Manhattan Resources Limited and its Subsidiaries

Company Registration No. 199006289K

Condensed Interim Financial Statements (Unaudited)
For the six months and full year ended 31 December 2021

Manhattan Resources Limited and Subsidiaries

Manhattan Resources Limited and Subsidiaries

Condensed Interim Consolidated Income Statement and Comprehensive Income
For the six months and full year ended 31 December 2021

	Note	Group 6 months ended 31 December			Group 12 months ended 31 December		
		2021	**2020**	**Increase / (Decrease)**	**2021**	**2020**	**Increase / (Decrease)**
		$'000	$'000	%	$'000	$'000	%
Revenue [1]	10	5,051	3,789	33	9,237	9,182	1
Other income [2]	11	9,082	1,409	545	14,316	21,592	(34)
Employee benefits expenses		(1,259)	(1,272)	(1)	(2,578)	(2,497)	3
Depreciation and amortisation [3]		(2,545)	(3,024)	(16)	(4,974)	(5,729)	(13)
Operating expenses [4]	12	(3,101)	(3,681)	(16)	(6,481)	(7,375)	(12)
Other expenses [5]	12	(13,763)	(10,738)	28	(14,507)	(13,348)	9
Finance costs [6]		(108)	(74)	46	(164)	(157)	4
Share of results of associates, net of tax [7]		(598)	–	n.m.	(728)	–	n.m.
(Loss)/profit before tax		(7,241)	(13,591)	(47)	(5,879)	1,668	(452)
Income tax credit	13	1,900	3,421	(44)	1,799	3,746	(52)
(Loss)/profit for the period		(5,341)	(10,170)	(47)	(4,080)	5,414	(175)
(Loss)/profit attributable to:							
Owners of the Company		(3,551)	(7,917)	(55)	(1,699)	8,068	(121)
Non-controlling interests		(1,790)	(2,253)	(21)	(2,381)	(2,654)	(10)
(Loss)/profit for the period		(5,341)	(10,170)	(47)	(4,080)	5,414	(175)
Earnings per share (cents) attributable to owners of the Company							
- Basic	14	(0.12)	(0.27)	(56)	(0.06)	0.35	(117)
- Diluted		(0.12)	(0.27)	(56)	(0.06)	0.35	(117)

Manhattan Resources Limited and Subsidiaries

Condensed Interim Consolidated Income Statement and Comprehensive Income
For the six months and full year ended 31 December 2021

	Group 6 months ended 31 December			Group 12 months ended 31 December		
	2021	**2020**	**Increase / (Decrease)**	**2021**	**2020**	**Increase / (Decrease)**
	$'000	$'000	%	$'000	$'000	%
(Loss)/profit net of tax	(5,341)	(10,170)	(47)	(4,080)	5,414	(175)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	2,058	(2,042)	201	2,423	908	167
Share of other comprehensive income of associates	1,668	–	100	1,668	–	100
Other comprehensive income for the financial period, net of tax	3,726	(2,042)	282	4,091	908	351
Total comprehensive income for the financial period	(1,615)	(12,212)	(87)	11	6,322	(99)
Total comprehensive income attributable to:						
Owners of the Company	101	(11,003)	(101)	1,775	7,044	(75)
Non-controlling interests	(1,716)	(1,209)	42	(1,764)	(722)	144
	(1,615)	(12,212)	(87)	11	6,322	(99)

Explanatory Notes to Condensed Interim Consolidated Income Statement and Comprehensive Income

n.m. – not meaningful

(1) The increase in revenue in FY2021 was mainly due to a higher coal carrying activities offset by a lower sales volume of electricity as compared to FY2020. Despite the decrease in the overall sales volume of electricity in FY2020, the power plant segment has achieved a higher sales volume in 2H2021 as compared to 2H2020. Additionally, the acquisition of Athena Energy Holdings Pte. Ltd. and its subsidiaries ("**AEH Group**") has contributed $71,000 to the Group's revenue in 2H2021. Refer to Note 7(a) of the Notes to the Condensed Interim Financial Statements on the disclosures of the acquisition.

(2) Refer to Note 11 of the Notes to the Condensed Interim Financial Statements on the explanation on the increase in "Other income".

(3) The decrease in depreciation was mainly due to the impairment of assets in the power plant segment in FY2020.

(4) The increase in operating expenses was mainly due to an increase in fuel expenses arising from higher coal carrying activities, offset by the decrease in coal expenses, and operations and maintenance expenses.

The breakdown of the costs for "Coal and fuel" for different segment is as follows:

	Group S$'000		**% Change**	**Group S$'000**		**% Change**
	2H 2021	**2H 2020**	**+/(-)**	**FY2021**	**FY2020**	**+/(-)**
Shipping	(297)	(130)	128	(477)	(328)	45
Power plant	(981)	(1,033)	(5)	(1,988)	(2,549)	(22)
	(1,278)	(1,163)	10	(2,465)	(2,877)	14

The decrease in operations and maintenance expenses was mainly lesser operations and maintenance fees incurred for the power plant segment, offset by an increase in the upkeep maintenance fees in the shipping segment due to docking expenses in FY2021.

(5) The increase in other expenses was mainly due to the impairment loss on the power plant segment arising from its periodic assessment of the recoverable amounts based on expected value-in-use computations, and the increase in legal and professional fees arising from the acquisition of AEH Group and the Proposed Disposal of land (as defined below).

(6) Finance costs include the interest expenses on lease liabilities. The increase in finance cost is mainly due to the loan extended by a controlling shareholder of the Company for the purpose of the acquisition of AEH, offset by the decrease in finance cost in relation to the lease liabilities as they are reaching the end of its amortization periods.

(7) Arising from the dilution in shareholding interest in Manhattan Property Development Pte Ltd ("**MPDPL**"), the Group has recognised the share of results of associate, net of tax from the date of dilution till the period ended 31 December 2021. Details of the effects of the dilution are disclosed in Note 7(b).

Manhattan Resources Limited and Subsidiaries

Condensed Interim Balance Sheets
As at 31 December 2021

	Note	Group		Company	
		31 December 2021	**31 December 2020**	**31 December 2021**	**31 December 2020**
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment (1), (2)	4	26,735	33,977	236	21
Intangible assets (2)	5	12,839	10,275	–	–
Right-of-use assets (1), (2), (3)		2,198	11,900	55	184
Investment property under construction (1)	6	–	21,390	–	–
Property under development (1)	6	–	77,003	–	–
Prepayments (1)		1,175	5,523	–	–
Interests in subsidiaries (1), (4)	7	–	–	80,077	131,878
Investment in associates (1)		60,436	–	60,436	–
Trade and other receivables (1)		1,701	3,896	–	–
		105,084	163,964	140,804	132,083
Current assets					
Trade and other receivables (1), (2)		4,366	3,099	70	73
Prepayments (2)		172	71	20	10
Due from associate (non-trade) (1)		205	–	205	–
Inventories		155	367	–	–
Cash and bank deposits (1), (2)		20,545	24,355	3,140	4,303
		25,443	27,892	3,435	4,386
Assets held for sale (3)		6,244	–	–	–
		31,687	27,892	3,435	4,386
Current liabilities					
Trade and other payables (1), (2)		(26,374)	(26,122)	(534)	(435)
Due to subsidiaries (non-trade)		–	–	(15,303)	(24,368)
Lease liability (1), (2)		(451)	(779)	(44)	(127)
Income tax payable (2)		(38)	(89)	–	–
		(26,863)	(26,990)	(15,881)	(24,930)
Net current assets/(liabilities)		4,824	902	(12,446)	(20,544)
Non-current liabilities					
Trade and other payables (1)		(12,278)	(10,813)	(12,278)	(2,154)
Deferred tax liabilities (1), (2)		(1,700)	(5,112)	(14)	(14)
Lease liability		–	(696)	–	(44)
Net assets		95,930	148,245	116,066	109,327

