ABTERRA LTD.
(Company Registration No: 199903007C)
Unaudited Financial Statements and Dividend Announcement for the first quarter ended 31 March 2020

This announcement is prepared and made pursuant to the SGX--ST's requirements, as required under Listing Rule 705(2C).

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		
		2020	2019	Changes
		(Unaudited)	(Unadjusted)	
	Note	S$'000	S$'000	%
Revenue		**5,627**	**24,166**	-77%
Cost of sales		(5,601)	(21,637)	-74%
Gross profit		**26**	**2,529**	-99%
Other operating income		731	1,019	-28%
Selling expenses		(66)	(387)	-83%
Administrative expenses		(475)	(442)	7%
Other operating expenses		(2,228)	(153)	1356%
Finance costs		(50)	(9)	456%
(Loss) / Profit before taxation		**(2,062)**	**2,557**	NM
Income tax		-	-	NM
(Loss) / Profit for the financial period	1	**(2,062)**	**2,557**	NM
Other comprehensive income:				
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation				
Exchange differences on translating foreign operations		1,850	561	230%
Total comprehensive (loss) / profit for the financial period		**(212)**	**3,118**	NM
(Loss) / Profit attributable to:				
Owners of the Company		**(2,117)**	**1,551**	NM
Non-controlling interests		55	1,006	-95%
		(2,062)	**2,557**	NM
Total comprehensive (loss) / income attributable to:				
Owners of the Company		**11**	**2,363**	-100%
Non-controlling interests		(223)	755	NM
		(212)	**3,118**	-107%

NM – not meaningful

1(a)(ii) Note to the statement of comprehensive income.

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

	THE GROUP Quarter ended 31 March	
	2020 **(Unaudited)** **S$'000**	**2019** **(Unadjusted)** **S$'000**
Depreciation of property, plant and equipment	44	46
Interest expense	-	-
Foreign currency exchange loss (gain)	2,027	(837)

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 2020 (Unaudited) S$'000	31 Dec 2019 (Unadjusted) S$'000	31 Mar 2020 (Unaudited) S$'000	31 Dec 2019 (Unadjusted) S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	3,531	3,553	3,531	3,553
Investments in subsidiaries	-	-	15,052	15,052
Investment properties	6,953	6,953	6,953	6,953
Other receivables	193	213	-	-
Total non-current assets	**10,677**	**10,719**	**25,536**	**25,558**
Current assets				
Trade receivables	10,435	9,644	292	292
Other receivables, deposits and prepayments	2,624	2,656	67,454	65,830
Cash and cash equivalents	332	780	162	484
Total current assets	**13,391**	**13,080**	**67,908**	**66,606**
TOTAL ASSETS	**24,068**	**23,799**	**93,444**	**92,164**
EQUITY				
Capital and reserves and non-controlling interests				
Share capital	265,856	265,856	265,856	265,856
Reserves	(261,160)	(261,171)	(246,474)	(244,132)
	4,696	4,685	19,382	21,724
Non-controlling interests	(3,101)	(2,878)	-	-
Total equity	**1,595**	**1,807**	**19,382**	**21,724**
LIABILITIES				
Current liabilities				
Trade payables	9,606	9,239	22	22
Other payables and accruals	11,379	11,407	72,552	69,073
Other borrowing	1,488	1,346	1,488	1,345
Income tax liabilities	-	-	-	-
Total current liabilities	**22,473**	**21,992**	**74,062**	**70,440**
Total liabilities	**22,473**	**21,992**	**74,062**	**70,440**
TOTAL EQUITY AND LIABILITIES	**24,068**	**23,799**	**93,444**	**92,164**

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.

	THE GROUP Quarter ended 31 March	
	2020	**2019**
	(Unaudited)	**(Unadjusted)**
	S$'000	**S$'000**
Cash Flows from operating activities:		
(Loss)/ profit before taxation	**(2,062)**	**2,557**
Adjustment for :-		
Depreciation of property, plant and equipment	44	46
Interest income	-	-
Interest expenses	48	-
Unrealised exchange loss	1,975	837
Operating profit/ (loss) before working capital changes	5	3,440
Changes in working capital :		
Trade receivables	(791)	14,496
Inventories	-	(108)
Other receivables, deposit and prepayment	67	(2,168)
Trade payable	367	(15,980)
Other payables and accruals	(183)	133
Total changes in working capital	**(535)**	**(187)**
Interest received	-	4
Interest paid	(48)	-
Income tax refund	(5)	96
Net Cash used in operating activities	**(588)**	**(87)**
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	-	-
Net cash inflow from acquisition of subsidiaries	-	-
Net cash flows from investing activities	-	-
Cash flows from financing activities		
Advance from immediate holding company	(2)	-
Proceed from new loan	142	-
Net cash flows from financing activities	**140**	-
Net decreased in cash and cash equivalents	**(448)**	**(87)**
Cash and cash equivalents at beginning of period	780	425
Cash and cash equivalents at end of period	**332**	**338**

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.

