ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the second quarter ended 30 June 2016

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

		THE GROUP					
		Quarter ended 30 June			Half year ended 30 June		
	Note	2016 S$'000	2015 S$'000	Changes %	2016 S$'000	2015 S$'000	Changes %
Revenue		-	-	**NM**	-	-	**NM**
Cost of sales		-	-	NM	-	-	NM
Gross profit		-	-	**NM**	-	-	**NM**
Other operating income		409	(671)	NM	1,402	766	83%
Administrative expenses		(682)	(878)	-22%	(1,450)	(2,039)	-29%
Other operating expenses		(1,717)	(316)	443%	(4,150)	(473)	777%
Finance costs		(345)	(183)	89%	(464)	(416)	12%
Share of results of associates		(5)	56	NM	(409)	255	NM
Loss before tax		**(2,340)**	**(1,992)**	**17%**	**(5,071)**	**(1,907)**	**166%**
Income tax		5	(14)	NM	(8)	(14)	-43%
Loss after tax	**1**	**(2,335)**	**(2,006)**	**16%**	**(5,079)**	**(1,921)**	**164%**
Other comprehensive income/(loss):							
Components of other comprehensive income that will not be reclassified to profit or loss, net of taxation							
Gain on property revaluation		-	-	NM	149	-	NM
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation							
Exchange differences on translating foreign operations		255	(775)	NM	527	2,319	-77%
Total comprehensive (loss)/income for the period		**(2,080)**	**(2,781)**	**-25%**	**(4,403)**	**398**	**NM**
Loss for the period attributable to:							
Owners of the Company		**(2,326)**	**(1,997)**	**16%**	**(5,060)**	**(1,902)**	**166%**
Non-controlling interests		(9)	(9)	0%	(19)	(19)	0%
		(2,335)	**(2,006)**	**16%**	**(5,079)**	**(1,921)**	**164%**
Total comprehensive income/(loss) for the period attributable to:							
Owners of the Company		**(2,181)**	**(2,510)**	**-13%**	**(4,665)**	**40**	NM
Non-controlling interests		101	(271)	NM	262	358	-27%
		(2,080)	**(2,781)**	**-25%**	**(4,403)**	**398**	**NM**

NM – not meaningful

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

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

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Reversal of impairment of investment in associate	(221)	-	(937)	-
Interest expense	344	183	462	416
Depreciation of property, plant and equipment	58	155	142	311
Loss/(Gain) on disposal of property, plant and equipment	-	6	(43)	6
Net exchange loss/(gain)	1,659	1,100	4,007	155

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

	THE GROUP		THE COMPANY	
	30 Jun 2016 (Unaudited) S$'000	31 Dec 2015 (Audited) S$'000	30 Jun 2016 (Unaudited) S$'000	31 Dec 2015 (Audited) S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,462	7,562	6,458	7,559
Investments in subsidiaries	-	-	3	3
Investments in associates	-	-	-	-
Available-for-sale financial asset	8,886	8,886	8,886	8,886
Intangibles assets	325	325	-	-
Investment properties	31,908	30,800	31,908	30,800
Total non-current assets	**47,581**	**47,573**	**47,255**	**47,248**
Current assets				
Trade receivables	93	98	-	-
			-	-
Other receivables, deposits and prepayments	60,455	63,933	108,884	113,040
Income tax recovable	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Cash and cash equivalents	162	453	46	293
Total current assets	**60,710**	**64,484**	**108,930**	**113,333**
TOTAL ASSETS	**108,291**	**112,057**	**156,185**	**160,581**
EQUITY				
Capital and reserves and non-controlling interests				
Share capital	250,805	250,805	250,805	250,805
Reserves	(174,788)	(170,123)	(179,171)	(176,666)
Non-controlling interests	(3,988)	(4,250)	-	-
Total equity	**72,029**	**76,432**	**71,634**	**74,139**
LIABILITIES				
Current liabilities				
Other payables and accruals	19,717	18,432	68,037	69,280
Income tax liabilities	127	261	112	247
Borrowings	15,611	16,124	15,611	16,124
Total current liabilities	**35,455**	**34,817**	**83,760**	**85,651**
Non-current liabilities				
Employee benefit obligation	16	17	-	-
Deferred tax liabilities	791	791	791	791
Total non-current liabilities	**807**	**808**	**791**	**791**
Total liabilities	**36,262**	**35,625**	**84,551**	**86,442**
TOTAL EQUITY AND LIABILITIES	**108,291**	**112,057**	**156,185**	**160,581**

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

Amount repayable in one year or less, or on demand

As at 30.6.2016 (Unaudited)		As at 31.12.2015 (Audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
13,611	2,000	14,124	2,000

Amount repayable after one year

As at 30.6.2016 (Unaudited)		As at 31.12.2015 (Audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	-	-	-

Details of any collaterals:

The Group's borrowings are secured by the following:

