ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the first quarter ended 31 March 2015

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		
		2015	2014	Changes
	Note	S$'000	S$'000	%
Revenue		**-**	**13,571**	-100%
Cost of sales		**-**	**(13,426)**	-100%
Gross profit		**-**	**145**	**-100%**
Other operating income		1,437	697	106%
Administrative expenses		(1,161)	(1,353)	-14%
Other operating expenses		(157)	(1,531)	-90%
Finance costs		(233)	(469)	-50%
Share of results of associates		199	1,300	-85%
Profit/(Loss) before tax		**85**	**(1,211)**	**NM**
Income tax		-	-	NM
Profit/(Loss) after tax	**1**	**85**	**(1,211)**	**NM**
Other comprehensive income/(loss):				
Item that may be reclassified subsequently to profit and loss				
Currency translation differences arising from consolidation		3,094	(2,003)	NM
Total comprehensive income/(loss) for the period		**3,179**	**(3,214)**	**NM**
Profit/(Loss) for the period attributable to:				
Equity holders of the Company		**95**	**(1,196)**	NM
Non-controlling interests		(10)	(15)	-33%
		85	**(1,211)**	**NM**
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the Company		**2,550**	**(2,794)**	NM
Non-controlling interests		629	(420)	NM
		3,179	**(3,214)**	**NM**

NM – not meaningful

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

	THE GROUP Quarter ended 31 March	
	2015 **S$'000**	**2014** **S$'000**
Interest income	-	(1)
Rental income	(243)	(241)
Fair value loss on financial asset at fair value through profit or loss	-	106
Fair value gain on forward foreign exchange contract	-	(180)
Interest expense	232	463
Depreciation of property, plant and equipment	156	157
Amortisation	-	88
Net exchange (gain)/loss	(945)	133

1(b)(i) A statement of financial position (for the isssher and group), together with a comparative statement as at the end of the immediately preceding financial year.

	THE GROUP		THE COMPANY	
	31 Mar 2015 (Unaudited) S$'000	31 Dec 2014 (Audited) S$'000	31 Mar 2015 (Unaudited) S$'000	31 Dec 2014 (Audited) S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,087	12,304	11,496	11,620
Subsidiaries	-	-	31,146	31,146
Associates	60,144	57,534	2,149	2,149
Available-for-sale financial assets	12,345	12,345	12,345	12,345
Intangibles assets	3,941	3,985	-	-
Investment properties	26,000	26,000	26,000	26,000
Total non-current assets	**114,517**	**112,168**	**83,136**	**83,260**
Current assets				
Trade receivables	115	112	-	-
Other receivables, deposits and prepayments	63,511	61,956	142,009	129,890
Income tax recoverable	1	-	1	-
Cash and cash equivalents	720	1,655	434	1,364
Total current assets	**64,347**	**63,723**	**142,444**	**131,254**
TOTAL ASSETS	**178,864**	**175,891**	**225,580**	**214,514**
EQUITY				
Capital and reserves and non-controlling interests				
Share capital	250,805	250,805	250,805	250,805
Reserves	(119,272)	(121,822)	(117,428)	(117,155)
Non-controlling interests	15,885	15,256	-	-
Total Equity	**147,418**	**144,239**	**133,377**	**133,650**
LIABILITIES				
Current liabilities				
Other payables and accruals	15,350	15,163	76,158	64,424
Income tax payable	27	51	-	29
Term loans	15,254	15,620	15,254	15,620
Total current liabilities	**30,631**	**30,834**	**91,412**	**80,073**
Non-current liabilities				
Employee benefit obligation	24	27	-	-
Deferred tax liabilities	791	791	791	791
Total non-current liabilities	**815**	**818**	**791**	**791**
Total liabilities	**31,446**	**31,652**	**92,203**	**80,864**
TOTAL EQUITY AND LIABILITIES	**178,864**	**175,891**	**225,580**	**214,514**

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

Amount repayable in one year or less, or on demand

As at 31.03.2015 (unaudited)		As at 31.12.2014 (audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
15,254	-	15,620	-

