ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the third quarter ended 30 September 2020

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 September			Nine months ended 30 September		
		2020	2019	Changes	2020	2019	Changes
		(Unaudited)	(Unadjusted)		(Unaudited)	(Unadjusted)	
	Note	S$'000	S$'000	%	S$'000	S$'000	%
Revenue		-	44,267	-100%	**5,615**	78,195	-93%
Cost of sales		-	(30,127)	-100%	**(5,598)**	(61,218)	-91%
Gross profit		-	14,140	-100%	**17**	16,977	-100%
Other operating income		**(222)**	917	NM%	**334**	1,103	-70%
Selling expenses		**(26)**	(227)	-89%	**(133)**	(754)	-82%
Administrative expenses		**(388)**	(735)	-47%	**(1,225)**	(1,547)	-21%
Other operating expenses		**562**	(220)	NM	**(953)**	(745)	28%
Finance costs		**(48)**	13	NM	**(148)**	6	NM
Profit / (Loss) before taxation		**(122)**	13,888	NM	**(2,108)**	15,040	NM
Income tax		-	92	NM	-	92	NM
Profit / (Loss) for the financial period	1	**(122)**	13,980	NM	**(2,108)**	15,132	NM
Other comprehensive income:							
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation							
Exchange differences on translating foreign operations		**(69)**	(422)	-84%	**1,056**	69	1430%
Total comprehensive profit/(loss) for the financial period		**(191)**	13,558	NM	**(1,052)**	15,201	NM
Profit/(loss) attributable to:							
Owners of the Company		**106**	7,230	-99%	**(1,878)**	7,392	NM
Non-controlling interests		**(228)**	6,750	NM	**(230)**	7,740	NM
		(122)	13,980	-101%	**(2,108)**	15,132	NM
Total comprehensive income/(loss) attributable to:							
Owners of the Company		**(673)**	6,863	NM	**(1,494)**	7,859	NM
Non-controlling interests		**482**	6,695	-93%	**442**	7,342	-94%
		(191)	13,558	NM	**(1,052)**	15,201	NM

NM – not meaningful

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

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

	THE GROUP			
	Quarter ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unadjusted)	(Unaudited)	(Unadjusted)
	S$'000	S$'000	S$'000	S$'000
Depreciation of property, plant and equipment	43	46	131	94
Net foreign exchange (gain)/loss	(689)	882	581	1,325

1(b) 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 Sep 2020	31 Dec 2019	30 Sep 2020	31 Dec 2019
		(Unaudited)	(Unadjusted)	(Unaudited)	(Unadjusted)
	Note	S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Property, plant and equipment		3,488	3,553	3,488	3,553
Investment in subsidiaries		-	-	15,052	15,052
Investment properties		6,953	6,953	6,953	6,953
Other receivables		138	213	-	-
Total non-current assets		**10,579**	**10,719**	**25,493**	**25,558**
Current assets					
Trade receivables		8,032	9,644	292	292
Other receivables, deposits and prepayments		4,993	2,656	66,057	65,830
Cash and cash equivalents		279	780	257	484
Total current assets		**13,304**	**13,080**	**66,606**	**66,606**
TOTAL ASSETS		**23,883**	**23,799**	**92,099**	**92,164**
EQUITY					
Capital and reserves and non-controlling					
Share capital		265,856	265,856	265,856	265,856
Reserves		(262,665)	(261,171)	(245,536)	(244,132)
		3,191	4,685	20,320	21,724
Non-controlling interests		(2,436)	(2,878)	-	-
Total equity		**755**	**1,807**	**20,320**	**21,724**
LIABILITY					
Current liabilities					
Trade payables		9,611	9,239	23	22
Other payables and accruals		11,678	11,407	69,917	69,073
Other borrowing		1,839	1,346	1,839	1,345
Income tax liabilities		-	-	-	-
Total current liabilities		**23,128**	**21,992**	**71,779**	**70,440**
Total liabilities		**23,128**	**21,992**	**71,779**	**70,440**
TOTAL EQUITY AND LIABILITIES		**23,883**	**23,799**	**92,099**	**92,164**