Manhattan Resources Limited and Subsidiaries

Condensed Interim Balance Sheets
As at 31 December 2021

	Note	Group 31 December 2021 $'000	Group 31 December 2020 $'000	Company 31 December 2021 $'000	Company 31 December 2020 $'000
Equity					
Share capital	9	222,180	221,427	222,180	221,427
Accumulated losses		(128,057)	(126,358)	(106,336)	(112,174)
Capital reserves (1)		339	353	–	–
Other reserve		(320)	(320)	–	–
Foreign currency translation reserve (1)		(5,265)	(6,223)	–	–
Acquisition revaluation reserve		5,392	5,392	–	–
Employee share option reserve		222	74	222	74
Equity attributable to owners of the Company		94,491	94,345	116,066	109,327
Non-controlling interests		1,439	53,900	–	–
Total equity		95,930	148,245	116,066	109,327

Explanatory Notes to Condensed Interim Balance Sheets

(1) On 4 May 2021 ("**Dilution Date**"), the Company's ("**MRL**") 51%-owned subsidiary, MPDPL increased its paid-up share capital by the issuance and allotment of an additional 5,000,000 ordinary shares to KaiYi Investment Pte Ltd ("**KaiYi**") for a total consideration of US$5,000,000 (approximately S$6,736,000).

As set out in the circular dated 17 April 2020, in the event that MRN's net asset value (excluding unrealised foreign exchange differences) ("**Adjusted NAV**") is higher than its share capital, the relative shareholding proportions of KaiYi and MRL would be adjusted to take into account the increase in the Adjusted NAV. Where the share capital of MRN is not less than its Adjusted NAV, the further capitalisation will take place based on a dollar-to-dollar contribution basis, such that the relative shareholding percentages of the Company and KaiYi in MRN will be proportionate to their respective aggregate share capital contribution amount.

Management engaged an external valuer to assist the Company with the Purchase Price Allocations exercise ("**PPA exercise**") to determine the fair values of the identifiable assets and liabilities as at Dilution Date. As at 31 December 2021, the valuation had been completed and the resulting fair value uplift of approximately S$12,991,000 arising from the gain on fair value adjustment on the property under development, investment property under construction and property, plant and equipment have been recognized in profit or loss as gain on changes arising from dilution of interest in subsidiary in accordance to the Company's relative shareholding portion of 48.40% amounting to S$6,288,000. As MRN's Adjusted NAV is higher than its share capital as at Dilution Date, the relative shareholding proportions of KaiYi and MRL have been adjusted to take into account the increase in the Adjusted NAV in accordance with the adjustment formula set out in the 17 April 2020 Circular.

Accordingly, the Company's shareholding interest in MPDPL has been diluted from 51% to 48.40% on Dilution Date. Consequently, the effective shareholding interest in Manhattan Resources (Ningbo) Property Limited ("**MRN**") held by the Company through MPDPL had been diluted from 51% to 48.40%.

The shareholders agreement between the Company and KaiYi permits the majority shareholder to appoint the chairman who will also have the casting vote in the event of a deadlock. As KaiYi is the majority shareholder subsequent to the capital injection, the shareholders agreement grants KaiYi the powers to appoint the chairman and thus, is deemed to be able to exercise control over MPDPL. As a result, both MPDPL and MRN had ceased as subsidiaries and became associates of the Group.

Explanatory Notes to Condensed Interim Balance Sheets (cont'd)

Arising from the dilution in shareholding interest, the Group has derecognised the assets, liabilities, and non-controlling interests in MPDPL and MRN and has recognised the investment retained at its fair value at the date when control is lost.

(2) On 28 October 2021, the Company completed the acquisition of 100% equity interest in Athena Energy Holdings Pte. Ltd. and its subsidiaries ("**AEH Group**"). Upon the completion of the acquisition, AEH Group became a wholly owned subsidiary of the Group. Arising from the acquisition, the Company has recognised the identifiable assets and liabilities based on its fair value on the completion date. Refer to Note 7(a) of the Notes to the Condensed Interim Financial Statements.

(3) On 9 December 2021, the Company's indirect subsidiary, PT Kariangau Power ("**PT KP**" or "**Seller**") has entered into a conditional land sale and purchase agreement with PT Dermaga Perkasapratama ("**PT DPP**" or "**Buyer**") for the sale of two vacant land parcels in East Kalimantan ("**Proposed Disposal**"). As the Proposed Disposal constitute a "major transaction" under Chapter 10 of the Listing Manual, approval of shareholders of the Company is required. Accordingly, the net book value of the two vacant land parcels has been reclassified as assets held for sale.

(4) On 21 June 2019, the Group entered into a debt conversion agreement with SLM Holding Pte Ltd ("**SLM**"), KaiYi and Energy Resource Investment Pte Ltd ("**ERI**") to convert the debts of US$27,212,855 into the Company's shares. Pursuant to the Proposed Debt Conversion, an aggregate of 1,849,521,700 Conversion Shares were allotted and issued to KaiYi and ERI at the conversion price of S$0.02 per share on 13 May 2020. On the same day, the shareholders of the Company have approved the execution of the novation and debt conversion agreement entered into by the Company, SLM, KaiYi and ERI. Accordingly, the outstanding amount of US$12.2m (approximately S$17.3m) due from SLM to ERI was novated to MRL as interests in subsidiaries.

Manhattan Resources Limited and Subsidiaries

Condensed Interim Statements of Changes in Equity
For the six months and full year ended 31 December 2021

Group	Share capital	Accumulated losses	Capital reserve [1]	Other reserve	Foreign currency translation reserve [2]	Acquisition revaluation reserve [3]	Employee share option reserve [4]	Total	Non-controlling interests	Total Equity
	Total attributable to owners of the Company									
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2020	202,932	(134,426)	353	(320)	(5,199)	5,392	74	68,806	45,125	113,931
Shares issued upon debt conversion	18,495	–	–	–	–	–	–	18,495	–	18,495
Profit net of tax	–	8,068	–	–	–	–	–	8,068	(2,654)	5,414
Other comprehensive income										
Foreign currency translation	–	–	–	–	(1,024)	–	–	(1,024)	1,932	908
Other comprehensive income for the financial period, net of tax	–	–	–	–	(1,024)	–	–	(1,024)	1,932	6,322
Total comprehensive income for the financial period	–	8,068	–	–	(1,024)	–	–	7,044	(722)	6,322
Changes in ownership interests in subsidiaries										
Capital injection in a subsidiary by a non-controlling interest	–	–	–	–	–	–	–	–	9,497	9,497
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	9,497	9,497
Total transactions with owners in their capacity as owners	–	–	–	–	–	–	–	–	9,497	9,497
At 31 December 2020	221,427	(126,358)	353	(320)	(6,223)	5,392	74	94,345	53,900	148,245

(1) Capital reserve represents the capital contribution in excess of the registered capital and differences between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received.

(2) Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's functional currency. It is also used to record the effect of hedging net investments in foreign operations.

(3) Acquisition revaluation reserve represents the fair value adjustments on acquisition of subsidiary in 2009 relating to previously held interest.

(4) Employee share option reserve represents the equity-settled share options granted to directors and employees. The reserve is made up of the cumulative value of services received from directors and employees recorded over the resulting period commencing from the grant dates of equity-settled share options and is reduced by the expiry of exercise of the share options.

