



MANHATTAN RESOURCES LIMITED
Company Registration No : 199006289K

Unaudited Financial Statement Announcement for the Third Quarter and Nine Months ended 30 September 2017

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 Third Quarter ("3Q 2017") and Nine Months ("9M 2017") ended 30 September 2017

	Group S\$'000			% Change	Group S\$'000			% Change
	3Q 2017	3Q 2016		+ / (-)	9M 2017	9M 2016		+ / (-)
Revenue*	7,304	5,636		30	19,303	8,602		124
Other income *	62	283		(78)	336	806		(58)
Employee benefits expenses	(1,230)	(1,250)		(2)	(3,508)	(3,471)		1
Depreciation and amortisation ⁽¹⁾	(1,502)	(1,614)		(7)	(4,552)	(3,719)		22
Other expenses *	(15,001)	(3,117)		381	(25,096)	(7,861)		219
Finance costs on loans and borrowings ⁽²⁾	(1,022)	(1,000)		2	(2,963)	(1,000)		196
Share of results of associate, net of tax	(2)	(8)		(75)	(9)	(48)		(81)
Share of results of joint venture company, net of tax	9	(2)		n.m.	58	56		4
Loss before tax	(11,382)	(1,072)		962	(16,431)	(6,635)		148
Income tax expense	81	(402)		n.m.	170	(440)		n.m.
Loss for the period	(11,301)	(1,474)		667	(16,261)	(7,075)		130
Loss attributable to:								
Owners of the Company	(10,188)	(1,661)		513	(14,490)	(7,553)		92
Non-controlling interests	(1,113)	187		n.m.	(1,771)	478		n.m.
	(11,301)	(1,474)		667	(16,261)	(7,075)		130

Unaudited Consolidated Statement of Comprehensive Income for 3Q 2017 and 9M 2017

	Group S\$'000			% Change	Group S\$'000			% Change
	3Q 2017	3Q 2016		+ / (-)	9M 2017	9M 2016		+ / (-)
Loss for the period	(11,301)	(1,474)		667	(16,261)	(7,075)		130
Other comprehensive income:								
Item that may be reclassified subsequently to profit or loss:								
Foreign currency translation	(1,187)	1,489		n.m.	(6,151)	(5,936)		4
Other comprehensive income for the period, net of tax	(1,187)	1,489		n.m.	(6,151)	(5,936)		4
Total comprehensive income for the period	(12,488)	15		n.m.	(22,412)	(13,011)		72
Total comprehensive income attributable to:								
Owners of the Company	(11,294)	(582)		1,841	(19,406)	(10,771)		80
Non-controlling interests	(1,194)	597		n.m.	(3,006)	(2,240)		34
	(12,488)	15		n.m.	(22,412)	(13,011)		72

Notes:

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

(1) The results of PT Kariangau Power ("PT KP") were consolidated following the completion of the acquisition on 29 June 2016. The depreciation and amortisation of PT KP, the power plant segment, was S\$0.6m in 3Q and 9M 2016 while in 3Q and 9M 2017 it amounted to S\$1.3m and S\$3.9m respectively which included additional depreciation and amortisation following the completion of the purchase price allocation exercise in 4Q 2016. The decrease in depreciation in the shipping segment was due to the cessation of depreciation for vessels under the proposed disposal in 4Q 2016, following the signing of the conditional sales and purchase agreement.

(2) Finance costs pertain to the interest expenses incurred on the bank loans.

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.

