

## **APPENDIX**

This Appendix is circulated to Shareholders of Manhattan Resources Limited together with the Company's annual report. Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval to renew the IPT Mandate (as defined herein) to be tabled at the Annual General Meeting to be held on Friday, 29 April 2016 at 3.00 p.m. at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112.

The ordinary resolution relating to the IPT Mandate proposed to be passed in respect of the above matter is set out in the Notice of the AGM enclosed with the Annual Report 2015.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Appendix.



### **MANHATTAN RESOURCES LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199006289K)

### **APPENDIX IN RELATION TO THE PROPOSED RENEWAL OF THE IPT MANDATE**

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## LETTER TO SHAREHOLDERS

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### MANHATTAN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199006289K)

#### Directors:

Liow Keng Teck (Board Chairman)  
Low Yi Ngo (Chief Executive Officer and Managing Director)  
Elaine Low (Executive Director)  
Choo Hsun Yang (Executive Director)  
Oliver Khaw Kar Heng (Non-Executive Director)  
Lim Say Tai (Independent Director)  
Tung Zhihong, Paul (Independent Director)

#### Registered Office:

133 New Bridge Road  
#18-09 Chinatown Point  
Singapore 059413

14 April 2016

To: The Shareholders of  
Manhattan Resources Limited

Dear Sir/Madam

#### THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS ("IPT MANDATE")

*All capitalised terms used herein shall bear the meaning ascribed to them in this Letter or in the Schedule to this Letter.*

#### 1. INTRODUCTION

##### 1.1 Background

We refer to (a) the notice of the forthcoming annual general meeting of the Company dated 14 April 2016 ("**Notice**"), accompanying the Annual Report for the financial year ended 31 December 2015 ("**Annual Report**"), convening the AGM to be held on 29 April 2016 ("**2016 AGM**"), and (b) Resolution 8 under the heading "Renewal of Shareholders' mandate for Interested Person Transactions" set out in the Notice.

##### 1.2 Letter

The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the IPT Mandate to be tabled at the 2016 AGM. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Letter.

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## LETTER TO SHAREHOLDERS

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### 2. THE PROPOSED RENEWAL OF THE IPT MANDATE

#### 2.1 IPT Mandate

At the 2015 AGM, approval of the Shareholders was obtained for the renewal of the IPT Mandate. The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the 2016 AGM. Accordingly, the Directors propose that the IPT Mandate be renewed at the 2016 AGM.

The IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next AGM.

#### 2.2 Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, a listed company may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons, but not in respect of transactions relating to the purchase or sale of assets, undertakings or businesses. Due to the time-sensitive nature of commercial transactions, such a mandate will enable a listed company, in its ordinary course of business, to enter into certain categories of transactions with certain classes of interested persons, provided such interested person transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

#### 2.3 Particulars of the IPT Mandate

##### Transactions with the Bayan Group

On 25 September 2009, the Company sought and obtained Shareholders' approval for PT Aneka to enter into the Coal Shipping Contract with PT Muji Lines, which constituted an Interested Person Transaction under Chapter 9 of the Listing Manual.

In obtaining Shareholders' approval, it was highlighted to Shareholders in the 10 September 2009 Circular that under the Coal Shipping Contract, amongst others:

- (a) PT Aneka also agrees to supply to PT Muji Lines, if requested by PT Muji Lines and subject to availability, additional barges for such charter period as may be agreed by PT Aneka and PT Muji Lines; and
- (b) the freight rate shall be computed on the basis of pre-determined rates for each loading port and the volume of coal shipped. In determining the rates, consideration is given to the amount of fuel required, the size of vessels, and a pre-agreed foreign exchange rate. The rates may be adjusted upward or downward in the event of any material changes to or the introduction of factors and/or the occurrence of events beyond the reasonable control of the parties.

Pursuant to the Coal Shipping Contract, PT Muji Lines has requested for additional barges to be allocated to new loading ports at new freight rates and time charter rates.

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## LETTER TO SHAREHOLDERS

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The Coal Shipping Contract which had expired on 30 September 2014, was extended to April 2015. Spot charter contracts were signed between the parties subsequent to April 2015. As at the Latest Practicable Date, the parties are negotiating the terms for a new long term contract.

