ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the first quarter ended 31 March 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.

		THE GROUP		
		Quarter ended 31 March		
		2014	2013	Changes
	Note	S$'000	S$'000	%
Revenue		**13,571**	**4,982**	172%
Cost of sales		**(13,426)**	**(4,679)**	187%
Gross profit		**145**	**303**	**-52%**
Other operating income		697	2,096	-67%
Administrative expenses		(1,353)	(1,716)	-21%
Other operating expenses		(1,531)	(1,010)	52%
Financial expenses		(469)	(425)	10%
Share of results of associates		1,300	67	1840%
Loss before tax		**(1,211)**	**(685)**	**77%**
Income tax		-	-	NM
LOSS FOR THE PERIOD	**1**	**(1,211)**	**(685)**	**77%**
Other comprehensive (expense) / income:				
Currency translation difference		(2,003)	1,129	NM
Total comprehensive (expense) / income for the period		**(3,214)**	**444**	**NM**
Loss for the period attributable to:				
Equity holders of the Company		**(1,196)**	**(676)**	77%
Non-controlling interests		(15)	(9)	67%
		(1,211)	**(685)**	**77%**
Total comprehensive (expense) / income attributable to:				
Equity holders of the Company		**(2,794)**	**(22)**	12600%
Non-controlling interests		(420)	466	NM
		(3,214)	**444**	**NM**

NM – not meaningful

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

	Quarter ended 31 March	
	2014	**2013**
	S$'000	**S$'000**
Interest income	(1)	(5)
Rental income	(241)	(156)
Fair value loss/(gain) on financial assets, at fair value through profit or loss	106	(740)
Fair value (gain)/loss on forward foreign exchange contract	(180)	423
Loss on disposal of property, plant and equipment	-	43
Interest expense	463	423
Amortisation	88	228
Depreciation of property, plant and equipment	157	165
Net exchange loss/(gain)	133	(987)

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 2014 (Unaudited) S$'000	31 Dec 2013 (Audited) S$'000	31 Mar 2014 (Unaudited) S$'000	31 Dec 2013 (Audited) S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,744	12,826	11,951	12,072
Subsidiaries	-	-	31,146	31,146
Associates	79,645	79,726	2,149	2,149
Available-for-sale financial assets	12,345	12,345	12,345	12,345
Derivative financial asset	2,127	1,948	2,127	1,948
Intangibles asset	4,286	4,244	-	-
Investment properties	26,000	26,000	26,000	26,000
Other receivables	25,060	50,954	50,119	50,954
Total non-current assets	**162,207**	**188,043**	**135,837**	**136,614**
Current assets				
Inventories	2,671	2,896	-	-
Trade receivables	811	2,455	-	-
Other receivables, deposits and prepayments	59,897	60,794	104,028	104,344
Tax recovable	-	11	-	42
Financial assets at fair value through profit or loss	36,111	36,217	36,111	36,217
Cash and bank balances	1,248	2,035	917	1,494
Total current assets	**100,738**	**104,408**	**141,056**	**142,097**
TOTAL ASSETS	**262,945**	**292,451**	**276,893**	**278,711**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	250,805	250,805	250,805	250,805
Reserves	(74,143)	(71,350)	(81,146)	(79,630)
Non-controlling interests	24,971	25,393	-	-
Total Equity	**201,633**	**204,848**	**169,659**	**171,175**
LIABILITIES				
Current liabilities				
Trade payables	-	2,139	-	-
Other payables and accruals	15,735	39,611	61,718	61,702
Income tax payable	69	-	30	-
Term loans	44,695	45,043	44,695	45,043
Total current liabilities	**60,499**	**86,793**	**106,443**	**106,745**
Non-current liabilities				
Employee benefit obligation	22	19	-	-
Deferred tax liabilities	791	791	791	791
Total non-current liabilities	**813**	**810**	**791**	**791**
Total liabilities	**61,312**	**87,603**	**107,234**	**107,536**
TOTAL EQUITY AND LIABILITIES	**262,945**	**292,451**	**276,893**	**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 31.03.2014 (unaudited)		As at 31.12.2013 (audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
44,695	-	45,043	-

