MANHATTAN RESOURCES LIMITED

ANNUAL REPORT 2014

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:

Low Yi Ngo, Chief Executive Officer and Managing Director

Choo Hsun Yang, Executive Director/ Chief Financial Officer

Elaine Low, Executive Director
(Appointed on 2 May 2014)

Non-Executive:

Liow Keng Teck (Independent, Chairman)

Lim Say Tai (Independent)
(Appointed on 2 May 2014)

Oliver Khaw Kar Heng

Tung Zhihong, Paul (Independent)
(Appointed on 2 May 2014)

Audit Committee

Lim Say Tai, Chairman
(Appointed on 2 May 2014)

Liow Keng Teck

Oliver Khaw Kar Heng

Tung Zhihong, Paul
(Appointed on 2 May 2014)

Nominating Committee

Liow Keng Teck, Chairman
(Appointed on 2 May 2014)

Lim Say Tai
(Appointed on 2 May 2014)

Tung Zhihong, Paul
(Appointed on 2 May 2014)

Remuneration Committee

Tung Zhihong, Paul, Chairman
(Appointed on 2 May 2014)

Lim Say Tai
(Appointed on 2 May 2014)

Oliver Khaw Kar Heng

COMPANY SECRETARY

Madelyn Kwang Yeit Lam

REGISTERED OFFICE

133 New Bridge Road
#18-09 Chinatown Point
Singapore 059413

SHARE REGISTRAR

B.A.C.S PRIVATE LIMITED
63 Cantonment Road
Singapore 089758
Telephone No.: (65) 6593 4848,
Fax No.: (65) 6593 4847

AUDITORS

Ernst & Young LLP,
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner-in-charge: Philip Ling Soon Hwa
(since the financial year ended 31 December 2014)

INVESTOR RELATIONS

August Consulting Pte. Ltd.
101 Thomson Road
#30-02 United Square
Singapore 307591
Telephone No.: (65) 6733 8873
Email: karenting@august.com.sg

CHAIRMAN'S STATEMENT

Dear Shareholders,

2014 was an exciting year for us as we begin our transformation to become a leading mineral resources group in the region.

Since the beginning of the year in review, we have started to lay new inroads to diversify our earnings base and provide new avenues of revenue streams for the Group.

As such, we have identified mineral mining as a potential source of sustainable income and consequently, we have identified several business opportunities which we believe are value propositions with good earnings potential.

For a start, we have completed the acquisition of Starsmind Capital Pte. Ltd. ("Starsmind") in November last year, through which the Group has an indirect stake of 23.64% in a mining company, Xinjiang Fengli De Yuan Trading Co., Ltd ("Xinjang Fengli"). Armed with a metals and minerals exploration permit in the Xinjiang Uygur Autonomous region, the China-based mining company has access to a surface mine with an estimated 4.2 billion tonnes[1] of serpentine in measured and indicated mineral resources using a Magnesium Oxide cut-off grade of 30%.

We have also since entered into a conditional sale and purchase agreement to acquire Singxin Resources Pte. Ltd. ("Singxin Resources"), which owns an indirect stake in another China-based mining company, Urumqi Jinshi Huilong Mining Co., Ltd ("UJHM"). UJHM holds mining exploration permits for minerals in 3 concession areas covering a total of 26.99 sq km in Xinjiang, China. The Singxin vendors and the Company are in the midst of completing the conditions precedent to the proposed acquisition. We will provide updates and make further announcements as and when there are any material developments in relation to the acquisition.

To further broaden our earnings base, the Group is currently in the midst of venturing into the mineral water mining industry through the proposed acquisition of Singxin Water Pte. Ltd. ("Singxin Water"). Singxin Water owns a China mining company, Wuqia County Kunlun Mineral Water Co., Ltd, which holds a mineral water mining permit that covers a total area of 0.5 sq km in Wuqia County in the Xinjiang Uygur Autonomous Region, China. We expect to complete this acquisition by 2H 2015.

1 JORC Report, 20 January 2014

CHAIRMAN'S STATEMENT

Even as we work towards building a more resilient and stable revenue base through an array of diversification exercises, our core business took a hit on the back of continued adverse weather in Kalimantan, Indonesia, resulting in a reduction in coal transportation volume.

Consequently, the Group posted lower revenue of $17.0 million for the financial year ended 31 December 2014 ("FY2014") as compared to $23.7 million in the same period the year before ("FY2013").

Coupled with higher depreciation expenses and an increase in legal and professional fees, the Group recorded a net attributable loss of $5.9 million in FY2014 as compared to a net profit of $2.5 million in FY2013.

From a balance sheet standpoint, the Group continues to remain in good financial health with net cash holdings of $81.2 million and zero debt as at 31 December 2014, strengthening from a net cash position of $78.4 million registered the year before.

Outlook

Barging & Shipping

Coal prices are likely to remain lacklustre with continued volatility in global supply and demand. According to the Economist Intelligence Unit (EIU) Economic and Commodity Forecast, February 2015, average coal prices are expected to inch lower to US$66.7 per tonne in 2015 as compared to US$70.1 per tonne in 2014.

Coupled with the unpredictable weather that plagued our transport routes, we remain cautious on our earnings outlook for 2015.

Property

With regard to our first foray into property, piling works for the Group's 40-year leasehold development in Ningbo, China, are expected to commence in second quarter of 2015. The 54-storey development with a GFA of 159,926 sqm will comprise a mix of SOHO, retail and office units as well as a basement carpark, and is expected to be completed in 2020.

CHAIRMAN'S STATEMENT

Mining

The mineral mining business has a considerable investment horizon, and we are prepared to take a long term view on it. We believe that there is tremendous value in owning assets rich in minerals which are depleting by the day. The key lies in our ability to unlock the value of these assets, and we are exploring all options to do so.

Board Changes

Following the departures of Independent Directors, Mr Chew Eng Soo and Mr Hirochika Shinohara in 2014, the Group is pleased to have appointed suitable replacements to fill the vacated positions.

We welcome Mr Lim Say Tai and Mr Tung Zhihong, Paul, to the Board as Independent Directors of the Group with effect from 2 May 2014.

In addition, we also wish to congratulate Ms Elaine Low on her appointment as the Group's Executive Director with effect from 2 May 2014.

Closing notes

On behalf of the Board, I would like to extend our heartfelt appreciation to our management and employees for their hard work and unwavering loyalty.

I also wish to express our gratitude to our business partners for their continued support. Last but not least, I would like to thank our shareholders for embarking on this journey with us, as we work towards fostering a stronger earnings base, to deliver sustainable value to all in the years ahead.

Thank you.

Liow Keng Teck
Chairman

27 March 2015

NEW STRATEGIC DIRECTION

Charting the right path toward sustainable growth

As an accomplished player in the Indonesian coal shipping industry, the Group does not rest on its laurels and continues to pursue new pillars of sustainable growth. Since the beginning of 2014, the Group began charting a gradual but steady path towards becoming a diversified group with two additional growth engines: mineral resources and property development.

Property Development in Ningbo, China

The Group ventured into property development in China, following the acquisitions of two land parcels in Yinzhou District, Ningbo, Zhejiang Province, totalling 23,381 sq m. Upon completion in 2020, the mixed development, to be named the Ningbo Yinzhou Manhattan Tower, will cater to the New Southern Business District, which is primed to be an emerging commercial hub with a large proportion of mid to mid-upper office properties and retail facilities.

Mineral Resources in Xinjiang, China

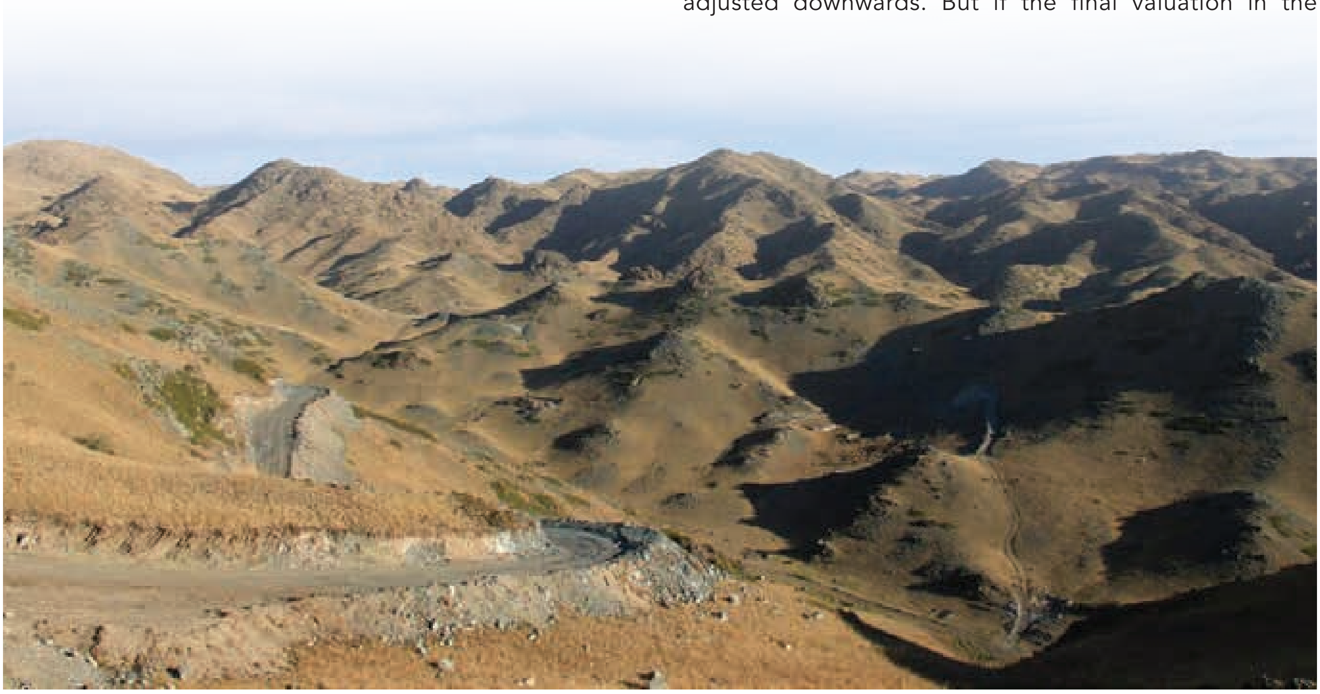
Starsmind Capital Pte. Ltd.

The Group made its first foray into the mining industry in 2014 through the acquisition of a 60% stake in Starsmind in November 2014. Through which, the Group has an indirect stake in a China-based mining company, Xinjiang Fengli, which currently holds a metals and minerals exploration permit covering an area of 21.51 sq km located approximately 100 km south of the Tuoli County town in the Xinjiang Uygur Autonomous region, China.

According to the JORC report, the mine has 4.2 billion measured and indicated tonnes of serpentine. As this is a surface mine, capital expenditure, and mining and construction costs are expected to be lower compared to underground mining.

Singxin Resources Pte. Ltd.

In May 2014, the Group also entered into a conditional sale and purchase agreement to acquire the entire issued share capital of Singxin Resources, which owns an indirect 70% stake in China-based mining company, UJHM. The China-based mining company currently holds mining exploration permits in respect of minerals in 3 concession areas covering a total of 26.99 sq km in Xinjiang, China. The proposed purchase price of $1.0 billion, which is to be satisfied through the issuance of shares, was arrived on a willing-buyer and willing-seller basis after taking into account, among others, a local geological report indicating the resources available at the target area. However, if the final valuation in the VALMIN report results in a negative variance in valuation of an aggregate of more than 5%, the purchase consideration shall be adjusted downwards. But if the final valuation in the

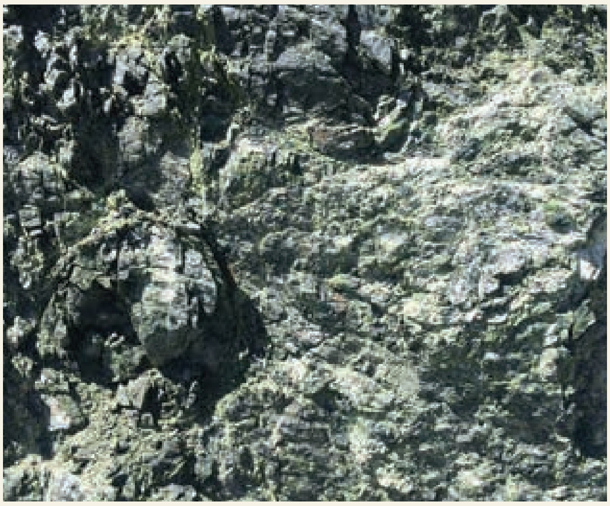


NEW STRATEGIC DIRECTION

About Serpentine and the Xinjiang province

Serpentine is a mineral that can be used to produce either magnesia (magnesium oxide) and certain magnesium-based products. Magnesia is versatile and has wide industrial applications such as fertilisers, pharmaceuticals and construction.

The Xinjiang province has an abundance of natural resources and developed agricultural industries. As the largest province in China, it accounts for one-sixth of the total land area. It is conveniently accessible via the New Silk Road railway line, which provides cost effective logistics solution linking China, Central Asia, and Europe.



VALMIN report results in a positive variance, there will be no adjustment in the purchase consideration.

There is a moratorium on the entire shareholdings of the vendors in the Company upon completion of the acquisition for the longer period of (a) the applicable moratorium requirements under Rule 229 of the Listing Manual, or (b) until such time where the Target Group records an accumulated revenue of $50.0 million and at least 50% of their shareholdings until such time where the target Group records an accumulated revenue of $100.0 million.

Singxin Water Pte. Ltd.

Singxin Water, through its 100%-owned subsidiary, 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 China. Currently, the bottling plant is undergoing trial production and is expected to commence commercial production in 2H 2015. The Group is expected to complete its acquisition of the entire issued and paid-up share capital of Singxin Water for $4.5 million in 2H 2015.

DIRECTORS' INFORMATION

LIOW KENG TECK

Board Chairman and Independent Director, Chairman of Nominating Committee and Audit Committee's Member

Mr Liow was appointed as the Group's Board Chairman in May 2013 and is a registered professional engineer.

With extensive experience in the power utilities sector, Mr Liow was previously the Managing Director of Development Resources Pte Ltd, a subsidiary of Singapore Power, providing engineering consultancy and project management for power plant and infrastructure projects in the region. He was also a consultant and advisor to a major power generating company operating in Singapore. Mr Liow also offers advisory services pertaining to the engineering business and is currently a member of the Singapore Institute of Directors. Since 1992 Mr Liow held the role of director at Jaya Holdings Limited, before retiring in 2012. He had also sat on the board of a number of public and private companies including Jurong Engineering Ltd and International Capital Investment Ltd.

Mr Liow graduated with an Honours degree in Mechanical Engineering from the University of Singapore.

LOW YI NGO

Chief Executive Officer and Managing Director

Mr Low was appointed as Chief Executive Officer and Managing Director in November 2011 and is responsible for the overall business strategy, operations and day-to-day management of the affairs of the Group.

Prior to his current appointment, Mr Low first started off with Bayan Resources as Project Coordinator for the construction of Kalimantan Floating Transfer Station in 2004. Subsequently, he became the Marketing Director of PT Bayan Resources Tbk, a company related to the controlling shareholder of the Company, with a primary responsibility to market Bayan Resources' coal. Mr Low is also a non-executive director of Kangaroo Resources Limited, a coal mining company listed on the Australian Stock Exchange.

Mr Low obtained a Bachelor's degree in Mechanical and Production Engineering from the Nanyang Technological University in 2004.

ELAINE LOW

Executive Director

Ms Low was appointed to the Board in May 2014 and currently holds several directorships in the medical, education and coal mining industries. She is also an affiliate of Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

Ms Low graduated with a Master's Degree in Public Policy in 2014 from the National University of Singapore, Lee Kuan Yew School of Public Policy.

CHOO HSUN YANG

Executive Director and Chief Financial Officer

Mr Choo was appointed to the Board in July 2011. With more than 15 years of experience in the investment management industry across various prominent financial firms, he is also the Group's Chief Financial Officer.