As at the Latest Practicable Date, Dato' Dr. Low Tuck Kwong and Low Yi Ngo each has a total interest, both direct and deemed, of approximately 36.61% and 0.58% in the issued and paid-up capital of the Company respectively. Accordingly, under the Listing Manual, Dato' Dr. Low Tuck Kwong is deemed to be a Controlling Shareholder of the Company. Low Yi Ngo is the Chief Executive Officer and Managing Director of the Company and is also the son of Dato' Dr. Low Tuck Kwong. Elaine Low is a Director of the Company and is also the daughter of Dato' Dr Low Tuck Kwong and the sister of Low Yi Ngo.

PT Muji Lines is a wholly owned subsidiary of Bayan Resources. Dato' Dr. Low Tuck Kwong owns 51.59% of Bayan Resources, while Low Yi Ngo owns 0.17% of Bayan Resources and is on the board of directors of Bayan Resources. Accordingly, under the Listing Manual, Bayan Resources and PT Muji Lines are deemed to be Interested Persons for the purposes of Chapter 9 of the Listing Manual.

### Transactions with the LTK Group

Similar to the vessel chartering between PT Aneka and PT Muji Lines, PT Aneka also provides barging services to PT KP, a company engaged in the design and construction of power plant and electricity distribution.

The transaction between PT Aneka and PT KP in FY 2015 was less than S\$100,000. As at the Latest Practicable Date, there was no on-going agreement between PT Aneka and PT KP. As at the Latest Practicable Date, Dato' Dr. Low Tuck Kwong owns 75% of PT KP and the remaining 25% of PT KP is owned by Energy Resource Investment Pte. Ltd. Low Yi Ngo and Elaine Low each owns 33% of Energy Resource Investment Pte. Ltd. and the remaining 34% is owned by Dato' Dr. Low Tuck Kwong's and their immediate family. Accordingly, under the Listing Manual, PT KP is part of the LTK Group and is deemed to be an Interested Person for the purposes of Chapter 9 of the Listing Manual.

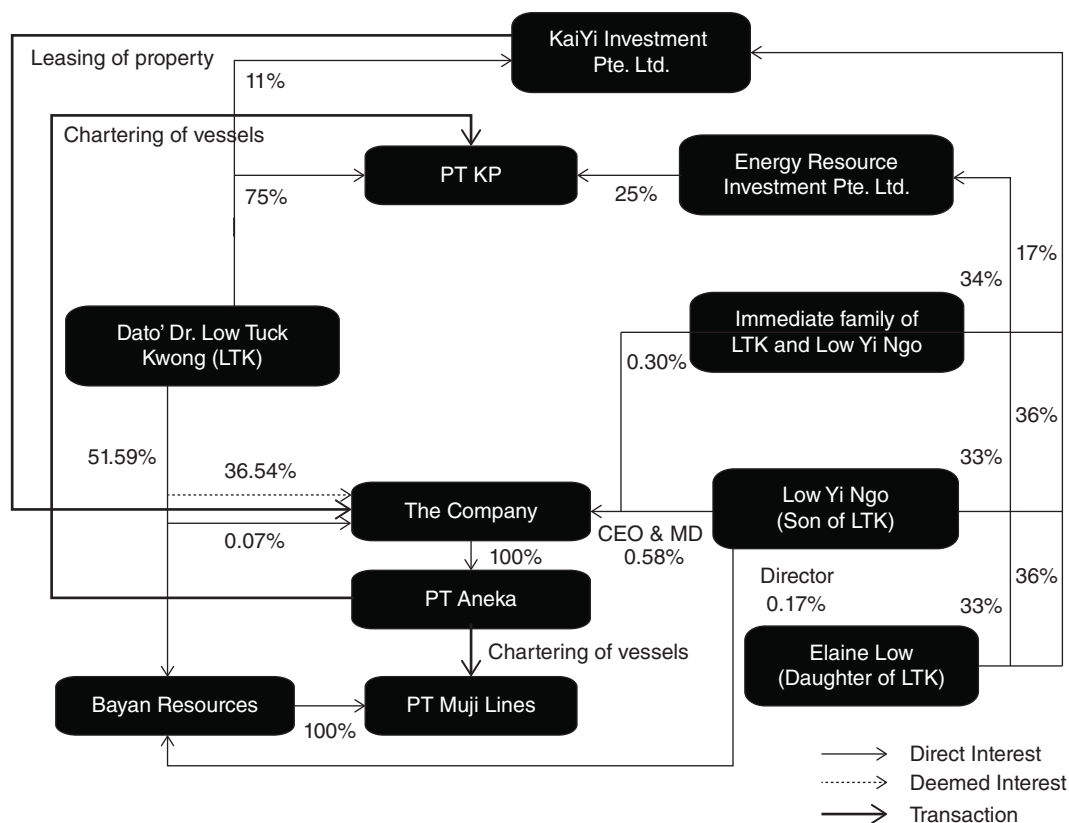
In addition, since 2014, the Company has been leasing the premises at 133 New Bridge Road #18-08/09 Chinatown Point Singapore 059413 from KaiYi for use as its office premises. The rental paid for such office premises was approximately S\$300,000 for FY2015, and was arrived at after taking into account relevant factors including the prevailing market rental rates for comparable properties within the vicinity.

