ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the second quarter ended 30 June 2017

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

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

		THE GROUP					
		Quarter ended 30 June			Half year ended 30 June		
	Note	2017 S$'000	2016 S$'000	Changes %	2017 S$'000	2016 S$'000	Changes %
Revenue		**1,530**	**-**	**NM**	**3,203**	**-**	**NM**
Cost of sales		(1,514)	-	NM	(3,168)	-	NM
Gross profit		**16**	**-**	**NM**	**35**	**-**	**NM**
Other operating income		4	409	-99%	103	1,402	-93%
Administrative expenses		(431)	(682)	-37%	(749)	(1,450)	-48%
Other operating expenses		125	(1,717)	NM	(2,646)	(4,150)	-36%
Finance costs		(2)	(345)	-99%	(96)	(464)	-79%
Share of losses from equity-accounted for associates		-	(5)	-100%	-	(409)	-100%
Loss before taxation		**(288)**	**(2,340)**	**-88%**	**(3,353)**	**(5,071)**	**-34%**
Income tax		-	5	-100%	-	(8)	-100%
Loss for the financial period	**1**	**(288)**	**(2,335)**	**-88%**	**(3,353)**	**(5,079)**	**-34%**
Other comprehensive income:							
Components of other comprehensive income that will not be reclassified to profit or loss, net of taxation							
Gain on revaluation of property, plant and equipment		-	-	NM	-	149	-100%
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation							
Exchange differences on translating foreign operations		54	255	NM	1,570	527	198%
Total comprehensive loss for the financial period		**(234)**	**(2,080)**	**-89%**	**(1,783)**	**(4,403)**	**-60%**
Loss attributable to:							
Owners of the Company		**(278)**	**(2,326)**	**-88%**	**(3,333)**	**(5,060)**	**-34%**
Non-controlling interests		(10)	(9)	11%	(20)	(19)	5%
		(288)	**(2,335)**	**-88%**	**(3,353)**	**(5,079)**	**-34%**
Total comprehensive (loss)/income attribtable to:							
Owners of the Company		**(218)**	**(2,181)**	**-90%**	**(1,874)**	**(4,665)**	**-60%**
Non-controlling interests		(16)	101	NM	91	262	-65%
		(234)	**(2,080)**	**-89%**	**(1,783)**	**(4,403)**	**-60%**

NM – not meaningful

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

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

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Reversal of impairment of investment in associate	-	(221)	-	(937)
Interest expense	-	344	92	462
Depreciation of property, plant and equipment	56	58	113	142
Gain on disposal of property, plant and equipment	-	-	-	(43)
Net exchange (gain)/loss	(181)	1,659	2,533	4,007

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

	THE GROUP		THE COMPANY	
	30 Jun 2017 (Unaudited) S$'000	31 Dec 2016 (Audited) S$'000	30 Jun 2017 (Unaudited) S$'000	31 Dec 2016 (Audited) S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,286	6,347	6,283	6,344
Investments in subsidiaries	-	-	3	3
Investments in associates	-	-	-	-
Available-for-sale financial asset	-	-	-	-
Intangibles assets	325	325	-	-
Investment properties	4,828	4,828	4,828	4,828
Total non-current assets	**11,439**	**11,500**	**11,114**	**11,175**
Current assets				
Investment properties held for sale	-	11,367	-	11,367
Trade receivables	95	100	-	-
Other receivables, deposits and prepayments	57,413	57,366	110,718	110,601
Cash and cash equivalents	84	660	27	604
Total current assets	**57,592**	**69,493**	**110,745**	**122,572**
TOTAL ASSETS	**69,031**	**80,993**	**121,859**	**133,747**
EQUITY				
Capital and reserves attribuable to owners of the Company				
Share capital	250,805	250,805	250,805	250,805
Reserves	(196,131)	(194,257)	(197,601)	(197,437)
	54,674	56,548	53,204	53,368
Non-controlling interests	(4,034)	(4,125)	-	-
Total equity	**50,640**	**52,423**	**53,204**	**53,368**
LIABILITIES				
Current liabilities				
Other payables and accruals	18,361	21,003	68,655	72,845
Income tax liabilities	15	17	-	1
Borrowings	-	7,533	-	7,533
Total current liabilities	**18,376**	**28,553**	**68,655**	**80,379**
Non-current liabilities				
Employee benefit obligation	15	17	-	-
Deferred tax liabilities	-	-	-	-
Total non-current liabilities	**15**	**17**	**-**	**-**
Total liabilities	**18,391**	**28,570**	**68,655**	**80,379**
TOTAL EQUITY AND LIABILITIES	**69,031**	**80,993**	**121,859**	**133,747**