Mr Choo graduated with a Bachelor of Business (Financial Analysis) from the Nanyang Technological University in 1994.

DIRECTORS' INFORMATION

LIM SAY TAI

Independent Director, Chairman of Audit Committee, Nominating and Remuneration Committees' Member

Mr Lim was appointed as the Group's Independent Director in May 2014 and has been members of the Association of Chartered Certified Accountants and Singapore Society of Accountants since 1975 and 1977 respectively.

In 1979, Mr Lim first joined UOB Group as a Class One Officer in the finance department of Chung Khiaw Bank, a subsidiary of UOB. In 1981, he was transferred to UOB where he held various positions in the finance division. Following which, Mr Lim was appointed as Vice President in 1988, heading the Treasury Settlements Division before retiring as Senior Vice President in January 2010.

OLIVER KHAW KAR HENG

Non-Executive Non-Independent Director, Audit and Remuneration Committees' Member

Mr Khaw is the Group's Non-Independent Director and was appointed to the Board in March 2013.

He is also the Head of Legal/Senior Foreign Counsel of PT Bayan Resources Tbk, a company related to the controlling shareholder of the Company, since 2008. Over the past decade, Mr Khaw has worked as Group Legal Counsel for LKT Industrial Berhad and was a Partner at Lee, Oliver & Gan, a law firm in Kuala Lumpur, Malaysia.

Mr Khaw graduated with a Master's Degree in Business Administration in 2005 from the University of Western Sydney, Australia and with a Bachelor Degree in Law in 1996 from Anglia Ruskin University, United Kingdom. He was admitted for practice as Barrister-at-Law in UK in 1997 and as Advocate & Solicitor in Malaysia in 1998.

TUNG ZHIHONG, PAUL

Independent Director, Chairman of Remuneration Committee, Audit and Nominating Committees' Member

Mr Tung was appointed to the Board in May 2014 and is currently the Finance Manager of a multinational corporation listed on the New York Stock Exchange. Prior to his current role, Mr Tung was an audit manager with PricewaterhouseCoopers Assurance.

Mr Tung holds a Bachelor of Commerce degree majoring in Financial Accounting, Corporate Finance and Investment Finance from the University of Western Australia.

INFORMATION ON KEY MANAGEMENT STAFF

CHANG SZIE HOU

Project Director

Mr Chang joined the Company in August 2009 as Project Director and is responsible for the Group's project development.

Prior to joining, Mr Chang was with Manhattan Kalimantan Investment Pte Ltd in Indonesia from August 2006 to July 2009 in the capacity of Technical Advisor, responsible for the oil and gas exploration work and the development of the Tarakan Offshore Block. Mr Chang also spent a large part of his career in the construction sector and has been actively involved in project management and foundation engineering in Singapore, Malaysia, Indonesia, Thailand, China and Vietnam. Mr Chang is currently a registered professional engineer and a life member of the Institution of Engineer in Singapore.

Mr Chang graduated with a Fellowship Diploma in Civil Engineering from Royal Melbourne Institution of Technology in 1968.

FRANCIS TSUI

Project Director

Mr Tsui joined the Group in November 2014 as Project Director and is actively involved in the day-to-day management of the Ningbo project.

Mr Tsui has over 30 years of project development and management experience, accumulated in African continents, China, Hong Kong, Singapore, Indonesia, Middle East, Russia and United Kingdom. His track record of construction projects included hospital, hotels, airport, commercial, residential, casino, industrial parks, theme parks, resorts, oil refinery and mass rapid transit station.

Mr Tsui graduated with an Honours degree in Environmental Engineering from the City University in London, UK.

LIM KOK SHIANG, SEAN

General Manager of MR Logistics Group

Mr Lim joined the Group in January 2005 and is responsible for all operational matters relating to the coal transportation business of the Group.

Mr Lim has worked as an auditor and accountant across various industries since 1995. In May 2004, Mr Lim joined ASL Shipyard Pte Ltd as Senior Accountant and was transferred to MR Logistics Pte Ltd since January 2005. He took on the operational duties of the coal transportation business in January 2012.

Mr Lim holds a Bachelor of Business (Accounting) degree from Charles Sturt University of Australia and is a Certified Public Accountant with CPA Australia.

INFORMATION ON KEY MANAGEMENT STAFF

TAN SOON YUN

Deputy Chief Financial Officer

Ms Tan joined the Company in May 2012 and assists the Chief Financial Officer in the Group's financial matters and oversees the Group's finance teams.

Ms Tan was formerly an Assurance Manager of an international firm of certified public accountants.

Ms Tan obtained her Bachelor of Business Administration degree from the National University of Singapore and is a chartered accountant with Institute of Singapore Chartered Accountants and member of Association of Chartered Certified Accountants.

XIA YA HUI

Senior Business Development Manager

Ms Xia joined the Group in May 2011 before being appointed to the role of Senior Business Development Manager in January 2015. She also carries out project and communications work for the Group.

Prior to that, she worked in a commodities trading house as a Commercial and Project Manager. She also possesses experience in the investor relations industry.

Ms Xia graduated from the Nanyang Technological University, Singapore, with a Bachelor of Engineering Degree (Electrical and Electronics Engineering) in 2000.

WONG FOONG MENG

Plant Operation Manager

Mr Wong joined the Group in December 2014 and is responsible for operational matters relating to the mineral water manufacturing plant.

With extensive experience in the field of engineering, he previously worked as a certified civil and structural engineer across a diverse mix of projects in Malaysia and Indonesia.

Mr Wong graduated with a Degree in Civil Engineering from Universiti Teknologi Malaysia in 2001.

OPERATIONS AND FINANCIAL REVIEW

The Group reported a net attributable loss to equity holders of the Company of $5.9 million in FY2014, on revenue of $17.0 million. In FY2013, net profit attributable to the equity holders of the Company and revenue were $2.5 million and $23.7 million respectively.

SHIPPING SEGMENT

During the year, the Group recorded revenue of $17.0 million for FY2014, which was 28% lower than the $23.7 million achieved in FY2013 mainly due to the reduction in coal transportation volume. This was the result of unusually adverse weather conditions that persisted for most part of the year. Consequently, the shipping segment registered a net loss of $4.1 million in FY2014.

Other vessel expenses also fell 14% to $13.3 million in FY2014 as a result of lower fuel expenses, agent fees and port handling charges.

Contributing to this loss was the higher depreciation expense due to capitalization of docking expenses, and additional costs pertaining to vessel accidents during the course of the year. However, this increase in costs was cushioned by the lower maintenance expenses in FY2014.

NINGBO PROPERTY DEVELOPMENT

Piling works for the Ningbo mixed development project in China is expected to commence in the second quarter of 2015. The project is expected to complete in 2020. The tenure of the land use right is 40 years commencing from August 2011.

FINANCIAL POSITION

As at 31 December 2014, the group's total assets of $223.0 million were $43.7 million higher than in FY2013. This increase was mainly attributed to higher cash balances, property under development and investment in associate.

The Group remains financially strong with zero debt and a net cash balance of $81.2 million as at 31 December 2014.

OPERATIONS AND FINANCIAL REVIEW

The Group's net cash position rose by $2.8 million, from $78.4 million in FY2013. The increase in cash was generated by operations, amounting to $4.6 million, and proceeds from the sale of investment properties of $5.0 million. This was partly offset by legal and professional fees; purchase of property, plant and equipment and the disbursement for the conditional sale and purchase agreement of Singxin Water; and expenditure incurred for property under development.

Property under development increased $4.1 million to $39.2 million due to the capitalization of development expenditure in FY2014 and the appreciation of RMB against SGD.

Notably, the investment in associate of $42.4 million refers to investment in Starsmind.

The Group's total liabilities of $27.0 million were $3.4 million higher than in FY2013. This was due to the increase in trade and other payables as settlement dates were delayed.

In FY2014, the Group's share capital increased to $189.0 million, from $163.6 million previously, following the issue of new shares after the completion of the acquisition of Starsmind in November 2014.

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

Manhattan Resources Limited (the "Company") recognises the importance of good governance in establishing and maintaining an operating environment which serves the interests of all stakeholders. The Company is committed to achieving a high standard of corporate governance to ensure transparency and maximisation of long-term shareholders' value. The Company and its subsidiaries (collectively, the "Group") has complied with the principles and guidelines set out in the Code of Corporate Governance 2012 where practicable.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1

The board of directors ("Board") oversees the business affairs of the Group. Each director is expected to act in good faith and objectively take decisions in the interests of the Company and the Group. The principal functions of the Board include the approval of appointment of directors and succession planning process; the setting of strategic plans; the approval of material investments, divestments and funding for the Company and the Group; overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting, compliance and information technology controls; being responsible for corporate governance practices; dealing with matters such as conflict of interest issues relating to substantial shareholders or directors or interested person transactions or those transactions or matters which require Board's approval under the provisions of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") or any applicable regulations as well as reviewing the performance of management and the financial performance of the Company and the Group. The Company and the Group have in place internal guidelines for financial authorisation and approval limits relating to capital and operating expenditure and specified transactions.

To facilitate effective management, certain functions had been delegated to three board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). The former Risk Management Committee ("RMC") was subsumed under the AC with effect from 2 May 2014. Each of the various board committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board meets regularly and is provided with relevant updates and information. Where necessary, Board meetings are convened to deliberate on substantive matters. In addition, directors often make themselves available and accessible to management for discussion and consultation. The Board and Board committees may also make decisions by way of circulating resolutions.

REPORT ON CORPORATE GOVERNANCE

The number of Board and the Board Committee meetings held during the financial year ended 31 December 2014 and the attendances of the directors of these meetings are set out below:

	Number of meetings attended in 2014			
	Board of Directors	Audit Committee	Remuneration Committee	Nominating Committee
Meetings held in 2014	**5**	**7**	**4**	**2**
Name of Director				
Chew Eng Soo(1)	2	2	NA	1
Hirochika Shinohara(2)	**–**	**NA**	**–**	**–**
Liow Keng Teck(3)	5	7	2	–
Low Yi Ngo	**5**	**NA**	**NA**	**NA**
Elaine Low(4)	3	NA	NA	NA
Choo Hsun Yang(5)	**5**	**NA**	**NA**	**2**
Lim Say Tai(6)	3	5	2	–
Oliver Khaw Kar Heng	**5**	**7**	**4**	**NA**
Tung Zhihong, Paul(7)	3	4	2	–

(1) Resigned as Director on 25 March 2014.
(2) Retired as Director on 30 April 2014.
(3) Appointed as Chairman of NC and resigned as member of RC with effect from 2 May 2014.
(4) Appointed as Executive Director with effect from 2 May 2014.
(5) Relinquish as member of NC with effect from 2 May 2014.
(6) Appointed as Chairman of AC, member of RC and NC with effect from 2 May 2014.
(7) Appointed as Chairman of RC, member of AC and NC with effect from 2 May 2014.
NA Not applicable

REPORT ON CORPORATE GOVERNANCE

Board Composition and Guidance
Principle 2

As at the date of this report, the Company has seven directors, namely:

Name of Director	Board	Board Committee	Date of appointment	Date of last re-election
Low Yi Ngo	Executive Director, CEO and Managing Director	–	28 November 2011 (Appointed as Non-Executive Director on 10 September 2006)	29 April 2013
Liow Keng Teck	**Independent Chairman**	**Chairman of NC and Member of AC**	**10 September 2006**	**30 April 2014**
Elaine Low	Executive Director	–	2 May 2014	Not applicable
Choo Hsun Yang	**Executive Director/Chief Financial Officer**	**–**	**23 May 2013 (Appointed as Independent Director on 26 July 2011 and as Chief Financial Officer on 1 July 2013)**	**30 April 2014**
Lim Say Tai	Independent Director	Chairman of AC, Member of RC and NC	2 May 2014	Not applicable
Oliver Khaw Kar Heng	**Non-Executive and Non-Independent Director**	**Member of AC and RC**	**11 March 2013**	**29 April 2013**
Tung Zhihong, Paul	Independent Director	Chairman of RC, Member of AC and NC	2 May 2014	Not applicable

Note: The details of directors' shareholding in the Company and its related corporations are disclosed in the "Directors' Report" section of this annual report.

Mr Oliver Khaw Kar Heng is the Head of Legal/Senior Foreign Counsel of PT Bayan Resources Tbk. Although PT Bayan Resources Tbk is related to the controlling shareholder of the Company, Dato' Dr. Low Tuck Kwong, Mr Oliver Khaw Kar Heng is not by definition 'directly associated' to the controlling shareholder as he is not under any obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the controlling shareholder. Therefore, he may be considered independent. However, in the interest of good corporate governance, the NC has adopted the view that Mr Oliver Khaw is not to be considered independent. Mr Low Yi Ngo, the Chief Executive Officer and Managing Director and Ms Elaine Low, the Executive Director of the Company, are the children of the controlling shareholder. The three independent directors on the Board are Mr Liow Keng Teck, Mr Lim Say Tai and Mr Tung Zhihong, Paul.

None of the directors have served the Company for a period exceeding nine years.

REPORT ON CORPORATE GOVERNANCE

The Board comprises members who have extensive experience in banking, accounting, financial services, engineering and legal sectors. The composition of the Board is well-balanced. The profiles of the directors are set out on pages 7 to 8 of this Annual Report.

The Board consists of seven directors of whom three are considered independent by the Board. The independent directors constitute more than one-third of the Board. The Board is able to exercise objective judgment in the interest of the Company and the Group. No individual or group of individuals dominates the Board's decision-making process.

The views and opinions of the non-executive directors provide alternative perspectives to the Group's business and they bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities.

Chairman and Chief Executive Officer
Principle 3

There is a clear division of responsibilities and roles between the Chairman, who is independent, and the Chief Executive Officer. This ensures an appropriate balance of power and views as well as accountability.

The Chairman chairs Board meetings and ensures that the directors receive accurate, timely and clear information, guides the Board on its discussion of substantive issues and ensures adequate time is available for such discussion. The Chairman also leads the Board to ensure its effectiveness, including the facilitation of effective contribution by non-executive directors, promotes a culture of openness and debate at the Board, ensures effective communication with shareholders, and encourages constructive relations within the Board and between the Board and management. The Chairman also promotes high standards of corporate governance.

The Chief Executive Officer is responsible for the execution of the Company's and the Group's strategies and the day-to-day operations of the Company and the overall performance of the Group.

The Chairman and the Chief Executive Officer are not related to each other.

Board Membership
Principle 4

The members of the NC as at the date of this report are as follows:

Liow Keng Teck	Chairman
Lim Say Tai	Member
Tung Zhihong, Paul	Member

All the NC members are independent and not related to any substantial shareholders of the Company.

Under its terms of reference, the NC is responsible for reviewing the Board's composition and effectiveness and makes recommendations to the Board on all Board and Board Committee appointments. It is responsible for the nomination of directors for re-election and also reviews the independence of each director on an annual basis. The NC will also review Board succession plans for directors, in particular the Chairman and the CEO.

REPORT ON CORPORATE GOVERNANCE

In recommending new directors, if any, the NC relies mainly on the contacts and network of the entire Board. However, the NC may engage the services of external recruitment companies, if necessary. In nominating new directors, consideration is given to the integrity, skills and experience of the candidates and the overall composition of the Board.

All newly appointed directors are briefed on the business activities and strategic directions of the Company and the Group. Visits are arranged for non-executive directors to acquaint themselves with the Group's major overseas operations. All directors are provided with a Directors' Handbook, which includes coverage of directors' duties and responsibilities and the related requirements under the Singapore Companies Act, Chapter 50 (the "Act"), SGX-ST's Listing Manual and the Code of Corporate Governance 2012. On an ongoing basis, the Company updates the directors regarding developments in new laws and regulations or changes in regulatory requirements and financial reporting standards or corporate governance practices or news articles which are relevant to or may affect the businesses of the Company and the Group. In addition, the Company encourages the directors to be members of the Singapore Institute of Directors ("SID"), and for them to receive journal updates and training from SID, as well as to attend relevant courses and seminars, so that they can stay abreast and be apprised of developments in the financial, legal and regulatory requirements and the business environment. During FY2014, the Group arranged and funded, and new directors attended, appropriate training courses conducted by SID.