As at the Latest Practicable Date, Dato' Dr. Low Tuck Kwong owns 11% of KaiYi, Low Yi Ngo and Elaine Low each owns 36% and the remaining 17% is owned by Dato' Dr. Low Tuck Kwong's and their immediate family. Accordingly, under the Listing Manual, KaiYi is part of the LTK Group and is deemed to be an Interested Person for the purposes of Chapter 9 of the Listing Manual.

## LETTER TO SHAREHOLDERS

### Illustration:

The illustration below shows (a) the shareholding structure of the Bayan Group and the LTK Group in relation to the Company; and (b) the Company's transactions with the Bayan Group and the LTK Group:



### 2.4 The Rationale and Benefit of the IPT Mandate

The Directors (save for Low Yi Ngo and Elaine Low, who are interested in the interested person transactions as described in Section 2.3 above, and have refrained from making any recommendation) believe that the provision of vessel charters (including the Coal Shipping Contract) to the Bayan Group as well as the LTK Group is beneficial to the Group as it is expected to contribute positively to the Group's overall financial performance.

Existing interested person transactions with the Bayan Group have provided the Company with a steady stream of business since 2009. While there are no barging services provided to the LTK Group currently, the Group anticipates potential increase in future demand for such services, given that PT Aneka is currently engaged in discussion with PT KP to provide barging services to PT KP in the long term.

In relation to the leasing of property from the LTK Group, while the value of the leases (being the rental paid) have not crossed 5% of the Group's latest audited NTA (which would thereby require Shareholders' approval to be obtained), the Directors anticipate that with the growth of its business, the Group may enter into additional lease transactions with the LTK Group in future.

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## LETTER TO SHAREHOLDERS

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Owing to the time-sensitive nature of commercial transactions, the obtaining of the IPT Mandate will enable the Group, in the ordinary course of its business, to enter into the Interested Person Transactions set out in Section 2.3 of this Letter with the specified classes of Interested Persons set out in Section 2.5 of this Letter, provided such transactions are entered into on an arm's length basis and on normal commercial terms, and are not prejudicial to the Company and its minority Shareholders. This will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' approval for each separate Interested Person Transaction to be entered into between the Group and the Interested Persons of a revenue or trading nature or those necessary for its day-to-day operations, thereby substantially reducing the time and expenses associated with the convening of such general meetings. This will also allow the Company to focus on other corporate and business opportunities.

