

**ABTERRA LTD.**  
**(Company Registration No: 199903007C)**

**Unaudited Financial Statements and Dividend Announcement for the second quarter ended 30 June 2019**

**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.**

Note	THE GROUP					
	Quarter ended 30 June			Half year ended 30 June		
	2019 S\$'000	2018 S\$'000	+/- %	2019 S\$'000	2018 S\$'000	+/- %
Revenue	9,762	61,111	-84%	33,928	104,919	-68%
Cost of sales	(9,454)	(60,440)	-84%	(31,091)	(103,845)	-70%
Gross profit	308	671	-54%	2,837	1,074	164%
Other operating income	(833)	(391)	113%	186	296	-37%
Selling expenses	(140)	(283)	-51%	(527)	(612)	-14%
Administrative expenses	(370)	(303)	22%	(812)	(618)	31%
Other operating expenses	(372)	(92)	304%	(525)	(214)	145%
Finance costs	2	(3)	NM	(7)	(7)	0%
Profit/(Loss) before taxation	(1,405)	(401)	250%	1,152	(81)	NM
Income tax	-	(98)	NM	-	(114)	NM
Profit/(Loss) for the financial period	1 (1,405)	(499)	182%	1,152	(195)	NM
Other comprehensive income:						
<i>Components of other comprehensive income that will not be reclassified to profit or loss, net of taxation</i>						
Gain on revaluation of property, plant and equipment	-	-	NM	-	-	NM
<i>Components of other comprehensive income that will be reclassified to profit or loss, net of taxation</i>						
Exchange differences on translating foreign operations	(70)	(256)	-73%	491	198	148%
Total comprehensive profit / (loss) for the financial period	(1,475)	(755)	95%	1,643	3	54667%
Profit / (loss) attributable to:						
Owners of the Company	(1,389)	(611)	127%	162	(383)	NM
Non-controlling interests	(16)	112	MN	990	188	427%
	(1,405)	(499)	182%	1,152	(195)	NM
Total comprehensive profit / (loss) attributable to:						
Owners of the Company	(1,367)	(944)	45%	996	(204)	NM
Non-controlling interests	(108)	189	NM	647	207	213%
	(1,475)	(755)	95%	1,643	3	54667%

**NM – not meaningful**

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

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

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Depreciation of property, plant and equipment	2	24	48	144
Foreign currency exchange loss	1,280	530	443	69

**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.<sup>1</sup>**

	THE GROUP		THE COMPANY	
	30 June	31 Dec	30 June	31 Dec
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3,599	3,648	3,599	3,646
Investments in subsidiaries	-	-	15,052	15,051
Investments in associates				
Available-for-sale financial asset				
Intangibles assets	5,572	5,572	-	-
Investment properties	7,170	7,170	7,170	7,170
<b>Total non-current assets</b>	<b>16,341</b>	<b>16,390</b>	<b>25,821</b>	<b>25,867</b>
<b>Current assets</b>				
Trade receivables	11,163	36,644	-	-
Other receivables, deposits and prepayments	49,729	46,851	105,495	106,084
Income tax recovable				
Cash and cash equivalents	581	425	53	178
<b>Total current assets</b>	<b>61,473</b>	<b>83,920</b>	<b>105,548</b>	<b>106,262</b>
<b>TOTAL ASSETS</b>	<b>77,814</b>	<b>100,310</b>	<b>131,369</b>	<b>132,129</b>
<b>EQUITY</b>				
<b>Capital and reserves and non-controlling interests</b>				
Share capital	265,856	265,856	265,856	265,856
Reserves	(205,071)	(205,609)	(204,256)	(203,824)
Non-controlling interests	4,416	3,769	-	-
<b>Total equity</b>	<b>65,201</b>	<b>64,016</b>	<b>61,600</b>	<b>62,032</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	877	24,808	-	-
Other payables and accruals	11,056	10,792	69,089	69,417
Income tax liabilities	-	-	-	-
Borrowings	680	680	680	680
<b>Total current liabilities</b>	<b>12,613</b>	<b>36,280</b>	<b>69,769</b>	<b>70,097</b>
<b>Non-current liabilities</b>				
Employee benefit obligation	-	14	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>12,613</b>	<b>36,294</b>	<b>69,769</b>	<b>70,097</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>77,814</b>	<b>100,310</b>	<b>131,369</b>	<b>132,129</b>

<sup>1</sup> Note: Refer to Paragraph 2 for explanation

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

**Amount repayable in one year or less, or on demand**

<b>As at 30 JUNE 2019 (Unaudited)</b>		<b>As at 31 December 2018 (Unaudited)</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
-	680	-	680

