



MANHATTAN RESOURCES LIMITED

Company Registration No : 199006289K

Unaudited Financial Statement Announcement for the First Quarter and Three Months ended 31 March 2014

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 2014 ("1Q 2014")

	Group S\$'000		% Change
	1Q 2014	1Q 2013	+ / (-)
Revenue*	4,672	6,578	(29)
Other income *	1,242	170	631
Employee benefits expenses ⁽¹⁾	(1,108)	(1,271)	(13)
Depreciation of property, plant and equipment	(1,210)	(1,061)	14
Other expenses *	(3,803)	(4,775)	(20)
Share of results of joint venture company, net of tax	21	(16)	n.m.
Loss before tax	(186)	(375)	(50)
Income tax expense	(21)	(55)	(62)
Loss for the period	(207)	(430)	(52)
Profit/(loss) attributable to:			
Equity holders of the Company	(524)	(246)	113
Non-controlling interests	317	(184)	n.m.
	(207)	(430)	(52)

Unaudited Consolidated Statement of Comprehensive Income for 1Q 2014

	Group S\$'000		% Change
	1Q 2014	1Q 2013	+ / (-)
Loss for the period	(207)	(430)	(52)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(2,982)	1,936	n.m.
Other comprehensive income, net of tax	(2,982)	1,936	n.m.
Total comprehensive income	(3,189)	1,506	n.m.
Total comprehensive income attributable to:			
Equity holders of the Company	(2,141)	1,082	n.m.
Non-controlling interests	(1,048)	424	n.m.
	(3,189)	1,506	n.m.

Notes:

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

(1) The decrease in employee benefits in 1Q 2014 was mainly due to the appreciation of Singapore Dollar ("SGD" or "S\$") and United States Dollar ("USD") against Indonesian Rupiah ("IDR") as compared to 1Q 2013. This was offset by the upward salary adjustment in 1Q 2014.

- 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 2014	1Q 2013	+ / (-)
Revenue			
Coal transportation income ⁽¹⁾	4,634	6,530	(29)
Rental income ⁽²⁾	38	48	(21)
	<u>4,672</u>	<u>6,578</u>	(29)
Other income			
Interest income ⁽³⁾	312	164	90
Write back of allowance for impairment of loan to EcoB ⁽⁴⁾	557	-	n.m.
Fair value gain on derivatives ⁽⁵⁾	341	-	n.m.
Miscellaneous income	32	6	433
	<u>1,242</u>	<u>170</u>	631

	Group S\$'000		% Change
	1Q 2014	1Q 2013	+ / (-)
Other expenses include the following:			
Vessels expenses (excluding payroll and depreciation):			
Certificate, license and other compliance expenses ⁽⁶⁾	(463)	(212)	118
Fuel expense ⁽¹⁾	(1,318)	(1,530)	(14)
Agent fees and port handling charges ⁽⁷⁾	(432)	(587)	(26)
Upkeep and maintenance of vessels ⁽⁸⁾	(710)	(1,337)	(47)
Other vessels expenses	(401)	(419)	(4)
	<u>(3,324)</u>	<u>(4,085)</u>	(19)
Legal and professional fees ⁽⁹⁾	(275)	(131)	110
Office and other rental expenses ⁽²⁾	(87)	(109)	(20)
Foreign exchange (loss)/gain ⁽¹⁰⁾	10	(291)	n.m.

Notes:

- (1) The decrease in coal transportation income and vessels expenses were due to reduction in coal transportation volume attributable to unusually adverse weather condition in 1Q 2014.
- (2) The decrease in rental income was due to the expiry of a tenancy agreement in end February 2014.
- (3) The increase in interest income was mainly due to more fixed deposits placed by the China subsidiary in 1Q 2014 as compared to 1Q 2013.
- (4) The Company wrote back allowance for impairment of loan to Eco Building Products, Inc. ("EcoB") upon recovery in 1Q 2014.
- (5) The Group entered into forward contracts in 4Q 2013 to convert SGD into USD at a certain fixed rate. The forward contracts matured in February 2014.
- (6) The increase was mainly due to an increase in compliance and charter expenses arising from the chartering of vessels from third parties.
- (7) The decrease was mainly due to the lower coal carrying activities in 1Q 2014 and the appreciation of SGD and USD against IDR. This was compensated by the increase in rates for port handling charges.
- (8) There were fewer vessels requiring repair as compared to 1Q 2013.
- (9) The increase in legal and professional fees was mainly due to the professional fees incurred for the preparation of circular, advisory services relating to a subsidiary in China and litigation expenses.
- (10) The foreign exchange gain arose mainly due to the appreciation of SGD against USD and Renminbi ("RMB").