Revenue

Coal transportation income ⁽¹⁾
Sale of electricity ⁽²⁾

Group S\$'000		% Change	Group S\$'000		% Change
3Q 2017	3Q 2016	+ / (-)	9M 2017	9M 2016	+ / (-)
3,167	1,726	83	6,454	4,692	38
4,137	3,910	6	12,849	3,910	229
<u>7,304</u>	<u>5,636</u>	30	<u>19,303</u>	<u>8,602</u>	124

Other income

Interest income on cash and bank deposits ⁽³⁾
Net gain on disposal of property, plant and equipment ⁽⁴⁾
Writeback of allowance for impairment of other receivables ⁽⁵⁾
Miscellaneous income

62	81	(23)	225	265	(15)
(1)	-	n.m.	88	-	n.m.
-	(2)	n.m.	-	310	n.m.
1	204	(100)	23	231	(90)
<u>62</u>	<u>283</u>	(78)	<u>336</u>	<u>806</u>	(58)

Other expenses include the following:

Operating expenses (excluding payroll and depreciation):

Coal and fuel ⁽²⁾⁽⁶⁾⁽⁷⁾
Operations and maintenance ⁽²⁾⁽⁸⁾
Agent fees and port handling charges ⁽⁷⁾
Certificate, license and other compliance expenses ⁽⁷⁾
Equipment leasing ⁽⁷⁾
Other expenses ⁽²⁾

(3,728)	(878)	325	(10,525)	(2,092)	403
(1,784)	(882)	102	(3,424)	(1,224)	180
(438)	(340)	29	(1,088)	(1,010)	8
(153)	(71)	115	(253)	(185)	37
(163)	(44)	270	(233)	(44)	430
(494)	(525)	(6)	(1,819)	(1,469)	24
<u>(6,760)</u>	<u>(2,740)</u>	147	<u>(17,342)</u>	<u>(6,024)</u>	188

Legal and professional fees ⁽⁹⁾
Office and other rental expenses
Impairment loss on receivables ⁽¹⁰⁾
Impairment loss on deferred tax assets ⁽¹¹⁾
Foreign exchange (loss)/gain ⁽¹²⁾

(103)	(228)	(55)	(357)	(1,490)	(76)
(118)	(114)	4	(355)	(376)	(6)
(13)	-	n.m.	(13)	(149)	(91)
(7,634)	-	n.m.	(7,634)	-	n.m.
(214)	121	n.m.	1,111	775	43

Notes:

- (1) The increase in coal transportation income in 3Q and 9M 2017 was due to greater coal carrying activities in 3Q and 9M 2017 as compared to 3Q and 9M 2016.
- (2) The increase in revenue and expenses in 9M 2017 for the power plant segment were due to the results of PT KP being consolidated from 3Q 2016 for the first time following the completion of acquisition on 29 June 2016.
- (3) The decrease in interest income in 3Q and 9M 2017 was mainly due to lesser bank deposit placement.
- (4) This arose from the sale of vessels in 1Q 2017.
- (5) There was a writeback of allowance for impairment of receivables subsequent to receipt from a debtor in 2Q 2016.
- (6) The increase in 3Q 2017 was mainly due to the increase in coal price for the power plant segment and the increase in fuel price for the shipping segment in 2018. The 9M 2017 coal expenses included adjustment for under accrual of coal in prior year 2016.
- (7) The increase in vessel expenses in 3Q and 9M 2017 as compared to 3Q and 9M 2016 were in line with the increase in coal carrying activities during the period.
- (8) The increase in operations and maintenance expenses was due to maintenance of power plant units and more vessels undergoing repair in 3Q and 9M 2017.
- (9) There were professional fees, advisory services and consultation fees relating to the acquisition of new business in 3Q and 9M 2016.
- (10) There were impairment of receivables due to doubtful debts in 3Q 2017 and 2Q 2016.
- (11) During the year, certain subsidiaries participated in the Tax Amnesty Programme introduced by the Indonesian Tax Office, resulting in the unutilised tax losses to be foregone.
- (12) The foreign exchange gain in 9M 2017 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 30 September 2017

