ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the Second Quarter Ended 30 June 2014

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

1(a) 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		
	Notes	2014 S$'000	2013 S$'000	Changes %	2014 S$'000	2013 S$'000	Changes %
Revenue		**21,533**	**1,407**	1430%	**35,104**	**6,389**	449%
Cost of sales		(20,374)	(1,285)	1486%	(33,800)	(5,964)	467%
Gross profit		**1,159**	**122**	**850%**	**1,304**	**425**	**207%**
Other operating income		961	3,368	-71%	1,658	5,463	-70%
Administrative expenses		(1,678)	(1,691)	-1%	(3,031)	(3,408)	-11%
Other operating expenses		(2,324)	(1,028)	126%	(3,855)	(2,038)	89%
Finance costs		(272)	(476)	-43%	(740)	(901)	-18%
Share of results of associates		1,279	73	1652%	2,579	141	1729%
(Loss)/profit before tax		**(875)**	**368**	**NM**	**(2,085)**	**(318)**	**556%**
Income tax		-	-	NM	-	-	NM
(Loss)/profit after tax	**1**	**(875)**	**368**	**NM**	**(2,085)**	**(318)**	**556%**
Other comprehensive income/(expense):							
Currency translation difference		605	2,487	-76%	(1,400)	3,616	NM
Total comprehensive (expense)/income for the period		**(270)**	**2,855**	**NM**	**(3,485)**	**3,298**	**NM**
(Loss)/profit for the period attributable to:							
Equity holders of the Company		**(865)**	**375**	NM	**(2,060)**	**(303)**	580%
Non-controlling interest		(10)	(7)	43%	(25)	(15)	67%
		(875)	**368**	**NM**	**(2,085)**	**(318)**	**556%**
Total comprehensive (expense)/income attributable to:							
Equity holders of the Company		**(127)**	**1,926**	NM	**(2,921)**	**1,903**	NM
Non-controlling interest		(143)	929	NM	(564)	1,395	NM
		(270)	**2,855**	**NM**	**(3,485)**	**3,298**	**NM**

NM – not meaningful

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

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

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Interest income	-	(3)	-	(8)
Fair value loss/(gain) on financial assets, at fair value through profit or loss	161	(487)	267	(1,227)
Fair value (gain)/loss on forward foreign exchange contract	(320)	657	(500)	1,081
Loss on disposal of property, plant and equipment	-	-	-	43
Interest expense	272	475	740	898
Depreciation of property, plant and equipment	157	164	313	329
Amortisation of intangible assets	1	136	89	364
Net exchange loss/(gain)	1,665	(2,285)	1,532	(3,272)

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 2014 (Unaudited) S$'000	31 Dec 2013 (Audited) S$'000	30 Jun 2014 (Unaudited) S$'000	31 Dec 2013 (Audited) S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,518	12,826	11,829	12,072
Subsidiaries	-	-	31,146	31,146
Associates	80,523	79,726	2,149	2,149
Available-for-sale financial assets	12,345	12,345	12,345	12,345
Derivative financial asset	2,448	1,948	2,448	1,948
Intangibles asset	4,333	4,244	-	-
Investment properties	26,000	26,000	26,000	26,000
Other receivables	24,937	50,954	24,937	50,954
Total non-current assets	**163,104**	**188,043**	**110,854**	**136,614**
Current assets				
Inventories	-	2,896	-	-
Trade receivables	10,140	2,455	-	-
Other receivables, deposits and prepayments	59,226	60,794	128,713	104,344
Tax recovable	-	11	-	42
Financial assets at fair value through profit or loss	35,950	36,217	35,950	36,217
Cash and bank balances	1,784	2,035	1,174	1,494
Total current assets	**107,100**	**104,408**	**165,837**	**142,097**
TOTAL ASSETS	**270,204**	**292,451**	**276,691**	**278,711**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	250,805	250,805	250,805	250,805
Reserves	(74,270)	(71,350)	(82,163)	(79,630)
Non-controlling interests	24,828	25,393	-	-
Total Equity	**201,363**	**204,848**	**168,642**	**171,175**
LIABILITIES				
Current liabilities				
Trade payables	6,098	2,139	-	-
Other payables and accruals	17,541	39,611	62,892	61,702
Income tax payable	55	-	29	-
Term loans	44,337	45,043	44,337	45,043
Total current liabilities	**68,031**	**86,793**	**107,258**	**106,745**
Non-current liabilities				
Employee benefit obligation	19	19	-	-
Deferred tax liabilities	791	791	791	791
Total non-current liabilities	**810**	**810**	**791**	**791**
Total liabilities	**68,841**	**87,603**	**108,049**	**107,536**
TOTAL EQUITY AND LIABILITIES	**270,204**	**292,451**	**276,691**	**278,711**

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

Amount repayable in one year or less, or on demand

As at 30.06.2014		As at 31.12.2013 (audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
44,337	-	45,043	-

Amount repayable after one year

As at 30.06.2014		As at 31.12.2013 (audited)	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	-	-	-

Details of any collateral:

