

ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the second quarter ended 30 June 2018

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						
Note	Quarter ended 30 June			Half year ended 30 June		
	2018	2017	+/-	2018	2017	+/-
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	%	S\$'000 (Unaudited)	S\$'000 (Unaudited)	%
Revenue	61,111	1,530	3894%	104,919	3,203	3176%
Cost of sales	(60,440)	(1,514)	3892%	(103,845)	(3,168)	3178%
Gross profit	671	16	4094%	1,074	35	2969%
Other operating income	(391)	4	NM	296	103	187%
Selling expenses	(283)	-	NM	(612)	-	NM
Administrative expenses	(303)	(431)	-30%	(618)	(749)	-17%
Other operating expenses	(92)	125	-174%	(214)	(2,646)	-92%
Finance costs	(3)	(2)	50%	(7)	(96)	-93%
Loss before taxation	(401)	(288)	39%	(81)	(3,353)	-98%
Income tax	(98)	-	NM	(114)	-	NM
Loss for the financial period	(499)	(288)	73%	(195)	(3,353)	-94%
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	(256)	54	NM	198	1,570	NM
Total comprehensive loss for the financial period	(755)	(234)	223%	3	(1,783)	-100%
Loss attributable to:						
Owners of the Company	(611)	(278)	120%	(383)	(3,333)	-89%
Non-controlling interests	112	(10)	-1220%	188	(20)	-1040%
	(499)	(288)	73%	(195)	(3,353)	-94%
Total comprehensive (loss)/ income attributable to:						
Owners of the Company	(944)	(218)	333%	(204)	(1,874)	-89%
Non-controlling interests	189	(16)	-1281%	207	91	127%
	(755)	(234)	223%	3	(1,783)	-100%

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	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense	-	-	-	92
Depreciation of property, plant and equipment	24	56	144	113
Gain on disposal of property, plant and equipment	-	-	-	-
Net exchange (gain)/loss	530	(181)	69	2,533

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 June 2018 S \$'000 (Unaudited)	31 Dec 2017 S \$'000 (Unaudited) *	30 June 2018 S \$'000 (Unaudited)	31 Dec 2017 S \$'000 (Unaudited) *
ASSETS				
Non-current assets				
Property, plant and equipment	3,697	6,183	3,695	6,181
Investments in subsidiaries	-	-	15,055	15,055
Intangibles assets	6,373	6,373	-	-
Investment properties	7,170	4,828	7,170	4,828
Total non-current assets	17,240	17,384	25,920	26,064
Current assets				
Inventories	10,611	21,350	-	-
Trade receivables	529	11,332	-	1,458
Other receivables, deposits and prepayments	72,318	86,048	107,508	118,129
Cash and cash equivalents	1,082	933	265	28
Total current assets	84,540	119,663	107,773	119,615
TOTAL ASSETS	101,780	137,047	133,693	145,679
EQUITY				
Capital and reserves and non-controlling interests				
Share capital	265,856	265,856	265,856	265,856
Reserves	(199,214)	(199,010)	(201,639)	(200,506)
Non-controlling interests	7,003	6,796	-	-
Total equity	73,645	73,642	64,217	65,350
LIABILITIES				
Current liabilities				
Trade payables	5,849	30,929	-	952
Other payables and accruals	22,176	32,165	69,476	79,377
Income tax liabilities	95	296	-	-
Total current liabilities	28,120	63,390	69,476	80,329
Non-current liabilities				
Employee benefit obligation	15	15	-	-
Total non-current liabilities	15	15	-	-
Total liabilities	28,135	63,405	69,476	80,329
TOTAL EQUITY AND LIABILITIES	101,780	137,047	133,693	145,679