	Group S\$'000		Company S\$'000	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Non-current assets				
Property, plant and equipment	54,839	60,237	202	276
Land use rights	12,503	13,768	-	-
Intangible assets	21,455	24,511	-	-
Property under development	54,382	41,360	-	-
Goodwill	82	82	-	-
Deferred tax assets	-	8,170	-	-
Prepayments	3,245	1,694	-	-
Interests in subsidiaries	-	-	76,489	76,489
Investment in associate	26,156	26,163	26,156	26,163
Interests in joint venture company	1,894	1,965	-	-
Trade and other receivables	8,521	8,898	-	-
	183,077	186,848	102,847	102,928
Current assets				
Trade and other receivables	5,981	4,827	62	77
Prepayments	1,255	592	26	9
Due from subsidiaries (trade)	-	-	-	-
Due from subsidiaries (non-trade)	-	-	36,217	38,356
Inventories	-	1,172	-	-
Cash and bank deposits	45,403	64,645	3,300	5,545
	52,639	71,236	39,605	43,987
Assets held for sale	9,834	10,482	-	-
	62,473	81,718	39,605	43,987
Current liabilities				
Loans and borrowings	(13,777)	(13,266)	(9,400)	(10,008)
Trade and other payables	(69,015)	(65,660)	(448)	(515)
Due to subsidiaries (non-trade)	-	-	(19,437)	(20,801)
Advance from joint venture company	(750)	(750)	(750)	(750)
Income tax payable	(91)	(97)	-	-
	(83,633)	(79,773)	(30,035)	(32,074)
Net current (liabilities)/assets	(21,160)	1,945	9,570	11,913
Non-current liabilities				
Deferred tax liabilities	(9,361)	(10,527)	(14)	(14)
Other payables	(2,054)	-	-	-
Loans and borrowings	(22,622)	(27,974)	-	-
	(34,037)	(38,501)	(14)	(14)
Net assets	127,880	150,292	112,403	114,827
Equity				
Share capital	189,004	189,004	189,004	189,004
Accumulated losses	(109,062)	(94,572)	(76,675)	(74,251)
Capital reserve	14	14	-	-
Other reserve	(320)	(320)	-	-
Foreign currency translation reserve	(3,252)	1,664	-	-
Acquisition revaluation reserve	5,392	5,392	-	-
Employee share option reserve	74	74	74	74
Equity attributable to owners of the Company	81,850	101,256	112,403	114,827
Non-controlling interests	46,030	49,036	-	-
Total equity	127,880	150,292	112,403	114,827

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

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

30 September 2017	
Unsecured	Secured
-	13,777

31 December 2016	
Unsecured	Secured
-	13,266

Amount repayable after one year:

30 September 2017	
Unsecured	Secured
-	22,622

31 December 2016	
Unsecured	Secured
-	27,974

The borrowings were secured by (i) the mortgage on the land and certain property, plant and equipment; (ii) fiduciary security over receivables arising out of operational transaction, claims of performance guarantee from certain suppliers and insurance claims; (iii) security over certain receivables and bank accounts.

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

	Group	
	S\$'000	S\$'000
	9M 2017	9M 2016
Cash flows from operating activities		
Loss before tax	(16,431)	(6,635)
Adjustments:		
Depreciation of property, plant and equipment	2,492	3,702
Amortisation of land use rights	423	-
Amortisation of intangible assets	1,585	-
Amortisation of prepayments	52	17
Impairment loss on deferred tax assets	7,634	-
Impairment loss on receivables	13	149
Net gain on disposal of property, plant and equipment	(88)	-
Unrealised foreign exchange differences	(6,910)	(7,739)
Finance costs	2,963	1,000
Interest income	(225)	(265)
Share of results of associate	9	48
Share of results of joint venture company	(58)	(56)
Operating cash flows before working capital changes	(8,541)	(9,779)
Decrease/(increase) in inventories	1,099	(299)
(Increase)/decrease in trade and other receivables	(1,570)	4,264
Increase in prepayments	(2,401)	(328)
Increase in trade and other payables	8,777	612
Cash flows used in operations	(2,636)	(5,530)
Interest received	312	232
Finance costs paid	(2,830)	(967)
Net cash flows used in operating activities	(5,154)	(6,265)
Cash flows used in investing activities		
Purchase of property, plant and equipment	(1,064)	(110)
Proceeds from sale of property, plant and equipment	154	-
Additions to property under development	(13,958)	(131)
Net cash outflow on acquisition of subsidiary	-	(30,979)
Increase in fixed deposits	(254)	(6,316)
Net cash flows used in investing activities	(15,122)	(37,536)
Cash flows (used in)/from financing activities		
Proceeds from loans and borrowings	-	9,450
Repayment of bank loans	(2,387)	(414)
Restricted cash	101	-
Net cash flows (used in)/from financing activities	(2,286)	9,036
Net decrease in cash and cash equivalents	(22,562)	(34,765)
Effect of exchange rate changes on cash and cash equivalents	3,402	3,168
Cash and cash equivalents at beginning of the period	53,970	82,168
Cash and cash equivalents at end of the period ⁽¹⁾	34,810	50,571

