ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the first quarter ended 31 March 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 31 March		
	Note	2018 S$'000	2017 S$'000	Changes %
Revenue		**43,808**	**1,673**	2519%
Cost of sales		(43,405)	(1,654)	2524%
Gross profit		**403**	**19**	2021%
Other operating income		687	99	594%
Selling expenses		(329)	-	NM
Administrative expenses		(315)	(318)	-1%
Other operating expenses		(122)	(2,771)	-96%
Finance costs		(4)	(94)	-96%
Profit/(loss) before tax		**320**	**(3,065)**	NM
Income tax		(16)	-	NM
Profit/(loss) after tax	**1**	**304**	**(3,065)**	NM
Other comprehensive income/(loss):				
Components of other comprehensive income that will not be reclassified to profit or loss, net of taxation				
Gain on revaluation of property		-	-	
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation				
Exchange differences on translating foreign operations		454	1,516	-70%
Total comprehensive profit/(loss) for the year		**758**	**(1,549)**	NM
Profit/(loss) for the year attributable to:				
Owners of the Company		**228**	**(3,055)**	NM
Non-controlling interests		76	(10)	NM
		304	**(3,065)**	NM
Total comprehensive profit/(loss) for the year attributable to:				
Owners of the Company		**740**	**(1,656)**	NM
Non-controlling interests		18	107	-83%
		758	**(1,549)**	NM

NM – not meaningful

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

Note 1 - Profit after tax is arrived at after charging/(crediting) the following items:

	THE GROUP Quarter ended 31 March	
	2018 **S$'000**	**2017** **S$'000**
Depreciation of property, plant and equipment	120	57
Interest expense	-	92
Foreign currency exchange loss (gain)	(461)	2,714

1(b)(i) 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	
	31 Mar 2018 (Unaudited) S$'000	31 Dec 2017 (Unaudited) * S$'000	31 Mar 2018 (Unaudited) S$'000	31 Dec 2017 (Unaudited) * S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,063	6,183	9,781	6,181
Investments in subsidiaries	-	-	15,055	15,055
Intangibles assets	6,373	6,373	-	-
Investment properties	4,828	4,828	1,108	4,828
Total non-current assets	**17,264**	**17,384**	**25,944**	**26,064**
Current assets				
Inventories	7,410	21,350	-	-
Investment properties held for sale	-	-	-	-
Trade receivables	11,470	11,332	578	1,458
Other receivables, deposits and prepayments	56,610	86,048	106,416	118,129
Cash and cash equivalents	158	933	10	28
Total current assets	**75,648**	**119,663**	**107,004**	**119,615**
TOTAL ASSETS	**92,912**	**137,047**	**132,948**	**145,679**
EQUITY				
Capital and reserves and non-controlling interests				
Share capital	265,856	265,856	265,856	265,856
Reserves	(198,270)	(199,010)	(199,541)	(200,506)
Non-controlling interests	6,814	6,796	-	-
Total equity	**74,400**	**73,642**	**66,315**	**65,350**
LIABILITIES				
Current liabilities				
Trade payables	3,151	30,929	431	952
Other payables and accruals	15,294	32,165	66,202	79,377
Income tax liabilities	52	296	-	-
Borrowings	-	-	-	-
Total current liabilities	**18,497**	**63,390**	**66,633**	**80,329**
Non-current liabilities				
Employee benefit obligation	15	15	-	-
Total non-current liabilities	**15**	**15**	**-**	**-**
Total liabilities	**18,512**	**63,405**	**66,633**	**80,329**
TOTAL EQUITY AND LIABILITIES	**92,912**	**137,047**	**132,948**	**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 31 March	
	2018	**2017**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit/(Loss) before taxation	**320**	**(3,065)**
Adjustments for:		
Depreciation of property, plant and equipment	120	57
Fair value loss on investment properties	-	-
Fair value loss on investment properties held for sale	-	-
Provision for doubful debts - non-trade	-	-
Loss on disposal of investment properties	-	-
Impairment of available-for-sale financial asset	-	-
Interest income	(2)	-
Interest expense	-	92
Unrealised exchange loss/(gain)	(189)	2,728
Operating gain/(loss) before working capital changes	249	(188)
Changes in working capital:		
Inventories	13,940	-
Trade receivables	(137)	-
Other receivables, deposits and prepayments	30,077	(1,478)
Trade payables	(27,778)	-
Other payables and accruals	(16,867)	(1,522)
Total changes in working capital	(765)	(3,000)
Cash used in operations	(516)	(3,188)
Interest received	2	-
Interest paid	-	(92)
Income tax (paid)/refunded	(260)	(2)
Net cash used in operating activities	**(774)**	**(3,282)**
Cash flows from investing activities		
Net cash inflow from acquisition of subsidiaries		-
Purchases of property, plant and equipment		-
Proceeds from disposal of investment properties held for sale	-	11,367
Utilised for disposal of investment properties		-
Deposits received for disposal of investment properties	-	-
Net cash used in/ (generated) from investing activities	**-**	**11,367**
Cash flows from financing activities		
Advance from immediate holding company	(1)	-
Proceeds from new loans	-	-
Repayment of borrowings	-	(7,533)
Net cash (used in)/generated from financing activities	**(1)**	**(7,533)**
Net increase/(decrease) in cash and cash equivalents	**(775)**	**552**
Cash and cash equivalents at beginning of period	933	660
Cash and cash equivalents at end of period	**158**	**1,212**

