



MANHATTAN RESOURCES LIMITED

Registration No: 199006289K

FOR IMMEDIATE RELEASE

Manhattan Resources to venture into mineral water mining in the PRC

- *Proposed acquisition is in line with the Group's foray into the mineral mining industry in the PRC*
- *Aimed to build a more diversified and stable revenue base for the Group*

SINGAPORE – 26 August 2014 – SGX Mainboard-listed **Manhattan Resources Limited** (“**MRL**” or together with its subsidiaries, the “**Group**”) announced that it had entered into a conditional sale and purchase agreement yesterday to acquire the entire issued and paid-up share capital of Singxin Water Pte. Ltd. (“**SW**”) from vendors, Mr Yap Han Hoe and Mr Ong See Beng, at a price of S\$4.5 million, which will be paid over three tranches.

Incorporated in Singapore, SW is an investment holding company which is currently in the midst of acquiring China-based mineral water mining business, Wuqia County Kunlun Mineral Water Co., Ltd (乌恰县昆仑矿泉水有限责任公司)(“**Wuqia Kunlun**”), which in turn holds a mineral water mining permit covering a total area of 0.5 sq km in Wuqia County in the Xinjiang Uygur Autonomous Region, in the PRC.

MRL CEO & Managing Director, Mr David Low Yi Ngo said: “Through the proposed acquisition of SW, the Group would be able to make its first foray into the mineral water mining business while helping MRL carve a stronger name and establish a greater presence in the Xinjiang region. If successful, the transaction would also serve to diversify our earnings base and provide more stable revenue flow to MRL’s business in the years to come.”

However, as conditions precedent to the completion of the proposed acquisition, the vendors would have to implement a restructuring exercise to ensure SW becomes the sole legal and beneficial owner of the entire issued share capital of Wuqia Kunlun, with the latter possessing all the necessary legal and valid exploration rights as well as mining and extraction rights, in respect to mineral water in the Xinjiang Uygur Autonomous Region.

In relation to the proposed acquisition, MRL has also entered into a management services agreement with SW, for the provision of management services to SW pending the completion of the proposed acquisition.

Since the start of the current financial year, MRL has been actively exploring various investment prospects which could potentially build a stable revenue base for the Group.

Back in April, MRL 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.

Shortly after in May, the Group also announced that it had entered into a conditional sale and purchase agreement to acquire the entire issued share capital of Singxin Resources Pte Ltd which owns a 70% stake in Giantminer Pte Ltd., which has, in turn, acquired Chinese company, Urumqi Jinshi Huilong Mining Co., Ltd which holds mining exploration permits in respect of minerals in three concession areas in Xinjiang, PRC, covering a total area of 26.99 sq km. To-date, more than 30 drilling rigs are at the target area for the sampling and drilling program.

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

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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