Amount repayable after one year

As at 31.03.2014 (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.
- Structured deposit placed in a financial institution

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**	
	Quarter ended 31 March	
	2014	**2013**
	S$'000	**S$'000**
Loss before tax	**(1,211)**	**(685)**
Adjustments for:		
Amortization of intangible asset	88	228
Depreciation of property, plant and equipment	157	165
Fair value loss / (gain) on financial assets, at fair value through profit or loss	106	(740)
Fari value (gain) / loss on forward foreign exchange contract	(180)	423
Interest income	(1)	(5)
Interest expense	463	423
Unrealised exchange gain	(826)	(30)
Loss on disposal of property, plant and equipment	-	43
Employee benefit obligation	2	-
Share of result of associates	(1,300)	(67)
Operating loss before working capital changes	**(2,702)**	**(245)**
Decrease / (increase) in:		
Inventories	224	(1,009)
Trade receivables	1,644	3,778
Other receivables, deposits and prepayments	26,792	(1,215)
Increase / (decrease) in:		
Trade payables	(2,138)	1,263
Other payables and accruals	(8,473)	66
Cash generated from operations	**15,347**	**2,638**
Interest income received	1	5
Interest expense paid	(463)	(423)
Dividends income received	-	-
Income tax refunded / (paid)	80	(483)
Net cash generated from operating activities	**14,965**	**1,737**
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(255)
Net cash used in investing activities	**-**	**(255)**
Cash flows from financing activities:		
Repayment of borrowings	(348)	(331)
Repayment of amount due to holding company	(15,402)	(975)
Net cash used in financing activities	**(15,750)**	**(1,306)**
Net (decrease) / increase in cash and cash equivalents	**(785)**	**176**
Cash and cash equivalents at beginning of period	2,035	1,026
Effect of currency translation on cash and cash equivalent	(2)	(6)
Cash and cash equivalents at end of period	**1,248**	**1,196**

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$'000**	**Share option reserves S$'000**	**Foreign currency translation reserve S$'000**	**Accumulated losses S$'000**	**Total shareholders' equity S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Balance as at 1 January 2014	**250,805**	**1,683**	**2,732**	**(75,765)**	**179,455**	**25,393**	**204,848**
Total comprehensive expense for the period	-	-	(1,597)	(1,196)	**(2,793)**	(422)	**(3,215)**
Balance as at 31 March 2014	**250,805**	**1,683**	**1,135**	**(76,961)**	**176,662**	**24,971**	**201,633**
Balance as at 1 January 2013	**254,664**	**1,683**	**(2,341)**	**(81,187)**	**172,819**	**24,769**	**197,588**
Total comprehensive income / (expense) for the period	-	-	654	(676)	**(22)**	466	**444**
Balance as at 31 March 2013	**254,664**	**1,683**	**(1,687)**	**(81,863)**	**172,797**	**25,235**	**198,032**

THE COMPANY	**Share capital S$'000**	**Share option reserves S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
Balance as at 1 January 2014	**250,805**	**1,683**	**(81,313)**	**171,175**
Total comprehensive expense for the period	-	-	(1,516)	**(1,516)**
Balance as at 31 March 2014	**250,805**	**1,683**	**(82,829)**	**169,659**
Balance as at 1 January 2013	**254,664**	**1,683**	**(101,037)**	**155,310**
Total comprehensive income for the period	-	-	105	**105**
Balance as at 31 March 2013	**254,664**	**1,683**	**(100,932)**	**155,415**

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 are no shares issued during the period.
- There are 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:-

The numbers of issued & fully paid of ordinary shares as at 31 December 2013 and 31 March 2014 are 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 March 2014.