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 September		Nine months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unadjusted)	(Unaudited)	(Unadjusted)
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
(Loss)/Profit before taxation	(122)	13,888	(2,108)	15,040
Adjustment for:				
Depreciation of property, plant and equipment	43	46	131	94
Interest income	-	1	-	-
Interest expense	47	-	144	-
Unrealised exchange loss/(gain)	(92)	(564)	1,158	(85)
Operating loss before working capital changes	(124)	13,371	(675)	15,049
Changes in working capital:				
Inventories			-	-
Trade receivables	2,047	(24,888)	1,612	593
Other receivables, deposits and prepayments	(2,370)	3,665	(2,248)	328
Trade payables	174	8,363	372	(15,568)
Other payables and accruals	85	(176)	97	58
Total changes in working capital	(188)	335	(842)	460
Interest received	-	(1)	-	-
Interest paid	(47)	-	(144)	-
Income tax (paid)/refund	(4)	(25)	(8)	5
Net cash (used in)/generated from operating activities	**(239)**	**309**	**(994)**	**465**
Cash flows from investing activities				
Proceed from disposal of property, plant and equipment	-	2	-	2
Proceed from acquisition of subsidiaries	-	-	-	-
Net cash used in investing activities	**-**	**2**	**-**	**2**
Cash flows from financing activities				
Advance/(Repayment) from immediate holding company	0	(2)	0	(2)
Proceeds from new loan	381	-	493	-
Net cash flows (used in)/generated from financing activities	**381**	**(2)**	**493**	**(2)**
Net (decrease)/increase in cash and cash equivalents	**142**	**309**	**(501)**	**465**
Cash and cash equivalents at beginning of period	137	581	780	425
Cash and cash equivalents at end of period	**279**	**890**	**279**	**890**

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.

THE GROUP (unaudited)	Attributable to owner of the Company							
	Share Capital	Assets revaluation reserve	Other reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 January 2019	265,856	478	(12)	7,118	(268,702)	4,738	(2,901)	1,837
Total comprehensive income/ (loss) for the period	-	-	-	544	(139)	405	23	428
Reserve transfer due to strike off subsidiary	-	-	-	(4,677)	4,219	(458)	-	(458)
Balance as at 31 December 2019	265,856	478	(12)	2,985	(264,622)	4,685	(2,878)	1,807
Total comprehensive income/ (loss) for the period	-	-	-	384	(1,878)	(1,494)	442	(1,052)
Balance as at 30 September 2020	**265,856**	**478**	**(12)**	**3,369**	**(266,500)**	**3,191**	**(2,436)**	**755**

THE COMPANY (unaudited)	Share Capital	Assets revaluation reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 January 2019	265,856	478	(244,281)	22,053
Total comprehensive loss for the period	-	-	(329)	(329)
Balance as at 31 December 2019	265,856	478	(244,610)	21,724
Total comprehensive income loss for the period	-	-	(1,404)	(1,404)
Balance as at 30 September 2020	**265,856**	**478**	**(246,014)**	**20,320**

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

Balance as at 31 December 2019 and 30 September 2020:	292,828,099

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 September 2020.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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).

The figures have not been reviewed or audited.

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 unaudited financial statements as at 31 December 2019 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2020. 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 September		Nine months ended 30 September	
	2020 S cents	2019 S cents	2020 S cents	2019 S cents
(Loss) / Earnings per ordinary share for the year				
(i) Based on weighted average number of ordinary shares in issue	0.04	2.47	(0.64)	2.52
- Weighted average number of shares	292,828,099	292,828,099	292,828,099	292,828,099
(ii) On a fully diluted basis	0.04	2.47	(0.64)	2.52
- Weighted average number of shares	292,828,099	292,828,099	292,828,099	292,828,099

(Loss)/Earning per ordinary share is calculated from dividing the Group's net (loss)/profit 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 Sep 2020 S cents	30 Sep 2019 S cents	30 Sep 2020 S cents	30 Sep 2019 S cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	0.25	5.66	6.93	7.07

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 September 2020 of 292,828,099 ordinary shares (31 December 2019: 292,828,099 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 and Cost of sales

No revenue was generated in Q3 2020 due to disruption caused by COVID-19 situation. Overall during the 9 month period ended 30 September 2020, revenue (which were mainly generated from the sales of coke and coal) decreased 93% from S$78.1 million to S$5.6 million. The cost of sales decreased 91% from S$61.1 million to S$5.6 million accordingly with the decrease in revenue.

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)

Selling expenses

Selling expenses mainly represents the staff cost, entertainment and agency expenses in relation to the sales of coke and coal during the year. Selling expense decreased 82% from S$0.7 million in nine months ended 30 September 2019 to S$0.1 million in the nine months ended 30 September 2020 as there were not much sale activities in Q2 and Q3 2020.

Administrative expenses

Administrative expenses are kept to a minimum to maintain normal operation activities.

Other operating income

Other operating income in the nine months ended 30 September 2020 decreased by S$0.7 million. This was mainly due to the decrease in unrealized foreign exchange gain and rental and the decrease is partly off-set by the receipt of government grant.

	THE GROUP Period ended 30 September	
	2020 (Unaudited) S$'000	2019 (Unaudited) S$'000
Other operating income		
Rental and service income	110	228
Unrealized foreign exchange gain	180	642
Realised foreign exchange gain	-	6
Government grant	43	-
Others	1	227

Other operating expenses

Other operating expenses increased by 28% from S$0.7 million in the corresponding period to S$0.9 million in nine month ended 30 September 2020. This was mainly due to the increase in impairment for investment in subsidiary and receivables and depreciation but is partly offset by the decrease in unrealised exchange loss.