### 2.5 Classes of Interested Persons

As set out in Section 2.3 of this Letter, as at the Latest Practicable Date, Dato' Dr. Low Tuck Kwong is a Controlling Shareholder of the Company and has a total interest, both direct and deemed, of approximately 36.61% in the issued and paid-up capital of the Company. Low Yi Ngo is the Chief Executive Officer and Managing Director of the Company and is also the son of Dato' Dr. Low Tuck Kwong. Elaine Low is a Director of the Company and is also the daughter of Dato' Dr. Low Tuck Kwong and the sister of Low Yi Ngo. Dato' Dr. Low Tuck Kwong owns 51.59% of Bayan Resources, while Low Yi Ngo owns 0.17% of Bayan Resources and is on the board of directors of Bayan Resources. KaiYi is 11% owned by Dato' Dr. Low Tuck Kwong, 36% owned by each of Low Yi Ngo and Elaine Low and the remaining 17% is owned by Dato' Dr. Low Tuck Kwong's and their immediate family.

The IPT Mandate will apply to the Group's Interested Person Transactions with the following classes of Interested Persons:

- (a) the Bayan Group; and
- (b) the LTK Group.

Transactions with the Bayan Group, the LTK Group or any other Interested Person of the Group, which do not fall within the ambit of the IPT Mandate, shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

### 2.6 Categories of Interested Person Transactions

The categories of Interested Person Transactions which will be covered by the IPT Mandate include:

- (a) the chartering of vessels, including time charters, bareboat charters, tonnage rate charters as well as the reimbursement of fuel oil expenses ("**Vessel Charters**"), by the Bayan Group from the Group;
- (b) Vessel Charters by the LTK Group from the Group; and
- (c) the leasing of property, including the office equipment, furniture and fittings ("**Property Leases**"), by the Group from the LTK Group.

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## LETTER TO SHAREHOLDERS

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The IPT Mandate will not cover any Interested Person Transaction which has a value below S\$100,000 as, pursuant to Rules 905(3) and 906(2) of the Listing Manual, the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

### 2.7 **Guidelines and Review Procedures for Interested Person Transactions under the IPT Mandate**

The Group will establish the following guidelines and review procedures pursuant to the IPT Mandate to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to or by unrelated third parties:

#### Method and procedure for determining prices or value for Interested Person Transactions

##### (a) Provision of Vessel Charters to the Bayan Group and/or the LTK Group

When providing Vessel Charters to the Bayan Group and/or the LTK Group, the fees charged by the Group will be determined on a case by case basis, after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, the size of vessels, the term of charter, volume and strategic purposes of the transaction. As a general guideline for the Group's pricing policies for the provision of vessel charters, cost drivers will be based, whenever possible, on published indices. When there is no such public data available, the Group will generally adopt a cost-plus pricing policy. The margin will be based on several factors, including but not limited to, the Company's operating experience, industry knowledge, and negotiations with the Bayan Group and/or the LTK Group. In this connection, to determine whether a particular margin is reasonable, the Company will consider usual margins obtained by the Group for the same or substantially similar type of vessel charters to non-interested persons.

The terms offered to the Bayan Group and/or the LTK Group will not be more favourable than those offered to the Group's unrelated third party customers, taking into account factors such as credit terms, transaction volume, delivery requirements, length of business relationship and potential for future repeat business.

In the event that it is not possible to determine whether the terms of the Interested Person Transactions with the Bayan Group and/or the LTK Group are more or less favourable than the terms quoted to unrelated third parties (for instance, if there are no relevant successful vessel charters to unrelated third parties for comparison), an Executive Director or any such persons as may be appointed by the Audit Committee (each of whom does not have any interests, whether direct or deemed, in relation to the Bayan Group and/or the LTK Group or to the Interested Person Transaction) will evaluate and weigh the benefits of, and rationale for, transacting with the Bayan Group and/or the LTK Group to determine whether the terms for the provision of Vessel Charters to the Bayan Group and/or the LTK Group are fair and reasonable in the circumstances after consideration of relevant factors before submitting a written recommendation to the Audit Committee. The Audit Committee will evaluate the recommendation in respect of the Interested Person Transaction before deciding to approve or reject the Interested Person Transaction.



