

MANHATTAN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199006289K)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SINGXIN WATER PTE. LTD.

1. INTRODUCTION

The Board wishes to announce that it had, on 25 August 2014, entered into a conditional sale and purchase agreement (**SW Conditional Sale and Purchase Agreement**), whereby the Company will acquire the entire issued and paid-up share capital of Singxin Water Pte. Ltd. (**SW**) from Mr Yap Han Hoe and Mr Ong See Beng (collectively, the **SW Vendors** and each a **SW Vendor**) (**SW Acquisition**) for a purchase consideration of S\$4.5 million (**SW Purchase Consideration**). While the SW Vendors are unrelated third parties, Mr Ong See Beng is currently a minority shareholder of the Company (with less than 1% direct interest) and Mining Alliances Pte. Ltd. (one of the vendors in the Company's proposed acquisition of the entire issued and paid-up share capital of Singxin Resources Pte. Ltd. as announced by the Company on 21 May 2014) is held by Mr Yap Han Hoe and Mr Ong See Beng's spouse.

SW is an investment holding company incorporated in Singapore. As at the date of this announcement, SW is in the process of acquiring Wuqia County Kunlun Mineral Water Co., Ltd (乌恰县昆仑矿泉水有限责任公司) (**Wuqia Kunlun**). Wuqia Kunlun is a mining company operating in Xinjiang, the PRC, and currently holds a mining permit (**Permit**) in respect of mineral water covering an area of 0.5 sq km located at Wuqia Country, Xinjiang Uygur Autonomous Region, the PRC.

Subject to the terms and conditions of this Agreement, the SW Vendors shall procure that the following transactions (**Restructuring Exercise**) are completed on or prior to Completion:

- (a) SW being the sole legal and beneficial owner of the entire issued share capital of Wuqia Kunlun; and
- (b) Wuqia Kunlun having legal and valid exploration rights, and mining and extraction rights, in respect of mineral water.

Completion of the SW Conditional Sale and Purchase Agreement is subject to the following conditions precedent:

- (a) the Restructuring Exercise having been completed to the satisfaction of MRL in its sole and absolute discretion and remaining in full force and effect and not be amended, modified or varied;
- (b) all necessary consents, approvals and waivers (if any) of any governmental bodies, stock exchange and other regulatory authority having jurisdiction over any of the transactions contemplated under the SW Conditional Sale and Purchase Agreement (including the Restructuring Exercise) (whether in Singapore, the PRC or any other applicable jurisdiction) and all other transactions in connection therewith and incidental thereto, having been obtained, such consents, approvals and waivers not having been amended or revoked before the Completion, and if subject to any conditions required to be fulfilled before the Completion, such conditions being reasonably acceptable to the SW Vendors and MRL; and

- (c) the satisfactory outcome, in MRL's sole and absolute discretion, of all financial, commercial and legal due diligence investigations by MRL on, among others, the financial, contractual, tax and trading positions, and prospects, of SW and Wuqia Kunlun.

MRL shall be entitled in its absolute discretion, by written notice to the SW Vendors, to waive any or all of the Conditions Precedent either in whole or in part.

SW Purchase Consideration

Pursuant to the SW Conditional Sale and Purchase Agreement, the SW Purchase Consideration shall be disbursed in three tranches as follows:

	Disbursement Date	Amount
First Tranche	Upon signing of the SW Conditional Sale and Purchase Agreement	S\$1 million
Second Tranche	One month after the date of the SW Conditional Sale and Purchase Agreement	S\$2 million
Third Tranche	Upon completion of the Restructuring Exercise	S\$1.5 million

The SW Purchase Consideration was arrived at after arm's length negotiations on a willing-buyer, willing-seller basis. In arriving at the SW Purchase Consideration, the Company has taken into account, amongst others, the setup cost and estimated capital expenditure in order for Wuqia Kunlun to commence mining and extraction under the Permit, including the collection, purification and distribution of mineral water.

All disbursements made by MRL under the SW Conditional Sale and Purchase Agreement and before completion (**Refundable Advance Deposits**), are contingent upon completion. The SW Vendors undertake, in the event that Completion does not occur by 31 March 2015 (or such other date as may be agreed between MRL and the SW Vendors in writing) (**Long Stop Date**), to refund, interest-free, all Refundable Advance Deposits to MRL within 5 business days after the Long Stop Date.

Value of Assets Acquired

As SW is an investment holding company and its acquisition of Wuqia Kunlun has not been completed, it does not have any assets as at the date of this Announcement and has not carried on any business.

As at the date of this Announcement, Wuqia Kunlun has not commenced operations.

Relative Figures computed on the Bases set out in Rule 1006

The relative figures (based on the Group's latest announced consolidated financial statements for the six-months ended 30 June 2014) computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (**Listing Manual**) are set out below:

Rule 1006	Bases of calculation	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	Not meaningful ⁽¹⁾

(c)	The aggregate value of the consideration to be given or received, compared with the Company's market capitalisation ⁽²⁾ based on the total number of issued shares excluding treasury shares	2.1
(d)	The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

- 1) Not meaningful as SW has no operational activities and has minimal transactions since its date of incorporation on 23 June 2014.
- 2) The market capitalisation is derived from the volume weighted average market price of S\$0.43 per share as at 22 August 2014, being the last traded market day immediately preceding the date of the SW Conditional Sale and Purchase Agreement.

As none of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceeds 5%, the SW Acquisition therefore constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual.

Management Services Agreement

In connection with the SW Acquisition, the Company has also entered into a management services agreement (**MSA**) with SW, pursuant to which the Company has agreed to provide management services to SW pending the completion of the SW Acquisition.

Pursuant to the MSA, in consideration for the provision of the management services by the Company, SW shall from the date Wuqia Kunlun commences its operations and during the continuance of this Agreement, pay MRL such sum for the management services as may be charged by MRL, at such intervals as MRL may decide, and which sum shall in any event be not less than 95% of the net profits of Wuqia Kunlun for each month.

2. FURTHER INFORMATION

Subject to the approval of the SGX-ST, a circular containing further information on the SW Acquisition (the **Circular**), together with a notice of the extraordinary general meeting of MRL, will be dispatched by MRL to Shareholders in due course.

A copy of the SW Conditional Sale and Purchase Agreement and MSA will be made available for inspection during normal business hours at the registered office of the Company at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413 for three (3) months from the date of this Announcement.

3. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

Where information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Announcement in its proper form and context.

4. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. The SW Acquisition is subject to, among others, conditions and due diligence. There is no certainty or assurance as at the date of this Announcement that the SW Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the SW Acquisition and other matters contemplated by this Announcement. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock-brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
MANHATTAN RESOURCES LIMITED**

Low Yi Ngo
Chief Executive Officer and Managing Director
26 August 2014