ABTERRA

Bringing you the earth's resources

Annual Report 2017

A FRESH START

CONTENTS

CHAIRMAN'S **STATEMENT**

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present to you the annual report of Abterra Ltd ("Abterra", or the "Company" and together with its subsidiaries, the "Group") for the financial year ended 31 December 2017 ("FY2017").

As we refocus efforts to build a sustainable trading business in commodities, the Group utilised the balance of the cash proceeds from the disposal of investment properties in 2017, being three (3) office units at 7 Temasek Boulevard, Suntec Tower 1, and has kickstarted trading business and booked trading revenue since then.

Notwithstanding the lack of financial facilities, the Company continued its trading activities, albeit on a small scale, and have since made trades in FY2017. Moving forward, the Company expects to build on its trading activities as it leverages its trading capabilities.

FINANCIAL PERFORMANCE: IMPAIRMENT ADJUSTMENTS TO REFLECT ACCURACY AND APPROPRIATENESS

As at 31 December 2017, the Group's Net Asset Value declined by 82% to S$9.2 million compared to S$52.4 million in FY2016. Meanwhile, the Group recorded a cash and cash equivalents of S$0.9 million.

In August 2017, the Group completed the acquisition of 51% interest in Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司) ("BLX"), which is primarily engaged in the business of coal imports and exports for sale to customers in the People's Republic of China ("China") (the "Acquisition"). The Acquisition was carried out as BLX (and its holding companies) shared the same core business as the Group, and would therefore benefit the Group's trading business and provide the Group with access to a greater network of customers and traders.

Boosted by the revenue contribution from BLX, the Group recorded sales of S$122.6 million in FY2017, which were generated from the sales of commodities during the financial year. Gross profit was recorded at S$3.7 million in FY2017.

The decline in gross profit for FY2017 was mainly due to material impairment adjustments after assessing fair value of intangible assets and goodwill as well as possibilities to recover trade receivables and other receivables & deposits. This is to reflect the accuracy and appropriateness of the fair value of identifiable assets and liabilities, intangible assets and the goodwill from the Acquisition. Consequently, the Group reported full impairments loss totaled S$65.7 million for FY2017.

Nonetheless, the Group's continued efforts to reduce costs paid off when administrative expenses decreased by 22% to S$2.0 million in FY2017. Other operating expenses decreased from S$7.7 million in FY2016 to S$5.4 million FY2017 before above mentioned impairment losses. After accounting for the impairment adjustment, the Group disclosed S$71 million in other operating expenses.

The higher Group revenue, coupled with the lower administrative and operating expenses narrowed the Group's net loss after tax to S$69.1 million in FY2017.

STRENGTHENED POSITION AND TEAM TO SECURE GROWTH

The Group is committed to sustain Abterra's business for the long term. The injection of BLX into the Group's business enhances our trading capabilities as a supply chain manager in the natural resources business. With the support of BLX's established and wide network of customers and traders, the Group is well-positioned to secure growth opportunities and expand our revenue stream.

The Group has also taken steps to strengthen the Board and management team to steer Abterra into our next phase of growth. The new appointments included Ms Cai Suirong, who re-joined the Group in October 2017 as Chairman, Executive Director and Chief Executive Officer and Mr Liu Zhiyang, who joined the Group in September 2017 as the Group's Executive Director and Head of Trading. In her current role, Ms Cai is responsible for managing the Group and leading the Group in its business expansion. Meanwhile, Mr Liu brings a wealth of experience to the Group in trading coking coal, coke and iron ore. We are confident that the extensive experience and industry network of the strengthened management team will enable the Group to secure favourable contracts that will further shore up our operating and financial positions.

I would also like to welcome the appointments of Mr Wang Dongzhi and Mr Liu Ying, who have agreed to join the Board during these difficult times. Mr Wang Dongzhi and Mr Liu Ying joined the Board as Independent Directors on 24 July 2018 and 15 March 2019 respectively. Given the wealth of experience and knowledge possessed by both Mr Wang Dongzhi and Mr Liu Ying, I believe that they are able to and will continue to assist the Group with their insights, and their expertise will also provide the Group with greater guidance.

On behalf of the Board, I would like to thank Mr Cai Sui Xin, who has ceased to be the Group's Chairman and stepped down from the Board as Non-Executive Director on 5 February 2019. I would also like to thank Mr Lau Yu, who has resigned as the Group's Chief Executive Officer and has stepped down from the Board as Non-Executive Director in September 2017, for his invaluable contributions to Abterra over the years. I would also like to take the opportunity to thank Mr Chew Ban Chuan Victor Mark who re-joined the Board as an Independent Director on 11 September 2017 and stepped down from the Board as an Independent Director on 13 May 2018.

OUTLOOK

Looking ahead, we expect the macro environment to remain volatile, compounded by the prospect of a trade war as the United States of America imposed tariffs on steel and aluminum imports in a bid to counter shipments, especially from China.

Looking ahead in relation to our business segment within the geographical region of China, China is experiencing slower growth and the steel industry is undergoing structural changes. To curb overcapacity and reduce air pollution, outdated steel plants in China have closed down and are prevented from any operations. New steel capacities were also prohibited from launching. With the nation continuing to further reduce steel production capacity, as part of its anti-pollution campaign initiatives, steel makers will have to turn to using higher grade iron ore that generates less air pollution. As such, we expect there will still be continued demand for higher-grade iron ore potentially driving trading activities.

Backed by our trading capabilities and BLX as the Group's key growth driver, the Group will continue to stay focused on capturing opportunities that complement or expand our core trading business; with an ultimate objective in delivering sustainable business growth.

In addition to trading, we will also explore ways to diversify into other businesses or markets to provide alternative revenue and income streams, while practising prudent cost management.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to commend our staff and management team for standing by the Company through difficult times, and helping us to rise above every challenge. To our shareholders and business partners, I extend our gratitude for your continuous support. Your continued faith in us will enable us to stay focused on our strategy to drive growth and deliver a fresh start for Abterra.

BOARD OF DIRECTORS

CAI SUIRONG

Chairman, Executive Director and Chief Executive Officer

Ms. Cai Suirong, 54, re-joined the Board in October 2017 as an Executive Director and was appointed as Chief Executive Officer. Ms Cai is responsible for managing the Group and leading the Group in its business expansion. Ms Cai is also a member of the Nominating Committee.

Being a veteran of the coke and coal industry for more than 20 years, Ms. Cai has established concrete business networks in the People's Republic of China, Thailand and South-East Asia industrial markets. Back in the early 1980s, Ms. Cai handled the distribution of foundry pig iron and coke for a company in Thailand. Ms. Cai is a Director of General Nice Development Limited, General Nice (Tianjin) Industry Co., Ltd and Tianjin Haoan Mineral Co Ltd.

LIU ZHIYANG

Executive Director

Mr Liu Zhiyang, 44, joined the Board in September 2017 as an Executive Director and was appointed as the Head of Trading to oversee the Group's trading activities and to generate revenue. Prior to joining the Group, Mr Liu has been assisting in formulating and implementing the company's strategy, operations and business development plans.

Mr Liu's accumulated experience of more than a decade in trading of minerals including coking coal, coke and iron ore, coupled with his business operations and capital management competencies position him well to contribute to the growth of the Group in terms of expanding its clientele and revenue streams. Mr Liu was previously a Director of Beijing Sinonice Technology Development Ltd and he holds a Ph.D. in Resource Development and Design from the China University of Mining and Technology.

WONG SHIU WAH WILLIAMSON

Independent Director and Chairman of the Audit Committee

Mr. Wong Shiu Wah Williamson, 57, joined the Board of Directors in February 2010. He is presently the Chairman of the Audit Committee.

Mr. Wong works as a Director for a business consultancy firm in Hong Kong. Prior to that, he has worked with various public and private companies in Hong Kong and in the United States of America as Financial Controller/ Officer. He possesses extensive experience in auditing, accounting, corporate finance, operations management and control in various industries.

Mr. Wong holds a Master degree in Business Administration from the Chinese University of Hong Kong and also a Master of Science degree in Information Systems from the Hong Kong Polytechnic University. He has been a fellow member of the Association of Chartered Certified Accountants since 1998.

CHAN CHUN TAT RAY

Independent Director and Chairman of the Employee Share Option Scheme Committee

Mr. Chan Chun Tat Ray, 59, joined the Board in July 2010. He is presently the Chairman of the Employee Share Option Scheme Committee and a member of the Remuneration Committee.

Having been with American International Assurance Co. Ltd. for more than 30 years, he has successfully managed financial portfolios of various corporate institutions from a wide range of business sectors. Mr. Chan had acquired vast experience in risk management and developed a strong sense of business acumen.

Mr. Chan holds a Bachelor of Science in Business Administration and is also a Certified Financial Consultant and a Fellow Chartered Financial Practitioner.

LIU YING

Independent Director and Chairman of the Remuneration Committee

Mr. Liu Ying, 36, joined the Board of Directors on 15 March 2019. He is presently the chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee and Employee Share Option Scheme.

Mr. Liu holds a Ph. D. in Management Science and Engineering from the Graduate University of Chinese Academy of Sciences.

Mr. Liu is currently an Associate Professor of the College of Economic and Management at University of Chinese Academy of Sciences. Mr. Liu has extensive involvement in various national economic and scientific research, and his research have provided guidance for corporate management and government decision-making. The research areas of Mr Liu include big data analysis and application, Internet economy, e-commerce, science technology and finance. Further, Mr. Liu lectures on courses including business data analysis, Internet finance, network economy and business model, management economics.

WANG DONGZHI

Independent Director and Chairman of the Nominating Committee

Mr. Wang Dongzhi, 50, joined the Board of Directors on 24 July 2018. He is presently the Chairman of the Nominating Committee and a member of the Audit Committee, Remuneration Committee and Employee Share Option Scheme Committee.

Mr. Wang holds two Executive Masters of Business Administration (EMBA) degrees, from China Europe International Business School (CEIBS) and Tianjin University respectively.

Mr. Wang is currently the Chief Executive Officer of ENN Group International Investment Limited and Director of ENN Group, one of the largest private energy companies in China focused on providing cleaner energy to support sustainable growth. In this role, Mr Wang focuses on major merger and acquisition projects, major financing projects and strategy formulation of corporate governance. Mr. Wang also is also an Executive Director of ENN Energy Holdings Limited, a company listed in Hong Kong.

Introduction

The Board of Directors (the "**Board**") and the management (the "**Management**") of Abterra Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") are committed to maintaining a high standard of corporate governance. Underlying this commitment is the belief that good corporate governance will help to enhance corporate performance and accountability. We strongly believe that the integrity and professionalism of our Board members and employees, governed by a system of policies, will enable the Company to achieve greater heights and greater returns for our shareholders.

This report will help shareholders better understand the Company's practices which were in place throughout the financial year ended 31 December 2017 ("**FY2017**") and guided by the Code of Corporate Governance 2012 (the "**Code**").

The Company believes that it has substantially complied with the principles and guidelines as set out in the Code. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

Board of Directors

Principle 1 – The Board's Conduct of Affairs

Role of the Board

The Board's primary role is to protect and enhance long-term shareholders' value. The Board is responsible for the overall corporate governance of the Group. Besides carrying out its statutory responsibilities, the Board's roles include setting its strategic direction, establishing goals for the Management and monitoring the achievement of these goals. The Board also:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- review Management performance;
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- consider sustainability issues, such as environmental and social factors, as part of its strategic formulation;
- oversees risk management and internal control processes, financial reporting and compliance, and approves the release of financial results and announcements of material transactions;
- reviews and approves major funding, investment and divestment proposals;
- reviews and approves the nominations to the Board and appointments to the various Board committees ("**Board Committees**"); and
- reviews and approves the framework of remuneration for the Board and key executives as recommended by the Remuneration Committee.

All Directors have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Company has put in place financial authorisation and approval limits for operating and capital expenditures, procurement of goods and services, and cheque signatory arrangements. Matters for which the Board's approval is required include material acquisitions and disposals of assets, corporate or financial restructuring, share issuances and dividend payments to shareholders, and other transactions of a material nature requiring announcement under the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Board Processes

To facilitate effective management, the Board has delegated some of its authorities to four (4) Board Committees namely, the Audit Committee ("**AC**"), the Remuneration Committee ("**RC**"), the Nominating Committee ("**NC**") and the Employee Share Option Scheme Committee ("**ESOS Committee**"). Each of the Board Committee functions within clearly defined terms of reference and operating procedures. The effectiveness of the Board Committees is also constantly monitored.

The Board and the various Board Committees meet regularly, and as warranted by business imperatives or deemed appropriate by the members of the Board. The Constitution of the Company allows Board meetings to be held via tele-conference and video-conference.

The number of Board meetings and Board Committees meetings held during the financial year ended 31 December 2017 ("**FY2017**") up to the date of this annual report and the attendance of the Directors at these meetings are as follows:

	Board Meetings		AC Meetings		NC Meetings		RC Meetings		ESOS Committee Meetings	
Director	No. held(1)	No. attended (1)	No. held(1)	No. attended (1)	No. held(1)	No. attended (1)	No. held(1)	No. attended (1)	No. held(1)	No. attended (1)
Present Directors										
Ms Cai Suirong(3)	13	13	13	12(2)	3	2	4	1 (2)	0	-
Mr Liu Zhiyang(4)	13	8	14	6(2)	4	2(2)	4	1 (2)	0	-
Mr Wong Shiu Wah Williamson	16	16	18	18	6	6(2)	6	6	0	-
Mr Chan Chun Tat Ray	16	16	18	18	6	6	6	6	0	-
Mr Wang Dongzhi(5)	7	4	6	3	1	1	1	0	0	-
Mr Liu Ying(6)	5	5	3	3	1	1	1	1	0	-
Former Directors										
Mr Cai Sui Xin(7)	11	3	15	4	5	2	5	2	0	-
Mr Lau Yu(8)	3	3	4	0	2	0	2	0	0	-
Mr Chew Ban Chuan Victor Mark(9)	6	6	8	8	2	2	3	3	0	-

(1) Refers to meetings held and attended while each Director was in office.

(2) Refers to meetings attended by invitation.

(3) Ms Cai Suirong was appointed as an Executive Director of the Company on 26 October 2017.

(4) Mr Liu Zhiyang was appointed as an Executive Director of the Company on 1 September 2017.

(5) Mr Wang Dongzhi was appointed as an Independent Director of the Company on 24 July 2018.

(6) Mr Liu Ying was appointed as an Independent Director of the Company on 15 March 2019.

(7) Mr Cai Sui Xin resigned as a Non-Executive Director of the Company on 5 February 2019.

[8] Mr Lau Yu resigned as a Non-Executive Director of the Company on 12 September 2017.

[9] Mr Chew Ban Chuan Victor Mark was appointed as an Independent Director of the Company on 11 September 2017, but has since resigned as an Independent Director of the Company on 13 May 2018.

The Board is regularly briefed on the Group's activities to keep them updated on the latest developments.

Newly appointed Directors are briefed by the Board to familiarise them with the Group's business and its strategic directions. They will also be issued with a formal letter by the Company Secretary explaining their duties and obligations as a Director upon their appointment. In addition, the Board is free to request sponsorship from the Company, subject to the approval from the Chairman, to attend courses to update their knowledge and better equip themselves to discharge their duties as Directors. The Board is also briefed from time to time by Virtus Law LLP, the Company's compliance adviser, on selected sections of the Listing Rules.

As at the date of this annual report, the Board comprises the following members:

Name of Director	Position Held on the Board and Board Committee served on (if any)	Date of first appointment to the Board	Date of last re-election as Director	Nature of Appointment
Ms Cai Suirong	Chairman of the Board, Director, CEO and member of NC	26 October 2017 [1]	N.A.	Executive/ Non-Independent
Mr Liu Zhiyang	Director	1 September 2017	N.A.	Executive/ Non- Independent
Mr Wong Shiu Wah Williamson	Director and Chairman of AC	11 February 2010	11 May 2017	Non-Executive/ Independent
Mr Chan Chun Tat Ray	Director, Chairman of ESOS Committee and member of RC	26 July 2010	13 May 2016	Non-Executive/ Independent
Mr Wang Dongzhi	Director, Chairman of NC, and member of AC, RC and ESOS Committee	24 July 2018	N.A.	Non-Executive/ Independent
Mr Liu Ying	Director, Chairman of RC and member of AC, NC and ESOS Committee	15 March 2019	N.A.	Non-Executive/ Independent

[1] Ms Cai Suirong was previously a Director of the Company from February 2010 to April 2013. Ms Cai Suirong was appointed as Executive Director and Chief Executive Officer ("**CEO**") on 26 October 2017.

As at 31 December 2017, the previous Board comprised the following members:

Name of Director	Position Held on the Board and Board Committee served on (if any)	Date of first appointment to the Board	Date of last re-election as Director	Nature of Appointment
Mr Cai Sui Xin	Director, Chairman of the Board and member of AC, NC, RC and ESOS Committee	18 October 2006	13 May 2016	Non-Executive/ Non-Independent
Ms Cai Suirong	Director and CEO	26 October 2017 (1)	N.A.	Executive/ Non- Independent
Mr Liu Zhiyang	Director	1 September 2017	N.A.	Executive/ Non- Independent
Mr Wong Shiu Wah Williamson	Director, Chairman of AC, and member of NC, RC and ESOS Committee	11 February 2010	11 May 2017	Non-Executive/ Independent
Mr Chan Chun Tat Ray	Director, Chairman of NC and member of AC, RC and ESOS Committee	26 July 2010	13 May 2016	Non-Executive/ Independent
Mr Chew Ban Chuan Victor Mark	Director, Chairman of RC and ESOS Committee, and member of AC and NC	11 September 2017(2)	N.A.	Non-Executive/ Independent

(1) Ms Cai Suirong was previously a Director of the Company from February 2010 to April 2013. Ms Cai Suirong was appointed as Executive Director and CEO on 26 October 2017.

(2) Mr Chew Ban Chuan Victor Mark was previously an Independent Director of the Company and resigned on 27 January 2016. Mr Chew Ban Chuan Victor Mark was appointed an Independent Director of the Company on 11 September 2017.

Principle 2 – Board Composition and Guidance

As at the date of this annual report, the Board comprises six (6) Directors, of whom four are non-executive and are considered independent of management by the NC. The Board is of the view that there is a strong and independent element as Independent Directors make up more than half of the Board. In considering whether a Director is independent, the NC took into account examples of relationship with the Group, and if so, whether such relationship could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

Each Independent Director is required to complete an Independent Director's Declaration form annually to confirm his independence based on the guidelines as set out in the Code. As at the date of this annual report, all the four (4) Independent Directors have confirmed their independence and that they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment.

Both Mr Wong Shiu Wah Williamson and Mr Chan Chun Tat Ray have served on the Board for more than nine (9) years from their date of first appointment on 11 February 2010 and 26 July 2010 respectively. As such, the Board has subjected their independence to a particularly rigorous review. The Board considers Mr Wong Shiu Wah Williamson and Mr Chan Chun Tat Ray to be independent because they actively participate in Board discussions, express their individual opinions and have, on many occasions, scrutinised and challenged Management's position. As such, the Board is satisfied that that both Mr Wong Shiu Wah Williamson and Mr Chan Chun Tat Ray remain independent in character and judgement in the discharge of their responsibilities as Independent Directors and there were no relationships with Management or substantial shareholders or circumstances which were likely to affect, or could appear to affect, their independence. The Board is therefore satisfied with their performance and continued independence.