**Amount repayable after one year**

<b>As at 30 JUNE 2019 (Unaudited)</b>		<b>As at 31 December 2018 (Unaudited)</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
-	680	-	680

**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.**

	<b>THE GROUP</b>			
	<b>Quarter ended 30 June</b>		<b>Half year ended 30 June</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from investing activities:</b>				
Profit/(Loss) before taxation	(1,405)	(401)	1,152	(81)
Adjustments for:				
Amortisation of intangible assets	-	-	-	-
Depreciation of property, plant and equipment	2	24	48	144
Interest income	(1)	-	(1)	(2)
Interest expense	-	-	-	-
Unrealised exchange loss	(358)	226	479	37
Operating loss before working capital changes	(1,762)	(151)	1,678	98
Changes in working capital:				
Inventories	(14,496)	(3,201)	-	10,739
Trade receivables	25,589	10,940	25,481	10,803
Other receivables, deposits and prepayments	(1,169)	(16,144)	(3,337)	13,933
Trade payables	(7,951)	2,699	(23,931)	(25,079)
Other payables and accruals	101	6,835	234	(10,032)
Total changes in working capital	2,074	1,129	(1,553)	364
Cash used in operations	312	978	125	462
Interest received	1	-	1	2
Interest expense paid	(4)	-	-	-
Dividend received	-	-	-	-
Income tax (paid)/refunded	(66)	(55)	30	(315)
<b>Net cash used in operating activities</b>	<b>243</b>	<b>923</b>	<b>156</b>	<b>149</b>
<b>Cash flows from investing activities:</b>				
Purchases of property, plant and equipment	-	-	-	-
Proceeds from disposal of investment properties held for sale	-	-	-	-
Deposit received for disposal of investment properties	-	-	-	-
<b>Net cash (used in)/generated from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities:</b>				
Proceeds from a new loan	-	-	-	-
Repayment of borrowings	-	-	-	-
Advance from the immediate holding company	-	1	-	-
<b>Net cash (used in)/generated from financing activities</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>243</b>	<b>924</b>	<b>156</b>	<b>149</b>
Cash and cash equivalents at beginning of period	338	158	425	933
Effect of currency translation on cash and cash equivalents	-	-	-	-
<b>Cash and cash equivalents at end of period</b>	<b>581</b>	<b>1,082</b>	<b>581</b>	<b>1,082</b>

**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	Attributable to the equity holders of the Company							
	Share capital	Asset revaluation reserve	Share options reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019 (unaudited)	265,856	478	1,683	7,007	(214,777)	60,247	3,769	64,016
Total comprehensive income/(loss) for the period				834	162	996	647	1,643
Reserve transfer due to the strike-off subsidiary	-	-	-	(4,676)	4,218	(458)	-	(458)
Balance as at 30 June 2019 (unaudited)	265,856	478	1,683	3,165	(210,397)	60,785	4,416	65,201
Balance as at 1 January 2018(unaudited)	265,856	478	1,683	5,230	(205,077)	68,170	8,516	76,686
Total comprehensive income/(loss) for the period	-	-	-	1,777	(9,700)	(7,923)	(4,747)	(12,670)
Balance as at 31 December 2018 (unaudited)	265,856	478	1,683	7,007	(214,777)	60,247	3,769	64,016

THE COMPANY	Share capital	Asset revaluation reserve	Share options reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019 (unaudited)	265,856	478	1,683	(205,985)	62,032
Total comprehensive income/(loss) for the period	-	-	-	(432)	(432)
Balance as at 30 June 2019 (unaudited)	265,856	478	1,683	(206,417)	61,600
Balance as at 1 January 2018(unaudited)	265,856	478	1,683	(202,667)	65,350
Total comprehensive income/(loss) for the period	-	-	-	(3,318)	(3,318)
Balance as at 31 December 2018(unaudited)	265,856	478	1,683	(205,985)	62,032

**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 2018 and 30 June 2019      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 June 2019.

**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.

The Company has been working very closely with its new auditors, Messrs Foo Kon Tan LLP ("FKT") since FKT's appointment on 30 January 2019, the audit for financial year ended 31 December 2017 is ongoing currently. The audit adjustments for year ended as 31 December 2017 proposed by auditor on 28 June 2019 had been updated up to date. Accordingly, the result for finance year ended as 31 December 2017 announced on 28 February 2018 had been restated, for the more detail on the restatement will be announced later when audit for year ended as 31 December 2017 has been completed.

