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ABTERRA LTD.
(Registration No. 199903007C)

MATERIAL DIFFERENCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") refers to the announcement released by the Company on 24 February 2017 with regards to the unaudited financial statements for the financial year ended 31 December 2016.

The Board wishes to announce that pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following material adjustments and reclassifications had been made following the finalisation of the audit.

A. Group's consolidated statement of profit or loss and other comprehensive income

	Unaudited S$'000	Audited S$'000	Difference S$'000	Please refer to Note
Revenue	-	-	-	
Cost of sales	-	-	-	
Gross profit	-	-	-	
Other operating income	901	901	-	
Administrative expenses	(2,585)	(2,585)	-	
Other operating expenses	(7,273)	(21,412)	(14,139)	1
Finance costs	(855)	(855)	-	
Share of losses from equity-accounted for associates	-	-	-	
Loss before taxation	(9,812)	(23,951)	(14,139)	
Income tax	(12)	779	791	2
Loss for the financial year	(9,824)	(23,172)	(13,348)	
Other comprehensive income/(loss) ("OCI"):				
Components of OCI that will not be reclassified to profit and loss, net of tax				
Gain on revaluation of property, plant and equipment	149	149	-	
Components of OCI that will be reclassified to profit and loss, net of tax				
Exchange differences on translating foreign operations	(967)	(986)	(19)	3
Total comprehensive loss for the financial year	(10,642)	(24,009)	(13,367)	
Loss attributable to:				
Owners of the Company	(9,781)	(23,129)	(13,348)	
Non-controlling interests	(43)	(43)	-	
	(9,824)	(23,172)	(13,348)	
Total comprehensive loss attributable to:				
Owners of the Company	(10,767)	(24,134)	(13,367)	
Non-controlling interests	125	125	-	
	(10,642)	(24,009)	(13,367)	

B. Group's consolidated statement of financial position

	Unaudited S$'000	Audited S$'000	Difference S$'000	Please refer to Note
ASSETS				
Non-current assets				
Property, plant and equipment	6,347	6,347	-	
Investments in associates	-	-	-	
Available-for-sale financial asset	8,886	-	(8,886)	4
Intangibles assets	325	325	-	
Investment properties	5,208	4,828	(380)	5
Total non-current assets	**20,766**	**11,500**	(9,266)	
Current assets				
Investment properties held for sale	11,367	11,367	-	
Trade receivables	100	100	-	
Other receivables, deposits and prepayments	62,258	57,366	(4,892)	6
Cash and cash equivalents	660	660	-	
Total current assets	**74,385**	**69,493**	(4,892)	
TOTAL ASSETS	**95,151**	**80,993**	(14,158)	
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital	250,805	250,805	-	
Asset revaluation reserve	478	478	-	
Share options reserve	1,683	1,683	-	
Foreign currency translation reserve	3,679	3,660	(19)	3
Accumulated losses	(186,730)	(200,078)	(13,348)	
Total equity attributable to owners of the Company	69,915	56,548	(13,367)	
Non-controlling interests	(4,125)	(4,125)	-	
Total equity	**65,790**	**52,423**	(13,367)	
LIABILITIES				
Current liabilities				
Other payables and accruals	21,003	21,003	-	
Income tax liabilities	17	17	-	
Borrowings	7,533	7,533	-	
Total current liabilities	**28,553**	**28,553**	-	
Non-current liabilities				
Employee benefit obligation	17	17	-	
Deferred tax liabilities	791	-	(791)	2
Total non-current liabilities	**808**	**17**	(791)	
Total liabilities	**29,361**	**28,570**	(791)	
TOTAL EQUITY AND LIABILITIES	**95,151**	**80,993**	(14,158)	

Notes:

1) The increase in other operating expenses was mainly attributable to (i) an impairment loss recognised based on a valuation report of an available-for-sale financial asset which is a 15% equity stake in Zuoquan Yongxing Coal Company Limited ("Valuation Report") which was only available and finalised after the date of the full year results announcement on 24 February 2017 (see Note 4); and (ii) certain audit adjustments proposed by our auditors after the same date (see Notes 5 and 6(i)).

2) The credit in income tax of S$791,000 was due to the derecognition of deferred tax liabilities as a result of the fair value changes of investment properties proposed by our auditors after the date of the full year results announcement on 24 February 2017.

3) The decrease in exchange differences on translating foreign operations by S$19,000 was due to an unfavorable exchange difference associated with an additional provision for a non-trade receivable, which was denominated in United States Dollars, proposed by our auditors after the date of the full year results announcement on 24 February 2017 (see Note 6(ii)).

4) The decrease in available-for-sale financial asset of S$8,886,000 was due to an impairment loss recognised based on the Valuation Report.

5) The decrease in investment properties of S$380,000 was due to a fair value loss proposed by our auditors after the date of the full year results announcement on 24 February 2017. Our auditors proposed the fair value loss after considering the market values of similar properties as at 31 December 2016.

6) The decrease in other receivables, deposits and prepayments was due to an increase in an additional provision for non-trade receivables of S$4,892,000 proposed by our auditors after the date of the full year results announcement on 24 February 2017. Our auditors proposed the additional provision after considering the prospect of recovery. Corresponding to the provision, (i) S$4,873,000 was recognised as other operating expenses; and (ii) S$19,000 was debited to foreign currency translation reserve for partial provision which was related to a foreign operation denominated in United States Dollars.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
28 April 2017