The NC will formalise the process for the selection and appointment of directors. The NC will also consider the appropriateness of letters of appointment issued to directors, which set out their duties, obligations and terms of appointment.

In the process for selection, appointment and re-appointment of directors, the NC will also consider factors such as composition and progressive renewal of the Board and each director's competencies, commitment and performance.

The Board has prescribed that each Board member should not hold more than six board representations in public listed companies. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company. Board and Board Committee meetings are scheduled in advance to facilitate the Directors' scheduling of their commitments.

Pursuant to the Company's Articles of Association, a director appointed during the financial year may hold office until the next annual general meeting ("AGM") following their appointment and will be eligible for re-election. In addition, directors of or over 70 years of age are required to be appointed every year at the AGM pursuant to Section 153 of the Act before they can continue to act as a director. All directors are required to submit themselves for nomination and re-election at least once every 3 years.

Board Performance
Principle 5

The Group's main activities include the provision of coal transportation services in Indonesia, principally for a company which is related to the controlling shareholder. The Company is also constantly seeking for business expansion opportunities, such as its property development initiative in China.

The Board believes its performance would be judged based on the Group's ability to manage the operations of the coal transportation activities in an efficient manner and to seek new investment opportunities to enhance shareholders' value. Discussions on the progress are made at formal Board meetings. Regular discussions are also held between management and directors who offer their views and guidance on the matters.

REPORT ON CORPORATE GOVERNANCE

The Board, based on the recommendation of the NC, recognises the need for regular reviews and evaluations of the effectiveness of the Board as a whole and the effectiveness of individual directors.

During the financial year, all directors are requested to complete a Board Evaluation Questionnaire which are collated and presented to the NC for review before submitting to the Board to determine actions required to improve the effectiveness of the Board and Committees of the Board as a whole. Taking into account the board size and composition, the NC is of the opinion that the evaluation of the Board as a whole and its Committees would suffice to assess the effectiveness and performance of the Board, its Committees and directors.

In evaluating the contribution and performance of the Board, its Board Committees and directors, the NC takes into consideration a number of factors including attendance, preparedness and participation in decision-making.

Access to Information
Principle 6

Management, including the executive directors, keeps the Board apprised of the Group's operations and performance through updates and reports as well as through informal discussions. Prior to the meetings of the Board or Board Committees, directors are provided, where appropriate, with management information to enable them to be prepared for the meetings. On an ongoing basis, all Board members have full and free access to management, the Company Secretary and any information the Board requires. If required, the Board has access to independent professional advice to assist them fulfill their responsibilities and duties.

At Board meetings, the Group's actual results are compared with budgets, and material variances are then explained. The strategies and forecast for the following months are discussed and approved as appropriate. The Board is also provided with updates on the relevant new legislation, regulations and changing commercial risks in the Company's and the Group's operating environment through regular meetings.

REMUNERATION MATTERS

Procedures for Developing of Remuneration Policies
Principle 7

Level and Mix of Remuneration
Principle 8

The members of the RC as at the date of this report are as follows:

Tung Zhihong, Paul	Chairman
Lim Say Tai	Member
Oliver Khaw Kar Heng	Member

A majority of the RC members, including the Chairman, are independent.

REPORT ON CORPORATE GOVERNANCE

The role of the RC is to review and make recommendations to the Board on the remuneration package of each executive director and key management personnel. The RC also recommends the level of fees for directors and Board Committee members which are subject to the approval of shareholders. No director is involved in the deliberation of his own remuneration or fee level. Where necessary, independent professional advice on the framework for remuneration packages may be sought by the RC.

In recommending the remuneration packages of the executive directors and key management personnel, the RC is largely guided by the financial performance of the Company and the Group. It believes that the remuneration level should be competitive and sufficient to attract, retain and motivate the executive directors. In the prior financial year, the remuneration packages of the executive directors comprised a fixed base salary and 13th-month annual wage supplement. No performance-related or incentive bonus was paid to the executive directors. Having reviewed and considered the variable components of the service contracts of the executive directors and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Chief Executive Officer and Managing Director and Executive Directors have entered into employment agreements with the Company.

The Group had introduced long-term incentive schemes. At an Extraordinary General Meeting held on 16 September 2008, the shareholders had approved the adoption of two long-term incentive schemes, namely the Manhattan Resources Share Option Scheme ("Option Scheme") and Manhattan Resources Performance Share Scheme ("Share Scheme").

The Option Scheme is a plan for eligible employees, executive directors and non-executive directors. However, the Share Scheme is a plan only for eligible executives and executive directors.

The RC has been given the responsibility to administer both the Option Scheme and Share Scheme.

In future, the Company's remuneration policy may be amended to take into account the overall performance of the Company, the meeting of key targets, shareholders' value enhancement and individual performance.

Disclosure of Remuneration
Principle 9

Taking note of the highly competitive industry conditions and pressure in talent market and the sensitivity and confidentiality of remuneration matters, the Board decided not to disclose the remuneration of each individual director and key executive officer (who are not directors) of the Group, including names of the top five key executives.

REPORT ON CORPORATE GOVERNANCE

The remuneration of the directors and the top five executives (who are not directors), is set out below:

(a) The table below shows a breakdown (in percentage terms) of the average remuneration of directors, which fall within broad bands, for the financial year ended 31 December 2014:

Directors of the Company	Salary %	Bonus %	Allowance %	Director's fee %
Below S$250,000:				
Low Yi Ngo	**82**	**7**	**11**	**–**
Elaine Low	91	–	9	–
Choo Hsun Yang	**89**	**7**	**4**	**–**
Liow Keng Teck	–	–	–	100
Lim Say Tai	**–**	**–**	**–**	**100**
Oliver Khaw Kar Heng	–	–	–	100
Tung Zhihong, Paul	**–**	**–**	**–**	**100**
Chew Eng Soo *(Resigned on 25 March 2014)*	–	–	–	100
Hirochika Shinohara *(Retired on 30 April 2014)*	**–**	**–**	**–**	**100**

(b) The remuneration paid to the top five key executives (who are not directors) for the financial year ended 31 December 2014 is as follows:

Remuneration Band	Number
Below $250,000	5

There is no immediate family member (as defined in the Listing Manual of SGX-ST) of a director or the Chief Executive Officer in the employ of the Company whose annual remuneration exceeds $50,000 during the financial year ended 31 December 2014.

To date, there is no termination, retirement and post-employment benefits granted to directors, the CEO and the key management personnel.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10

There are comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company's and Group's policies and Board's decisions, and the day-to-day management of the Group's operating units.

REPORT ON CORPORATE GOVERNANCE

For effective monitoring of the Group's business and affairs, management and financial information are provided to the Board for review at the quarterly Board meetings. This information includes disclosure documents, quarterly results, forecasts for profit and cash flow, working capital and funding levels, compared to approved budgets and the corresponding prior financial periods' results, where applicable. In addition, the Company adopts a policy which welcomes directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from management.

Audit Committee
Principle 12

The members of the AC as at the date of this report are as follows:

Lim Say Tai	Chairman
Liow Keng Teck	Member
Oliver Khaw Kar Heng	Member
Tung Zhihong, Paul	Member

A majority of the AC members, including the Chairman, are independent. Mr Lim Say Tai has the requisite practical financial management expertise and experience to chair the AC. Mr Liow Keng Teck, Mr Oliver Khaw Kar Heng and Mr Tung Zhihong, Paul have the requisite expertise or experience to discharge their responsibilities as members of the AC.

The duties of the AC include:

(a) reviewing the audit plans of the internal and external auditors of the Company and reviewing the internal auditor's evaluation of the adequacy of the Company's and Group's system of internal accounting controls and the assistance given by the Company's and Group's management to the internal and external auditors;

(b) reviewing the quarterly and full year financial statements before their announcements;

(c) reviewing the annual financial statements and the external auditor's report on the annual financial statements of the Company and the Group before their submission to the Board;

(d) reviewing the effectiveness of the Company's and Group's material internal controls, including financial, operational and compliance controls, information technology controls and risk management policies and systems;

(e) meeting with the internal and external auditors, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(f) reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(g) reviewing the effectiveness of the internal audit function;

(h) reviewing the cost effectiveness, independence and objectivity of the external auditor and the nature and extent of non-audit services provided by the external auditor;

REPORT ON CORPORATE GOVERNANCE

(i) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and the Group and any formal announcements relating to their financial performance;

(j) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor and reviewing the scope and results of the audit;

(k) reviewing, monitoring and advising the Board on the Company's and Group's overall risk exposures, tolerance and strategy;

(l) reviewing the Company's and Group's overall risk assessment, framework, processes and methodology;

(m) reporting actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate; and

(n) reviewing interested person transactions in accordance with the requirements of SGX-ST's Listing Manual.

The AC has the power to conduct investigations in accordance with the AC's written terms of reference and has full access to and co-operation from management as well as direct access to the Company's external auditor. In discharging its duties, the AC may seek independent advice at the expense of the Company.

The AC is kept abreast by the Management and the external auditors of changes to accounting standards which have impact on the Group's consolidated financial statements.

The AC met with both the internal and external auditors without the presence of management and reviewed the overall scope of the internal and external audits and assistance given by management to both the internal and external auditors. During the financial year ended 31 December 2014, an amount of $181,000 and $177,000 was paid/payable to the Company's external auditor for audit fee and tax compliance and advisory services for the financial year ended 31 December 2014. In the opinion of the AC, the nature and extent of these non-audit services did not prejudice the independence and objectivity of the Company's external auditor.

The AC has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as auditor at the forthcoming AGM of the Company.

In appointing the auditing firms for the Company and its subsidiaries, we have complied with Rules 712 and 715 of the Listing Manual of SGX-ST.

The AC has adopted a whistle-blowing policy to encourage and to provide a channel for stakeholders to report and to raise, in good faith and in confidence, their concerns about possible improprieties in matters of financial reporting and other matters. An email address has been created to receive any whistle-blowing concerns and stakeholders are invited to write to ACchairman@manhattan.sg.

REPORT ON CORPORATE GOVERNANCE

Internal Audit
Risk Management and Internal Controls
Principle 11

The Group continues to reinforce its internal controls which address financial, operational, information technology and compliance risks designed to provide reasonable assurance with regard to the keeping of proper accounting records, integrity and reliability of its financial information and safeguarding the Group's assets. The management has further strengthened its human resources to support the internal control review initiatives and to implement revised policies and procedures.

The AC annually evaluates the findings of the internal auditor on the internal controls. In addition, it also evaluates the observations and recommendations by the external auditor on any material internal control weaknesses which have come to its attention in the course of its statutory audit. On an ad-hoc basis as warranted by particular circumstances, the AC may commission professional independent reviews of the operations of the Company and its subsidiaries and evaluates the results of such professional independent reviews. The evaluation assists the Board in developing policies that enhances the controls and operating systems of the Company and the Group.

The RMC was subsumed under the AC on 2 May 2014 and the AC had assumed the duties and responsibilities of the former RMC. The Board, with the assistance from the AC, is responsible for reviewing the appropriateness of framework and policies for managing risks, setting the risk appetite of the Company and the Group, reviewing key risks identified at business unit levels and their related risk treatment plans.

Management has implemented a formalized risk management framework, under the guidance of AC, for the identification, treatment, monitoring and reporting of risks. The AC shall also review and discuss risk management matters at least twice a year. A risk self-assessment exercise was conducted at business unit level and a risk register with risk treatment plans was identified. Arising from these risk management activities, the Company and the Group have adopted a set of more stream-lined and comprehensive guidelines for approval limits and delegation of authorities, investment approval and documentation requirements, as well as project status reporting. The AC and the Board are not aware of any matter which suggests that key risks are not being satisfactorily managed.

The Group's financial risk management objectives and policies are discussed further in Note 28 to the financial statements.

The Board has obtained a written confirmation from the CEO and CFO that:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2014 give a true and fair view of the Group's operations and finances; and

(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment.

Based on the internal controls established and maintained by the Company and the Group, the work performed by the internal auditors and statutory audits by the external auditors, and reviews performed by management, Board Committees and the Board, it is the opinion of the Board and AC that the internal controls put in place, which addressed the financial, operational, compliance risks and information technology controls and risk management system, are adequate in meeting the current scopes of the Company's and the Group's operations in the prevailing

REPORT ON CORPORATE GOVERNANCE

business environment in all material aspects. However, the Board acknowledges that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

The Board will continually review and improve the internal controls and risk management systems of the Company and the Group on an on-going basis.

Principle 13

The primary objectives of the internal audit function are to assess if adequate systems of internal controls are in place to safeguard shareholders' investments and the Group's assets and to ensure that such control procedures are continuously complied with. The internal auditor reports to the AC. During the financial year ended 31 December 2014, the outsourced internal audit function has carried out internal audit in accordance with the internal audit plan approved by the AC. The AC has reviewed and discussed the findings from internal audit with the internal auditor.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights
Principle 14

Communication with Shareholders
Principle 15

Conduct of Shareholder Meetings
Principle 16

The Board is mindful of its obligation to provide timely and relevant information to shareholders.

Timely disclosure of material information is carried out in accordance with the requirements of the Listing Manual of the SGX-ST. The Company's results and annual reports are released on the SGXNET. A copy of the Company's Annual Report and Notice of AGM are also sent to every shareholder.

Shareholders are encouraged to attend and participate at the Company's AGMs to ensure a high level of accountability. The AGM is the principal forum for dialogue with shareholders. The Board welcomes the views of shareholders on matters affecting the Company. The minutes of AGMs are available to shareholders upon request.

As far as possible, resolutions on each distinct issue are tabled separately at general meetings. Where resolutions are "bundled" as they are inter-dependent and linked so as to form one significant proposal, adequate explanations and material implications will be provided.

The chairpersons of Board Committees are present to address questions at general meetings. The external auditor is also present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report.

The Group encourages shareholder participation at general meetings. A shareholder who is entitled to attend and vote may appoint not more than two proxies. Corporations which provide nominee or custodial services are allowed to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

REPORT ON CORPORATE GOVERNANCE

Dealing in Securities

The Group has adopted a policy to govern conduct in the dealing of the securities of the Company for directors and officers, in accordance with the Listing Manual of SGX-ST. Under this policy, directors and officers are prohibited from dealing in the securities of the Company (i) on short-term considerations, (ii) during the period commencing one month before the announcement of the Company's full-year financial results and two weeks from the release of quarterly financial results ("blackout period"), and (iii) when they are in possession of unpublished price-sensitive information.

In addition, two weeks before the release of the Company's quarterly financial results for the first three quarters and one month before the release of the Company's full-year financial results, an email is sent to the Company's and Group's directors and employees reminding them of the blackout period; and prohibition to trade any time they are in possession of unpublished material, price-sensitive information and on short-term considerations.

Interested Person Transactions ("IPTs")

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the SGX-ST are as follows:

Name of interested person	***Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)*** **S$'000**	***Aggregate value of all IPTs under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)*** **S$'000**
KaiYi Investment Pte. Ltd.		
Lease of office premises	–	(153)
PT Muji Lines		
Coal transportation income and fuel oil costs reimbursement[(1)]	19,669	–
Coal transportation income	457	1,438

Pursuant to Rule 906 of the Listing Manual, the Company does not have interested person transactions that require shareholders' mandate.

(1) On 25 September 2009, shareholders of the Company had approved an agreement entered into by PT Aneka Samudera Lintas, a 100% owned subsidiary company, for the provision of coal carrying services to PT Muji Lines. The agreement shall expire in five years from 1 October 2009. The Group has extended the period of the aforesaid agreement pending negotiations for new terms/new contract.

CONCLUSION

The Group recognises the importance of good corporate governance practices and will continue to review and improve its corporate governance practices on an ongoing basis.

DIRECTORS' REPORT

The directors present their report to the members together with the audited consolidated financial statements of Manhattan Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2014.