The Board, through the NC, has examined its size and is of the view that it is appropriate for facilitating effective decision-making, having taken into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and the Board Committees.

The Board, through the NC, is satisfied that the Board comprises of Directors with a variety of expertise, networking and core competencies necessary to discharge their duties and responsibilities, and to provide strategic networking to enhance the business of the Group.

The Independent Directors have constructively challenged and helped develop proposals on strategy; and reviewed the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The Independent Directors are also encouraged to meet regularly without the presence of Management to facilitate a more effective check on Management.

The names and the key information of the Directors of the Company in office are set out in the "Board of Directors" section of this annual report.

Principle 3 – Chairman and Chief Executive Officer

As at the date of this annual report, Ms Cai Suirong is the Executive Chairman and CEO of the Company. As the Executive Chairman of the Board, Ms Cai Suirong's duties include:

- leading the Board to ensure its effectiveness on all aspects of its role;
- setting its agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board level;
- ensuring that the directors receive complete, adequate and timely information;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and Management;
- facilitating the effective contribution of Non-Executive Directors in particular; and
- promoting high standards of corporate governance.

The Board has not appointed a separate individual to be the CEO as the Board is of the view that the current Board composition is appropriate and effective for the purposes for which the Board's roles and responsibilities are set up. The Board is of the view that with the establishment of the respective Board committees, there are adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

The Company noted that Guideline 3.3 of the Code recommends the appointment of an Independent Director to be the Lead Independent Director where (a) the Chairman of the Board and the CEO is the same person; (b) the Chairman of the Board and the CEO are immediate family members; (c) the Chairman of the Board is part of the Management team; or (d) the Chairman of the Board is not an Independent Director.

The Board is of the view that the chairing of the Board Committees by Independent Directors ensures a sufficient balance of power and authority in the Board. The Board notes that Independent Directors constitute a majority of the Board, consisting of four out of six Directors of the Board. As such, the Board is of the view that such composition of Independent Directors is sufficient to ensure objectivity and independence in the Board's decision-making.

Based on the foregoing, no Lead Independent Director has been appointed. Nevertheless, the Board will consider if there is a need to appoint a Lead Independent Director on an annual basis.

Notwithstanding that no Lead Independent Director has been appointed, the Independent Directors are individually and collectively available to shareholders as a channel of communication between shareholders and the Board and/or Management. To date, the Company has not been made aware of any concerns of shareholders for which contact through the normal channels of the Executive Chairman and CEO has failed to resolve or is inappropriate.

Furthermore, the Independent Directors meet amongst themselves to discuss the Group's affairs without presence of the other Directors where necessary. A summary of issues, concerns, feedback or suggestions arising from such discussions amongst the Independent Directors will be provided to the Chairman of the Board.

Principle 4 – Board Membership
Nominating Committee

As at 31 December 2017, the members of the NC were as follows:

Mr Chan Chun Tat Ray - Chairman
Mr Wong Shiu Wah Williamson
Ms Cai Sui Xin
Mr Chew Ban Chuan Victor Mark

As at the date of this annual report, the members of the NC are as follows:

Mr Wang Dongzhi - Chairman
Ms Cai Suirong
Mr Liu Ying

As at the date of this annual report, the NC comprises three (3) Directors. Save for Ms Cai Suirong, the other two (2) members of the NC, including the NC Chairman, are independent.

The key terms of reference of the NC are as follows:

- The NC shall consist of at least three members appointed by the Board, a majority whom, including the NC Chairman, should be independent.
- The NC Chairman shall be nominated by the Board from time to time.
- At least half or two of the members shall be present to constitute a quorum for a meeting of the NC.
- Meetings shall be held not less than once a year. Special meetings may be convened as required.

The key functions of the NC are as follows:

- reviewing and recommending candidates for appointment to the Board having regard to their qualification, experience, expertise and potential contribution to the Group;
- reviewing and recommending candidates for appointment as senior management;
- evaluating the effectiveness of the Board as a whole and the contributions of each Director;
- identifying the skills, expertise and capabilities for the effective functioning of the Board;

- re-nominating Directors for re-election at each Annual General Meeting ("**AGM**"); and
- evaluating and determining the independence of each Director.

The size and composition of the Board are reviewed on an annual basis by the NC, which seeks to ensure that the Board has an appropriate mix of expertise and experience. The Board has set the maximum number of listed company board representations each Director may hold to be six (6). When a Director has multiple board representations, the NC shall monitor the Director's involvement and time allocated to the affairs of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

In the selection process for the appointment of new Directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. Thereafter, the NC conducts an initial assessment to review a candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidates' independence, expertise, background and right skills will be considered before the NC makes its recommendations to the Board.

The Constitution provides that one-third of the Directors shall retire from office by rotation at every AGM of the Company. For the forthcoming AGM, Mr Wong Shiu Wah Williamson and Mr Chan Chun Tat Ray are due for retirement and are eligible for re-election pursuant to Article 91 of the Company's Constitution.

The Constitution also provides that a Director appointed by the Board to fill a casual vacancy or as an additional Director shall retire at each AGM following his/her appointment and he/she shall be eligible for re-election. For the forthcoming AGM, Ms Cai Suirong, Mr Liu Zhiyang, Mr Wang Dongzhi and Mr Liu Ying are due for retirement and are eligible for re-election pursuant to Article 97 of the Company's Constitution.

As at the date of this annual report, the Company does not have any alternate directors.

Key information regarding the academic and professional qualification, date of first appointment as a director, date of last re-appointment as a director, and directorship or chairmanship, both present and those held over the preceding three years in other listed companies, and other principal commitments, are set out in the "Board of Directors" section at page 3 of this annual report and in the tables at page 95 and page 103 of this annual report. In addition, information on shareholdings in the Company and its related companies held by each Director is set out in the "Statement by Directors" section of this annual report.

Principle 5 – Board Performance

The effectiveness of the Board is monitored by the NC. The NC assesses the Board's performance in terms of overall performance, achieving an adequate return for shareholders, oversight of the Management and the Group's performance during the period. In evaluating the contributions and performance of each Director, factors taken into consideration include, amongst others, attendance record of the Directors at Board meetings and activities, contributions based on the member's respective core competencies, and maintenance of independence.

The Board has implemented a formal process for assessing the effectiveness of the Board as a whole and contribution by each Director to the effectiveness of the Board.

The appraisal process requires the Directors to evaluate the performance of the Board as a whole and each Director and of his own annually, and to identify areas of improvement. The appraisal forms will be collated by an independent coordinator who will report to the NC. The NC will report to the Board thereafter. The results of the evaluation process would be used by the Board to effect continuing improvements on Board processes where considered necessary.

The NC is satisfied that Mr Wong Shiu Wah Williamson, Mr Chan Chun Tat Ray, Mr Wang Dongzhi and Mr Liu Ying are independent and the Directors having external directorships have devoted sufficient time and attention to the affairs of the Group.

Principle 6 – Access to information

Management recognises the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities. Agenda, board papers and related materials, background or explanatory information relating to matters to be discussed at the Board meetings and Board committee meetings are circulated electronically to the Directors prior to the meetings. Any additional material or information requested by the Directors is promptly furnished.

The Directors have separate and independent access to the Company's senior management and the Company Secretary. The Company Secretary attends all meetings of the Board and Board Committees and ensures that board procedures are followed and that the corporate secretarial aspects of applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Should the Directors, whether as a group or individually, need independent professional advice to enable them to discharge their duties, the Company will appoint a professional advisor selected by the Group or individual, and approved by the CEO, at the Company's expense, to render the advice.

Remuneration Matters

Principle 7 – Procedures for Developing Remuneration Policies

Remuneration Committee

As at 31 December 2017, the members of the RC were as follows:

Mr Chew Ban Chuan Victor Mark - Chairman
Mr Wong Shiu Wah Williamson
Mr Cai Sui Xin
Mr Chan Chun Tat Ray

As at the date of this annual report, the members of the RC are as follows:

Mr Liu Ying - Chairman
Mr Chan Chun Tat Ray
Mr Wang Dongzhi

As at the date of this annual report, the RC comprises three (3) Non-Executive Directors, a majority of them, including the RC Chairman, are independent.

The key terms of reference of the RC are as follows:

- The RC shall consist entirely of Non-Executive Directors, the majority of whom, including the RC Chairman, should be independent.
- The RC Chairman shall be nominated by the Board from time to time.
- At least half or two of the members shall be present to constitute a quorum for a meeting of the RC.
- Meetings shall be held not less than once a year. Special meetings may be convened if necessary. The Head/Director of Human Resource may request through the Chairman of RC to convene a meeting if he/she considers that it is necessary.

The key functions of the RC are as follows:

- reviewing and approving the structure of the compensation plans and recruitment strategies of the Group so as to align compensation with shareholders' interests;
- reviewing the Executive Directors' and senior management's compensation and determine appropriate adjustments; and
- reviewing and advise the Board on the implementation of any appropriate long-term incentive schemes for the Directors and employees of the Company.

No Director is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The RC's review covers all aspects of remuneration, including salaries, fees, allowances, bonuses, benefits-in-kind and the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses. The RC's recommendations are submitted for endorsement by the entire Board.

The RC will seek expert advice inside and/or outside the Company on remuneration of all Directors if it considers necessary.

Principle 8 – Level and Mix of Remuneration

The Company adopts an overall remuneration policy for its Executive Directors, key management personnel and employees comprising a fixed component in the form of a base salary, and a variable component in the form of a bonus that is linked to the performance of the Company, the individual, the industry and the economy. Another element of the variable component is the grant of share options under the Abterra Employee Share Option Scheme ("the **Scheme**"). This seeks to align the interests of the Company's Executive Directors, key management personnel and employees with that of the shareholders.

The Company has also maintained a fixed appointment period for all service contracts signed with the Executive Directors. The remuneration to be paid to each Executive Director for their services as an executive is an annual fixed cash component that is further reviewed by the RC. Each Executive Director is also eligible for share options under the Scheme.

The Independent Directors have no service agreements with the Company. They are each paid a Director's fee which is determined by the Board based on effort and time spent as well as responsibilities as member of the Board Committees. The Directors' fees are subject to the approval of shareholders at the Company's annual general meetings.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Board is of the view that there is no need for such contractual provisions as the Executive Directors owe a fiduciary duty to the Company. Accordingly, the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Principle 9 – Disclosure on Remuneration

The remuneration of the Directors of the Company for FY2017 is as follows:

Director	Directors' Fees (%)	Salary[1] (%)	Bonus (%)	Benefits in kind (%)	Total (%)
Below $250,000					
Mr Cai Sui Xin[2]	-	-	-	-	-
Ms Cai Suirong[3]	-	100	-	-	100
Mr Liu Zhiyang[4]	-	100	-	-	100
Mr Wong Shiu Wah Williamson	100	-	-	-	100
Mr Chan Chun Tat Ray	100	-	-	-	100
Mr Chew Ban Chuan Victor Mark[5]	100	-	-	-	100
Mr Lau Yu[6]	-	100	-	-	100

(1) Pertains to salary paid in respect of FY2017 and is inclusive of CPF where applicable.

(2) Mr Cai Sui Xin did not receive remuneration from the Company in FY2017.

(3) Ms Cai Suirong received remuneration from October 2017 to 31 December 2017. Ms Cai Suirong was appointed as an Executive Director and CEO of the Company on 26 October 2017.

(4) Mr Liu Zhiyang received remuneration from September 2017 to 31 December 2017. Mr Liu Zhiyang was appointed as an Executive Director of the Company on 1 September 2017.

(5) Mr Chew Ban Chuan Victor Mark received remuneration from September 2017 to 31 December 2017. Mr Chew Ban Chuan Victor Mark was appointed as an Independent Director of the Company on 11 September 2017, but has since resigned as an Independent Director of the Company on 13 May 2018.

(6) Mr Lau Yu received remuneration from January 2017 to 12 September 2017. Mr Lau Yu resigned as a Non-Executive Director of the Company on 12 September 2017.

Given the highly competitive industry conditions, the Company believes that it is not in the best interest of the Company to disclose remuneration of each individual Director and the CEO in full. The Company is instead disclosing the Directors' remuneration in bands of $250,000 and the breakdown of the Directors' remuneration as per the table above. The aggregate remuneration of the Directors' for FY2017 is $313,000.

There are no termination, retirement and post-employment benefits granted to the Directors and the CEO.

The Company did not have key management personnel (who were not Directors or the CEO) in FY2017. Accordingly, there is no disclosure relating to the remuneration of key management personnel (who are not directors or the CEO) as required pursuant to Guideline 9.3 of the Code.

There are no employees who are immediate family members of a Director or the CEO, whose remuneration exceeds $50,000 during FY2017.

The Scheme was adopted on 20 August 2010. The objectives of the Scheme include, motivating the executives of the Group to optimise their performance standards and efficiency as well as to retain key executives whose contributions are essential to the long term growth and profitability of the Group.

Employee Share Option Scheme Committee

As at 31 December 2017, the members of the ESOS Committee were as follows:

Mr Chew Ban Chuan Victor Mark - Chairman
Mr Wong Shiu Wah Williamson
Mr Chan Chun Tat Ray
Mr Cai Sui Xin

As at the date of this annual report, the members of the ESOS Committee are as follows:

Mr Chan Chun Tat Ray - Chairman
Mr Wang Dongzhi
Mr Liu Ying

As at the date of this annual report, the ESOS Committee comprises all three (3) members of the RC to, amongst others, administer the Scheme.

The functions of the ESOS Committee are as follows:

- administer the Scheme pursuant to the rules of the Scheme;
- formulate guidelines/procedures ("**Formulated Rules**") for determining the eligibility of persons to participate in the Scheme ("**Participants**") and determine the number of options available for allocation to the Participants pursuant to the Scheme;
- determine the number of options exercisable by the Participants for each year during the duration of the Scheme and the exercise price for each grant in accordance to the Listing Rules of the SGX-ST;
- grant options to Participants as recommended by the Management in accordance with the Formulated Rules and the rules of the Scheme;
- make or vary such regulations (not being inconsistent with the rules of the Scheme) for the implementation and administration of the Scheme as it thinks fit; and
- determine any matter pertaining or pursuant to the Scheme and any disputes and uncertainties as to the interpretation of the Scheme, any rules, regulations or procedures or any rights under the Scheme.

The number of shares comprised in option(s) offered to a participant shall be determined at the absolute discretion of the ESOS Committee who shall take into account, where applicable, criteria such as rank, past performance, years of services and potential contribution of the participant. Details of the Scheme and the number of unissued shares under option and options exercised are set out in the Directors' Statement. No share options have been granted pursuant to the Scheme in the financial year ended 31 December 2017.

Accountability and Audit

Principle 10 – Accountability

The Board takes the responsibility of providing a balanced and understandable assessment of the Group's performance, position and prospects when presenting interim and other price sensitive public reports and reports to regulators (if required).

The shareholders are provided with detailed analysis, explanation and assessment of the Group's financial position and prospects via the issuance of annual reports and quarterly announcements of results during FY2017. Results for the first three quarters are released to shareholders within 45 days from the end of each quarter. The full year results are released within 60 days from the financial year end. Financial and other price sensitive information are disseminated to shareholders through announcements and press releases via SGXNet. The Board has also taken adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Rules of the SGX-ST. On 1 July 2016, the Company had, in consultation with the AC, appointed Virtus Law LLP as its compliance adviser to advise the Company on its continuing listing obligations.

The Management provides the Group's financial results to all members of the Board for their review and approval on a quarterly basis. Presentations on the Groups' business and activities are also provided to the Board on a quarterly basis by the Management. In addition, the Directors are provided with the names and contact details of the Company's senior management to facilitate direct communication.

Principle 11 – Risk Management and Internal Controls

As the Company does not have a risk management committee, the Board, the AC and the Management assume the responsibility of the risk management function. The Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. The Management also reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

The Board determines the Company's levels of risk tolerance and oversee Management in the design implementation and monitoring of the risk management and internal control systems. The Company will establish risk policies when considers appropriate. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The internal audit system and internal control provide the Company with a reasonable assurance against material financial loss and keeps the Company in compliance with the applicable policies, law and regulations.

During the financial year, the Board reviews with the assistance of the Management, external and internal auditors on the effectiveness of the Company's internal controls and risk management systems. The Board and the Management have reviewed and implemented stringent internal controls to safeguard shareholders' interest and the Company's assets. The Board, with the concurrence of the AC, is of the opinion that the internal controls, addressing the financial, operational, compliance and information technology controls, and risks management systems of the Company, are effective and adequate to meet the needs of the Group in its current business environment. This is in turn supported by written assurance from the CEO that:

(a) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and are in accordance with the relevant accounting standards; and

(b) regarding the effectiveness of the Company's internal controls and risk management.

The AC has also discussed with the Company's external and internal auditors of their reporting points and note that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise or report financial data.

Principle 12 – Audit Committee

As at 31 December 2017, the members of the AC were as follows:

Mr Wong Shiu Wah Williamson - Chairman
Mr Chan Chun Tat Ray
Mr Cai Sui Xin
Mr Chew Ban Chuan Victor Mark

As at the date of this annual report, the members of the AC are as follows:

Mr Wong Shiu Wah Williamson - Chairman
Mr Wang Dongzhi
Mr Liu Ying

As at the date of this annual report, the AC comprises three (3) Non-Executive Directors, all of whom are independent.

The Chairman of AC, Mr Wong Shiu Wah Williamson, possesses extensive experience in auditing, accounting, corporate finance, operations management and control in various industries. Mr Wang Dongzhi has vast experience in major merger and acquisition projects, major financing projects and strategy formulation of corporate governance. Mr Liu Ying has extensive involvement in various national economic and scientific research, and his research have provided guidance for corporate management and government decision-making. The Board has reviewed and is satisfied that the members of the AC are appropriately qualified to discharge their responsibilities. The AC meets on a quarterly basis to review the quarterly and annual financial statements, including key significant financial reporting issues and assessments, to safeguard the integrity of the financial statements. The AC has also met with the external auditors and internal auditors without the presence of the Management.

The key terms of reference of the AC are as follows:

- The AC shall consist of at least three Non-Executive Directors appointed by the Board, the majority of whom, including the Chairman, should be independent.
- The members of the AC shall elect a Chairman from among their numbers who is not an Executive Director or employee of the Company or any related company.
- At least half or two of the members shall be present to constitute a quorum for a meeting of the AC.
- At least two members should have accounting or related financial management expertise and should be generally knowledgeable about regulatory reporting requirements and generally accepted accounting principles.
- Meetings shall be held at least two times a year. Special meetings may be convened as required. Internal auditor or the external auditors may request through the Chairman of AC to convene a meeting if they consider it necessary.

The key functions of the AC are as follows:

- review the internal audit plans, the scope and results of internal audit procedures;
- assess the independence and objectivity of the external auditors;
- review with the external auditors the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management;
- review the scope and results of the audit undertaken by the external auditors, its cost effectiveness;
- review the Group's financial results and statements prior to submission to the Board for approval;
- review the assistance given by the Company's management to the external auditors;
- review the nature and extent of non-audit services performed by the external auditors (if any);
- recommend to the Board on the appointment or re-appointment of external auditors;
- review interested person transactions; and
- conduct investigation into any matter within the AC's scope of responsibility and review any significant findings of investigations.

