ABTERRA LTD.
(Registration No. 199903007C)

MATERIAL DIFFERENCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") refers to the announcement released by the Company on 23 February 2016 with regards to the unaudited financial statements for the financial year ended 31 December 2015.

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	2,417	2,417	-	
Administrative expenses	(3,923)	(3,923)	-	
Other operating expenses	(2,420)	(17,736)	(15,316)	1
Finance costs	(939)	(939)	-	
Share of losses from equity-accounted for associates	(8,568)	(50,833)	(42,265)	2
Loss before taxation	(13,433)	(71,014)	(57,581)	
Income tax	83	83	-	
Loss for the financial year	(13,350)	(70,931)	(57,581)	
Other comprehensive income ("OCI"):				
Components of OCI that will not be reclassified to profit and loss, net of tax				
Gain on revaluation of property	329	329	-	
Components of OCI that will be reclassified to profit and loss, net of tax				
Exchange differences on translating foreign operations	1,767	2,245	478	3
Reclassification of cumulative exchange differences relating to Max Harvest Enterprise Limited included in profit or loss	550	550	-	
Actuarial gain on employee benefits	4	-	(4)	
Total comprehensive loss for the financial year	(10,700)	(67,807)	(57,107)	
Loss attributable to:				
Owners of the Company	(9,811)	(51,014)	(41,203)	
Non-controlling interests	(3,539)	(19,917)	(16,378)	7
	(13,350)	(70,931)	(57,581)	
Total comprehensive loss attributable to:				
Owners of the Company	(7,385)	(48,301)	(40,916)	
Non-controlling interests	(3,315)	(19,506)	(16,191)	7
	(10,700)	(67,807)	(57,107)	

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	7,562	7,562	-	
Investments in subsidiaries	-	-	-	
Investments in associates	49,812	-	(49,812)	4
Available-for-sale financial asset	12,345	8,886	(3,459)	5
Intangibles assets	3,852	325	(3,527)	5
Investment properties	30,800	30,800	-	
Total non-current assets	**104,371**	**47,573**	(56,798)	
Current assets				
Trade receivables	98	98	-	
Other receivables, deposits and prepayments	64,105	63,933	(172)	6
Cash and cash equivalents	453	453	-	
Total current assets	**64,656**	**64,484**	(172)	
TOTAL ASSETS	**169,027**	**112,057**	(56,970)	
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital	250,805	250,805	-	
Asset revaluation reserve	329	329	-	
Share options reserve	1,683	1,683	-	
Foreign currency translation reserve	4,527	4,814	287	3
Accumulated losses	(135,746)	(176,949)	(41,203)	
Total equity attributable to owners of the Company	121,598	80,682	(40,916)	
Non-controlling interests	11,941	(4,250)	(16,191)	7
Total equity	**133,539**	**76,432**	(57,107)	
LIABILITIES				
Current liabilities				
Other payables and accruals	18,089	18,432	343	8
Provision for reinstatement	206	-	(206)	9
Income tax liabilities	261	261	-	
Borrowings	16,124	16,124	-	
Total current liabilities	**34,680**	**34,817**	137	
Non-current liabilities				
Employee benefit obligation	15	17	2	
Deferred tax liabilities	793	791	(2)	
Total non-current liabilities	**808**	**808**	-	
Total liabilities	**35,488**	**35,625**	137	
TOTAL EQUITY AND LIABILITIES	**169,027**	**112,057**	(56,970)	

Notes:

1) The increase in other operating expenses was mainly attributable to (i) certain impairment losses recognised based on valuation reports which were only available and finalised after the date of the full year results announcement on 23 February 2016 (see Notes 4(ii) and 5); and (ii) certain audit adjustments proposed by our auditors after the same date (see Notes 6 and 8).

2) The increase in the share of losses of associates of S$42,265,000 was due to the recognition of additional impairment loss on non-current assets (cash-generating unit) by an associate, namely Shanxi Fenxi Ruitai Zhengzhong Coal Limited. The impairment loss was recognised based on a valuation report which was only available and finalised after the date of the full year results announcement on 23 February 2016.

3) The increase in exchange differences on translating foreign operations of S$478,000 was mainly due to favorable exchange differences on investments in associates which are denominated in Chinese Renminbi (see Note 4(i)).

4) The decrease in investments in associates of S$49,812,000 was due to (i) an increase in share of losses of associates by S$42,265,000 as explained in Note 2 above, net of favourable exchange differences of S$483,000 thereon credited to foreign currency translation reserve (via other comprehensive income); and (ii) an impairment loss of S$8,030,000 on another associate, namely Tianjin Lant Development Co. Ltd., recognised by the Company based on a valuation report which was only available and finalised after the date of the full year results announcement on 23 February 2016.

5) The decrease in available-for-sale financial asset of S$3,459,000 and intangible assets of S$3,526,000 were due to impairment losses recognised based on the valuation reports which were only available and finalised after the date of the full year results announcement on 23 February 2016.

6) The decrease in other receivables, deposits and prepayments of S$172,000 was due to an additional provision for non-trade receivables proposed by our auditors after the date of the full year results announcement on 23 February 2016.

7) The decrease in the non-controlling interests of S$16,191,000 was due to the decrease in net assets of the partially-owned subsidiary, Sunny Energy Limited and its subsidiaries. The decrease in such net assets was also attributable to the increase in share of losses as explained in Note 2 above.

8) The increase in other payables and accruals of S$343,000 was due to (i) S$206,000 reclassified from provision for reinstatement (see Note 9); and (ii) additional accrual for expenses of S$137,000 proposed by our auditors after the date of the full year results announcement on 23 February 2016.

9) Provision for reinstatement of S$206,000 was reclassified as a component of other payables and accruals by our auditors after the date of the full year results announcement on 23 February 2016, as its nature is same as accrued operating expenses.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
21 April 2016