ABTERRA

Bringing you the earth's resources

ANNUAL REPORT 2014

TRANSFORMATION

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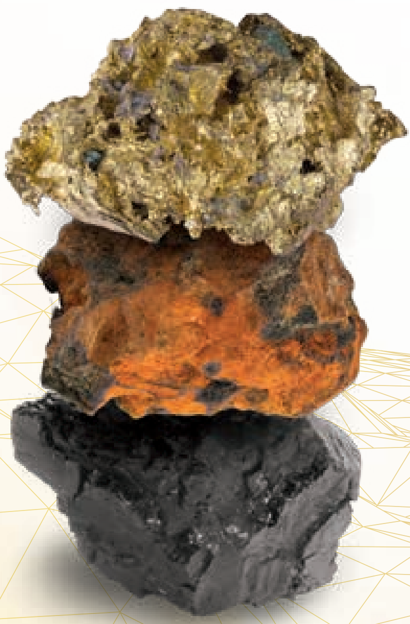


CORPORATE PHILOSOPHY

Abterra's fundamental approach to business is to create sustainable long-term growth for our customers, our business partners, our employees and our shareholders through our distinctive core values:

AGILITY

We constantly train and develop our employees into active and nimble individuals to cater to our customers, our business partners and our stakeholders' needs.

RELIABILITY

We aim to provide services that are unsurpassed in quality and reliability through the vertical integration of resources into a competitive cost execution for an all-rounded service.

INTEGRITY

We honor our promises and build bridges of trust with our clients, business partners and stakeholders.
We set high ethical standards and work with the highest level of integrity that is intrinsic to our culture.

PROFESSIONALISM

We take pride in our high standards of professionalism. From understanding our clients' needs at an intimate level to building strong rapport with our business partners, we work towards the achievement of honor.

With the corporate philosophy in mind, Abterra commits to the core business to pursue a balanced and healthy growth. We deliver the best products and the best services to continuously meet the demands of our clients.

CORPORATE PROFILE

ABTERRA is an emerging supply chain manager in the natural resources business, trading in iron ore, coking coal and coke. Abterra aims to differentiate itself through its core strategy of vertical integration and by pursuing sustainable long-term growth in the Chinese and international markets.

In October 2006, General Nice Resources (Hong Kong) Limited acquired a majority stake in Abterra and became its controlling shareholder. Tapping on the competitive advantage of General Nice Resources (Hong Kong) Limited, Abterra is able to leverage on its parent company's concrete branding and expertise in establishing a strong network in China, welcoming extensive investment opportunities.

In September 2011, Abterra successfully gained shareholders' approval for the addition of the property and minerals businesses to its core trading business. The addition of the property business allows the Company to diversify into property investment, property holding and property development. The inclusion of the minerals business further enables the Company to branch into the business of owning and development of mines, including the mining, exploration, exploitation, production, sale and trading of minerals, resources and commodities. Addition of these new businesses strengthens Abterra's ability to achieve long-term growth under different economic conditions and reinforces its strategy of vertical integration.

Abterra – the Latin translation of "Fruits of the Earth" – has been listed on the SGX Mainboard since 2 June 1999.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Abterra Ltd ("Abterra", or the "Company" and together with its subsidiaries, the "Group"), I am pleased to present Abterra's annual report for the financial year ended 31 December 2014 ("FY2014").

FY2014: Ensuring Business Sustainability
During the year, we leveraged on our internal financial resources and wide network of trading partners to grow our iron ore trading and coal trading businesses organically. As a result of the Group's efforts, revenue increased 186.5% to S$49.0 million in FY2014 from S$17.1 million in FY2013. Gross profit improved 174.5% to S$3.7 million in FY2014 from S$1.3 million in FY2013.

Loss for the year attributable to equity holders of the Company totalled S$50.2 million in FY2014 compared to profit of S$5.4 million in FY2013. This decrease was mainly due to the provision for doubtful debts on deposits of S$36.5 million in FY2014 and the S$21.0 million increase in share of loss of associates from S$1.8 million in FY2013 to S$22.8 million in FY2014. Provision for doubtful debts was made on the deposits balance of S$79.5 million as the fair value of the security shared by the Group was lower than the outstanding balance.

In addition, the increase in share of loss of associates was mainly due to the fair value losses recorded by Shanxi Fenxi Ruitai Zhengzhong Coal Limited as a result of the decrease in coal mine valuation.

Loss per share for FY2014 was 20.54 Singapore cents in FY2014, compared to earnings per share of 2.20 Singapore cents in FY2013. Net asset value per share as at 31 December 2014 was 59.0 Singapore cents compared to 83.9 Singapore cents as at 31 December 2013.

As part of our diversification strategy to strengthen Abterra's ability to achieve long-term growth, the Group has been actively exploring growth opportunities in the regional real estate sector including but not limited to property investment, property holding and property development.

In December 2014, Abterra entered into a non-binding Memorandum of Understanding with Full Winner Industrial (Overseas) Limited for the proposed acquisition of Smart Harmony Investment Limited ("Smart Harmony"). Smart Harmony owns a commercial property located in Beijing, People's Republic of China ("PRC"). The proposed acquisition presents the Group with an opportunity to enter the property market in the PRC whilst providing Abterra with an alternative income stream.

Outlook

The Group remains cognisant of the challenging market outlook for its core trading business as major iron ore producers continue to boost supply of iron ore in an oversupplied global market[1]. Falling oil prices and a stronger United States dollar are also expected to apply downward pressure on iron ore prices in 2015[2]. Nonetheless, the China Metallurgical Industry Planning and Research Institute forecasted that domestic demand for steel in the PRC will grow 1.4% to reach 720.0 million tonnes in 2015[3].

Moving forward, the Group intends to continue to pursue its strategy of becoming a vertically integrated supply chain manager of resources to enhance shareholders' value in the long run. To ensure the sustained growth of its core business, Abterra will continue to optimise its internal resources and capitalise on its capabilities and established presence in the PRC market.

On the property market front, the PRC property market is likely to stabilise in the upcoming year as the government implements tailored, market-based policies to guide stable and healthy development of the industry[4]. Regionally, outlook for the Asia Pacific property market is positive and expected to outperform the global average in 2015 according to a 2015 Asia Pacific Real Estates Outlook report by CBRE, a leading commercial property and real estate services adviser[5].

Going forward, Abterra will continue to explore new growth opportunities in the property sector to expand and augment its income stream.

Appreciation

On behalf of the Board, I would like to thank all shareholders for their unwavering support and confidence in Abterra. We would also like to extend our heartfelt thanks to our directors and employees for their hard work and dedication which has contributed to the success of the Group.

We look forward to your continued support in the coming years as we work diligently towards the growth of the business and achieve long-term growth.

Cai Sui Xin
Executive Chairman

1 *"Iron ore giants to boost supply despite surplus", The Business Times, 10 Mar 2015*
2 *"Why iron ore won't rebound any time soon", CNBC, 26 Jan 2015*
"http://www.cnbc.com/id/102370542#.
3 *"China to stabilize property market in 2015", Xinhua, 6 Mar 2015*
http://english.gov.cn/news/top_news/2014/12/03/content_281475018841982.htm
4 *"China to stabilize property market in 2015", Xinhua, Mar 6, 2015*
http://www.ecns.cn/business/2015/03-06/156939.shtml
5 *"Asia Pacific Property Markets to Outperform World Average", World Property Journal,13 Feb 2015*
http://www.worldpropertyjournal.com/real-estate-news/hong-kong/asia-property-market-report-2015-cbre-china-property-data-2015-japan-real-estate-data-2015-apac-real-estate-markets-outlook-dr-henry-chin-8865.php

主席致辞

各位尊敬的股东，

我谨代表天益有限公司全体董事，欣然为您呈献天益公司截至2014年12月31日财政年度（「2014财年」）年度报告。

2014财年：确保业务可持续发展

在过去的一年中，我们利用内部财务资源和广泛贸易网络有组织地开展铁矿石和煤炭贸易业务。通过集团上下的齐心努力，2014财年集团收入达到4900万新元,比2013年同期的1710万新元猛增186.5%。毛利也由2013年的130万新元增长到370万新元，增幅高达174.5%。

2014财年股东利润亏损总额为5020万新元，2013财年赢利540万新元。

利润下降的主要原因是2014财年3650万新元的存款呆账准备以及增加2,100万新元摊占联营公司亏损额由2013年的180万新元增长至2014年的2280万新元。呆账准备是由于集团股票公允价值低于未偿还余额，在押金余额7949.8万新元的基础上产生的。此外，摊占联营公司亏损额主要是由山西汾西瑞泰正中煤业有限公司公允价值下降引起的，这主要归咎于煤炭价格下跌。

2014财年每股亏损新币20.54分，2013财年每股收益2.20分。截至2014年12月31日每股净资产值为59.0分，2013年同期为83.9分。

以多元化战略为准则，为实现天益公司长期增长目标，集团一直积极寻求机会拓展地区房地产业务，其中包括但不限于物业投资，物业持有及物业发展。

在2014年12月，天益与满孚工业（海外）有限公司签订谅解备忘录,拟收购Smart Harmony投资有限公司。Smart Harmony在中国北京拥有商业地产。这项拟收购的提出为集团提供了机会进军蓬勃的中国房地产市场，同时也给天益带来了替代收入来源。

展望

由于在全球铁矿石供应过剩的情况下各主要铁矿石生产商继续增加供给，因此集团对于其核心贸易业务市场前景任持谨慎态度。油价下跌和美国走强预计也会在2015对铁矿石价格价格带来下行压力。尽管如此，中国冶金工业规划研究院预计，2015年钢材在中国国内的需求将增长1.4%，达到7亿2000万吨。

展望未来，集团将继续致力于成为资源垂直整合供应链管理者的战略，以提高长期股东收益。为确保其核心业务的持续增长，天益将继续优化内部资源，并更好的运用其在中国市场上已建立的良好资源网络。

在房地产方面，中国楼市预计将是稳定发展的一年，这主要得益于政府实施量身定制、以市场为基础的政策，以引导行业的稳定发展。从地区来看，亚太房地产展望积极，根据一家领先的商业地产和房地产服务顾问世邦魏理仕的2015年亚太地区房地产展望报告预计，2015年亚太地区房地产将跑赢全球平均水平。

展望未来，天益将继续寻求房地产行业新的增长机会，以扩大和增加其收入来源。

感谢

我谨代表公司董事会，感谢全体股东的一如既往的支持和对天益信心。我还要衷心感谢公司董事和员工的辛勤工作和奉献精神，集团的成功离不开各位同仁的努力。

我们期待您在未来几年的继续支持，我们也必将努力工作，致力于业务增长，实现长期成长目标。

蔡穗新

执行主席

BOARD OF DIRECTORS

CAI SUI XIN

Executive Chairman
& Executive Director

Mr. Cai Sui Xin, 53, joined the Board in October 2006 as the Managing Director and was appointed as the Executive Chairman in November 2006.

Mr. Cai founded General Nice Development Limited in 1992 and went on to establish other related companies under the General Nice Group. Under the leadership of Mr. Cai, the Group became one of China's largest producers and operators of metallurgy coke. To date, its subsidiaries have won honorable titles such as "People Republic of China's Foreign Investment Enterprise of Double Excellence", and "Best Foreign Investment Enterprise in Tianjin".

Mr. Cai is also the Chairman and Executive Director of Loudong General Nice Resources (China) Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited.

LIN XIZHONG

Executive Vice-Chairman
& Executive Director

Mr. Lin Xizhong, 69, joined the Board in February 2007 as Executive Director and Vice Chairman.

Prior to joining General Nice Development Limited as Vice-Chairman, he was the Senior Vice President of China Minmetals Corporation. Mr. Lin has more than 30 years experience in international trade, resources investment, banking and finance.

LAU YU

Chief Executive Officer
& Executive Director

Mr. Lau Yu, 46, joined the Board of Directors in October 2006 as an Executive Director and was appointed as Chief Executive Officer in November 2006.

Earlier in 2002, Mr. Lau became a shareholder and director of General Nice Resources (Hong Kong) Limited, a subsidiary of the General Nice Group.

With many years of solid experience in the international trading of raw materials, including steel, coal, coke and iron ore, Mr. Lau expanded the Group's iron ore business through the development of strong relationships with customers in India, Australia, South Africa, Venezuela and Brazil. His strong finance background positions him in a strategic position to contribute to the establishment of a sound financial foundation for the Group.

Mr. Lau is also an Executive Director of Loudong General Nice Resources (China) Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited.

WONG SHIU WAH WILLIAMSON

Independent Director & Chairman of Audit Committee

Mr. Wong Shiu Wah Williamson, 54, joined the Board of Directors in February 2010. He is presently the Chairman of the Audit Committee and a member of the Nominating Committee, Remuneration Committee as well as the Employee Share Option Scheme 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.

CHEW BAN CHUAN VICTOR MARK

Independent Director & Chairman of Remuneration Committee and Employee Share Option Scheme Committee

Mr. Chew Ban Chuan Victor Mark, 44, joined the Board in May 2004. He is presently the Chairman of the Remuneration Committee and Employee Share Option Scheme Committee and a member of the Audit and Nominating Committees.

Mr. Chew currently holds a directorship in J Worthing Pte. Ltd., a company that specialises in precious metals and commodities trading. Prior to that, Mr Chew was the Group General Manager of a listed company on the mainboard of the Singapore Exchange Securities Trading Limited and a director of several of its subsidiaries. Mr. Chew holds a Bachelor of Law (Hons) degree from the National University of Singapore and has extensive knowledge and experience in mergers and acquisitions. He is also actively involved in community services and sits in several committees.