Condensed Interim Statements of Changes in Equity
For the six months and full year ended 31 December 2021

Group	Share capital	Accumulated losses	Capital reserve [(1)]	Other reserve	Foreign currency translation reserve [(2)]	Acquisition revaluation reserve [(3)]	Employee share option reserve [(4),(5)]	Total	Non-controlling interests	Total Equity
	Total attributable to owners of the Company									
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2021	221,427	(126,358)	353	(320)	(6,223)	5,392	74	94,345	53,900	148,245
Loss net of tax	–	(1,699)	–	–	–	–	–	(1,699)	(2,381)	(4,080)
Other comprehensive income										
Foreign currency translation	–	–	–	–	1,806	–	–	1,806	617	2,423
Share of other comprehensive income of associates	–	–	–	–	1,668	–	–	1,668	–	1,668
Other comprehensive income for the financial period, net of tax	–	–	–	–	3,474	–	–	3,474	617	4,091
Total comprehensive income for the financial period	–	(1,699)	–	–	3,474	–	–	1,775	(1,764)	11
Contributions by and distributions to owners										
Shares issued for acquisition of a subsidiary	753	–	–	–	–	–	–	753	–	753
Shares-based payments	–	–	–	–	–	–	148	148	–	148
Total contributions by and distributions to owners	753	–	–	–	–	–	148	901	–	901
Changes in ownership interests in subsidiaries										
Changes arising from dilution of interest in subsidiary	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
Total changes in ownership interests in subsidiaries	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
Total transactions with owners in their capacity as owners	–	–	(14)	–	(2,516)	–	–	(2,530)	(50,697)	(53,227)
At 31 December 2021	222,180	(128,057)	339	(320)	(5,265)	5,392	222	94,491	1,439	95,930

(1) Capital reserve represents the capital contribution in excess of the registered capital and differences between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received.

(2) Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's functional currency. It is also used to record the effect of hedging net investments in foreign operations.

(3) Acquisition revaluation reserve represents the fair value adjustments on acquisition of subsidiary in 2009 relating to previously held interest.

(4) Employee share option reserve represents the equity-settled share options granted to directors and employees. The reserve is made up of the cumulative value of services received from directors and employees recorded over the resulting period commencing from the grant dates of equity-settled share options and is reduced by the expiry of exercise of the share options.

(5) The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Manhattan Resources Limited and Subsidiaries

Condensed Interim Statements of Changes in Equity
For the six months and full year ended 31 December 2021

	Total attributable to owners of the Company			
Company	**Share capital** $'000	**Accumulated losses** $'000	**Employee share option reserve** $'000	**Total** $'000
At 1 January 2020	202,932	(112,938)	74	90,068
Shares issued upon debt conversion	18,495	–	–	18,495
Profit net of tax	–	764	–	764
At 31 December 2020	221,427	(112,174)	74	109,327
At 1 January 2021	221,427	(112,174)	74	109,327
Shares issued for acquisition of a subsidiary	753	–	–	753
Shares-based payments	–	–	148	148
Profit net of tax	–	5,838	–	5,838
At 31 December 2021	222,180	(106,336)	222	116,066

Manhattan Resources Limited and Subsidiaries

Condensed Interim Consolidated Cash Flow Statement
For the full year ended 31 December 2021

	Note	Group 12 months ended 31 December 2021 $'000	Group 12 months ended 31 December 2020 $'000
Cash flows from operating activities			
(Loss)/profit before tax		(5,879)	1,668
Adjustments:			
Depreciation and amortisation		4,974	5,729
Gain from fair value of investment property under construction		–	(161)
Impairment loss on intangible assets		2,681	2,776
Impairment loss on property, plant and equipment		9,947	8,923
Impairment loss on trade and other receivables		–	19
Gain on debt-to-equity conversion		–	(19,992)
Unrealised foreign exchange differences		1,474	(1,887)
Interest expenses		164	157
Interest income		(60)	(259)
Share of results of associates		728	–
Share-based payment expenses		148	–
Loss on issuance and allotment of shares	12	199	–
Gain arising from dilution of interest in subsidiary	7(b),11	(9,450)	–
Loss on deemed disposal of associate	12	70	–
Write-back of allowance for impairment of trade and other receivables		(1,323)	–
Write-back on creditors and accruals		(2,698)	–
Operating cash flows before working capital changes		975	(3,027)
Decrease/(increase) in inventories		212	(319)
Increase in property under development		(2,439)	(15,359)
Decrease in trade and other receivables		303	1,667
(Increase)/decrease in prepayments		(859)	651
(Decrease)/increase in trade and other payables		(3,150)	8,117
Cash flows used in operations		(4,958)	(8,270)
Interest received		60	259
Income tax paid		(252)	(107)
Net cash flows used in operating activities		(5,150)	(8,118)
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1,013)	(505)
Subsequent expenditure on investment property under construction		(557)	(3,505)
Effect of dilution of investment on cash flows	7(b)	(7,239)	–
Net cash outflow on acquisition of subsidiaries	7(a)	(3,614)	–
Deposit received from sale of land		14,126	–
Net cash flows generated from/(used in) investing activities		1,703	(4,010)
Cash flows used in financing activities			
Capital injection in a subsidiary by a non-controlling interest		–	9,497
Repayment of lease liabilities		(868)	(898)
Increase in amount due from associate		(205)	–
Net cash flows (used in)/generated from financing activities		(1,073)	8,599
Net decrease in cash and cash equivalents		(4,520)	(3,529)
Effect of exchange rate changes on cash and cash equivalents		710	16
Cash and cash equivalents at beginning of financial period		24,355	27,868
Cash and cash equivalents at end of the period		20,545	24,355

1. Corporate information

Manhattan Resources Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "**Group**"). The primary activities of the Company are those of investment holding and provision of management services.

The principal activities of the Group are:

(a) business of constructing, acquiring, operating and maintaining coal-fired steam power plants and production and sale of electric power ("**Power Plant Business**");

(b) provision of logistics and other support services to the coal and mining and oil and gas industries in Indonesia, including ship chartering and provision of freight services and leasing of mining equipment and machinery ("**Shipping Business**); and

(c) property development activities, which will include, amongst others, the acquisition, development and/or sales of residential and commercial and any other types of properties including mixed-use development properties ("**Property Development Business**").

The Company will be seeking shareholders' approval on the proposed diversification of its core business to include the Renewable Energy Business arising from the acquisition of AEH Group ("**Proposed Diversification**") and Huafu engingeering, procurement and construction ("**Huafu EPC**"). The Group has explored the viability of, and intends to expand the scope of its existing business to include renewable energy business comprising on-grid and off-grid renewable energy business segments, and selective clean energy power projects, with a focus on the Asia (primarily in Vietnam, Indonesia, the Philippines and Bangladesh) and Australia market in the initial years between 2022 and 2025 (the "**Renewable Energy Business**"). Subject to shareholders' approval to the Proposed Diversification at the Extraordinary General Meeting ("**EGM**"), the Company envisages its renewable energy portfolio including hydropower projects, wind projects, commercial and industrial ("**C&I**") solar projects and utility scale solar projects.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars ($ or SGD) which is the Company's functional currency and all values in the tables are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 5 – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 7(a) – Acquisition of subsidiary: the fair value of the consideration transferred, and the fair value of the assets acquired and liabilities assumed, measured on a provisional basis
- Note 7(b) – Dilution of interest in subsidiary: the fair value of the measurement of net assets assumed, measured on a provisional basis

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Property, plant and equipment

During the 6 months ended 31 December 2021, the Group acquired assets amounting to $861,000 (6 months ended 31 December 2020: $190,000).