The AC conducts an annual review of the nature and extent of all non-audit services performed by the external auditors to determine whether such services would affect the independence and objectivity of the external auditors. The AC also reviews the remuneration and terms of engagement of the external auditors. In this regard, the AC reviewed and is satisfied with the aggregate amount of audit fees paid to its auditors. For FY2017, the aggregate amount of fees paid and/or payable to the external auditors for audit services amounted to approximately S$352,000. There were no non-audit services rendered to the Company.

The Company has also complied with Rules 712, 715 and 716 of the Listing Rules in relation to the appointment of Foo Kon Tan LLP as the external auditors of the Company and its subsidiaries.

In addition, updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the AC, if any.

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy. This policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting or other matters may be raised by employees in confidence and in good faith, without fear of reprisal. Details of this policy have been disseminated and made available to all employees of the Company. All matters which are raised are then independently investigated and appropriate actions taken. The AC ensures that independent investigations and any appropriate follow-up actions are carried out.

None of the AC members was a previous partner or has any financial interest in the Company's existing auditing firm or corporation.

Principle 13 – Internal Audit

The Board recognises the importance of maintaining a system of sound internal controls processes for a good corporate governance framework. The Board affirms its overall responsibility for the Group's systems of internal controls, and for reviewing the adequacy and integrity of those systems on an annual basis.

The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The Company has engaged a certified public accounting firm to perform the internal audit function, with the purpose to examine and evaluate the internal control systems of the Group and hence maximise effectiveness and efficiency. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

On an annual basis, the AC reviews the internal audit program of the Group, including the adequacy and effectiveness of the internal audit function, so as to align it to the changing needs and risk profile of the Group's activities. The AC would oversee the process and evaluates the adequacy of the internal audit function. The AC is satisfied that the internal audit function is staffed with persons with the relevant qualifications and experience.

The internal audit works of the internal auditors are guided by the International Standards for the Professional Practice of Internal Auditing ("**IIA Standards**") issued by the Institute of Internal Auditors. The appointed internal auditors would review the process in accordance to the audit plan approved by the AC. The finalised internal audit report would be presented to the AC for review, which would highlight any issues that requires attention.

Shareholder Rights and Responsibilities

Principle 14 – Shareholder Rights

The Company continues the disclosure obligations pursuant to the SGX-ST Listing Rules to provide the adequate and timely information of all major developments concerning the Company and/or the Group to the shareholders. The Company provides information to the shareholders through SGXNet, Annual Reports and Notice of Annual General Meeting ("**AGM**") of Shareholders.

At the general meetings, the shareholders have the opportunity to participate and vote on the resolutions. A notice, agenda and circulars to shareholders (where appropriate) are sent to the shareholders as well as released on the SGXNet prior to the general meetings. Shareholders (other than a shareholder who is a relevant intermediary) may vote in person or by appointing up to two proxies to attend and vote on their behalf at the general meetings of the Company. A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the general meetings of the Company. The duly completed proxy form is to be deposited at the Company's registered office 48 hours before the time of the general meeting.

The shareholders would be informed of the rules and the voting procedures at the general meetings.

Principle 15 – Communications with shareholders

The Company takes a serious view of maintaining full and adequate disclosure, in a timely manner, of material events and matters concerning its business. Price sensitive information, results of the Company and other necessary disclosures are disseminated via announcements to SGX-ST, which are released via SGXNet. The Company sends its annual report and notice of AGM to all shareholders.

The Board establishes and maintains regular dialogue with shareholders, to gather view or inputs, and address shareholders' concern. The Company's website at www.abterra.com.sg provides up-to-date information on the Group and its businesses. Lines of contact such as the investor relations email and hotline are also available on the Company's website for the investing community to reach out to the Company for queries.

When necessary and appropriate, the Chairman and CEO will meet analysts and fund managers who like to seek a better understanding of the Group's operations.

While the Group does not have a fixed dividend policy, it is the Group's intention to evaluate its resources and distribute dividends as appropriate. Any such dividends payout is dependent on the financial performance, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors that the Board may deem appropriate. Taking into consideration the abovementioned factors, the Group has not declared any dividends for FY2017.

Principle 16 – Conduct of shareholder meetings

The AGM of the Company is the principal forum for dialogue and interaction with all shareholders. All shareholders will receive the notice of AGM, which is also advertised on the newspapers and issued via SGXNet. The Board welcomes questions and comments relating to the Group's business or performance from shareholders at AGMs. Shareholders are given the opportunity to air their views and direct questions to the Board on matters affecting the Group. The Company is not implementing absentia voting methods such as by mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company does not practise bundling of resolutions at general meetings. Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Directors, including the respective chairman of the Board Committees are present at all general meetings to address shareholders' queries. External auditors are also present at such meeting to assist the Directors to address any relevant queries from the shareholders.

The Company prepares minutes of all general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and the Management. These minutes will be made available to shareholders upon their request.

The Company conducts the voting of all its resolutions by poll at all its general meetings. The results of poll of each resolutions tabled are announced at the meetings and in an announcement released after the meeting via SGXNet. Shareholders can vote in person or by their appointed proxies. The Company will employ electronic polling if necessary.

Dealing in Securities

(Rule 1207(19) of the Listing Rules)

The Company has adopted an internal code on dealings in securities to govern dealings in its shares by the Company, Directors, officers and the key employees of the Group. The Company circulated an internal memorandum via email to inform that the Company, Directors, officers and employees of the Company are not allowed to deal in the listed issuer's securities during the period commencing two weeks before the date of announcement of results for each of the first three quarters of the Company's financial results and one month before the date of announcement of the full year results, and ending on the date of announcements of the relevant results ("**Black-out Period**"), and at any time while in possession of price sensitive information. The internal memorandum was sent out before the commencement of the Black-out Period. All Directors, officers and employees of the Company are also reminded that the law on insider trading is applicable at all times, notwithstanding compliance with the Black-out Period. Further, Directors, officers and employees of the Company are advised not to deal in the Company's securities on short-term considerations.

The Company has complied with the SGX-ST's Listing Rule 1207(19)(c) on best practices on dealings in the Company's securities.

Material Contracts

There was no material contract entered into by the Company or any of its subsidiaries involving the interests of the CEO, each director or controlling shareholder, either still subsisting at the end of the financial period, or if not then subsisting, entered into since the end of the previous financial year.

Interested Person Transactions

During the financial year under review, there were no interested person transactions which were more than S$100,000 which fall under Chapter 9 of Listing Rules of the SGX-ST.

The directors submit this statement to the members of the Company together with the audited financial statements for the financial year ended 31 December 2017.

In our opinion,

(a) the accompanying financial statements of the Group and the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Name of directors

The directors of the Company in office as at the end of the financial year ended 31 December 2017 and/or at the date of this statement (as the case may be) are:

Cai Sui Xin	(Non-Executive Director and Non-Executive Chairman) (Resigned on 5 February 2019)
Cai Suirong	(Executive Director, Chief Executive Officer and Chairman) (Appointed on 26 October 2017 and as Chairman on 15 March 2019)
Liu Zhiyang	(Executive Director) (Appointed on 1 September 2017)
Wong Shiu Wah Williamson	(Independent Director)
Chan Chun Tat Ray	(Independent Director)
Wang Dongzhi	(Independent Director) (Appointed on 24 July 2018)
Liu Ying	(Independent Director) (Appointed on 15 March 2019)
Chew Ban Chuan Victor Mark	(Independent Director) (Appointed on 11 September 2017 and resigned on 13 May 2018)

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares or debentures of the Company or of any other corporate bodies, other than as disclosed in this report.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Directors' interest in shares or debentures (Cont'd)

	Number of ordinary shares			
	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.1.2017 or date of appointment, whichever is later	As at 31.12.2017	As at 1.1.2017 or date of appointment, whichever is later	As at 31.12.2017
The Company				
Abterra Ltd.				
Cai Sui Xin	-	-	85,403,976	-
The immediate holding company				
General Nice Resources (Hong Kong) Limited				
Cai Sui Xin	-	-	159,999,700	**80,000,000**
The intermediate holding company				
General Nice Development Limited				
Cai Sui Xin	5,000,000	**5,000,000**	50,000,000	**50,000,000**
Cai Suirong	10,000,000	**10,000,000**	-	**-**
The intermediate holding company				
General Nice Investment (China) Limited				
Cai Sui Xin	2,500	**2,500**	25,000	**25,000**
Cai Suirong	5,000	**5,000**	-	**-**
The ultimate holding company				
General Nice Group Holdings Limited				
Cai Sui Xin	50,000	**50,000**	-	**-**

By virtue of Section 7 of the Act, Cai Sui Xin is deemed to have an interest in the shares held by the Company in all its subsidiaries.

The directors' interests as at 21 January 2018 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2017.

Share options

The Abterra Employee Share Option Scheme (the "**Scheme**") was adopted on 20 August 2010.

The Scheme is administered by the Employee Share Option Scheme Committee ("**ESOS Committee**"), whose members are:

Chan Chun Tat Ray (Chairman) (Appointed as Chairman on 24 July 2018)
Wong Shiu Wah Williamson (Cessation as Chairman on 26 October 2017 and resigned on 21 November 2019)
Wang Dongzhi (Appointed on 24 July 2018)
Cai Sui Xin (Resigned on 24 July 2018)
Chew Ban Chuan Victor Mark (Appointed as Chairman on 26 October 2017 and resigned on 13 May 2018)
Liu Ying (Appointed on 21 November 2019)

Under the Scheme, the grant of share options to the Executive Directors of the Company, employees of the Group and the controlling shareholders of their associates is subject to certain conditions. The exercise price of the share options may either be:

(i) the average of closing prices of the shares on the Singapore Exchange Securities Trading Limited for the five consecutive market days immediately preceding the date of grant ("**Market Price**"); or

(ii) at a discount to the Market Price, provided that the maximum discount shall not exceed 20 percent of the Market Price and the shareholders have authorised the making of offers and grant of share options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

The aggregate number of shares over which the ESOS Committee may grant options under the Scheme shall not exceed 15% of the issued share capital of the Company on the date preceding the date of grant of options.

The share options may be exercised in whole or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price, at any time during the exercisable period. The share options granted with the exercise price set at Market Price may be exercised after the first anniversary of the date of grant and before the second anniversary of the date of grant. The share options granted with the exercise price set at a discount to the Market Price may be exercised after the second anniversary of the date of grant and before the third anniversary of the date of grant.

All share options granted by the Company have expired in the financial year ended 31 December 2013. No share options have been granted during the financial year under review to take up unissued shares of the Company.

There were no shares issued during the financial year to which this statement relates by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

Audit committee

The audit committee ("**AC**") comprises three Non-Executive Directors and at the date of this statement are:

Wong Shiu Wah Williamson (Chairman)
Wang Dongzhi
Liu Ying

In accordance with Code of Corporate Governance 2012 Guideline 12.1, "the AC should comprise at least three directors, the majority of whom, including the AC Chairman, should be independent. All of the members of the AC should be Non-Executive Directors."

The AC performs the functions set out in Section 201B(5) of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX Listing Manual") and the Code of Corporate Governance. In performing those functions, the AC reviewed the following:

Audit committee (Cont'd)

(i) Review of the audit plan and results of the external audit, including the review of internal controls and the independence and objectivity of the external auditors, the extent of non-audit services provided by the external auditors to the Group;

(ii) Review of the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) Review of the Group's annual financial statements and the auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) Review of the quarterly, half-yearly and full year results of the Group and of the Company;

(v) Review of the adequacy of the Group's risk management processes;

(vi) Review of the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) Review of interested person transactions in accordance with the listing rules of the Singapore Exchange Securities Trading Limited;

(viii) Recommend the appointment or re-appointment of external auditors and review of their fees; and

(ix) Submission of report of actions to the board of directors with any recommendations as the audit committee deems appropriate.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the audit committee.

The AC is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

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CAI SUIRONG

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WONG SHIU WAH WILLIAMSON

Dated: 6 December 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABTERRA LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Abterra Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report and their possible cumulative effect on the financial statements, we have not been able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(1) Opening Balances

The financial statements for the financial year ended 31 December 2016 were audited by another firm of auditors who expressed a qualified opinion on those financial statements in its report dated 28 April 2017. The basis for that qualified opinion is related to the carrying amount of the deposit, amounting to $41,320,000 as at 31 December 2016, owed by Shenzhen Manfu Industrial Co., Ltd to the Company.

The employee share options issued by the Company expired in the financial year ended 31 December 2013. However, the share option reserve did not reflect this in the financial year ended 31 December 2013 and the balance in the share option reserve was only transferred to accumulated losses in the financial year ended 31 December 2017.

In addition, owing to the absence of certain supporting source documents for transactions of the Group and Company, we were not able to obtain sufficient appropriate evidence to establish whether the opening balances of the Group and the Company has been correctly brought forward to the current period.

Accordingly, we were not able to obtain sufficient appropriate evidence over the account balances as at 31 December 2016 and the transactions and notes to the financial statements of the Group and Company for the year then ended.

Our opinion for the current financial year ended 31 December 2017 is modified because of the possible effect of the opening balances on the comparability of the current year's figures and the prior year figures.

(2) Deposit to Shenzhen Manfu Industrial Co., Ltd

As disclosed in Note 10 to the financial statements, the deposit paid to Shenzhen Manfu Industrial Co., Ltd ("Manfu") had been fully impaired as at 31 December 2017. This deposit is in relation to the proposed acquisition of the 54.42% of equity interest of Zuoquan Xinrui Metallurgy Mine Co., Limited which had since been terminated in the financial year ended 31 December 2013.

An agreement was subsequently entered into by and between the Company and Manfu for Manfu to refund the deposit over five instalments commencing January 2014 with the last instalment scheduled to take place in September 2015. This deposit was also secured over Manfu's interest of 65% in equity shares of General Nice (S.A.) Resources Company Limited ("GNSA") (the "Pledged Shares"), held through Manfu's 100% interest in Full Winner Industrial Co., Ltd ("Full Winner"), which in turn owned 70% in equity interest of General Nice (S.A.) Manganese Pty Ltd ("GNSAM") which indirectly owned a manganese mine located on Farm Buchansvale No. 61 in the Carletonville area of Gauteng, South Africa.

Basis for Disclaimer of Opinion (Cont'd)

(2) Deposit to Shenzhen Manfu Industrial Co., Ltd (Cont'd)

After the repayment of two instalments during the financial year ended 31 December 2014, the Company and Manfu entered into another conditional sales and purchase agreement for a proposed acquisition by the Company of Manfu's 60% equity interest in Smart Harmony Investment Ltd which in turn owned a commercial property located in Beijing, Peoples Republic of China.

The Company had on 8 April 2016, received written notice about the decrease in Full Winner's shareholding in GNSA from 65% to 19.5%, which significantly reduced the value of the Pledged Shares as collateral of the deposit owing from Manfu. In the absence of sufficient appropriate evidence, we are unable to determine if the gross amount of the deposit, amounting to $75,621,000 is appropriately stated.

On 30 June 2017, the Company announced that the above proposed acquisition of Smart Harmony Investment Ltd had lapsed.

Notwithstanding that full impairment has been made on this deposit with Manfu, no fair valuation was carried out on the Pledged shares as at 31 December 2017. In consideration of the above factors we are unable to obtain sufficient appropriate evidence to satisfy ourselves with respect to the recoverable amount determined by management.

(3) Acquisition of Lead China Development Limited and its subsidiaries

On 21 June 2017, the Company entered into a sale and purchase agreement ("SPA") with two individuals ("Vendors") to acquire a 51% equity interest in Tianjin Belong Faith Energy Minerals Co., Ltd ("BLX") through the acquisition of the entire equity interest in Lead China Development Limited ("Lead China"), The purchase consideration of RMB74,205,000 (equivalent to approximately $15,052,000) was wholly satisfied by the allotment and issuance of 48,553,949 consideration shares in the Company at an issue price of $0.31 per consideration share to the Vendors.

At the date of this report, management is unable to finalise and complete the purchase price allocation ("PPA") exercise, including determination of the consideration transferred. This is not in accordance with FRS 103 Business Combinations. In the absence of a detailed PPA exercise being carried out, we were unable to establish the identification and measurement of the fair values of identifiable assets, liabilities and any contingent liabilities and intangible assets, goodwill and post-acquisition results as at the date of acquisition.

(4) Recoverable amount of non-financial assets

As disclosed in Note 4, Note 5 and Note 7 to the financial statements, the carrying amount of cost of investments in subsidiaries, associates of the Company and intangible assets of the Group as at 31 December 2017 amounted to approximately $15,055,000, $Nil and $Nil, respectively. The Group had carried out an impairment assessment on its cost of investments in subsidiaries, associates and intangible assets and determined that each of the subsidiaries and associates is identified as a ("CGU") on its own as each individual entity is capable in generating its own independent cash flows based on its own business activities.

Management has determined the recoverable amounts of the CGUs to which the subsidiaries, associates and intangible assets are allocated to based on value-in-use methodologies. We have not been furnished with the value-in-use computations of the recoverable amounts of the investments in subsidiaries, associates and intangible assets.

Additionally, the Group's investment in associates, namely Tianjin Lanta Development Co., Ltd. (天津蓝塔发展有限公司) and Shanxi Fenxi Ruitai Zhengzhong Coal Limited (山西汾西瑞泰正中煤业有限责任公司) are accounted for using the equity method, with a carrying value of $Nil in the consolidated statement of financial position as at 31 December 2017, and share of results of $Nil is included in the consolidated statement of comprehensive income for the year then ended. This is not consistent with the management accounts of the associates furnished to us which presented positive shareholders' equity as at the reporting date. No reconciliation for the equity accounting of the associates has been provided to us.

Basis for Disclaimer of Opinion (Cont'd)

(4) Recoverable amount of non-financial assets (Cont'd)

In relation to the Group's equity interest in an associate, Shanxi Fenxi Ruitai Zhengzhong Coal Limited ("Fenxi Ruitai"), management was unable to demonstrate whether the Group has significant influence over Fenxi Ruitai, either in the form of board representation or participation in the decision making process of the investee, or other means.

Accordingly, we were unable to obtain sufficient appropriate evidence on:

(i) the recoverable amount of the cost of investments in subsidiaries, associates and intangible assets amounting to approximately $15,055,000 (Note 4), $Nil (Note 5), and $Nil (Note 7) of those CGUs respectively as at 31 December 2017, and the corresponding effects to the statement of comprehensive income for the year then ended; and

(ii) the carrying amount of the Group's investment in associates as at 31 December 2017 and the Group's share of results in associates for the year then ended because we do not have access to the financial information and management of the associates.

(iii) any adjustment required to account for any loss of significant influence in Fenxi Ruitai.

(5) Fair valuation of available-for-sale financial asset and investment property in Australia

The Group and the Company hold a 15%-equity interest in Zuoquan Yongxing Coal Company Limited (左权永兴煤化有限责任公司) ("Yongxing"), a company incorporated in China that was engaged in the coal mining and coking coal processing business. The management had classified the investment as available-for-sale financial asset. The Group carried the investment at cost less accumulated impairment losses of $Nil as at 31 December 2017. The Group also owns land and premises in Australia with a carrying amount of $1,108,000 as at 31 December 2017 which are classified as investment property under the fair value model.

