



MANHATTAN RESOURCES LIMITED

Registration No: 199006289K

FOR IMMEDIATE RELEASE

Manhattan Resources to acquire mining company Singxin Resources for S\$1.0 billion

- *Proposed acquisition marks the Group's foray into the mineral mining industry in the PRC*
- *Allows the Group access to exploration activities in Xinjiang, PRC*

SINGAPORE - 21 May 2014 – SGX Mainboard-listed **Manhattan Resources Limited** ("MRL" or together with its subsidiaries, the "Group") today announced that it has entered into a conditional sale and purchase agreement to acquire the entire issued share capital of mining group Singxin Resources Pte Ltd ("Singxin Resources") at a price of S\$1.0 billion.

As purchase consideration, the Group plans to allot and issue 1,369,863,013 new ordinary shares at S\$0.73 per share, representing approximately 73% of the Group's enlarged share capital.

Conditional upon the completion of the proposed acquisition, the Group will offer a 1-for-1 bonus issue of 1,876,353,988 warrants at an exercise price of S\$1.00 per share for existing shareholders and the vendors (as at a books closure date to be determined at a later date by the Board) to counter the dilutive effects of the new enlarged share base.

MRL CEO & Managing Director, Mr David Low Yi Ngo said: "This transaction allows us to foray into the potentially lucrative mineral mining industry and at the same time build up our knowledge of the industry. This transaction also helps us lay the path for our longer term goal to become a leading mineral resources group in the region"

As a condition precedent to the Proposed Acquisition, a restructuring exercise has to be undertaken in which Singxin Resources will own 70% of the entire issued share capital of Giant Miner Pte Ltd (“Giant Miner”), an investment holding company. Giant Miner will in turn own 100% of China-based mining company, Urumqi Jinshi Huilong Mining Co., Ltd (“UJHM”). Notably, UJHM currently holds mining exploration permits in respect of minerals in three (3) concession areas covering a total of 26.99 sq km in Xinjiang, PRC.

Minerals in the concession area uncovered include chrome, serpentine and magnesia. Serpentine is a mineral that can be used to produce either magnesia (magnesium oxide) or magnesium (metal). Magnesia is versatile and has wide industrial applications and is used in a number of industrial applications such as fertilisers, pharmaceuticals and construction.

Earlier in April, MRL has also announced a call option to acquire up to 60% of the issued share capital of investment holding company, Starsmind Capital Pte Ltd, which has an option to acquire up to 39.4% of the equity interest in Mineriver Pte Ltd, a sole shareholder of a Xinjiang-based mining company, Xinjiang Fengli Deyuan Trading Co., Ltd.

MRL has been continuously looking for various investment prospects which will create a stable revenue base for the company. The Group is currently engaged in barging activities as well as the provision of logistics, marine transportation and support services to the coal mining and resources industries in Indonesia.

“This latest proposed acquisition offers a chance for the company to acquire a new business which will in turn provide it with a potential growing revenue stream and enable the company to diversify its operations and build a long term sustainable business,” explains Mr Low.

As for the proposed bonus issue of warrants, Mr Low says this is to reward shareholders and allow them to increase their equity participation in the company as well as raise funds for the Group in the future.

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About Manhattan Resources Limited - <http://www.manhattan.sg/>

Incorporated on 28 December 1980 (under the name “Links Island Marine Pte Ltd” previously), Manhattan Resources Limited (“MRL”) was successfully listed on the Mainboard of the Singapore Exchange back in 28 February 2000 under the name of “Links Island Holdings Limited”.

The Group which is based in Singapore is currently engaged in barging activities as well as the provision of logistics, marine transportation and support services to the coal mining and resources industries in Indonesia.

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