CHAN CHUN TAT RAY

Independent Director & Chairman of Nominating Committee

Mr. Chan Chun Tat Ray, 56, joined the Board in July 2010. He is presently the Chairman of the Nominating Committee and a member of the Audit Committee, Remuneration Committee and Employee Share Scheme Option 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.

SENIOR MANAGEMENT

JOHN BAEY YAM CHYE

Group General Manager

Mr. Baey joined the Group in October 2006 and is responsible for the Group's corporate management and human resource function. Mr. Baey has extensive experience in corporate management and accumulated more than 30 years of experience in the trading and marketing of commodities.

Prior to joining the Group, Mr. Baey was the Managing Director of J-Tech Supply Pte Ltd since 1999. He is responsible for the running of the company's operations and trading of industrial bolts and nuts for the oil and gas industry. In 1990, he was appointed the Executive Vice President of American International Industries Ltd., Moscow, overseeing the trading of steel products, coke and coal to China and Asia Pacific region.

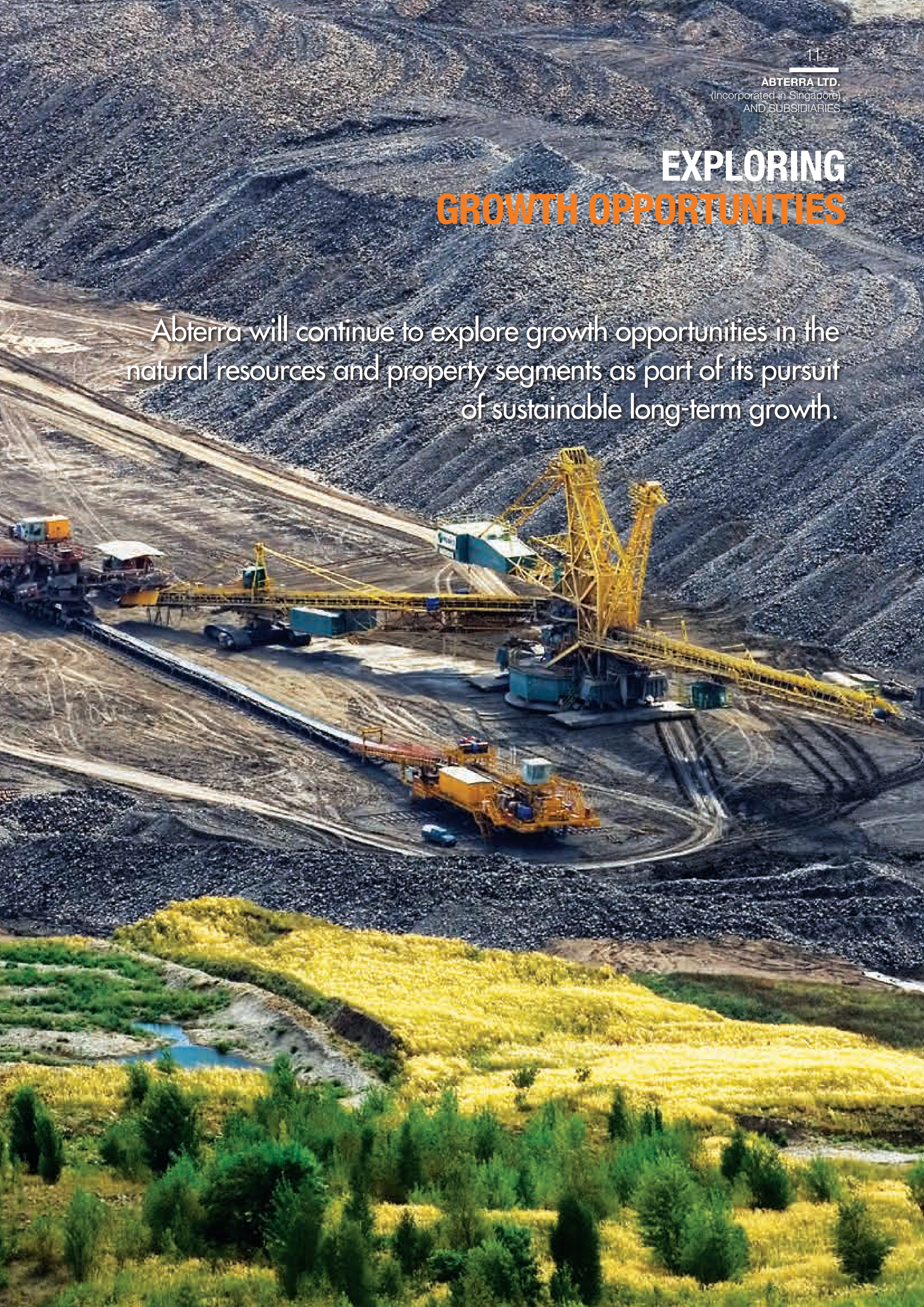
LI CHUN KWONG

Financial Controller

Mr. Li joined the Group in July 2011 and was appointed as the financial controller of the Group in December 2014. Mr. Li is a member of Hong Kong Institute of Certified Public Accountants and holds a Bachelor of Business Administration in Business Economics from City University of Hong Kong. Prior to joining the Group, Mr. Li has intensive working experience in auditing and accounting acquired from international accounting firms.

EXPLORING GROWTH OPPORTUNITIES

Abterra will continue to explore growth opportunities in the natural resources and property segments as part of its pursuit of sustainable long-term growth.



OPERATING COMPANIES

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#102/1, 17th C Main,
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STRENGTHENING OUR FOOTHOLD

The Group continues to push ahead with our strategy to be a vertically integrated supply chain manager of resources in the Asia Pacific region.

CORPORATE STRUCTURE

ABTERRA

100%

ABTERRA MACAO COMMERCIAL OFFSHORE LTD.
Offshore trading arm in minerals & resources

100%

ABTERRA RESOURCES PTE. LTD.
Local trading arm in minerals & resources

100%

PT. ABTERRA RESOURCES INDONESIA
Iron ore processing operation in Indonesia

100%

ABTERRA MINERAL RESOURCES INDIA PRIVATE LIMITED
Stockpile and trading of iron ore, coal and coke

100%

ABTERRA AUSTRALIA PTY LIMITED
Holds the mining rights to Broula iron ore mine, which has an estimated reserves of 1.4 million metric tonnes of magnetite iron

45%

TIANJIN LANT DEVELOPMENT CO. LTD.
Logistics business, mainly engaged in bulk handling of iron ore, coke and coal

24.01%

SHANXI FENXI RUITAI ZHENGZHONG COAL LIMITED
Coal mine with annual capacity of 900,000 metric tons

22.8%

ZUOQUAN XINRUI METALLURGY MINE CO. LTD.
Iron ore mine with annual production capacity of 400,000 metric tons

15%

ZUOQUAN YONGXING COAL COMPANY LIMITED
Coal mine with annual capacity of 900,000 metric tons

3 YEAR
FINANCIAL STATEMENTS

Group	2014	2013	2012
	$'000	$'000	$'000
Turnover	49,005	17,113	12,334
Operating profit/(loss)	(36,755)	8,128	(9,464)
Financial cost	(1,200)	(2,003)	(1,901)
Share of results of associates	(22,833)	(1,754)	2,284
Profit/(loss) before tax	(60,788)	4,371	(9,081)
Income tax	(2)	(55)	(187)
Profit/(loss) for the year	(60,790)	4,316	(9,268)
Non-controlling interests	(10,620)	(1,106)	(877)
Profit/(loss) attributable to shareholders	(50,170)	5,422	(8,391)
Basic profit/(loss) per ordinary share (cents)	(20.54)	2.20	(3.42)
Total equity:			
Share capital	250,805	250,805	254,664
Reserves	(121,822)	(71,350)	(81,845)
Equity attributable to owners of the Company	128,983	179,455	172,819
Non-controlling interests	15,256	25,393	24,769
Capital employed	144,239	204,848	197,588
Represented by:			
Non-current assets	112,168	188,043	139,783
Current assets	63,723	104,408	132,733
Current liabilities	(30,834)	(86,793)	(74,304)
Net current assets	32,889	17,615	58,429
Total assets less current liabilities	145,057	205,658	198,212
Non-current liabilities	(818)	(810)	(624)
Net assets	144,239	204,848	197,588
Net asset value per ordinary share (dollars)	0.590	0.839	0.800

TURNOVER ($'000)

PROFIT/(LOSS) BEFORE TAX ($'000)

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY ($'000)

BASIC PROFIT/(LOSS) PER ORDINARY SHARE (CENTS)

NET ASSET VALUE PER ORDINARY SHARE (DOLLARS)

OPERATING & FINANCIAL PERFORMANCE REVIEW

The Group recorded revenue of S$49.0 million in FY2014, as compared to S$17.1 million in FY2013. Gross profit improved to S$3.7 million in FY2014 from S$1.3 million in FY2013. Net asset value per share as at 31 December 2014 was 59.0 Singapore cents compared to 83.9 Singapore cents as at 31 December 2013.

FINANCIAL HIGHLIGHTS

In FY2014, the Group recorded revenue of S$49.0 million, an increase of 186.5% or S$31.9 million from S$17.1 million in FY2013. The increase was primarily due to the Group utilising financial resources to improve its iron ore trading business which recognised revenue of S$44.3 million in FY2014 compared to S$17.1 million in FY2013. The Group's coal trading business contributed S$4.7 million to overall topline in FY2014.

Cost of sales increased 186.7% or S$29.5 million to S$45.3 million in FY2014 from S$15.8 million in FY2013. Consequently, gross profit improved 174.5% or S$2.4 million to S$3.7 million in FY2014 from S$1.3 million in FY2013. Gross profit margin for FY2014 was 7.5% compared to 7.8% for FY2013.

Other operating income decreased 59.0% or S$11.1 million to S$7.7 million in FY2014 from S$18.8 million in FY2013. The decrease can be attributed mainly to the absence of S$9.9 million interest income earned from deposits paid in relation to the termination of a proposed acquisition of 54.42% of the equity interest in Zuoquan Xinrui Metallurgy Mine Co. Ltd. in FY2013 and a one-off gain on cancellation of shares issued previously under the Hua Kok International Ltd's scheme of arrangement which amounted to S$3.8 million. The decrease in other operating income was also partly offset by the increase in foreign exchange gain amounted to S$3.1 million.

Other operating expenses increased 773.5% or S$37.9 million to S$42.8 million in FY2014 from S$4.9 million in FY2013. This was mainly attributable to the fair value loss of S$1.2 million realised upon maturity of the Group's structured deposit and provision for doubtful debts on deposits of S$36.5 million. Finance costs decreased 40.0% or S$0.8 million to S$1.2 million in FY2014 as compared to S$2.0 million in FY2013. This was largely attributable to the repayment of interest bearing borrowings during the financial year.

Share of loss of associates in FY2014 was S$22.8 million, compared to S$1.8 million in FY2013. This was mainly due to the increase in loss contributed by an associate company, Shanxi Fenxi Ruitai Zhengzhong Coal Limited. As a result of the above, loss for the year attributable to equity holders of the Company totalled S$50.2 million in FY2014, as compared to profit of S$5.4 million in FY2013.

Loss per share was 20.54 Singapore cents in FY2014, compared to earnings per share of 2.20 Singapore cents in FY2013. Net asset value per share as at 31 December 2014 was 59.0 Singapore cents, as compared with 83.9 Singapore cents as at 31 December 2013.

OPERATING & FINANCIAL PERFORMANCE REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank balances as at 31 December 2014 remained at the similar level compared to that as at 31 December 2013.

Inventories decreased from S$2.9 million as at 31 December 2013 to zero as at 31 December 2014, as the Group sold its entire inventory of coal during the financial year.

Trade receivables decreased to S$0.1 million as at 31 December 2014 from S$2.5 million as at 31 December 2013, mainly due to less sales made near the end of the financial year. Other receivables, deposits and prepayments (inclusive of current and non-current assets) decreased to S$62.0 million as at 31 December 2014 from S$111.7 million as at 31 December 2013. The decrease was mainly attributable to the partial settlement of deposit of S$90.7 million paid in FY2013 for the proposed acquisition of 54.42% of equity interest in Zuoquan Xinrui Metallurgy Mine Co., Ltd. and provision for doubtful debts on deposits of S$36.5 million.

As at 31 December 2014, the Group's total current assets amounted to S$63.7 million with total current liabilities of S$30.8 million. The Group's current ratio increased to approximately 2.07 for the financial year mainly due to the repayment of term loans and settlement of payables to the holding company during the financial period under review.

OUTLOOK

According to the China Metallurgical Industry Planning and Research Institute, domestic demand for steel in the People's Republic of China ("PRC" or "China") is forecasted to grow 1.4% in 2015 to reach 720.0 million tonnes.[1] As major iron ore mining companies continue to expand production despite the current overcapacity globally, iron ore prices are likely to remain low in the year ahead.[2,3] Falling oil prices and the stronger United States dollar are also expected to apply downward pressure on iron ore prices in the upcoming year.[4]

The Group will optimise its internal resources and tap its network of trading partners to support the growth of its core trading business. Abterra intends to continue its strategy of becoming a vertically integrated supply chain manager of resources and enhance shareholders' value in the long run.

Apart from its trading business, in December 2014, the Group entered into a non-binding Memorandum of Understanding with Smart Harmony Investment Limited which owns a commercial property located in Beijing, PRC. The Group will continue to explore new growth opportunities in the property sector to expand its income stream.