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. 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	
	2014 Cents	2013 Cents
Loss per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue (cents)	(0.49)	(0.28)
- Weighted average number of shares	244,274,150	246,999,994
(ii) On a fully diluted basis	(0.49)	(0.28)

Loss Earnings per ordinary share is calculated from dividing the Group's net loss attributable to shareholders 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 2014 Cents	31 Dec 2013 Cents	31 Mar 2014 Cents	31 Dec 2013 Cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	82.5	83.9	69.5	70.1

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 31 March 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 Statement of Comprehensive Income

Revenue

Revenue increased by S$8.6 million as compared to 1Q 2013 mainly attributable to the increased iron ore trading. However, the gross profit ratio decreased mainly due to keen market competition.

Other operating income

Other operating income in 1Q 2014 decreased by approximately S$1.4 million to S$0.7 million, as compared to S$2.1 million for the corresponding period. The decrease was largely attributable to the absence of exchange gain in the current period while exchange gain of S$1.0 million in the corresponding period was recorded.

Administrative expenses

Administrative expenses decreased from S$1.7 million in the last period to S$1.4 million in the current period. It is mainly due to the decrease in the staff cost tightening costs control on general administrative expenses.

Other operating expenses

Other operating expenses increased from S$1.0 million in the last period to S$1.5 million in the current period. This was mainly due to the storage fee incurred for inventory located in PRC.

Share of results of associates

The share of results of associates increased by S$1.2 million, mainly due to the increase in profit share from one of the associated companies, Tianjin Land Development Ltd, as its trading volume increased.

Loss after tax

In view of the above, the Group recorded loss after tax to S$1.2 million for the financial period ended 31 March 2014, as compared to its loss after tax of S$0.7 million for the corresponding period in 2013.

Review of Statement of Financial Position

Cash and bank

Cash and bank balances of the Group decreased from S$2.0 million at as 31 December 2013 to S$1.2 million as at 31 March 2014. See Review of Statement of Cash Flows.

Derivative financial assets

Derivative financial assets increased by S$0.2 million due to the increase in fair value of the forward contract, resulting from the appreciation of the SGD against the USD during the current period.

Inventories

Inventories decreased by S$0.2 million as the Group has sold out stocks during the quarter.

Trade receivables

Trade receivables decreased from S$2.4 million as at 31 December 2013 to S$0.8 million as at 31 March 2014. The decrease was mainly due to the settlement of trade debts from customers.

Other receivables (classified under non-current assets)

Other receivables decreased from S$50.9 million as at 31 December 2013 to S$25.1 million as at 31 March 2014. The decrease is mainly due to reclassification of amount fall due within 12 months to other receivables, prepayment and deposit under current assets.

Trade payables

Trade payables decreased by S$2.1 million which was due to settlement made during the quarter.

Other payables and accrual

Other payables and accrual decreased by S$23.8 million from S$39.6 million as at 31 December 2013 to S$15.7 million as at 31 March 2014. The decrease was mainly due to the repayment to amount due to holding company of S$15.4 million and repayment to other creditors.

Review of Statement of Cash Flows

Cash inflow from operating activities was S$15.0 million for the period ended 31 March 2014 compared to cash inflow of S$1.7 million in the corresponding period of 2013. Cash inflow from operating activities was mainly due to the receipt of repayments of deposit in relation to the Xinrui acquisition.

Cash inflow from financing activities showed an outflow of S$15.8 million for the period ended 31 March 2014, mainly due to the repayment of bank borrowings and amount due to the holding company.

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 outlook is expected to remain challenging due to factors such as the slowing PRC economy as well as lack of adequate credit facilities, which will continue to impact the Group's trading operations.

Notwithstanding the market and operational challenges, the Group will continue to leverage on its established network, particularly in the PRC, to grow its trading operations.

To diversify and broaden its earnings stream, the Group will also continue to explore investment opportunities in the regional property market.

To ensure that the Group has sufficient financial means to achieve its growth plans amidst a tight credit market, the Group will tap internal financial resources and engage in discussions with financial institutions for new credit facilities.

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. Confirmation By The Board Pursuant To Rule 705(5)

We, Cai Sui Xin and Lau Yu, being two directors of Abterra Ltd. (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the first quarter ended 31 March 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
14 May 2014