5. Intangible assets

	Business licence	Power Purchase Agreements	Total
	$'000	$'000	$'000
Group			
At 30 June 2021			
Opening net book amount at 1 January 2021	10,275	–	10,275
Accumulated amortisation and impairment	(703)	–	(703)
Exchange differences	(216)	–	(216)
Closing net book amount at 30 June 2021	9,356	–	9,356
6 months ended 31 December 2021			
Opening net book amount at 1 July 2021	9,356	–	9,356
Acquisition of a subsidiary	–	6,603	6,603
Accumulated amortisation and impairment	(3,402)	(10)	(3,412)
Exchange differences	292	–	292
Closing book amount at 31 December 2021	6,246	6,593	12,839
For the year ended 31 December 2021			
Opening net book amount at 1 January 2021	10,275	–	10,275
Acquisition of a subsidiary	–	6,603	6,603
Amortisation and impairment	(4,105)	(10)	(4,115)
Exchange differences	76	–	76
Closing net book amount at 31 December 2021	6,246	6,593	12,839

Business Licence

Business licence relates to the business licence for the rights to supply electricity exclusively within the Kawasan Industri Kariangau ("**KIK**") zone, which arose from the acquisition of PT Kariangau Power ("**PT KP**") in 2016. Customer contracts and customer relationships have also been included in the value of the business licence as these contracts are not separable from the business licence.

The useful life of the business licence together with the customer contracts is estimated to be 12 years, with a remaining useful life of 7 years (2020: 8 years).

Power Purchase Agreements (Note 7a)

Power Purchase Agreements ("**PPAs**") relates to the contractual agreements signed between the customers and AEH Group, which arose from the acquisition of AEH Group in October 2021.

The useful life of the PPAs acquired is estimated to be 20 years, with remaining lives ranging from 19 to 20 years based on the commercial operation date as defined in the agreements (2020: Nil).

The amortisation expense for both business licence and power purchase agreements is included in the "Depreciation and amortisation" line item in profit or loss.

5. Intangible assets (cont'd)

Impairment testing of intangible assets in the power plant segment

Intangible assets acquired through business combinations have been allocated to the power plant Cash Generating Unit ("**CGU**") for impairment testing annually, or more frequently if impairment indicators exist.

The recoverable amount of the CGU has been determined based on value in use calculation using cashflow projections from financial budgets approved by management covering their power plant operations in Indonesia. The discount rate applied to the cash flow projections is 12.00% (2020: 12.00%) per annum.

The calculations of value in use for the CGU are most sensitive to the following assumptions:

Budgeted revenues – Revenue forecast is based on historical power generation capacity and taking into consideration current and future customer demands.

Budgeted gross margins – Gross margins used in the value in use calculations were based on budgeted gross margins derived from past performance and management's expectations of market developments.

Discount rates – The discount rate reflects the current market assessment of the risks specific to the CGU.

Sensitivity to changes in assumptions

The increase in discount rate by 0.5% would in isolation lead to further impairment losses of $469,000.

Impairment loss recognised

As a result of the above impairment testing, impairment losses on business licence of $2,681,000 (2020: $2,776,000) was recognised to write down the carrying amount of the business licence.

The impairment losses have been recognised in the "impairment loss" line in profit or loss.

6. Investment property under construction Property under development

	Group	
	31 December 2021 $'000	**31 December 2020** $'000
Investment property under construction:		
At beginning of the financial period/year	21,390	16,832
Development costs capitalised	557	3,505
Gain on fair value adjustment recognised in profit or loss	–	161
Exchange differences	274	892
Changes arising from dilution of interest in subsidiary (Note 7(b))	(22,221)	–
End of financial year	–	21,390
Property under development:		
At beginning of the financial period/year	77,003	58,482
Development costs capitalised	2,439	15,359
Exchange differences	987	3,162
Changes arising from dilution of interest in subsidiary (Note 7(b))	(80,429)	–
End of financial year	–	77,003

The investment property under construction and property under development held by the Group as at 31 December 2021 is as follows:

Description and location	% owned	Site area (square metre)	Gross floor area (square metre)	Stage of completion as at date of the report (expected year of completion)
A 56-storey integrated development with residential apartments, offices and retail components along Yinzhou District, Ningbo, People's Republic of China	35.44%	23,381	Approximately 160,000	2025

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Purchase price allocation exercise ("**PPA exercise**")

Management engaged an external valuer to assist the Company with the PPA exercise to determine the fair values of the identifiable assets and liabilities as at Dilution Date. As at 31 December 2021, the valuation had been completed and the resulting fair value uplift are approximately S$3,000 and S$12,941,000 in investment property under construction and property under development respectively.

7. Interests in subsidiaries

	Company	
	2021	**2020**
	$'000	$'000
Unquoted equity shares:		
Balance at beginning of the year	93,209	83,325
Additions during the year	4,830	9,884
Changes arising from dilution of interest in subsidiary	(52,494)	–
	45,545	93,209
Less: Impairment loss	(35,774)	(35,774)
Add: Amounts due from subsidiaries	70,306	74,443
Balance at end of the period/year	80,077	131,878

(a) *Acquisition of subsidiaries*

On 28 October 2021 ("**Acquisition Date**"), the Company completed the acquisition of 100% equity interest in AEH Group. Upon the completion of the acquisition, AEH Group became a wholly owned subsidiaries of the Group.

The Group has acquired AEH Group to accelerate the transformation into a renewable energy company, which is in line with the Group's corporate strategy to pursue businesses which will be sustainable and provide a stable income. This business is strongly aligned with the Group's investment policy and transformation objectives.

Athena Energy Holdings Pte. Ltd. ("**AEH**") is a Singapore headquarted company with 4MW operating and approximately 30MW of committed of rooftop Commercial & Industrial Solar ("**C&I**") projects in Vietnam, and with pipeline renewable energy projects across Asia and Australia. AEH Group has been led by a team of committed highly experienced energy experts in the region to deliver C&I solar projects and utility-scale solar projects. Following the acquisition of AEH Group, the Company has also entered into the employment contracts with the management team of AEH Group to deliver Athena's pipeline projects and grow its business.

7. Interests in subsidiaries (cont'd)

(a) ***Acquisition of subsidiary (cont'd)***

The fair values of the identifiable assets and liabilities of AEH Group as at the acquisition date were:

	Fair values recognized on acquisition $'000
Property, plant and equipment	3,590
Right-of-use assets	2
Intangible assets (Note 5)	6,603
Trade and other receivables	1,058
Prepayments	14
Cash and cash equivalents	663
	11,930
Trade and other payables	(6,359)
Lease liability	(2)
Provision for tax	(30)
Deferred tax liabilities	(708)
Total identifiable net assets at fair value	4,831

Consideration transferred for the acquisition of AEH	
Cash paid	4,277
Consideration shares issued (14,197,450 ordinary shares of Manhattan Resources Limited)	554
Shareholders' loan provided	5,169
	10,000

Effect of the acquisition of AEH on cash flows	
Total consideration transferred	10,000
Less: Shareholders' loan provided eliminated on consolidation	(5,169)
Less: Consideration shares issued (non-cash consideration)	(554)
Less: Cash and cash equivalents of subsidiary acquired	(663)
Net cash outflow on acquisition	3,614

At the date of completion of the acquisition, the Company has provided a shareholders' loan of an aggregate S$5,169,000 to AEH Group for the purpose of paying off all current, non-current and outstanding shareholders' loans and liabilities of AEH Group.

7. Interests in subsidiaries (cont'd)

(a) ***Acquisition of subsidiary (cont'd)***

Transaction costs

Transaction costs related to the acquisition of approximately S$392,000 have been recognised in the "Legal and professional fees" line item (Note 12) in the Group's profit or loss for the year ended 31 December 2021.

Impact of the acquisition on profit or loss

From the acquisition date, AEH had contributed S$71,000 of revenue and S$110,000 net loss. If the business combination had taken place at the beginning of the year, the Group's revenue would have been S$508,000 and the Group's loss, net of tax would have been S$833,000.

