



ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the Year Ended 31 December 2014

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

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

	Note	THE GROUP		Changes %
		2014 (Unaudited) S\$'000	2013 (Audited) S\$'000	
Revenue		49,005	17,113	186%
Cost of sales		(45,318)	(15,770)	187%
Gross profit		3,687	1,343	175%
Other operating income		7,678	18,808	-59%
Administrative expenses		(5,314)	(7,088)	-25%
Other operating expenses		(6,265)	(4,935)	27%
Finance costs		(1,200)	(2,003)	-40%
Share of results of associates		1,194	(1,754)	NM
(Loss)/profit before tax		(220)	4,371	NM
Income tax		(2)	(55)	-96%
(Loss)/profit after tax	1	(222)	4,316	NM
Other comprehensive income/(loss):				
<i>Item that may be reclassified subsequently to profit and loss</i>				
Currency translation differences arising from consolidation		1,399	6,803	-79%
Share of currency translation difference of an associate		(211)	-	NM
Total comprehensive income for the year		966	11,119	-91%
Profit/(loss) for the year attributable to:				
Equity holders of the Company		1,088	5,422	-80%
Non-controlling interests		(1,310)	(1,106)	18%
		(222)	4,316	NM
Total comprehensive income/(loss) for the year attributable to:				
Equity holders of the Company		1,402	10,495	-87%
Non-controlling interests		(436)	624	NM
		966	11,119	-91%

NM – not meaningful

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

	THE GROUP	
	2014	2013
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Interest income	(1,652)	(8)
Interest arising from the termination of a proposed acquisition	-	(9,916)
Fair value loss/(gain) on financial asset at fair value through profit or loss	1,217	(1,136)
Fair value loss on forward foreign exchange contract	1,948	1,208
Fair value gain on investment properties	-	(1,100)
Gain on cancellation of share issued previously under HKI Scheme	-	(3,859)
Interest expense	1,188	1,997
Depreciation of property, plant and equipment	629	644
Amortisation of intangible assets	103	766
Loss on disposal of property, plant and equipment	-	43
Employee benefits obligation	8	(1)
Net exchange gain	<u>(4,301)</u>	<u>(1,203)</u>

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 Dec 2014 (Unaudited) S\$'000	31 Dec 2013 (Audited) S\$'000	31 Dec 2014 (Unaudited) S\$'000	31 Dec 2013 (Audited) S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,304	12,826	11,620	12,072
Subsidiaries	-	-	31,146	31,146
Associates	82,568	79,726	2,149	2,149
Available-for-sale financial assets	12,345	12,345	12,345	12,345
Derivative financial assets	-	1,948	-	1,948
Intangibles assets	3,985	4,244	-	-
Investment properties	26,000	26,000	26,000	26,000
Other receivables	-	50,954	-	50,954
Total non-current assets	137,202	188,043	83,260	136,614
Current assets				
Inventories	-	2,896	-	-
Trade receivables	20,492	2,455	-	-
Other receivables, deposits and prepayments	97,463	60,794	166,165	104,344
Tax recoverable	-	11	-	42
Financial assets at fair value through profit or loss	-	36,217	-	36,217
Cash and cash equivalents	1,655	2,035	1,364	1,494
Total current assets	119,610	104,408	167,529	142,097
TOTAL ASSETS	256,812	292,451	250,789	278,711
EQUITY				
Capital and reserves and non-controlling interests				
Share capital	250,805	250,805	250,805	250,805
Reserves	(69,948)	(71,350)	(80,880)	(79,630)
Non-controlling interests	24,957	25,393	-	-
Total equity	205,814	204,848	169,925	171,175
LIABILITIES				
Current liabilities				
Trade payables	19,394	2,139	-	-
Other payables and accruals	15,115	39,611	64,424	61,702
Income tax payable	51	-	29	-
Term loans	15,620	45,043	15,620	45,043
Total current liabilities	50,180	86,793	80,073	106,745
Non-current liabilities				
Employee benefit obligation	27	19	-	-
Deferred tax liabilities	791	791	791	791
Total non-current liabilities	818	810	791	791
Total liabilities	50,998	87,603	80,864	107,536
TOTAL EQUITY AND LIABILITIES	256,812	292,451	250,789	278,711

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2014 (Unaudited)		As at 31.12.2013 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
15,620	-	45,043	-

Amount repayable after one year

As at 31.12.2014 (Unaudited)		As at 31.12.2013 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral:

The Group's borrowings are secured by the following:

- Legal mortgage over the Group's properties.