1 *"China's 2015 steel demand estimated at 720m tonnes", Xinhua, 3 December 2014
http://english.gov.cn/news/top_news/2014/12/03/content_281475018841982.htm*

2 *"Is The Worst Over For Iron Ore Miners?", Forbes, 17 February 2015
http://www.forbes.com/sites/greatspeculations/2015/02/17/is-the-worst-over-for-iron-ore-miners/*

3 *"China Focus: China's weak foreign trade growth suggests more policy easing", Xinhua, 13 January 2015
http://news.xinhuanet.com/english/china/2015-01/13/c_133916522.htm*

4 *"Why iron ore won't rebound any time soon", CNBC, 26 January 2015
http://www.cnbc.com/id/102370542#.*

CORPORATE INITIATIVES

Abterra aims to pursue sustainable long-term growth in the natural resources and property business as a fully integrated player in the Chinese and international markets.

CORPORATE GOVERNANCE AND FINANCIAL REPORT

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CORPORATE SOCIAL RESPONSIBILITY

As an emerging supply chain manager in the natural resources business, trading in iron ore, coking coal and coke, Abterra is committed to adopt and uphold best practices and standards in sustainability throughout our value chain. In our corporate social responsibility ("CSR") strategy and initiatives; we seek to align the interests of our stakeholders, our community and the environment.

In 2014, the Group embarked on a new CSR initiative to give back to and serve the local community. We adopted Lee Ah Mooi Old Age Home (the "Home") as our charity organisation and will continue to work closely with the Home to enhance the welfare of the residents in the Home.

True to our core values of agility, reliability, integrity and professionalism, Abterra has always sought to maintain high standards of environmental sustainability and community involvement. On the operational front, in 2014, the Group continued to strengthen its sustainability initiatives to reduce the environmental impact of our mining operations.

COMMUNITY OUTREACH

We have adopted a holistic approach for our community outreach programmes and focused on engaging the aged, children and the underprivileged, in order to strengthen the Group's ties with locals and help those in need.

Over the course of 2014, the Group's employees volunteered at the Home and worked closely with the pioneer generation who played a pivotal role in Singapore's development.

The Home is a private nursing home that is dedicated to providing healthcare services to 110 aged residents from low and middle income families. As a private nursing home, the Home is highly dependent on volunteers and sponsorships. The Abterra team volunteered at the Home on a regular basis and assisted the residents with day-to-day activities such as feeding them, bringing them for a stroll or engaging them in conversations and games. Apart from the time spent at the Home, Abterra has also supplied them with equipment such as blenders and perishable food supplies. There are also plans in the pipeline to sponsor one year's worth of selected perishable food and medical items for the residents.

Rooted in the belief that children are the future of Singapore and it is important to provide them with a good environment to grow in, Abterra collaborated with the Canossaville Children's Home as well. The Group was the sponsor of a tea party for the orphans.

Apart from financial sponsorships, the Group also worked with Willing Hearts, a non-profit soup kitchen which provides daily meals and other support services to the underprivileged, the needy and other marginalised members of Singapore's society. The Abterra team personally participated in the delivery of food to the underprivileged, including the elderly, adults and children in Singapore.

ENVIRONMENT

We recognise that our mining operations have an environmental impact on the surrounding land and remain committed to conserving and preserving the environment. As part of our plans for sustainable development, we have adhered to the required standards as well as taken extra precautions in every stage of our operations. Initiatives are also in place to ensure that all employees are aware of the Group's environmental policy and adhere to it.

In 2014, there were no complaints relating to the environment or air quality, a testament of Abterra's successful sustainability initiatives. The Group will continue to work closely with government agencies, industry bodies and business partners to further improve our environmental initiatives.

CORPORATE SOCIAL RESPONSIBILITY

Land Preparation
Before clearing the land for waste stockpiles, a qualified expert would be hired to inspect the land for threatened flora and fauna. Existing topsoil stockpiles are also moved and consolidated before work commences to minimise erosion.

Erosion and Sediment Control
Runoff water is minimised to control erosion and the flow of sediments. All runoff is firstly diverted to sediment catch drains and subsequently the sediment catch dam. Cleared vegetation and silt fences are also placed in the catch drains to act as sediment traps which inhibit sediment flow and prevent breaching of the outer perimeter of the drains.

Waste Management
All general rubbish and contaminated materials are collected and disposed off in accordance with standards stipulated by industry regulators and local authorities.

Hazardous Material Management
Hazardous materials are stored in bounded containers and tanks. Material Safety Data Sheets which contains information on the potential hazards and how to work safely with the chemical products, as well as spill kits are also on site.

Water Management
To effectively manage surface water runoff with contaminated sediments, Abterra fitted catch drains with silt stop fencing and placed additional coarse overburden rock in catch drains. The silt stop fences are cleared of sediment regularly. Diversion drains are also installed to direct water away from topsoil stockpiles where necessary. These measures help to minimise the potential for off-site discharge of runoff.

Surface water pollution is also controlled as all hydrocarbons are contained within bunded areas, storage sheds or in on-road vehicles to prevent contaminated water from flowing into the drainage system. Furthermore, all sediments that are carried within water flows are collected by the sediment catch dam.

Air Quality
Abterra has put in place dust control practices to ensure that dust generation from potential sources is minimised. The air quality is also frequently monitored. Some of the dust control practices include:

- Maintenance of trafficable and stockpile areas by spraying water when necessary;
- Application of water from the mobile water-cart to minimise potential dust generation from disturbed areas;
- Use of dust-suppressing sprays to prevent dust generation; and
- Ensuring that all trucks transporting iron ore are effectively covered to prevent dust generation.

Noise Pollution
Abterra keeps to the noise limits and to date, none of our sites have received formal complaints pertaining to noise pollution.

Light Pollution
Our mining operations are mostly restricted to daylight hours. During winter months, some artificial lighting is required for up to two hours in the early evening. However, these lights are not visible from neighbouring residences and will not cause any light pollution.

CORPORATE GOVERNANCE

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 and guided by the Code of Corporate Governance 2012.

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:

- 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 Board Committees namely, the Audit Committee, the Remuneration Committee, the Nominating Committee and the Employee Share Option Scheme Committee. Each of the Board Committee functions within clearly defined terms of reference and operating procedures. The effectiveness of the Board Committees are also constantly monitored.

The Board and the various Board Committees meet regularly, and as warrant by business imperatives or deemed appropriate by the members of the Board. The Articles of Association of the Company (the "Articles") allow 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 2014 ("FY2014") and the attendance of the Directors at these meetings are set out below.

CORPORATE GOVERNANCE

	Board		Audit Committee		Remuneration Committee		Nominating Committee		Employee Share Option Scheme Committee	
Director	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended
Cai Sui Xin	8	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lin Xizhong	8	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lau Yu	8	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chew Ban Chuan Victor Mark	8	8	4	4	1	1	1	1	–	–
Wong Shiu Wah Williamson	8	8	4	4	1	1	1	1	–	–
Chan Chun Tat Ray	8	8	4	4	1	1	1	1	–	–

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

There was no new director appointed in FY2014. 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 presently comprises of the following members:

Name of Director	Position held on the Board	Date of first appointment to the Board	Date of last re-election as Director	Nature of appointment
Cai Sui Xin	Chairman	18 October 2006	30 April 2013	Executive/Non-Independent
Lin Xizhong	Vice Chairman	6 February 2007	12 April 2013	Executive/Non-Independent
Lau Yu	Chief Executive Officer	18 October 2006	22 April 2014	Executive/Non-Independent
Chew Ban Chuan Victor Mark	Director	20 May 2004	30 April 2013	Non-executive/Independent
Wong Shiu Wah Williamson	Director	11 February 2010	12 April 2013	Non-executive/Independent
Chan Chun Tat Ray	Director	26 July 2010	22 April 2014	Non-executive/Independent

Principle 2 – Board Composition and Guidance

The Board comprises six Directors, of whom three are non-executive and are considered independent of management by the Nominating Committee. The Nominating Committee considers an independent Director as one who has no relationship with the Company, its related companies, its 10% shareholders or its officers that 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.

CORPORATE GOVERNANCE

All the three 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.

Presently, Mr Chew Ban Chuan Victor Mark has served the Board for more than nine years. Based on the Board's assessment, the Board has determined that Mr Chew has acted independently at Board and Board Committee meetings and expressed his viewpoints, and objectively scrutinised and challenged Management on important issues raised at meetings. Mr Chew has confirmed that he has no association 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 his independent business judgment. After taking into account all these factors, the Board has determined Mr Chew as independent. The Board will also like to highlight that other than his independent director's fees, Mr Chew is not entitled to and has not received any monetary payments or benefits in kind. The Board concurs that Mr Chew has over the years developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole.

The Nominating Committee 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 challenge and help develop proposals on strategy; and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

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

There is a clear separation of the roles and responsibilities of the Chairman and the Chief Executive Officer ("CEO"). Different individuals assume the roles of the Chairman and the CEO. The Chairman of the Board is Mr Cai Sui Xin. As the Executive Chairman, Mr Cai's role, amongst other matters, is to manage the business of the Group to exercise control over the quantity, quality and timeliness of the flow of information between the Management and the Board and to preserve harmonious relations with shareholders.

Together with the Chairman, the CEO, Mr Lau Yu, plays an instrumental role in developing the business and making key decisions on the Management and operation of the Group.

The independent directors meet amongst themselves without the presence of the other directors where necessary, and the independent directors will provide a summary of their discussions to the Chairman.

Principle 4 – Board Membership

Nominating Committee ("NC")

The NC comprises entirely of independent non-executive Directors, namely:

Mr Chan Chun Tat Ray – Chairman
Mr Chew Ban Chuan Victor Mark
Mr Wong Shiu Wah Williamson

CORPORATE GOVERNANCE

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 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 Company is currently in the process of adopting guidelines as to the maximum number of listed company board representation each Director may hold.

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 Articles 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 Lin Xizhong are due for retirement and are eligible for re-election pursuant to Article 91 of the Company's Articles of Association.

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 Chew Ban Chuan Victor Mark, Mr Wong Shiu Wah Williamson and Mr Chan Chun Tat Ray are independent and the Directors having external directorships have devoted sufficient time and attention to the affairs of the Group.

CORPORATE GOVERNANCE

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.

Board members 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 Articles provides that the Company Secretary shall be appointed by the Board.

Should 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 Chairman, at the Company's expense, to render the advice.

Remuneration Matters

Principle 7 – Procedures for Developing Remuneration Policies

Remuneration Committee ("RC")

The RC comprises entirely of independent non-executive Directors, namely:

Mr Chew Ban Chuan Victor Mark — Chairman
Mr Chan Chun Tat Ray
Mr Wong Shiu Wah Williamson

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 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. 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.

CORPORATE GOVERNANCE

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.

Principle 8 – Level and Mix of Remuneration

The Company adopts an overall remuneration policy for its 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 ESOS. This seeks to align the interests of the Company's 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 his services as a member of the Board is an annual fixed cash component that is further reviewed by the RC. Each executive Director is also eligible for share options under the ESOS.

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 subjected to the approval of shareholders at AGM.

Principle 9 – Disclosure of Remuneration

The remuneration of the Directors of the Company for FY2014 is as follows:

Director	Directors' Fees (%)	Salary* (%)	Bonus (%)	Benefits in kind (%)	Total (%)
Below $250,000					
Cai Sui Xin	–	100	–	–	100
Lin Xizhong	–	100	–	–	100
Lau Yu	–	100	–	–	100
Chew Ban Chuan Victor Mark	100	–	–	–	100
Wong Shiu Wah Williamson	100	–	–	–	100
Chan Chun Tat Ray	100	–	–	–	100

* Salary is inclusive of CPF where applicable

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, the CEO and its top 5 key management personnel on a named basis. The Company is instead disclosing the Directors' remuneration in bands of S$250,000 and the breakdown of the Directors' remuneration as per the table above. The remuneration of each of the Company's top 5 key management personnel is below $250,000.

There are no employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year.

CORPORATE GOVERNANCE

The Abterra Employee Share Option Scheme (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 ("ESOS Committee")

The ESOS Committee comprises of the members of 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' Report.

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. 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 securities exchange.

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.

CORPORATE GOVERNANCE

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 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 provides 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 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 and compliance risks of the Company, were adequate to meet the needs of the Group in its current business environment. This is in turn supported by assurance from the CEO and the Financial Controller 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) they have evaluated the effectiveness of the Company's internal controls and risk management and have 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

The Audit Committee ("AC") is guided by written terms of reference, which clearly set out its authority and duties. The AC comprises entirely of independent non-executive Directors, namely:

Mr Wong Shiu Wah Williamson – Chairman
Mr Chan Chun Tat Ray
Mr Chew Ban Chuan Victor Mark

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.

CORPORATE GOVERNANCE

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 has conducted an annual review of the nature and extent of all non-audit services performed by the external auditors and has confirmed that such services would not 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 the FY2014, the aggregate amount of fees paid and/or payable to the external auditors for audit and non audit services amounted to approximately $451,000 and $2,000 respectively.

The Company has also complied with Rules 712, 715 and 716 of the Listing Manual in relation to the appointment of Mazars 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 periodically.

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.

CORPORATE GOVERNANCE

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.

During the financial year, 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 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. The AC would oversee the process and evaluates the adequacy of the internal audit function.

On an annual basis, the AC reviews the internal audit program of the Group so as to align it to the changing needs and risk profile of the Group's activities.

The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The internal audit functions are also staffed with persons with the relevant qualifications and experience.

For the internal audit works carried out in FY2014, 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.

Communications with Shareholders

Principle 14 – Shareholder Rights

The Company continues the disclosure obligations pursuant to the SGX-ST Listing Manual to provide the adequate and timely information of all major developments 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 meeting, 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 releasing on the SGXNet prior to the general meetings. Shareholders 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. The duly completed proxy form is to be deposited at the Company's registered office 48 hours before the time of the general meeting. Shareholders who hold shares through nominee or custodian banks may attend general meetings as observers subject to availability of seats.