THE GROUP (unaudited)	Attributable to owner of the Company							
	Share Capital	Assets revaluation reserve	Other reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 January 2019	265,856	478	(12)	7,118	(268,702)	4,738	(2,901)	1,837
Total comprehensive income/ (loss) for the period	-	-	-	544	(139)	405	23	428
Reserve transfer due to strike off subsidiary	-	-	-	(4,677)	4,219	(458)	-	(458)
Balance as at 31 December 2019	265,856	478	(12)	2,985	(264,622)	4,685	(2,878)	1,807
Total comprehensive income/ (loss) for the period	-	-	-	2,128	(2,117)	11	(223)	(212)
Balance as at 31 March 2020	**265,856**	**478**	**(12)**	**5,113**	**(266,739)**	**4,696**	**(3,101)**	**1,595**

THE COMPANY (unaudited)	Share Capital	Assets revaluation reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 January 2019	265,856	478	(244,281)	22,053
Total comprehensive loss for the period	-	-	(329)	(329)
Balance as at 31 December 2019	265,856	478	(244,610)	21,724
Total comprehensive loss for the period	-	-	(2,342)	(2,342)
Balance as at 31 March 2020	**265,856**	**478**	**(246,952)**	**19,382**

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 2019 and 31 March 2020	292,828,099

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 2020.

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 unaudited financial statements as at 31 December 2019 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2020. 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	
	2020 S cents	2019 S cents
(Loss) / Earnings per ordinary share for the year		
(i) Based on weighted average number of ordinary shares in issue	(0.72)	0.53
- Weighted average number of shares	292,828,099	292,828,099
(ii) On a fully diluted basis	(0.72)	0.53
- Weighted average number of shares	292,828,099	292,828,099

(Loss)/ earning per ordinary share is calculated from dividing the Group's net (loss)/ profit attributable to owners of the Company for the year 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 2020 S cents	31 Mar 2019 S cents	31 Mar 2020 S cents	31 Mar 2019 S cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	0.54	22.77	6.62	21.42

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 31 March 2020 of 292,828,099 ordinary shares （31 March 2019 of 292,828,099 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 and Cost of sales

During the period under review, revenue was generated mainly from the sales of coke and coal by the subsidiary Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司) ("BLX").

The other source of revenue was derived from ship chartering services business by the subsidiary Abterra Resources Pte Ltd, which represents approximately 27% of total revenue generated.

Revenue decreased 77% from S$24.1 million as at 1Q2019 to S$5.6 million as at 1Q2020. Accordingly, the cost of sales decreased 74% from S$21.6 million to S$5.6 million. The decrease is mainly due to the drop in sales which resulted from the COVID-19 pandemic and the lock-down in PRC.

Selling expenses

Selling expenses mainly represents staff cost, entertainment, and agency expenses in relation to the sales of coke and coal during the period. Selling expenses are kept to a minimum, causing a decrease of 83% from approximately S$387,000 for the period ended 31 March 2019 to approximately S$66,000 for the period ended 31 March 2020. The decrease is in line with the decrease in sales for the corresponding period in 2020.

Administrative expenses

Administrative expenses are kept to a minimum to maintain normal operation activities. Notwithstanding the lock-down in PRC, the Group has to continue to pay salaries and other administrative expenses. The increase was mainly due to under provision of professional fees of approximately S$19,000 for prior year and provision of audit fees of S$15,000 for current year.

Other operating income

Other operating income mainly represents the rental income, bank interest and unrealized foreign exchange gain. The decrease in other operating income from S$1.01 million for the period ended 31 March 2019 to approximately S$731,000 for the period ended 31 March 2020 was mainly due a decrease in unrealized foreign exchange gain.

	THE GROUP Period ended 31 March	
	2020 (Unaudited) S$'000	**2019 (Unaudited) S$'000**
Other operating income		
Rental and service income	75	76
Interest income	-	-
Unrealized foreign exchange gain	318	625
Others	338	318

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (continued)

Other operating expenses

Other operating expenses, which are mainly composed of unrealised exchange losses and depreciation charges, increased by S$2.2 million for the period ended 31 March 2020 due to strengthen of United States dollar and weakening of Australia dollar.