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.

Consolidated statement of cash flows

	THE GROUP	
	2014	2013
	(Unaudited) S\$'000	(Audited) S\$'000
Cash flows from operating activities		
(Loss)/profit before tax	(220)	4,371
Adjustments for:		
Amortisation of intangible asset	103	766
Depreciation of property, plant and equipment	629	644
Fair value loss/(gain) on a financial asset at fair value through profit or loss	1,217	(1,136)
Fair value loss on forward foreign exchange contract	1,948	1,208
Fair value gain on investment properties	-	(1,100)
Loss on disposal of property, plant and equipment	-	43
Interest expense	1,188	1,997
Interest income	(1,652)	(8)
Interest arising from termination of proposed acquisition	-	(9,916)
Gain from cancellation of shares previously issued under HKI scheme	-	(3,859)
Employee benefits obligation	8	(1)
Share of results of associates	(1,194)	1,754
Unrealised exchange (gain)/loss	(1,190)	2,444
Operating profit/(loss) before working capital changes	837	(2,793)
(Increase)/Decrease in:		
Inventories	2,896	(2,639)
Trade receivables	(18,037)	3,221
Other receivables, deposits and prepayments	17,691	(7,423)
Increase/(Decrease) in:		
Trade payables	17,255	2,029
Other payables and accruals	(8,404)	3,709
Cash generated from/(used in) operations	12,238	(3,896)
Interest income received	1,652	8
Interest expense paid	(1,188)	(1,997)
Dividends received	-	363
Income tax refunded	60	41
Net cash from/(used in) operating activities	12,762	(5,481)
Cash flows from investing activities		
Proceeds from disposal of a financial asset at fair value through profit or loss	35,000	-
Purchase of property, plant and equipment	-	(338)
Net cash from/(used in) investing activities	35,000	(338)

Consolidated statement of cash flows (continued)

	THE GROUP	
	2014	2013
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Cash flows from financing activities		
Advance from/(repayment to) the immediate holding company	(18,719)	8,105
Repayment of borrowings	(29,423)	(1,277)
Net cash (used in)/from financing activities	(48,142)	6,828
Net (decrease)/increase in cash and cash equivalents	(380)	1,009
Cash and cash equivalents at beginning of year	2,035	1,026
Cash and cash equivalents at end of year	1,655	2,035

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.

THE GROUP	Attributable to the equity holders of the Company						Total equity S\$'000
	Share capital S\$'000	Share option reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings/ losses (accumulated) S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance as at 1 January 2013 (Audited)	254,664	1,683	(2,341)	(81,187)	172,819	24,769	197,588
Cancellation of shares	(3,859)	-	-	-	(3,859)	-	(3,859)
Total comprehensive income for the year	-	-	5,073	5,422	10,495	624	11,119
Balance as at 31 December 2013 (Audited)	250,805	1,683	2,732	(75,765)	179,455	25,393	204,848
Total comprehensive income/(loss) for the year	-	-	314	1,088	1,402	(436)	966
Balance as at 31 December 2014 (Unaudited)	250,805	1,683	3,046	(74,677)	180,857	24,957	205,814

THE COMPANY	Share capital S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance as at 1 January 2013 (Audited)	254,664	1,683	(101,037)	155,310
Cancellation of shares	(3,859)	-	-	(3,859)
Total comprehensive income for the year	-	-	19,724	19,724
Balance as at 31 December 2013 (Audited)	250,805	1,683	(81,313)	171,175
Total comprehensive loss for the year	-	-	(1,250)	(1,250)
Balance as at 31 December 2014 (Unaudited)	250,805	1,683	(82,563)	169,925

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 year.
- 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 2013 and 31 December 2014 244,274,150

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 December 2014 (31 December 2013: Nil).

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.