7. Interests in subsidiaries (cont'd)

(b) ***Dilution of interest in subsidiary***

On 4 May 2021 ("**Dilution Date**"), the Company's 51%-owned subsidiary, MPDPL increased its paid-up share capital by the issuance and allotment of an additional 5,000,000 ordinary shares to KaiYi for a total consideration of US$5,000,000 (approximately S$6,736,000). Accordingly, the Company's shareholding interest in MPDPL has been diluted from 51% to 48.40%. Consequently, the effective shareholding interest in MRN held by the Company through MPDPL will also be diluted from 51% to 48.40%. As a result, both MPDPL and MRN will cease as subsidiaries and become associates of the Group.

Balance sheet disclosures

The net identifiable assets and liabilities of Manhattan Property Development Pte Ltd and its subsidiary recorded in the consolidated financial statements as at 4 May 2021, and the effects of the dilution were:

	2021
	$'000
Property, plant and equipment	36
Right-of-use assets	255
Trade and other receivables	3,805
Prepayment	5,041
Investment property under construction (Note 6)	22,221
Property under development (Note 6)	80,429
Cash and bank deposits	7,239
	119,026
Trade and other payables	(14,475)
Deferred tax liabilities	(967)
Lease liability	(241)
Carrying value of net assets	103,343
Net assets derecognised	(103,343)
Non-controlling interest derecognised	50,697
Reserves recycled to profit or loss	2,530
Fair value of retained interest	59,566
Gain on changes arising from dilution of interest in subsidiary	9,450

On the Dilution Date, the Group has derecognised the net assets, liabilities, and non-controlling interesting in MPDPL and MRN and has recognised the investment retained at its fair value.

The fair value of retained interest amounting to S$59,566,000 includes the Company's relative shareholding portion of the fair value uplift arising from the PPA exercise as at dilution date.

The Group has engaged an independent valuer to determine the fair value of the net identifiable assets of the MPDPL and MRN. As at 31 December 2021, the valuation has been completed and the resulting fair value uplift are approximately S$47,000, S$3,000 and S$12,941,000 to property, plant and equipment, investment property under construction and property under development respectively.

7. Interests in subsidiaries (cont'd)

(b) *Dilution of interest in subsidiary (cont'd)*

Income statement disclosures

	1 Jan 2021 to 4 May 2021 $'000
Other income	14
Employee benefits expenses	(183)
Depreciation and amortisation	(39)
Operating expenses	(50)
Other expenses	(165)
Finance costs	(6)
Loss before tax	(429)
Income tax	–
Loss for the period	(429)
Loss attributable to:	
Owners of the Company	(219)
Non-controlling interests	(210)
Loss for the period	(429)

Cash flow statement disclosures

	2021 $'000
Operating	(6,209)
Investing	(1,044)
Financing	14
Net cash outflow on dilution	(7,239)

Impact of the changes arising from the dilution of interest in subsidiary on profit or loss

From 1 January 2021 to the Dilution Date, MPDPL and MRN had contributed $Nil revenue and S$219,000 loss to the Group's results.

The gain on disposal attributable to measuring the retained interest amounted to S$9,450,000 was included in "Other income" line item (Note 11) in the Group's profit or loss for the year ended 31 December 2021.

8. Aggregate amount of the Group's borrowings and debt securities

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

31 December 2021		31 December 2020	
Unsecured	Secured	Unsecured	Secured
–	–	–	–

Among repayable after one year:

31 December 2021		31 December 2020	
Unsecured	Secured	Unsecured	Secured
–	–	–	–

9. Share capital

	Group and Company			
	31 December 2021		31 December 2020	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid ordinary shares				
Beginning of interim period	2,986,503,650	221,427	1,136,981,950	202,932
Shares issued upon debt conversion (1)	–	–	1,849,521,700	18,495
Consideration shares issued during the period (2)	14,197,450	753	–	–
End of interim period	3,000,701,100	222,180	2,986,503,650	221,427

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(1) As disclosed in Explanatory Notes to Condensed Interim Balance Sheets Note (4), an aggregate of 1,849,521,700 Conversion Shares were allotted and issued to KaiYi and ERI pursuant to the Debt Conversion Agreement in 2020.

(2) On 20 October 2021, the Company entered into a sale and purchase agreement with Sandnergy Pte. Ltd. and Goldland Technology Sdn. Bhd to acquire the entire issued and paid-up share capital of Athena Energy Holdings Pte. Ltd. in which the consideration is satisfied by way of cash and shares at the issue price of S$0.039. Pursuant to the acquisition, an aggregate amount of 14,197,450 shares were allotted and issued to the nominees of Sandnergy Pte. Ltd on 15 December 2021. For the purpose of the financial statements, the consideration shares have been accounted for based on the market value of shares issued on 15 December 2021, being S$0.053 per share amounting to S$753,000. Following the completion of the acquisition, the Company recognized a loss of S$199,000.

There are no options on the unissued share of the Company or any other body corporate which were outstanding. There are no outstanding warrants as at 31 December 2021 and 31 December 2020.

(i) Treasury shares

The Company did not hold any treasury shares as at 31 December 2021 and 31 December 2020.

9. Share capital (cont'd)

(ii) Subsidiary holdings

There are no subsidiary holdings as at 31 December 2021 and 31 December 2020.

There were no sales, transfers cancellation and/or use of subsidiary holdings as at 31 December 2021 and 31 December 2020.

10. Revenue

	Group 6 months ended 31 December		Group 12 months ended 31 December	
	2021	**2020**	**2021** $'000	**2020** $'000
Disaggregation of revenue				
Sale of electricity				
- Power plant segment	4,009	3,516	7,442	8,488
- Renewable energy segment	71	–	71	–
Coal transportation income	971	273	1,724	694
	5,051	3,789	9,237	9,182
Timing of transfer of services				
Over time	971	273	1,724	694
Point in time	4,080	3,516	7,513	8,488

The Group's revenue by business segment and geographical location is disclosed in Note 16.

A breakdown of sale as follows:

	Group Financial year ending 31 December 2021 $'000	Financial year ending 31 December 2020 $'000	Increase / (Decrease) %
Sales reported for the first half year	4,186	5,393	(22)
Operating profit after tax before deducting non-controlling interests reported for first half year	1,261	15,584	(92)
Sales reported for the second half year	5,051	3,789	33
Operating loss after tax before deducting non-controlling interests reported for second half year	(5,341)	(10,170)	(47)

11. Other income

	Group 6 months ended 31 December		Group 12 months ended 31 December	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Interest income on cash and bank deposits	31	108	60	259
Gain on debt-to-equity conversion (i)	–	–	–	19,992
Gain from fair value adjustment of investment property under construction	–	161	–	161
Gain on changes arising from dilution of interest in subsidiary (ii)	6,640	–	9,450	–
Write-back on creditors and accruals	307	1,007	2,698	1,007
Write-back of allowance for impairment of trade and other receivables	1,323	–	1,323	–
Management fees from an associate (previously, a subsidiary)	673	–	673	–
Miscellaneous income	108	133	112	173
	9,082	1,409	14,316	21,592

(i) Following the completion of the debt conversion on 13 May 2020, the Company recognised a gain of S$19,992,000 and foreign exchange loss of S$1,826,000 in 1H 2020. For the purpose of the financial statements, the Conversion Shares had been accounted for based on the market value of the conversion shares issued on 13 May 2020, being $0.01 per share.

(ii) As a result of the dilution in shareholding interest in MPDPL, the Group has recognised a gain of S$9,450,000 in profit or loss upon deconsolidation, including the gain on fair value adjustment on the property under development, investment property under construction and property, plant and equipment based on the Company's relative portion of 48.40% amounting to S$6,288,000 in FY2021.