Principle 15 – Communication 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.

CORPORATE GOVERNANCE

The Company has a team of investor relations personnel who focus on facilitating the communications with all stakeholders – shareholders, analysts and media – to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance. 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 are 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 FY2014.

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 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 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 AGM and extraordinary general meetings. The detailed voting results 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 appointing up to two proxies to attend and vote in his/her stead. The Company will employ electronic polling if necessary.

Dealing in Securities
(Listing Manual Rule 1207(19))

The Company has adopted an internal code on dealings in securities to govern dealings in its shares by the Directors and the key employees of the Group. The Directors and employees are not allowed to deal in the Company's shares 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, and at any time while in possession of price sensitive information. Further, Directors and officers are advised not to deal in the Company's securities on short-term considerations.

The Company has complied with the SGX-ST's Listing Rules on best practices on dealings in the Company's securities.

CORPORATE GOVERNANCE

Material Contracts

Material contracts was entered into by Abterra Ltd. or any of its subsidiaries involving the interests of the 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. The details are as below:

<table>
<tr><td>Description</td><td colspan="2">Details</td></tr>
<tr><td rowspan="2">Names of the lender and the borrower</td><td>Borrower:</td><td>Abterra Macao Commercial Offshore Ltd</td></tr>
<tr><td>Lender:</td><td>General Nice Resources (H.K.) Ltd</td></tr>
<tr><td>Relationship between the lender and the borrower and whether the director or controlling shareholder is the lender or borrower</td><td colspan="2">Controlling shareholder of holding company</td></tr>
<tr><td>Amount of the loan</td><td colspan="2">S$7,500,000</td></tr>
<tr><td>Interest rate</td><td colspan="2">9%</td></tr>
<tr><td>Terms as to payment of interest and repayment of principal</td><td colspan="2">2 years</td></tr>
<tr><td>Security Provided</td><td colspan="2">Not applicable</td></tr>
</table>

Interested Person Transactions

During FY2014, interested person transactions carried out during the financial year which fall under Chapter 9 of Listing Manual of the Singapore Exchange Security Trading Limited are as follows:

Name of interested person	Aggregate value of all interested person transactions during the year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000)
Interest payable: – General Nice Resources (Hong Kong) Limited	S$168,310	NIL

REPORT OF THE DIRECTORS

The directors of the Company present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2014.

1. Directors

The directors of the Company in office at the date of this report are:

Cai Sui Xin
Lin Xizhong
Lau Yu
Chew Ban Chuan Victor Mark
Wong Shiu Wah Williamson
Chan Chun Tat Ray

2. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), the directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

	Shareholdings registered in name of director		Shareholdings in which a director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company				
Abterra Ltd.				
(Ordinary shares)				
Cai Sui Xin	–	–	83,804,976	86,203,976
Lin Xizhong	250,000	250,000	–	–

REPORT OF THE DIRECTORS

3. Directors' interests in shares or debentures (Continued)

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Immediate Holding Company				
General Nice Resources (Hong Kong) Limited				
(Ordinary shares of HK$1 each)				
Cai Sui Xin	–	–	159,999,200	159,999,200
Lau Yu	39,999,800	39,999,800	–	–
The Intermediate Holding Company				
General Nice Development Limited				
(Ordinary shares of HK$1 each)				
Cai Sui Xin	5,000,000	5,000,000	50,000,000	50,000,000
The Intermediate Holding Company				
General Nice Investment (China) Limited				
(Ordinary shares of HK$1 each)				
Cai Sui Xin	2,500	2,500	25,000	25,000
The Ultimate Holding Company				
General Nice Group Holdings Limited (previously known as Vantage Region International Limited)				
(Ordinary shares of US$1 each)				
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 shares of all related corporations of the Company.

The directors' interests as at 21 January 2015 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2014.

4. Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

REPORT OF THE DIRECTORS

5. 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:

Chew Ban Chuan Victor Mark (Chairman)
Wong Shiu Wah Williamson
Chan Chun Tat Ray

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

(ii) at a discount to the Market Price, so long as 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 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 on and from 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.

The Scheme was expired in the prior year. No share options have been granted during the financial year under review.

There were no shares issued during the financial year 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.

REPORT OF THE DIRECTORS

6. Audit committee

The audit committee of the Company comprises three non-executive directors and at the date of this report are:

Wong Shiu Wah Williamson (Chairman)
Chew Ban Chuan Victor Mark
Chan Chun Tat Ray

The audit committee has convened five meetings during the financial year with key management and the external auditors of the Company.

The audit committee carried out its duties which included the following:

(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 SGX listing rules;

(viii) Nomination of external auditors and review of their compensation; and

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

The audit committee 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 audit committee has recommended to the directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

REPORT OF THE DIRECTORS

7. Auditors

Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Cai Sui Xin	**Lau Yu**
Director	Director

Singapore
Date: 10 April 2015

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; 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.

On behalf of the directors

Cai Sui Xin	**Lau Yu**
Director	Director

Singapore
Date: 10 April 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABTERRA LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Abterra Ltd (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2014, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information from pages 42 to 104.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
10 April 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Group	
	Note	2014 $'000	2013 $'000
Revenue	3	49,005	17,113
Cost of sales		(45,318)	(15,770)
Gross profit		3,687	1,343
Other operating income	4	7,678	18,808
Administrative expenses	5	(5,314)	(7,088)
Other operating expenses	6	(42,806)	(4,935)
Finance costs	8	(1,200)	(2,003)
Share of loss of associates	9	(22,833)	(1,754)
(Loss)/Profit before income tax		(60,788)	4,371
Income tax expense	10	(2)	(55)
(Loss)/Profit for the financial year		(60,790)	4,316
Other comprehensive income:			
Item that may be reclassified subsequently to profit and loss			
Currency translation differences arising from consolidation		181	6,803
Total comprehensive (loss)/income for the financial year		(60,609)	11,119
(Loss)/Profit attributable to:			
Equity holders of the Company		(50,170)	5,422
Non-controlling interests		(10,620)	(1,106)
Total		(60,790)	4,316
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(50,472)	10,495
Non-controlling interests		(10,137)	624
Total		(60,609)	11,119
(Loss)/Profit per share for (loss)/profit attributable to equity holders of the Company (cents)			
Basic	11	(20.54)	2.20
Diluted	11	(20.54)	2.20

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

		Group		Company	
		2014	**2013**	**2014**	**2013**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
ASSETS					
Non-current assets					
Property, plant and equipment	12	12,304	12,826	11,620	12,072
Subsidiaries	13	–	–	31,146	31,146
Associates	9	57,534	79,726	2,149	2,149
Available-for-sale financial assets	14	12,345	12,345	12,345	12,345
Derivative financial asset	15	–	1,948	–	1,948
Intangible assets	16	3,985	4,244	–	–
Investment properties	17	26,000	26,000	26,000	26,000
Other receivables	19	–	50,954	–	50,954
Total non-current assets		112,168	188,043	83,260	136,614
Current assets					
Inventories		–	2,896	–	–
Trade receivables	18	112	2,455	–	–
Other receivables, deposits and prepayments	19	61,956	60,794	129,889	104,344
Tax recoverable		–	11	–	42
Other financial asset at fair value through profit or loss	20	–	36,217	–	36,217
Cash and cash equivalents	21	1,655	2,035	1,364	1,494
Total current assets		63,723	104,408	131,253	142,097
TOTAL ASSETS		175,891	292,451	214,513	278,711
EQUITY					
Capital and reserves and non-controlling interests					
Share capital	22	250,805	250,805	250,805	250,805
Share options reserve	23	1,683	1,683	1,683	1,683
Foreign currency translation reserve	24	2,430	2,732	–	–
Accumulated losses		(125,935)	(75,765)	(118,839)	(81,313)
Equity attributable to owners of the Company		128,983	179,455	133,649	171,175
Non-controlling interests		15,256	25,393	–	–
Total equity		144,239	204,848	133,649	171,175

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		Group		Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
LIABILITIES					
Current liabilities					
Trade payables	25	–	2,139	–	–
Other payables and accruals	26	15,163	39,611	64,424	61,702
Income tax payable		51	–	29	–
Term loans	27	15,620	45,043	15,620	45,043
Total current liabilities		30,834	86,793	80,073	106,745
Non-current liabilities					
Employee benefits obligation		27	19	–	–
Deferred tax liabilities	28	791	791	791	791
Total non-current liabilities		818	810	791	791
Total liabilities		31,652	87,603	80,864	107,536
TOTAL EQUITY AND LIABILITIES		175,891	292,451	214,513	278,711

The accompanying 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 2014

Group	Attributable to the equity holders of the Company						
	Share capital $'000	Share options reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2013	254,664	1,683	(2,341)	(81,187)	172,819	24,769	197,588
Cancellation of shares	(3,859)	–	–	–	(3,859)	–	(3,859)
Total comprehensive income for the financial year	–	–	5,073	5,422	10,495	624	11,119
At 31 December 2013	250,805	1,683	2,732	(75,765)	179,455	25,393	204,848
Total comprehensive loss for the financial year	–	–	(302)	(50,170)	(50,472)	(10,137)	(60,609)
At 31 December 2014	250,805	1,683	2,430	(125,935)	128,983	15,256	144,239

The accompanying 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 2014

Company	Share capital $'000	Share options reserve $'000	Accumulated losses $'000	Total equity $'000
At 1 January 2013	254,664	1,683	(101,037)	155,310
Cancellation of shares	(3,859)	–	–	(3,859)
Total comprehensive income for the financial year	–	–	19,724	19,724
At 31 December 2013	250,805	1,683	(81,313)	171,175
Total comprehensive loss for the financial year	–	–	(37,526)	(37,526)
At 31 December 2014	250,805	1,683	(118,839)	133,649

The accompanying 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 2014

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
(Loss)/Profit before income tax		(60,788)	4,371
Adjustments for:			
Amortisation of intangible assets	16	103	766
Depreciation of property, plant and equipment	12	629	644
Fair value loss/(gain) on financial assets at fair value through profit or loss	20	1,217	(1,136)
Fair value loss on forward foreign exchange contract	15	1,948	1,208
Fair value gain on investment properties	17	–	(1,100)
Provision for doubtful debts – non-trade	19	36,541	–
Property, plant and equipment written off		–	43
Interest expense		1,188	1,997
Interest income		(1,389)	(8)
Interest arising from termination of proposed acquisition	4	(263)	(9,916)
Gain from cancellation of shares previously issued under HKI scheme	4	–	(3,859)
Employee benefits obligation		8	(1)
Share of loss of associates	9	22,833	1,754
Unrealised exchange (gain)/loss		(1,153)	2,444
Operating profit/(loss) before working capital changes		874	(2,793)
Movements in working capital:			
Inventories		2,896	(2,639)
Trade receivables		2,343	3,221
Other receivables, deposits and prepayments		17,908	(7,423)
Trade payables		(2,139)	2,029
Other payables and accruals		(8,356)	3,709
Cash generated from/(used in) operations		13,526	(3,896)
Interest income received		1,389	8
Interest expense paid		(1,188)	(1,997)
Dividends received		–	363
Income tax refunded		60	41
Net cash generated from/(used in) operating activities		13,787	(5,481)

The accompanying 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 2014

	Note	2014 $'000	2013 $'000
Cash flows from investing activities			
Proceeds from disposal of a financial asset at fair value through profit or loss		7,000	–
Purchase of property, plant and equipment	12	(37)	(338)
Net cash generated from/(used in) investing activities		6,963	(338)
Cash flows from financing activities			
(Repayment to)/Advance from the immediate holding company		(19,707)	8,105
Repayment of borrowings		(1,423)	(1,277)
Net cash generated (used in)/from financing activities		(21,130)	6,828
Net (decrease)/increase in cash and cash equivalents		(380)	1,009
Cash and cash equivalents at beginning of the financial year		2,035	1,026
Cash and cash equivalents at end of the financial year	21	1,655	2,035

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. Domicile and activities

Abterra Ltd. (the "Company") is a limited liability company, which is incorporated in the Republic of Singapore and is listed on the mainboard of Singapore Exchange Securities Trading Limited (the "SGX-ST").

The registered office and principal place of business of Abterra Ltd. is located at 7 Temasek Boulevard, #11-05, Singapore 038987.

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 company 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.

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 as shown in Note 33 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2014 were authorised for issue by Board of Directors on 10 April 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and the Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared on historical cost basis, except as disclosed in the financial statement.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise indicated.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.2 Adoption of new and revised standards

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.3 New accounting standards and FRS interpretations

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptance Methods of Depreciation and Amortisation	1 January 2016
FRS 19	Amendments to FRS 19: Defined Employee Plans: Employee Contributions	1 July 2014
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
Various	Improvements to FRSs (January 2014)	Various
Various	Improvements to FRSs (February 2014)	Various
Various	Improvements to FRSs (November 2014)	Various

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal 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 amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation (Continued)

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.5 Business Combinations

Business combinations from 1 January 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 Income Taxes and FRS 19 Employee Benefits respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 Share-based Payment; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.5 Business Combinations (Continued)

Business combinations from 1 January 2010 (Continued)

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations were accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as step acquisitions. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.6 Associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate 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 associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.6 Associates (Continued)

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under FRS 105 Non-current Assets Held for Sale and Discontinued Operations from the date on which the investee become an associate. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in it separate financial statements.