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 the equity holders of the Company							
THE GROUP	**Share capital**	**Asset revaluation reserve**	**Share options reserve**	**Foreign currency translation reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'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	-		-	512	228	**740**	18	**758**
Balance as at 31 March 2018	**265,856**	**478**	**1,683**	**5,554**	**(205,985)**	**67,586**	**6,814**	**74,400**
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	-	-	-	1,399	(3,055)	**(1,656)**	107	**(1,549)**
Balance as at 31 March 2017	**250,805**	**478**	**1,683**	**5,059**	**(203,133)**	**54,892**	**(4,018)**	**50,874**

Balance as at 1 January 2018*	**265,856**	**478**	**1,683**	**(202,667)**	**65,350**
Total comprehensive income/(loss) for the period	-		-	965	**965**
Balance as at 31 March 2018	**265,856**	**478**	**1,683**	**(201,702)**	**66,315**
Balance as at 1 January 2017	**250,805**	**478**	**1,683**	**(199,598)**	**53,368**
Total comprehensive income/(loss) for the period	-	-	-	(349)	**(349)**
Balance as at 31 March 2017	**250,805**	**478**	**1,683**	**(199,947)**	**53,019**

*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	
Balance as at 31 December 2017 and 31 March 2018	292,828,099

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 31 March 2018.

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

The figures have neither been reviewed nor audited.

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 9 May 2018, where the Company updated that it is awaiting confirmation in relation to ACRA's approval of the resignation of Mazars LLP as auditors of the Company (the "ACRA Approval"). Upon receipt of the ACRA Approval and 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 quarter ended 31 March 2018 as announced on 13 May 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 unaudited 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 31 March	
	2018 **S cents**	**2017** **S cents**
Earnings/(Loss) per ordinary share for the year		
(i) Based on weighted average number of ordinary shares in issue	0.08	(1.25)
- Weighted average number of shares	292,828,099	244,274,150
(ii) On a fully diluted basis	0.08	(1.25)
- Weighted average number of shares	292,828,099	244,274,150

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

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	
	31 Mar 2018 S cents	31 Mar 2017 S cents	31 Mar 2018 S cents	31 Mar 2017 S cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	25.41	20.83	22.65	21.70

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

Revenue were generated from the sales of coke and coal during the period under review. The increase was mainly due to the contribution by the newly acquired subsidiary Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司) ("BLX") completed on 18 August 2017.

Selling expenses

Selling expenses mainly represents the staff cost, entertainment and agency expenses in relation to the sales of coke and coal during the year.

Other operating income

Other operating income for 1Q 2018 increased by S$0.58 million to S$0.68 million, as compared with S$0.10 million for the corresponding period. This was mainly due to the net exchange gain of S$0.46 million.