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## LETTER TO SHAREHOLDERS

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(b) Obtaining of Property Leases from the LTK Group

When obtaining Property Leases from the LTK Group, the Group will either (i) take into account the rental and terms of at least two other comparative premises (where possible), contemporaneous in time and all other relevant factors, including but not limited to, the tenure of the lease and the condition of the premises (including the equipment, furniture and fittings available); or (ii) engage a property valuer to perform a valuation on the Property Leases. The rental paid by the Group will not be higher than the most competitive rental of the two comparative premises or the valuation as determined by the property valuer.

In the event that it is not possible to determine whether the terms of the Interested Person Transactions with the LTK Group are more or less favourable than the terms quoted by unrelated third parties (for instance, if there are no relevant comparative rentals), an Executive Director or any such persons as may be appointed by the Audit Committee (each of whom does not have any interests, whether direct or deemed, in relation to the LTK Group or to the Interested Person Transaction) will evaluate and weigh the benefits of, and rationale for, transacting with the LTK Group to determine whether the terms for the Property Leases from the LTK Group are fair and reasonable in the circumstances after consideration of relevant factors before submitting a written recommendation to the Audit Committee. The Audit Committee will evaluate the recommendation in respect of the Interested Person Transaction before deciding to approve or reject the Interested Person Transaction.

### 2.8 Approval Process for Interested Person Transactions under the IPT Mandate

In addition to the guidelines and review procedures, the following approval procedures will be implemented to supplement existing internal control procedures for the Interested Person Transactions to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms:

- (a) Each Category 1 Transaction, where the value thereof equals or exceeds S\$100,000 but is less than or equal to 3% of the Group's latest audited NTA, will be reviewed and approved by an Executive Director of the Group (who shall not be an Interested Person in respect of the particular transaction) prior to entering into the transaction; and
- (b) Each Category 2 Transaction, where the value thereof exceeds 3% of the Group's latest audited NTA, will be reviewed and approved by the Audit Committee prior to entering into the transaction;

The threshold limits set out above are adopted by the Group after taking into consideration the nature and size of the transactions, so as to provide for business efficiency and at the same time ensure that material transactions with the Interested Persons are reviewed by the Audit Committee. If any member of the Board or the Audit Committee has an interest in the transaction to be reviewed, he will abstain from any decision in respect of that transaction.

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### 2.9 General Administrative Procedures for all Interested Person Transactions

The Group has also implemented the following procedures for the identification of Interested Persons and the recording of all Interested Person Transactions:

- (a) The Company will maintain a list of Interested Persons (which is to be updated immediately if there are any changes or at least annually) and will disclose the list to all employees within the Group to enable identification of Interested Persons. This master list of Interested Persons shall be reviewed on a quarterly basis by the Audit Committee.
- (b) The Financial Controller will maintain a register of all transactions, including transactions below S\$100,000, entered into with Interested Persons, recording the basis on which transactions are entered into (including the quotations obtained to support such basis, on which the transactions are entered into). This register of transactions will be reviewed by the Audit Committee at least on a quarterly basis.
- (c) The Group will also carry out an internal audit of all Interested Person Transactions on a periodic basis and the Internal Auditors of the Company will then report to the Chairman of the Audit Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons. The internal audit report will be reviewed by the Audit Committee to ascertain whether the guidelines and procedures established to monitor Interested Person Transactions have been complied with.
- (d) In conjunction with the internal audit of all Interested Person Transactions as set out in paragraph (c) above, the Audit Committee will also review the internal controls and review procedures for Interested Person Transactions to determine if they are adequate and/or commercially practicable in ensuring that the transactions between the Company and the Interested Persons are conducted on an arm's length basis, on normal commercial terms consistent with the Company's usual business practices and policies and not prejudicial to the interests of the Company and its minority shareholders. In connection with such review, the Audit Committee will also ascertain whether the established internal controls and review procedures have been complied with.
- (e) The Directors will periodically attend training on Interested Person Transactions so as to enhance their understanding of such transactions so that they will know the appropriate courses of action to take should such transactions occur.

The Audit Committee shall also review on a quarterly basis to ensure that the guidelines and review procedures for transactions under the IPT Mandate have been complied with and remain adequate and commercially practicable in ensuring that the Interested Person Transactions will be carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. Further, if during these periodic reviews, the Audit Committee is of the view that the guidelines and review procedures are not sufficient to ensure that transactions under the IPT Mandate will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, it will, in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such

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## LETTER TO SHAREHOLDERS

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procedures as may be necessary and will direct the Company to revert to the Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons.

