ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the third quarter ended 30 September 2018

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

		THE GROUP					
		Quarter ended 30 September			Nine months ended 30 September		
		2018	2017	Changes	2018	2017	Changes
	Note	S$'000	S$'000	%	S$'000	S$'000	%
Revenue		**136,379**	**27,897**	389%	**241,298**	**31,100**	676%
Cost of sales		(141,112)	(27,520)	413%	(244,957)	(30,688)	698%
Gross profit		**(4,733)**	**377**	NM	**(3,659)**	**412**	-988%
Other operating income		70	135	-48%	366	238	54%
Selling expenese		(1,288)	(528)	144%	(1,900)	(294)	546%
Administrative expenses		(681)	(374)	82%	(1,299)	(983)	32%
Other operating expenses		(922)	(9)	10144%	(1,136)	(3,020)	-62%
Finance costs		(85)	-	NM	(92)	(105)	-12%
Loss before taxation		**(7,639)**	**(399)**	**1815%**	**(7,720)**	**(3,752)**	**106%**
Income tax		2	(18)	NM	(112)	(18)	522%
Loss for the financial period	1	**(7,637)**	**(417)**	**1731%**	**(7,832)**	**(3,770)**	**108%**
Other comprehensive income:							
Components of other comprehensive income that will not be reclassified to profit or loss, net of taxation							
Gain on revaluation of property, plant and equipment		-	-	NM	-	-	NM
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation							
Exchange differences on translating foreign operations		1,368	(207)	NM	1,566	1,363	15%
Total comprehensive loss for the financial period		**(6,269)**	**(624)**	**905%**	**(6,266)**	**(2,407)**	**160%**
Loss attributable to:							
Owners of the Company		**(4,625)**	**(445)**	**939%**	**(5,008)**	**(3,778)**	**33%**
Non-controlling interests		(3,012)	28	**NM**	(2,824)	8	NM
		(7,637)	**(417)**	**1731%**	**(7,832)**	**(3,770)**	**108%**
Total comprehensive (loss)/ income attribtable to:							
Owners of the Company		**(3,117)**	**(550)**	**467%**	**(3,321)**	**(2,424)**	**37%**
Non-controlling interests		(3,152)	(74)	4159%	(2,945)	17	NM
		(6,269)	**(624)**	**905%**	**(6,266)**	**(2,407)**	**160%**

NM – not meaningful

1(a)(ii) Note to the statement of comprehensive income.

Note 1 - Loss for the financial period is arrived at after charging/(crediting) the following items:

	THE GROUP			
	Quarter ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Depreciation of property, plant and equipment	55	55	168	168
Interest expense	-	6	-	98
Net foreign exchange loss/(gain)	1,257	39	1326	2,572

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	THE GROUP		THE COMPANY	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
	(Unaudited)	(Unaudited)*	(Unaudited)	(Unaudited)*
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	3,706	6,183	3,704	6,181
Investments in subsidiaries	-	-	15,055	15,055
Intangibles assets	6,361	6,373	-	-
Investment properties	7,170	4,828	7,170	4,828
Total non-current assets	**17,237**	**17,384**	**25,929**	**26,064**
Current assets				
Inventories	14,095	21,350	-	-
Trade receivables	16,395	11,332	-	1,458
Other receivables, deposits and prepayments	48,035	86,048	108,365	118,129
Cash and cash equivalents	2,220	933	526	28
Total current assets	**80,745**	**119,663**	**108,891**	**119,615**
TOTAL ASSETS	**97,982**	**137,047**	**134,820**	**145,679**
EQUITY				
Capital and reserves attribuable to owners of the Company				
Share capital	265,856	265,856	265,856	265,856
Reserves	(194,632)	(199,010)	(201,381)	(200,506)
	71,224	66,846	64,475	65,350
Non-controlling interests	(3,850)	6,796	-	-
Total equity	**67,374**	**73,642**	**64,475**	**65,350**
LIABILITIES				
Current liabilities				
Trade payables	18,763	30,929	-	952
Other payables and accruals	11,015	32,165	69,665	79,377
Income tax liabilities	136	296	-	-
Other borrowing	680		680	
Total current liabilities	**30,594**	**63,390**	**70,345**	**80,329**
Non-current liabilities				
Employee benefit obligation	14	15	-	-
Total non-current liabilities	**14**	**15**	**-**	**-**
Total liabilities	**30,608**	**63,405**	**70,345**	**80,329**
TOTAL EQUITY AND LIABILITIES	**97,982**	**137,047**	**134,820**	**145,679**