2.7 Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost, less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is charged so as to write off the cost of assets, using the straight-line method, on the following bases:

• Leasehold Buildings	50 years
• Furniture and equipment	5 years
• Motor vehicles	10 years
• Leasehold improvements	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

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

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial tangible and intangible assets, excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.9 Intangible assets (Continued)

Supplier contract

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

2.10 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value and changes in the fair value are included in profit or loss for the year in which they arise.

Costs of major renovations and improvements to the investment property to the investment property are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

Upon its disposal or retirement, the difference between the net disposal proceeds and the carrying amount of the investment property is recognised in profit or loss.

2.11 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

All financial assets are recognised on a trade date – the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.11 Financial instruments (Continued)

Financial assets (Continued)

Financial asset at fair value through profit or loss (FVTPL)

A financial asset is classified as FVTPL if the financial asset is either held for trading or is designated as such upon initial recognition.

A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the short term; or if it is part of an identified portfolio of financial instruments with a recent actual pattern of short-term profit-taking and which is managed by the Group; or if it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee contract.

A financial asset which is not classified as held-for-trading may be designated as FVTPL upon initial recognition if the financial asset is managed as part of a group of financial instruments, with its performance being evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Gains or losses arising from changes in the fair value are recognised in profit or loss. The net gain or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

The Group's loans and receivables comprise trade and other receivables, deposits and bank balances.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets (AFS)

Certain equity instruments and debt securities held by the Group are classified as AFS if they are not classified in any of the other categories. Subsequent to initial recognition, with the exception of unquoted equity instruments that are not carried at fair value as the fair value cannot be reliably measured, AFS are measured at fair value and changes therein are recognised directly in the available-for-sale reserve with the exception of impairment losses, interests calculated using the effective interest method and foreign exchange gains and losses. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale reserve is included in profit or loss for the year.

2. Summary of significant accounting policies (Continued)

2.11 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.11 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Groups accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk such as foreign exchange forward contracts.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

2.12 Inventories

Inventories pertain to the coal held for sale. Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the First-in, First-Out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. During the year, the cost of inventories recognised as an expense was $2,896,000 (2013: $Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.13 Cash and cash equivalents in the consolidated statement of cash flows

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.

2.14 Borrowings

Borrowings are initially recorded at fair value, net of transaction costs incurred and subsequently accounted for at amortised costs using the effective interest method. Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original term 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 and before the financial statements are authorised for issue. 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.

2.15 Leases

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (please see above).

Operating leases

As lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.15 Leases (Continued)

Operating leases (Continued)

As lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.17 Share based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 23 to the financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of the reporting period, the Group reviews its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Sale of goods

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.

Interest income

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

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income

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

2.19 Borrowing costs

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

2.20 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.21 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.22 Jobs credit scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as an offset against staff costs.

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

2.24 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 operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

2.25 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.25 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.26 Foreign currency transactions and translations

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.26 Foreign currency transactions and translations (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.27 Significant related party transactions

A related party is defined as follows:

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

(b) An entity is related to the Group and the Company 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 ventures 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 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); and

(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).

Associates are related parties and include those that are associates of the holding and/or related companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.28 Critical accounting estimates, judgments and key sources of estimation

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there is objective evidence that the Company's investments in subsidiaries are impaired. The management's assessment is based on the estimation of the value-in-use of the cash-generating unit ("CGU") by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 December 2014 was $31,146,000 (2013: $31,146,000).

Estimated impairment of investment in associates

The Group has substantial investments in associates which involved in the exploration and evaluation assets for its mining operation in China whereby the carrying amount of the exploration assets is dependent on the successful development and commercial exploitation.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. In making this judgment, the Group evaluates the recoverable amount using the value-in-use based on the third party valuation report which was performed by the professional valuer. At 31 December 2014, the Group's and Company's carrying amount of the investment in associates amounted to approximately $57,534,000 and $2,149,000 (2013: $79,726,000 and $2,149,000) respectively.

Estimated impairment of financial assets and available-for-sale

The Group assesses impairment of the above-mentioned assets wherever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value-in-use) of the assets is estimated to determine the impairment loss. In making this judgment, the Group evaluates the recoverable amount using the value-in-use based on the third party valuation report which was performed by the professional valuer. At 31 December 2014, the Group's and Company's carrying amount of the available-for-sale financial assets amounted to approximately $12,345,000 (2013: $12,345,000) and $12,345,000 (2013: $12,345,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.28 Critical accounting estimates, judgments and key sources of estimation (Continued)

Estimated fair value of investment properties

Investment properties are initially recorded at cost. Subsequent to recognition, investment properties are measured at fair value, determined annually by independent professional valuers on the highest and best-use basis. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the year in which they arise.

Fair value gain of the investment properties amounting to approximately $Nil (2013: $1,100,000) is recognised during the year as disclosed in Note 17 to the financial statements. At 31 December 2014, the Group's and Company's carrying amount of investment properties amounted to approximately $26,000,000 (2013: $26,000,000).

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 and other receivables amounted to approximately $36,541,000 and $47,073,000 (2013: $Nil and $10,113,000) as at the end of the reporting period are disclosed in Note 18 and 19 to the financial statements respectively. The carrying amount of trade and other receivables of the Group and Company as at 31 December 2014 are approximately $61,956,000 and $129,889,000 (2013: $114,203,000 and $104,344,000) respectively.

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 2014 are approximately $51,000 and $29,000 (2013: $Nil and $Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.28 Critical accounting estimates, judgments and key sources of estimation (Continued)

Useful lives 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 2 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 12 to the financial statements.

Impairment of property, plant and equipment and intangible assets

The Group has commenced its iron ore trading operation since May 2011, in which the Group has been utilising a portion of the plant and equipment and the intangible assets to generate revenue. Based on the valuation report prepared by a third party independent professional valuer, the net present value expected to generate from this operation exceeds the carrying amount of the plant and equipment and the intangible assets. As a result, no impairment was made as at 31 December 2014.

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.

3. Revenue

	Group	
	2014 $'000	2013 $'000
Sale of goods		
– Coke and coal	4,745	–
– Iron Ore	44,260	17,113
Total	49,005	17,113

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. Other operating income

	Group	
	2014	**2013**
	$'000	**$'000**
Foreign currency exchange gain	4,301	1,203
Interest income	1,389	8
Rental income (Note 17)	964	879
Interest arising from termination of a proposed acquisition	263	9,916
Gain on cancellation of shares	–	3,859
Fair value gain on other financial asset at fair value through profit or loss (Note 20)	–	1,136
Fair value gain on investment properties (Note 17)	–	1,100
Others	761	707
Total	7,678	18,808

5. Administrative expenses

	Group	
	2014	**2013**
	$'000	**$'000**
Entertainment expenses	75	47
Operating lease expenses – office premises	345	268
Personnel expenses (Note 7)	2,433	3,516
Audit fees paid to auditors of the Company	454	454
Non-audit fees paid to auditors of the Company	1	2
Professional fees	916	1,069
Transportation and travelling expenses	165	278
Others	925	1,454
Total	5,314	7,088

6. Other operating expenses

	Group	
	2014	**2013**
	$'000	**$'000**
Amortisation of intangible asset (Note 16)	103	766
Depreciation of property, plant and equipment (Note 12)	629	644
Fair value loss on forward foreign exchange contract at fair value through profit or loss	1,948	1,208
Fair value loss on other financial asset at fair value through profit or loss (Note 20)	1,217	–
Storage fee for coal trading	2,368	2,053
Provision for doubtful debts – non-trade	36,541	–
Property, plant and equipment written off	–	43
Others	–	221
Total	42,806	4,935

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. Personnel expenses

	Group	
	2014 $'000	2013 $'000
Central Provident Fund contributions	73	77
Total wages, salaries and bonuses, including directors' remuneration	2,223	3,234
Other personnel expenses	137	205
Total	2,433	3,516

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 and where the Group did not incur any costs, the value of the benefit is included. The key management's remuneration is as follows:

	Group	
	2014 $'000	2013 $'000
Central Provident Fund contributions	20	16
Directors' fee	146	163
Directors' remuneration of the Company	540	575
Total wages, salaries and bonuses	562	238
Total	1,268	992

8. Finance costs

	Group	
	2014 $'000	2013 $'000
Bank charges	12	6
Interest expense:		
– bank loans	978	1,180
– loan from immediate holding company	168	676
– letter of credit	42	141
Total	1,200	2,003

9. Associates

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Unquoted equity investments, at costs	182,648	182,648	20,423	20,423
Impairment loss	(78,430)	(78,430)	(18,274)	(18,274)
Dividend declared	(5,106)	(4,327)	–	–
Translation difference	1,752	332	–	–
Share of post-acquisition results	(43,330)	(20,497)	–	–
	57,534	79,726	2,149	2,149

Movement in impairment loss of investment in associates are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
At beginning and end of financial year	78,430	78,430	18,274	18,274

As part of the Company's impairment assessment, the recoverable amount of the investment has been determined on the basis of its fair value less costs to sell which was determined with reference to the net asset value of the associate. Accordingly, management concluded that the investment in associate is impaired and an impairment loss of $78,430,000 has been recorded in 2010.

Details of the associates are disclosed in Note 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. Associates (Continued)

Summarised financial information of the Group's associates (based on its FRS financial statements):

	Tianjin Lanta Development Co. Ltd		Shanxi Fenxi Ruitai Zhengzhong Coal Limited		Group	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Assets and liabilities:						
Non-current assets	396	513	154,043	174,370		
Current assets	205,469	54,240	9,606	11,448		
Total assets	205,865	54,753	163,649	185,818		
Non-current liabilities	–	–	(14,155)	(19,877)		
Current liabilities	(189,208)	(45,773)	(242,836)	(186,047)		
Total liabilities	(189,208)	(45,773)	(256,991)	(205,924)		
Net assets	16,657	8,980	(93,342)	(20,106)		
Fair value adjustment	–	–	22,118	21,338		
Fair value of net assets	16,657	8,980	(71,224)	1,232		
Group's share of associate's net assets	7,496	4,041	(27,920)	483	(20,424)	(3,840)
Goodwill on acquisition	–	–	77,958	75,202	77,958	75,202
Carrying amount of the investment as at 31 December	7,496	4,041	50,038	75,685	57,534	79,726
Results						
Revenue	956,222	182,484	–	–		
Profit for the year from continuing operations	9,877	2,181	(69,895)	(6,977)		
Group's share of associates' profit for the year	4,444	981	(27,277)	(2,735)	(22,833)	(1,754)

10. Income tax expense

	Group	
	2014 $'000	2013 $'000
Income tax expense attributable to loss is made up of:		
Current income tax		
– Singapore	–	23
– Under/(Over) provision in prior years	2	(155)
Deferred tax (Note 28)		
– Singapore	–	187
Tax expenses	2	55

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

10. Income tax expense (Continued)

The reconciliation of the tax expense and the product of accounting (loss)/profit multiplied by the applicable statutory rates is as follows:

	Group	
	2014 **$'000**	**2013** **$'000**
(Loss)/Profit before income tax	(60,788)	4,371
Tax at the applicable rate of 17%	(10,334)	743
Effects of different tax rates in other countries	(7)	(327)
Expenses not deductible for tax purposes	11,373	1,043
Income not subject to tax	(731)	(380)
Utilisation of previously unrecognised deferred tax assets	–	(974)
Under/(Over) provision in prior years	2	(155)
Others	(301)	105
Tax expenses	2	55

11. (Loss)/Profit 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:

	Group	
	2014 **$'000**	**2013** **$'000**
(Loss)/Earnings		
(Loss)/Earnings for the purposes of basic and diluted earnings per share ((Loss)/Profit attributable to shareholders of the Company)	(50,170)	5,422

	2014	**2013**
Number of shares		
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	244,274,150	246,424,953
Weighted average number of ordinary shares for the purposes of diluted earnings per share	244,274,150	246,424,953

	2014	**2013**
(Loss)/Earnings per share (cents)		
Basic	(20.54)	2.20
Diluted	(20.54)	2.20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12. Property, plant and equipment

Group	Leasehold buildings $'000	Furniture and equipment $'000	Motor vehicles $'000	Leasehold improvements $'000	Total $'000
Cost					
At 1 January 2013	12,540	2,014	137	34	14,725
Additions	–	116	–	222	338
Written off	–	(307)	–	(34)	(341)
Translation differences	–	(371)	(6)	–	(377)
At 31 December 2013	12,540	1,452	131	222	14,345
Additions	–	1	–	36	37
Written off	–	(17)	–	–	(17)
Translation differences	–	120	2	–	122
At 31 December 2014	12,540	1,556	133	258	14,487
Accumulated depreciation					
At 1 January 2013	372	842	71	30	1,315
Charge during the year	406	181	13	44	644
Written off	–	(268)	–	(30)	(298)
Translation differences	–	(140)	(2)	–	(142)
At 31 December 2013	778	615	82	44	1,519
Charge during the year	406	163	13	47	629
Written off	–	(17)	–	–	(17)
Translation differences	–	51	1	–	52
At 31 December 2014	1,184	812	96	91	2,183
Net carrying amount					
At 31 December 2014	11,356	744	37	167	12,304
At 31 December 2013	11,762	837	49	178	12,826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12. Property, plant and equipment (Continued)