1. DIRECTORS

The directors of the Company in office at the date of this report are:

Liow Keng Teck	
Low Yi Ngo	
Elaine Low	(Appointed on 2 May 2014)
Choo Hsun Yang	
Lim Say Tai	(Appointed on 2 May 2014)
Oliver Khaw Kar Heng	
Tung Zhihong, Paul	(Appointed on 2 May 2014)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described in paragraph five below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company, as stated below:

	Direct interest		Deemed interest	
Name of directors	**At beginning of financial year or date of appointment**	**At end of financial year**	**At beginning of financial year or date of appointment**	**At end of financial year**
The Company				
Ordinary shares				
Liow Keng Teck	1,392,000	1,392,000	–	–
Low Yi Ngo	3,300,000	3,300,000	–	–
Options				
Liow Keng Teck	250,000	250,000	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2015.

DIRECTORS' REPORT

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Except as disclosed in this report, no other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment, or at the end of the financial year, or on 21 January 2015.

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director, has a substantial financial interest.

5. OPTION AND PERFORMANCE SHARE PLANS

At an Extraordinary General Meeting held on 16 September 2008, shareholders approved the adoption of two share based incentive plans, Manhattan Resources Share Option Scheme ("Option Scheme") and Manhattan Resources Performance Share Scheme ("Share Scheme"), for the grant of non-transferable options and the issuance of shares to eligible participants, respectively.

The Remuneration Committee has been given the responsibility to administer both the Option Scheme and Share Scheme.

On 24 February 2009, the Company granted 4,365,000 share options under the Option Scheme. These options expire on 23 February 2019 and are exercisable if a director or an employee remains in service for 1 year from the date of grant. No shares have been issued under the Share Scheme.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the Option Scheme as at 31 December 2014 are as follows:

Expiry date	Exercise price ($)	Number of options
23 February 2019	0.48	275,000

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Option Scheme are as follows:

Name of director	Options granted during the financial year	Aggregate options granted since commencement of the plan to end of financial year	Aggregate options exercised since commencement of the plan to end of financial year	Aggregate options outstanding at end of financial year
Liow Keng Teck	–	250,000	–	250,000

DIRECTORS' REPORT

5. OPTION AND PERFORMANCE SHARE PLANS (CONT'D)

These options are exercisable between the period from 24 February 2010 to 23 February 2019 at the exercise price of $0.48.

Since the commencement of the Option Scheme and Share Scheme till the end of the financial year:

- No options and shares have been granted to the controlling shareholders of the Company and their associates;
- No participant has received 5% or more of the total options available under the Option Scheme;
- No options and shares have been granted to directors and employees of the subsidiaries;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options and shares have been granted at a discount.

6. AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50. The functions performed are detailed in the Report on Corporate Governance set out in the Annual Report of the Company.

7. AUDITOR

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors,

Low Yi Ngo
Director

Choo Hsun Yang
Director

27 March 2015

STATEMENT BY DIRECTORS

We, Low Yi Ngo and Choo Hsun Yang, being two of the directors of Manhattan Resources Limited, do hereby state that, in the opinion of the directors,

(i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,

Low Yi Ngo
Director

Choo Hsun Yang
Director

27 March 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANHATTAN RESOURCES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Manhattan Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 32 to 101, which comprise the balance sheets of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANHATTAN RESOURCES LIMITED

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

27 March 2015

BALANCE SHEETS

AS AT 31 DECEMBER 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current assets					
Property, plant and equipment	3	20,993	23,338	524	35
Investment properties	4	–	–	–	–
Property under development	5	39,248	35,183	–	–
Other receivables	9	18,145	17,961	–	–
Interests in subsidiaries	6	–	–	101,909	76,489
Investment in associate	7	42,367	–	–	–
Investment in joint venture company	8	1,874	1,804	–	–
		122,627	78,286	102,433	76,524
Current assets					
Trade and other receivables	9	18,618	17,692	3,162	495
Prepayments		550	498	99	40
Due from subsidiaries (trade)	10	–	–	–	–
Due from subsidiaries (non-trade)	11	–	–	4,936	4,664
Derivatives	12	–	97	–	–
Cash and bank deposits	13	81,194	78,409	16,101	17,680
		100,362	96,696	24,298	22,879
Investment properties held for sale	14	–	4,350	–	4,350
		100,362	101,046	24,298	27,229
Current liabilities					
Trade and other payables	15	(26,171)	(22,814)	(631)	(529)
Advance from joint venture company	16	(750)	(750)	(750)	(750)
Income tax payable		(89)	(85)	–	–
		(27,010)	(23,649)	(1,381)	(1,279)
Net current assets		73,352	77,397	22,917	25,950
Deferred tax liabilities	22	(14)	(14)	(14)	(14)
Net assets		195,965	155,669	125,336	102,460
Equity					
Share capital	17	189,004	163,614	189,004	163,614
Accumulated losses		(57,841)	(51,903)	(63,742)	(61,228)
Capital reserves		14	14	–	–
Other reserve		(320)	(320)	–	–
Foreign currency translation reserve		(2,115)	(4,679)	–	–
Acquisition revaluation reserve		5,392	5,392	–	–
Employee share option reserve		74	74	74	74
Equity attributable to equity holders of the Company		134,208	112,192	125,336	102,460
Non-controlling interests		61,757	43,477	–	–
Total equity		195,965	155,669	125,336	102,460

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 $'000	Group 2013 $'000
Revenue	18	17,019	23,748
Other income	19	3,408	6,361
Employee benefits expenses	20	(4,874)	(4,407)
Depreciation of property, plant and equipment	3	(5,062)	(4,655)
Vessel operating expenses and other expenses	21	(15,724)	(19,063)
Share of results of associate, net of tax	7	(10)	–
Share of results of joint venture company, net of tax	8	(14)	(112)
(Loss)/profit before tax		(5,257)	1,872
Income tax expense	22	(189)	(88)
(Loss)/profit for the financial year		(5,446)	1,784
(Loss)/profit attributable to:			
Equity holders of the Company		(5,938)	2,543
Non-controlling interests		492	(759)
(Loss)/profit for the financial year		(5,446)	1,784
(Loss)/earnings per share (cents) attributable to equity holders of the Company	23(b)		
- Basic		(1.15)	0.50
- Diluted		(1.15)	0.50

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group	
	2014	**2013**
	$'000	**$'000**
(Loss)/profit net of tax	(5,446)	1,784
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	3,405	6,066
Other comprehensive income for the financial year, net of tax	3,405	6,066
Total comprehensive income for the financial year	(2,041)	7,850
Total comprehensive income attributable to:		
Equity holders of the Company	(3,374)	6,426
Non-controlling interests	1,333	1,424
	(2,041)	7,850

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Group	Share capital $'000	Accumulated (losses)/ profit $'000	Capital reserve[1] $'000	Other reserve $'000	Foreign currency translation reserve[2] $'000	Acquisition revaluation reserve[3] $'000	Employee share option reserve[4] $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
	Total attributable to equity holders of the Company									
At 1 January 2013	163,614	(54,583)	–	(320)	(8,562)	5,392	211	105,752	16,903	122,655
Profit/(loss) net of tax	–	2,543	–	–	–	–	–	2,543	(759)	1,784
Other comprehensive income										
Foreign currency translation	–	–	–	–	3,883	–	–	3,883	2,183	6,066
Other comprehensive income for the financial year, net of tax	–	–	–	–	3,883	–	–	3,883	2,183	6,066
Total comprehensive income for the financial year	–	2,543	–	–	3,883	–	–	6,426	1,424	7,850
Contributions by and distributions to owners										
Forfeiture of employee share options	–	137	–	–	–	–	(137)	–	–	–
Total contributions by and distributions to owners	–	137	–	–	–	–	(137)	–	–	–
Changes in ownership interests in subsidiaries										
Capital contribution by non-controlling interest	–	–	14	–	–	–	–	14	25,150	25,164
Total changes in ownership interests in subsidiaries	–	–	14	–	–	–	–	14	25,150	25,164
Total transactions with owners in their capacity as owners	–	137	14	–	–	–	(137)	14	25,150	25,164
At 31 December 2013	163,614	(51,903)	14	(320)	(4,679)	5,392	74	112,192	43,477	155,669

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Total attributable to equity holders of the Company									
Group	Share capital $'000	Accumulated (losses)/ profit $'000	Capital reserve[1] $'000	Other reserve $'000	Foreign currency translation reserve[2] $'000	Acquisition revaluation reserve[3] $'000	Employee share option reserve[4] $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
At 1 January 2014	163,614	(51,903)	14	(320)	(4,679)	5,392	74	112,192	43,477	155,669
(Loss)/profit net of tax	–	(5,938)	–	–	–	–	–	(5,938)	492	(5,446)
Other comprehensive income										
Foreign currency translation	–	–	–	–	2,564	–	–	2,564	841	3,405
Other comprehensive income for the financial year, net of tax	–	–	–	–	2,564	–	–	2,564	841	3,405
Total comprehensive income for the financial year	–	(5,938)	–	–	2,564	–	–	(3,374)	1,333	(2,041)
Contributions by and distributions to owners										
Shares issued for acquisition of a subsidiary	25,420	–	–	–	–	–	–	25,420	–	25,420
Share issuance expense	(30)	–	–	–	–	–	–	(30)	–	(30)
Acquisition of subsidiary	–	–	–	–	–	–	–	–	16,947	16,947
Total transactions with owners in their capacity as owners	25,390	–	–	–	–	–	–	25,390	16,947	42,337
At 31 December 2014	189,004	(57,841)	14	(320)	(2,115)	5,392	74	134,208	61,757	195,965

(1) Capital reserve represents the capital contribution in excess of the registered capital.

(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 (Note 20). 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.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Total attributable to equity holders of the Company			
Company	**Share capital $'000**	**Accumulated losses $'000**	**Employee share option reserve $'000**	**Total $'000**
At 1 January 2013	163,614	(65,799)	211	98,026
Profit net of tax	–	4,434	–	4,434
Contributions by and distributions to owners				
Forfeiture of employee share options	–	137	(137)	–
Total transactions with owners in their capacity as owners	–	137	(137)	–
At 31 December 2013	163,614	(61,228)	74	102,460
At 1 January 2014	163,614	(61,228)	74	102,460
Loss net of tax	–	(2,514)	–	(2,514)
Contributions by and distributions to owners				
Shares issued for the acquisition of a subsidiary	25,420	–	–	25,420
Share issuance expense	(30)	–	–	(30)
Total transactions with owners in their capacity as owners	25,390	–	–	25,390
At 31 December 2014	189,004	(63,742)	74	125,336

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
(Loss)/profit before tax		(5,257)	1,872
Adjustments:			
Depreciation of property, plant and equipment	3	5,062	4,655
Fair value gain on investment properties		–	(950)
Fair value gain on derivatives		(336)	(108)
Net loss on disposal of property, plant and equipment		4	2
Net gain on sale of investment properties		(690)	–
Unrealised foreign exchange differences		3,008	3,627
Interest income		(1,435)	(813)
Share of results of associate		10	–
Share of results of joint venture company		14	112
Operating cash flows before working capital changes		380	8,397
Decrease/(increase) in trade and other receivables		112	(20,843)
(Increase)/decrease in prepayments		(36)	6,823
Increase/(decrease) in trade and other payables		2,491	(327)
Cash flows from/(used in) operations		2,947	(5,950)
Interest received		1,651	577
Net cash flows from/(used in) operating activities		4,598	(5,373)
Cash flows (used in)/from investing activities			
Purchase of property, plant and equipment	3	(1,886)	(1,572)
Additions to property under development	5	(3,392)	(11,460)
Proceeds from disposal of property, plant and equipment		2	4
Proceeds from sale of investment properties		5,040	–
Proceeds from maturity of forward currency contracts		447	15
(Placement)/drawdown of fixed deposits		(10,853)	8,666
Net cash flows used in investing activities		(10,642)	(4,347)
Cash flows (used in)/from financing activities			
Proceeds from capital contribution by non-controlling interests		–	25,164
Share issuance expense		(30)	–
Net cash flows (used in)/from financing activities		(30)	25,164
Net (decrease)/increase in cash and cash equivalents		(6,074)	15,444
Effect of exchange rate changes on cash and cash equivalents		(1,994)	(783)
Cash and cash equivalents at beginning of financial year		61,121	46,460
Cash and cash equivalents at end of financial year	13	53,053	61,121

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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.

The registered office and principal place of business of the Company is located at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413.

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities and principal place of business of the subsidiaries are as shown in Note 6 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with the provisions of Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ($ or SGD) and all values in the tables are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 *Share Based Payment*	1 July 2014
(b) Amendments to FRS 103 *Business Combinations*	1 July 2014
(c) Amendments to FRS 108 *Operating Segments*	1 July 2014
(d) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(e) Amendments to FRS 16 *Property, Plant and Equipment*	1 July 2014
(f) Amendments to FRS 38 *Intangible Assets*	1 July 2014
(g) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 *Business Combinations*	1 July 2014
(b) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 *Property, Plant and Equipment and FRS 38 Intangible Assets*	1 January 2016
Amendments to FRS 111 *Joint Arrangements*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 19 *Employee Benefits*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

Except for Amendments to FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 and FRS 115 is described below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (cont'd)

FRS 115 *Revenue from Contracts with Customers*

FRS 115 is effective for financial periods beginning on or after 1 January 2017. FRS 115 establishes a five-step model that apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles).

Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates.

FRS 109 *Financial Instruments*

FRS 109 is effective for financial periods beginning on or after 1 January 2018. FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets, and enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. FRS 109 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 115 and FRS 109 will have an impact on the Group.

2.4 Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(a) ***Key sources of estimation uncertainty (cont'd)***

(i) ***Impairment of loans and receivables***

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment, in determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the balance sheet date is disclosed in Notes 9 and 11 to the financial statements.

(ii) ***Depreciation of property, plant and equipment – Vessels***

Vessels are depreciated on a straight-line basis over their estimated useful lives so as to write-down the cost to the estimated residual values at the end of their useful lives. These estimates regarding the useful lives (15 years) and residual values of the vessels are made by the Group based on past experience and industry trends. The useful lives and residual values are reviewed on an annual basis. A 3% difference in the depreciation rate of these assets from management's estimate would result in $1,742,000 (2013: $1,796,000) variance in the Group's loss/profit for the financial years ended 31 December 2014 and 2013.

The carrying amount of the Group's vessels as at 31 December 2014 was approximately $20,027,000 (2013: $22,814,000).

(iii) ***Impairment of mineral exploration, evaluation and development expenditure***

Management is required to make certain estimates and assumptions as to future events and circumstances, in particular whether an economical viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(a) ***Key sources of estimation uncertainty (cont'd)***

(iv) ***Reserves estimates***

Reserves estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves estimates and changes to these may impact the Group's reported financial position and results, in the following way:

– The carrying value of exploration and evaluation assets; mining properties; property, plant and equipment; and goodwill may be affected due to changes in estimated future cash flows.

– Depreciation and amortization charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the unit of production ("UOP") method, or where the useful life of the related assets change.

– Capitalised stripping costs recognised in the statement of financial position as either part of mining properties or inventory or charge to profit or loss may change due to changes in stripping ratios.

– Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.

– The recognition and carrying value of deferred income tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets.

There has been no operational activity and the Group estimates its reserves based on the Independent Technical Report which has been prepared in accordance with the code for Reporting of Mineral Resources and Ore Reserves (the "JORC code") of the Australasian Joint Ore Reserves Committee ("JORC"), using a Magnesium Oxide cut-off grade of 30%.

Estimates of reserves may change as and when additional geological information is produced during the exploration and operation of a mine.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(b) ***Judgments made in applying accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) ***Operating lease commitments***

As lessor

The Group has entered into charter party agreements on its fleet of vessels. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these vessels and so accounts for the contracts as operating leases.

As lessee

The Group has also entered into leasing arrangements on certain vessels. The Group has determined based on an evaluation of the terms and conditions of the lease arrangements that the lease term do not constitute a substantial portion of the economic life of the vessels, that the lease agreements do not contain a bargain purchase option and ownership is not transferred at the end of the lease term and hence accounts for these arrangements as an operating lease.