*

Note: Refer to Paragraph 2 for explanation

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

	THE GROUP			
	Quarter ended 30 September		Nine months ended 30 September	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Cash flows from investing activities:				
Loss before taxation	(7,639)	(399)	(7,720)	(3,752)
Adjustments for:	-			
Depreciation of property, plant and equipment	-	55	144	168
Provision for doubtful debts – non-trade	-	135	-	135
Interest income	2	(3)	-	(3)
Interest expense	-	5	-	97
Unrealised exchange loss	1,289	(340)	1,326	2,223
Operating loss before working capital changes	(6,348)	(547)	(6,250)	(1,132)
Changes in working capital:				
Inventories	(3,484)	6,763	7,255	6,763
Trade receivables	1,397	(6,700)	12,200	(6,700)
Other receivables, deposits and prepayments	3,607	156	17,540	(1,413)
Trade payables	12,914	9,317	(12,165)	9,317
Other payables and accruals	(7,669)	(3,840)	(17,701)	(5,917)
Total changes in working capital	6,765	5,696	7,129	2,050
Cash generated from/(used in) operations	417	5,149	879	918
Interest received	(2)	3	-	3
Interest paid	-	(5)	-	(130)
Income tax paid	43	(1)	(272)	(3)
Net cash generated from/(used in) operating activities	**458**	**5,146**	**607**	**788**
Cash flows from investing activities:				
Purchases of property, plant and equipment	-	-	-	(52)
Net cash inflow from acquisition of subsidiaries	-	1,111	-	1,111
Proceeds from disposal of investment properties held for sale	-	-	-	11,367
Net cash generated from investing activities	**-**	**1,111**	**-**	**12,426**
Cash flows from financing activities:				
Proceeds from new loans	680	-	680	-
Repayment of borrowings	-	-	-	(7,533)
(Repayment to)/Advance from the immediate holding company	-	(2)	-	(2)
Net cash used in financing activities	**680**	**(2)**	**680**	**(7,535)**
Net increase in cash and cash equivalents	**1,138**	**6,255**	**1,287**	**5,679**
Cash and cash equivalents at beginning of period	1,082	84	933	660
Cash and cash equivalents at end of period	**2,220**	**6,339**	**2,220**	**6,339**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company							
THE GROUP	**Share capital S$'000**	**Asset revaluation reserve S$'000**	**Share options reserve S$'000**	**Foreign currency translation reserve S$'000**	**Accumulated losses S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Balance as at 1 January 2018*	**265,856**	**478**	**1,683**	**5,042**	**(206,213)**	**66,846**	**6,796**	**73,642**
Total comprehensive income/(loss) for the period	-	-	-	179	(383)	**(204)**	207	**3**
Balance as at 30 June 2018	**265,856**	**478**	**1,683**	**5,221**	**(206,596)**	**66,642**	**7,003**	**73,645**
Total comprehensive loss for the period	-	-	-	1,506	(4,624)	**(3,118)**	(3,153)	**(6,271)**
Balance as at 30 September 2018	**265,856**	**478**	**1,683**	**6,727**	**(211,220)**	**63,524**	**3,850**	**67,374**
Balance as at 1 January 2017	**250,805**	**478**	**1,683**	**3,660**	**(200,078)**	**56,548**	**(4,125)**	**52,423**
Total comprehensive income/(loss) for the period	-	-	-	1,459	(3,333)	**(1,874)**	91	**(1,783)**
Balance as at 30 June 2017	**250,805**	**478**	**1,683**	**5,119**	**(203,411)**	**54,674**	**(4,034)**	**50,640**
Issuance of shares for acquisition of subsidiaries	15,051	-	-	-	-	**15,051**	9,950	**25,001**
Total comprehensive loss for the period	-	-	-	(105)	(445)	**(550)**	(74)	**(624)**
Balance as at 30 September 2017	**265,856**	**478**	**1,683**	**5,014**	**(203,856)**	**69,175**	**5,842**	**75,017**

THE COMPANY	**Share capital S$'000**	**Asset revaluation reserve S$'000**	**Share options reserve S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
Balance as at 1 January 2018*	**265,856**	**478**	**1,683**	**(202,667)**	**65,350**
Total comprehensive loss for the period	-	-	-	(1,133)	**(1,133)**
Balance as at 30 June 2018	**265,856**	**478**	**1,683**	**(203,800)**	**64,217**
Total comprehensive income for the period	-	-	-	258	**258**
Balance as at 30 September 2018	**265,856**	**478**	**1,683**	**(203,542)**	**64,475**
Balance as at 1 January 2017	**250,805**	**478**	**1,683**	**(199,598)**	**53,368**
Total comprehensive loss for the period	-	-	-	(164)	**(164)**
Balance as at 30 June 2017	**250,805**	**478**	**1,683**	**(199,762)**	**53,204**
Issuance of shares for acquisition of subsidiaries	15,051	-	-	-	**15,051**
Total comprehensive income for the period	-	-	-	139	**139**
Balance as at 30 September 2017	**265,856**	**478**	**1,683**	**(199,623)**	**68,394**