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
	9M 2017	9M 2016
Cash and cash equivalents	34,810	50,571
Fixed deposits	10,414	10,225
Restricted cash	179	-
Cash and bank deposits	45,403	60,796

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 owners of the Company							Non-controlling interests	Total Equity	
(in S\$'000s)	Share capital	Accumulated losses	Capital reserve	Other reserve	Foreign currency translation reserve	Acquisition revaluation reserve	Employee share option reserve	Total		
<u>GROUP - 3Q 2016 and 2017</u>										
At 1 July 2016	189,004	(88,086)	14	(320)	(3,171)	5,392	74	102,907	44,922	147,829
Loss for the period, net of tax	-	(1,661)	-	-	-	-	-	(1,661)	187	(1,474)
Other comprehensive income										
Foreign currency translation	-	-	-	-	1,079	-	-	1,079	410	1,489
Other comprehensive income for the period, net of tax	-	-	-	-	1,079	-	-	1,079	410	1,489
Total comprehensive income for the period	-	(1,661)	-	-	1,079	-	-	(582)	597	15
Changes in ownership interests in subsidiaries										
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-
At 30 September 2016	189,004	(89,747)	14	(320)	(2,092)	5,392	74	102,325	45,519	147,844
At 1 July 2017	189,004	(98,874)	14	(320)	(2,146)	5,392	74	93,144	47,224	140,368
Loss for the period, net of tax	-	(10,188)	-	-	-	-	-	(10,188)	(1,113)	(11,301)
Other comprehensive income										
Foreign currency translation	-	-	-	-	(1,106)	-	-	(1,106)	(81)	(1,187)
Other comprehensive income for the period, net of tax	-	-	-	-	(1,106)	-	-	(1,106)	(81)	(1,187)
Total comprehensive income for the period	-	(10,188)	-	-	(1,106)	-	-	(11,294)	(1,194)	(12,488)
At 30 September 2017	189,004	(109,062)	14	(320)	(3,252)	5,392	74	81,850	46,030	127,880

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 owners of the Company							Non-controlling interests	Total Equity	
(in S\$'000s)	Share capital	Accumulated losses	Capital reserve	Other reserve	Foreign currency translation reserve	Acquisition revaluation reserve	Employee share option reserve	Total		
<u>GROUP - 9M 2016 and 2017</u>										
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	-	(7,553)	-	-	-	-	-	(7,553)	478	(7,075)
Other comprehensive income										
Foreign currency translation	-	-	-	-	(3,218)	-	-	(3,218)	(2,718)	(5,936)
Other comprehensive income for the period, net of tax	-	-	-	-	(3,218)	-	-	(3,218)	(2,718)	(5,936)
Total comprehensive income for the period	-	(7,553)	-	-	(3,218)	-	-	(10,771)	(2,240)	(13,011)
Changes in ownership interests in subsidiaries										
Disposal of subsidiary	-	-	-	-	5	-	-	5	(16,895)	(16,890)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	1,534	1,534
Total changes in ownership interests in subsidiaries	-	-	-	-	5	-	-	5	(15,361)	(15,356)
Total transactions with owners in their capacity as owners	-	-	-	-	5	-	-	5	(15,361)	(15,356)
At 30 September 2016	189,004	(89,747)	14	(320)	(2,092)	5,392	74	102,325	45,519	147,844
At 1 January 2017	189,004	(94,572)	14	(320)	1,664	5,392	74	101,256	49,036	150,292
Loss for the period, net of tax	-	(14,490)	-	-	-	-	-	(14,490)	(1,771)	(16,261)
Other comprehensive income										
Foreign currency translation	-	-	-	-	(4,916)	-	-	(4,916)	(1,235)	(6,151)
Other comprehensive income for the period, net of tax	-	-	-	-	(4,916)	-	-	(4,916)	(1,235)	(6,151)
Total comprehensive income for the period	-	(14,490)	-	-	(4,916)	-	-	(19,406)	(3,006)	(22,412)
At 30 September 2017	189,004	(109,062)	14	(320)	(3,252)	5,392	74	81,850	46,030	127,880