- 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 2014

	Group S\$'000		Company S\$'000	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Non-current assets				
Property, plant and equipment	22,318	23,338	105	35
Property under development	35,266	35,183	-	-
Other receivables	14,249	14,302	-	-
Interests in subsidiaries	-	-	76,489	76,489
Interests in joint venture company	1,818	1,804	-	-
	<u>73,651</u>	<u>74,627</u>	<u>76,594</u>	<u>76,524</u>
Current assets				
Trade and other receivables	21,494	21,351	66	495
Prepayments	651	498	24	40
Due from subsidiaries (trade)	-	-	-	-
Due from subsidiaries (non-trade)	-	-	4,654	4,664
Derivatives	-	97	-	-
Cash and bank deposits	76,996	78,409	17,706	17,680
	<u>99,141</u>	<u>100,355</u>	<u>22,450</u>	<u>22,879</u>
Investment properties held for sale	4,350	4,350	4,350	4,350
	<u>103,491</u>	<u>104,705</u>	<u>26,800</u>	<u>27,229</u>
Current liabilities				
Trade and other payables	(23,813)	(22,814)	(408)	(529)
Advance from joint venture company	(750)	(750)	(750)	(750)
Income tax payable	(85)	(85)	-	-
	<u>(24,648)</u>	<u>(23,649)</u>	<u>(1,158)</u>	<u>(1,279)</u>
Net current assets	<u>78,843</u>	<u>81,056</u>	<u>25,642</u>	<u>25,950</u>
Deferred tax liabilities	<u>(14)</u>	<u>(14)</u>	<u>(14)</u>	<u>(14)</u>
Net assets	<u>152,480</u>	<u>155,669</u>	<u>102,222</u>	<u>102,460</u>
Equity				
Share capital	163,614	163,614	163,614	163,614
Accumulated losses	(52,427)	(51,903)	(61,466)	(61,228)
Capital reserve	14	14	-	-
Other reserve	(320)	(320)	-	-
Foreign currency translation reserve	(6,296)	(4,679)	-	-
Acquisition revaluation reserve	5,392	5,392	-	-
Employee share option reserve	74	74	74	74
Equity attributable to equity holders of the Company	<u>110,051</u>	<u>112,192</u>	<u>102,222</u>	<u>102,460</u>
Non-controlling interests	<u>42,429</u>	<u>43,477</u>	<u>-</u>	<u>-</u>
Total equity	<u>152,480</u>	<u>155,669</u>	<u>102,222</u>	<u>102,460</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 2014	
Unsecured	Secured
-	-

31 December 2013	
Unsecured	Secured
-	-

Amount repayable after one year:

31 March 2014	
Unsecured	Secured
-	-

31 December 2013	
Unsecured	Secured
-	-

- 1(c). **A statement of cash flows (for the group), together with a comparative statement as at the end of the immediately preceeding financial year.**

	Group	
	S\$'000	S\$'000
	1Q 2014	1Q 2013
Cash flows from operating activities		
Loss before tax	(186)	(430)
Adjustments:		
Depreciation of property, plant and equipment	1,210	1,061
Fair value gain on derivatives	(341)	-
Unrealised foreign exchange differences	(2,579)	1,568
Interest income	(312)	(164)
Share of results of joint venture company	(21)	16
Operating cash flows before working capital changes	(2,229)	2,051
Increase in trade and other receivables	(251)	(2,965)
Increase in prepayments	(159)	(1,890)
Increase/(decrease) in trade and other payables	1,068	(2,484)
Cash flows used in operations	(1,571)	(5,288)
Interest received	349	164
Net cash flows used in operating activities	(1,222)	(5,124)
Cash flows (used in)/from investing activities		
Purchase of property, plant and equipment	(223)	(431)
Additions to property under development	(1,193)	(114)
Proceeds from maturity of forward currency contracts	425	-
Drawdown of fixed deposits	412	23,604
Net cash flows (used in)/from investing activities	(579)	23,059
Net (decrease)/increase in cash and cash equivalents	(1,801)	17,935
Effect of exchange rate changes on cash and cash equivalents	800	(534)
Cash and cash equivalents at beginning of the period	61,121	46,460
Cash and cash equivalents at end of the period ⁽¹⁾	60,120	63,861