12. Operating expenses and other expenses

	Group 6 months ended 31 December		Group 12 months ended 31 December	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Operating expenses:				
Coal and fuel	(1,278)	(1,163)	(2,465)	(2,877)
Operations and maintenance	(1,127)	(1,631)	(2,285)	(2,936)
Agent fees and port handling charges	53	(42)	(4)	(91)
Certificate, licence and other compliance expenses	(28)	(9)	(57)	(36)
Other expenses	(721)	(836)	(1,670)	(1,435)
	(3,101)	(3,681)	(6,481)	(7,375)
Finance costs:				
Interest expense on lease liabilities	(32)	(72)	(85)	(153)
Interest expense on others	(76)	(2)	(79)	(4)
	(108)	(74)	(164)	(157)
Impairment loss on:				
Property, plant and equipment	(9,947)	(8,923)	(9,947)	(8,923)
Intangible assets	(2,681)	(2,776)	(2,681)	(2,776)
Trade and other receivables	–	(19)	–	(19)
	(12,628)	(11,718)	(12,628)	(11,718)
Other expenses included the following:				
Office and other rental expenses	(20)	(38)	(7)	(59)
Foreign exchange loss, net	(10)	(1,385)	(442)	(708)
Loss on issuance and allotment of shares	(199)	–	(199)	–
Loss on dilution of interest in associates (i)	(70)	–	(70)	–
Legal and professional fees	(743)	(186)	(886)	(356)
Included in legal and professional fees are the following:				
- Audit fees:				
Auditors of the Company	(136)	(60)	(198)	(120)
Affiliates of the auditors of the Company	(62)	(27)	(93)	(55)
- Non-audit fees:				
Auditors of the Company	(5)	(5)	(10)	(10)

(i) On 9 July 2021, 29 October 2021 and 29 December 2021, MPDPL has increased its paid-up share capital by the issuance and allotment of 14,000,000, 9,000,000 and 10,000,000 ordinary shares for a total consideration of US$14,000,000, US$9,000,000 and US$10,000,000 respectively to KaiYi. As there was no capital contribution by the Company, the Company's shareholding interest in MPDPL has been diluted from 48.40% to 42.53% to 35.44% as at the latest dilution date for the financial year, i.e., 29 December 2021. As a result, the Group has recognised a loss on dilution of interest in associates of S$70,000.

13. Income tax credit

The Group calculates the period income tax credit using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim statement of profit or loss are:

	Group 6 months ended 31 December		Group 12 months ended 31 December	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Current income tax:				
Current income taxation	839	178	579	430
	839	178	579	430
Deferred income tax:				
Origination and reversal of temporary differences	1,061	3,243	1,220	3,316
	1,061	3,243	1,220	3,316
Income tax recognised in profit or loss	1,900	3,421	1,799	3,746

14. Earnings per share

Basic earnings per share is calculated by dividing profit from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share from continuing operations are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the six months and twelve months ended 31 December:

	Group 6 months ended 31 December		Group 12 months ended 31 December	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
(Loss)/profit for the financial period, net of tax, attributable to equity holders of the Company used in the computation of basic earnings per share	(3,551)	(7,917)	(1,699)	8,068
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and diluted earnings per share computation	2,987,815,371	2,986,503,650	2,987,164,901	2,314,409,699

15. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

16. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has 5 reportable operating segments as follows:

(a) The Power Plant segment relates to the construction, acquisition, operations and maintenance of power plants and the production and sale of electric power in Indonesia;

(b) The Renewable Energy segment relates to the construction, acquisition, operations and maintenance of renewable generation facilities and the production and sale of renewable energy in Vietnam;

(c) The Shipping segment relates to ship chartering and provision of freight services in Indonesia, mainly for coal carrying activities;

(d) The Property Development segment relates to property development activities in the PRC; and

(e) The Corporate and Others segment is involved in Group-level corporate services, treasury functions, investments in properties and others, including overburden removal services and equipment leasing services.

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the condensed interim financial statements.

16. Segment information (cont'd)

	1 July 2021 to 31 December 2021							1 July 2020 to 31 December 2020					
	Power Plant	**Renewable Energy**	**Shipping**	**Property Deve-lopment**	**Corporate and Others**	**Elimina-tions**	**Per condensed interim consolidated financial statements**	**Power Plant**	**Shipping**	**Property Deve-lopment**	**Corporate and Others**	**Elimina-tions**	**Per condensed interim consolidated financial statements**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue													
External customers	4,009	71	971	–	–	–	5,051	3,516	273	–	–	–	3,789
Inter-segment	–	–	–	–	12	(12)	–	–	–	–	12	(12)	–
Total revenue from external parties	4,009	71	971	–	12	(12)	5,051	3,516	273	–	12	(12)	3,789
Results													
Interest income	21	4	1	–	5	–	31	17	3	73	15	–	108
Depreciation and amortisation	(2,088)	(41)	(344)	–	(72)	–	(2,545)	(2,665)	(228)	(62)	(69)	–	(3,024)
Impairment loss on trade and other receivables	–	–	–	–	–	–	–	–	–	–	(19)	–	(19)
Share of results of associates	–	–	–	(598)	–	–	(598)	–	–	–	–	–	–
Gain on changes arising from dilution of interest in subsidiary	–	–	–	–	6,640	–	6,640	–	–	–	–	–	–
Write-back on creditors and accruals	–	–	–	–	307	–	307	–	–	–	–	–	–
Interest expenses	(2)	–	(29)	–	(77)	–	(108)	(2)	(60)	(6)	(6)	–	(74)
Impairment loss on property, plant and equipment	(9,947)	–	–	–	–	–	(9,947)	(8,923)	–	–	–	–	(8,923)
Impairment loss on intangible assets	(2,681)	–	–	–	–	–	(2,681)	(2,776)	–	–	–	–	(2,776)
(Loss)/profit before tax	(13,672)	(108)	1,664	–	5,261	(386)	(7,241)	(12,117)	(472)	(1,035)	710	(677)	(13,591)
Income tax credit/(expenses)	1,915	(2)	(13)	–	–	–	1,900	3,283	178	(40)	–	–	3,421

16. Segment information (cont'd)

	31 December 2021							31 December 2020					
	Power Plant	**Renewable Energy**	**Shipping**	**Property Deve-lopment**	**Corporate and Others**	**Elimina-tions**	**Per condensed interim consolidated financial statements**	**Power Plant**	**Shipping**	**Property Deve-lopment**	**Corporate and Others**	**Elimina-tions**	**Per condensed interim consolidated financial statements**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue													
External customers	7,442	71	1,724	–	–	–	9,237	8,488	694	–	–	–	9,182
Inter-segment	–	–	–	–	24	(24)	–	–	–	–	24	(24)	–
Total revenue from external parties	7,442	71	1,724	–	24	(24)	9,237	8,488	694	–	24	(24)	9,182
Results													
Interest income	31	4	2	13	10	–	60	48	14	109	88	–	259
Depreciation and amortisation	(4,094)	(41)	(660)	(39)	(140)	–	(4,974)	(4,829)	(630)	(130)	(140)	–	(5,729)
Impairment loss on trade and other receivables	–	–	–	–	–	–	–	–	–	–	(19)	–	(19)
Share of results of associates	–	–	–	(728)	–	–	(728)	–	–	–		–	
Gain on changes arising from dilution of interest in subsidiary	–	–	–	–	9,450	–	9,450	–	–	–	–	–	–
Write-back on creditors and accruals	–	–	2,698	–	–	–	2,698	–	–	–	–	–	–
Interest expenses	(4)	–	(74)	(6)	(80)	–	(164)	(4)	(135)	(6)	(12)	–	(157)
Impairment loss on property, plant and equipment	(9,947)	–	–	–	–	–	(9,947)	(8,923)	–	–	–	–	(8,923)
Impairment loss on intangible assets	(2,681)	–	–	–	–	–	(2,681)	(2,776)	–	–	–	–	(2,776)
(Loss)/profit before tax	(15,254)	(108)	3,684	(395)	6,580	(386)	(5,879)	(12,884)	(1,006)	(1,359)	17,594	(677)	1,668
Income tax credit/(expenses)	2,074	(2)	(273)	–	–	–	1,799	3,356	430	(40)	–	–	3,746