However, no fair valuation was determined for the unquoted equity investment in Yongxing and the investment property in Australia as at 31 December 2017. This is not in accordance with FRS 39 Financial Instruments: Recognition and Measurement and FRS 40 Investment Property, respectively.

Therefore, we were unable to obtain sufficient appropriate evidence on the accuracy of the fair values of the available-for-sale financial asset and investment property, including any fair value changes, if any, during the financial year ended 31 December 2017.

(6) Prospective Change in Functional Currency

FRS 21 The Effects of Changes in Foreign Exchange Rates requires the Company to determine its functional currency and measure its results and financial position in that currency. The functional currency reflects the underlying transactions, events and conditions relevant to the Company. The Company commenced its trading of coal and coke business in FY 2017 where US Dollar is the currency that mainly influences the sales and purchase prices of the goods. This resulted in US Dollar being the functional currency of the Company for FY 2017. However, the Company did not apply the translation procedures applicable to the new functional currency i.e. US Dollar prospectively from the date of the change on its statement of financial performance and financial position. This is inconsistent with the requirements of FRS 21 and constitutes a departure from the accounting standard.

Basis for Disclaimer of Opinion (Cont'd)

(7) Balances with General Nice Resources (HK) Limited

On 7 December 2016, the Company announced that its immediate holding company, General Nice Resources (HK) Limited ("GNR (HK)"), had been placed under liquidation by the High Court of Hong Kong. As the date of this report, the process of liquidation is still ongoing. As at 31 December 2017, management had carried out an impairment assessment on its non-trade balances due from the immediate holding amounting to $7,473,000 (Note 10) and provided for an impairment loss of $7,473,000 which was recognised directly under other operating expenses. The Group also recorded a non-trade payable of $7,492,000 (Note 19) due to its immediate holding company.

As of the reporting date, we have not been furnished with any supporting source documents or a reconciliation between management's records with the confirmation from the immediate holding company's liquidator. Accordingly, we were unable to obtain sufficient appropriate audit evidence about the completeness, validity and accuracy of the non-trade receivables and payable balances as at 31 December 2017, including the impairment loss recognised on the non-trade receivables due from the immediate holding company.

(8) Intercompany reconciliations

Reconciliations between intra-group balances and transactions reflect unreconciled differences between Group entities of $747,000 as at 31 December 2017, of which $183,000 relates to the year ended 31 December 2017. These differences have been recorded as consolidation adjustment to exchange differences under other operating expenses in the consolidated statement of comprehensive income.

We were not provided with detailed reconciliations of balances between the Group companies in order for us to understand the nature of reconciling items, and to agree to supporting documentation. In the absence of sufficient appropriate evidence, we were unable to satisfy ourselves that the adjustments so made are appropriate.

Other matters

Audit Report on the Financial Statements for the Financial Year Ended 31 December 2016

The financial statements for the financial year ended 31 December 2016 were audited by another firm of auditors who expressed a qualified opinion on the financial statements in respect of the appropriateness of the carrying value of the deposit to Shenzhen Manfu Industrial Co., Ltd in its report dated 28 April 2017.

Report made by predecessor auditor to Minister of Finance (of Singapore) ("MOF")

On 19 December 2018, the Company announced that additional information was made available to the Ministry of Finance in a report of offences ("Report") dated 2 April 2018 by its predecessor auditor. The Company and us are not privy to the actual contents of the Report as the Report was not made available to us or the Company. As of the date of this report, there is no further development.

Other matters (Cont'd)

Placement on the Watch-list

On 4 June 2018, the Company announced that the Singapore Exchange Securities Trading Limited (the "SGX-ST") has notified the Company that pursuant to Rule 1311, it will be placed on the Watch-list due to the Financial Entry Criteria ("FEC") and Minimum Trading Price ("MTP") Entry Criteria with effect from 5 June 2018. The Company must take active steps to meet the requirements under Rule 1314 of the Listing Manual of the SGX-ST (the "Listing Manual") for its removal from Watch-List within 36 months from 5 June 2018, failing which, SGX-ST may either remove the Company from the official list of the SGX-ST (the Official List"), or suspend trading of the Company with a view to remove the Company from the Official List.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's abilities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, because of the matters referred to in the Basis for Disclaimer of Opinion section of our report, the accounting and other records required by the Act to be kept by the Company have not been properly kept in accordance with the provisions of the Act.

In our opinion, the accounting and other records required by the Act to be kept by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chin Sin Beng.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 6 December 2019

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	The Group 31 December 2017 $'000	The Group 31 December 2016 $'000	The Company 31 December 2017 $'000	The Company 31 December 2016 $'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	**6,183**	6,347	**6,181**	6,344
Investments in subsidiaries	4	**-**	-	**15,055**	3
Investments in associates	5	**-**	-	**-**	-
Available-for-sale financial asset	6	**-**	-	**-**	-
Intangible assets	7	**-**	325	**-**	-
Investment properties	8	**4,611**	4,828	**4,611**	4,828
		10,794	11,500	**25,847**	11,175
Current Assets					
Trade receivables	9	**49,375**	100	**1,458**	-
Other receivables, deposits and prepayments	10	**3,060**	57,366	**65,532**	110,601
Other investment	11	**425**	-	**-**	-
Cash and cash equivalents	12	**878**	660	**26**	604
		53,738	58,126	**67,016**	111,205
Investment properties held-for-sale	8	**-**	11,367	**-**	11,367
		53,738	69,493	**67,016**	122,572
Total assets		**64,532**	80,993	**92,863**	133,747
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	13	**265,857**	250,805	**265,857**	250,805
Asset revaluation reserve	14	**478**	478	**478**	478
Share options reserve	15	**-**	1,683	**-**	1,683
Foreign currency translation reserve	16	**5,262**	3,660	**-**	-
Accumulated losses		**(264,070)**	(200,078)	**(242,362)**	(199,598)
Equity attributable to owners of the Company		**7,527**	56,548	**23,973**	53,368
Non-controlling interests		**1,672**	(4,125)	**-**	-
Total equity		**9,199**	52,423	**23,973**	53,368
LIABILITIES					
Non-Current Liabilities					
Employee benefits obligation		**14**	17	-	-
Deferred tax liabilities	17	**-**	-	-	-
		14	17	-	-
Current Liabilities					
Trade payables	18	**26,954**	-	**535**	-
Other payables and accruals	19	**28,069**	21,003	**68,355**	72,845
Current tax payables		**296**	17	**-**	1
Borrowings	20	**-**	7,533	**-**	7,533
		55,319	28,553	**68,890**	80,379
Total liabilities		**55,333**	28,570	**68,890**	80,379
Total equity and liabilities		**64,532**	80,993	**92,863**	133,747

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	**Year ended 31 December 2017 $'000**	Year ended 31 December 2016 $'000
Revenue	21	**122,561**	-
Cost of sales		**(118,836)**	-
Gross profit		**3,725**	-
Other operating income	22	**1,065**	901
Selling and distribution expenses		**(541)**	-
Administrative expenses	23	**(2,008)**	(2,585)
Other operating expenses	24	**(71,109)**	(21,412)
Finance costs	26	**(100)**	(855)
Loss before taxation		**(68,968)**	(23,951)
Taxation	27	**(209)**	779
Loss for the year		**(69,177)**	(23,172)
Other comprehensive income items that are or may be reclassified subsequently to profit or loss, at nil tax:			
Gain on revaluation of property, plant and equipment		-	149
Foreign currency translation differences		**2,109**	(986)
Other comprehensive income/(loss) for the year, net of tax		**2,109**	(837)
Total comprehensive loss for the year		**(67,068)**	(24,009)
Loss attributable to :			
Shareholders of the Company		**(65,675)**	(23,129)
Non-controlling interests		**(3,502)**	(43)
		(69,177)	(23,172)
Total comprehensive loss attributable to:			
Shareholders of the Company		**(64,073)**	(24,134)
Non-controlling interests		**(2,995)**	125
		(67,068)	(24,009)
Loss per share attributable to owners of the Company (cents)			
Basic	28	**(25.03)**	(9.47)
Diluted	28	**(25.03)**	(9.47)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Group	Share capital $'000	Asset revaluation reserve $'000	Share options reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
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 year:								
Loss for the year	-	-	-	-	(23,129)	(23,129)	(43)	(23,172)
Other comprehensive (loss)/income:								
-Gain on revaluation of property, plant and equipment	-	149	-	-	-	149	-	149
-Foreign currency translation differences	-	-	-	(1,154)	-	(1,154)	168	(986)
	-	149	-	(1,154)	(23,129)	(24,134)	125	(24,009)
At 31 December 2016	**250,805**	**478**	**1,683**	**3,660**	**(200,078)**	**56,548**	**(4,125)**	**52,423**
Total comprehensive income/(loss) for the year:								
Loss for the year	**-**	**-**	**-**	**-**	**(65,675)**	**(65,675)**	**(3,502)**	**(69,177)**
Other comprehensive income:								
-Foreign currency translation differences	**-**	**-**	**-**	**1,602**	**-**	**1,602**	**507**	**2,109**
	-	**-**	**-**	**1,602**	**(65,675)**	**(64,073)**	**(2,995)**	**(67,068)**
Transfer to accumulated losses upon expiry of share options	**-**	**-**	**(1,683)**	**-**	**1,683**	**-**	**-**	**-**
Issuance of shares for acquisition of subsidiaries (Note 4(b))	**15,052**	**-**	**-**	**-**	**-**	**15,052**	**8,792**	**23,844**
At 31 December 2017	**265,857**	**478**	**-**	**5,262**	**(264,070)**	**7,527**	**1,672**	**9,199**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	**Year ended 31 December 2017 $'000**	Year ended 31 December 2016 $'000
Cash Flows from Operating Activities			
Net loss before taxation		**(68,968)**	(23,951)
Adjustments for:			
Depreciation of property, plant and equipment	3, 24	**224**	256
Fair value loss on investment properties	8, 24	**217**	380
Fair value loss on investment properties held-for-sale	8, 24	**-**	3,893
Fair value loss on other investments	11, 24	**280**	-
Bad debts written off	24	**2,736**	-
Loss on disposal of investment properties	8, 24	**-**	2,200
Impairment loss of intangible assets	7, 24	**6,227**	-
Impairment loss of trade receivables	9, 24	**10,976**	-
Impairment loss of other receivables and deposits	10, 24	**48,472**	4,873
Impairment loss of available-for-sale financial asset	6, 24	**-**	8,886
Interest income		**(7)**	-
Interest expense	26	**92**	851
Unrealised exchange loss		**1,949**	891
Operating profit/(loss) before working capital changes		**2,198**	(1,721)
Decrease in inventories		**5,484**	-
Increase in trade receivables		**(8,951)**	-
Decrease/(increase) in other receivables, deposits and prepayments		**2,826**	(200)
Decrease in trade payables		**(12,875)**	-
Increase in other payables and accruals		**2,812**	2,140
Cash (used in)/generated from operations		**(8,506)**	219
Interest received		**7**	-
Interest paid		**(92)**	(918)
Income taxes paid		**-**	(256)
Net cash used in operating activities		**(8,591)**	(955)
Cash Flows from Investing Activities			
Net cash inflow from acquisition of subsidiaries	4(a)	**4,503**	-
Purchases of property, plant and equipment	3	**(60)**	-
Proceeds from disposal of investment properties		**11,367**	9,240
Net cash realised from other investments		**534**	-
Net cash generated from investing activities		**16,344**	9,240
Cash Flows from Financing Activities			
Amount due (to)/from immediate holding company		**-**	453
Proceeds from other borrowings		**-**	2,600
Repayment of borrowings		**(7,533)**	(11,131)
Net cash used in financing activities		**(7,533)**	(8,078)
Net increase in cash and cash equivalents		**220**	207
Cash and cash equivalents at beginning of year		**660**	453
Effect of exchange rate changes in cash and cash equivalents		**(2)**	-
Cash and cash equivalents at end of year	12	**878**	660

Note A: Reconciliation of liabilities arising from financing activities

With effective from 1 January 2017, the Amendments to FRS 7 Statements of Cash Flow comes with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2017	Cash flows		Non-cash flows	31 December 2017
		Repayments	**Interest paid**	**Interest expenses**	
	$	**$**	**$**	**$**	**$**
Borrowings	7,533	**(7,533)**	**(92)**	**92**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1 General information

The financial statements of the Company and of the Group for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated as a limited liability company in the Republic of Singapore and is listed on the mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The registered office and principal place of business is located at 7 Temasek Boulevard, #11-06, Singapore 038987.

The principal activities of the Company are trading, investment holding and the provision of management services to its subsidiary companies. The principal activities of the subsidiary companies and associated companies are stated in Note 4 and Note 5 to the financial statements.

The Company's immediate holding company is General Nice Resources (Hong Kong) Limited, a company incorporated in Hong Kong Special Administrative Region (the "Hong Kong"). The Company's intermediate holding companies are General Nice Development Limited and General Nice Investment (China) Limited, companies which are incorporated in Hong Kong. The Company's ultimate holding company is General Nice Group Holdings Limited (formerly known as Vantage Region International Limited), a company incorporated in British Virgin Islands.

As announced by the Company on 7 December 2016, the Company's immediate holding company, General Nice Resources (Hong Kong) Limited "GNR HK" has been put under liquidation by the High Court of Hong Kong. As at the date of this report, GNR HK is still in the process of liquidation.

2(a) Going concern

As at 31 December 2017, the Group had accumulated losses of $264,070,000 (2016 - $200,078,000) and net current liabilities of $1,581,000 (2016 – net current assets of $40,940,000), while the Company had accumulated losses of $242,362,000 (2016 - $199,598,000) and net current liabilities of $1,874,000 (2016 - net current assets of $42,193,000). For the financial year ended 31 December 2017, the Group recorded continued losses after tax of $69,177,000 (2016 - $23,172,000) and total comprehensive loss of $67,068,000 (2016 - $24,009,000), and the Group incurred net operating cash outflows of $8,591,000 (2016 - $955,000).

The matters set out above indicate the existence of a material uncertainty which cast a significant doubt on the Group's and the Company's ability to continue as a going concern.

The financial statements have been prepared by management on a going concern basis, which assumes that the Group will be able to meet its obligation as and when they fall due.

Following the completion of the acquisition of Lead China and its subsidiaries in FY2017, the Group is now focused on its core coal trading business in China to generate the necessary cash flows from operations to meet its working capital requirements.

2(a) Going concern (Cont'd)

At 31 December 2018, cash and cash equivalents have been reduced to $425,000. If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group and Company may have to provide for further liabilities that may arise and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2(b) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar which the management considers as the Company's functional currency. All financial information is presented in Singapore Dollar, and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise stated.

The Company commenced its trading of coal and coke business in FY 2017 where US Dollar is the currency that mainly influences the sales prices of the goods. This resulted in US Dollar being the functional currency of the Company for FY 2017. However, the Company did not apply the translation procedures applicable to the new functional currency i.e. US Dollar prospectively from the date of the change on its statement of financial performance and financial position. This is inconsistent with the requirements of FRS 21 and constitutes a departure from the accounting standard.

Other than the above, the accounting policies set out below have been applied consistently to all years presented in these financial statements.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical accounting estimates and assumptions used in applying accounting policies and areas involving a high degree of judgement are described below.

2(b) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(a) Critical accounting estimates and assumptions used in applying accounting policies

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these assets to be within 5 to 50 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the end of the reporting period is disclosed in Note 3 to the financial statements.

(ii) Impairment of non-financial assets

Management has determined the recoverable amounts of the CGUs to which the subsidiaries, associates and intangible assets are allocated to based on value-in-use methodologies. Estimating the recoverable amount requires a significant use of judgements, estimates and assumptions. The carrying amounts of the investment in subsidiaries, associates and intangible assets are disclosed in Note 4, Note 5 and Note 7 respectively.

(iii) Impairment of available-for-sale financial assets

The Group first assesses whether objective evidence of impairment exists for its available-for-sale financial assets. A significant or prolonged decline in its fair value below its cost is objective evidence of impairment. Impairment losses on available-for-sale financial asset are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

As disclosed in Note 6 to the financial statements as at 31 December 2017, the Group's and Company's available-for-sale financial asset had been fully impaired.

(iv) Valuation of investment properties

Investment properties are initially recorded at cost. Subsequent to recognition, investment properties are measured at fair value, determined annually with reference to recent transactions of similar properties. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the financial year in which they arise.

A fair value loss of the investment properties amounting to approximately $217,000 (2016 - $4,273,000) was recognised during the financial year as disclosed in Note 24 to the financial statements. At 31 December 2017, the Group's and Company's carrying amount of investment properties amounted to approximately $4,611,000 (2016 - $16,195,000).

(v) Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on its fair value less cost to sell. The fair value is based on a valuation performed by an independent professional valuer, which requires the use of judgement and estimates.

2(b) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(a) Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(vi) Impairment and collectability of trade and other receivables

The Group follows the guidance of FRS 39 to determine when trade and other receivables are impaired. This determination requires certain level of judgement. The Group first assesses whether objective evidence of impairment exists for individually significant debtors and collectively for debtors which are not individually significant. The Group evaluates, among other factors, financial status of the debtors, any changes in the collection status and changes in industry conditions that affect the debtors. Trade and other receivables that are collectively evaluated for impairment are based on historical loss experience for receivables with similar credit risk characteristics.

The methodology and assumptions used for estimating potential impairment loss are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Impairment loss of the Group's and Company's trade receivables amounted to approximately $10,976,000 (2016 - $Nil) and $Nil (2016 - $Nil), respectively, at the end of the reporting period as disclosed in Note 9 to the financial statements.

Impairment loss of the Group's and Company's other receivables amounted to approximately $88,375,000 (2016 - $40,433,000) and $110,428,000 (2016 - $67,627,000), respectively, at the end of the reporting period as disclosed in Note 10 to the financial statements.

The carrying amount of trade and other receivables of the Group and Company as at 31 December 2017 are approximately $52,435,000 (2016 - $57,466,000) and $66,990,000 (2016 - $110,601,000), respectively.

(vii) Income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the group-wide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. The income tax liabilities of the Group and Company as at 31 December 2017 are approximately $296,000 (2016 - $17,000) and $Nil (2016 - $1,000) respectively.

(b) Significant judgements in applying accounting policies

(i) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the principal economic environment in which the entities operate and the respective entities' process of determining sales prices.

2(c) Adoption of new and revised standards

On 1 January 2017, the Group adopted the amended FRSs that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRSs which are relevant to the Group:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 7	Statement of Cash Flows	1 January 2017
Amendments to FRS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

The adoption of these standards did not have any material impact on the financial performance or position of the Group and the Company in the year of their initial adoption except for the following:

Amendments to FRS 7 Statement of Cash Flows
The Amendments to FRS 7 Statement of Cash Flows require entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statements of financial position. Additional disclosures are also required about information that is relevant to an understanding of the liquidity of an entity. This include any restrictions over the decisions of an entity to use cash and cash equivalent balances e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. These amendments are effective for the financial period beginning on or after 1 January 2017. As this is a disclosure standard, it affects the disclosure in the consolidated statement of cash flows but does not affect the financial position and performance of the Group.

Amendments to FRS 12 Recognition of Deferred Tax Assets for Unrealised Losses
The amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017, with early adoption permitted. The adoption of these new or amended FRS did not result in substantial changes to the accounting policies of the Group and had no material effect on the amounts reported for the current or prior financial years.