For the purpose of the above review and approval process, any Director or a member of the Audit Committee, who has an interest in the Interested Person Transaction under review, will abstain from voting on any resolution relating to the Interested Person Transaction and/or abstain from participating in the Audit Committee's review or approval of that Interested Person Transaction.

**The Audit Committee confirms that the methods or procedures for determining transaction prices have not changed since the last Shareholders' approval on 30 April 2015, and that these methods and procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.**

### 2.10 Subsequent renewals of the IPT Mandate

If approved by Shareholders at the 2016 AGM, the IPT Mandate will take effect from the date of the passing of the resolutions relating thereto, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM. Thereafter, approval from Shareholders for the renewal of the IPT Mandate will be sought at each subsequent AGM in accordance with the requirements of the Listing Manual. Dato' Dr. Low Tuck Kwong, Low Yi Ngo, Elaine Low and their respective Associates, will abstain from voting on such resolutions in respect of the renewal of the IPT Mandate. Furthermore, Dato' Dr. Low Tuck Kwong, Low Yi Ngo, Elaine Low and their respective Associates shall not act as proxies in relation to such resolutions unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for those resolutions.

Pursuant to Rule 920(c) of the Listing Manual, an independent financial adviser's opinion will not be required for the renewal of the IPT Mandate if the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since last Shareholders' approval; and
- (b) the methods or procedures in paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### 2.11 Disclosure to Shareholders

The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the quarterly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.

Disclosure will also be made in the Company's annual report of the aggregate value of all Interested Person Transactions conducted pursuant to the IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT Mandate is in force, in accordance with the requirements of the Listing Manual.

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## LETTER TO SHAREHOLDERS

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### 2.12 Abstention from voting

In accordance with the requirements of Chapter 9 of the Listing Manual, Dato' Dr. Low Tuck Kwong, Low Yi Ngo and Elaine Low will abstain, and will ensure that their Associates will abstain, from voting on the resolutions relating to the proposed renewal of the IPT Mandate at the 2016 AGM and shall not accept nominations as proxies in relation to such resolutions unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for those resolutions.

### 3. DIRECTORS' RECOMMENDATIONS

Having considered the terms and conditions of, as well as the rationale for, the proposed renewal of the IPT Mandate, the Directors (save for Low Yi Ngo and Elaine Low, who are interested in the interested person transactions as described in Section 2.3 above, and refrain from making any recommendation) are of the view that the proposed renewal of the IPT Mandate is in the best interests of the Company. They accordingly recommend that Shareholders vote in favour of the ordinary resolution relating thereto at the 2016 AGM.

### 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

4.1 **Interests of Directors in issued Shares.** As at the Latest Practicable Date, the interests of the Directors in issued Shares, based on the Company's Register of Directors' Shareholdings, are as follows:

	Number of Shares		Total	Number of Shares comprised in outstanding Share Options
	Direct Interest	Deemed Interest	% <sup>(1)</sup>	
<b>Directors</b>				
Liow Keng Teck	1,392,000	–	0.24	250,000
Low Yi Ngo	3,300,000	–	0.58	–
Elaine Low	–	–	–	–
Choo Hsun Yang	–	–	–	–
Lim Say Tai	–	–	–	–
Oliver Khaw Kar Heng	–	–	–	–
Tung Zhihong, Paul	–	–	–	–

**Note:**

(1) The shareholding interest is calculated based on the total issued and paid-up share capital of the Company comprising 568,490,975 Shares as at the Latest Practicable Date.