The Group's borrowings are secured by the following:

- Legal mortgage over the Group's properties.
- Structured deposit placed in a financial institution

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	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
(Loss)/profit before tax	**(875)**	**368**	**(2,085)**	**(318)**
Adjustments for:				
Employee benefit obligation	(2)	-	-	-
Depreciation of property, plant and equipment	157	164	313	329
Fair value loss/(gain) on financial assets, at fair value through profit or loss	161	(487)	267	(1,227)
Fair value (gain)/loss on forward foreign exchange contract	(320)	657	(500)	1,081
Amortisation of intangible asset	1	136	89	364
Loss on disposal of property, plant and equipment	-	-	-	43
Interest income	-	(3)	-	(8)
Interest expense	270	475	733	898
Unrealised exchange loss	1,024	239	200	249
Share of results of associates	(1,279)	(73)	(2,579)	(141)
Operating (loss)/profit before working capital changes	**(863)**	**1,476**	**(3,562)**	**1,270**
(Increase)/decrease in:				
Inventories	2,671	(971)	2,896	(1,980)
Trade receivables	(9,329)	(143)	(7,685)	3,635
Other receivables, deposits and prepayments	793	(3,484)	27,586	(4,700)
Increase/(decrease) in:				
Trade payables	6,098	(102)	3,959	1,160
Other payables and accruals	77	289	(8,396)	356
Cash (used in)/generated from operations	**(553)**	**(2,935)**	**14,798**	**(259)**
Interest income received	-	3	-	8
Interest expense paid	(270)	(475)	(733)	(898)
Income tax paid	(14)	515	66	10
Net cash (used in)/generated from operating activities	**(837)**	**(2,892)**	**14,131**	**(1,139)**
Cash flows from investing activities:				
Purchase of property, plant and equipment	-	-	-	(255)
Net cash used in investing activities	**-**	**-**	**-**	**(255)**
Cash flows from financing activities:				
Repayment of borrowings	(358)	(336)	(706)	(667)
Advance from/(repayment to) immediate holding company	1,729	4,130	(13,674)	3,154
Net cash generated from/(used in) financing activities	**1,371**	**3,794**	**(14,380)**	**2,487**
Net increase/(decrease) in cash and cash equivalents	**534**	**902**	**(249)**	**1,093**
Cash and cash equivalents at beginning of period	1,248	1,196	2,035	1,026
Effect of currency translations on cash and cash equivalent	2	15	(2)	(6)
Cash and cash equivalents at end of period	**1,784**	**2,113**	**1,784**	**2,113**

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

	Attributable to the equity holders of the Company						
THE GROUP	**Share capital S$'000**	**Share option reserve S$'000**	**Foreign currency translation reserve S$'000**	**Accumulated losses S$'000**	**Total shareholders' equity S$'000**	**Minority interests S$'000**	**Total equity S$'000**
Balance as at 1 January 2014	**250,805**	**1,683**	**2,732**	**(75,765)**	**179,455**	**25,393**	**204,848**
Total comprehensive expense for the period	-	-	(1,597)	(1,196)	**(2,793)**	(422)	**(3,215)**
Balance as at 31 March 2014	**250,805**	**1,683**	**1,135**	**(76,961)**	**176,662**	**24,971**	**201,633**
Total comprehensive income/(expense) for the period	-	-	738	(865)	**(127)**	(143)	**(270)**
Balance as at 30 June 2014	**250,805**	**1,683**	**1,873**	**(77,826)**	**176,535**	**24,828**	**201,363**
Balance as at 1 January 2013	**254,664**	**1,683**	**(2,341)**	**(81,187)**	**172,819**	**24,769**	**197,588**
Total comprehensive income/(expense) for the period	-	-	654	(676)	**(22)**	466	**444**
Balance as at 31 March 2013	**254,664**	**1,683**	**(1,687)**	**(81,863)**	**172,797**	**25,235**	**198,032**
Total comprehensive income for the period	-	-	1,551	374	**1,925**	929	**2,854**
Balance as at 30 June 2013	**254,664**	**1,683**	**(136)**	**(81,489)**	**174,722**	**26,164**	**200,886**

THE COMPANY	**Share capital S$'000**	**Share option reserve S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
Balance as at 1 January 2014	**250,805**	**1,683**	**(81,313)**	**171,175**
Total comprehensive expense for the period	-	-	(1,516)	**(1,516)**
Balance as at 31 March 2014	**250,805**	**1,683**	**(82,829)**	**169,659**
Total comprehensive expense for the period	-	-	(1,017)	**(1,017)**
Balance as at 30 June 2014	**250,805**	**1,683**	**(83,846)**	**168,642**
Balance as at 1 January 2013	**254,664**	**1,683**	**(101,037)**	**155,310**
Total comprehensive income for the period	-	-	105	**105**
Balance as at 31 March 2013	**254,664**	**1,683**	**(100,932)**	**155,415**
Total comprehensive income for the period	-	-	193	**193**
Balance as at 30 June 2013	**254,664**	**1,683**	**(100,739)**	**155,608**

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 are no shares issued during the period.
- There are 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:-

The numbers of issued & fully paid of ordinary shares as at 31 December 2013 and 30 June 2014 are 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 2014 (31 December 2013: Nil).