Amount repayable after one year

As at 31.03.2015 (unaudited)		As at 31.12.2014 (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**	
	Quarter ended 31 March	
	2015	**2014**
	S$'000	**S$'000**
Profit/(Loss) before tax	**85**	**(1,211)**
Adjustments for:		
Amortisation of intangible asset	-	88
Depreciation of property, plant and equipment	156	157
Fair value loss on financial asset at fair value through profit or loss	-	106
Fair value gain on forward foreign exchange contract	-	(180)
Interest income	-	(1)
Interest expense	232	463
Unrealised exchange gain	(1,005)	(826)
Employee benefit obligation	-	2
Share of result of associates	(199)	(1,300)
Operating loss before working capital changes	**(731)**	**(2,702)**
Decrease/(increase) in:		
Inventories	-	224
Trade receivables	-	1,644
Other receivables, deposits and prepayments	226	26,792
Increase/(decrease) in:		
Trade payables	-	(2,138)
Other payables and accruals	18	(8,473)
Cash (used in)/generated from operations	**(487)**	**15,347**
Interest income received	-	1
Interest expense paid	(232)	(463)
Income tax refunded / (paid)	(26)	80
Net cash (used in)/generated from operating activities	**(745)**	**14,965**
Cash flows from financing activities:		
Repayment of borrowings	(365)	(348)
Advance from/(repayment to) the immediate holding company	175	(15,402)
Net cash used in financing activities	**(190)**	**(15,750)**
Net (decrease) / increase in cash and cash equivalents	**(935)**	**(785)**
Cash and cash equivalents at beginning of period	1,655	2,035
Effect of currency translation on cash and cash equivalent	-	(2)
Cash and cash equivalents at end of period	**720**	**1,248**

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 S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Balance as at 1 January 2015	**250,805**	**1,683**	**2,430**	**(125,935)**	**128,983**	**15,256**	**144,239**
Total comprehensive income for the period	-	-	2,455	95	**2,550**	629	**3,179**
Balance as at 31 March 2015	**250,805**	**1,683**	**4,885**	**(125,840)**	**131,533**	**15,885**	**147,418**
Balance as at 1 January 2014	**250,805**	**1,683**	**2,732**	**(75,765)**	**179,455**	**25,393**	**204,848**
Total comprehensive loss 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**

THE COMPANY	**Share capital S$'000**	**Share option reserves S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
Balance as at 1 January 2015	**250,805**	**1,683**	**(118,838)**	**133,650**
Total comprehensive loss for the period	-	-	(273)	**(273)**
Balance as at 31 March 2015	**250,805**	**1,683**	**(119,111)**	**133,377**
Balance as at 1 January 2014	**250,805**	**1,683**	**(81,313)**	**171,175**
Total comprehensive loss for the period	-	-	(1,516)	**(1,516)**
Balance as at 31 March 2014	**250,805**	**1,683**	**(82,829)**	**169,659**

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 2014 and 31 March 2015	**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 2014 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2015. 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	
	2015 Cents	2014 Cents
Earnings/(Loss) per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue (cents)	0.04	(0.49)
- Weighted average number of shares	244,274,150	244,274,150
(ii) On a fully diluted basis	0.04	(0.49)
- 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 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 Mar 2015 Cents	31 Dec 2014 Cents	31 Mar 2015 Cents	31 Dec 2014 Cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	60.3	59.0	54.6	54.7

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 31 March 2015 of 244,274,150 ordinary shares (31 December 2014: 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 decreased to zero as compared to 1Q 2014 as no sales recorded during the period due to lacking of financial facilities.

Other operating income

Other operating income in 1Q 2015 increased by approximately S$0.7 million to S$1.4 million, as compared to S$0.7 million in 1Q 2014. The increase was largely attributable to the exchange gain recorded in the current period.

Administrative expenses

Administrative expenses decreased from S$1.4million in 1Q 2014 to S$1.2 million in the current period, which was due mainly to a decrease in staff cost and tightening costs control on general administrative expenses.