2(d) SFRS(I) not yet effective

In December 2017, the ASC issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018. SFRS(I) comprise standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

2(d) SFRS(I) not yet effective (Cont'd)

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International).

The Group has performed a preliminary assessment of the impact of SFRS(I) for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group does not expect to change its existing accounting policies on adoption of the new framework.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. However, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group assessed the transition options and the potential impact on its financial statements, and to implement these standards.

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 9	Financial Instruments	1 January 2018
SFRS(I) 15	Revenue from Contracts with Customers	1 January 2018
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
SFRS(I) 16	Leases	1 January 2019

<u>SFRS(I) 9 Financial Instruments</u>

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

Under SFRS(I) 9, an investment in an equity instrument that does not have a quoted price in an active market for an identical instrument shall be measured at fair value at the date of initial application. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group applies SFRS(I) 9.

SFRS(I) 9 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. Based on the Group's initial assessment, the Group does not expect any significant adjustments to the measurement basis arising from adoption of the new classification and measurement model or a significant increase in the impairment loss allowance.

2(d) SFRS(I) not yet effective (Cont'd)

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a five-step model that will apply to revenue arising from contracts with customers. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in SFRS(I) 15 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

- Classification and measurement;
- A single, forward-looking "expected loss" impairment model; and
- A substantially reformed approach to hedge accounting.

SFRS(I) 15 also includes clarifications on how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

SFRS(I) 15 is effective for annual periods beginning on or after 1 January 2018. The Group does not expect significant changes to the basis of revenue recognition for its revenue arising from adoption of this new standard. However, additional disclosures may be required to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers

SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration

The interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. It is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The interpretations are effective from 1 January 2018. On initial application, entities would have the option of applying the interpretations either retrospectively or prospectively in accordance with SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors.

The Group does not expect a significant change to the requirements arising from adopting the new interpretation. The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

2(d) SFRS(I) not yet effective (Cont'd)

SFRS(I) 16 Leases
SFRS(I) 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases.

For a lessee, SFRS(I) 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying SFRS(I) 1-7 Statement of Cash Flows.

SFRS(I) 16 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17, SFRS(I) 16 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the Group has adopted SFRS(I) 16. Based on the Group's preliminary assessment, the Group expects these operating leases to be recognised as assets with corresponding lease liabilities under the new standard. This would increase the gearing ratio of the Group.

2(e) Summary of significant accounting policies

Consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

Subsidiary
A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)
Thus, the Group controls an investee, if and only if, the Group has all of the following:

(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

(i) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) potential voting rights held by the Group, other vote holders or other parties;
(iii) rights arising from other contractual arrangements; and
(iv) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

<u>Non-controlling interest</u>
Non-controlling interest represents the equity in subsidiary not attributable, directly or indirectly, to owners of the Group, and are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Group.

<u>Changes in ownership interests in subsidiaries without change of control</u>
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

<u>Changes in ownership interests in subsidiaries resulting in loss of control</u>
When the Group loses control of a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained; and
- Recognises any gain or loss in profit or loss.
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

A gain or loss is recognised in profit or loss and is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(ii) the previous carrying amounts of the assets and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRS).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

<u>Business combination</u>
The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amount of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition-date carrying value of the acquirer's previously-held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

<u>Goodwill</u>
The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

Investments in subsidiaries
In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Investments in associates
An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

2(e) Summary of significant accounting policies (Cont'd)

Investments in associates (Cont'd)

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates.

Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its' carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2(e) Summary of significant accounting policies (Cont'd)

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets is accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the profit or loss when the asset is derecognised.

<u>Supplier contract</u>
Supplier contract acquired arising from consolidation based on valuation report was amortised based on the quantities consumed during the period over the total quantities of 400,000 metric tons available under the supplier contract.

Property, plant and equipment and depreciation
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Leasehold buildings	50 years
Furniture and equipment	5 years
Motor vehicles	10 years
Leasehold improvements	5 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Company and the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

For acquisitions and disposals during the financial period, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

2(e) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimate.

Non-current assets held-for-sale
Non-current assets held-for-sale are carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Financial assets
Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company and the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group and the Company do not have held-to-maturity financial assets.

<u>Loans and receivables</u>
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provide money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the effective interest rate.

2(e) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Loans and receivables (Cont'd)

Impairment losses are reversed in subsequent years when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in profit or loss.

Loans and receivables comprise trade and other receivables, excluding prepayment and advances to suppliers.

<u>Available-for-sale financial assets</u>
Available-for-sale financial assets comprise unquoted equity shares. The fair values of unquoted instruments whose fair value cannot be measured reliably are measured at cost less accumulated impairment losses.

<u>Derivative financial instruments</u>
A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item hedged. The Group does not qualify for hedge accounting and accordingly, fair value changes on derivatives are recognised in profit and loss when the changes arise.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and bank balances which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Financial liabilities
The Group's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the year of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the year of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

2(e) Summary of significant accounting policies (Cont'd)

Financial Liabilities (Cont'd)

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Group's normal operating cycle are classified as the current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Provisions
Provisions are recognised when the Company and the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

Leases
Where the Company and the Group is the lessee,
<u>Operating leases</u>
Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

Where the Group is the lessor,
<u>Operating leases</u>
Assets are leased out under operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Income taxes
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2(e) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either on other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits
Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Pension obligations
The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which they have operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the year to which the contributions relate.

Employee leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and senior managers are considered key management personnel.

2(e) Summary of significant accounting policies (Cont'd)

Related parties
A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

(b) An entity is related to the Company and the Group if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) both entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a);
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets
The carrying amounts of the Company's and Group's non-financial assets, other than inventories, subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2(e) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Interest income</u>

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

<u>Rental income</u>

Rental income from investment property is recognised on a straight-line basis over the term of the relevant lease.

2(e) Summary of significant accounting policies (Cont'd)

Borrowing costs
All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Functional currencies
Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial statements of the Company and the Group are presented in Singapore Dollar, which is also the functional currency of the Company.

Conversion of foreign currencies
Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

Group entities
The results and financial position of all the entities within the Group that have a functional currency different from Singapore Dollars are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of reporting period;
(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

Segment information
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the geographical segments, has been identified as the group of Executive Directors and the chief executive officer who make strategic decisions.

3 Property, plant and equipment

The Group	Leasehold building $'000	Furniture and equipment $'000	Motor vehicles $'000	Leasehold improvements $'000	Total $'000
Cost					
At 1 January 2016	8,713	1,372	116	288	10,489
Revaluation surplus	149	-	-	-	149
Transfer to investment properties (Note 8)	(2,088)	-	-	-	(2,088)
Exchange differences	-	123	-	-	123
At 31 December 2016	**6,774**	**1,495**	**116**	**288**	**8,673**
Additions	**-**	**8**	**52**	**-**	**60**
Exchange differences	**-**	**(123)**	**-**	**-**	**(123)**
At 31 December 2017	**6,774**	**1,380**	**168**	**288**	**8,610**
Accumulated depreciation					
At 1 January 2016	1,360	718	99	145	2,322
Depreciation	163	24	11	58	256
Transfer to investment properties (Note 8)	(980)	-	-	-	(980)
Exchange differences	-	63	-	-	63
At 31 December 2016	**543**	**805**	**110**	**203**	**1,661**
Depreciation	**135**	**24**	**8**	**57**	**224**
Exchange differences	**-**	**(63)**	**-**	**-**	**(63)**
At 31 December 2017	**678**	**766**	**118**	**260**	**1,822**
Accumulated impairment loss					
At 1 January 2016	-	604	-	-	604
Exchange differences	-	61	-	-	61
At 31 December 2016	-	**665**	-	-	**665**
Exchange differences	-	**(60)**	-	-	**(60)**
At 31 December 2017	-	**605**	-	-	**605**
Net book value					
At 31 December 2017	**6,096**	**9**	**50**	**28**	**6,183**
At 31 December 2016	6,231	25	6	85	6,347

3 Property, plant and equipment (Cont'd)

The Company	Leasehold building $'000	Furniture and equipment $'000	Motor vehicles $'000	Leasehold improvements $'000	Total $'000
Cost					
At 1 January 2016	8,713	133	110	288	9,244
Revaluation surplus	149	-	-	-	149
Transfer to investment properties (Note 8)	(2,088)	-	-	-	(2,088)
At 31 December 2016	**6,774**	**133**	**110**	**288**	**7,305**
Additions	**-**	**8**	**52**	**-**	**60**
At 31 December 2017	**6,774**	**141**	**162**	**288**	**7,365**
Accumulated depreciation					
At 1 January 2016	1,360	85	95	145	1,685
Depreciation	163	24	11	58	256
Transfer to investment properties (Note 8)	(980)	-	-	-	(980)
At 31 December 2016	**543**	**109**	**106**	**203**	**961**
Depreciation	**135**	**24**	**7**	**57**	**223**
At 31 December 2017	**678**	**133**	**113**	**260**	**1,184**
Net book value					
At 31 December 2017	**6,096**	**8**	**49**	**28**	**6,181**
At 31 December 2016	6,231	24	4	85	6,344

As at 31 December 2016 and 31 December 2017, the Group's and the Company's leasehold building comprise only of office premise at 7 Temasek Boulevard, #11-01 Suntec City Tower 1, Singapore 038987.

In the last financial year, leasehold building of the Group and of the Company with a carrying amount of approximately $6,231,000 have been pledged to a bank for banking facilities (Note 20). Following the full repayment of the bank borrowings, the pledge has been discharged in the current financial year.

Revaluation surplus pertains to the revaluation of the owner-occupied leasehold building up till the change in use of the leasehold building that was subsequently transferred to the investment properties. In 2016, the fair value of the leasehold building was determined based on management's assessment with reference to the market price of the nearby comparative properties.

Under the requirements of FRS 36, Impairment of Assets, the losses and negative operating cash flows of the Company (which is identified as a cash-generating unit) for the past few years and current year were indicators of impairment which require management to perform impairment testing of the property, plant and equipment.

3 Property, plant and equipment (Cont'd)

The recoverable amount of the leasehold building was determined based on its fair value less cost to sell. As at 31 December 2017, the directors estimated the fair value of the Group's and Company's leasehold building to be approximately $6.2 million based on a valuation performed by an independent professional valuer using direct comparison with transactions of comparable properties in the vicinity. The significant unobservable inputs used in the valuation were the recent selling prices of comparable properties with similar location, age and conditions and the entire measurement of the leasehold building is categorised as an unobservable Level 3 inputs.

Using the approach as described above, the fair value of the leasehold building is higher than the net book value at the reporting date. Management believes that no impairment loss on the leasehold building is required as at 31 December 2017.

4 Investments in subsidiaries

The Company	**2017 $'000**	2016 $'000
Unquoted equity shares, at cost	**46,338**	31,286
Accumulated impairment losses	**(31,283)**	(31,283)
	15,055	3

Impairment testing of investment in subsidiaries
The recoverable amount of the subsidiaries, as cash-generating units ("CGUs"), should be determined based on the higher of fair value less costs to sell and the value-in-use. During the financial year, no further impairment was required based on impairment assessment of the investment in subsidiaries where the recoverable amount was based on value-in-use.

Acquisition of subsidiaries
On 21 June 2017, the Company entered into a sale and purchase agreement ("SPA") with two individuals ("Vendors") to acquire a 51% equity interest in Tianjin Belong Faith Energy Minerals Co., Ltd ("BLX") through the acquisition of the entire equity interest in Lead China Development Limited ("Lead China").

The purchase consideration of RMB74,205,000 (equivalent to approximately $15,052,000) was wholly satisfied by the allotment and issuance of 48,553,949 consideration shares (Note 13) in the Company at an issue price of $0.31 per consideration share to the Vendors. The acquisition was completed in 18 August 2017.

Details of the consideration paid, assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

4 Investments in subsidiaries (Cont'd)

Acquisition of subsidiaries (Cont'd)

(a) Effect on cash flows of the Group

	2017 $'000
Cash consideration paid	-
Add: Cash and cash equivalents in subsidiaries acquired	4,503
Cash inflow on acquisition	4,503

(b) Identifiable assets acquired and liabilities assumed

	2017 At fair value $'000
Trade and other receivables (ii)	51,300
Other investment	1,239
Inventories	5,484
Cash and cash equivalents	4,503
Trade and other payables	(4,755)
Borrowings	(39,829)
	17,942
Non-controlling interest at fair value (iii)	(8,792)
	9,150
Add: Goodwill (iv)	5,902
Consideration through the issuance of the shares of the Company	15,052

(i) Acquisition-related costs
The Group incurred acquisition-related costs of $65,640 on legal advice sought for the acquisition of Lead China and its subsidiaries. These costs have been included under 'administrative expenses' in the consolidated statement of comprehensive income.

(ii) Trade and other receivables
Trade and other receivables acquired comprise gross trade and other receivables amounting to $51,300,000 which approximated their fair value. It was expected that full contractual amount of the receivables could be collected.

(iii) Non-controlling interest
The Group recognised 49% non-controlling interest based on BLX's identifiable fair value of net assets of approximately $17,942,000 as at acquisition date.

4 Investments in subsidiaries (Cont'd)

Acquisition of subsidiaries (Cont'd)

(iv) Goodwill
The goodwill of $5,902,000 arising from the acquisition represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree and the fair value of identifiable net assets acquired.

Revenue and profit contribution
The acquired business contributed revenue of $113,028,000 and net loss of $7,069,000 to the Group for the period from 1 August 2017 to 31 December 2017.

Had Lead China and its subsidiaries been consolidated from 1 January 2017, the consolidated revenue and net loss for the year ended 31 December 2017 would have been $278,285,000 and $10,652,000, respectively.

Summarised financial information about subsidiaries with material NCI
Summarised financial information, not adjusted for the Group's equity interest, including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interest are as follows:

Summarised balance sheet	**Sunny Energy and its subsidiaries 2017 $'000**	**Tianjin Belong Faith Energy Minerals Co., Ltd 2017 $'000**	**Total 2017 $'000**
Assets	2,470	51,094	53,564
Liabilities	(13,003)	(39,881)	(52,884)
Net assets/ (liabilities)	(10,533)	11,213	680
Summarised statement of comprehensive income			
Revenue	-	113,028	113,028
Loss before tax	(100)	(6,860)	(6,960)
Tax expenses	-	(209)	(209)
Loss after tax, representing total comprehensive income	(100)	(7,069)	(7,169)
Other summarised information			
Net cash flows used in operations	(8)	(8,962)	(8,970)

4 Investments in subsidiaries (Cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ place of business	Effective equity interest held by the Group		Principal activities
		2017	2016	
		%	%	
Held by the Company				
Abterra Resources Pte. Ltd. [1]	Singapore	**100**	100	General trading
Abterra Macao Commercial Offshore Ltd [2]	Macau	**100**	100	General trading
Abterra Mineral Resources India Private Limited [2]	India	**100**	100	Stockpile and trading of iron ore, coal and coke
Abterra Australia Pty. Ltd.[2]	Australia	**100**	100	Mining
PT. Abterra Resources Indonesia [2]	Indonesia	**95**	95	General trading and mining contractor
Sunny Energy Limited [2]	Hong Kong	**61**	61	Investment holding
Tian Yi Investment Pte. Ltd. [2]	Singapore	**100**	100	General trading
Tian Yi Power Co. Pte. Ltd. [2]	Singapore	**100**	100	General trading
Lead China Development Limited [2]	British Virgin Islands	**100**	-	Investment holding
Held through Abterra Resources Pte. Ltd.				
PT. Abterra Resources Indonesia [2]	Indonesia	**5**	5	General trading and mining contractor
Held through Sunny Energy Limited				
Shenzhen Manxin Trading Co., Ltd. [2] (深圳市满鑫贸易有限公司)	China	**61**	61	Investment holding
Shenzhen Chuangrongxin Trading Co., Ltd. [2] (深圳市创融新贸易有限公司)	China	**61**	61	Investment holding
Held through Lead China Development Limited				
Lead Bright International Limited [2] (領暉國際發展有限公司)	Hong Kong	**100**	-	Investment holding
Lead Bright (Tianjin) International Trading Co., Ltd. [2] (领晖（天津）国际贸易有限公司)	China	**100**	-	Investment holding
Tianjin Belong Faith Energy Minerals Co., Ltd. [3] (天津博朗信国际贸易有限公司)	China	**51**	-	Coal imports for sale

(1) Audited by Foo Kon Tan LLP, Singapore.

(2) Not required to be audited by law in its country of incorporation. The unaudited management accounts have been used for consolidation purposes as they are not material to the Group's financial statements.

(3) Audited by Foo Kon Tan LLP, Singapore for consolidation purposes.

5 Investments in associates

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Unquoted equity investments, at cost	**104,218**	104,218	**20,423**	20,423
Impairment losses	**(8,030)**	(8,030)	**(20,423)**	(20,423)
Dividend declared	**(5,106)**	(5,106)	**-**	-
Translation difference	**3,081**	3,081	**-**	-
Share of post-acquisition results	**(94,163)**	(94,163)	**-**	-
	-	-	**-**	-

Summarised financial information of the Group's associates was not disclosed as the associates are not significant to the Group, as the Group's share of losses in associates has exceeded the Group's interests in the associates.

Details of the associates are as follows:

Name of associates	Country of incorporation/ place of business	Effective equity interest held by the Group		Principal activities
		2017	2016	
		%	%	
Held by the Company				
Tianjin Lanta Development Co., Ltd. [(1)] （天津蓝塔发展有限公司）	China	**45**	45	Logistics business
Held through Shenzhen Chuangrongxin Trading Co., Ltd.				
Shanxi Fenxi Ruitai Zhengzhong Coal Limited [(2)] （山西汾西瑞泰正中煤业有限责任公司）	China	**24**	24	Coal mining

(1) Not required to be audited by law in its country of incorporation.

(2) Audited by Ruihua Certified Public Accountants for local statutory reporting purposes.

The Group's investment in associates are accounted for using the equity method, with a carrying value of $Nil on the statement of financial position of the Group as at 31 December 2017, and the Group's share of results of $Nil is included in the consolidated statement of comprehensive income of the Group for the year then ended.

6 Available-for-sale financial asset

The Group and The Company	**2017** **$'000**	**2016** **$'000**
Unquoted equity shares, at cost	**12,345**	12,345
Accumulated impairment losses:		
At beginning of year	**12,345**	3,459
Impairment loss during the year (Note 24)	**-**	8,886
At end of year	**12,345**	12,345
Net carrying value	**-**	-

6 Available-for-sale financial asset (Cont'd)

The available-for-sale financial asset represents the fair value of unquoted investment in 15% equity interest in Zuoquan Yongxing Coal Company Limited（左权永兴煤化有限责任公司）("Yongxing"), a company incorporated in China and engaged in the coal mining and coking coal processing business.

As part of the Group's impairment assessment for the year ended 31 December 2016, the fair value amount of the available-for-sale investment has been determined on the basis of its present value of estimated future cash flows, which was determined with reference to the independent third-party valuation report. The discount rate based on the current market rate of return for similar financial assets used by the independent third party valuer was 14.60%. Accordingly, management concluded that available-for-sale investment at Group and Company are impaired and an impairment loss of $8,886,000 had been recorded.

However, management did not engage an independent external valuer to determine the fair value of the unquoted equity investment in Yongxing as at 31 December 2017.

