</u>	<u>124,850</u>
At 1 January 2016	189,004	(70,546)	74	118,532
Loss for the period, net of tax	-	(1,706)	-	(1,706)
At 31 March 2016	<u>189,004</u>	<u>(72,252)</u>	<u>74</u>	<u>116,826</u>

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

	No. of outstanding options	No. of outstanding warrants	No. of unissued shares	No. of shares issued
As at 31 December 2014, 1 January 2015 and 31 March 2015	<u>275,000</u>	<u>-</u>	<u>275,000</u>	<u>506,490,975</u>
As at 31 December 2015, 1 January 2016 and 31 March 2016	<u>275,000</u>	<u>-</u>	<u>275,000</u>	<u>568,490,975</u>

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

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

	31 Mar 2016	31 Dec 2015
Total number of ordinary shares issued	<u>568,490,975</u>	<u>568,490,975</u>

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

Not applicable.

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

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

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

Not applicable.

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

Except as disclosed in Section 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the financial year ended 31 December 2015.

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

The Group and the Company have adopted the following new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for the financial periods beginning on 1 January 2016:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 27 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38 <i>Classification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 111 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
(b) Amendments to FRS 19 <i>Employee Benefits</i>	1 January 2016

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

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

		Group	
		1Q 2016	1Q 2015
a) <i>Earnings/(Loss) per share</i>			
i) Based on the weighted average number of ordinary shares on issue	Cents	(0.58)	(0.25)
ii) On a fully diluted basis	Cents	(0.58)	(0.25)

Note to item 6 (a) (i)

The basic earnings/(loss) per ordinary share ("EPS") of the Group is computed based on net loss attributable to shareholders of the Company for 1Q 2016 amounting to S\$3,319,000 (1Q 2015: net loss S\$1,437,000) and weighted average number of 568,490,975 ordinary shares in issue during 1Q 2016 (1Q 2015: 568,490,975).

Note to item 6 (a) (ii)

The EPS of the Group, on a fully diluted basis, is computed based on net loss attributable to shareholders of the Company for 1Q 2016 amounting to \$3,319,000 (1Q 2015: net loss S\$1,437,000) and weighted average number of 568,490,975 ordinary shares in issue during 1Q 2016 (1Q 2015: 568,490,975).

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

	Group		Company	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Net asset value per ordinary share (cents)	18.79	19.89	20.55	20.85

Note:

Net asset value per ordinary share of the Group and of the Company are computed based on 568,490,975 ordinary shares (31 December 2015: 568,490,975) in issue at the respective balance sheet dates.

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

Turnover, costs and net loss

The Group recorded a lower turnover in 1Q 2016 of S\$1.2m as compared to S\$4.3m in 1Q 2015, mainly due to lower coal carrying activities during the period.

The shipping segment posted a loss of S\$1.5m to the Group's 1Q 2016 results, as compared to net loss of S\$0.9m in 1Q 2015. The loss in 1Q 2016 was attributable to the lower coal carrying activities accompanied with the fixed cost of depreciation. Vessel related expenses such as fuel expenses, agent fees, port handling charges, certificate, license and other compliance expenses and other vessels expenses were correspondingly lower. Upkeep and maintenance expenses were reduced due to lesser vessels undergoing repair in 1Q 2016.

The Group recorded a net loss attributable to equity holders of the Company of S\$3.3m for 1Q 2016 as compared to a net loss of S\$1.4m for 1Q 2015. Foreign exchange movement in 1Q 2016 also contributed to the higher losses in 1Q 2016.

Cash flow, working capital, assets and liabilities

The Group's cash and bank deposits and net current assets remain healthy at S\$83.3m and S\$59.2m, respectively, as at 31 March 2016 as compared to S\$86.1m and S\$64.1m, respectively, as at 31 December 2015. The movement in cash flow was mainly due to changes in working capital and foreign exchange differences.

Property under development relates to the property development in Ningbo, China. The decrease was due to depreciation of RMB against S\$ in 1Q 2016, offset by capitalisation of development expenditure. The decrease in the property, plant and equipment was mainly due to the depreciation charges incurred in 1Q 2016. The movement in trade and other receivables and payables was due to receipts/settlement and depreciation of USD and RMB against S\$.

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

Not applicable.

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

The outlook of the coal industry and the global economic condition remains uncertain. Coupled with the challenging operating environment, the Group shall remain focused on optimising operational efficiency and cost effectiveness. To diversify its revenue stream and to broaden its earning base, the Group entered into a conditional sale and purchase agreement to acquire a power plant business. The Group will be able to tap on the opportunities of a rising demand for electricity in Indonesia.

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

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

No.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

13. **(Loss)/profit attributable to:**

Name of Interested Person	Aggregate value (S\$'000) of all IPTs during the period ended 31 March 2015 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
KaiYi Investment Pte. Ltd. - Lease of office premises	-	(75)
PT Muji Lines - Coal transportation income	-	1,071

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

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

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

We, Low Yi Ngo and Elaine Low, being two directors of Manhattan Resources Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the first quarter ended 31 March 2016 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

MANHATTAN RESOURCES LIMITED

Low Yi Ngo
Chief Executive Officer and Managing Director

Elaine Low
Executive Director

BY ORDER OF THE BOARD

Madelyn Kwang Yeit Lam
Secretary

9 May 2016