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 2013 except for the adoption of certain revised Financial Reporting Standards (“FRS”) which are effective for the financial period commencing 1 January 2014. 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 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	
	2014	2013
	(Unaudited)	(Audited)
	Cents	Cents
Earnings per ordinary share for the year		
(i) Based on weighted average number of ordinary shares in issue (cents)	0.45	2.20
- Weighted average number of shares	244,274,150	246,424,953
(ii) On a fully diluted basis	0.45	2.20
- Weighted average number of shares	244,274,150	246,424,953

Earnings per ordinary share is calculated from dividing the Group’s net profit attributable to shareholders 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	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	84.3	83.9	69.6	70.1

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 31 December 2014 of 244,274,150 ordinary shares (31 December 2013: 244,274,150 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

Compared to year 2013, revenue and cost of sales in year 2014 increased by S\$31.9 million and S\$29.5 million respectively, as the Group continued to improve its iron ore trading business during the year by utilizing financial resources.

Other operating income

Other operating income for year 2014 decreased by S\$11.1 million as compared with last year, which was mainly attributed to the absence of interest income earned from deposits paid in relation to the termination of a proposed equity investment in prior year of S\$9.9 million and an one-off gain on cancellation of shares issued previously under HKI scheme amounting to S\$3.8 million, and was partly offset by the interest income of S\$1.4 million earned from the Group's structured deposit upon maturity.

Other operating expenses

Other operating expenses for year 2014 increased by S\$1.4 million as compared with the last year, which was mainly attributed to the fair value loss of S\$1.2 million realized upon maturity of the Group's structured deposit.

Finance costs

Finance costs for year 2014 decreased by S\$0.8 million as compared with the last year which was as a result of repayment of interest bearing borrowings during the year.

Share of results of associates

Share of profits of associates of S\$1.2 million was recorded during the year as compared to the share of losses of associates of S\$1.8 million in 2013. This was mainly due to the increase in profit contributed by Tianjin Lant Development Company, as its turnover increased during the year.

Loss for the year

In view of the above, the Group recorded net loss after tax of S\$0.2 million for year 2014 as compared with net profit after tax of S\$4.3 million for year 2013.

Review of Consolidated Statement of Financial Position

Cash and bank

Cash and bank balances of the Group decreased from S\$2.0 million at 31 December 2013 to S\$1.7 million at 31 December 2014. See Review of Consolidated Statement of Cash Flows.

Inventories

Inventories decreased by S\$2.9 million to zero as the Group has sold all the stocks in relation to its coal trading business during the year.

Trade receivables

Trade receivables increased from S\$2.5 million at 31 December 2013 to S\$20.5 million at 31 December 2014. The increase was mainly due to increased sales recorded near year end.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments decreased from S\$111.7 million at 31 December 2013 (inclusive of current and non-current assets) to S\$97.5 million at 31 December 2014. The decrease was mainly due to the partial settlement of deposit paid for the acquisition of 54.42% of equity interest in Zuoquan Xinrui Metallurgy Mine Co., Limited.

Derivative financial assets

Derivative financial assets decreased to zero as the Group's forward contract matured in August 2014.

Trade payables

In line with trade receivables, trade payables increased by S\$17.3 million because of purchase of inventories for the sales recorded near year end.

Other payables and accruals

Other payables and accruals decreased from S\$39.6 million to S\$15.1 million mainly due to the settlement of payables to the holding company during the year.

Review of Consolidated Statement of Cash Flows

Cash inflows from operating activities of S\$12.8 million were mainly generated from trading activities.

Cash inflows from investing activities of S\$35.0 million represented the receipt from maturity of the Group's structured deposit.

Cash outflows from financing activities of S\$48.1 million represented the repayment to the holding company of S\$18.7 million and bank borrowings of S\$29.4 million.

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.

The Group expects the outlook for its trading business to remain challenging given the dampened market sentiment in the global commodities market. Iron ore prices are likely to remain low in the year ahead given the excessive supply globally and slow domestic demand for steel in China.¹ The weakening property sector in China continues to weigh heavily on iron ore, with steel consumption falling for the first time in 14 years.² Falling oil prices and the stronger US dollar are also expected to apply a downward pressure on iron ore prices.³ Nonetheless, the Group will continue to optimise its internal resources and tap its network of trading partners to support the growth of its core trading business.