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

Amount repayable in one year or less, or on demand

As at 30.6.2017 (Unaudited)		As at 31.12.2016 (Audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	-	4,933	2,600

Amount repayable after one year

As at 30.6.2017 (Unaudited)		As at 31.12.2016 (Audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	-	-	-

Details of any collaterals:

The Group's borrowings at 31 December 2016 were secured by the following:

- Legal mortgage over the Group's properties.

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

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Cash flows from investing activities:				
Loss before taxation	(288)	(2,340)	(3,353)	(5,071)
Adjustments for:				
Depreciation of property, plant and equipment	56	58	113	142
Gain on disposal of property, plant and equipment	-	-	-	(43)
Reversal of impairment of investment in associate	-	(221)	-	(937)
Interest expense	-	344	92	462
Share of losses from equity-accounted for associates	-	5	-	409
Unrealised exchange loss	(165)	1,671	2,563	3,983
Operating loss before working capital changes	(397)	(483)	(585)	(1,055)
Changes in working capital:				
Other receivables, deposits and prepayments	(91)	231	(1,569)	378
Other payables and accruals	(555)	42	(2,077)	(83)
Total changes in working capital	(646)	273	(3,646)	295
Cash used in operations	(1,043)	(210)	(4,231)	(760)
Interest expense paid	(33)	(312)	(125)	(370)
Dividend received	-	-	-	13
Income tax paid	-	(97)	(2)	(143)
Net cash used in operating activities	**(1,076)**	**(619)**	**(4,358)**	**(1,260)**
Cash flows from investing activities:				
Purchases of property, plant and equipment	(52)	-	(52)	-
Proceeds from disposal of items of property, plant and equipment	-	-	-	43
Proceeds from disposal of investment properties held for sale	-	-	11,367	-
Deposit received for disposal of investment properties	-	896	-	896
Net cash (used in)/generated from investing activities	**(52)**	**896**	**11,315**	**939**
Cash flows from financing activities:				
Repayment of borrowings	-	(336)	(7,533)	(513)
Advance from the immediate holding company	-	12	-	543
Net cash (used in)/generated from financing activities	**-**	**(324)**	**(7,533)**	**30**
Net decrease in cash and cash equivalents	**(1,128)**	**(47)**	**(576)**	**(291)**
Cash and cash equivalents at beginning of period	1,212	209	660	453
Cash and cash equivalents at end of period	**84**	**162**	**84**	**162**

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

	Attributable to owners of the Company							
THE GROUP	**Share capital S$'000**	**Asset revaluation reserve S$'000**	**Share options reserve S$'000**	**Foreign currency translation reserve S$'000**	**Accumulated losses S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Balance as at 1 January 2017	**250,805**	**478**	**1,683**	**3,660**	**(200,078)**	**56,548**	**(4,125)**	**52,423**
Total comprehensive income/(loss) for the period	-	-	-	1,399	(3,055)	**(1,656)**	107	**(1,549)**
Balance as at 31 March 2017	**250,805**	**478**	**1,683**	**5,059**	**(203,133)**	**54,892**	**(4,018)**	**50,874**
Total comprehensive income/(loss) for the period	-	-	-	60	(278)	**(218)**	(16)	**(234)**
Balance as at 30 June 2017	**250,805**	**478**	**1,683**	**5,119**	**(203,411)**	**54,674**	**(4,034)**	**50,640**
Balance as at 1 January 2016	**250,805**	**329**	**1,683**	**4,814**	**(176,949)**	**80,682**	**(4,250)**	**76,432**
Total comprehensive income/(loss) for the period	-	149	-	101	(2,734)	**(2,484)**	161	**(2,323)**
Balance as at 31 March 2016	**250,805**	**478**	**1,683**	**4,915**	**(179,683)**	**78,198**	**(4,089)**	**74,109**
Total comprehensive income/(loss) for the period	-	-	-	145	(2,326)	**(2,181)**	101	**(2,080)**
Balance as at 30 June 2016	**250,805**	**478**	**1,683**	**5,060**	**(182,009)**	**76,017**	**(3,988)**	**72,029**