(ii) ***Determination of functional currency***

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgments (cont'd)

(b) ***Judgments made in applying accounting policies (cont'd)***

(iii) ***Business combinations***

In 2014, the Group acquired Starsmind Capital Pte. Ltd. ("SCPL") as disclosed in Note 6 to the financial statements. At the time of acquisition, the Group considered whether the acquisition represented the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired. More specifically, consideration is made of the extent of which significant inputs (e.g. employees, mineral reserves and property plant and equipment) and processes (e.g. exploration and evaluation process) have been acquired to generate the outputs.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their fair values, and no goodwill or deferred tax is recognised.

The Group assessed the acquisition of SCPL as an asset acquisition as SCPL did not have the required inputs and/or processes typically found in a business.

(iv) ***Renewal of the mining exploration permit***

Xinjiang Fengli De Yuan Trading Co., Ltd ("FLDY") holds an exploration permit conferring rights to explore for metals and minerals including nickel. The permit will expire on 31 May 2015. The exploration permit was first granted in October 2008 and had been successfully renewed and upgraded in the past years. Based on legal advice, the application for the renewal of the exploration permit shall be made by FLDY 30 days before expiration to the Land and Resources Department of Xinjiang Uygur Autonomous Region ("XJUAR") of the People's Republic of China ("PRC"). The legal advisors have also noted that there was no material legal impediment for FLDY to renew the exploration permit as long as the operations of and the exploration work conducted by FLDY comply with the PRC laws in all aspects and the relevant right fee is fully paid on time according to the PRC laws.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Subsidiaries, basis of consolidation and business combinations

(a) ***Subsidiaries***

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(b) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
– De-recognises the carrying amount of any non-controlling interest;
– De-recognises the cumulative translation differences recorded in equity;
– Recognises the fair value of the consideration received;
– Recognises the fair value of any investment retained;
– Recognises any surplus or deficit in profit or loss;
– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Subsidiaries, basis of consolidation and business combinations (cont'd)

(c) ***Business combinations***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss, except for foreign exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.9 Mineral exploration, evaluation and development expenditure

Pre-licence costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analyzing that data. These costs are expensed in the period in which they are incurred.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Mineral exploration, evaluation and development expenditure (cont'd)

Once the legal right to explore has been acquired, exploration and evaluation expenditure incurred in respect of areas of interest are capitalised in respect of each area of interest for which the rights of tenure are current and where:

(i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(ii) exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and while active and significant operations in, or in relation to, the area are continuing.

Exploration and evaluation expenditure incurred that does not satisfy the policy stated above is expensed in the period in which it is incurred. Exploration and evaluation expenditure that has been capitalised which no longer satisfies the policy stated above is written off in the period in which that decision is made.

No amortization is provided in respect of mineral exploration, evaluation and development expenditure until they are reclassified as mining properties following a decision to develop the mine. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable and where a decision is made to proceed with development, the deferred exploration, evaluation and development expenditure is reclassified to mining properties and then amortised in accordance with the accounting policy for mining properties as detailed in Note 2.10 below.

The net carrying value of each area of interest is reviewed regularly and, to the extent to which this value exceeds its recoverable value, that excess is provided for or written off in the year in which this is determined.

2.10 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure for additions, improvements and renewals is capitalised. Expenditure for repair and maintenance, including overhaul and dry-docking for vessels, is charged to profit or loss unless such expenditure is separately identified and assessed by management to have increased the future economic benefits derived from the vessels.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Property, plant and equipment and depreciation (cont'd)

The capitalised assets of overhaul and dry-docking are recorded as an additional cost of tug boats and barges and the costs are depreciated over the period up to the next scheduled overhaul and dry-docking. Any remaining carrying amount of the cost of the previous overhaul and dry-docking is derecognised and charged to current year's profit or loss.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Vessels	–	15 years
Leasehold improvements	–	shorter of 5 years or lease terms
Machinery and equipment	–	5 – 8 years
Furniture, fittings and office equipment	–	3 – 5 years
Motor vehicles	–	4 – 8 years
Computers	–	1 – 3 years

Construction-in-progress for qualifying assets, includes borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Mining property is classified as an asset under property, plant and equipment. Mining property include mining rights and costs transferred from mineral exploration, evaluation and development expenditure once technical feasibility and commercial viability of an area of interest are demonstrable and subsequent costs to develop the mine to the production phase. The economic benefits from the assets are consumed in a pattern which is linked to the production level. These assets are depreciated on a unit-of-production basis. Depreciation starts from the date when commercial production commences.

The estimated useful lives, mining reserves, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.14 Financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

Other than loans and receivables and financial assets at fair value through profit or loss, the Group does not have other category of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial assets (cont'd)

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

2.15 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and fixed deposits, less fixed deposits pledged to secure banking facilities, and which are subject to an insignificant risk of changes in values.

Cash at bank and on hand and fixed deposits are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.14.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

The costs of development properties include:

– Freehold and leasehold rights for land;

– Amounts paid to contractors for construction; and

– Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.18 Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Financial liabilities (cont'd)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 Employee benefits

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Employee benefits (cont'd)

(c) ***Share option plans***

Directors and employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with directors and employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The employee share option reserve is transferred to retained earnings upon expiry of the share options.

(d) ***Termination benefits***

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

2.21 Leases

(a) ***As lessee***

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (cont'd)

(b) ***As lessor***

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(b). Contingent rents are recognised as revenue in the period in which they are earned.

2.22 Revenue

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) ***Service income***

Income is recognised as and when services are rendered.

(b) ***Rental income***

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) ***Sale of goods***

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(d) ***Interest income***

Interest income is recognised using the effective interest method.

(e) ***Dividend income***

Dividend income is recognised when the Group's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (cont'd)

(b) ***Deferred tax (cont'd)***

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.24 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.25 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Contingencies (cont'd)

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.26 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Related parties (cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 26, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Government grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Where the grant relates to compensation for expenditure, it is deferred and is set-off on a systematic basis over the periods in which the entity incurs the related costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. PROPERTY, PLANT AND EQUIPMENT

Group	Vessels	Leasehold improvements	Machinery and equipment	Furniture, fittings and office equipment	Motor vehicles	Computers	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost							
At 1 January 2013	41,334	488	–	262	100	130	42,314
Additions	1,285	4	57	76	141	9	1,572
Disposal	–	–	–	–	(10)	–	(10)
Written off	–	(17)	–	(110)	–	(46)	(173)
Exchange differences	1,476	31	1	7	1	1	1,517
At 31 December 2013 and 1 January 2014	44,095	506	58	235	232	94	45,220
Additions	1,099	425	202	49	–	111	1,886
Disposal	–	–	–	(28)	(6)	–	(34)
Exchange differences	2,001	10	12	6	6	3	2,038
At 31 December 2014	47,195	941	272	262	232	208	49,110
Accumulated depreciation							
At 1 January 2013	16,317	102	–	175	73	74	16,741
Depreciation charge for the financial year	4,326	237	1	46	19	26	4,655
Disposal	–	–	–	–	(4)	–	(4)
Written off	–	(17)	–	(110)	–	(46)	(173)
Exchange differences	638	14	–	4	7	–	663
At 31 December 2013 and 1 January 2014	21,281	336	1	115	95	54	21,882
Depreciation charge for the financial year	4,731	180	26	58	21	46	5,062
Disposal	–	–	–	(22)	(6)	–	(28)
Exchange differences	1,156	13	1	5	24	2	1,201
At 31 December 2014	27,168	529	28	156	134	102	28,117
Net book value							
At 31 December 2014	20,027	412	244	106	98	106	20,993
At 31 December 2013	22,814	170	57	120	137	40	23,338

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Cost					
At 1 January 2013	17	153	6	101	277
Additions	–	1	–	9	10
Disposals	(17)	(110)	–	(46)	(173)
At 31 December 2013 and 1 January 2014	–	44	6	64	114
Additions	425	42	–	83	550
Disposals	–	(28)	(6)	–	(34)
At 31 December 2014	425	58	–	147	630
Accumulated depreciation					
At 1 January 2013	8	131	6	75	220
Depreciation charge for the financial year	9	8	–	15	32
Disposals	(17)	(110)	–	(46)	(173)
At 31 December 2013 and 1 January 2014	–	29	6	44	79
Depreciation charge for the financial year	14	8	–	34	56
Disposals	–	(23)	(6)	–	(29)
At 31 December 2014	14	14	–	78	106
Net book value					
At 31 December 2014	411	44	–	69	524
At 31 December 2013	–	15	–	20	35

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. INVESTMENT PROPERTIES

	Group and Company	
	2014	**2013**
	$'000	**$'000**
Balance sheet:		
At 1 January	–	3,400
Net gain on fair value adjustment of investment properties	–	950
Transferred to investment properties held for sale (Note 14)	–	(4,350)
At 31 December	–	–

	Group	
	2014	**2013**
	$'000	**$'000**
Income statement:		
Rental income from investment properties		
– Minimum lease payments	61	192
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	(31)	(56)

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

In financial year 2013, investment properties were stated at fair value, which had been determined based on valuations performed by Knight Frank Pte Ltd, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. The valuations were based on comparable sale method. In this method, a comparison is made with sales of similar properties in other comparable developments with adjustments made for differences in location, floor area, age, story level, unit sitting, date of sale and etc, before arriving at the value of the property.

As at 31 December 2013, the freehold properties were pledged to a bank as security for the Company's banking facilities, which were unutilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

5. PROPERTY UNDER DEVELOPMENT

	Group	
	2014 $'000	2013 $'000
At 1 January	35,183	22,259
Additions during the year	3,392	11,460
Exchange differences	673	1,464
At 31 December	39,248	35,183

During the financial year, the amounts capitalised were as follows:

Land use rights	–	5,788
Development costs	3,392	5,672
	3,392	11,460

In 2011, the Group had acquired the right to use and develop a piece of land measuring 19,467 square metres, situated at South Commercial Park in Yingzhou District in Ningbo City, Zhejiang Province in China for the development of a mixed use property to be held for investment and/or for sale. The tenure of the land use term is 40 years commencing from August 2011.

In 2013, the Group further acquired the right to use and develop the two additional pieces of land measuring a total area of 3,914 square metres and this is adjacent to the first piece mentioned above. The tenure of the land use term is 40 years commencing from August 2011.

6. INTERESTS IN SUBSIDIARIES

	Company	
	2014 $'000	2013 $'000
Shares:		
Unquoted equity shares, at cost	108,745	83,425
Less: Impairment loss	(6,836)	(6,936)
Investments in subsidiaries	101,909	76,489
Loans:		
At 1 January	14,367	16,339
Additional loans during the financial year	45	24
Less: Repayment from subsidiary	(128)	(1,996)
At 31 December	14,284	14,367
Allowance for impairment of loans:		
At 1 January	(14,367)	(16,339)
Write back due to repayment	128	1,996
Impairment allowance during the financial year	(45)	(24)
At 31 December	(14,284)	(14,367)
	101,909	76,489

The movement in impairment loss is due to the reversal of impairment loss of a subsidiary that was struck off in 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) ***Composition of the Group***

The loans are unsecured, interest-free and have no fixed terms of repayment.

The Company has the following subsidiaries as at 31 December 2014:

Name of subsidiary	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest		Cost of investment by the Company	
			2014	2013	2014	2013
			%	%	$'000	$'000
SLM Holding Pte Ltd *	Investment holding	Singapore	100	100	2,195	2,195
DLM Marine Pte Ltd *	Dormant	Singapore	100	100	100	100
JLM Marine Pte Ltd (1)	Dormant	Singapore	–	100	–	100
MR Logistics Pte. Ltd. *	Investment holding	Singapore	100	100	33,879	33,879
Lian Beng Energy Pte. Ltd.*	Investment holding	Singapore	100	100	4,541	4,541
Manhattan Resources (Ningbo) Property Limited **	Property development	China	51	51	42,610	42,610
Manhattan Property Development Pte. Ltd. *	Investment holding	Singapore	51	–	– (2)	–
Starsmind Capital Pte. Ltd. *	Investment holding	Singapore	60	–	25,420	–
					108,745	83,425

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) ***Composition of the Group (cont'd)***

Name of subsidiary	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest 2014 %	2013 %
Held through MR Logistics Pte. Ltd.				
Kaltim Alpha Shipping Pte. Ltd. *	Dormant	Singapore	100	100
Kaltim Bravo Shipping Pte. Ltd. (1)	Dormant	Singapore	–	100
Epsilon Shipping Pte. Ltd. *	Dormant	Singapore	100	100
PT. Jaya Pesona Abadi	Investment holding	Indonesia	100	100
Held through PT. Jaya Pesona Abadi				
PT. Aneka Samudera Lintas ***	Shipping activities	Indonesia	100	100
Held through DLM Marine Pte Ltd				
PT. MR Resources	Dormant	Indonesia	100	100
PT. MR EMAS	Dormant	Indonesia	100	100
PT. MR Engineering	Dormant	Indonesia	100	100
Held through Lian Beng Energy Pte. Ltd.				
PT Lian Beng Energy	Overburden removal	Indonesia	100	100

* Audited by Ernst & Young LLP, Singapore.

** Audited by Ernst & Young LLP, Singapore for purposes of Group consolidation.

*** Audited by member firm of Ernst & Young Global.

(1) The subsidiaries have been struck off in the register pursuant to Section 344 of the Singapore Companies Act, Cap. 50.

(2) The amount is below S$1,000.

Manhattan Property Development Pte. Ltd. ("MPDPL")

Manhattan Property Development Pte. Ltd. ("MPDPL") was newly incorporated in September 2014 by the Company and KaiYi Investment Pte. Ltd. ("KaiYi"), holding 51% and 49% of MPDPL's share capital respectively. The Company has contributed its share capital of US$51 as at 31 December 2014. Accordingly, the Company consolidated the results of MPDPL based on an equity interest of 51% as at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) ***Composition of the Group (cont'd)***

Manhattan Resources (Ningbo) Property Limited ("MRN")

In 2013, the Company contributed its share of the remaining capital of approximately US$5,000,000 (approximately $6,118,000). As at 31 December 2013, the Company had contributed share capital of $42,610,000 representing 51% of the paid up capital of MRN. The Group consolidated the results of MRN based on an equity interest of 51% as at 31 December 2013, in accordance with the intended equity interest stipulated in the agreement.

(b) ***Acquisition of subsidiary***

On 13 November 2014 (the "acquisition date"), the Company completed the acquisition of 60% equity interest in Starsmind Capital Pte. Ltd. ("SCPL"), an investment holding company in Singapore ("SCPL Acquisition"). Following the SCPL Acquisition, SCPL owns 39.4% interest ("Mineriver Interest") in Mineriver Pte. Ltd. ("Mineriver") which wholly owns a PRC company, Xinjiang Fengli De Yuan Trading Co. Ltd. ("FLDY"), which is engaged in the business of resource investment.

The Group had assessed the acquisition of SCPL as an asset acquisition as SCPL did not have the required inputs and processes typically found in a business combination. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their fair values and no goodwill or deferred tax is recognised.

From the date of acquisition, the net loss of $19,000 attributable to SCPL had been accounted for in the net loss of the Group for the year ended 31 December 2014. Given that operations have not commenced, there will not be material financial impact had the acquisition taken place at the beginning of the year ended 31 December 2014.

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

	Fair value recognised on acquisition $'000
Investment in associate	42,367
Other payables	(1)
Total identifiable net assets at fair value	42,366
Non-controlling interest measured at the non-controlling interest's proportionate share of SCPL's net identifiable assets	(16,947)
Others	1
	25,420

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6. INTERESTS IN SUBSIDIARIES (CONT'D)

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

Equity instruments issued as part of consideration transferred

Pursuant to the call option agreement dated 21 April 2014 between the Company and SCPL ("Call Option Agreement"), the Company was granted an option to acquire such number of shares representing 60% of SCPL's enlarged issued share capital at the time of issuance for an investment amount of $40,000,000 to be fully satisfied by the Company through the allotment and issuance of 62,000,000 new ordinary shares of the Company ("Consideration Shares") at the issue price of $0.645 for each Consideration Share. The issue price of $0.645 for each Consideration Share represents approximately 5% discount to the volume weighted average traded price of $0.679 on 17 April 2014, being the market day preceding the date of the Call Option Agreement. The Consideration Shares were allotted and issued, each credited as fully paid, to one of the vendors of Mineriver for the purpose of and in connection with the acquisition by SCPL of the Mineriver Interest.