Company	Leasehold buildings $'000	Furniture and equipment $'000	Motor vehicles $'000	Leasehold improvements $'000	Total $'000
Cost					
At 1 January 2013	12,540	385	110	34	13,069
Additions	–	116	–	222	338
Written off	–	(307)	–	(34)	(341)
At 31 December 2013	12,540	194	110	222	13,066
Additions	–	1	–	36	37
Written off	–	(17)	–	–	(17)
At 31 December 2014	12,540	178	110	258	13,086
Accumulated depreciation					
At 1 January 2013	372	339	62	30	803
Charge during the year	406	28	11	44	489
Written off	–	(268)	–	(30)	(298)
At 31 December 2013	778	99	73	44	994
Charge during the year	406	26	11	46	489
Written off	–	(17)	–	–	(17)
At 31 December 2014	1,184	108	84	90	1,466
Net carrying amount					
At 31 December 2014	11,356	70	26	168	11,620
At 31 December 2013	11,762	95	37	178	12,072

Leasehold buildings of the Group and of the Company with a carrying amount of approximately $11,356,000 (2013: $11,762,000) have been pledged to a bank for banking facilities (Note 27).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

13. Subsidiaries

	Company 2014 $'000	Company 2013 $'000
Unquoted equity shares, at cost	109,926	109,926
Less: impairment loss	(78,780)	(78,780)
Net	31,146	31,146

Movement in impairment loss of investment in subsidiaries is as follows:

	2014 $'000	2013 $'000
At beginning and end of financial year	78,780	78,780

The Group has the following subsidiaries which have non-controlling interests that are material to the Group:

	Proportion of ownership interest held by NCI		Loss allocated to NCI during the financial year		Accumulated NCI at the reporting date		Dividends paid to NCI	
Subsidiary	**2014 %**	**2013 %**	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**
Sunny Energy Limited and its subsidiaries	39	39	10,620	1,106	15,256	25,393	–	–

Summarised financial information (before intercompany eliminations):

	Sunny Energy Limited and its subsidiaries 2014 $'000	Sunny Energy Limited and its subsidiaries 2013 $'000
Assets	50,486	76,131
Non-current	50,037	75,685
Current	449	446
Liabilities	11,115	10,603
Non-current	–	–
Current	11,115	10,603
Net assets	39,371	65,528
Revenue	–	–
Loss after taxation	(27,407)	(2,854)
Total comprehensive (loss)/income	(26,158)	1,609
Net cash flow used in operations	(11)	(9)

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group except cash and cash equivalents of $17,000 (2013: $30,000) as at 31 December 2014 held in People's Republic of China are subject to local exchange control regulations which restrict the amount of currency to be exported other than through dividends.

Information relating to subsidiaries is disclosed in Note 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

14. Available-for-sale financial assets

	Group and Company	
	2014	**2013**
	$'000	**$'000**
At beginning and end of financial year	12,345	12,345

The available-for-sale financial assets represent cost of unquoted investment in 15% equity stake in Zuoquan Yongxing Coal Company Limited (左权永兴煤化有限责任公司), a company incorporated in The People's Republic of China ("China") and engaged in the coal mining and coking coal processing business.

15. Derivative financial asset

	Group and Company	
	2014	**2013**
	$'000	**$'000**
Forward foreign exchange contract	–	1,948

Forward foreign exchange contract

The Group and Company utilise currency derivatives to hedge significant future transactions and cash flows pertaining to the foreign currency denominated financial assets at fair value through profit or loss.

At the end of the financial year, the total notional amount of outstanding forward foreign exchange contract to which the Group and Company are committed is as follows:

	Group and Company	
	2014	**2013**
	$'000	**$'000**
Forward foreign exchange contract	–	35,000

The above arrangement is designed to address significant foreign currency exchange exposures from 23 July 2008 to 4 August 2014 of the financial assets at fair value through profit or loss.

At 31 December 2014, the fair value of the Group's and Company's foreign currency derivative is estimated to be approximately $Nil (2013: $1,948,000). The fair values are measured using quoted forward exchange rates by a financial institution.

Changes in the fair value of currency derivative amounting to $1,948,000 (2013: $1,208,000) has been charged to profit or loss in the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

15. Derivative financial asset (Continued)

The following table details the forward foreign currency contract outstanding as at the end of the reporting period.

	Average exchange rate		Foreign currency		Contract value		Fair value	
	2014	2013	2014 US'000	2013 US'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Group and Company								
Sell US dollars more than a year	–	1.27	–	26,080	–	35,000	–	1,948

16. Intangible assets

	Group 2014 $'000	Group 2013 $'000
Cost		
At 1 January	6,331	6,875
Translation differences	(175)	(544)
At 31 December	6,156	6,331
Accumulated amortisation		
At 1 January	2,087	1,344
Charge for the year	103	766
Translation differences	(19)	(23)
At 31 December	2,171	2,087
Net carrying amount		
At 31 December	3,985	4,244

The intangible assets relate to the following items:

i) Supplier contract of Iron Ore Fines or Lumps relate to the fair value recognised during the business combination in 2009 with a cost and carrying amount of $2,069,000 and $326,000 (2013: $2,069,000 and $326,000), respectively.

ii) Mining right of an iron ore mine located in Australia with a cost and carrying amount of $4,087,000 and $3,659,000 (2013: $4,262,000 and $3,918,000), respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

17. Investment properties

	Group and Company 2014 $'000	2013 $'000
Statement of financial position		
Balance at beginning of financial year	26,000	24,900
Net gains from fair value change	–	1,100
Balance at end of financial year	26,000	26,000
Statement of comprehensive income		
Rental income from investment properties	964	879
Direct operating expenses arising from:		
– Rental generating properties	(98)	(74)
– Non-rental generating properties	(41)	(37)

The investment properties are carried at fair values at the end of the reporting period based on an independent appraisal by a firm of professional valuers dated 26 January 2015 (2013: 7 January 2014) based on the presumption that the Group's current use of the properties is their best use in the absence of other factors proving otherwise. The valuation has been carried out on the basis of the direct comparison and income method.

Investment properties are leased to non-related parties under operating leases.

The investment properties are mortgaged to a bank as security for a term loan (Note 27).

Details of the investment properties held by the Group as at 31 December 2014 are set out below:

Location	Description	Existing use	Tenure	Unexpired lease term (years)
7 Temasek Boulevard, Suntec City Tower 1, Singapore	Office tower	Rental	99 years	74

18. Trade receivables

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Third parties	112	2,455	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

19. Other receivables, deposits and prepayments

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Classified as Current Assets				
Deposits	79,770	41,981	79,242	40,917
Interest receivable from Manfu	266	9,916	266	9,916
Amount due from immediate holding company	7,615	4,000	–	–
Prepayments	623	582	30	25
Subsidiaries	–	–	92,796	59,872
Sundry debtors	5,729	600	133	12
Dividends receivable	4,494	3,715	4,495	3,715
Less: Allowance for doubtful debts	(36,541)	–	(47,073)	(10,113)
Net	61,956	60,794	129,889	104,344
Classified as Non-Current Assets				
Deposits	–	50,954	–	50,954

Movements in allowance for doubtful non-trade receivables during the financial year are as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Balance at beginning of financial year	–	–	10,113	9,772
Provision for the financial year	36,541	–	36,960	341
Balance at end of financial year	36,541	–	47,073	10,113

Other receivables are non-trade related, unsecured, repayable on demand and interest free except for an amount due from subsidiaries which bears interest ranging from Nil% to 0.5% (2013: Nil% to 0.5%) per annum.

Deposits

Included in the deposits is an amount 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., Ltd. amounting to $79,498,000 (2013: $91,861,000). However, the deal was terminated during year 2013. Manfu has agreed to refund the deposit over 5 installments commencing on January 2014 with the last installment on September 2015. This deposit is directly secured over Manfu's effective interest of 45.5% in equity shares in a company which indirectly owns a manganese mine located on Farm Buchansvale No. 61 in the Carletonville area of Gauteng, South Africa. This deposit bears a fixed interest rate of 4% (2013: 4%) per annum on instalments due.

On September 2014, Manfu had requested for extension of repayment of the 3rd instalment which was supposed to due by September 2014, to be extended to 31 December 2014, with an annual interest rate of 4% compensated to the Company. The Company had accepted the request made by Manfu. The security over the mortgaged shares remains enforceable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

19. Other receivables, deposits and prepayments (Continued)

Deposits (Continued)

The fair value of the security which is determined based on the valuation report performed by Asset Appraisal Limited as at 31 December 2014 was $94,410,989 (RMB436,400,000). The 45.5% effective share of the security is only $42,957,000 which is below the outstanding balance of $79,498,000 from Manfu. Thus, the shortfall of $36,541,000 was provided as doubtful debts in the current year.

20. Other financial asset at fair value through profit or loss

	Group and Company	
	2014	**2013**
	$'000	**$'000**
At fair value:		
Balance at beginning of financial year	36,217	35,081
Disposal	(35,000)	–
Fair value (loss)/gain	(1,217)	1,136
Balance at end of financial year	–	36,217

The asset is an unquoted Index-linked structured deposit with a tenure of 4 years commencing from 25 August 2010 and was used as a security in favour to the bank for the term loan granted to the Group and the Company.

21. Cash and cash equivalents

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Cash and bank balances	1,655	2,035	1,364	1,494

22. Share capital

	Group and Company			
	2014		**2013**	
	Number of ordinary shares	**$'000**	**Number of ordinary shares**	**$'000**
Issued and paid up:				
At the beginning of the year	244,274,150	250,805	246,999,994	254,664
Cancellation of shares	–	–	(2,725,844)	(3,859)
At the end of the financial year	244,274,150	250,805	244,274,150	250,805

In 2013, the Company cancelled 2,725,844 shares previously issued under Hua Kok International Ltd.'s scheme of arrangement ("HKI Scheme").

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Share options granted under the Abterra Employee Share Option Scheme (the "Scheme") carry no rights to dividends and no voting rights. All share options expired in year 2013. Accordingly, there was no share option as at 31 December 2014 and 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

23. Share options reserve

Equity Settled Share option scheme

The Company has adopted the 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 for the shares ("Market Price") of the Company on the Singapore Exchange Securities Trading Limited for the five consecutive market days immediately preceding the date of grant or at a discount to the Market Price, so long as 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 vesting period is 1 year. If the options remain unexercised after a period of 2 years from the date of grant, the options will expire. Options are forfeited if the option holder leaves the Group before the options vest.

All share options expired in year 2013.

Details of the share options outstanding during the financial year are as follows:

	Group and Company	
	Number of share options	Weighted average exercise price
Outstanding at 1 January 2013	1,831,000	1.24
Expired during year 2013	(1,831,000)	(1.24)
Outstanding at 31 December 2013 and 31 December 2014	–	–
Exercisable at the end of the financial year	–	–

24. 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.

25. Trade payables

The average credit period of the trade payables is 30 days. No interest is charged on the trade payables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26. Other payables and accruals

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Accrued operating expenses	1,778	5,355	1,148	2,684
Amount due to immediate holding company	6,732	22,824	–	487
Amount due to intermediate holding company	72	551	–	–
Sundry creditors	6,581	10,881	282	308
Amount due to subsidiaries	–	–	62,994	58,223
Total	15,163	39,611	64,424	61,702

Amounts due to immediate and intermediate holding companies are non-trade related, unsecured, interest-free and repayable on demand except for an amount due to immediate holding company of approximately $Nil (2013: $15,270,000) which bears an interest of 9% per annum.

At 31 December 2014, included in sundry creditors is an amount of approximately $Nil (2013: $8,901,000) being the remaining assumed liability due to vendor upon acquisition of a subsidiary which is recoverable from the vendor.

The amount due to subsidiary is non-interest bearing and repayable on demand.

27. Term loans

	Group and Company	
	2014 $'000	2013 $'000
Secured:		
Loan 1	15,620	17,043
Loan 2	–	28,000
Total term loans	15,620	45,043
Due within one year (current)	15,620	45,043

The secured term loans of the Group and the Company consist of:

Loan 1 is secured by pledge of leasehold building with carrying amount of $11,356,000 (2013: $11,762,000) (Note 12) and investment properties with carrying amount of $26,000,000 (2013: $26,000,000) (Note 17) of the Group and of the Company and bears a fixed interest rate at 4.98% (2013: 4.98%) per annum. This loan is repayable at monthly installment payment ranging from approximately $175,000 to $186,000 over period of 15 years commencing on October 2008. However, the Group and the Company is required to repay the loan in full upon the request of the bank.

In the prior year, loan 2 was secured over a 100% principal-protected structured deposit (Note 20) and bore variable interest rates ranging from 0.64% to 0.9% and was renewable quarterly.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Deferred tax liabilities

	Group and Company 2014 $'000	2013 $'000
Deferred tax liabilities:		
– Fair value changes on investment properties	791	791

Movement in provision for deferred tax:

	Group and Company 2014 $'000	2013 $'000
Balance at beginning of financial year	791	604
Charge during the year (Note 10)	–	187
Balance at end of financial year	791	791

29. Related party transactions

Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Sales from an associate to related companies	285,453	172,865	–	–
Advances from immediate holding company	–	8,105	–	–
Repayment to immediate holding company	19,707	–	–	–
Advances from subsidiaries	–	–	1,539	4,287
Advances to subsidiaries	–	–	21,449	–
Interest expenses charged by an immediate holding company	168	676	–	–

NOTES TO THE FINANCIAL STATEMENTS
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30. Commitments

(a) Non-cancellable operating lease commitments – where the Group is a lessee

The Group has operating lease agreements for office premises and office equipment. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

	Group	
	2014	**2013**
	$'000	**$'000**
Future minimum lease payments:		
Not later than 1 year	70	85
1 to 5 years	56	34
Total	126	119

(b) Non-cancellable operating lease commitments – where the Group is a lessor

The Group and Company lease out office space to non-related parties under non-cancellable operating leases. The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	Group and Company	
	2014	**2013**
	$'000	**$'000**
Future minimum lease payments:		
Not later than 1 year	849	964
1 to 5 years	60	990
Total	909	1,954

31. Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Chief Executive Officer, the Financial Controller, and the department heads of each business within each geographic segment.