16. Segment information (cont'd)

	Power Plant $'000	Renewable Energy $'000	Shipping $'000	Property Development $'000	Corporate and Others $'000	Per consolidated financial statements $'000
1 July 2021 to 31 December 2021						
Assets						
Additions to property, plant and equipment	105	555	–	–	201	861
Segment assets	52,161	11,904	8,430	–	64,276	136,771
Segment liabilities	(18,044)	(2,003)	(3,235)	–	(17,559)	(40,841)
1 January 2021 to 31 December 2021						
Assets						
Additions to property, plant and equipment	215	555	–	–	243	1,013
Segment assets	52,161	11,904	8,430	–	64,276	136,771
Segment liabilities	(18,044)	(2,003)	(3,235)	–	(17,559)	(40,841)
1 July 2020 to 31 December 2020						
Assets						
Additions to property, plant and equipment	170	–	–	20	–	190
Segment assets	59,184	–	4,535	123,487	4,650	191,856
Segment liabilities	(7,845)	–	(7,730)	(19,903)	(8,133)	(43,611)
31 December 2020						
Assets						
Additions to property, plant and equipment	476	–	–	29	–	505
Segment assets	59,184	–	4,535	123,487	4,650	191,856
Segment liabilities	(7,845)	–	(7,730)	(19,903)	(8,133)	(43,611)

16. Segment information (cont'd)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue 6 months ended 31 December		Revenue 12 months ended 31 December	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Indonesia	4,980	3,789	9,166	9,182
Vietnam	71	–	71	–
	5,051	3,789	9,237	9,182

	Non-current assets	
	As at 31 December 2021	**As at 31 December 2020**
	$'000	$'000
Singapore	291	205
Indonesia	33,787	57,142
China	60,436	106,617
Vietnam	9,701	–
Australia	869	–
	105,084	163,964

17. Net asset value

	Group		Company	
	As at 31 December 2021	**As at 31 December 2020**	**As at 31 December 2021**	**As at 31 December 2020**
Net asset value per ordinary share (cents)	3.15	3.16	3.87	3.66

Net asset value per ordinary share of the Group and of the Company are computed based on 3,000,701,100 and 2,986,503,650 ordinary shares in issue as at 31 December 2021 and 31 December 2020 respectively.

18. Fair value of assets and liabilities

The Group does not hold any financial assets at fair value through other comprehensive income.

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

During the current financial period, there have been no transfers between Level 1 and Level 2 and no transfers into or out of Level 3.

<u>Valuation policies and procedures</u>

The Group's Deputy Chief Financial Officer who is assisted by the team (collectively referred to as the "Finance Team"), oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the Finance Team reports to the Group's audit committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 1-13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of inputs (including those developed internally by the Group) used in the valuations.

18. Fair value of assets and liabilities (cont'd)

(a) *Fair value hierarchy (cont'd)*

Valuation policies and procedures (cont'd)

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(b) *Financial assets and financial liabilities*

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 December 2021 $'000	**31 December 2020** $'000	**31 December 2021** $'000	**31 December 2020** $'000
Financial assets:				
Trade and other receivables	6,067	6,995	70	73
Due from associate (non-trade)	205	–	205	–
Cash and bank deposits	20,545	24,355	3,140	4,303
Total financial assets	26,817	31,350	3,415	4,376
Financial liabilities:				
Trade and other payables	(38,652)	(36,935)	(12,812)	(2,589)
Due to subsidiaries (non-trade)	–	–	(15,303)	(24,368)
Lease liabilities	(451)	(1,475)	(44)	(171)
Total financial liabilities	(39,103)	(38,410)	(28,159)	(27,128)

19. Subsequent event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

On 14 January 2022, MPDPL had further increased its share capital by the issuance and the allotment of 7,000,000 ordinary shares to KaiYi for a total consideration of US$7,000,000. Consequently, the Company's shareholding interest in MPDPL has been diluted from 35.44 % to 33.20%.

1. Review

The condensed consolidated balance sheets of Manhattan Resources Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months and twelve months ended 31 December 2021 and certain explanatory notes have not been audited or reviewed.

2. 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.

2H2021	**S$'000 Power Plant**	**S$'000 Renewable Energy**	**S$'000 Shipping**	**S$'000 Property**	**S$'000 Corporate & Others**	**S$'000 Total**
Geographical location	**Indonesia**	**Vietnam**	**Indonesia**	**PRC**	**Singapore**	
Revenue	4,009	71	971	–	–	5,051
Other income	131	7	1,632	–	7,312	9,082
Cost	(15,808)	(199)	(987)	–	(2,470)	(19,464)
Foreign exchange gain/(loss)	(87)	11	36	–	30	(10)
(Loss)/profit net of tax	**(11,755)**	**(110)**	**1,652**	–	**4,872**	**(5,341)**
(Loss)/profit net of tax, attributable to owners of the Company	**(10,156)**	**(110)**	**1,652**	–	**5,063**	**(3,551)**

2H2020	**S$'000 Power Plant**	**S$'000 Shipping**	**S$'000 Property**	**S$'000 Corporate & Others**	**S$'000 Total**
Geographical location	**Indonesia**	**Indonesia**	**PRC**	**Singapore**	
Revenue	3,516	273	–	–	3,789
Other income	1,093	46	233	37	1,409
Cost	(14,720)	(527)	(382)	(1,124)	(16,753)
Foreign exchange gain/(loss)	1,277	(86)	(884)	1,078	1,385
(Loss)/profit net of tax	**(8,834)**	**(294)**	**(1,033)**	**(9)**	**(10,170)**
(Loss)/profit net of tax, attributable to owners of the Company	**(7,502)**	**(294)**	**(167)**	**46**	**(7,917)**

2. 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. (cont'd)

FY2021	**S$'000 Power Plant**	**S$'000 Renewable Energy**	**S$'000 Shipping**	**S$'000 Property**	**S$'000 Corporate & Others**	**S$'000 Total**
Geographical location	**Indonesia**	**Vietnam**	**Indonesia**	**PRC**	**Singapore**	
Revenue	7,442	71	1,724	–	–	9,237
Other income	140	7	4,023	14	10,132	14,316
Cost	(20,765)	(199)	(2,342)	(244)	(3,641)	(27,191)
Foreign exchange gain/(loss)	3	11	6	(165)	(297)	(442)
(Loss)/profit net of tax	**(13,180)**	**(110)**	**3,411**	**(395)**	**6,194**	**(4,080)**
(Loss)/profit net of tax, attributable to owners of the Company	**(11,216)**	**(110)**	**3,411**	**5**	**6,211**	**(1,699)**

FY2020	**S$'000 Power Plant**	**S$'000 Shipping**	**S$'000 Property**	**S$'000 Corporate & Others**	**S$'000 Total**
Geographical location	**Indonesia**	**Indonesia**	**PRC**	**Singapore**	
Revenue	8,488	694	–	–	9,182
Other income	1,127	72	269	20,124	21,592
Cost	(20,494)	(1,283)	(818)	(2,057)	(24,652)
Foreign exchange gain/(loss)	1,351	(59)	(850)	(1,150)	(708)
(Loss)/profit net of tax	**(9,528)**	**(576)**	**(1,399)**	**16,917**	**5,414**
(Loss)/profit net of tax, attributable to owners of the Company	**(7,970)**	**(576)**	**(358)**	**16,972**	**8,068**

2. 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. (cont'd)

Turnover, costs and net loss

The Group recorded a turnover of S$5.1m and S$9.2m in 2H2021 and FY2021 as compared to S$3.8m and S$9.2m in 2H2020 and FY2020 respectively. The increase in revenue was mainly due to increase in coal carrying activities offset by lower sales volume of electricity in FY2021. Despite the decrease in the sales volume of electricity in FY2020, the power plant segment has achieved a higher sales volume in 2H2021 as compared to 2H2020. The renewable energy segment recorded a S$71,000 revenue subsequent to the acquisition of AEH Group in October 2021. The shipping revenue increased from S$0.3m and S$0.7m in 2H2020 and FY2020 to S$1.0m and S$1.7m in 2H2021 and FY2021 respectively. Overall, the Group's revenue has increased slightly from S$3.8m and S$9.2m in 2H2020 and FY2020 to S$5.0m and S$9.2m in 2H2021 and FY2021 respectively.