*

Note: Refer to Paragraph 2 for explanation

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	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from investing activities:				
Loss before taxation	(401)	(288)	(81)	(3,353)
Adjustments for:				
Depreciation of property, plant and equipment	24	56	144	113
Interest income	-	-	(2)	-
Interest expense	-	-	-	92
Unrealised exchange loss	226	(165)	37	2,563
Operating loss before working capital changes	(151)	(397)	98	(585)
Changes in working capital:				
Inventories	(3,201)	-	10,739	-
Trade receivables	10,940	-	10,803	-
Other receivables, deposits and prepayments	(16,144)	(91)	13,933	(1,569)
Trade payables	2,699	-	(25,079)	-
Other payables and accruals	6,835	(555)	(10,032)	(2,077)
Total changes in working capital	1,129	(646)	364	(3,646)
Cash generated from/(used in) operations	978	(1,043)	462	(4,231)
Interest received	-	-	2	-
Interest expense paid	-	(33)	-	(125)
Income tax paid	(55)	-	(315)	(2)
Net cash generated from/(used in) operating activities	923	(1,076)	149	(4,358)
Cash flows from investing activities:				
Purchases of property, plant and equipment	-	(52)	-	(52)
Proceeds from disposal of investment properties held for sale	-	-	-	11,367
Net cash (used in)/generated from investing activities	-	(52)	-	11,315
Cash flows from financing activities:				
Repayment of borrowings	-	-	-	(7,533)
Advance from the immediate holding company	1	-	-	-
Net cash generated from/(used in) financing activities	1	-	-	(7,533)
Net decrease in cash and cash equivalents	924	(1,128)	149	(576)
Cash and cash equivalents at beginning of period	158	1,212	933	660
Effect of currency translation on cash and cash equivalents	-	-	-	-
Cash and cash equivalents at end of period	1,082	84	1,082	84

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 owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Asset revaluation reserve	Share options reserve	Foreign currency translation reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2018 *	265,856	478	1,683	5,042	(206,213)	66,846	6,796	73,642
Total comprehensive income/(loss) for the period	-	-	-	512	228	740	18	758
Balance as at 31 March 2018	265,856	478	1,683	5,554	(205,985)	67,586	6,814	74,400
Total comprehensive income/(loss) for the period	-	-	-	(333)	(611)	(944)	189	(755)
Balance as at 30 June 2018	265,856	478	1,683	5,221	(206,596)	66,642	7,003	73,645
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

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 2018 *	265,856	478	1,683	(202,667)	65,350
Total comprehensive income for the period	-	-	-	965	965
Balance as at 31 March 2018	265,856	478	1,683	(201,702)	66,315
Total comprehensive income for the period	-	-	-	(2,098)	(2,098)
Balance as at 30 June 2018	265,856	478	1,683	(203,800)	64,217
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

*
Note: Refer to Paragraph 2 for explanation

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 30 June 2018 remain unchanged at 292,828,099 compared with 31 December 2017.

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 2018.

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.

The Board of Directors (the "Board") of Abterra Ltd. (the "Company") refers to the Company's announcement released on 17 April 2018 (the "Announcement") in relation to the notice received from its auditors, Mazars LLP (the "Auditors") informing that the Auditors have applied to the Accounting and Corporate Regulatory Authority ("ACRA") to seek its consent to resign as the statutory auditors of the Company. As stated in paragraph 2(c) of the Announcement, the Auditors' report on the financial statements of the Group and of the Company for the financial year ended 31 December 2017 ("FY 2017") have yet to be issued.

The Board also refers to the Company's announcement dated 9 May 2018, where the Company updated that it is awaiting confirmation in relation to ACRA's approval of the resignation of Mazars LLP as auditors of the Company (the "ACRA Approval"). Upon receipt of the ACRA Approval and the Audit Committee and Board's approval of the appointment of the Company's new set of auditors, the Company will convene an extraordinary meeting to obtain shareholders' approval for the appointment of the new auditors (the "**New Auditors**"), who will prepare and issue the report on the financial statements of the Group and of the Company for FY2017 (the "**Audited Financial Statements for FY2017**").