THE COMPANY	**Share capital S$'000**	**Asset revaluation reserve S$'000**	**Share options reserve S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
Balance as at 1 January 2017	**250,805**	**478**	**1,683**	**(199,598)**	**53,368**
Total comprehensive loss for the period	-	-	-	(349)	**(349)**
Balance as at 31 March 2017	**250,805**	**478**	**1,683**	**(199,947)**	**53,019**
Total comprehensive income for the period	-	-	-	185	**185**
Balance as at 30 June 2017	**250,805**	**478**	**1,683**	**(199,762)**	**53,204**
Balance as at 1 January 2016	**250,805**	**329**	**1,683**	**(178,678)**	**74,139**
Total comprehensive income/(loss) for the period	-	149	-	(768)	**(619)**
Balance as at 31 March 2016	**250,805**	**478**	**1,683**	**(179,446)**	**73,520**
Total comprehensive loss for the period	-	-	-	(1,886)	**(1,886)**
Balance as at 30 June 2016	**250,805**	**478**	**1,683**	**(181,332)**	**71,634**

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

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

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

No. of issued & fully paid ordinary shares	
As at 31 December 2016 and 30 June 2017	244,274,150

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 June 2017.

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

The figures have neither been reviewed nor audited.

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

Not applicable.

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

The Group and the Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared to the audited financial statements as at 31 December 2016 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2017. The adoption of these FRS has no material impact on the Group's and the Company's financial statements.

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

Please refer to paragraph 4.

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

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2017 S cents	2016 S cents	2017 S cents	2016 S cents
Earnings/(Loss) per ordinary share for the period				
(i) Based on weighted average number of ordinary shares in issue	(0.11)	(0.95)	(1.36)	(2.07)
- Weighted average number of shares	244,274,150	244,274,150	244,274,150	244,274,150
(ii) On a fully diluted basis	(0.11)	(0.95)	(1.36)	(2.07)
- Weighted average number of shares	244,274,150	244,274,150	244,274,150	244,274,150

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

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

(a) current financial period reported on; and

(b) immediately preceding financial year.

	THE GROUP		THE COMPANY	
	30 Jun 2017 S cents	31 Dec 2016 S cents	30 Jun 2017 S cents	31 Dec 2016 S cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	20.73	21.46	21.78	21.85

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 June 2017 of 244,274,150 ordinary shares (31 December 2016: 244,274,150 ordinary shares).

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

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

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

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

Revenue

Revenue and gross profit were generated from the sales of coke and coal during the period under review. No sales were made during the corresponding period in 2016.

Other operating income

Other operating income decreased from S$1.4 million in the corresponding period to S$0.1 million in the first half year 2017. This was mainly due to the decrease in rental income following the disposal of investment properties during year 2016 and the period under review.

Administrative expenses

Administrative expenses decreased from S$1.4 million in the corresponding period to S$0.7 million in the first half year 2017. This was mainly due to the decrease in staff cost and tighter costs control on general administrative expenses.

Other operating expenses

Other operating expenses decreased from S$4.1 million in the corresponding period to S$2.6 million in the first half year 2017. This was mainly due to the decrease in net foreign exchange loss from S$4.0 million to S$2.5 million.

Share of losses from equity-accounted for associates

There was no further share of losses from associates during the period under review as the carrying amounts of the associates have become zero since the beginning of period.

Loss for the financial period

In view of the above, the Group recorded loss after tax of S$3.4 million for the half year ended 30 June 2017, as compared to loss after tax of S$5.1 million for the corresponding period in 2016.