7 Intangible assets

The Group	Goodwill (1) $'000	Supplier contract (2) $'000	Mining right (3) $'000	Total $'000
Cost				
At 1 January 2016	-	2,069	3,934	6,003
Exchange differences	-	-	56	56
At 31 December 2016	-	2,069	3,990	6,059
Acquisition of subsidiaries (Note 4)	5,902	-	-	5,902
Exchange differences	-	-	(7)	(7)
At 31 December 2017	**5,902**	**2,069**	**3,983**	**11,954**
Accumulated amortisation				
At 1 January 2016	-	1,744	408	2,152
Disposal	-	-	6	6
At 31 December 2016	-	1,744	414	2,158
Exchange differences	-	-	(1)	(1)
At 31 December 2017	**-**	**1,744**	**413**	**2,157**
Accumulated impairment				
At 1 January 2016	-	-	3,526	3,526
Exchange differences	-	-	50	50
At 31 December 2016	-	-	3,576	3,576
Impairment loss during the year (Note 24)	5,902	325	-	6,227
Exchange differences	-	-	(6)	(6)
At 31 December 2017	**5,902**	**325**	**3,570**	**9,797**

7 Intangible assets (Cont'd)

The Group	Goodwill [(1)] $'000	Supplier contract [(2)] $'000	Mining right [(3)] $'000	Total $'000
Net book value				
At 31 December 2017	-	-	-	-
At 1 January 2016				
and 31 December 2016	-	325	-	325

(1) Goodwill on acquisition of subsidiaries as described in Note 4.
(2) Supplier contract of Iron Ore Fines or Lumps relate to the fair value recognised during the business combination in 2009.
(3) Mining right of an iron ore mine located in Australia.

During the financial year, the Group made an impairment loss of $5,902,000 and $325,000 on the goodwill and supplier contract of iron ore, fines or lumps, respectively, based on their recoverable amounts.

8 Investment properties

The Group and The Company	2017 $'000	2016 $'000
At fair value		
Balance at beginning of year	**4,828**	30,800
Disposal during the year	**-**	(11,440)
Transfer from owner-occupied properties (Note 3)	**-**	1,108
Fair value loss on: (Note 24)		
- investment properties	**(217)**	(380)
- investment properties held-for-sale	**-**	(3,893)
	4,611	16,195
Less: Portion classified as held-for-sale	**-**	(11,367)
Balance at end of year	**4,611**	4,828

The investment properties of the Group and the Company comprise of an office unit at Suntec City Tower 1 Singapore and land and premises in Australia.

An investment property with a carrying amount of $11,440,000 was disposed in the previous financial year for a consideration of $9,240,000 and the loss of $2,200,000 had been recognised in profit or loss.

In the previous financial year, the investment properties of the Group and of the Company, including the investment properties held-for-sale, with a carrying amount of approximately $15,087,000 have been pledged to a bank for banking facilities (Note 20). Following the full repayment of the bank borrowings, the pledge has been discharged in the current year.

The management had determined the fair value of the investment properties by reference to recent transactions of similar properties as at 31 December 2016.

In 2017, the fair value of the investment property in Singapore was determined by an independent qualified professional valuer based on the direct comparison with transactions of comparable properties. The significant unobservable inputs used in the valuation were the recent selling prices of comparable properties with similar location, age and conditions and the entire measurement of the property is categorised as an unobservable Level 3 inputs.

8 Investment properties (Cont'd)

Investment properties are leased to non-related parties under operating leases. The following amounts are recognised in profit or loss:

The Group and the Company	2017 $'000	2016 $'000
Rental income from investment properties (Note 22)	**65**	697
Direct operating expenses arising from:		
- Rental generating properties	**16**	96
- Non-rental generating properties	**68**	30

Details of the investment properties held by the Company as at 31 December 2017 are set out below:

Location	Description	Existing use	Tenure	Unexpired lease term (years)
7 Temasek Boulevard, #11-06, Suntec City Tower 1, Singapore 038987	Office tower	Rental	99 years	71
73 Tallarook Road, Cowra, NSW2794, Australia	Land and premises	Rental	Freehold	NA

Investment properties held-for-sale

On 3 August 2016, management committed to a plan to sell part of the investment properties in Suntec. Accordingly part of the investment properties is presented as an investment properties held-for-sale. Efforts to sell the investment properties have started in August 2016 and the sale transaction was completed on 7 February 2017.

Details of the investment properties held-for-sale is set out below:

Location	Description	Existing use	Floor area (sqm)	Ownership	Carrying amount ($'000)	Fair value less cost to sell ($'000)
7 Temasek Boulevard, #11-01A/02/03, Suntec City Tower 1, Singapore 038987	Office tower	Rental	528	100%	15,260	11,367

9 Trade receivables

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Trade receivables	**60,351**	100	**1,458**	-
Allowance for impairment losses	**(10,976)**	-	**-**	-
	49,375	100	**1,458**	-

9 Trade receivables (Cont'd)

Movements in impairment losses in respect of trade receivables during the financial year are as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**-**	-	**-**	-
Impairment loss for the year (Note 24)	**10,976**	-	**-**	-
Balance at end of year	**10,976**	-	-	-

Trade receivables are granted credit term of 30 days (2016 - 90 to 120 days).

The credit quality of trade receivables is assessed based on credit policies established by the individual Group businesses. Significant financial difficulties of a trade debtor, and probability that the trade debtor will enter bankruptcy or delinquency in payment are considered indicators that the trade debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

Trade receivables are denominated in the following currencies:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
United States Dollar	**1,550**	100	**1,458**	-
Chinese Renminbi	**47,825**	-	**-**	-
Balance at end of year	**49,375**	100	**1,458**	-

The ageing analysis of trade receivables are as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Current	**312**	100	**1,458**	-
1-30 days	**11,477**	-	-	-
31-60 days	**14,720**	-	-	-
61-90 days	**19,354**	-	-	-
More than 90 days	**3,512**	-	**-**	-
	49,375	100	**1,458**	-

Please refer to Note 32 for details on the credit risk and foreign currency risk exposures.

10 Other receivables, deposits and prepayments

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Deposits:				
– Manfu[1]	**75,621**	76,689	**75,621**	76,689
– Others	**353**	496	**-**	4
Interest receivable from Manfu[1]	**254**	258	**254**	258
Amount due from immediate holding company	**7,473**	7,746	**-**	-
Amount due from related parties	**411**	7,341	**-**	-
Prepayments	**27**	22	**27**	17
Subsidiaries	**-**	-	**95,386**	96,376
Sundry debtors	**2,673**	624	**49**	261
Dividends receivable from an associate	**4,623**	4,623	**4,623**	4,623
Allowance for impairment loss	**(88,375)**	(40,433)	**(110,428)**	(67,627)
	3,060	57,366	**65,532**	110,601

[1] Manfu referring to Shenzhen Manfu Industrial Co., Ltd

Other receivables, deposits and prepayments are denominated in the following currencies:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Singapore Dollar	**48**	4,236	**26,582**	29,882
United States Dollar	**-**	3,601	**38,893**	39,099
Chinese Renminbi	**2,547**	48,733	**30**	41,609
Others	**465**	796	**27**	11
	3,060	57,366	**65,532**	110,601

Movements in impairment losses in respect of non-trade receivables during the financial year are as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**40,433**	37,740	**67,627**	67,665
Impairment loss for the year (Note 24)	**48,472**	4,873	**44,157**	2,135
Exchange differences	**(530)**	(2,180)	**(1,356)**	(2,173)
Balance at end of year	**88,375**	40,433	**110,428**	67,627

Other receivables are non-trade related, unsecured, repayable on demand and interest-free.

Other receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

10 Other receivables, deposits and prepayments (Cont'd)

(1) Deposits

Included in the deposit of the Company and the Group as of 31 December 2017 is a deposit with cost of $75,621,000 (2016 – 76,689,000) and accumulated impairment loss of $75,621,000 (2016 - $35,369,000), in relation to a deposit paid to a third party, Shenzhen Manfu Industrial Co., Ltd ("Manfu"), for the proposed acquisition of the 54.42% of equity interest of Zuoquan Xinrui Metallurgy Mine Co., Limited which had since been terminated in the financial year ended 31 December 2013.

An agreement was subsequently entered into by and between the Company and Manfu for Manfu to refund the deposit over five instalments commencing January 2014 with the last instalment scheduled to take place in September 2015. This deposit was also secured over Manfu's interest of 65% in equity shares of General Nice (S.A.) Resources Company Limited ("GNSA") (the "Pledged Shares"), held through Manfu's 100% interest in Full Winner Industrial Co., Ltd ("Full Winner"), which in turn owns 70% in equity interest of General Nice (S.A.) Manganese Pty Ltd ("GNSAM") which indirectly owns a manganese mine located at Farm Buchansvale No. 61 in the Carletonville area of Gauteng, South Africa.

After the repayment of two instalments during the financial year ended 31 December 2014, the Company and Manfu entered into another conditional sales and purchase agreement for a proposed acquisition by the Company of Manfu's 60% equity interest in Smart Harmony Investment Ltd which in turn owned a commercial property located in Beijing, Peoples Republic of China ("proposed acquisition"), in which the purchase consideration of $73,329,000 would be offset against the gross balance of deposit receivable of $75,621,000 and the remaining balance of the deposit would be settled in cash by Manfu on completion of the proposed acquisition.

The Company had on 8 April 2016, received written notice about the decrease in Full Winner's shareholding in GNSA from 65% to 19.5%, which significantly reduced the value of the Pledged Shares as collateral of the deposit owing from Manfu.

On 30 June 2017, the proposed acquisition of Smart Harmony Investment Ltd had lapsed.

No fair valuation was carried out on the Pledged Shares of GNSA but the deposit with Manfu had been fully impaired during the year owing to the prolonged non-repayment of the deposit.

11 Other investments

As at reporting date, the funds placed with an investment broker comprise the following assets:

	2017	2016
	$'000	$'000
The Group		
Funds placed with investment brokers	**844**	-
Cash balances held in investment accounts (Note 12)	**(419)**	-
	425	-

As at 31 December 2017, other investments are denominated in Chinese Renminbi and comprise of commodity future contracts that are held for trading. The fair values of the commodity future contracts are the differences in values of settlement price and the average price of the open trading positions, as at the end of the reporting period. Any fair value gain or loss is taken to profit or loss.

11 Other investments (Cont'd)

Movements in other investments during the financial year are as follows:

	2017 $'000
The Group	
Other deposits in investment accounts	**1,239**
Cash balances held in investment account	**265**
Other investments acquired from acquisition of subsidiary	**1,504**
Deposits during the year	**4,079**
Withdrawals during the year	**(3,228)**
Settlements during the year	**(1,254)**
Fair value losses during the year (Note 24)	**(280)**
Exchange differences	**23**
Closing amount at end of year	**844**
Cash balances held in investment account (Note 12)	**(419)**
	425

12 Cash and cash equivalents

	The Group		The Company	
	2017 **$'000**	2016 $'000	**2017** **$'000**	2016 $'000
Cash on hand	**41**	36	**1**	3
Cash at banks	**418**	624	**25**	601
Cash balances held in investment account (Note 11)	**419**	-	**-**	-
	878	660	**26**	604

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2017 **$'000**	2016 $'000	**2017** **$'000**	2016 $'000
Singapore Dollar	**25**	588	**14**	581
United States Dollar	**76**	23	**6**	21
Chinese Renminbi	**747**	7	**-**	-
Others	**30**	42	**6**	2
	878	660	**26**	604

There are no significant restrictions on the Group's ability to access or use the assets of the subsidiaries and settle the liabilities of the Group except cash and cash equivalents of $747,000 (2016 - $7,000) as at 31 December 2017 held in People's Republic of China ("China") which are subject to local exchange control regulations which restrict the amount of currency to be exported other than through dividends.

13 Share capital

The Group and the Company	No. of shares (With no par value) 2017	2016	Amount 2017 $'000	2016 $'000
Issued and fully paid:				
At beginning of year	**244,274,150**	244,274,150	**250,805**	250,805
Issue of ordinary shares	**48,553,949**	-	**15,052**	-
At end of year	**292,828,099**	244,274,150	**265,857**	250,805

During the financial year, the Company issued 48,553,949 ordinary shares for a total consideration of $15,052,000 (Note 4) for the acquisition of the entire equity interest in Lead China Development Limited and its subsidiaries. The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14 Asset revaluation reserve

Asset revaluation reserve represents the increase in fair value of an owner-occupied property that was subsequently transferred to investment property.

15 Share options reserve

Equity-Settled Share option scheme

The Company has adopted the Abterra Employee Share Option Scheme for the Executive Directors of the Company, employees of the Group and the controlling shareholders of their associates. The scheme is administered by the Employee Share Option Scheme Committee. Options are exercisable at a price either at the average of closing prices of the shares of the Company on the Singapore Exchange Securities Trading Limited for the five consecutive market days immediately preceding the date of grant ("Market Price") or at a discount to the Market Price, provided that the maximum discount shall not exceed 20 percent of the Market Price and the shareholders have authorised the making of offers and grant of share options under the scheme at a discount not exceeding the maximum discount as aforesaid. The share options granted with the exercise price set at Market Price may be exercised after the first anniversary of the date of grant and before the second anniversary of the date of grant. The share options granted with the exercise price set at a discount to the Market Price may be exercised after the second anniversary of the date of grant and before the third anniversary of the date of grant. If the options remain unexercised after the exercisable period, the options shall immediately lapsed and become null and void. Options shall immediately lapsed and become null and void if the option holder leaves the Group before the options vest.

All share options granted by the Company have expired.

16 Foreign currency translation reserves

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from those of the Group's presentation currency.

17 Deferred tax liabilities

The Group and the Company	**2017** **$'000**	2016 $'000
Fair value changes on investment properties	**-**	-
	-	-

The Group and the Company	**2017** **$'000**	2016 $'000
Balance at beginning of financial year	**-**	791
Credit to income statement (Note 27)	**-**	(791)
Balance at end of financial year	**-**	-

18 Trade payables

	The Group		The Company	
	2017 **$'000**	2016 $'000	**2017** **$'000**	2016 $'000
Third parties	**17,234**	-	**535**	-
Related party*	**9,720**	-	-	-
	26,954	-	**535**	-

*Related party refers to an entity that is controlled by one of the Company's key management personnel.

Trade payables have an average credit terms of 30 days (2016 - 90 to 120 days).

Trade payables are denominated in the following currencies:

	The Group		The Company	
	2017 **$'000**	2016 $'000	**2017** **$'000**	2016 $'000
United States Dollar	**535**	-	**535**	-
Chinese Renminbi	**26,419**	-	-	-
	26,954	-	**535**	-

19 Other payables and accruals

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Accrued operating expenses	**3,200**	3,072	**2,128**	1,921
Amount due to immediate holding company	**7,492**	7,685	**190**	190
Amount due to related parties	**2,079**	2,147	**-**	-
Sundry creditors	**9,377**	8,099	**456**	2,092
Amounts due to subsidiaries	**-**	-	**65,581**	68,642
Output VAT payable, net	**5,921**	-	**-**	-
	28,069	21,003	**68,355**	72,845

Amounts due to immediate holding company, related parties and subsidiaries are non-trade related, unsecured, interest-free and repayable on demand.

Other payables and accruals are denominated in the following currencies:

	The Group		The Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Singapore Dollar	**7,799**	9,355	**5,853**	7,307
United States Dollar	**321**	404	**61,214**	64,167
Chinese Renminbi	**16,772**	7,470	**-**	-
Others	**3,177**	3,774	**1,288**	1,371
	28,069	21,003	**68,355**	72,845

20 Borrowings

	2017	2016
	$'000	$'000
The Group and the Company		
Secured:		
Loan 1	**-**	4,933
Unsecured:		
Loan 2	**-**	2,600
	-	7,533
Due within one year (current)	**-**	7,533

In the previous financial year, the borrowings of the Group and the Company consist of:

Loan 1 is secured by pledge of leasehold building with carrying amount of $6,231,000 (Note 3) and investment properties with carrying amount of $15,087,000 (Note 8) of the Group and of the Company and bears a fixed interest rate at 4.98% per annum. This loan is repayable at monthly instalment payments ranging from approximately $175,000 to $186,000 over period of 15 years commencing on October 2008. However, the Group and the Company are required to repay the loan in full upon the request of the bank.

20 Borrowings (Cont'd)

Loan 2 is an unsecured loan bearing interest rates of 12% and 24% per annum and is repayable in full on 16 February 2017, 13 March 2017, 19 March 2017 and 22 March 2017 respectively.

Both loans were denominated in Singapore Dollar and have been fully repaid in 2017.

21 Revenue

Revenue represents sales of coke and coal, excluding applicable goods and services tax.

22 Other operating income

The Group	2017 $'000	2016 $'000
Rental income (Note 8)	**65**	697
Service income	**885**	-
Others	**115**	204
	1,065	**901**

23 Administrative expenses

The Group	2017 $'000	2016 $'000
Entertainment expenses	**18**	22
Operating lease expenses – office premises	**167**	290
Personnel expenses (Note 25)	**1,005**	1,048
Audit fees paid to auditors of the Company	**352**	150
Professional fees	**317**	607
Transportation and travelling expenses	**80**	70
Others	**69**	398
	2,008	2,585

24 Other operating expenses

The Group	2017 $'000	2016 $'000
Depreciation of property, plant and equipment (Note 3)	**224**	256
Fair value loss on investment properties (Note 8)	**217**	380
Fair value loss on investment properties held-for-sale (Note 8)	**-**	3,893
	217	4,273
Fair value loss on other investments (Note 11)	**280**	-
Impairment loss of available-for-sale financial asset (Note 6)	**-**	8,886
Impairment loss of intangible assets (Note 7)	**6,227**	-
Impairment loss of trade receivables (Note 9)	**10,976**	-
Impairment loss of other receivables and deposits (Note 10)	**48,472**	4,873
Bad debts written off	**2,736**	-
Foreign currency exchange, net	**1,945**	924
Loss on disposal of investment properties (Note 8)	**-**	2,200
Others	**32**	-
	71,109	21,412

25 Personnel expenses

The Group	2017 $'000	2016 $'000
Directors' remuneration (Key management personnel)		
Salaries and other related costs	**189**	240
Directors' fees	**116**	97
Central Provident Fund contributions	**8**	12
	313	349
Other than directors and key management personnel		
Salaries and other related costs	**653**	653
Central Provident Fund contributions	**39**	46
	692	699
	1,005	1,048

Key management's compensation included fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group.

26 Finance costs

The Group	2017 $'000	2016 $'000
Bank charges	**8**	4
Interest expense	**92**	851
	100	855

27 Taxation

The Group	2017 $'000	2016 $'000
Current taxation:		
- Current year	**209**	-
- Under provision in prior years	**-**	12
Deferred taxation:		
- Origination and reversal of temporary differences (Note 17)	**-**	(791)
	209	(779)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the accounting loss as a result of the following:

The Group	2017 $'000	2016 $'000
Loss before taxation	**(68,968)**	(23,951)
Tax at statutory rate of 17% (2016 - 17%)	**(11,725)**	(4,072)
Different tax rate due to different tax jurisdiction	**(543)**	-
Tax effect on non-deductible expenses	**10,508**	3,112
Tax effect on tax exempt income	**(257)**	-
Deferred tax assets on temporary differences not recognised	**2,226**	-
Under provision of current taxation in prior years	**-**	12
Others	**-**	169
	209	(779)

Non-deductible expenses relate mainly to non-trade debts written off, impairment loss of other receivables and deposits, impairment loss of intangible assets and foreign currency exchange loss.

