ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the first quarter ended 31 March 2017

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	2017	2016	Changes
		S$'000	S$'000	%
Revenue		**1,673**	**-**	NM
Cost of sales		(1,654)	-	NM
Gross profit		**19**	**-**	**NM**
Other operating income		99	993	-90%
Administrative expenses		(318)	(768)	-59%
Other operating expenses		(2,771)	(2,433)	14%
Finance costs		(94)	(119)	-21%
Share of losses from equity-accounted for associates		-	(404)	-100%
Loss before taxation		**(3,065)**	**(2,731)**	**12%**
Income tax		-	(13)	-100%
Loss for the financial period	**1**	**(3,065)**	**(2,744)**	**12%**
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		-	149	-100%
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation				
Exchange differences on translating foreign operations		1,516	272	457%
Total comprehensive loss for the financial period		**(1,549)**	**(2,323)**	**-33%**
Loss attributable to:				
Owners of the Company		**(3,055)**	**(2,734)**	**12%**
Non-controlling interests		(10)	(10)	0%
		(3,065)	**(2,744)**	**12%**
Total comprehensive (loss)/income attributable to:				
Owners of the Company		**(1,656)**	**(2,484)**	**-33%**
Non-controlling interests		107	161	-34%
		(1,549)	**(2,323)**	**-33%**

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 31 March	
	2017 **S$'000**	**2016** **S$'000**
Reversal of impairment of investment in associate	-	(716)
Interest expense	92	118
Depreciation of property, plant and equipment	57	84
Net exchange loss	2,714	2,349

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 2017 (Unaudited) S$'000	31 Dec 2016 (Audited) S$'000	31 Mar 2017 (Unaudited) S$'000	31 Dec 2016 (Audited) S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,290	6,347	6,287	6,344
Investments in subsidiaries	-	-	3	3
Investments in associates	-	-	-	-
Available-for-sale financial asset	-	-	-	-
Intangibles assets	325	325	-	-
Investment properties	4,828	4,828	4,828	4,828
Total non-current assets	**11,443**	**11,500**	**11,118**	**11,175**
Current assets				
Investment properties held for sale	-	11,367	-	11,367
Trade receivables	96	100	-	-
Other receivables, deposits and prepayments	57,081	57,366	110,103	110,601
Cash and cash equivalents	1,212	660	1,156	604
Total current assets	**58,389**	**69,493**	**111,259**	**122,572**
TOTAL ASSETS	**69,832**	**80,993**	**122,377**	**133,747**
EQUITY				
Capital and reserves attribuable to owners of the Company				
Share capital	250,805	250,805	250,805	250,805
Reserves	(195,913)	(194,257)	(197,786)	(197,437)
	54,892	56,548	53,019	53,368
Non-controlling interests	(4,018)	(4,125)	-	-
Total equity	**50,874**	**52,423**	**53,019**	**53,368**
LIABILITIES				
Current liabilities				
Other payables and accruals	18,928	21,003	69,358	72,845
Income tax liabilities	15	17	-	1
Borrowings	-	7,533	-	7,533
Total current liabilities	**18,943**	**28,553**	**69,358**	**80,379**
Non-current liabilities				
Employee benefit obligation	15	17	-	-
Deferred tax liabilities	-	-	-	-
Total non-current liabilities	**15**	**17**	**-**	**-**
Total liabilities	**18,958**	**28,570**	**69,358**	**80,379**
TOTAL EQUITY AND LIABILITIES	**69,832**	**80,993**	**122,377**	**133,747**

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

Amount repayable in one year or less, or on demand

As at 31.3.2017 (Unaudited)		As at 31.12.2016 (Audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	-	4,933	2,600

Amount repayable after one year

As at 31.3.2017 (Unaudited)		As at 31.12.2016 (Audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	-	-	-

Details of any collaterals:

The Group's borrowings at 31 December 2016 were 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 Quarter ended 31 March	
	2017 **S$'000**	**2016** **S$'000**
Cash flows from operating activities		
Loss before taxation	(3,065)	(2,731)
Adjustments for:		
Depreciation of property, plant and equipment	57	84
Reversal of impairment of investment in associate	-	(716)
Interest expense	92	118
Share of results of associates	-	404
Unrealised exchange loss	2,728	2,312
Operating loss before working capital changes	(188)	(529)
Changes in working capital:		
Other receivables, deposits and prepayments	(1,478)	160
Other payables and accruals	(1,522)	(125)
Total changes in working capital	(3,000)	35
Cash used in operations	(3,188)	(494)
Interest expense paid	(92)	(58)
Income tax paid	(2)	(46)
Net cash used in operating activities	**(3,282)**	**(598)**
Cash flows from investing activities		
Proceeds from disposal of investment properties held for sale	11,367	-
Net cash from investing activities	**11,367**	**-**
Cash flows from financing activities		
Advance from immediate holding company	-	531
Repayment of borrowings	(7,533)	(177)
Net cash (used in)/from financing activities	**(7,533)**	**354**
Net increase/(decrease) in cash and cash equivalents	**552**	**(244)**
Cash and cash equivalents at beginning of period	660	453
Cash and cash equivalents at end of period	**1,212**	**209**