Abterra intends to continue its strategy of becoming a vertically integrated supply chain manager of resources and explore new growth opportunities in the property sector to reduce expand its income stream.

¹“China Focus: China's weak foreign trade growth suggests more policy easing”, Xinhua, Jan 13, 2015
http://news.xinhuanet.com/english/china/2015-01/13/c_133916522.htm

² Copper, Iron ore are hammered”, The Wall Street Journal Asia, Jan 30, 2015

³ “Why iron ore won't rebound any time soon”, CNBC, January 26, 2015
<http://www.cnbc.com/id/102370542#>.

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/recommendeded, a statement to that effect.

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 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. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

<u>For the 12 months ended 31 December 2014</u> (Unaudited)	<u>Trading - Iron Ore</u> \$'000	<u>Trading - Coal</u> \$'000	<u>Total</u> \$'000
Revenue	<u>44,260</u>	<u>4,745</u>	<u>49,005</u>
Segment results	2,054	1,633	3,687
Other operating income			7,678
Unallocated costs			(11,579)
Finance costs			(1,200)
Share of result of associates			<u>1,194</u>
Loss before tax			(220)
Income tax			(2)
Non-controlling interests			<u>1,310</u>
Profit attributable to equity holders of the Company			<u><u>1,088</u></u>
Non-cash items			
Amortisation of intangible asset			103
Depreciation of property, plant and equipment			629
Fair value loss on financial assets at fair value through profit or loss			1,217
Fair value loss on forward foreign exchange contract			1,948
Unrealised exchange gain			(1,190)
Employee benefits obligation			<u>8</u>
<u>At 31 December 2014</u> (Unaudited)			
Segment assets	20,492	-	20,492
Associates			82,568
Unallocated assets			<u>153,752</u>
Consolidated total assets			<u><u>256,812</u></u>
Segment liabilities	19,394	-	19,394
Unallocated liabilities			<u>31,604</u>
Consolidated total liabilities			<u><u>50,998</u></u>

<u>For the 12 months ended 31 December 2013 (Audited)</u>	<u>Trading - Iron Ore</u> \$'000	<u>Trading - Coal</u> \$'000	<u>Total</u> \$'000
Revenue	<u>17,113</u>	<u>-</u>	<u>17,113</u>
Segment results	1,343	-	1,343
Other operating income			18,808
Unallocated costs			(12,023)
Finance costs			(2,003)
Share of result of associates			<u>(1,754)</u>
Profit before tax			4,371
Income tax			(55)
Non-controlling interests			<u>1,106</u>
Profit attributable to equity holders of the Company			<u>5,422</u>
 Non-cash items			
Amortisation of intangible asset			766
Depreciation of property, plant and equipment			644
Fair value gain on financial assets at fair value through profit or loss			(1,136)
Fair value loss on forward foreign exchange contract			1,208
Fair value gain on investment properties			(1,100)
Gain on cancellation of shares issued previously under HKI scheme			(3,859)
Interest arising from termination of proposed acquisition			(9,916)
Unrealised exchange gain			(1,180)
Loss on disposal of property, plant and equipment			43
Employee benefits obligation			<u>(1)</u>
 <u>At 31 December 2013 (Audited)</u>			
Segment assets	2,287	3,043	5,330
Associates			79,726
Unallocated assets			<u>207,395</u>
Consolidated total assets			<u>292,451</u>
 Segment liabilities	2,139	-	2,139
Unallocated liabilities			<u>85,464</u>
Consolidated total liabilities			<u>87,603</u>

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

16. **A breakdown of sales.**

	Latest Financial Year S\$'000 Group	Previous Financial Year S\$'000 Group	% increase/ (decrease) Group
(a) Sales reported for first half year	35,104	1,407	1430.4%
(b) Operating (loss)/profit after tax before deducting minority interests reported for first half year	(2,085)	368	NM
(c) Sales reported for second half year	13,901	15,706	74.9%
(d) Operating profit/(loss) after tax before deducting minority interests reported for second half year	1,863	3,948	(52.8%)

NM – not meaningful

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Clause 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Abterra Ltd. wishes to advise that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries are related to a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

**Lau Yu
Executive Director and Chief Executive Officer
26 February 2015**