Due to the above, the Board wishes to highlight that there may be variances between (A) the Group's unaudited financial statements for the first half year ended 30 June 2018 as announced on 13 Aug 2018, the Group's unaudited financial statements for the first nine months ended 30 September 2018 as announced on 13 Nov 2018, Group's unaudited financial statements for the year ended 31 December 2018 as announced on 30 June 2019, unaudited financial statements for the first quarter ended 31 March 2019 as announced on 17 July 2019 and/or this unaudited financial statements for the second quarter ended as 30 June 2019 and (B) the audit report(s) to be issued.

**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 unaudited financial statements as at 31 December 2018 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2019. 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	
	2019	2018	2019	2018
	SS cents	SS cents	SS cents	SS cents
<b>Earnings/(Loss) per ordinary share for the year</b>				
(i) Based on weighted average number of ordinary shares in issue	(0.47)	(0.21)	0.06	(0.13)
- Weighted average number of shares	292,828,099	292,828,099	292,828,099	292,828,099
(ii) On a fully diluted basis	(0.47)	(0.21)	0.06	(0.13)
- Weighted average number of shares	292,828,099	292,828,099	292,828,099	292,828,099

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.**

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>30 Jun 2019</b>	<b>31 Dec 2018</b>	<b>30 Jun 2019</b>	<b>31 Dec 2018</b>
	<b>S cents</b>	<b>S cents</b>	<b>S cents</b>	<b>S cents</b>
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	22.27	21.86	21.04	21.18

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 June 2019 of 292,828,099 ordinary shares (31 December 2018 of 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**

Revenue were generated from the sales of coke and coal during the period under review. The revenue was mainly generated by the subsidiary Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司) ("BLX"), the sales decreased 68% from S\$104.9 million in first half year ended 30 June 2018 to S\$33.9 million in first half year ended 30 June 2019. Accordingly, the cost of sales decreased 70% from S\$103.8 million to S\$31.1 million. The decrease is mainly due to the decrease of unit price of coke and coal.

**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 14% from S\$0.6 million in first half year 2018 to S\$0.5 million in first half year 2019.

**Other operating income**

Other operating income in first half year 2019 decreased by S\$0.1 million. This was mainly due to fair value gain on forward contract at BLX in the corresponding first half year period in 2018.

**Other operating expenses**

Other operating expenses increased by 145% from S\$0.2 million in the corresponding period to S\$0.5 million in first half year 2019. This was mainly due to the increase in unrealised exchange loss.

## **Review of Consolidated Statement of Profit or Loss and Other Comprehensive Income - continued**

### **Profit for first half year ended 30 June 2019**

In view of the above, the Group recorded profit after tax of S\$1.2million for first half year 2019, as compared to loss after tax of S\$0.2 million for the corresponding period in 2018.

## **Review of Consolidated Statement of Financial Position**

### **Cash and cash equivalents**

Cash and cash equivalents of the Group increased from S\$0.4 million at as 31 December 2018 to S\$0.6 million as at 30 June 2019. See the Review of Consolidated Statement of Cash Flows for details.

### **Trade receivables**

The amount represents the receivables due from various coal business customers was S\$11.2 million as at 30 June 2019 decreased from S\$36.6 million as at 31 December 2018. Due to improved relationship with customers, it took less time for the group to collect payment from customers.

### **Other receivables, deposits and prepayments**

Other receivables, deposits and prepayments increased from S\$46.8 million as at 31 December 2018 to S\$49.7 million as at 30 June 2019. The increase was mainly due to Group increased prepayment in trade close to end of financial period compare to last year as at 31 December 2018.

### **Trade payable**

The amount represents the payables due to various coal business suppliers as at period end. Trade payables decreased from S\$24.8 million as at 31 December 2018 to S\$0.9 million as at 30 June 2019. The decrease in trade payables was mainly due to Group settlement of accounts before the financial period ended as at 30 June 2019 .

### **Other payables and accruals**

Other payables and accruals increased from S\$10.8 million as at 31 December 2018 to S\$11.1 million as at 30 June 2019.

### **Pending the audit of FY2017**

Please refer to Paragraph 2.

## **Review of Consolidated Statement of Cash Flows**

Net cash used in operating activities inflow for first half year 2019 was S\$0.16 million compared to S\$0.15 million for the corresponding period in 2018. No cash generated from investing activities and financial activities in first half year 2019 and the corresponding period.

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

Not applicable.

- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**
- The Group will continue to capitalise on the expertise and network of traders and customers under its 51%-owned Tianjin Belong Faith Energy Minerals Co., Ltd (“BLX”) to capture opportunities, increase revenue streams and propel growth.
- The Company will continue to provide further updates and details in subsequent announcements to update shareholders on Abterra’s corporate developments 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 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 June 2019 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**  
**14 August 2019**