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 2013 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2014. 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 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	
	2014 Cents	2013 Cents	2014 Cents	2013 Cents
(Loss)/profit per ordinary share for the period				
(i) Based on weighted average number of ordinary shares in issue (cents)	(0.35)	0.15	(0.84)	(0.12)
- Weighted average number of shares	244,274,150	246,999,994	244,274,150	246,999,994
(ii) On a fully diluted basis	(0.35)	0.15	(0.84)	(0.12)

(Loss)/profit per ordinary share is calculated from dividing the Group's net loss attributable to shareholders 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 2014 Cents	31 Dec 2013 Cents	30 Jun 2014 Cents	31 Dec 2013 Cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	82.4	83.9	69.0	70.1

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 June 2014 of 244,274,150 ordinary shares (31 December 2013: 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 Comprehensive Income

Revenue

Revenue during the first half year 2014 significantly increased by S$28.7 million as compared to corresponding period in last year which was mainly due to increased iron ore activities.

Other operating income

Other operating income for the first half year 2014 decreased by S$3.8 million as compared with the corresponding period which was caused by the absence of exchange gain during current period.

Administrative expenses

Administrative expenses for first half year 2014 decreased by S$0.4 million as compared to corresponding period in last year. It was mainly due to the decrease in the staff cost and tighter costs control on general administrative expenses.

Other operating expenses

Other operating expenses increased from S$2.0 million in last corresponding period to S$3.9 million in the first half year 2014. This was mainly due to the storage fee incurred for inventory located in PRC and exchange loss incurred during the period.

Finance costs

Finance costs slightly decreased from S$0.9 million in the first half 2013 to S$0.7 million in the current period. This was mainly attributable to the decrease in loan interest.

Share of results of associates

The share of profits of associates increased by S$2.4 million was mainly due to the increase in profit share from one of the associated companies, Tianjin Land Development Ltd, as its trading volume increased.

Loss after tax

In view of the above, the Group recorded a loss after tax of S$2.1 million for the first half year 2014 as compared with the loss after tax of S$0.3 million for the corresponding period in 2013.

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 bank

Cash and bank balances of the Group decreased from S$2.0 million as at 31 December 2013 to S$1.7 million as at 30 June 2014. See Review of Consolidated Statement of Cash Flows.

Derivative financial assets

Derivative financial assets increased by S$0.5 million which was attributable to the increase in fair value of its forward contract, resulting from the appreciation of SGD against USD during the period.

Inventories

Inventories decreased by S$2.9 million as the Group sold out inventory during the period.

Trade receivable

Trade receivable increased from S$2.5 million as at 31 December 2013 to S$10.1 million as at 30 June 2014. The increase was mainly due to sales to customers near period end.

Other receivables (classified under non-current assets)

Other receivables decreased from S$51.0 million as at 31 December 2013 to S$24.9 million as at 30 June 2014. The decrease was mainly due to the reclassification of amount fall due within 12 months to other receivables, prepayment and deposit under current assets.

Financial assets at fair value through profit or loss

The balance represents structured deposits denominated in USD which was slightly decreased from S$36.2 million to S$36.0 million during the period. This was due to the decrease in its fair value as a result of depreciation of USD against SGD during the period.

Trade payables

Trade payable increased by S$4.0 million which was mainly due to the purchase of inventories near period end.

Other payables and accruals

Other payables and accruals decreased from S$39.6 million to S$17.5 million which was mainly due to the repayment of amount due to holding company.

Review of Consolidated Statement of Cash Flows

Cash flow generated from operating activities was S$14.1 million for the half year ended 30 June 2014 compared to cash flow used in operating activities of S$1.1 million in the corresponding period of prior year. Cash flow generated from operating activities was mainly due to collection of deposit from debtor.

Cash flow used in financing activities was S$14.4 million for the period ended 30 June 2014 which was mainly due to the repayment of amount due to holding company.

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

Not applicable.

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

The operating environment for the Group's trading operations is expected to remain challenging. Iron ore prices continue to experience weaknesses, falling to a 21-month low in June 2014[1]. The overall market weaknesses, further exacerbated by intense market competition and a lack of adequate credit facilities, will continue to affect the Group's trading operations in the near-term.

While challenges exist, the Group remains committed to growth, and will continue to work towards realising its long-term objective of transforming into a vertically integrated operator.

In view of the above and as part of its diversification plans, the Group will tap internal resources and seek new credit facilities amidst the tight credit market in the PRC. The Group is actively exploring growth opportunities in the regional real estate sector, including the PRC, and will update shareholders 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.

[1] http://in.reuters.com/article/2014/08/08/markets-ironore-idINL4N0QE3EF20140808

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. Confirmation By The Board Pursuant To Rule 705(5)

We, Lau Yu and Lin Xizhong, being two directors of Abterra Ltd. (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the half year and the second quarter ended 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
13 August 2014