- Legal mortgage over the Group's properties.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Loss before tax	**(2,340)**	**(1,992)**	**(5,071)**	**(1,907)**
Adjustments for:				
Depreciation of property, plant and equipment	58	155	142	311
Loss/(gain) on disposal of property, plant and equipment	-	6	(43)	6
Reversal of impairment of investment in associate	(221)	-	(937)	-
Interest expense	344	181	462	413
Share of results of associates	5	(56)	409	(255)
Unrealised exchange loss	1,671	1,024	3,983	19
Operating loss before working capital changes	**(483)**	**(682)**	**(1,055)**	**(1,413)**
Decrease/(increase) in:				
Other receivables, deposits and prepayments	231	(20)	378	206
Increase/(decrease) in:				
Other payables and accruals	42	(157)	(83)	(139)
Cash used in operations	**(210)**	**(859)**	**(760)**	**(1,346)**
Interest expense paid	(312)	(181)	(370)	(413)
Dividend received	-	-	13	-
Income tax paid	(97)	(11)	(143)	(37)
Net cash used in operating activities	**(619)**	**(1,051)**	**(1,260)**	**(1,796)**
Cash flows from investing activities:				
Proceeds from disposal of items of property, plant and equipment	-	7	43	7
Deposit received for disposal of investment properties	896	-	896	-
Net cash generated from investing activities	**896**	**7**	**939**	**7**
Cash flows from financing activities:				
Proceeds from a new loan	-	2,000	-	2,000
Repayment of borrowings	(336)	(377)	(513)	(742)
Advance from the immediate holding company	12	193	543	368
Net cash (used in)/generated from financing activities	**(324)**	**1,816**	**30**	**1,626**
Net (decrease)/increase in cash and cash equivalents	**(47)**	**772**	**(291)**	**(163)**
Cash and cash equivalents at beginning of period	209	720	453	1,655
Cash and cash equivalents at end of period	**162**	**1,492**	**162**	**1,492**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to the equity holders of the Company							
THE GROUP	**Share capital S$'000**	**Asset revaluation reserve S$'000**	**Share options reserve S$'000**	**Foreign currency translation reserve S$'000**	**Accumulated losses S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Balance as at 1 January 2016	**250,805**	**329**	**1,683**	**4,814**	**(176,949)**	**80,682**	**(4,250)**	**76,432**
Total comprehensive income/(loss) for the period	-	149	-	101	(2,734)	**(2,484)**	161	**(2,323)**
Balance as at 31 March 2016	**250,805**	**478**	**1,683**	**4,915**	**(179,683)**	**78,198**	**(4,089)**	**74,109**
Total comprehensive income/(loss) for the period	-	-	-	145	(2,326)	**(2,181)**	101	**(2,080)**
Balance as at 30 June 2016	**250,805**	**478**	**1,683**	**5,060**	**(182,009)**	**76,017**	**(3,988)**	**72,029**
Balance as at 1 January 2015	**250,805**	**-**	**1,683**	**2,430**	**(125,935)**	**128,983**	**15,256**	**144,239**
Total comprehensive income for the period	-	-	-	2,455	95	**2,550**	629	**3,179**
Balance as at 31 March 2015	**250,805**	**-**	**1,683**	**4,885**	**(125,840)**	**131,533**	**15,885**	**147,418**
Total comprehensive loss for the period	-	-	-	(513)	(1,997)	**(2,510)**	(271)	**(2,781)**
Balance as at 30 June 2015	**250,805**	**-**	**1,683**	**4,372**	**(127,837)**	**129,023**	**15,614**	**144,637**

THE COMPANY	**Share capital S$'000**	**Asset revaluation reserve S$'000**	**Share options reserve S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
Balance as at 1 January 2016	**250,805**	**329**	**1,683**	**(178,678)**	**74,139**
Total comprehensive income/(loss) for the period	-	149	-	(768)	**(619)**
Balance as at 31 March 2016	**250,805**	**478**	**1,683**	**(179,446)**	**73,520**
Total comprehensive loss for the period	-	-	-	(1,886)	**(1,886)**
Balance as at 30 June 2016	**250,805**	**478**	**1,683**	**(181,332)**	**71,634**
Balance as at 1 January 2015	**250,805**	**-**	**1,683**	**(118,838)**	**133,650**
Total comprehensive loss for the period	-	-	-	(273)	**(273)**
Balance as at 31 March 2015	**250,805**	**-**	**1,683**	**(119,111)**	**133,377**
Total comprehensive loss for the period	-	-	-	(831)	**(831)**
Balance as at 30 June 2015	**250,805**	**-**	**1,683**	**(119,942)**	**132,546**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares that held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- There were no changes in the Company's share capital during the period.
- There were no shares that may be issued on conversion or held as treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year:-

No. of issued & fully paid ordinary shares	
As at 31 December 2015 and 30 June 2016	244,274,150

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 June 2016.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been reviewed nor audited.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared to the audited financial statements as at 31 December 2015 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2016. The adoption of these FRS has no material impact on the Group's and the Company's financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4.