* Note: Refer to Paragraph 2 for explanation

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares that held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- There were no changes in the Company's share capital during the period.
- There were no shares that may be issued on conversion or held as treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year: -

No. of issued & fully paid ordinary shares as at 30 September 2018 remain unchanged at 292,828,099 compared with 31 December2017.

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2018.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The Board of Directors (the "Board") of Abterra Ltd. (the "Company") refers to the Company's announcement released on 17 April 2018 (the "Announcement") in relation to the notice received from its auditors, Mazars LLP (the "Auditors") informing that the Auditors have applied to the Accounting and Corporate Regulatory Authority ("ACRA") to seek its consent to resign as the statutory auditors of the Company. As stated in paragraph 2(c) of the Announcement, the Auditors' report on the financial statements of the Group and of the Company for the financial year ended 31 December 2017 ("FY 2017") have yet to be issued.

The Board also refers to the Company's announcement dated 8 November 2018, where the Company receives ACRA's approval of the resignation of Mazars LLP as auditors of the Company (the "ACRA Approval"). Upon receipt of the Audit Committee and Board's approval of the appointment of the Company's new set of auditors, the Company will convene an extraordinary meeting to obtain shareholders' approval for the appointment of the new auditors (the "New Auditors"), who will prepare and issue the report on the financial statements of the Group and of the Company for FY2017 (the "Audited Financial Statements for FY2017").

Due to the above, the Board wishes to highlight that there may be variances between the Group's unaudited financial statements for the first half year ended 30 June 2018 as announced on 13 Aug 2018, and the New Auditor's report on the Audited Financial Statements for FY2017 which is yet to be issued. Due to the above, the Board wishes to highlight that there may be variances between the Group's unaudited financial statements for the first nine months ended 30 September 2018 as announced on 13 Nov 2018, and the New Auditor's report on the Audited Financial Statements for FY2017 which is yet to be issued.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared to the audited financial statements as at 31 December 2017 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2018. The adoption of these FRS has no material impact on the Group's and the Company's financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4.

6. Earnings/(Loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	THE GROUP			
	Quarter ended 30 September		Nine months ended 30 September	
	2018 S cents	2017 S cents	2018 S cents	2017 S cents
Earnings/(Loss) per ordinary share for the period				
(i) Based on weighted average number of ordinary shares in issue	(1.58)	(0.17)	(1.71)	(1.50)
- Weighted average number of shares	292,828,099	267,495,604	292,828,099	252,099,695
(ii) On a fully diluted basis	(1.58)	(0.17)	(1.71)	(1.50)
- Weighted average number of shares	292,828,099	267,495,604	292,828,099	252,099,695

Earnings/(Loss) per ordinary share is calculated from dividing the Group's net profit/(loss) attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the financial period.

7. Net asset value (for the issuer and group) per ordinary share based on total number of shares excluding treasury shares of the issuer at the end of the

(a) current financial period reported on; and

(b) immediately preceding financial year.

	THE GROUP		THE COMPANY	
	30 Sep 2018 (Unaudited) S cents	31 Dec 2017 (Unaudited) S cents	30 Sep 2018 (Unaudited) S cents	31 Dec 2017 (Unaudited) S cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	23.01	25.15	22.01	22.32

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 September 2018 of 292,828,099 ordinary shares (31 December 2017: 292,828,099 ordinary shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue and Cost of sales

Revenue were generated from the sales of coke and coal during the period under review. The increase was mainly due to the increased contribution by subsidiary Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司) ("BLX") which has increased its sale effort and also engaged sale agents.

Most of the sales and purchase contracted signed during 2Q 2018, the cost of sales had been projected based on the exchanged rate for USD to RMB at 6.4, but due to the 2018 China–United States trade war, the RMB had been depreciation by 6% within the 3Q. Therefore, the cost of sales increased by 6% for all the good imported, the sales price reminds unchanged as the sales contract dominated in RMB and this has resulted a gross loss of S$4.7 million for 3Q**.**

The management has reviewed the operations of BLX and to mitigate the high risk on the fluctuation on the exchange rate, the hedge of exchange rate risk has been made for next quarter purchasing.