Tax exempt incomes relate mainly to foreign currency exchange gain.

27 Taxation (Cont'd)

Unrecognised tax losses

As at 31 December 2017, the Group has unutilised tax losses of approximately $8,449,000 (2016 - $Nil) that is available for offset against future taxable profit of the companies in which the losses arose, for which no deferred tax asset is recognised because it was not certain that future taxable profits would be available against which the Group could utilise the benefits. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of respective countries in which the companies operate.

28 Loss per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2017	2016
The Group		
Loss:		
Loss for the purposes of calculating basic and diluted earnings per share		
Loss attributable to owners of the Company ($'000)	**(65,675)**	(23,129)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share and diluted earnings per share	**262,365,484**	244,274,150
Loss per share (cents)		
Basic	**(25.03)**	(9.47)
Diluted	**(25.03)**	(9.47)

There is no potentially dilutive ordinary share for the financial year ended 31 December 2017 and 2016.

29 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were sales to a former fellow subsidiary at mutually agreed amounts during the year, amounting to $6,912,000.

30 Operating lease commitments (non-cancellable)

(A) Where the Group is the lessee

At the end of the reporting period, the Group were committed to making the following rental payments in respect of non-cancellable operating leases of office premises and office equipment with an original term of more than one year:

	2017	2016
	$'000	$'000
Not later than one year	-	26
Later than one year and not later than five years	-	-
	-	26

(B) Where the Group is the lessor

At the end of the reporting period, the Group had the following rental income under non-cancellable lease for office space to non-related parties with an original term of more than one year:

	2017	2016
	$'000	$'000
Not later than one year	-	40
Later than one year and not later than five years	-	-
	-	40

31 Segment information

Operating segments are prepared in a manner consistent with the internal reporting provided to its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis.

For management purposes, the Group is organised into business units based on their geographical region. No segmental analysis by business segment is prepared as the Group operates predominantly in one industry, coke and coal trading. Geographically, management manages and monitors the business in the two main geographic areas: Singapore and China.

Singapore

The Company is headquartered and has operations in Singapore. The operations in this area are principally coke and coal trading and investment holding.

China

The operations in this region are principally iron ore and coal trading.

Others

Comprises of operations in Macau, Indonesia and Australia, principally iron ore and coal trading, and Australia is established to hold the right, title and interest in the mine and property.

The Chief Executive Officer, who is designated as the Chief Operating Decision Maker, monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

31 Segment information (Cont'd)

(a) The management assesses the performance of the reportable segments based on their profit/(loss) before taxation.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment.

(c) Each reportable segment liabilities are measured based on all liabilities of the segment.

31.1 Geographical Segments

2017	Singapore $'000	China $'000	Others $'000	The Group $'000
Revenue				
External revenue	9,533	113,028	-	122,561
Results				
Segment loss before taxation	(41,623)	(7,343)	(20,002)	(68,968)
Segment loss includes the following: -				
Depreciation of property, plant and equipment	223	-	1	224
Fair value loss of investment properties	217	-	-	217
Fair value loss on other investments	-	280	-	280
Impairment loss of intangible assets	5,902	325	-	6,227
Impairment loss of trade receivables	-	10,976	-	10,976
Impairment loss of other receivables and deposits	40,999	-	7,473	48,472
Bad debts written off	205	2,052	479	2,736
Foreign currency exchange net	(1,729)	(428)	4,102	1,945
Interest expense	92	-	-	92
Assets				
Segment assets	12,354	51,583	595	64,532
Liabilities				
Segment liabilities	3,310	43,473	8,550	55,333

31 Segment information (Cont'd)

31.1 Geographical Segments (Cont'd)

	Singapore $'000	China $'000	Others $'000	The Group $'000
2016				
Revenue				
External revenue	-	-	-	-
Results				
Segment profit/(loss) before taxation	(23,870)	(112)	31	(23,951)
Segment profit/(loss) includes the following: -				
Depreciation of property, plant and equipment	256	-	-	256
Fair value loss of investment properties	380	-	-	380
Fair value loss on investment properties - held-for-sale	3,893	-	-	3,893
Impairment loss of available-for-sale financial asset	8,886	-	-	8,886
Impairment loss of other receivables and deposits	4,450	-	423	4,873
Foreign currency exchange, net	2,673	-	(1,749)	924
Loss on disposal investment properties	2,200	-	-	2,200
Interest expense	851	-	-	851
Assets				
Segment assets	65,005	2,839	13,149	80,993
Liabilities				
Segment liabilities	11,737	3,620	13,213	28,570

31.2 Major Customers

Revenue from customers contributing over 10% of total sales of the Group is as follows:

	2017 $'000	2016 $'000
The Group		
Customer A	**15,554**	-

32 Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

32.1 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk rises when transactions are denominated in foreign currencies.

The Group's main foreign exchange risk arises from foreign currency denominated sales and purchases, and operating expenses. The exposure is managed by natural hedges that arise from offsetting between sales receipts and purchases, and operating expenses disbursement that are denominated in foreign currencies.

Companies within the Group, including the Group's associates maintain, their books in their respective functional currencies. Profits and net assets of overseas companies are translated into Singapore Dollar, the Group's presentation currency for consolidation purposes.

The Group also maintains foreign currency bank accounts for operating purposes.

At the end of the reporting period, the carrying amounts of the monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

The Group	Singapore Dollar $'000	United States Dollar $'000	Chinese Renminbi $'000	Others [1] $'000	Total $'000
As at 31 December 2017					
Financial assets					
Cash and cash equivalents	25	76	747	30	878
Trade receivables	-	1,550	47,825	-	49,375
Other receivables and deposits [2]	21	-	2,547	465	3,033
Other investments	-	-	425	-	425
	46	1,626	51,544	495	53,711
Financial liabilities					
Trade payables	-	535	26,419	-	26,954
Other payables and accruals	7,799	321	16,772	3,177	28,069
	7,799	856	43,191	3,177	55,023
Net financial assets/(liabilities)	(7,753)	770	8,353	(2,682)	(1,312)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	(2,433)	(255)	8,433	(236)	5,509
Net currency exposure	(5,320)	1,025	(80)	(2,446)	(6,821)

32 Financial risk management objectives and policies (Cont'd)

32.1 Foreign currency risk (Cont'd)

The Group	Singapore Dollar $'000	United States Dollar $'000	Chinese Renminbi $'000	Others [1] $'000	Total $'000
As at 31 December 2016					
Financial assets					
Cash and cash equivalents	588	23	7	42	660
Trade receivables	-	100	-	-	100
Other receivables and deposits [2]	4,219	3,601	48,733	791	57,344
	4,807	3,724	48,740	833	58,104
Financial liabilities					
Other payables and accruals	9,355	404	7,470	3,774	21,003
Borrowings	7,533	-	-	-	7,533
	16,888	404	7,470	3,774	28,536
Net financial assets/(liabilities)	(12,081)	3,320	41,270	(2,941)	29,568
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	(3,293)	3,218	(832)	(79)	(986)
Net currency exposure	(8,788)	102	42,102	(2,862)	30,554

The Company	Singapore Dollar $'000	United States Dollar $'000	Chinese Renminbi $'000	Others [1] $'000	Total $'000
As at 31 December 2017					
Financial assets					
Cash and cash equivalents	**14**	**6**	**-**	**6**	**26**
Trade receivables	**-**	**1,458**	**-**	**-**	**1,458**
Other receivables and deposits [2]	**26,555**	**38,893**	**30**	**27**	**65,505**
	26,569	**40,357**	**30**	**33**	**66,989**
Financial liabilities					
Trade payables	**-**	**535**	**-**	**-**	**535**
Other payables and accruals	**5,853**	**61,214**	**-**	**1,288**	**68,355**
	5,853	**61,749**	**-**	**1,288**	**68,890**
Net currency exposure	**20,7167**	**(21,392)**	**30**	**(1,255)**	**(1,901)**

32 Financial risk management objectives and policies (Cont'd)

32.1 Foreign currency risk (Cont'd)

The Company	Singapore Dollar $'000	United States Dollar $'000	Chinese Renminbi $'000	Others [1] $'000	Total $'000
As at 31 December 2016					
Financial assets					
Cash and cash equivalents	581	21	-	2	604
Other receivables and deposits [2]	29,865	39,099	41,609	11	110,584
	30,446	39,120	41,609	13	111,188
Financial liabilities					
Other payables and accruals	7,307	64,167	-	1,371	72,845
Borrowings	7,533	-	-	-	7,533
	14,840	64,167	-	1,371	80,378
Net currency exposure	15,606	(25,047)	41,609	(1,358)	30,810

(1) Others mainly include Macau Pataca, Hong Kong Dollar, Indian Rupee, Australian Dollar and Indonesian Rupiah.
(2) Exclude prepayments.

Sensitivity analysis for foreign currency risk
A 2% strengthening of the above currencies against the respective functional currencies of the Company and Group entities at the reporting date would have increased/decreased loss before tax and equity by the amounts shown below. Similarly, a 2% weakening would have the equal but opposite effect. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular interest rates, remain constant.

	Increase/(Decrease)			
	------2017------		------2016------	
	Loss before tax $'000	**Equity $'000**	Loss before tax $'000	Equity $'000
The Group				
Singapore Dollar	**106**	**(106)**	175	(175)
United States Dollar	**(21)**	**21**	(2)	2
Chinese Renminbi	**2**	**(2)**	(842)	842
Other currencies	**49**	**(49)**	57	(57)
The Company				
United States Dollar	**428**	**(428)**	501	(501)
Chinese Renminbi	**(1)**	**1**	(832)	832
Other currencies	**25**	**(25)**	27	(27)

32 Financial risk management objectives and policies (Cont'd)

32.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the Group and the Company are not exposed to significant interest rate risk since it does not hold any variable rate financial instruments.

32.3 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Company and the Group does not hold any quoted or marketable financial instruments, and hence is not exposed to any movement in market prices.

32.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial asset, the Group adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Credit exposure to an individual corporate counterparty is restricted by credit limits that are approved by the Executive Directors based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the group level by the Executive Directors. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held.

At the reporting date, 83% (2016 - 100%) of the Group's trade receivables were due from 4 major third party customers (2016 - 1 major third party customer).

At the reporting date, allowance for impairment in respect of trade and other receivables are disclosed in Note 9 and 10.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

32 Financial risk management objectives and policies (Cont'd)

32.4 Credit risk (Cont'd)

Financial assets that are neither past due nor impaired
Trade receivables of the Group amounting to $312,000 (2016 - $100,000) that are neither past due nor impaired are with customers with a good collection track records with the Group. Cash and cash equivalents are mainly deposits placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due but not impaired
As at 31 December 2017, trade receivables of the Group amounting to $49,063,000 (2016 - $Nil) are past due but not impaired. The Group believes that no impairment allowance is necessary in respect of these trade receivables that are past due since these receivables mainly arose with customers that have a good credit record with the Group.

32.5 Liquidity risk
Liquidity risk is the risk that the Company and the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's and the Group's objective are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Company's and the Group's and financial liabilities based on contractual undiscounted cash flows, including estimated interest payments:

		------------Contractual undiscounted cash flows--------------			
The Group	**Carrying amount $'000**	**Total $'000**	**Less than 1 year $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**
As at 31 December 2017					
Trade payables	**26,954**	**26,954**	**26,954**	-	-
Other payables and accruals	**28,069**	**28,069**	**28,069**	-	-
	55,023	**55,023**	**55,023**	-	-
As at 31 December 2016					
Other payables and accruals	21,003	21,003	21,003	-	-
Borrowings	7,533	7,625	7,625	-	-
	28,536	28,628	28,628	-	-

32 Financial risk management objectives and policies (Cont'd)

32.5 Liquidity risk (Cont'd)

The Company	Carrying amount $'000	------------Contractual undiscounted cash flows-------------- Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2017					
Trade payables	**535**	**535**	**535**	-	-
Other payables and accruals	**68,355**	**68,355**	**68,355**	-	-
	68,890	**68,890**	**68,890**	-	-
As at 31 December 2016					
Other payables and accruals	72,845	72,845	72,845	-	-
Borrowings	7,533	7,625	7,625	-	-
	80,378	80,470	80,470	-	-

33 Fair values measurement

Definition of fair value
FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy
Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
Level 3 - Unobservable inputs for the asset or liability.

The following table analyses the category of assets measured at fair value:

The Group and The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
2017				
Other investments	-	-	**425**	**425**

There were no financial assets measured at fair value as at 31 December 2016.

33 Fair values measurement (Cont'd)

The Group and The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-financial assets				
2017				
Investment properties	-	-	**4,611**	**4,611**
2016				
Investment properties	-	-	4,828	4,828
Investment properties held-for-sale	-	-	11,367	11,367

Fair values of assets

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

Recurring fair value measurements

	2017 $'000	2016 $'000
At fair value		
Balance at beginning of financial year	**4,828**	30,800
Additions during the financial year	**5,583**	-
Disposals during the financial year	**-**	(11,440)
Withdrawals during the financial year	**(3,228)**	-
Settlements during the financial year	**(1,254)**	-
Exchange differences	**23**	-
Transfer from owner-occupied properties	**-**	1,108
Fair value loss included in profit or loss	**(497)**	(4,273)
Balance at end of financial year	**5,455**	16,195
Less: Current portion classified as held-for-sale	**-**	(11,367)
Less: Cash balances held in investment account	**(419)**	-
Balance at end of financial year	**5,036**	4,828

Fair value measurement of financial assets and financial liabilities

Other financial assets and financial liabilities

The carrying amounts of other financial assets and financial liabilities (trade receivables, other receivables and deposits, cash and cash equivalents, trade payables and other payables and accruals) which has a maturity of less than one year approximate their fair values because of the short-term period to maturity.

34 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

34 Capital management (Cont'd)

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group defines capital as shareholders' equity. The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the year.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as equity plus net debt.

	The Group		**The Company**	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Net debt	**54,145**	27,876	**68,864**	79,774
Total equity	**9,199**	52,423	**23,973**	53,368
Total capital	**63,344**	80,299	**92,837**	133,142
Gearing ratio	**85%**	35%	**74%**	60%

The Company and its subsidiaries are not subject to externally imposed capital requirements.

35 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Group	**2017** **$'000**	2016 $'000
Financial assets at amortised cost		
Cash and cash equivalents	**878**	660
Trade receivables	**49,375**	100
Other receivables and deposits (*)	**3,033**	57,344
	53,286	58,104
Financial assets at fair value through profit or loss		
Other investment	**425**	-

35 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

	2017 $'000	2016 $'000
The Group		
Financial liabilities at amortised costs		
Trade payables	**26,954**	-
Other payables and accruals	**28,069**	21,003
Borrowings	**-**	7,533
	55,023	28,536

	2017 $'000	2016 $'000
The Company		
Financial assets at amortised costs		
Cash and cash equivalents	**26**	604
Trade receivables	**1,458**	-
Other receivables and deposits (*)	**65,505**	110,584
	66,989	111,188

	2017 $'000	2016 $'000
The Company		
Financial liabilities at amortised costs		
Trade payables	**535**	-
Other payables and accruals	**68,355**	72,845
Borrowings	**-**	7,533
	68,890	80,378

(*) Exclude prepayments.

36 Subsequent events

(A) <u>Placement on the Watch-list</u>

On 4 June 2018, the Company announced that the Singapore Exchange Securities Trading Limited (the "SGX-ST") has notified the Company that pursuant to Rule 1311, it will be placed on the Watch-list due to the Financial Entry Criteria ("FEC") and Minimum Trading Price ("MTP") Entry Criteria with effect from 5 June 2018. The Company must take active steps to meet the requirements under Rule 1314 of the Listing Manual of the SGX-ST (the "Listing Manual") for its removal from Watch-List within 36 months from 5 June 2018, failing which, SGX-ST may either remove the Company from the official list of the SGX-ST (the "Official List"), or suspend trading of the Company with a view to remove the Company from the Official List.

(B) <u>Suspension of trading</u>

On 16 July 2018, the Company has suspended the trading of its shares pursuant to Listing Rules 1303(4) and 1303(5). The Company will make further announcements to update the shareholders on any material developments as soon as possible.

(C) <u>Liquidation of a subsidiary</u>

On 15 August 2018, the Company announced that its wholly-owned subsidiary, Abterra Australia Pty Limited ("Abterra Australia"), has been placed under voluntary administration. On 4 March 2019, an update was announced that the subsidiary is now in liquidation.

As at 31 December 2018, the carrying amount due from Abterra Australia amounted to $124,168, net of accumulated impairment loss of $6,589,548. Based on the Report to Creditors Pursuant to Section 439A of the Corporations Act dated 17 December 2018 issued by A2Z Insolvency Solutions, Abterra Australia owes the Company about $4,762,050. The amount recoverable from Abterra Australia, if any, by the Company pursuant to the liquidation has yet to be determined.

(D) <u>Striking off subsidiaries</u>

On 20 August 2019, the Company announced that its wholly-owned subsidiaries incorporated in Singapore, Tian Yi Power Co Pte. Ltd. ("TYPC") and Tian Yi Investment Pte. Ltd. ("TYI") have been struck off from the Register of Companies pursuant to Section 344A of the Companies Act (Cap. 50) of Singapore.

The Company also announced that its wholly-owned subsidiary incorporated in India, Abterra Mineral Resources India Private Limited ("AMRIPL") has been struck off the Register of Companies on pursuant to the Companies Act 2013 of India.

Neither TYPC nor TYI have had any operations since incorporation while AMRIPL had ceased operations since 2014. The striking-off of TYPC, TYI and AMRIPL are not expected to have any material impact on the net tangible assets and earnings per share of the Company.

STATISTICS OF SHAREHOLDINGS
AS AT 25 NOVEMBER 2019

ISSUED AND FULLY PAID-UP CAPITAL	:	S$264,028,967
NUMBER OF SHARES ISSUED	:	292,828,099
CLASS OF SHARES	:	ORDINARY SHARES
NUMBER OF TREASURY SHARES HELD	:	NIL
NUMBER OF SUBSIDIARY HOLDINGS HELD	:	NIL
VOTING RIGHT	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	564	19.03	30,670	0.01
100 - 1,000	927	31.29	452,407	0.16
1,001 - 10,000	1,241	41.88	4,516,909	1.54
10,001 - 1,000,000	220	7.43	10,577,600	3.61
1,000,000 & Above	11	0.37	277,250,513	94.68
Total	2,963	100.00	292,828,099	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	UOB Kay Hian Pte Ltd	102,765,710	35.09
2	Raffles Nominees (Pte) Limited	60,923,440	20.80
3	RHB Securities Singapore Pte Ltd	34,017,800	11.62
4	Phillip Securities Pte Ltd	22,968,994	7.84
5	DBS Vickers Securities (S) Pte Ltd	21,474,484	7.33
6	Citibank Nominees Singapore Pte Ltd	10,793,050	3.69
7	Maybank Kim Eng Securities Pte. Ltd	9,246,640	3.16
8	Sinjia Land Limited	7,485,000	2.56
9	Lu Du Wei	4,855,395	1.66
10	Diana Maggie Baey	1,400,000	0.48
11	Baey Hock Chye Richard	1,320,000	0.45
12	Low Kim Hion	906,600	0.31
13	American Home Assurance Company	838,716	0.29
14	OCBC Securities Private Ltd	438,040	0.15
15	Tan Lye Seng	409,000	0.14
16	DBS Nominees Pte Ltd	389,000	0.13
17	HSBC (Singapore) Nominees Pte Ltd	376,000	0.13
18	United Overseas Bank Nominees Pte Ltd	278,990	0.10
19	Choah Leong Yew	268,340	0.09
20	Baey Geok Lian Mary	250,000	0.08
	Total:	281,405,199	96.10

STATISTICS OF SHAREHOLDINGS
AS AT 25 NOVEMBER 2019

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company, approximately 46.91% of the Company's equity securities are held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual of the SGX-ST which requires at least 10% of a listed issuer's equity securities to be held by the public.

SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
Name of Substantial Shareholder	**Note**	**No. of Shares**	**%**	**No. of Shares**	**%**
General Nice Resources (Hong Kong) Limited		81,784,276	27.93	-	-
General Nice Development Limited	[1]	-	-	81,784,276	27.93
General Nice Investment (China) Limited	[2]	-	-	81,784,276	27.93
General Nice Group Holdings Limited	[3]	-	-	81,784,276	27.93
Cai Sui Xin	[4]	-	-	81,784,276	27.93
Tsoi Ming Chi	[5]	-	-	81,784,276	27.93
Xiang Yu Investments Limited		30,000,000	10.24	-	-
Li Ya Nan		43,698,554	14.92	-	-

[1] General Nice Development Limited ("**GNDL**") has a deemed interest in shares in the Company held by General Nice Resources (Hong Kong) Limited ("**GNR**") by virtue of Section 7 of the Companies Act, Cap. 50 (the "**Companies Act**") as GNDL is the beneficial owner of more than 20% interest in GNR.

[2] General Nice Investment (China) Limited ("**GNI**") has a deemed interest in shares in the Company held by GNR by virtue of Section 7 of the Companies Act, as GNI is the beneficial owner of more than 20% interest in GNR.

[3] General Nice Group Holdings Limited ("**GNG**", formerly known as Vantage Region International Limited) has a deemed interest in shares in the Company held by GNR by virtue of Section 7 of the Companies Act, as (i) GNG is the legal and beneficial owner of more than 20% interest in GNDL, and GNI respectively, and (ii) each of GNDL and GNI is the beneficial owner of more than 20% interest in GNR.

[4] Cai Sui Xin ("**Cai**") has a deemed interest in shares in the Company held by GNR by virtue of Section 7 of the Companies Act, as (i) Cai is the legal and beneficial owner of the entire issued share capital of GNG; (ii) GNG is the legal and beneficial owner of more than 20% interest in GNDL and GNI respectively, and (iii) each of GNDL and GNI is the beneficial owner of more than 20% interest in GNR.

[5] Tsoi Ming Chi ("**Tsoi**") has a deemed interest in shares in the Company held by GNR by virtue of Section 7 of the Companies Act, as (i) Tsoi is the legal and beneficial owner of more than 20% interest in GNDL and GNI respectively, and (ii) each of GNDL and GNI is the beneficial owner of more than 20% interest in the GNR.

Notice of
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Abterra Ltd. will be held at Raffles Marina, 10 Tuas West Drive Chartroom Level 2 Singapore 638404 on 31 December 2019 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2017 and the Directors' Statement and the Auditors' Report thereon. Resolution 1

2. To approve Directors' fees of S$100,551 for financial year ended 31 December 2017 (2016: S$99,409). Resolution 2

3. To re-elect Mr Chan Chun Tat Ray pursuant to Article 91 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company.

(See Explanatory Notes) Resolution 3

4. To re-elect Mr Wong Shiu Wah Williamson pursuant to Article 91 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company.

(See Explanatory Notes) Resolution 4

5. To re-elect the following Directors pursuant to Article 97 of the Company's Constitution and who, being eligible, offer themselves for re-election, as a Director of the Company:

(i) Ms Cai Suirong Resolution 5
(ii) Mr Liu Zhiyang Resolution 6
(iii) Mr Wang Dongzhi Resolution 7
(iv) Mr Liu Ying Resolution 8

(See Explanatory Notes)

6. To re-appoint Messrs Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration.

Resolution 9

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:

7. THAT pursuant to Section 161 of the Companies Act (Chapter 50) and in accordance with the listing rules of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors to:

(a) (i) allot and issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion, deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

PROVIDED THAT:

(1) save as may otherwise be permitted by the SGX-ST, the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuant of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

    (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

    (ii) any subsequent bonus issue or consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Notes) Resolution 10

8. THAT authority be and is hereby given to the Directors to:

   (a) offer and grant options in accordance with the provisions of the Abterra Employee Share Option Scheme (the "**ESOS Scheme**"); and

   (b) allot and issue from time to time such number or ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the ESOS Scheme,

   PROVIDED THAT the aggregate number of ordinary shares to be issued pursuant to the ESOS Scheme shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company on the day preceding the relevant dates of grant of the option.

   (See Explanatory Notes) Resolution 11

9. To transact any other business that may be properly transacted at the Annual General Meeting of the Company.

BY ORDER OF THE BOARD

LIM KOK MENG
Company Secretary

Singapore
16 December 2019

Notes:

1. (a) A member of the Company ("**Member**") (other than a member who is a relevant intermediary) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies that has been executed by a Member, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof), must be deposited at the registered office of the Company at 7 Temasek Boulevard, #11-06 Suntec Tower 1, Singapore 038987, not less than 48 hours before the time appointed for the Annual General Meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request, and (iv) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a results of the member's breach of warranty.

Explanatory Notes:

Resolution 3

Mr Chan Chun Tat Ray will, upon re-election as a Director of the Company, remain as Chairman of the ESOS Committee and a member of the Remuneration Committee and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Resolution 4

Mr Wong Shiu Wah Williamson will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Resolution 5
Ms Cai Suirong will, upon re-election as a Director of the Company, remain as Chairman of the Board of Directors and a member of the Nominating Committee, and she will remain as an executive non-Independent Director of the Company.

Resolution 6
Mr Liu Zhiyang will, upon re-election as a Director of the Company, remain as an executive non-Independent Director of the Company.

Resolution 7
Mr Wang Dongzhi will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee, Remuneration Committee and ESOS Committee, and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Resolution 8
Mr Liu Ying will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee and ESOS Committee, and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Resolution 10
Resolutio 10, if passed, save as may otherwise be permitted by the SGX-ST, will empower the Directors of the Company to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of twenty percent (20%) for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Resolution 11
Resolution 11, if passed, will empower the Directors of the Company to offer and grant options and/or to issue shares in the capital of the Company pursuant to the Abterra Employee Share Option Scheme (the "**ESOS Scheme**") provided that the aggregate number of shares issued pursuant to the ESOS Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Ms. Cai Suirong, Mr. Liu Zhiyang, Mr. Wong Shiu Wah Williamson, Mr. Chan Chun Tat Ray, Mr. Wang Dongzhi and Mr. Liu Ying are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 31 December 2019 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name	**Cai Suirong**	**Liu Zhiyang**	**Wong Shiu Wah Williamson**
Date of Appointment	26 October 2017	1 September 2017	11 February 2010
Date of last re-appointment (if applicable)	N.A.	N.A.	11 May 2017
Age	54	44	58
Country of Principal Residence	China	China	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee ("**NC**") and after evaluating Ms Cai's qualifications and work experience, is of the view that Ms Cai has the requisite experience and capabilities to assume the duties and responsibilities as Executive Director and Chief Executive Officer of the Company.	The Board, having considered the recommendation of the NC and after evaluating Mr Liu's qualifications and work experience, is of the view that Mr Liu has the requisite experience and capabilities to assume the duties and responsibilities as Executive Director and Head of Trading of the Company.	The Board, having considered the recommendation of the NC and after evaluating Mr Wong's qualifications and work experience, is of the view that Mr Wong has the requisite experience and capabilities to assume the duties and responsibilities as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive; Ms Cai Suirong will be responsible for managing the Group and leading the Group in its business expansion.	Executive; Mr Liu will be responsible for the Company's trading activities and to generate revenue.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Board, member of NC and Chief Executive Officer	Executive Director and Head of Trading	Director and Chairman of Audit Committee ("**AC**")

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Cai Suirong	Liu Zhiyang	Wong Shiu Wah Williamson
Professional qualifications as well as working experience and occupation(s) during the past 10 years	Ms Cai has been a veteran of the coke and coal industry for more than 20 years and has established concrete business networks in the People's Republic of China, Thailand and South-East Asia industrial markets. Jul 2003 to present Director (Tianjin Haoan Mineral Co Ltd.) Oct 2017 to present Director (Abterra Ltd.) Oct 2010 to Jun 2017 Vice Chairperson (General Nice Investment (China) Limited) Mar 1992 to May 2016 Director (General Nice Development Limited) Sep 1997 to Mar 2016 Director (General Nice (Tianjin) Industry Co., Ltd.) Oct 1994 to Apr 2015 Director, General Manager of Tianjin General Nice Coke & Chemicals Co., Ltd. Oct 1994 to Mar 2015 Director (Shanxi Loudong General Nice Coking & Gas Co Ltd.) Feb 2010 to Apr 2013 Director (Abterra Ltd.)	Mr Liu holds a Ph.D. in Resource Development and Design from the China University of Mining and Technology. Sep 2017 to present Director (Abterra Ltd.) Mar 2014 to Aug 2017 Director (Beijing Sinonice Technology Development Ltd) Jan 2001 to Oct 2013 Department Director (主任) of Metal Minerals (China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters)	Mr Wong holds a Master degree in Business Administration from the Chinese University of Hong Kong and also a Master of Science degree in Information Systems from the Hong Kong Polytechnic University. He has been a fellow member of the Association of Chartered Certified Accountants since 1998. Dec 2013 to present Director (Davisons Consulting Limited) Feb 2010 to present Director (Abterra Ltd.)

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	**Cai Suirong**	**Liu Zhiyang**	**Wong Shiu Wah Williamson**
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Daughter of Mr Tsoi Ming Chi (a substantial shareholder of the Company) and sister of Mr Cai Sui Xin (a substantial shareholder of the Company).	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	Tianjin General Nice Coke & Chemicals Co., Ltd. Shanxi Loudong General Nice Coking & Gas Co Ltd. Abterra Ltd.	Beijing Sinonice Technology Development Ltd	Gold Tat Group International Limited (HKEx stock code:8266)
Present	Abterra Ltd. General Nice Development Limited General Nice (Tianjin) Industry Co., Ltd. Tianjin Haoan Mineral Co Ltd.	Abterra Ltd.	Abterra Ltd. Davisons Consulting Limited Davisons Corporate Services Limited Davisons Capital Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Cai Suirong	Liu Zhiyang	Wong Shiu Wah Williamson
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Cai Suirong	Liu Zhiyang	Wong Shiu Wah Williamson
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Cai Suirong	Liu Zhiyang	Wong Shiu Wah Williamson
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Cai Suirong	Liu Zhiyang	Wong Shiu Wah Williamson
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Cai Suirong	Liu Zhiyang	Wong Shiu Wah Williamson
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Information required **Disclosure applicable to the appointment of Director only.**			
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST: (continued)

Name	**Chan Chun Tat Ray**	**Wang Dongzhi**	**Liu Ying**
Date of Appointment	26 July 2010	24 July 2018	15 March 2019
Date of last re-appointment (if applicable)	13 May 2016	N.A.	N.A.
Age	59	50	36
Country of Principal Residence	China	China	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC and after evaluating Mr Chan's qualifications and work experience, is of the view that Mr Chan has the requisite experience and capabilities to assume the duties and responsibilities as Independent Director of the Company.	The Board, having considered the recommendation of the NC and after evaluating Mr Wang's qualifications and work experience, is of the view that Mr Wang has the requisite experience and capabilities to assume the duties and responsibilities as Independent Director of the Company.	The Board, having considered the recommendation of the NC and after evaluating Mr Liu's qualifications and work experience, is of the view that Mr Liu has the requisite experience and capabilities to assume the duties and responsibilities as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Director, Chairman of ESOS Committee and member of Remuneration Committee ("RC")	Director, Chairman of NC, and member of AC, RC and ESOS Committee	Director, Chairman of RC and member of AC, NC and ESOS Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	**Chan Chun Tat Ray**	**Wang Dongzhi**	**Liu Ying**
Professional qualifications as well as working experience and occupation(s) during the past 10 years	Mr Chan holds a Bachelor of Science in Business Administration and is also a Certified Financial Consultant and a Fellow Chartered Financial Practitioner. Mr Chan has been working in American International Assurance Co Ltd since 1980. For the past ten years, he has been a District Manager of the aforementioned company. Jul 2010 to present Director (Abterra Ltd.)	Mr. Wang holds two Executive Masters of Business Administration (EMBA) degrees, from China Europe International Business School (CEIBS) and Tianjin University respectively. 2010 to present CEO (ENN Group International Investment Limited); Director (ENN Group) Mar 2011 to present CFO, Executive Director (ENN Energy Holdings Limited) Jul 2018 to present Director (Abterra Ltd.) Feb 2010 to Oct 2012 Vice President, Executive Director (ENN Energy Holdings Limited) Aug 2000 to Feb 2010 Director of Finance, Deputy Chief Accountant, Vice President (ENN Energy Holdings Limited)	Mr. Liu holds a Ph.D. in Management Science and Engineering from the Graduate University of Chinese Academy of Sciences. Jul 2014 to present Associate professor (University of Chinese Academy of Sciences) Mar 2019 to present Director (Abterra Ltd.) Dec 2016 to Dec 2017 Visiting Scholar (Stanford University) Jul 2011 to Jul 2013 Post Doctorate (Graduate School of Chinese Academy of Sciences) Sep 2006 to Jun 2011 Doctoral student (Graduate School of Chinese Academy of Sciences)

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Chun Tat Ray	Wang Dongzhi	Liu Ying
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	Nil	ENN Energy Holdings Limited (listed in Hong Kong)	Nil
Present	Abterra Ltd.	Abterra Ltd. Executive Director, ENN Energy Holdings Limited (listed in Hong Kong) Director, ENN Group	Abterra Ltd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Chun Tat Ray	Wang Dongzhi	Liu Ying
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Chun Tat Ray	Wang Dongzhi	Liu Ying
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Chun Tat Ray	Wang Dongzhi	Liu Ying
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Chun Tat Ray	Wang Dongzhi	Liu Ying
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Information required **Disclosure applicable to the appointment of Director only.**			

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Chun Tat Ray	Wang Dongzhi	Liu Ying
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.

ABTERRA LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199903007C)

PROXY FORM –
TWENTIETH ANNUAL GENERAL MEETING

IMPORTANT

1. A relevant intermediary may appoint more than two (2) proxies to attend the Annual General Meeting.
2. For investors who have used their Central Provident Fund ("**CPF**") monies ("**CPF Investors**") and/or monies in the Supplementary Retirement Scheme (SRS) accounts ("**SRS Investors**") to buy Abterra Ltd.'s shares, this annual report and its enclosures are forwarded to you at the request of their CPF and/or SRS Approved Nominees (as the case may be) and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF Investors and SRS Investors may attend and cast their votes in person at the Annual General Meeting of the Company. If they are unable to attend but wish to vote, they may contact their CPF and/or SRS Approved Nominees to appoint the Chairman of the Annual General Meeting to act as their proxy.

I/We, ______________________________ (full name in capital letters)

NRIC No./Passport No./Company No. ______________________________

of ______________________________ (full address)

being a member/members of ABTERRA LTD. (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or failing him / her (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Twentieth Annual General Meeting (the "**AGM**") of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the Meeting to be held at **Raffles Marina, 10 Tuas West Drive Chartroom Level 2 Singapore 638404 on 31 December 2019 at 10.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting.

(Please indicate with an "X" in the spaces provided whether you wish to your vote(s) to be cast for or against the resolutions as set out in the Notice of the AGM).

	Ordinary Resolutions	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2017 and the Directors' Statement and the Auditors' Report thereon		
2.	To approve the Directors' fees of S$100,551 for financial year ended 31 December 2017 (2016: S$99,409)		
3.	Re-election of Mr Chan Chun Tat Ray pursuant to Article 91 of the Company's Constitution		
4.	Re-election of Mr Wong Shiu Wah Williamson pursuant to Article 91 of the Company's Constitution		
5.	Re-election of Ms Cai Suirong pursuant to Article 97 of the Company's Constitution		
6.	Re-election of Mr Liu Zhiyang pursuant to Article 97 of the Company's Constitution		
7.	Re-election of Mr Wang Dongzhi pursuant to Article 97 of the Company's Constitution		
8.	Re-election of Mr Liu Ying retiring pursuant to Article 97 of the Company's Constitution		
9.	Re-appointment of Messrs. Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration		
	Special Business		
10.	To authorise the Directors to allot / issue new shares.		
11.	To authorise the Directors to offer / grant options and allot and issue shares pursuant to Abterra Employee Share Option Scheme		

Dated this ______________ day of ______________ 2019.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(a) Register of Members	

____
Signature(s) or Common Seal of Member
Or, Common Seal of Corporate Member

*Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289)), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and shares registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member of the Company (other than a member who is a relevant intermediary) entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of the proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 7 Temasek Boulevard #11-06 Suntec Tower 1 Singapore 038987, not less than 48 hours before the time appointed for the holding of the meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

6. Where the instrument appointing a proxy is signed by an attorney, the letter or power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) be stamped and be lodged with the instrument of proxy at the registered office of the Company, not less than 48 hours before the time for holding the meeting and/or any adjournment thereof at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, (Chapter 50) of Singapore.

8. In the case of joint holders of shares, any one of such persons may vote, but if more than one of such persons is present at the AGM, the person whose name stands first on the Register of Members or (as the case may be) in the Depository Register shall alone be entitled to vote.

9. Any alteration made to the instrument of proxy should be initialled by the person who signs it.

General: The sending of a Proxy Form by a Member does not preclude him from attending and voting in person at the meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked. The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies lodged if such members being the appointor, is not shown to have shares entered against his names in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman, Executive Director and Chief Executive Officer
Ms Cai Suirong

Executive Director
Mr Liu Zhiyang

Independent Directors
Mr Wong Shiu Wah Williamson
Mr Chan Chun Tat Ray
Mr Wang Dongzhi
Mr Liu Ying

Company Secretary
Mr Lim Kok Meng

Audit Committee
Mr Wong Shiu Wah Williamson (Chairman)
Mr Wang Dongzhi
Mr Liu Ying

Nominating Committee
Mr Wang Dongzhi (Chairman)
Ms Cai Suirong
Mr Liu Ying

Remuneration Committee
Mr Liu Ying (Chairman)
Mr Chan Chun Tat Ray
Mr Wang Dongzhi

Employee Share Option Scheme Committee
Mr Chan Chun Tat Ray (Chairman)
Mr Wang Dongzhi
Mr Liu Ying

Auditors
Foo Kon Tan LLP
Public Accountants and Chartered Accountants
24 Raffles Place #07-03
Clifford Centre Singapore 048621

Audit Partner
Mr Chin Sin Beng
Since financial year ended 31 December 2017

Principal Banker
United Overseas Bank Limited

Registrar
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

Investor Relations
Email: ir@abterra.com.sg
Website: www.abterra.com.sg

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199903007C

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