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the five geographic areas: Singapore, China, Macau, Indonesia and Australia.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Exco. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

31. Segment information (Continued)

The Group is organised into two main operating divisions, namely:

(i) Iron ore trading
(ii) Coke and coal trading

	Iron Ore Trading $'000	Coke and Coal Trading $'000	Total $'000
For the financial year ended 31 December 2014			
Revenue	44,260	4,745	49,005
Segment results	2,054	1,633	3,687
Other operating income			7,678
Unallocated costs			(48,120)
Finance costs			(1,200)
Share of loss of associates			(22,833)
Loss before income tax			(60,788)
Income tax			(2)
Non-controlling interests			10,620
Loss attributable to equity holders of the Company			(50,170)
Non-cash items:			
Amortisation of intangible assets			103
Depreciation of property, plant and equipment			629
Fair value loss on other financial asset at fair value through profit or loss			1,217
Fair value loss on forward foreign exchange contract			1,948
Provision for doubtful debts – non-trade			36,541
Unrealised exchange gain			(1,190)
Employee benefits obligation			8
At 31 December 2014			
Segment assets	91	–	91
Associates			57,534
Unallocated assets			118,266
Consolidated total assets			175,891
Segment liabilities	–	–	–
Unallocated liabilities			31,652
Consolidated total liabilities			31,652

31. Segment information (Continued)

	Iron Ore Trading $'000	Coke and Coal Trading $'000	Total $'000
For the financial year ended 31 December 2013			
Revenue	17,113	–	17,113
Segment results	1,343	–	1,343
Other operating income			18,808
Unallocated costs			(12,023)
Finance costs			(2,003)
Share of loss of associates			(1,754)
Profit before income tax			4,371
Income tax			(55)
Non-controlling interests			1,106
Profit attributable to equity holders of the Company			5,422
Non-cash items:			
Amortisation of intangible assets			766
Depreciation of property, plant and equipment			644
Fair value gain on other financial asset at fair value through profit or loss			(1,136)
Fair value loss on forward foreign exchange contract			1,208
Fair value gain on investment properties			(1,100)
Gain on cancellation of shares previously issued under HKI scheme			(3,859)
Interest arising from termination of proposed acquisition			(9,916)
Unrealised exchange gain			(1,180)
Loss on disposal of property, plant and equipment			43
Employee benefits obligation			(1)
At 31 December 2013			
Segment assets	2,287	3,043	5,330
Associates			79,726
Unallocated assets			207,395
Consolidated total assets			292,451
Segment liabilities	2,139	–	2,139
Unallocated liabilities			85,464
Consolidated total liabilities			87,603

31. Segment information (Continued)

The Group's two business segments operate in five main geographic areas. Revenue and non-current assets are based on the location of the business operations.

Singapore

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

China

The operations in this area are principally the coal mining and provision of logistics services.

Macau

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

Indonesia

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

Australia

The entity is established to hold the right, title and interest in the mine and property upon the completion of the proposed acquisition.

	Group's revenue	
	2014	**2013**
	$'000	**$'000**
Macau	44,260	17,113
Indonesia	4,745	–
Total	49,005	17,113

	Group's non-current assets	
	2014	**2013**
	$'000	**$'000**
Singapore	37,944	90,976
Australia	3,669	3,931
China	69,879	92,071
Indonesia	676	1,065
Total	112,168	188,043

Non-current assets information presented above consists of property, plants and equipment, investment in associates, available-for-sale financial assets, derivative financial asset, intangible assets, investment properties and deposits.

Revenue of approximately $44,260,000 (2013: $17,113,000) is derived from 3 major customers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management

Financial risk management objectives and policies

The Group's activities expose itself to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (which comprises foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Group's overall business strategies, tolerance of risk and general risk management philosophy are determined by Board of Directors in accordance with prevailing economic and operating conditions.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from a change in foreign currency exchange rate, which is expected to have adverse effect on the Group in the current reporting period and in future years.

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 and the utilization of forward foreign exchange contracts to hedge the Company's foreign currency exposures. Further details on the forward exchange contracts can be found in Note 15 to the financial statements.

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 reporting currency for consolidation purposes. Fluctuations in the exchange rate between the functional currencies and Singapore dollar will have an impact on the Group.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

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:

	Singapore dollar $'000	United States dollar $'000	Chinese Renminbi $'000	Others* $'000	Total $'000
Group					
As at 31 December 2014					
Financial assets					
Cash and cash equivalents	809	750	11	85	1,655
Trade receivables	–	112	–	–	112
Other receivables and deposits	8,636	3,511	48,393	793	61,333
Available-for-sale financial assets	12,345	–	–	–	12,345
Total	21,790	4,373	48,404	878	75,445
Financial liabilities					
Other payables and accruals	6,756	413	5,636	2,358	15,163
Term loans	15,620	–	–	–	15,620
Total	22,376	413	5,636	2,358	30,783

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

	Singapore dollar $'000	United States dollar $'000	Chinese Renminbi $'000	Others* $'000	Total $'000
Group					
As at 31 December 2013					
Financial assets					
Cash and cash equivalents	1,117	728	38	152	2,035
Trade receivables	–	2,308	–	147	2,455
Other receivables and deposits	13,928	10	96,173	1,055	111,166
Available-for-sale financial assets	12,345	–	–	–	12,345
Other financial asset at fair value through profit or loss	–	36,217	–	–	36,217
Derivative financial asset	1,948	–	–	–	1,948
Total	29,338	39,263	96,211	1,354	166,166
Financial liabilities					
Trade payables	–	2,139	–	–	2,139
Other payables and accruals	3,217	23,435	10,443	2,516	39,611
Term loans	45,043	–	–	–	45,043
Total	48,260	25,574	10,443	2,516	86,793

* Others mainly include Macau Pataca, Hong Kong dollar, Indian Rupee, Australian dollar and Indonesian Rupiah.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

	Singapore dollar $'000	United States dollar $'000	Chinese Renminbi $'000	Others* $'000	Total $'000
Company					
As at 31 December 2014					
Financial assets					
Cash and cash equivalents	755	606	–	3	1,364
Other receivables and deposits	55,192	27,015	42,958	4,694	129,859
Available-for-sale financial assets	12,345	–	–	–	12,345
Total	68,292	27,621	42,958	4,697	143,568
Financial liabilities					
Other payables and accruals	4,527	58,706	–	1,191	64,424
Term loans	15,620	–	–	–	15,620
Total	20,147	58,706	–	1,191	80,044

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

	Singapore dollar $'000	United States dollar $'000	Chinese Renminbi $'000	Others* $'000	Total $'000
Company					
As at 31 December 2013					
Financial assets					
Cash and cash equivalents	998	494	–	2	1,494
Other receivables and deposits	59,687	–	95,586	–	155,273
Available-for-sale financial assets	12,345	–	–	–	12,345
Other financial asset at fair value through profit or loss	–	36,217	–	–	36,217
Derivative financial asset	1,948	–	–	–	1,948
Total	74,978	36,711	95,586	2	207,277
Financial liabilities					
Other payables and accruals	61,441	10	20	231	61,702
Term loans	45,043	–	–	–	45,043
Total	106,484	10	20	231	106,745

* Others mainly include Macau Pataca, Hong Kong dollar, Indian Rupee and Indonesian Rupiah.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity

The following table details the sensitivity to a 2% increase and decrease in the functional currency of the respective companies against the relevant foreign currencies. 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

If the Singapore dollar strengthens/weakened by 2% against the relevant foreign currencies, statement of comprehensive income and other equity will increase/(decrease) by:

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
	Increase/(Decrease)		**Increase/(Decrease)**	
United States dollar against Singapore dollar				
– strengthened	79	274	(622)	734
– weakened	(79)	(274)	622	(734)
Renminbi against Singapore dollars				
– strengthened	855	1,715	859	1,911
– weakened	(855)	(1,715)	(859)	(1,911)
Others currencies against Singapore dollars				
– strengthened	(30)	(23)	70	(5)
– weakened	30	23	(70)	5

(ii) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Group's financial conditions and/or results. The primary source of the Group's interest rate risk is its borrowings from financial institutions in Singapore. The Group's policy is to manage its interest cost using a combination of fixed and variable interest rate borrowings, where applicable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

The Group has adequate credit facilities to ensure necessary liquidity as provided from the consolidated statement of financial position.

The Group manages its interest rate risks on its interest income by placing the cash balances in varying maturities and interest rate terms.

Interest rate risk sensitivity

The financial assets and liabilities of the Group are non-interest bearing except for cash and cash equivalents and borrowings as set out in the table below, categorised by the earlier of contractual repricing or maturity dates.

		Group		Company	
	Rate	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**
Assets					
Cash and cash equivalents	Floating	1,655	2,035	1,364	1,494
Liabilities					
Term loans	Floating	–	28,000	–	28,000
Term loans	Fixed	15,620	17,043	15,620	17,043

The Group and Company's borrowings at variable rates on which effective hedges have not been entered into, are denominated in USD. If the interest rates increase or decrease by 0.50% (2013: 0.50%) with all other variables including tax rate being held constant, the Group and Company's profit/(loss) after income tax will be lower or higher by $6,868 and $5,660 respectively (2013: $108,000 and $110,000 respectively) as a result of higher or lower interest expense on these borrowings.

(b) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(b) Liquidity risk (Continued)

	Less than 1 year $'000	Over 1 year $'000	Total $'000
Group			
Financial Assets			
At 31 December 2014			
Cash and cash equivalents	1,655	–	1,655
Trade receivables	112	–	112
Other receivables and deposits	61,333	–	61,333
Available-for-sale financial assets	–	12,345	12,345
Total	63,100	12,345	75,445
At 31 December 2013			
Cash and cash equivalents	2,035	–	2,035
Trade receivables	2,455	–	2,455
Other receivables and deposits	60,212	50,954	111,166
Available-for-sale financial assets	–	12,345	12,345
Other financial asset at fair value through profit or loss	36,217	1,948	38,165
Total	100,919	65,247	166,166
Financial liabilities			
At 31 December 2014			
Other payables and accruals	15,163	–	15,163
Term loans	15,620	–	15,620
Total	30,783	–	30,783
At 31 December 2013			
Trade payables	2,139	–	2,139
Other payables and accruals	39,611	–	39,611
Term loans	45,043	–	45,043
Total	86,793	–	86,793

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(b) Liquidity risk (Continued)

	Less than 1 year $'000	Over 1 year $'000	Total $'000
Company			
Financial Assets			
At 31 December 2014			
Cash and cash equivalents	1,364	–	1,364
Other receivables and deposits	129,859	–	129,859
Available-for-sale financial assets	–	12,345	12,345
Total	131,223	12,345	143,568
At 31 December 2013			
Cash and cash equivalents	1,494	–	1,494
Other receivables and deposits	104,319	50,954	155,273
Available-for-sale financial assets	–	12,345	12,345
Other financial asset at fair value through profit or loss	36,217	1,948	38,165
Total	142,030	65,247	207,277
Financial Liabilities			
At 31 December 2014			
Other payables and accruals	64,424	–	64,424
Term loans	15,620	–	15,620
Total	80,044	–	80,044
At 31 December 2013			
Other payables and accruals	61,702	–	61,702
Term loans	45,043	–	45,043
Total	106,745	–	106,745

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(c) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group manages such risks by dealing with a diversity of credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections. The Group places its cash and cash equivalents with creditworthy institutions.

Trade receivables are generally on 90 days to 120 days term. As the Group and Company does 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 statement of financial position.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
By geographical areas:				
Singapore	20	20	–	–
Macau	92	2,288	–	–
Indonesia	–	147	–	–
Total	112	2,455	–	–

The carrying amounts of cash and cash equivalents, trade and other receivables, including amount due from related parties, represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Cash and cash equivalents are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of its customers to make payments when due. The amounts presented in the statement of financial position are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(c) Credit risk (Continued)

The age analysis of trade receivables is as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Not past due and not impaired	92	2,288	–	–
Past due but not impaired:				
Past due over 6 months	20	167	–	–
Gross trade receivables	112	2,455	–	–

At the end of the reporting period, 100% (2013: 100%) of the Group's trade receivables were due from 1 major third party customer (2013: 1 major third party customer in China).

(d) Fair values of assets and liabilities

The carrying amounts of cash and bank balances, trade and other receivables and payables and amount due from subsidiaries are reasonable approximation of fair values due to the relatively short-term maturity of these financial instruments.

The fair values of applicable financial assets and financial liabilities are determined as follows:

(a) the fair values of financial assets and financial liabilities with standard terms and conditions and which trade in active liquid markets that the Group can access at the measurement date markets are determined with reference to quoted market prices (unadjusted) (Level 1 of fair value hierarchy);

(b) in the absence of quoted market prices, the fair values of the other financial assets and financial liabilities (excluding derivative instruments) are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets or inputs other than quoted prices that are observable for the asset or liability (Level 2 of fair value hierarchy).

(c) in the absence of observable inputs, the fair values of the remaining financial assets and financial liabilities (excluding derivatives instruments) are determined in accordance with generally accepted pricing models (Level 3 of fair value hierarchy).