Following the SCPL Acquisition, for the purpose of these financial statements, the investment by the Company in 60% of SCPL is accounted for based on the market value of the Consideration Shares issued on 13 November 2014, being $0.41 per Consideration Share amounting to $25,420,000.

The attributable costs of the issuance of the shares as consideration of $30,000 have been recognised directly in equity as a deduction from share capital.

(c) ***Interest in subsidiaries with material non-controlling interest (NCI)***

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest		Profit/(loss) allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period	
		2014	2013	2014	2013	2014	2013
		%	%	$'000	$'000	$'000	$'000
Manhattan Resources (Ningbo) Property Limited	People's Republic of China	49	49	531	(759)	44,851	43,477
Starsmind Capital Pte. Ltd.	Singapore	40	–	(7)	–	16,938	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6. INTERESTS IN SUBSIDIARIES (CONT'D)

(d) ***Summarised financial information about subsidiaries with material NCI***

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	Manhattan Resources (Ningbo) Property Limited 2014 $'000	Manhattan Resources (Ningbo) Property Limited 2013 $'000	Starsmind Capital Pte. Ltd. 2014 $'000
Current:			
Assets	56,587	57,567	–
Liabilities	(9,210)	(9,089)	(9)
Net current assets/(liabilities)	47,377	48,478	(9)
Non-current:			
Assets	43,116	39,212	25,421
Net non-current assets	43,116	39,212	25,421
Net assets	90,493	87,690	25,412

Summarised statement of comprehensive income

	Manhattan Resources (Ningbo) Property Limited 2014 $'000	Manhattan Resources (Ningbo) Property Limited 2013 $'000	Starsmind Capital Pte. Ltd. 2014 $'000
Revenue	–	–	–
Profit/(loss) before income tax	1,085	(1,550)	(19)
Profit/(loss) after tax	1,085	(1,550)	(19)
Other comprehensive income	1,720	4,454	11
Total comprehensive income	2,805	2,904	(8)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. INVESTMENT IN ASSOCIATE

The Group's investment in associate is summarised below:

	Group 2014 $'000
Mineriver Pte. Ltd.	42,367

Name	Principal activities	Country of incorporation and place of business	Proportion of ownership interest 2014 %
Held through Starsmind Capital Pte. Ltd.			
Mineriver Pte. Ltd.	Investment holding and other mining and quarrying	Singapore	39.4

The summarised financial information in respect of Mineriver Pte. Ltd. and its subsidiary, based on its FRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	2014 $'000
Current assets	258
Non-current assets	3,911
Total assets	4,169
Current liabilities	2,691
Non-current liabilities	–
Total liabilities	2,691
Net assets	1,478
Net assets excluding goodwill	1,478
Proportion of the Group's ownership	39.4%
Group's share of net assets	582
Other adjustments (Note 1)	41,785
Carrying amount of the investment (Note 1)	42,367

(Note 1) The acquisition of SCPL and SCPL's acquisition of the Mineriver Interest as disclosed in Note 6 is deemed to be an asset acquisition. The Company has consolidated its investment in SCPL and recognised the non-controlling interests for the proportion of their interest in SCPL and the Mineriver Interest amounting of $42,367,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. INVESTMENT IN ASSOCIATE (CONT'D)

The summarised financial information of the associate, adjusted for the proportion of ownership interest held by the Group, is as follows:

Summarised statement of comprehensive income

	2014 $'000
Revenue	–
Loss after tax	(10)
Other comprehensive income	11
Total comprehensive income	1

8. INTERESTS IN JOINT VENTURE COMPANY

The Group has 50% (2013: 50%) equity interest in a jointly-controlled entity, Tat Hong Energy Pte. Ltd. ("THE")#. This joint venture company is incorporated in Singapore and its principal activities are those relating to the supply of heavy machinery and equipment and investment holding.

	Group	
	2014 $'000	2013 $'000
Share of post-acquisition reserves and impairment loss:		
At 1 January	1,804	1,852
Share of post acquisition results (net of tax)	(14)	(112)
Share of foreign currency translation reserve	84	64
At 31 December	1,874	1,804
Carrying amount of investment	1,874	1,804

Audited by KPMG LLP, Singapore.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

8. INTERESTS IN JOINT VENTURE COMPANY (CONT'D)

The summarised financial information of the joint venture, adjusted for the proportion of ownership interest held by the Group, is as follows:

Summarised statement of comprehensive income

	Tat Hong Energy Pte. Ltd.	
	2014 $'000	2013 $'000
Revenue	–	–
Loss after tax	(14)	(112)
Other comprehensive income	84	64
Total comprehensive income	70	(48)

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade and other receivables (current):				
Trade receivables:				
Third parties	4,107	4,368	38	52
Related party	14,043	12,793	–	–
	18,150	17,161	38	52
Less: Allowance for impairment	(4,790)	(5,009)	(34)	(34)
	13,360	12,152	4	18
Other receivables (current)				
GST receivable	66	13	66	13
Deposits	3,155	40	3,066	31
Due from related parties	26	6	26	6
Other receivables	1,883	5,101	–	427
Interest receivable:				
Banks	128	380	–	–
	18,618	17,692	3,162	495
Other receivables (non-current)				
Other receivables	18,145	17,961	–	–
Total trade and other receivables	36,763	35,653	3,162	495

(i) Trade receivables are non-interest bearing, except for overdue trade receivables from a related party, which is interest bearing at SIBOR + 4% per annum. Trade receivables are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) Amounts due from related parties are unsecured, repayable upon demand and are to be settled in cash.

(iii) In 2012, the Group entered into a ship sale and purchase agreement ("SPA") with a shipbuilder for the purchase of vessels. The Group subsequently sold the vessels to a third party buyer in 2013. The Group will retain an unpaid seller's lien on the vessels until the consideration has been fully paid.

Included in the current and non-current other receivables is the outstanding consideration arising from the sale of the vessels, which is to be paid in equal monthly instalments over a period of 120 months. Any outstanding consideration bears interest at 1 month SIBOR + 3.4% per annum.

Due to the barge incidents in 2013 and 2014, the Group and third party buyer entered into a Second Amendment to the SPA, whereby the monthly instalments were deferred and interest waived commencing from 1 January 2014.

(iv) Included in other receivables (non-current) is an amount of $3,729,000 (2013: $3,659,000) placed with local government authorities in Ningbo for the development of a mixed used property. These deposits are refundable to the Group based on milestones achieved.

(v) Included in deposits are refundable advance deposits of $3,000,000 made by the Company under the conditional sale and purchase agreement in respect of Singxin Water Pte. Ltd. The vendors have agreed to refund, interest-free, all refundable advance deposits to the Company in the event that completion does not occur by 31 March 2015 or such other date as may be agreed between the Company and the vendors in writing ("Long Stop Date").

(vi) On 31 May 2013 and 7 January 2014, the Company entered into a Debt Assumption and Equity Cancellation Agreement (the "Agreement") and Second Amendment to the Agreement (the "Second Amendment"), respectively with Redwood Management, LLC ("Redwood") and Eco Building Products Inc ("EcoB"). Subject to the terms and conditions of the Agreement and Second Amendment, the Company will sell, assign and transfer to Redwood, all of its liabilities, obligations and commitments with respect to the loan and all interest payable for a consideration of US$3,350,000. The Company wrote back loans to EcoB that was previously written-off amounting to US$437,500 (approximately $557,000) (2013: US$2,912,500 (approximately $3,668,000)) upon receipt from Redwood of instalment payments due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $10,717,000 (2013: $8,516,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2014	**2013**
	$'000	**$'000**
Lesser than 3 months	3,067	3,197
3 to 6 months	4,454	3,944
6 to 12 months	1,678	180
Above 12 months	1,518	1,195
	10,717	8,516

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired		Company Individually impaired	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Trade receivables – nominal amounts	4,794	5,013	38	38
Less: Allowance for impairment	(4,790)	(5,009)	(34)	(34)
	4	4	4	4

Movement in trade receivables allowance accounts:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	(5,009)	(5,874)	(34)	(34)
Charge for the financial year	–	(5)	–	–
Write back of allowance	162	423	–	–
Exchange differences	57	447	–	–
At 31 December	(4,790)	(5,009)	(34)	(34)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Receivables that are impaired (cont'd)

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

10. DUE FROM SUBSIDIARIES (TRADE)

Amounts due from subsidiaries (trade) are stated after deducting allowance for doubtful debts of $125,000 (2013: $125,000) and writing off amount due from subsidiary of $Nil (2013: $422,000).

These amounts are interest-free and are generally on normal trade terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

11. DUE FROM SUBSIDIARIES (NON-TRADE)

	Company	
	2014	**2013**
	$'000	**$'000**
Amounts due from subsidiaries	8,138	7,838
Less: Allowance for impairment	(3,202)	(3,174)
	4,936	4,664

Amounts due from subsidiaries (non-trade) are interest-free, unsecured, to be settled in cash and repayable on demand.

Movement in allowance accounts:

	Company	
	2014	**2013**
	$'000	**$'000**
At 1 January	(3,174)	(3,688)
Charge for the financial year	(28)	(88)
Write back of allowance	–	78
Written off	–	524
At 31 December	(3,202)	(3,174)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12. DERIVATIVES

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Forward currency contracts (a)	–	97	–	–
Derivative asset (b)	–	–	–	7,804
Less: Impairment loss	–	–	–	(7,804)
	–	97	–	–

(a) The notional amount of the forward currency contracts to convert SGD into USD outstanding as at 31 December 2013 amounted to SGD13,000,000. The forward currency contracts matured on 17 February 2014.

(b) In consideration of the loan facility extended to EcoB in financial year 2011 and pursuant to the Credit and Warrant Agreement, EcoB issued warrants to the Company for the Company to acquire 50 million new shares in EcoB at US$0.10 per warrant share, exercisable within 5 years from 25 July 2011.

Based on an assessment of the recoverable amount of the warrants having regard to, among other factors, EcoB's historical and current financial performance, future profit forecasts and the estimated value and probability of future cash flows, the Company recorded an impairment loss of $7,804,000 against the derivative assets in the previous financial years.

Pursuant to the Debt Assumption and Equity Cancellation Agreement, the Company had surrendered its remaining 40,500,000 common shares of EcoB ("Common Shares") and all its warrants to purchase the common shares upon receipt of the balance of the final payment of the aggregate consideration in 1Q 2014 (Note 9(vi)).

13. CASH AND BANK DEPOSITS

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Cash at banks and on hand	24,952	22,452	11,421	17,642
Short-term deposits	28,101	38,669	1,321	–
Fixed deposits	28,141	17,288	3,359	38
Cash and bank deposits	81,194	78,409	16,101	17,680

As at 31 December 2014, included in fixed deposit is an amount of $1,359,300 (2013: $38,000) pledged to a bank for the Group's and the Company's banking facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

13. CASH AND BANK DEPOSITS (CONT'D)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Fixed deposits are made for varying periods of between three and twelve months while short term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective fixed deposit rates. The effective interest rates for the financial year ended 31 December 2014 for the Group and the Company ranged from 0.31% to 2.36% (2013: 0.17% to 1.31%) per annum and 0.31% (2013: 0.17%) per annum, respectively.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting periods:

	Group	
	2014	**2013**
	$'000	**$'000**
Cash at banks and on hand	24,952	22,452
Short-term deposits	28,101	38,669
Cash and cash equivalents	53,053	61,121

14. INVESTMENT PROPERTIES HELD FOR SALE

In 2013, a resolution was passed whereby the board of directors had approved the proposed sale of both office units. Both office units were subsequently reclassified as investment properties held for sale in FY 2013 and were sold in the current financial year.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	(9,086)	(5,951)	(215)	(178)
Accrued expenses	(1,612)	(2,514)	(415)	(318)
Rental deposits	–	(32)	–	(32)
Other payables	(15,473)	(14,317)	(1)	(1)
	(26,171)	(22,814)	(631)	(529)

Trade and other payables are non-interest bearing. Trade payables are normally settled on an average term of 30 (2013: 30) days, while other payables have an average term of 6 (2013: 6) months.

Included in other payables are government grants received in advance amounting to $9,063,000 (2013: $8,893,000) for the construction of infrastructure in connection with the land use rights acquired by MRN in financial year 2011. These payments may be applied to offset the construction costs of the relevant infrastructure, subject to the applicable development regulations and conditions.

16. ADVANCE FROM JOINT VENTURE COMPANY

The amount is interest-free, unsecured, to be settled in cash and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

17. SHARE CAPITAL

	Group and Company			
	2014		2013	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid ordinary shares				
At 1 January	506,490,975	163,614	506,490,975	163,614
Shares issued for acquisition of a subsidiary	62,000,000	25,420	–	–
Share issuance expense	–	(30)	–	–
At 31 December	568,490,975	189,004	506,490,975	163,614

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.

During the financial year ended 31 December 2014, the Company issued 62,000,000 new ordinary shares pursuant to the acquisition of a 60% equity interest in SCPL (Note 6).

18. REVENUE

	Group	
	2014 $'000	2013 $'000
Coal transportation income	16,958	23,556
Rental income	61	192
	17,019	23,748

19. OTHER INCOME

	Group	
	2014 $'000	2013 $'000
Interest income from loans and receivables – fixed deposits	1,435	813
Write back of allowance for impairment of trade and other receivables	162	423
Write back of allowance for impairment of loan to EcoB, upon recovery	557	3,668
Fair value gain on derivatives	336	108
Fair value gain on investment properties	–	950
Net gain on sale of investment properties	690	–
Miscellaneous income	228	399
	3,408	6,361

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

20. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION)

	Group	
	2014	2013
	$'000	$'000
Salaries and bonuses	(3,617)	(3,291)
CPF contributions	(171)	(141)
Others	(1,086)	(975)
	(4,874)	(4,407)

Directors' and executive officers' remuneration are disclosed in Note 24(a).

Share option plans (Manhattan Resources Share Option Scheme) ("Option Scheme")

Under the Option Scheme, non-transferable options are granted to eligible participants. The exercise price of the options may be determined at the absolute discretion of the committee comprising directors duly authorised and appointed by the Board to administer the Option Scheme. Options with subscription prices which are equal to the average of the last-dealt prices for the shares of the Company on the Singapore Exchange Securities Trading Limited ("Market Price"), may be exercised at any time after one year from the date of grant. Subscription prices which represent a discount to the Market Price, may be exercised at any time after two years from the date of grant. The contractual life of the options is 10 years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

There has been no cancellation or modification to the Option Scheme during both 2014 and 2013.