Selling expenses

Selling expenses increased significantly mainly due to the BLX increasing in the agency expense, as the sales from agency played an important part for 3Q sales. The staff cost, entertainment and travelling expenses attributable to the sales of coke and coal increased during the period, which in line with the increasing in revenue.

Administrative expenses

Administrative expenses increased by S$0.3 million from the corresponding period in the first nine months 2018. This was mainly due to the increase in consultant fee by BLX.

Other operating expenses

Other operating expenses decreased from S$3 million in the corresponding period to S$1.1 million in the first nine months 2018. This was mainly due to the decrease in unrealised foreign exchange loss.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (continued)

Loss for the financial period

In view of the above, the Group recorded loss after tax of S$7.8 million for the first nine months 2018, as compared to loss after tax of S$3.7 million for the corresponding period in 2017.

Review of Consolidated Statement of Financial Position

Property, plant and equipment and Investment properties

Property, plant and equipment of the Group was decreased by approximately S$2.4 million from S$6.1 million as at 31 December 2017 to S$3.7 million as at 30 September 2018. The decrease was mainly caused by reclassification of Property from Property, plant and equipment to Investment properties. This reclassification in turn increased Investment properties from S$4.8 million as at 31 December 2017 to S$7.1 million as at 30 September 2018.

Inventories

The decrease in inventories from S$21.4 million as at 31 December 2017 to S$14 million as at 30 September 2018. The decrease in inventories was mainly due to trading activities in 3Q 2018 were mainly on coal where the nature of such trade does not require Group to maintain a certain level of inventories.

Trade receivables

The increase in trade receivables from S$11.3 million as at 31 December 2017 to S$16.3 million as at 30 September 2018. The increase in trade receivables in line with the increasing in the sales.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments decreased from S$86.0 million as at 31 December 2017 to S$48.0 million as at 30 September 2018. The decrease was mainly due to BLX decreased prepayment in trade close to end of financial period and had collected on other receivable timely compare to last year as at 31 December 2017.

Cash and cash equivalents

Cash and cash equivalents of the Group increased from S$0.9 million at as 31 December 2017 to S$2.2 million as at 30 September 2018. That is mainly due to the timely collection on the other receivable and decreasing on the prepaying during this period.

Trade payables

Trade payables decreased from S$30.9 million as at 31 December 2017 to S$18.8 million as at 30 September 2018. The decrease in trade payables was mainly due to Group settlement of accounts close to end of financial period compare to last year as at 31 December 2017.

Other payables and accruals

Other payables and accruals decreased from S$32.1 million as at 31 December 2017 to S$11.0 million as at 30 September 2018. The decrease was mainly due to Group settlement of other payables outstanding from last year as at 31 December 2017.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (continued)

Review of Consolidated Statement of Cash Flows

Net cash generated in operating activities for the first nine months 2018 was S$0.6 million compared to S$0.8 million cash used for the corresponding period in 2017. The net cash inflow was mainly due to sales from of coke and coal during the period under review.

Cash and cash equivalent of the group decreased from S$6.9 million in the corresponding period in 2017 to S$2.2 million for the first nine months 2018, which mainly due to there was proceeds from disposal of investment properties of S$11.3 million collected in the corresponding period in 2017. The proceeds from disposal was applied to pay for various expenses during the previous quarters.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

China's coal imports dropped sharply in August after cooler weather crimped demand from utilities. China's benchmark steam coal price remained unchanged during the past few months as demand for electricity started to retreat after the peak season, and the Steam-Coal Price Index, a gauge of coal prices in northern China's major ports, stood around 568 RMB (around 82.67 U.S. dollars) per ton. Coal-burnt plants have started to suspend generators for routine inspection and maintenance as summer ended, and some corporate consumers have delayed purchase plans in anticipation of price declines.

On 15 August 2018, Abterra Australia Pty Limited ("Abterra Australia"), the wholly-owned subsidiary of Abterra Ltd, appointed an administrator in Australia and will be placed under voluntary administration. The amount recoverable from Abterra Australia will depend on the arrangement to be proposed by the administrator and the outcome of its implementation. As such, the Board will update shareholders on the financial impact to the Group after the Board receives and assesses the arrangement to be proposed by the administrator.

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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended by the Board of Directors.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs").

14. Negative assurance confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the period ended 30 September 2018 to be false or misleading in any material aspect.

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

The Group has procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Cai Suirong
Executive Director and Chief Executive Officer
13 November 2018