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 2014	1Q 2013
Cash and cash equivalents	60,120	63,861
Fixed deposits	16,876	2,350
Cash and bank deposits	<u>76,996</u>	<u>66,211</u>

1(d)(i).

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

Total attributable to equity holders of the Company										Non-controlling interests	Total Equity
	Share capital	Accumulated (losses)/ profits	Capital reserve	Other reserve	Foreign currency translation reserve	Acquisition revaluation reserve	Employee share option reserve	Total			
(in S\$'000s)											
GROUP											
At 1 January 2013	163,614	(54,583)	-	(320)	(8,562)	5,392	211	105,752	16,903	122,655	
Loss for the period, net of tax	-	(246)	-	-	-	-	-	(246)	(184)	(430)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	
Foreign currency translation	-	-	-	-	1,328	-	-	1,328	608	1,936	
Other comprehensive income for the period, net of tax	-	-	-	-	1,328	-	-	1,328	608	1,936	
Total comprehensive income for the period	-	(246)	-	-	1,328	-	-	1,082	424	1,506	
At 31 March 2013	163,614	(54,829)	-	(320)	(7,234)	5,392	211	106,834	17,327	124,161	
At 1 January 2014	163,614	(51,903)	14	(320)	(4,679)	5,392	74	112,192	43,477	155,669	
(Loss)/profit for the period, net of tax	-	(524)	-	-	-	-	-	(524)	317	(207)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	
Foreign currency translation	-	-	-	-	(1,617)	-	-	(1,617)	(1,365)	(2,982)	
Other comprehensive income for the period, net of tax	-	-	-	-	(1,617)	-	-	(1,617)	(1,365)	(2,982)	
Total comprehensive income for the period	-	(524)	-	-	(1,617)	-	-	(2,141)	(1,048)	(3,189)	
At 31 March 2014	163,614	(52,427)	14	(320)	(6,296)	5,392	74	110,051	42,429	152,480	

- 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 2013	163,614	(65,799)	211	98,026
Loss for the period, net of tax	-	(344)	-	(344)
At 31 March 2013	163,614	(66,143)	211	97,682
At 1 January 2014	163,614	(61,228)	74	102,460
Loss for the period, net of tax	-	(238)	-	(238)
At 31 March 2014	163,614	(61,466)	74	102,222

- 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 2012, 1 January 2013 and 31 March 2013	780,000	-	780,000	506,490,975
As at 31 December 2013, 1 January 2014 and 31 March 2014	275,000	-	275,000	506,490,975

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 2014	31 Dec 2013
Total number of ordinary shares issued	506,490,975	506,490,975

- 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 2013.

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 2014:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
<i>Revised FRS 27 Separate Financial Statements</i>	1 January 2014
<i>Revised FRS 28 Investments in Associates and Joint Ventures</i>	1 January 2014
<i>FRS 110 Consolidated Financial Statements</i>	1 January 2014
<i>FRS 111 Joints Arrangements</i>	1 January 2014
<i>FRS 112 Disclosure of Interests in Other Entities</i>	1 January 2014
<i>Amendment to FRS 32 Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
<i>Amendment to FRS 36 Recoverable Amount Disclosures for Non-financial Assets</i>	1 January 2014

The adoption of the revised FRSs does not have any significant 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 2014	1Q 2013
a) <i>Earnings/(Loss) per share</i>			
i) Based on the weighted average number of ordinary shares on issue	Cents	(0.10)	(0.05)
ii) On a fully diluted basis	Cents	(0.10)	(0.05)

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 the first quarter ended 31 March 2014 amounting to S\$524,000 (1Q 2013: net loss S\$246,000) and weighted average number of 506,490,975 ordinary shares in issue during the first quarter ended 31 March 2014 (1Q 2013: 506,490,975).