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 Profit or Loss and Other Comprehensive Income - continued

Other operating expenses

Other operating expenses decreased from S$2.77 million in the corresponding period to S$0.12 million in 1Q 2018. It is mainly attributable to the net exchange loss of S$2.7 million in 1Q 2017.

Profit for Quarter ended 31 March 2018

In view of the above, the Group recorded profit after tax of S$0.3 million for 1Q 2018, as compared to loss after tax of S$3.01 million for the corresponding period in 2017.

Review of Consolidated Statement of Financial Position

Cash and cash equivalents

Cash and cash equivalents of the Group decreased from S$0.93 million at as 31 December 2017 to S$0.15 million as at 31 March 2018. See the Review of Consolidated Statement of Cash Flows for details.

Inventories

The amount represents the steam coal held by the Group in relation to the coal trading business.

Trade receivables

The amount represents the receivables due from various coal business customers as at 31 March 2018.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments decreased from S$86 million as at 31 December 2017 to S$56.6 million as at 31 March 2018.

Trade payable

The amount represents the payables due to various coal business suppliers as at period end.

Other payables and accruals

Other payables and accruals decreased from S$32.0 million as at 31 December 2017 to S$15 million as at 31 March 2018.

Pending the audit of FY2017

Please refer to Paragraph 2.

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 used in operating activities 1Q 2018 was S$0.77 million compared to S$3.3 million for the corresponding period in 2017. The net cash outflow was mainly due to the changes in working capital, resulted from the increase in trade and other payables, partly offset by the increase in inventories and trade receivables.

Net cash used in financing activities was S$1000 in 1Q 2018 compared to net cash used in financing activities for 1Q 2017 was S$7.5 million which was used for the full repayment of borrowings.

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 rose in the first quarter of 2018, driven by stockpiling activities from power plants and steel mills amidst robust downstream demand and rising steel production. Stricter environmental policies will continue to result in steel mills switching to high-grade iron ore to meet emission requirements, thus driving the demand for higher quality iron ore.

On 3 April 2018, the Company received a notice from its auditors, Mazars LLP, informing that they had applied to the Accounting and Corporate Regulatory Authority (ACRA), seeking its consent to resign as the statutory auditors of the Company. The auditors stated that the reason for resignation is owing to non-resolution of outstanding audit matters pertaining to BLX, an indirect 51% owned subsidiary of the Group which was acquired on 18 August 2017.

The auditors also raised certain questions relating to BLX and its potential related party transactions, as well as potential interested person transactions under Chapter 9 of the SGX-ST Listing Manual. The outstanding audit matters and questions raised by the Auditors pertain to BLX and were due, in part, to transactions entered into and matters occurring before 18 August 2017 (being the date of the Company's acquisition of BLX) which were not within the Company's control.

Before receiving the abovementioned notice from the Mazars LLP, the Company was working with the auditors to resolve the audit questions and provide the necessary documentation. The provided information is subject to verification and audit by the incoming auditors in which the Company is seeking approval for their engagement of new auditors to replace Mazars LLP in the event that their resignation is approved by ACRA. The management is also taking steps to review the operational and internal processes of BLX, to streamline such processes to be in line with that of the Group and to implement stronger control procedures.

For the appointment of the new auditors, the Board shall convene an extraordinary general meeting to meet the requirement under Rule 712(3) of the Listing Manual, which entails the preparation and despatch of a circular to the shareholders of the Company. Upon the appointment of the new auditors, the Company and the auditors will require a period of time for the audit work, the preparation of the annual report for the financial year ended 31 December 2017 ("FY2017"), and the corresponding annual general meeting ("AGM").

On 17 April 2018, the Company applied to the Singapore Exchange Securities Trading Limited for waiver to comply with Rule 707(1) of the Listing Manual and extension of time of four months up to 31 August 2018 to hold its AGM for FY2017. The Company had also on 30 April 2018 applied to ACRA for an extension of time to hold its AGM. The Company will provide updates on the outcome of the application to the SGX-ST in due course as well as further announcements as and when there are any subsequent developments.

For full and further details, please refer to previous announcements made by the Company on 17 April 2018 and 20 April 2018.

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 31 March 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 May 2018