- 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)	Total attributable to owners of the Company			
	Share capital	Accumulated losses	Employee share option reserve	Total
Company - 3Q 2016 and 2017				
At 1 July 2016	189,004	(73,443)	74	115,635
Loss for the period, net of tax	-	(955)	-	(955)
At 30 September 2016	189,004	(74,398)	74	114,680
At 1 July 2017	189,004	(75,915)	74	113,163
Profit for the period, net of tax	-	(760)	-	(760)
At 30 September 2017	189,004	(76,675)	74	112,403
Company - 9M 2016 and 2017				
At 1 January 2016	189,004	(70,546)	74	118,532
Loss for the period, net of tax	-	(3,852)	-	(3,852)
At 30 September 2016	189,004	(74,398)	74	114,680
At 1 January 2017	189,004	(74,251)	74	114,827
Loss for the period, net of tax	-	(2,424)	-	(2,424)
At 30 September 2017	189,004	(76,675)	74	112,403

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2015, 1 January 2016, 31 March 2016, 30 June 2016 and 30 September 2016	275,000	-	275,000	568,490,975
As at 31 December 2016, 1 January 2017, 31 March 2017, 30 June 2017 and 30 September 2017	275,000	-	275,000	568,490,975

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.

	30 Sep 2017	31 Dec 2016
Total number of ordinary shares issued	568,490,975	568,490,975

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

Not applicable.

- 1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2016.

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 2017:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

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				
		3Q 2017	3Q 2016	9M 2017	9M 2016	
<i>Earnings/(Loss) per share</i>						
i)	Based on the weighted average number of ordinary shares on issue	Cents	(1.79)	(0.29)	(2.55)	(1.33)
ii)	On a fully diluted basis	Cents	(1.79)	(0.29)	(2.55)	(1.33)

Note to item 6 (i)

The basic loss per ordinary share ("EPS") of the Group is computed based on net loss attributable to owners of the Company for 9M 2017 amounting to S\$14,490,000 (9M 2016: S\$7,553,000) and weighted average number of 568,490,975 ordinary shares in issue during 9M 2017 (9M 2016: 568,490,975).

The basic loss per ordinary share ("EPS") of the Group is computed based on net loss attributable to owners of the Company for 3Q 2017 amounting to S\$10,188,000 (3Q 2016: S\$1,661,000) and weighted average number of 568,490,975 ordinary shares in issue during 3Q 2017 (3Q 2016: 568,490,975).

Note to item 6 (ii)

The EPS of the Group, on a fully diluted basis, is computed based on net loss attributable to owners of the Company for 9M 2017 amounting to S\$14,490,000 (9M 2016: S\$7,553,000) and weighted average number of 568,490,975 ordinary shares in issue during 9M 2017 (9M 2016: 568,490,975).