The power plant segment recorded a net loss of S$10.2m and S$11.2m in 2H2021 and FY2021 as compared to a net loss of S$7.5m and S$8.0m in 2H2020 and FY2020, mainly due to the impairment loss of S$12,628,000 and S$11,699,000 in FY2021 and FY2020 respectively.

The renewable energy segment recorded a net loss of S$0.1m in 2H2021 and FY2021 mainly due to operating and other expenses incurred for the period since acquisition. Operating and other expenses include mainly depreciation expenses and professional fees.

The shipping segment recorded a net profit of S$1.7m and S$3.4m in 2H2021 and FY2021 as compared to a net loss of S$0.3m and S$0.6m in 2H2020 and FY2020, mainly due to increase in coal carrying activities, write-back of creditors and accruals and write-back of allowance for impairment of trade and other receivables in FY2021.

The property segment recorded a net loss of S$Nil and S$5K in 2H2021 and FY2021 as compared to a net loss of S$0.2m and S$0.4m in 2H2020 and FY2020. The losses were mainly due to foreign exchange losses incurred during the period. As a result from the dilution in shareholding interest in MPDPL and MRN with effect from 4 May 2021, there is no results in the property segment as the Group will be recognising as share of results of associates going forward.

The corporate & others segment recorded a net profit of S$5.1m and S$6.2m in 2H2021 and FY2021, as compared to a net loss of S$0.05m and net profit of S$17.0m in 2H2020 and FY2020. The decrease in net profit in FY2021 as compared to FY2020 was mainly due to the gain on changes arising from dilution of interest in subsidiary of S$9.5m as compared to the gain on debt to debt to equity conversion exercise of S$20.0m which was completed in May 2020.

As a whole, the Group recorded a net loss attributable to owners of the Company of S$3.6m and S$1.7m in 2H2021 and FY2021 as compared to a net loss of S$7.9m in 2H2020 and a net profit of S$8.1m in FY2020.

2. 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. (cont'd)

Cash flow, working capital, assets and liabilities

The Group's cash and bank deposits amounted to S$20.5m as at 31 December 2021 as compared to S$24.4m as at 31 December 2020. The movement in cash flow was mainly due to changes in working capital, the derecognition of cash and bank deposits held by MPDPL and its subsidiary, net cash outflow on the acquisition of subsidiaries offset by the receipt of deposit on the sale of land. The decrease in cash and bank deposits was also attributable to the capital expenditure incurred for fixed assets and property under development/investment property under construction in 1H2021.

As a result of the derecognition of the net assets of MPDPL and its subsidiary, assets and liabilities as stated in Note 7(b) have decreased accordingly not withstanding that the decrease in the property, plant and equipment, right-of-use assets and intangible assets was mainly due to the depreciation and amortisation charges incurred and the decrease in trade and other payables was due to payments made and the write-back on creditors and accruals. The acquisition of AEH Group has also increased the assets and liabilities of the Group accordingly.

The Group has also fully utilized the net proceeds from the rights issue amounting to S$13.7m for the capital investment in the Ningbo Project via MPDPL as well as for working capital in 1H2021.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

4. 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 operating period and the next 12 months.

The Company has made concerted efforts to increase its profitability. Some of these steps include: (a) the implementation of cost-saving initiatives to optimise the cost-effectiveness of the Group's existing businesses; and (b) strategic business transformation efforts made to accelerate the Company's growth into a renewable energy company (the "**Proposed Diversification**"). The Board is hopeful that the Proposed Diversification will in time provide a stable and growing source of income for the Group. As part of the initial step of the diversification into the renewable energy business, the Company recently completed the acquisition of Athena Energy Holdings Pte. Ltd., a company in the principal business of developing, financing, constructing, owning and operating renewable energy assets in Asia and Australia. Please refer to the Company's announcements released on 20 October 2021 and 28 October 2021 for details.

5. Dividend information

No dividend has been declared or recommended by the Board as the Group still has accumulated losses as at 31 December 2021.

6. Interested person transactions

Name of Interested Person	Nature of relationship	Aggregate value (S$'000) of all IPTs during the period ended 31 December 2021 (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$100,000)
	Note	**S$'000**	**S$'000**
KaiYi Investment Pte. Ltd. - Lease of office premises	(1)	–	(135)
PT Dermaga Perkasapratama - Sale of electricity	(2)	5,005	–

Notes:

(1) KaiYi, a substantial shareholder, has 34.14% direct interest in the Company. In addition, Dato' Dr. Low Tuck Kwong, a substantial shareholder of the Company, owns 10.46% of KaiYi, Low Yi Ngo, the CEO and MD, and Elaine Low, a non-independent non-executive director, each owns 34.22% and the immediate family of Dato' Dr. Low Tuck Kwong, Low Yi Ngo and Elaine Low owns 16.16%. Accordingly, KaiYi is deemed to be an Interested Person for the purposes of Chapter 9 of the Listing Manual.

(2) PT Dermaga Perkasapratama is a subsidiary of PT Bayan Resources Tbk ("**Bayan Resources**"). Dato' Dr. Low Tuck Kwong, a substantial shareholder of the Company, owns 55.13% of Bayan Resources, while Low Yi Ngo, the CEO and MD of the Company, owns 0.17% of Bayan Resources. Dato' Dr. Low Tuck Kwong and Low Yi Ngo are on the board of directors of PT Bayan Resources Tbk. Accordingly, the Bayan Group, comprising Bayan Resources and its subsidiaries are deemed to be Interested Persons for the purposes of Chapter 9 of the Listing Manual.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	**Age**	**Family relationship with any director and/or substantial shareholder**	**Current position and duties, and the year the position was held**	**Details of changes in duties and position held, if any, during the year**
Low Yi Ngo	43	Son of Dato' Dr. Low Tuck Kwong, Substantial shareholder and brother of Elaine Low, NENID	**Current position:** Chief Executive Officer ("CEO") and Managing Director **Duties:** Responsible for the overall business strategy, operations and day-to-day management of the affairs of the Group **Position held in:** November 2011	Not applicable.
Elaine Low	35	Daughter of Dato' Dr. Low Tuck Kwong, Substantial shareholder and sister of Low Yi Ngo, CEO and Managing Director	**Current position:** Non-Executive Director and Non-Independent Director ("NENID") and member of Audit Committee **Duties:** Redesignated as Non-Executive Director and Non-Independent Director **Position held in:** April 2017	Ms Low has been appointed to be a member of the Audit Committee on 12 January 2021.

For and on behalf of the Board of Directors

MANHATTAN RESOURCES LIMITED

Low Yi Ngo
Chief Executive Officer and Managing Director

Tung Zhihong, Paul
Director

BY ORDER OF THE BOARD
Madelyn Kwang Yeit Lam
Secretary

25 February 2022