Movement of share options during the financial year

The following table shows the number and exercise price, and movements in, share options during the financial year:

	Group and Company			
	2014		2013	
	No. of shares	Exercise price $	No. of shares	Exercise price $
Outstanding at 1 January	275,000	0.48	780,000	0.48
Forfeited	–	–	(505,000)	–
Outstanding at 31 December	275,000	0.48	275,000	0.48
Exercisable at 31 December	275,000	0.48	275,000	0.48
Expiry date	23 February 2019		23 February 2019	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

20. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION) (CONT'D)

Fair value of share options granted

The fair value of the share options granted under the Option Scheme was estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing model as of date of grant:

	Option Scheme
Dividend yield	–
Expected volatility	87.5%
Risk-free interest rate (% p.a.)	2.09%
Life of option	10 years
Weighted average share price	$0.33

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

21. VESSELS OPERATING EXPENSES AND OTHER EXPENSES

	Group	
	2014 $'000	2013 $'000
Vessels operating expenses:		
Fuel	(5,543)	(6,870)
Upkeep and maintenance	(3,027)	(3,184)
Agent fees and port handling charges	(1,539)	(2,028)
Certificate, licence and other compliance expenses	(1,296)	(1,704)
Other vessel expenses	(1,863)	(1,568)
	(13,268)	(15,354)
Other expenses included the following:		
Impairment loss on trade and other receivables	–	(5)
Office and other rental expenses	(431)	(427)
Legal and professional fees	(2,250)	(949)
Included in legal and professional fees are the following:		
– Audit fees:		
Auditors of the Company	(181)	(117)
Other auditors	(5)	(5)
– Non-audit fees:		
Auditors of the Company	(177)	(22)
Foreign exchange gain/(loss)	1,102	(1,117)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

22. INCOME TAX

Major components of income tax expense

Major components of income tax expense for the financial years ended 31 December 2014 and 2013 are:

	Group	
	2014	**2013**
	$'000	**$'000**
Income statement:		
Current income tax:		
Current income taxation	(186)	(53)
Underprovision in respect of prior financial years	(3)	(35)
Income tax recognised in profit or loss	(189)	(88)

Relationship between tax expense and accounting (loss)/profit

The reconciliation of the tax and the product of (loss)/profit before tax multiplied by the applicable tax rate is as follows:

	Group	
	2014	**2013**
	$'000	**$'000**
(Loss)/profit before tax	(5,257)	1,872
Tax benefit/(expense) at domestic rates applicable to (loss)/profit in the countries where the Group operates	135	(88)
Adjustments:		
Income not subject to taxation	768	1,874
Non-deductible expenses	(1,046)	(1,811)
Underprovision in respect of prior financial years	(3)	(35)
Share of results of associate	(2)	–
Share of results of joint venture company	(2)	(19)
Deferred tax assets not recognised	(39)	(9)
Income tax expense recognised in profit or loss	(189)	(88)

The corporate income tax rate applicable to Singapore companies of the Group was 17% for the year of assessment ("YA") 2015 and YA2014. The corporate income tax rate applicable to Indonesian companies of the Group was 25% for YA2015 and YA2014, except for a subsidiary's vessel charter income which is subjected to a final tax at a rate of 1.20% in YA2015 and YA2014 under the Taxation Laws of Indonesia.

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

22. INCOME TAX (CONT'D)

Deferred tax

Deferred income tax as at 31 December 2014 and 2013 relate to the following:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Deferred tax liability:				
Differences in depreciation	(14)	(14)	(14)	(14)

Deferred tax assets not recognised as at 31 December 2014 and 2013 relate to the following:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Deferred tax assets:				
Unabsorbed tax losses	6,005	5,966	739	700

Unabsorbed tax losses

As at 31 December 2014, the Group and the Company have unabsorbed tax losses of approximately $26,657,000 (2013: $26,426,000) and $4,348,000 (2013: $4,116,000), respectively, that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

The unabsorbed tax losses brought forward are restated to comply with the tax returns filed in the current financial year with the Comptroller of Income Tax.

Unrecognised temporary differences relating to investments in foreign subsidiary

As at the end of the reporting period, no deferred tax liability (2013: nil) has been recognised for taxes that would be payable on the undistributed earnings of a foreign subsidiary of the Group as the Group has determined that the undistributed earnings of the foreign subsidiary will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised approximated $9,010,000 (2013: $11,374,000). The deferred tax liability is estimated to be $901,000 (2013: $1,137,400).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

23. EARNINGS PER SHARE

(a) ***Continuing operations***

Basic earnings per share from continuing operations are 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 year.

Diluted earnings per share from continuing operations are 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 year 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 financial years ended 31 December:

	Group	
	2014	**2013**
	$'000	**$'000**
(Loss)/profit for the financial year, net of tax, attributable to equity holders of the Company used in the computation of basic earnings per share	(5,938)	2,543

	2014 No. of shares	**2013 No. of shares**
Weighted average number of ordinary shares:		
Issued ordinary shares at beginning of the financial year	506,490,975	506,490,975
Weighted average number of shares issued during the financial year	8,323,288	–
Weighted average number of ordinary shares for basic earnings per share computation	514,814,263	506,490,975
Effects of dilution:		
Options	–	561,358
Weighted average number of ordinary shares for diluted earnings per share computation	514,814,263	507,052,333

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

23. EARNINGS PER SHARE (CONT'D)

(a) ***Continuing operations (Cont'd)***

The outstanding share options as disclosed in Note 20 have not been included in the calculation of diluted earnings per share in the current financial year because these are anti-dilutive.

During the financial year ended 31 December 2014, 62,000,000 new ordinary shares have been issued pursuant to the acquisition of a 60% interest in SCPL (Note 6). There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

(b) ***Earnings per share computation***

The basic and diluted earnings per share from continuing operations are calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the Company loss of $5,938,000 (2013: profit $2,543,000) by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These profit and share data are presented in the tables in Note 23(a).

24. RELATED PARTY DISCLOSURES

(a) ***Remuneration of directors and executive officers***

	Group	
	2014	**2013**
	$'000	**$'000**
Directors' remuneration (including directors' fees):		
Salaries and bonus	(409)	(380)
Directors' fees	(143)	(160)
CPF contributions	(30)	(19)
Other benefits	(43)	(33)
	(625)	(592)
Executive officers' remuneration:		
Salaries and bonus	(400)	(530)
CPF contributions	(20)	(38)
Other benefits	(21)	(36)
	(441)	(604)
	(1,066)	(1,196)

Directors' interest in share option plan

During the financial years ended 31 December 2014 and 31 December 2013, no share options were granted to the Company's directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

24. RELATED PARTY DISCLOSURES (CONT'D)

(b) ***Sale and purchase of services and lease***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties during the financial year took place at terms agreed between the parties, which were made at terms equivalent to those prevailing in arm's length transactions with third parties:

	Group	
	2014	**2013**
	$'000	**$'000**
Related parties		
– Coal transportation income[1]	13,656	20,895
– Fuel oil costs reimbursement[1]	6,013	6,985
– Coal transportation income	1,895	302
– Commercial property lease expense[2]	(226)	(171)

Note:

(1) On 25 September 2009, shareholders of the Company have approved an agreement entered into by the Company's subsidiary, PT. Aneka Samudera Lintas, for the provision of coal carrying services to PT Muji Lines ("Muji Lines"). The agreement shall expire in five years from 1 October 2009. Muji Lines is wholly owned by PT Bayan Resources Tbk ("Bayan Resources"). Dato' Dr. Low Tuck Kwong is a substantial shareholder of both the Company and Bayan Resources.

(2) The Company has been leasing the office premises from a related company, Manhattan Investments Pte. Ltd. ("MIPL"), a substantial shareholder whose controlling shareholder is Dato' Dr. Low Tuck Kwong. There was a change of landlord following the sale of property by MIPL to KaiYi Investment Pte. Ltd. ("KaiYi") in 2Q 2014. KaiYi is jointly owned by Low Yi Ngo, Elaine Low, both directors of the Company, Dato' Dr. Low Tuck Kwong and their immediate family.

25. CONTINGENT LIABILITIES

Financial support

The Company has committed to provide continuing financial support to certain of its subsidiaries to enable them to operate as going concerns.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26. SEGMENT INFORMATION

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

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

(b) The Property Development segment relates to property development activities in China;

(c) The Mineral Resources Business segment relates to the mineral resources and mining activities in China; and

(d) The Corporate and Others segment which 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 consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26. SEGMENT INFORMATION (CONT'D)

	Shipping		Property Development	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Revenue				
External customers	16,958	23,556	–	–
Inter-segment	–	–	–	–
Total revenue	16,958	23,556	–	–
Results				
Interest income	45	34	1,340	746
Depreciation	(4,792)	(4,364)	(214)	(259)
Share of results of associate	–	–	–	–
Share of results of joint venture	–	–	–	–
Net gain on sale of investment properties	–	–	–	–
Write back of trade and other receivables	–	–	–	–
Write back of allowance for impairment of loan to EcoB	–	–	–	–
Fair value gain on derivatives	–	–	336	108
Fair value gain on investment properties	–	–	–	–
Segment (loss)/profit	(3,873)	842	1,085	(1,550)
Assets				
Investment in associate	–	–	–	–
Investment in joint venture	–	–	–	–
Additions to property, plant and equipment	1,336	1,372	–	190
Segment assets	59,075	58,115	99,703	96,779
Segment liabilities	(11,952)	(8,896)	(9,210)	(9,089)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Mineral Resources Business		Corporate and Others		Eliminations		Per consolidated financial statements	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
	–	–	61	192	–	–	17,019	23,748
	–	–	24	24	(24)	(24)	–	–
	–	–	85	216	(24)	(24)	17,019	23,748
	–	–	50	33	–	–	1,435	813
	–	–	(56)	(32)	–	–	(5,062)	(4,655)
	(10)	–	–	–	–	–	(10)	–
	–	–	(14)	(112)	–	–	(14)	(112)
	–	–	690	–	–	–	690	–
	–	–	162	423	–	–	162	423
	–	–	557	3,668	–	–	557	3,668
	–	–	–	–	–	–	336	108
	–	–	–	950	–	–	–	950
	(19)	–	(2,450)	2,580	–	–	(5,257)	1,872
	42,367	–	–	–	–	–	42,367	–
	–	–	1,874	1,804	–	–	1,874	1,804
	–	–	550	10	–	–	1,886	1,572
	42,368	–	21,843	24,438	–	–	222,989	179,332
	(9)	–	(5,853)	(5,678)	–	–	(27,024)	(23,663)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26. 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		Non-current assets	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Singapore	61	192	2,398	1,845
Indonesia	16,958	23,556	34,746	37,229
China	–	–	85,483	39,212
	17,019	23,748	122,627	78,286

Information about a major customer

Revenue from a major customer amounted to $15,551,000 (2013: $21,197,000), arising from coal transportation by the shipping segment.

27. COMMITMENTS

(a) ***Operating lease commitments – as lessee***

The Group has entered into operating lease agreements for charter hire of vessels and commercial property leases on its office premises and for staff accommodation. The non-cancellable leases for the Group have remaining lease terms ranging from 1 to 10 years with no contingent rent provision included in the contracts. The Group is restricted from subleasing the office premises and staff accommodation to third parties.

Lease payments under operating leases recognised as an expense in profit or loss for the financial year ended 31 December 2014 is approximately $386,000 (2013: $933,000).

Future minimum lease payments under the non-cancellable operating leases as at 31 December are as follows:

	Group	
	2014	2013
	$'000	$'000
Not later than one year	1,294	2,289
Later than one year but not later than five years	6,877	8,100
Later than five years	8,988	9,547
	17,159	19,936

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

27. COMMITMENTS (CONT'D)

(b) ***Operating lease commitments – as lessor***

The investment properties were sold in current year.

Future minimum rentals receivable under the non-cancellable operating leases as at 31 December are as follows:

	Group	
	2014 $'000	2013 $'000
Not later than one year	–	52

28. FINANCIAL INSTRUMENTS

(a) ***Financial risk management objectives and policies***

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, liquidity risk and credit risk. The Board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Foreign currency risk

The Group's subsidiaries in Indonesia have transactional currency exposures arising mainly from purchases that are denominated in a currency other than its functional currency, US Dollars ("USD"). The foreign currencies in which these transactions are denominated are Indonesian Rupiah ("IDR"). Approximately 55% (2013: 55%) of the Group's costs and expenses are denominated in IDR. The Group's trade payable balances as at the balance sheet date have similar exposures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) ***Financial risk management objectives and policies (cont'd)***

Foreign currency risk (cont'd)

The Group and Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the balance sheet date, such foreign currency balances, mainly in IDR, USD and RMB, in aggregate amounted to $74,953,000 (2013: $57,443,000) and $10,081,000 (2013: $9,758,000) for the Group and Company respectively.

Where necessary, the Group uses forward currency contracts to manage its foreign exchange risk resulting from cash flows from transactions and financing arrangements denominated in foreign currencies, primarily the USD.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss/profit net of tax to a reasonably possible change in the SGD, USD, IDR and RMB exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		Loss net of tax (increase)/ decrease 2014 $'000	**Profit net of tax increase/ (decrease) 2013 $'000**
IDR/USD	– strengthened 3% (2013: 3%)	(120)	46
	– weakened 3% (2013: 3%)	120	(46)
USD/SGD	– strengthened 3% (2013: 3%)	303	(306)
	– weakened 3% (2013: 3%)	(303)	306
SGD/RMB	– strengthened 3% (2013: 3%)	4	(390)
	– weakened 3% (2013: 3%)	(4)	390
USD/RMB	– strengthened 3% (2013: 3%)	1,090	(670)
	– weakened 3% (2013: 3%)	(1,090)	670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) ***Financial risk management objectives and policies (cont'd)***

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group entities' and the Company's foreign currency deposits, with the banks.

Sensitivity analysis for interest rate risk

As at balance sheet date, the Group has no significant interest rate risks other than those associated with cash and bank balances and fixed deposits which are subject to floating rates and repriced frequently within 1 year.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the balance sheet date, the Group's and the Company's financial liabilities and financial assets are based on the carrying amounts reflected in the financial statements.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and amounts due from subsidiaries. For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) ***Financial risk management objectives and policies (cont'd)***

Credit risk (cont'd)

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk, or the risk of counterparties defaulting, is managed through the application of credit approval and monitoring procedures.

No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile

The Group's trade receivables at balance sheet date are mainly due to customers in the coal mining industry in the Indonesian market.

The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2014		2013	
	$'000	% of total	$'000	% of total
By country:				
Indonesia	17,887	99%	16,895	98%
Singapore	263	1%	266	2%
	18,150	100%	17,161	100%

At the end of the reporting period, approximately 77% (2013: 75%) of the Group's trade receivables were due from related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) ***Financial risk management objectives and policies (cont'd)***

Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 9 (Trade and other receivables).

(b) ***Classification and maturity profile of financial instruments***

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	2014 $'000				2013 $'000			
Group	**One year or less**	**One to five years**	**Over five years**	**Total**	**One year or less**	**One to five years**	**Over five years**	**Total**
Financial assets:								
Trade and other receivables	18,618	11,316	6,829	36,763	17,692	10,015	7,946	35,653
Derivatives	–	–	–	–	97	–	–	97
Cash and bank deposits	81,604	–	–	81,604	78,816	–	–	78,816
Total undiscounted financial assets	100,222	11,316	6,829	118,367	96,605	10,015	7,946	114,566
Financial liabilities:								
Trade and other payables	(26,171)	–	–	(26,171)	(22,814)	–	–	(22,814)
Advance from joint venture company	(750)	–	–	(750)	(750)	–	–	(750)
Total undiscounted financial liabilities	(26,921)	–	–	(26,921)	(23,564)	–	–	(23,564)
Total net undiscounted financial assets	73,301	11,316	6,829	91,446	73,041	10,015	7,946	91,002

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) ***Classification and maturity profile of financial instruments (cont'd)***

	2014 $'000		2013 $'000	
Company	**One year or less**	**Total**	**One year or less**	**Total**
Financial assets:				
Trade and other receivables	3,162	3,162	495	495
Due from subsidiaries (non-trade)	4,936	4,936	4,664	4,664
Cash and bank deposits	16,112	16,112	17,680	17,680
Total undiscounted financial assets	24,210	24,210	22,839	22,839
Financial liabilities:				
Trade and other payables	(631)	(631)	(529)	(529)
Advance from joint venture company	(750)	(750)	(750)	(750)
Total undiscounted financial assets	(1,381)	(1,381)	(1,279)	(1,279)
Total net undiscounted financial assets	22,829	22,829	21,560	21,560

29. FAIR VALUE OF ASSETS AND LIABILITIES

(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 financial year 2014, there have been no transfers between Level 1 and Level 2 and no transfers into or out of Level 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

29. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) ***Assets and liabilities measured at fair value at the end of the reporting period***

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group	
	2014	2013
Recurring fair value measurements	$'000	$'000
	Level 2	**Level 2**
Financial assets		
Forward currency contracts	–	97
	Level 3	**Level 3**
Non-financial assets		
Investment properties held for sale	–	4,350

(c) ***Fair value measurements***

The following is a description of the valuation techniques and input used in the fair value measurement for assets and liabilities that are categorised within Level 2 and Level 3 of the fair value hierarchy:

Derivatives (Level 2)

Forward currency contracts are valued by the financial institution using a valuation technique with market observable inputs. The most frequently applied valuation techniques by the financial institution include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rate and forward rate curves.

Investment properties held for sale (Level 3)

The valuation of investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

29. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) ***Valuation policies and procedures***

The Group's Chief Finance Officer, who is assisted by the Deputy Chief Financial Officer (collectively referred to as the "CFO office") 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 CFO office 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 FRS 113 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 the inputs (including those developed internally by the Group) used in the valuations.