6. Earnings/(Loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2016 S cents	2015 S cents	2016 S cents	2015 S cents
Earnings/(Loss) per ordinary share for the period				
(i) Based on weighted average number of ordinary shares in issue	(0.95)	(0.82)	(2.07)	(0.78)
- Weighted average number of shares	244,274,150	244,274,150	244,274,150	244,274,150
(ii) On a fully diluted basis	(0.95)	(0.82)	(2.07)	(0.78)
- Weighted average number of shares	244,274,150	244,274,150	244,274,150	244,274,150

Earnings/(Loss) per ordinary share is calculated from dividing the Group's net profit/(loss) attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the financial period.

7. Net asset value (for the issuer and group) per ordinary share based on total number of shares excluding treasury shares of the issuer at the end of the

(a) current financial period reported on; and

(b) immediately preceding financial year.

	THE GROUP		THE COMPANY	
	30 Jun 2016 S cents	31 Dec 2015 S cents	30 Jun 2016 S cents	31 Dec 2015 S cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	29.5	31.3	29.3	31.2

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 June 2016 of 244,274,150 ordinary shares (31 December 2015: 244,274,150 ordinary shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

Revenue and gross profit remained as zero since 1Q 2015 as no sales were made during the period under review.

Other operating income

Other operating income in the first half year 2015 increased by approximately S$0.6 million to S$1.4 million, as compared to S$0.8 million for the corresponding period in 2015. The increase was mainly attributable to the S$0.9 million reversal of impairment of investment in associate in first half year 2016, net of the absence of certain sundry income items in 2015.

Administrative expenses

Administrative expenses decreased from S$2.0 million in the corresponding period in 2015 to S$1.4 million in the first half year 2016. This was mainly due to the decrease in staff cost and tighter costs control on general administrative expenses.

Other operating expenses

Other operating expenses increased from S$0.5 million in the corresponding period in 2015 to S$4.1 million in the first half year 2016. This was mainly due to an increase in net foreign exchange loss from S$0.2 million to S$4.0 million.

Share of results of associates

The share of results of associates decreased by S$0.7 million from the corresponding period in 2015, mainly due to the increase in loss shared from one of the associates, namely Tianjin Lant Development Ltd, as its trading volume decreased.

Loss for the year

In view of the above, the Group recorded loss after tax of S$5.1 million for the half year ended 30 June 2016, as compared to loss after tax of S$1.9 million for the corresponding period in 2015.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (continued)

Review of Consolidated Statement of Financial Position

Cash and cash equivalents

Cash and cash equivalents of the Group decreased from S$0.5 million at as 31 December 2015 to S$0.2 million as at 30 June 2016. See the Review of Consolidated Statement of Cash Flows.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments decreased from S$63.9 million as at 31 December 2015 to S$60.5 million as at 30 June 2016. The decrease is mainly due to exchange translation difference on consolidating deposits denominated in Renminbi.

Other payables and accruals

Other payables and accruals increased by S$1.3 million from S$18.4 million as at 31 December 2015 to S$19.7 million as at 30 June 2016. The increase was mainly due to a S$0.9 million deposit received for the disposal of certain investment properties.

Review of Consolidated Statement of Cash Flows

Net cash used in operating activities was S$1.3 million for the first half year 2016 compared to S$1.8 million in the corresponding period of 2015. The net cash outflow was mainly due to the payment of various administrative and operating expenses.

Net cash generated from investing activities was S$0.9 million for the first half year 2016 compared to S$7,000 in the corresponding period of 2015. The increase was mainly due to the S$0.9 million deposit received for disposal of investment properties.

Net cash generated from financing activities was S$30,000 for the first half year 2016 compared to S$1.6 million in the corresponding period of 2015. The decrease was mainly due to the absence of proceeds from new loan, as well as decrease in repayment of bank borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's lack of financial facilities continues to affect Abterra's ability to conduct its core trading business, and the Group expects its business environment to remain challenging.

To ensure the Group's continuity, the Board of Directors has been actively looking out for alternative revenue sources. In regards to prior announcements made in relation to the proposed acquisition of a commercial property in Beijing, PRC (the "acquisition"), the Board had on June 30, 2016 entered into a second extension letter to extend the long-stop date to December 31, 2016. Additionally, as advised by SGX, Abterra had in 5 July 2016 withdrawn the circular submitted to SGX in relation to the aforesaid acquisition, and will be seeking to resubmit the circular when ready. When completed, the addition of the property business will allow the Group to diversify into property investment, property holding and property development. The Group will make the appropriate announcements on any further developments in respect of the proposed acquisition as it arises.

Earlier this month, the Board has approved a plan for the divestment of the Company's investment property of three office units located in Suntec City Tower 1 which would provide the Company with cash proceeds of S$11.4 million ("the Proposed Disposal"). This is subject to the approval of the Company's shareholders at an extraordinary general meeting of the Company ("EGM") to be convened. Upon completion of the Proposed Disposal, the proceeds from the Proposed Disposal would be used to reduce bank borrowings and general working capital. The Company will cease to have any operating business and will be deemed as a cash company.

The Company will make the necessary announcements when there are further developments on the Proposed Disposal and other matters contemplated by this announcement. (Refer to the SGXNet announcement dated 5 August 2016 for further details.)

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended by the Board of Directors.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs").

14. Negative assurance confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the period ended 30 June 2016 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Group has procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
12 August 2016