Other operating expenses

Other operating expenses decreased from S$1.5 million in 1Q 2014 to S$0.2 million in the current period. This was mainly due to the absence of storage fee of inventory S$1.0 million and exchange loss of S$0.2 million incurred in the prior corresponding period.

Share of results of associates

The share of results of associates decreased by S$1.1 million was mainly due to the decrease in profit shared from one of the associated companies, Tianjin Lant Development Ltd, as its trading volume decreased.

Profit/(loss) after tax

In view of the above, the Group recorded profit after tax of S$0.1 million for 1Q 2015, as compared to loss after tax of S$1.2 million for 1Q 2014.

Review of Consolidated Statement of Financial Position

Cash and cash equivalents

Cash and cash equivalents of the Group decreased from S$1.7 million at as 31 December 2014 to S$0.7 million as at 31 March 2015. See the Review of Consolidated Statement of Cash Flows.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments increased from S$62.0 million as at 31 December 2014 to S$63.5 million as at 31 March 2015. This was mainly due to the increase in the balance of deposit paid for the acquisition of 54.42% of interest in Zuoquan Xinrui Metallurgy Mine Co. Ltd. which is denominated in Renminbi and Renminbi was appreciated against SGD during the period.

Other payables and accruals

Other payables and accrual increased by S$0.2 million from S$15.2 million as at 31 December 2014 to S$15.4 million as at 31 March 2015. The increase was mainly due to the advance from the immediate holding company of S$0.2 million.

Review of Consolidated Statement of Cash Flows

Cash flows used in operating activities was S$0.7 million for the period ended 31 March 2015 compared to cash generated from operating activities of S$15.0 million in the corresponding period of 2014. The net cash outflow was mainly due to the payment of various administrative and operating expenses.

Cash flows from financing activities showed an outflow of S$0.2 million for the period ended 31 March 2015, mainly due to the repayment of bank borrowings, net of the advance from the immediate 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.

Market watchers are expecting the Chinese economy to grow more slowly at 6.8% in the second quarter of 2015 after registering a six-year low of 7.0% GDP growth in the first quarter of 2015.[1] Given a collapse in commodity prices, an oversupply of steel and a weak climate for fund-raising,[2] the outlook for the Group's core trading business is expected to remain challenging in the near-term. To support the domestic iron ore market, the Chinese government has announced measures such as a reduction in resource tax for domestic iron ore producers to 40%, from 80% currently, which will take effect from May 2015.[3]

Notwithstanding the challenges, the Group will continue to optimise its internal resources and tap its network of trading partners to support its core trading business.

The Group will also continue to pursue its strategy of becoming a vertically integrated supply chain manager of resources and optimise its internal resources to grow the business.

On the property front, analysts expect the property sector in the People's Republic of China is to recover in the second half of 2015 on the back of policies such as the relaxation of loan-to-value requirements.[4] In December 2014, Abterra entered into a non-binding Memorandum of Understanding with Full Winner Industrial (Overseas) Limited for the proposed acquisition of Smart Harmony Investment Limited ("Smart Harmony"). The subsidiary of Smart Harmony owns a commercial property located in Beijing, People's Republic of China ("PRC"). Once the proposed acquisition is secured, it will present the Group with an opportunity to enter the property market in the PRC and provide Abterra with an alternative income stream.

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.

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[1] "Experts expect Q2 to grow 6.8% in China", Xinhua, May 4, 2015 http://news.xinhuanet.com/english/video/2015-05/04/c_134208359.htm
[2] "General Nice plots M&A strategy", Finance Asia, April 23, 2015http://www.financeasia.com/News/396789,general-nice-plots-ma-strategy.aspx
[3] "Iron ore mine support in 2015: Fitch", Xinhua, April 24, 2015http://news.xinhuanet.com/english/2015-04/24/c_134181539.htm
[4] "China Housing Seen Recovering in Second Half of 2015", Bloomberg, April 2, 2015 http://www.bloomberg.com/news/articles/2015-04-01/china-housing-seen-recovering-in-second-half-of-2015

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 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
11 May 2015