	THE GROUP Period ended 30 September	
	2020 (Unaudited) S$'000	2019 (Unaudited) S$'000
Other operating expenses		
Unrealized foreign exchange loss	581	651
Depreciation	131	94
Others – impairment loss	241	-

Loss for the financial period ended 30 September 2020

In view of the above, the Group recorded loss after tax of S$2.1 million for the nine months ended 30 September 2020, as compared to profit after tax of S$15.1 million for the corresponding period in 2019.

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

Property, plant and equipment and Investment properties

Property, plant and equipment of the Group was decreased mainly due to depreciation charged for the period.

Mining rights of Australian mine belonging to the Company's subsidiary, Abterra Australia Pty Limited ("Abterra Australia") was suspended by the Australian government on 7 March 2018. Further, Abterra Australia has been placed under liquidation since 4 March 2019. Abterra Australia has not been involved in any financial changes until now. So far, the liquidation of Abterra Australia has not had a significant impact on the Group's finances.

Trade receivables

Trade receivables decreased from S$9.6 million as at 31 December 2019 to S$8.0 million as at 30 September 2020. The decreases were in line with the sharp decrease in the sales in nine months ended 30 September 2020 as compared to sales in the nine months ended 30 September 2019.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments increased from S$2.7 million as at 31 December 2019 to S$5.0 million as at 30 September 2020. The increase in other receivables mainly due to reclassification of $2.4 million from trade receivables to other receivables during the period.

Further information on the nature, breakdown and details of other receivables is as follows:

	THE GROUP	
	September 2020 (Unaudited)	**December 2019 (Unaudited)**
	S$'000	**S$'000**
Amount due from related parties	403	388
Deposits	399	388
Receivables and prepayments	144	55
Other	4,047	1,825
	4,993	2,656

Cash and cash equivalents

Cash and cash equivalents of the Group decreased from S$0.8 million at as 31 December 2019 to S$0.3 million as at 30 September 2020 but has increased from S$0.1 million at as 30 June 2020 mainly due to a loan from an unrelated party. See the Review of Consolidated Statement of Cash Flows for details.

Trade payables

The amount represents the payables due to various coal business suppliers as at period end. Trade payables increased from S$9.2 million as at 31 December 2019 to S$9.6 million as at 30 September 2020. The increase was due to slower payment were made on the trade payable.

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)

Other borrowings

Further information on the borrowings and debt securities (for the group) are as follows:

	THE GROUP	
	September 2020 (Unaudited) S$'000	**December 2019 (Unaudited) S$'000**
Secured loan		
Loan 1	684	673
Loan 2	745	673
Loan 3	410	-
	1,839	1,346

Loan 1 and 2 are dominated in United State dollar, secured by first all monies legal mortgage on 7 Temasek Boulevard #11-01 Suntec Tower One Singapore 038987 and bears fixed interest rates of 13% and 13.5% per annum respectively. The company has requested for one-year extension for loan 1 and 2 as well as obtained additional loan 3 with interest rates of 13% per annum. The loans are repaid by instalment payments and will be fully repaid in year 2021.

Review of Consolidated Statement of Cash Flows

Net cash used in operating activities outflow for nine months ended 30 September 2020 was close S$1.00 million compared to approximately S$0.47 million cash generated for the corresponding period in 2019. The increase in net cash outflow from operating activities was mainly due to the Group not being profitable during the period under review for Q2 and Q3 2020.

Update on modified opinion issued in connection with the Company's latest financial statements

With regard to the requirement of SGX-ST for the issuers to provide updates on efforts taken to resolve the outstanding audit issues, the Company wishes to highlight that it has been in the process of selecting incoming auditors. The Company will work together with such incoming auditors in due course to resolve the outstanding audit issues which had been noted in Company last audit report for the financial year 31 December 2017. The Board confirms that the impact of all outstanding audit issues in the financial statements have been adequately disclosed.

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 COVID-19 pandemic is creating great uncertainties on global trading businesses. The Group's main trading key subsidiary, BLX has not been operating normally in Tianjin, China due to the COVID-19 pandemic. Starting from 30 April 2020, Tianjin adjusted the first-level emergency response to the second-level emergency response. On 6 June 2020, Tianjin adjusted the second-level emergency response to the third-level emergency response. BLX office has resumed operation in July 2020 and will gradually recover.

Most of the countries have imposed travel and trade restrictions to and from China or other affected regions and this has resulted significant impact on international trading businesses. The Group also expects a decrease in the global demand of coke, coal and iron ores. The Company will continue to

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. (continued)

provide further updates and details in subsequent announcements to update shareholders on the Group's corporate developments as and when such announcements may be appropriate.

After the stabilisation of global conditions in relation to COVID-19, the Company's businesses may take up to a further 6 months to fully resume operations and to run normally.

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 in view of the Group's current cashflow position.

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 September 2020 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

Cai Suirong
Executive Director and Chief Executive Officer
12 November 2020