The EPS of the Group, on a fully diluted basis, is computed based on net loss attributable to owners of the Company for 3Q 2017 amounting to S\$10,188,000 (3Q 2016: S\$1,661,000) and weighted average number of 568,490,975 ordinary shares in issue during 3Q 2017 (3Q 2016: 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	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Net asset value per ordinary share (cents)	14.40	17.81	19.77	20.20

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 2016: 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

3Q 2017 saw an increase in coal carrying activities, contributing notably to a 83% and 38% increase in coal transportation income in 3Q and 9M 2017 as compared to 3Q and 9M 2016. Upkeep and maintenance expenses also increased correspondingly in 3Q and 9M 2017 in preparation for the greater coal carrying activities. Overall, the results of the shipping segment improved with lower net loss of S\$0.6m and S\$1.3m in 3Q and 9M 2017, as compared to net loss of S\$1.4m and S\$4.6m in 3Q and 9M 2016.

Sales of electricity increased from S\$3.9m in 9M 2016 to S\$12.8m in 9M 2017 largely due to sales of electricity following the completion of acquisition of PT KP on 29 June 2016. The power plant segment recorded a net loss of S\$9.0m and S\$12.7m in 3Q and 9M 2017, as compared to net loss of S\$1.0m in 3Q 2016 and 9M 2016, mainly due to the S\$7.6m non-cash impairment of deferred tax assets subsequent to the participation in the Tax Amnesty Programme introduced by the Indonesian Tax Office. Rising coal price, plant maintenance expenses and depreciation and amortisation also contributed to the increase in losses in 3Q 2017 as compared to 3Q 2016 for the power plant segment.

As a whole, the Group recorded a net loss attributable to owners of the Company of S\$10.2m and S\$14.5m for 3Q and 9M 2017 as compared to S\$1.7m and S\$7.6m for 3Q and 9M 2016. The higher Group losses in 3Q and 9M 2017 was also attributable to the additional depreciation and amortisation following the completion of the purchase price allocation exercise of PT KP in 4Q 2016. Finance costs incurred in 3Q and 9M 2017 were due to the bank loans of the Group.

Cash flow, working capital, assets and liabilities

The Group's cash and bank deposits remain healthy at S\$45.4m as at 30 September 2017 as compared to S\$64.6m as at 31 December 2016. The cash flows used in operating, investing and financing activities in 9M 2017 include changes in working capital, expenditure for property under development, capitalisation of repair and maintenance expenditure, purchase of equipments and motor vehicles and repayment of bank loans. The decrease in cash and bank deposits was also attributable to the depreciation of RMB and USD against SGD.

The property under development increase in 9M 2017 due to capitalisation of development expenditure. The decrease in land use rights and intangible assets was mainly due to the depreciation and amortisation charges incurred, accompanied with foreign exchange differences in 9M 2017. Movement in deferred tax assets was a result of the unutilised tax losses being written off as certain subsidiaries participated in the Tax Amnesty Programme introduced by the Indonesian Tax Office. The increase in prepayments mainly relates to the value added tax prepayments arising from the property development segment. Trade and other receivables increase following an increase in the period end coal transportation income. The increase in trade and other payables was mainly attributable to customer deposit placed and the longer payables credit terms. Loans and borrowings decrease subsequent to the repayment of loans.

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

The operating environment remains challenging amidst the uncertainties in the global economy. The Group shall continue to concentrate its resources and efforts towards the existing businesses. We will also focus our effort on creating stable revenue base and optimising operational efficiency and cost effectiveness.

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 30 September 2017 (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	-	(194)
PT Muji Lines - Coal transportation income	-	6,220
PT Dermaga Perkasapratama - Sale of electricity	4,092	-
Bayan International Pte. Ltd. - Purchase of coal	(5,169)	-
PT Fajar Sakti Prima - Purchase of coal	(1,002)	-
PT Bara Tabang - Purchase of coal	(1,830)	-

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 Liow Keng Teck, 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 our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the third quarter and nine months ended 30 September 2017 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

Liow Keng Teck
Independent Director

BY ORDER OF THE BOARD

Madelyn Kwang Yeit Lam
Secretary

6 November 2017