## LETTER TO SHAREHOLDERS

- 4.2 **Interests of substantial Shareholder(s) in issued Shares.** As at the Latest Practicable Date, the interests of the substantial shareholder(s) of the Company in issued voting Shares of the Company, based on the Company's Register of Substantial Shareholders, are as follows:

Substantial Shareholder	Number of Shares		Total
	Direct Interest	Deemed Interest	% <sup>(1)</sup>
Dato' Dr. Low Tuck Kwong <sup>(2)</sup>	373,637	207,735,764	36.61
Manhattan Investments Pte Ltd	88,701,764	–	15.60
More Time Investments Limited <sup>(3)</sup>	–	88,701,764	15.60
Xu Yuan Xing <sup>(4)</sup>	–	75,852,792	13.34
Mohamed Abdul Jaleel s/o Muthumaricar Shaik Mohamed <sup>(5)</sup>	1,722,000	40,328,000	7.39

**Notes:**

- (1) The shareholding interest is calculated based on the total issued and paid-up share capital of the Company comprising 568,490,975 Shares as at the Latest Practicable Date.
- (2) Dato' Dr. Low Tuck Kwong is deemed interested in 207,735,764 Shares, of which 117,344,000 Shares are registered in the name of Raffles Nominees (Pte) Limited, 88,701,764 Shares which are held by Manhattan Investments Pte Ltd through his 100% interest in More Time Investments Limited and 1,690,000 Shares held by his spouse, registered in the name of ABN AMRO Nominees Singapore Pte Ltd.
- (3) More Time Investments Limited is deemed interested in 88,701,764 Shares which are held by Manhattan Investments Pte Ltd through its 59.5% interest in Manhattan Investments Pte Ltd.
- (4) Xu Yuan Xing is deemed interested in 75,852,792 Shares which are registered in the name of Citibank Nominees Singapore Pte Ltd.
- (5) Mohamed Abdul Jaleel s/o Muthumaricar Shaik Mohamed is deemed interested in 40,328,000 Shares, of which 17,834,000 Shares are registered in the name of BNP Paribas Nominees Singapore Pte. Ltd., 13,494,000 Shares are registered in the name of Phillip Securities Pte Ltd and 9,000,000 Shares are registered in the name of Hong Leong Finance Ltd.

### 5. ANNUAL GENERAL MEETING

The 2016 AGM, notice of which is set out in the Annual Report, will be held at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on Friday, 29 April 2016 at 3.00 p.m. for the purpose of, amongst others, considering and, if thought fit, passing with or without modifications, the ordinary resolution 8 on the renewal of the IPT Mandate set out in the Notice.

### 6. ABSTENTION FROM RECOMMENDATION AND VOTING

Shareholders who are interested or deemed interested in the proposed renewal of the IPT Mandate should abstain from voting on the relevant ordinary resolution relating thereto to be proposed at the 2016 AGM and should not accept nominations as proxies or otherwise for voting at the 2016 AGM in respect of the aforesaid resolution unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the resolution.

As Dato' Dr. Low Tuck Kwong, Mr Low Yi Ngo and Ms Elaine Low are interested in the proposed renewal of the IPT Mandate, each of them and their respective Associates will abstain from voting on the ordinary resolution relating thereto to be proposed at the 2016

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## LETTER TO SHAREHOLDERS

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AGM and shall not accept nominations as proxies or otherwise for voting at the 2016 AGM in respect of the aforesaid resolution unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the resolution.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in the Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Letter in its proper form and context.

### 8. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413 during normal business hours for a period of three months commencing from the date of this Letter:

- (i) the Annual Report of the Company for the financial year ended 31 December 2015;
- (ii) the Constitution of the Company;
- (iii) the 10 September 2009 Circular; and
- (iv) the Coal Shipping Contract.

Yours faithfully  
For and on behalf of  
the Board of Directors of  
**Manhattan Resources Limited**

Liow Keng Teck  
Board Chairman

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## DEFINITIONS

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In this Letter, the following definitions apply throughout unless otherwise stated:

- 10 September 2009 Circular** : The circular dated 10 September 2009 issued by the Company in relation to the Coal Shipping Contract
- 2015 AGM** : The AGM of the Company held on 30 April 2015 to seek Shareholders' approval for the IPT Renewal Mandate
- Appendix** : This appendix to the Annual Report
- Associate** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- Associated Company** : a company in which at least 20% but not more than 50% of its shares are held by the Company or Group
- Audit Committee** : The audit committee of our Company for the time being
- Bayan Group** : Bayan Resources and its subsidiaries and associated companies
- Bayan Resources** : PT Bayan Resources Tbk, a company listed on the Indonesian Stock Exchange
- CDP** : The Central Depository (Pte) Limited
- Coal Shipping Contract** : The coal shipping contract between PT Aneka and PT Muji Lines as summarily described in the 10 September 2009 Circular and approved by Shareholders on 25 September 2009

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## DEFINITIONS

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<b><i>Companies Act</i></b>	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
<b><i>Company</i></b>	:	Manhattan Resources Limited
<b><i>Constitution</i></b>	:	The Constitution of the Company
<b><i>Controlling Shareholder</i></b>	:	A person who:  (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The Exchange may determine that a person who satisfies this paragraph is not a controlling shareholder; or  (b) in fact exercises control over a company
<b><i>Directors</i></b>	:	The directors of the Company for the time being
<b><i>Entity at Risk</i></b>	:	(a) The Company; (b) subsidiaries of the Company that are not listed on the SGX-ST or an approved exchange; or (c) an Associated Company that is not listed on the SGX-ST or an approved exchange, provided that our Group or our Group and our Interested Person(s), has control over the Associated Company
<b><i>Executive Directors</i></b>	:	The executive directors of the Company for the time being
<b><i>FY</i></b>	:	Financial year ended or, as the case may be, ending 31 December
<b><i>Group</i></b>	:	The Company and its subsidiaries
<b><i>Independent Directors</i></b>	:	The independent directors of the Company for the time being
<b><i>Interested Person</i></b>	:	(a) a director, chief executive officer or Controlling Shareholder of the Company; or  (b) an Associate of any such director, chief executive officer or Controlling Shareholder
<b><i>Interested Person Transaction</i></b>	:	Means a transaction between an Entity at Risk and an Interested Person
<b><i>IPT Mandate</i></b>	:	The proposed general mandate given by Shareholders for Interested Person Transactions pursuant to Chapter 9 of the Listing Manual
<b><i>KaiYi</i></b>	:	KaiYi Investment Pte. Ltd.



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## DEFINITIONS

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<b>Latest Practicable Date</b>	:	The latest practicable date prior to the printing of this Letter, being 21 March 2016
<b>Letter</b>	:	This letter to Shareholders in the Appendix to the Annual Report
<b>Listing Manual</b>	:	The listing manual of the SGX-ST
<b>LTK Group</b>	:	Dato' Dr. Low Tuck Kwong and his Associates (excluding the Bayan Group), including PT KP, KaiYi and Energy Resource Investment Pte. Ltd.
<b>Market Day</b>	:	A day on which the SGX-ST is open for trading in securities
<b>NTA</b>	:	Net tangible assets
<b>PT Aneka</b>	:	PT Aneka Samudera Lintas, a wholly-owned subsidiary of the Company, established in Indonesia
<b>PT KP</b>	:	PT Kariangau Power, a company established in Indonesia and owned by the LTK Group
<b>PT Muji Lines</b>	:	PT Muji Lines, a subsidiary of Bayan Resources, established in Indonesia
<b>SGX-ST</b>	:	Singapore Exchange Securities Trading Limited
<b>Shareholders</b>	:	Registered holders of Shares except that where the registered holder is CDP, the term <b>Shareholders</b> shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
<b>Shares</b>	:	Ordinary shares in the capital of the Company
<b>Share Options</b>	:	Options to subscribe for new Shares granted pursuant to share option schemes/plans implemented by the Company
<u>Currencies, units and others</u>		
<b>S\$</b>	:	Singapore dollars
<b>% or per cent.</b>	:	Per centum or percentage

The expression **subsidiaries** shall have the meaning ascribed to it in the Companies Act.

The terms **Depositor**, **Depository**, **Depository Agent**, **Depository Register** and **Sub-Account Holder** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

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## DEFINITIONS

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Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Letter shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Letter is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Letter between the listed amounts and the totals thereof are due to rounding.

Any reference in this Letter to “we”, “our”, “us” or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

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