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 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 2016	**250,805**	**329**	**1,683**	**4,814**	**(176,949)**	**80,682**	**(4,250)**	**76,432**
Total comprehensive income/(loss) for the period	-	149	-	101	(2,734)	**(2,484)**	161	**(2,323)**
Balance as at 31 March 2016	**250,805**	**478**	**1,683**	**4,915**	**(179,683)**	**78,198**	**(4,089)**	**74,109**

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 2017	**250,805**	**478**	**1,683**	**(199,598)**	**53,368**
Total comprehensive loss for the period	-	-	-	(349)	**(349)**
Balance as at 31 March 2017	**250,805**	**478**	**1,683**	**(199,947)**	**53,019**
Balance as at 1 January 2016	**250,805**	**329**	**1,683**	**(178,678)**	**74,139**
Total comprehensive income/(loss) for the period	-	149	-	(768)	**(619)**
Balance as at 31 March 2016	**250,805**	**478**	**1,683**	**(179,446)**	**73,520**

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 2016 and 31 March 2017	**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 2017.

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 2016 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2017. 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	
	2017 S cents	2016 S cents
Earnings/(Loss) per ordinary share for the year		
(i) Based on weighted average number of ordinary shares in issue (cents)	(1.25)	(1.12)
- Weighted average number of shares	244,274,150	244,274,150
(ii) On a fully diluted basis	(1.25)	(1.12)
- Weighted average number of shares	244,274,150	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 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 Mar 2017 S cents	31 Dec 2016 S cents	31 Mar 2017 S cents	31 Dec 2016 S cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	20.83	21.46	21.70	21.85

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 31 March 2017 of 244,274,150 ordinary shares (31 December 2016: 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

Revenue and gross profit were generated from the sales of coke and coal during the period under review. No sales were made during the corresponding period in 2016.

Other operating income

Other operating income for 1Q 2017 decreased by S$0.9 million to S$0.1 million, as compared with S$1.0 million for the corresponding period. The decrease was due to the decrease in rental income following the disposal of investment properties during year 2016 and the period under review.

Administrative expenses

Administrative expenses decreased from S$0.8 million in the corresponding period to S$0.3 million in 1Q 2017. This was mainly due to the decrease in staff cost and tighter cost control on general administrative expenses.

Other operating expenses

Other operating expenses increased from S$2.4 million in the corresponding period to S$2.8 million in 1Q 2017. It is mainly attributable to the net exchange loss of S$2.7 million (1Q 2016: S$2.3 million).

Share of losses from equity-accounted for associates

There was no further share of losses from associates during the period under review as the carrying amounts of the associates have become zero since the beginning of period.

Loss for the financial period

In view of the above, the Group recorded loss after tax of S$3.1 million for 1Q 2017, as compared to profit after tax of S$2.7 million for the corresponding period in 2016.

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 Financial Position

Cash and cash equivalents

Cash and cash equivalents of the Group increased from S$0.7 million at as 31 December 2016 to S$1.2 million as at 31 March 2017. See the Review of Consolidated Statement of Cash Flows.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments decreased from S$57.4 million as at 31 December 2016 to S$57.1 million as at 31 March 2017. No significant fluctuation was noted.

Other payables and accruals

Other payables and accruals decreased from S$21.0 million as at 31 December 2016 to S$18.9 million as at 31 March 2017. The decrease was mainly due to the utilization of a deposit received for disposal of investment properties held for sale of S$1.1 million during the period under review.

Review of Consolidated Statement of Cash Flows

Net cash used in operating activities for 1Q 2017 was S$3.3 million compared to S$0.6 million for the corresponding period in 2016. The net cash outflow was mainly due to a payment for trade deposit of S$1.5 million and the utilization of a deposit received for disposal of investment properties held for sale of S$1.1 million during the period under review.

Net cash used in financing activities for 1Q 2017 was S$7.5 million compared to net cash from financing activities of S$0.4 million for the corresponding period in 2016. This was mainly due to the full repayment of borrowings during the period under review. No advance from or repayment to immediate holding company was noted.

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.

Despite facing a challenging operating environment, Abterra remains committed to maintaining business sustainability and will continue sourcing for financial facilities, while using available internal resources. Notwithstanding the lack of financial facilities, the Group aims to build a sustainable trading business in commodities including coking coal, coke and iron ore. The completion of the disposal of its three office units located in Suntec City Tower 1 on 7 February 2017 provided Abterra with cash proceeds of S$11.4 million, which was mostly used to reduce loans/borrowings. The balance was used to kickstart the Group's trading business activities in February 2017.

On 13 February 2017 as disclosed in the Company's SGXNet announcement, Abterra signed a non-binding Memorandum of Understanding to purchase of a 51% equity interest in Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司) (the "Proposed Acquisition"), which is primarily engaged in the business of coal imports for sale within the People's Republic of China (the "PRC"). The Group intends to enhance its trading capabilities and grow its revenue stream through this Proposed Acquisition.

To diversify its business portfolio, Abterra is also looking to enter the property market in the PRC and had entered into a conditional sale and purchase agreement to acquire a commercial property situated in the Chao Yang District of Beijing. In December 2016, Abterra announced a further extension of the Long-Stop Date to 30 June 2017 for the proposed acquisition of this mixed-use property. The completion of the acquisition will provide the Group with an opportunity to enter the property market in the PRC.

The Company will continue to provide further updates and details in subsequent announcements to update shareholders on Abterra's corporate development as appropriate.

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 2017 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

Lau Yu
Executive Director and Chief Executive Officer
12 May 2017