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 the first quarter 2014 amounting to \$524,000 (1Q 2013: net loss S\$246,000) and weighted average number of 506,717,309 ordinary shares in issue during the first quarter 2014 (1Q 2013: 506,490,975).

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 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Net asset value per ordinary share (cents)	21.73	22.15	20.18	20.23

Note:

Net asset value per ordinary share of the Group and of the Company are computed based on 506,490,975 ordinary shares (31 December 2013: 506,490,975) 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 2014 of S\$4.7m as compared to S\$6.6m in 1Q 2013, mainly due to the reduction in coal transportation volume attributable to unusually adverse weather condition.

The shipping segment incurred a loss of S\$0.7m to the Group's 1Q 2014 results, as compared to net profit of S\$0.5m in 1Q 2013. The loss in 1Q 2014 was attributable to the lower coal carrying activities, higher compliance and charter expenses and increase in foreign exchange loss, compensated by more efficient upkeep and maintenance of the vessels.

The loss before tax of the Group in 1Q 2014 was offset by the write back of allowance for impairment of loan to EcoB, fair value gain on derivatives, increase in interest income and foreign exchange gain due to the appreciation of SGD against USD and RMB.

Cash flow, working capital, assets and liabilities

The Group's cash and bank deposits and net current assets remain healthy at S\$77.0m and S\$78.8m, respectively, as at 31 March 2014 as compared to S\$78.4m and S\$81.1m, respectively, as at 31 December 2013. The cash outflows of S\$1.8m in 1Q 2014 were mainly due to capital expenditure and changes in working capital, offset by the proceeds from the maturity of forward currency contracts and drawdown of fixed deposits.

Property under development relates to the mixed commercial development in Ningbo China. The increase was due to the capitalisation of development expenditure offset by the depreciation of RMB against S\$ in 1Q 2014. The decrease in the property, plant and equipment was mainly due to the depreciation charges incurred in 1Q 2014. Trade and other payables increased by S\$1.0m mainly due to slower settlement of payables.

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.**

Volatilities in the coal demand from our customers and the unfavourable weather condition continue to put pressure on the Group's bargaining activities. Nevertheless, the Group shall remain focused in optimising operational efficiency and cost effectiveness amidst the challenging operating and economic environment.

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

- a **Whether an interim (final) ordinary dividend has been declared (recommended); and**
No.
- b (i) **Amount per share (cents)**
Not applicable.
(ii) **Previous corresponding period (cents)**
Not applicable.
- c **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
Not applicable.
- d **The date the dividend is payable.**
Not applicable.
- e **The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.**
Not applicable.

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

Not applicable.

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

Name of Interested Person	Aggregate value (S\$'000) of all IPTs during the period ended 31 March 2014 (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) ⁽¹⁾
	S\$'000	S\$'000
Manhattan Investment Pte Ltd - Lease of office premises	(45)	NA
PT Muji Lines* - Coal transportation income and fuel oil costs reimbursement	4,536	NA
PT Muji Lines - Coal transportation income	410	NA

Under Rule 906 of the Listing Manual, the Company does not have interested person transactions that require general shareholders' mandate.

⁽¹⁾ The Company had obtained approval on 30 April 2014 for a shareholders' mandate for interested person transactions under Rule 920(1)(a)(ii) as set out in the circular to shareholders dated 14 April 2014.

*On 25 September 2009, shareholders of the Company have approved an agreement entered into by PT. Aneka Samudera Lintas, a 100% owned subsidiary company, for the provision of coal carrying services to PT Muji Lines ("Muji Lines"). The agreement shall expire in five years from 1 October 2009 (i.e. 30 September 2014). Muji Lines is wholly owned by PT Bayan Resources Tbk ("Bayan Resources"). Dato' Dr. Low Tuck Kwong is a controlling shareholder of both the Company and Bayan Resources.

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

We, Low Yi Ngo and Choo Hsun Yang, 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 2014 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

Choo Hsun Yang
Executive Director / Chief Financial Officer

BY ORDER OF THE BOARD

Madelyn Kwang Yeit Lam
Secretary

12 May 2014