	THE GROUP Period ended 31 March	
	2020 (Unaudited) S$'000	2019 (Unaudited) S$'000
Other operating expenses		
Unrealized foreign exchange loss	2,027	109
Depreciation	44	46
Others	157	(2)

(Loss)/ profit for the financial period

In view of the above, the Group recorded a loss after tax of S$2 million for the period ended 31 March 2020, as compared to profit after tax of S$2 million for the corresponding period in 2019.

Review of Consolidated Statement of Financial Position

Property, plant and equipment and Investment properties

Property, plant and equipment of the Group decreased mainly due to depreciation charged for the period.

Mining rights of Australian mine belonging to the Company's subsidiary, Abterra Australia Pty Limited ("Abterra Australia") was suspended by the Australian government on 7 March 2018. Further, Abterra Australia has been placed under liquidation since 4 March 2019. Abterra Australia has not been involved in any financial changes until now. So far, the liquidation of Abterra Australia has not had a significant impact on the Group's finances.

Trade receivables

Trade receivables increased by approximately S$791,000 to S$10.4 million as at 31 March 2020. The increase in trade receivables resulted from slower payment received from the trade receivables.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (continued)

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments decreased from S$2.6 million as at 31 December 2019 to S$2.3 million as at 31 March 2020.

Further information on the nature, breakdown and details of other receivables is as follows:

	THE GROUP	
	Mar 2020	**Dec 2019**
	(Unaudited)	**(Unaudited)**
	S$'000	**S$'000**
Amount due from related parties	404	388
Deposits	363	388
Receivables and prepayments	145	55
Other	1,712	1,825
	2,624	2,656

Cash and cash equivalents

Cash and cash equivalents of the Group has decreased by S$0.45 million from approximately S$0.78 million at as 31 December 2019 to approximately S$0.33 million as at 31 March 2020. The decrease mainly due to the Group not being profitable during the period.

Trade payables

Trade payables increased from S$9.2 million as at 31 March 2019 to S$9.6 million as at 31 March 2020. The increase in trade payables was mainly due to slower settlement of the Group's trade payables.

Other payables and accruals and income tax liabilities

Other payables and accruals decreased from S$11.4 million as at 31 December 2019 to S$11.3 million as at 31 March 2020. The decrease was mainly due to the Group's settlement of other payables outstanding from last year as at 31 December 2019.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (continued)

Other borrowings

Further information on the borrowings and debt securities (for the group) are as follows:

	THE GROUP	
	Mar 2020 (Unaudited) S$'000	**Dec 2019 (Unaudited) S$'000**
Secured loan		
Loan 1	712	673
Loan 2	776	673
	1,488	1,346

Loan 1 and 2 are dominated in United State dollar, secured by first all monies legal mortgage on 7 Temasek Boulevard #11-01 Suntec Tower One Singapore 038987 and bears fixed interest rates of 13% and 13.5% per annum respectively. The loans are repaid by way of instalment payments and will be fully repaid in year 2020. During the financial period under review, the Group has reclassified the principal for Loan 2 of US$45,000, which previously recorded under accrual.

Review of Consolidated Statement of Cash Flows

Net cash used in operating activities for the financial period ended 31 March 2020 was approximately S$158,000 compared to approximately S$87,000 cash used for the corresponding period in 2019. The increase in net cash outflow was due to the Group not being profitable during the period under review.

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 COVID-19 pandemic is creating great uncertainties on global trading businesses. The Group's main trading key subsidiary, BLX has not been operating normally in Tianjin, China due to the COVID-19 pandemic and the lock-down in Tianjin. Its office has been closed since the second half of January 2020 and this will greatly affect the Group's operating income.

Most of the countries have imposed travel and trade restrictions against China or other affected regions and had therefore caused relatively significant impact on international trading businesses. The Group also expects a decrease in the global demand of coke, coal and iron ores. The Company will continue to provide further updates and details in subsequent announcements to update shareholders on the Group's corporate developments as and when such announcements may be appropriate.

After the stabilisation of global conditions in relation to COVID-19, the Company's businesses may take up to a further 6 months to fully resume operations and to run normally.

With regard to the requirement of the SGX-ST for the issuers to provide updates on efforts taken to resolve the outstanding issues, the Company wishes to highlight that it has been in the process of selecting a set of incoming auditors. The Company will work together with such incoming auditors in due course to resolve the outstanding audit issues which had been noted in the Company last audit report for the financial year ended 31 December 2017.

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 in view of the Group's current cashflow position.

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 2020 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

Cai Suirong
Executive Director and Chief Executive Officer
6 October 2020