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

Review of Consolidated Statement of Financial Position

Cash and cash equivalents

Cash and cash equivalents of the Group decreased from S$0.7 million at as 31 December 2016 to S$0.1 million as at 30 June 2017. See the Review of Consolidated Statement of Cash Flows.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments remained at approximately S$57.4 million as at 31 December 2016 and 30 June 2017. No significant fluctuation was noted.

Other payables and accruals

Other payables and accruals decreased from S$21.0 million as at 31 December 2016 to S$18.4 million as at 30 June 2017. The decrease was mainly due to the utilization of a deposit received for disposal of investment properties held for sale of S$1.1 million during the period under review.

Review of Consolidated Statement of Cash Flows

Net cash used in operating activities for the first half year 2017 was S$4.4 million compared to S$1.3 million for the corresponding period in 2016. The net cash outflow was mainly due to a payment for trade deposits of S$1.6 million and the utilization of a deposit received for disposal of investment properties held for sale of S$1.1 million during the period under review.

Net cash used in financing activities for the first half year 2017 was S$7.5 million compared to net cash from financing activities of S$30,000 for the corresponding period in 2016. This was mainly due to the full repayment of borrowings during the period under review. No advance from or repayment to immediate holding company was noted.

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

Not applicable.

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

In August this year, SGX-ST granted Abterra an extension of time to 30 September 2017 to demonstrate its ability to generate regular substantial revenue from its trading activities or rental revenue before the Group is classified as a cash company under Rule 1018 of the Listing Manual, following the disposal of its property units at Suntec Tower 1 in Singapore.

After completing the disposal of the units at Suntec Tower 1 in February 2017, the Group re-commenced trading activities in February 2017. Moving forward, the Group expects to build on its trading activities on the back of an improved outlook for the global economy, which has contributed to the rebound in demand for industrial commodities year to-date, including coal, coking coal and iron ore. In particular, strong demand from China's steel industry has driven iron ore prices to a four month high in August 2017. Moreover, China is expected to be on course to buy more than 1 billion tonnes of iron ore from overseas producers in 2017 to secure supplies of the steelmaking ingredient. Despite the limited credit facilities held by the Group, Abterra will continue to utilise available internal financial resources to tap on opportunities to grow its trading revenue.

On 21 June 2017, the Group made a strategic move to increase its trading revenue by entering into a binding conditional sale and purchase agreement to acquire a 100% stake in Lead China Development Limited (the "Proposed Acquisition") which indirectly owns 51% equity interest in Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司) ("BLX") that is primarily engaged in the business of coal imports for sale within the PRC. The total purchase consideration for the Proposed Acquisition is RMB 74,205,000 (equivalent to approximately S$15,051,724 based on an exchange rate of S$1:RMB4.93 as at 21 June 2017).

The Group had submitted an application to the SGX-ST in relation to the proposed allotment and issuance of 48,553,949 fully paid-up ordinary shares in the capital of the Abterra, at an issue price of S$0.31 per Consideration Share, to the owners of Lead China Development Limited, who indirectly possess the 51% equity interest in BLX, in satisfaction of the consideration. Upon the completion of the Proposed Acquisition, the Group will be able to rejuvenate its trading business, enhance its trading capabilities and achieve a greater market presence as well as enlarge its revenue stream.

Abterra also intends to enter the property market in the PRC to diversify its business portfolio. The Group entered into a conditional sale and purchase agreement ("SPA") with Full Winner Industrial (Overseas) Limited ("Full Winner") to acquire a commercial property situated in the Chao Yang District of Beijing. On 30 June 2017, the Group received a letter from Full Winner expressing its wish to negotiate certain commercial terms under the proposed acquisition. The Board will deliberate and if thought fit, enter into negotiations with Full Winner.

The Company will continue to provide further updates and details in subsequent announcements to keep shareholders informed on the above-mentioned SPA and Proposed Acquisition as appropriate.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

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

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

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

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

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the period ended 30 June 2017 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
11 August 2017