(d) the fair value of derivative instruments are calculated using quoted prices (Level 1 of fair value hierarchy). Where such prices are unavailable, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives (Level 3 of fair hierarchy).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(d) Fair values of assets and liabilities (Continued)

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	Group and Company			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
At 31 December 2014				
Non-financial assets				
Investment property				
– Commercial	–	–	26,000	26,000

	Group and Company			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
At 31 December 2013				
Financial assets				
Derivative financial assets				
Forward foreign exchange contract	–	1,948	–	1,948
Other financial asset at fair value through profit or loss	–	36,217	–	36,217
	–	38,165	–	38,165
Non-financial assets				
Investment property				
– Commercial	–	–	26,000	26,000

Level 2

Valuation techniques are used for the determination of the fair values of foreign currency forward contracts and interest rate swaps. The fair value of foreign currency forward contracts is determined using quoted forward currency rates at the reporting date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Level 3

Investment property

The commercial investment properties were valued using the direct comparison and income method which estimates the properties' fair value based on comparable transactions and used in combination with term and reversion method.

The direct comparison and income approach estimates the property's fair value based on comparable transactions. The term and reversion method measures the fair value of the property by taking into account the rental income derived from the existing lease with due allowance for the reversionary income potential of the leases, which are then capitalised into the value at appropriate rates.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(d) Fair values of assets and liabilities (Continued)

A significant increase/(decrease) in the estimated market rent per annum and price per square metres would result in a significant increase/(decrease) in the fair value of the investment property. Correspondingly, a significant increase/(decrease) in term yields and reversionary yields will result in a decrease/(increase) in fair value of the investment property.

The table below states the information about fair value measurements using significant unobservable inputs:

Description Investment properties:	Fair value at 31 December 2014 $'000	Valuation technique	Unobservable input
Commercial	26,000	Direct comparison and income method	Yield adjustments based on valuation report

Movements in Level 3 assets and liabilities measured at fair value

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

	2014 Investment properties $'000
Balance at beginning of year and end of year	26,000

Valuation policies and procedures

The Group's Financial Controller ("FC") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures and reports to the Group's Audit Committee.

It is the Group's policy to engage external valuation experts to perform all significant financial reporting valuations using valuation models and significant unobservable inputs. The FC is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance. He also reviews the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

At least on an annual basis, the FC evaluates all significant changes in fair value measurements for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources, if necessary and appropriate.

The analysis and results of the external valuations and then reported to the Audit Committee on a quarterly basis who then performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the Board of Directors for approval.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Financial risk management (Continued)

Financial risk management objectives and policies (Continued)

(d) Fair values of assets and liabilities (Continued)

Valuation policies and procedures (Continued)

During the financial year, there is no change in the valuation technique of the various classes of financial instruments.

(e) Capital risk management policies and objectives

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2014 and 31 December 2013.

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 debts.

	Group		Company	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
Net debt	29,155	84,777	78,680	105,251
Total equity	144,239	204,848	133,649	171,175
Total capital	173,394	289,625	212,329	276,426
Gearing ratio	17%	29%	37%	38%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

33. Significant subsidiaries and associated companies

List of the entities in the Group

Name of entity	Principal activities	Country of incorporation and place of business	Percentage of effective interest held by the Group 2014 %	2013 %
Subsidiaries				
Held by the Company				
Abterra Resources Pte. Ltd.[(1)]	General trading	Singapore	100	100
Abterra Macao Commercial Offshore Ltd[(2)]	General trading	Macau	100	100
Abterra Mineral Resources India Private Limited[(3)]	Stockpile and trading of iron ore, coal and coke	India	100	100
Abterra Australia Pty Limited[(2)]	Mining	Australia	100	100
PT. Abterra Resources Indonesia[(4)]	General trading and mining contractor	Indonesia	95	95
Max Harvest Enterprise Limited[(5)]	Investment holding	Hong Kong	100	100
Sunny Energy Limited[(5)]	Investment holding	Hong Kong	61	61
Tian Yi Investment Pte. Ltd.[(3)]	General trading	Singapore	100	100
Tian Yi Power Co. Pte. Ltd.[(3)]	General trading	Singapore	100	100
World Spa Industries (M) Sdn. Bhd.[(7)]	Investment holding	Malaysia	60	60
Held through Abterra Resources Pte. Ltd.				
PT. Abterra Resources Indonesia[(4)]	General trading and mining contractor	Indonesia	5	5
Held through Max Harvest Enterprise Limited				
Tianjin Kaitemei Trading Co., Ltd.[(5)] (天津凯特美贸易有限公司)	Investment holding	China	100	100
Held through Sunny Energy Limited				
Shenzhen Manxin Trading Co., Ltd.[(5)] (深圳市满鑫贸易有限公司)	Investment holding	China	61	61
Shenzhen Chuangrongxin Trading Co., Ltd.[(5)] (深圳市创融新贸易有限公司)	Investment holding	China	61	61

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

33. Significant subsidiaries and associated companies (Continued)

List of the entities in the Group (Continued)

Name of entity	Principal activities	Country of incorporation and place of business	Percentage of effective interest held by the Group 2014 %	2013 %
Associates				
Held by the Company				
Tianjin Lant Development Co., Ltd.(6) (天津蓝塔发展有限公司)	Logistics business	China	45	45
Held through Tianjin Kaitemei Trading Co., Ltd.				
Zuoquan Xinrui Metallurgy Mine Co., Limited(5) (左权鑫瑞冶金矿山有限公司)	Iron ore mining	China	23	23
Held through Shenzhen Chuangrongxin Trading Co.. Ltd.				
Shanxi Fenxi Ruitai Zhengzhong Coal Limited(5) (山西汾西瑞泰正中煤业有限责任公司)	Coal mining	China	24	24

(1) *Audited by Mazars LLP, Singapore.*

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

(3) *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.*

(4) *Audited by Mazars LLP, Indonesia, and reviewed by Mazars LLP, Singapore for group consolidation purposes.*

(5) *Audited by Mazars CPA Limited, Hong Kong, and reviewed by Mazars LLP, Singapore for group consolidation purposes.*

(6) *Reviewed by Mazars CPA Limited, Hong Kong, for group consolidation purposes.*

(7) *In the process of winding up.*

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2015

ISSUED AND FULLY PAID-UP CAPITAL	:	S$248,977,243
NUMBER OF SHARES ISSUED	:	244,274,150
CLASS OF SHARES	:	ORDINARY SHARES
NUMBER OF TREASURY SHARE HELD	:	NIL
VOTING RIGHT	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings			No. of shareholders	%	No. of Shares	%
1	–	99	568	17.68	30,982	0.01
100	–	1,000	999	31.10	493,991	0.20
1,001	–	10,000	1,403	43.68	5,111,310	2.10
10,001	–	1,000,000	233	7.26	8,663,203	3.16
1,000,000& Above			9	0.28	229,974,664	94.53
Total			3,212	100.00	244,274,150	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares	%
1	Raffles Nominees (Pte) Ltd	66,199,006	27.10
2	RHB Securities Singapore Pte Ltd	42,792,000	17.52
3	DBS Vickers Securities (S) Pte Ltd	36,539,844	14.96
4	Phillip Securities Pte Ltd	32,158,414	13.17
5	Bank of Singapore Nominees Pte Ltd	30,920,330	12.66
6	Maybank Kim Eng Securities Pte Ltd	10,366,560	4.24
7	BNP Paribas Nominees Singapore Pte Ltd	6,500,000	2.66
8	Citibank Nominees Singapore Pte Ltd	3,462,070	1.42
9	UOB Kay Hian Pte Ltd	1,036,440	0.42
10	American Home Assurance Company	838,716	0.34
11	Tan Sze Seng	623,000	0.26
12	OCBC Securities Private Ltd	492,840	0.20
13	DBS Nominees Pte Ltd	473,900	0.19
14	United Overseas Bank Nominees Pte Ltd	326,490	0.13
15	Xiang Tao	142,000	0.06
16	Zheng Chuanlong	134,000	0.06
17	HSBC (Singapore) Nominees Pte Ltd	132,000	0.05
18	Chan Buck Wong	100,000	0.04
19	Kristy Yap Yun Hui	100,000	0.04
20	Yoon Keat Meng Lester	100,000	0.04
	Total:	233,437,610	95.56

STATISTICS OF SHAREHOLDINGS
AS AT 16 MARCH 2015

Based on the information available to the Company, approximately 64.32% 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

Name of Substantial Shareholder	Note	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
General Nice Resources (Hong Kong) Limited		86,903,976	35.58	–	–
General Nice Development Limited	[1]	–	–	86,903,976	35.58
General Nice Investment (China) Limited	[2]	–	–	86,903,976	35.58
General Nice Group Holdings Limited	[3]	–	–	86,903,976	35.58
Cai Sui Xin	[4]	–	–	86,903,976	35.58
Tsoi Ming Chi	[5]	–	–	86,903,976	35.58

[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 "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 Seventeenth Annual General Meeting of the Company will be held at 7 Temasek Boulevard #11-05 Suntec Tower 1 Singapore 038987, on Thursday, 30 April 2015 at 3.00 p.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2014 and the Report of the Directors and the Auditors' Report thereon. Resolution 1

2. To approve Directors' fees of S$146,200 for financial year ended 31 December 2014. (2013: S$163,450) Resolution 2

3. To re-elect Mr Wong Shiu Wah Williamson, a Director who is retiring by rotation pursuant to Article 91 of the Company's Articles of Association. *(See Explanatory Note)* Resolution 3

4. To re-elect Mr Chew Ban Chuan Victor Mark, a Director who is retiring by rotation pursuant to Article 91 of the Company's Articles of Association. *(See Explanatory Note)* Resolution 4

5. To note the retirement of Mr Lin Xizhong, a Director who is retiring pursuant to Section 153(6) of the Companies Act, (Chapter 50) and would not be seeking re-election.

6. To re-appoint Messrs Mazars LLP as Auditors and to authorise the Directors to fix their remuneration. Resolution 5

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: Resolution 6

   (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 of (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,

NOTICE OF ANNUAL GENERAL MEETING

PROVIDED THAT:

(1) 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 Articles of Association 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 Note)*

NOTICE OF ANNUAL GENERAL MEETING

8. That authority be and is hereby given to the Directors to: Resolution 7

   (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 of 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 per cent (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 Note)*

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

BY ORDER OF THE BOARD

CHEW BEE LENG
Company Secretary

Singapore
15 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(1) A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

(2) The instrument appointing the proxy must be deposited at the registered office of the Company at 7 Temasek Boulevard, #11-05 Suntec Tower 1, Singapore 038987, not less than 48 hours before the time appointed for the holding of the 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) contents 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 Wong Shiu Wah Williamson will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating 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 4

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

NOTICE OF ANNUAL GENERAL MEETING

Resolution 6

Resolution no. 6, if passed, 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 per cent (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 7

Resolution no. 7, 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.

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ABTERRA LTD.

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

PROXY FORM – SEVENTEENTH ANNUAL GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF moneys to buy ordinary shares in the capital of Abterra Ltd., this 2014 Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. 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 Annual General Meeting dated 15 April 2015.

I/We, ________________ NRIC/Passport/Co. Reg. No. ________________

of ________________________________ (Address)

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

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

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

or failing him/her, the Chairman of the Seventeenth Annual General Meeting ("AGM") of the Company as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM of the Company to be held at 7 Temasek Boulevard #11-05 Suntec Tower 1 Singapore 038987, on Thursday, 30 April 2015 at 3.00 p.m., and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of the AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at 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 2014 and the Report of the Directors and the Auditors' Report thereon.		
2.	To approve Directors' fees of S$146,200 for financial year ended 31 December 2014. (2013: S$163,450)		
3.	To re-elect Mr Wong Shiu Wah Williamson retiring by rotation pursuant to Article 91 of the Company's Articles of Association as a Director.		
4.	To re-elect Mr Chew Ban Chuan Victor Mark, retiring by rotation pursuant to Article 91 of the Company's Articles of Association as a Director.		
5.	To re-appoint Messrs Mazars LLP as Auditors and to authorise the Directors to fix their remuneration.		
	Special Business		
6.	To authorise the Directors to allot/issue new shares.		
7.	To authorise the Directors to offer/grant options and allot and issue shares pursuant to the Abterra Employee Share Option Scheme.		

Dated this ________ day of ________ 2015.

Total number of Shares Held

____

Signature(s) or Common Seal of Member

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 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, 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.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 7 Temasek Boulevard #11-05 Suntec Tower 1 Singapore 038987, not less than 48 hours before the time appointed for the holding of the meeting.

4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.

5. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be either under its seal or under the hand of its attorney duly authorised. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

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, Cap. 50.

8. The Company shall be entitled to reject the 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 members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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CORPORATE INFORMATION

Board of Directors

Executive Chairman
Mr Cai Sui Xin

Executive Vice-Chairman
Mr Lin Xizhong

Chief Executive Officer
Mr Lau Yu

Independent Directors
Mr Wong Shiu Wah Williamson
Mr Chew Ban Chuan Victor Mark
Mr Chan Chun Tat Ray

Company Secretary
Ms Chew Bee Leng

Audit Committee
Mr Wong Shiu Wah Williamson
Mr Chew Ban Chuan Victor Mark
Mr Chan Chun Tat Ray

Nominating Committee
Mr Chan Chun Tat Ray
Mr Wong Shiu Wah Williamson
Mr Chew Ban Chuan Victor Mark

Remuneration Committee
Mr Chew Ban Chuan Victor Mark
Mr Wong Shiu Wah Williamson
Mr Chan Chun Tat Ray

Employee Share Option Scheme Committee
Mr Chew Ban Chuan Victor Mark
Mr Wong Shiu Wah Williamson
Mr Chan Chun Tat Ray

Auditors
Mazars LLP
Public Accountants and
Certified Public Accountants
133 Cecil Street
#15-02 Keck Seng Tower
Singapore 069535

Audit Partner
Mr Chan Hock Leong
with effect from 17 February 2012

Principal Bankers
Standard Chartered Bank

Registrar
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

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

Company Registration No.
199903007C

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