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.

The Audit Committee performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the Board of Directors for approval.

(e) ***Financial instruments whose carrying amounts approximate fair values***

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables- current, amounts due from subsidiaries, trade and other payables and advance from joint venture company based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently.

30. CAPITAL MANAGEMENT

The Group's capital management is dependent on capital requirements of projects or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Group's structure. As at 31 December 2014, the Group had no borrowings. As a result, the Group does not set a policy on maintaining its capital structure at a specific gearing ratio. The Group would consider dividend payment to shareholders, return of capital to shareholders, issuance of new shares or borrowings whenever it is in the best interest of the shareholders to do so. No changes were made in the primary objective during the financial years ended 31 December 2014 and 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

31. LITIGATION

Claim against the Company by a former director of the Company

On 29 January 2014, the Company was served with a Writ of Summons and a Statement of Claim from the solicitors acting for a former executive director of the Company. The said legal proceedings have been commenced in the High Court against the Company.

The Company filed a Defence on 27 February 2014 and is vigorously defending the alleged claims made against the Company. The amount of the claim sought against the Company will not have any material effect on the financial position of the Company.

32. COMPARATIVE FIGURES

Reclassification

The balance sheet of the Group as at 31 December 2013 has been reclassified as follows:

	Group	
	As reclassified $'000	As previously reported $'000
Non-current assets		
Other receivables	17,961	14,302
Current assets		
Trade and other receivables	17,692	21,351

A reclassification of other receivables from current to non-current asset is made to better reflect the nature of the balances.

33. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 27 March 2015.

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2015

PURSUANT TO RULE 1207(9)

Issued and fully paid-up capital	:	S$203,478,802.40
Number of ordinary shares in issue	:	568,490,975
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	4	0.30	124	0.00
100 – 1,000	120	8.97	110,591	0.02
1,001 – 10,000	566	42.30	3,255,998	0.57
10,001 – 1,000,000	608	45.44	52,125,804	9.17
1,000,001 & ABOVE	40	2.99	512,998,458	90.24
TOTAL	1,338	100.00	568,490,975	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 16 MARCH 2015

		NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE.) LTD	126,392,000	22.23
2	CITIBANK NOMINEES SINGAPORE PTE LTD	96,010,899	16.89
3	MANHATTAN INVESTMENTS PTE LTD	88,701,764	15.60
4	PHILLIP SECURITIES PTE LTD	24,777,195	4.36
5	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	24,237,000	4.26
6	TSAO YUE HWA JOHNNY @ SHU YUE MING	22,786,600	4.01
7	MAYBANK KIM ENG SECURITIES PTE LTD	14,091,300	2.48
8	ABN AMRO NOMINEES SINGAPORE PTE LTD	13,106,000	2.31
9	HONG LEONG FINANCE NOMINEES PTE LTD	10,185,000	1.79
10	YUAN RUIDUO	9,876,000	1.74
11	OCBC SECURITIES PRIVATE LTD	8,225,700	1.45
12	UOB KAY HIAN PTE LTD	7,071,000	1.24
13	HSBC (SINGAPORE) NOMINEES PTE LTD	6,480,000	1.14
14	LEE DEBORAH CHEUNG	5,980,000	1.05
15	BANK OF SINGAPORE NOMINEES PTE LTD	4,759,500	0.84
16	ONG SEE BENG	3,840,000	0.68
17	LOW YI NGO	3,300,000	0.58
18	DBS NOMINEES PTE LTD	3,002,500	0.53
19	LOW CHENG LUM	2,965,500	0.52
20	ONGOING AGENCIES PTE LTD	2,863,100	0.50
		478,651,058	84.20

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2015

PURSUANT TO RULE 1207(9)

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 16 March 2015)

		DIRECT INTEREST	%	DEEMED INTEREST	%
1	DATO' DR. LOW TUCK KWONG(1)	132,637	0.02%	207,735,764	36.54%
2	MANHATTAN INVESTMENTS PTE LTD	88,701,764	15.60%	–	–
3	MORE TIME INVESTMENTS LIMITED(2)	–	–	88,701,764	15.60%
4	XU YUAN XING(3)	–	–	75,852,792	13.34%
5	MOHAMED ABDUL JALEEL S/O MUTHUMARICAR SHAIK MOHAMED(4)	1,722,000	0.30%	39,328,000	6.92%

(1) Dato' Dr. Low Tuck Kwong is deemed to be interested in 207,735,764 shares, of which 117,344,000 shares are registered in the name of Raffles Nominees (Pte.) Ltd, 88,701,764 shares are held by Manhattan Investments Pte Ltd through his 100% interest in More Time Investments Limited and 1,690,000 shares are held by his spouse, registered in the name of Citibank Nominees Singapore Pte Ltd.

(2) More Time Investments Limited is deemed interested in the 88,701,764 shares held by Manhattan Investments Pte Ltd through its 59.5% interest in Manhattan Investments Pte Ltd.

(3) Xu Yuan Xing is deemed interested in 75,852,792 shares, of which 42,000,000 shares are registered in the name of Citibank Nominees Singapore Pte Ltd and 33,852,792 shares are registered in the name of Citibank Nominees Singapore Pte Ltd under the sub-account of Ho Sing Ming (who will hold such shares on trust of Xu Yuan Xing).

(4) Mohamed Abdul Jaleel s/o Muthumaricar Shaik Mohamed is deemed interested in 39,328,000 shares, of which 17,834,000 shares are registered in the name of BNP Paribas Nominees Singapore Pte. Ltd., 12,494,000 shares are registered in the name of Phillip Securities Pte Ltd and 9,000,000 shares are registered in the name of Hong Leong Finance Ltd.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF THE PUBLIC

Approximately 42.05% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Manhattan Resources Limited (***Company***) will be held at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on 30 April 2015 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the directors' report and the audited financial statements for the financial year ended 31 December 2014, together with the independent auditors' report thereon. **(Resolution 1)**

2. To re-elect Mr Oliver Khaw Kar Heng, a director retiring under article 101 of the Company's Articles of Association. **(Resolution 2)**

3. To re-elect the following directors who were appointed and retiring under article 105 of the Company's Articles of Association:

   (a) Ms Elaine Low **(Resolution 3)**

   (b) Mr Lim Say Tai **(Resolution 4)**

   (c) Mr Tung Zhihong, Paul **(Resolution 5)**

4. To re-appoint Mr Liow Keng Teck as a director of the Company under section 153(6) of the Companies Act, Chapter 50, to hold such office until the next annual general meeting of the Company. **(Resolution 6)**

5. To approve directors' fees of S$200,000 for the financial year ending 31 December 2015 payable half-yearly in arrears (2014: S$150,000). **(Resolution 7)**

6. To re-appoint Ernst & Young LLP as auditors of the Company for the financial year ending 31 December 2015, and to authorise the directors to fix their remuneration. **(Resolution 8)**

7. To transact any other ordinary business that may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as ordinary resolutions:

8. Share Issue Mandate **(Resolution 9)**
   That, under section 161 of the Companies Act, Chapter 50 (***Act***) and the Listing Manual of the Singapore Exchange Securities Trading Limited (***SGX-ST***), authority be given to the directors of the Company to:

NOTICE OF ANNUAL GENERAL MEETING

(a) (i) issue shares in the Company (***Shares***) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements, or options (collectively, ***Instruments***) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued under this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted under this Resolution) does not exceed 50 per cent of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted under this Resolution) does not exceed 20 per cent of the Company's total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be calculated based on the total number of issued Shares excluding treasury shares, if any, at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

9. Authority to grant options, awards and issue shares under the Manhattan Resources Share Option Scheme and Manhattan Resources Performance Share Scheme **(Resolution 10)**

That approval be given to the directors:

(i) to offer and grant options and/or awards from time to time in accordance with the provisions of the Manhattan Resources Share Option Scheme and Manhattan Resources Performance Share Scheme (collectively, the ***Schemes***); and

(ii) under section 161 of the Act, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued under the exercise of options and/or the vesting of awards under the Schemes, provided that the aggregate number of new shares to be issued under the Schemes shall not exceed 15 per cent of the total number of issued shares (excluding treasury shares) from time to time.

10. Renewal of Shareholders' mandate for Interested Person Transactions **(Resolution 11)**

That:

(a) for purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be given for the Company, its subsidiaries and associated companies or any of them, to enter into, amend and/or renew any of the transactions falling within the types of interested person transactions described in the appendix to the Annual Report 2014 (***Appendix***) with any party who is of the class of interested persons described in the Appendix, provided that such transactions are on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the review procedures for such interested person transactions as set out in the Appendix (***IPT Mandate***);

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and

NOTICE OF ANNUAL GENERAL MEETING

(c) the Directors of the Company and each of them be authorised to complete and to do all acts and things (including without limitation to making such arrangements, entering into all such transactions, arrangements and agreements and executing all such documents as may be required or as they (or he/she) may from time to time consider necessary, desirable or expedient, or in the interests of the Company), to give effect to the IPT Mandate and/or this Resolution as they (or he/she) may deem fit (including without limitation to the foregoing, to affix the Common Seal of the Company to any such documents, if required).

By Order of the Board

Madelyn Kwang
Company Secretary
14 April 2015
Singapore

Notes:

(1) A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his/her stead. A proxy need not be a member of the Company.

(2) Notwithstanding the above but subject otherwise to the Articles of Association of the Company, a member who is a Depository Agent shall be entitled to appoint any Sub-Account Holder as proxy to attend and vote at the Annual General Meeting of the Company in respect of such number of shares as are held by each Sub-Account Holder in an account maintained with that Depository Agent.

If the Depositor is a Depository Agent, the instrument of proxy is to be accompanied by a confirmation in writing in the common form, signed by, or on behalf of, the Depository Agent confirming that such Sub-Account Holder is the holder of an account maintained with that Depository Agent in respect of the number of shares specified in the proxy form.

(3) The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointor or his/her attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(4) The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413 not less than 48 hours before the time appointed for the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

(5) A Depositor's name must appear on the Depository's Register maintained by The Central Depository (Pte) Limited 48 hours before the time appointed for the Annual General Meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

Resolution 2
If re-elected, Mr Oliver Khaw Kar Heng, a non-executive non-independent director of the Company, will remain as a member of each of the Audit and Remuneration Committees.

Resolution 4
If re-elected, Mr Lim Say Tai, an independent director of the Company, will remain as Chairman of the Audit Committee and a member of each of the Nominating and Remuneration Committees.

Resolution 5
If re-elected, Mr Tung Zhihong, Paul, an independent director of the Company, will remain as Chairman of the Remuneration Committee and a member of each of the Audit and Nominating Committees.

Resolution 6
If re-appointed, Mr Liow Keng Teck, an independent director of the Company, will remain as Chairman of the Board, Chairman of Nominating Committee and a member of the Audit Committee.

Resolution 9
The proposed Resolution 9, if passed, will empower the directors, from the date of the Annual General Meeting until the next annual general meeting of the Company, to issue Shares and/or Instruments up to an aggregate number not exceeding 50 per cent of the total number of issued Shares excluding treasury shares, with a sub-limit of 20 per cent for Shares issued other than on a *pro rata* basis to Shareholders.

Resolution 10
The proposed Resolution 10, if passed, will empower the directors to offer and grant options and/or awards under the Schemes (which were approved at the Extraordinary General Meeting of the Company held on 16 September 2008) and to allot and issue shares in the capital of the Company, under the exercise of options and/or the vesting of awards under the Schemes, provided that the aggregate number of shares to be issued under the Schemes does not exceed 15 per cent of the total number of issued shares excluding treasury shares of the Company for the time being.

Resolution 11
The proposed Resolution 11, if passed, will renew the IPT Mandate (which was approved at the Extraordinary General Meeting of the Company held on 30 April 2014) and empower the Company, its subsidiaries and associate companies, to enter into, amend and/or renew any of the Interested Persons Transactions as described in the Appendix to this Notice of Annual General Meeting and to do all acts necessary to give effect to the IPT Mandate. The authority under the renewed IPT Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting is required by law to be held, whichever is earlier. In accordance with the requirements of Chapter 9 of the Listing Manual, Dato' Dr. Low Tuck Kwong, Mr Low Yi Ngo, Ms Elaine Low and Manhattan Investments Pte Ltd will abstain, and will ensure that their associates will abstain from voting on this Ordinary Resolution 11 in relation to the renewal of the IPT Mandate.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, ***Purposes***), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

MANHATTAN RESOURCES LIMITED

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

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting (***Meeting***) and vote, must submit their voting instructions to their CPF Approved Nominees so that their CPF Approved Nominees may register, within the specific time frame, with the Company.

PROXY FORM

I/We ______________________________ (NRIC/Passport No.) ______________

of ______________________________ (Address)

being a member/members of Manhattan Resources Limited (***Company***), hereby appoint:–

Name	Address	NRIC/Passport Number	Proportion of Shareholdings to be represented	
			Number of shares	%
And/or (delete as appropriate)				

or failing whom, Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the annual general meeting of the Company (***AGM***) to be held at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on 30 April 2015 at 3.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the AGM and at any adjournment thereof.

No.	Resolutions	*No. of votes For	*No. of votes Against
	Ordinary Business		
1.	To adopt Directors' Report and Audited Financial Statements for the year ended 31 December 2014, together with the independent auditors' report.		
2.	To re-elect Mr Oliver Khaw Kar Heng as a director.		
3.	To re-elect Ms Elaine Low as a director.		
4.	To re-elect Mr Lim Say Tai as a director.		
5.	To re-elect Mr Tung Zhihong, Paul as a director.		
6.	To re-appoint Mr Liow Keng Teck as a director under Section 153(6) of the Companies Act, Chapter 50.		
7.	To approve directors' fees for the financial year ending 31 December 2015.		
8.	To re-appoint Ernst & Young LLP as auditors and to authorise Directors to fix their remuneration.		
	Special Business		
9.	To authorise directors to issue shares and/or Instruments under Section 161 of the Companies Act, Chapter 50.		
10.	To authorise directors to offer and grant options and/or awards and to issue shares under the Schemes.		
11.	To approve renewal of the IPT Mandate.		

* If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of April 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

....

Signature(s) of member(s)/Common Seal of corporate member

IMPORTANT
PLEASE READ NOTES OVERLEAF

Notes:

1. A member should insert the total number of ordinary shares in the capital of the Company (***Shares***) held. If the member has Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members, he should insert that number of Shares. If a member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all Shares held by the member.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member of the Company appoints more than one proxy, he shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

4. Notwithstanding the above but subject otherwise to the Articles of Association of the Company, a member who is a Depository Agent shall be entitled to appoint any Sub-Account Holder as proxy to attend and vote at the Annual General Meeting of the Company in respect of such number of Shares as are held by each Sub-Account Holder in an account maintained with that Depository Agent.

   If the Depositor is a Depository Agent, the instrument of proxy is to be accompanied by a confirmation in writing in the common form, signed by, or on behalf of, the Depository Agent confirming that such Sub-Account Holder is the holder of an account maintained with that Depository Agent in respect of the number of shares specified in the proxy form.

5. This instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413 not less than 48 hours before the time appointed for the Annual General Meeting.

6. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member of the Company from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member of the Company attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Annual General Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

8. A corporation which is a member of the Company may, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

   The Company shall also be entitled to reject any instrument of proxy lodged by the Depositor Agent appointing any Sub-Account Holder as proxy unless the instrument of proxy is accompanied by a confirmation in writing in the common form signed by, or on behalf of, the Depository Agent.

10. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member of the Company, being the appointor, is not shown to have Shares entered against his/her names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, ***Purposes***), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This page has been intentionally left blank

This page has been intentionally left blank

Designed and produced by
TOPPAN
TOPPAN VITE PTE. LTD.
(65) 6578 6522

MANHATTAN RESOURCES LIMITED
Co. Reg. No. 199006289K

133 New Bridge Road
#18-09 Chinatown Point
Singapore 059413
Tel: (65) 6345 0777 Fax: (65) 6342 0777

www.manhattan.sg