Due to the above, the Board wishes to highlight that there may be variances between the Group's unaudited financial statements for the first half year ended 30 June 2018 as announced on 13 Aug 2018, and the New Auditor's report on the Audited Financial Statements for FY2017 which is yet 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 audited financial statements as at 31 December 2017 except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 January 2018. 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			
	<u>Quarter ended 30 June</u>		<u>Half year ended 30 June</u>	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SS cents	SS cents	SS cents	SS cents
Earnings/(Loss) per ordinary share for the period				
(i) Based on weighted average number of ordinary shares in issue	(0.21)	(0.11)	(0.13)	(1.36)
- Weighted average number of shares	292,828,099	244,274,150	292,828,099	244,274,150
(ii) On a fully diluted basis	(0.21)	(0.11)	(0.13)	(1.36)
- Weighted average number of shares	292,828,099	244,274,150	292,828,099	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-18	31-Dec-17	30-Jun-18	31-Dec-17
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SS cents	SS cents	SS cents	SS cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	25.15	25.15	21.93	22.32

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 June 2018 of 292,828,099 ordinary shares (31 December 2017: 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

Revenue were generated from the sales of coke and coal during the period under review. The increase was mainly due to the contribution by the newly acquired subsidiary Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司) ("BLX") completed on 18 August 2017.

Other operating income

Other operating income increased from S\$0.1 million in the corresponding period to S\$0.3 million in the first half year 2018. This was mainly due from fair value gain on forward contract at BLX in the period under review.

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.

Administrative expenses

Administrative expenses decreased from S\$0.7 million in the corresponding period to S\$0.6 million in the first half year 2018. 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\$2.6 million in the corresponding period to S\$0.2 million in the first half year 2018. This was mainly due to the decrease in unrealised foreign exchange loss.

Loss for the financial period

In view of the above, the Group recorded loss after tax of S\$0.2 million for the half year ended 30 June 2018, as compared to loss after tax of S\$3.4 million for the corresponding period in 2017.

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 by approximately S\$2.4 million from S\$6.1 million as at 31 December 2017 to S\$3.7 million as at 30 June 2018. The decrease was mainly caused by reclassification of Property from Property, plant and equipment to Investment properties. This reclassification in turn increased Investment properties from S\$4.8 million as at 31 December 2017 to S\$7.1 million as at 30 June 2018.

Inventories

The decrease in inventories from S\$21.4 million as at 31 December 2017 to S\$10.6 million as at 30 June 2018. The decrease in inventories was mainly due to trading activities in 2018 were mainly on coal where the nature of such trade does not require Group to maintain a certain level of inventories.

Trade receivables

The decrease in trade receivables from S\$11.3 million as at 31 December 2017 to S\$0.5 million as at 30 June 2018. The decrease in trade receivables was mainly due to customers settle of accounts close to end of financial period compare to last year as at 31 December 2017.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments decreased from S\$86.0 million as at 31 December 2017 to S\$72.3 million as at 30 June 2018. The decrease was mainly due to Group decreased prepayment in trade close to end of financial period compare to last year as at 31 December 2017.

Cash and cash equivalents

Cash and cash equivalents of the Group increased slightly from S\$0.9 million at as 31 December 2017 to S\$1.0 million as at 30 June 2018. Please refer to review of Consolidated Statement of Cash Flows.

Trade payables

Trade payables decreased from S\$30.9 million as at 31 December 2017 to S\$5.8 million as at 30 June 2018. The decrease in trade payables was mainly due to Group settlement of accounts close to end of financial period compare to last year as at 31 December 2017.

Other payables and accruals

Other payables and accruals decreased from S\$32.1 million as at 31 December 2017 to S\$22.1 million as at 30 June 2018. The decrease was mainly due to Group settlement of other payables outstanding from last year as at 31 December 2017.

Review of Consolidated Statement of Cash Flows

Net cash generated in operating activities for the first half year 2018 was S\$0.1 million compared to S\$4.4 million cash used for the corresponding period in 2017. The net cash inflow was mainly due to sales from of coke and coal during the period under review.

- 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 exchange rate of Chinese Yuan fluctuated sharply in the second quarter of 2018 and the trend is uncertain. The import of steam coal may also face tighter restrictions especially in period of uncertainties. The depreciation of Chinese Yuan or the tighter import restrictions may impact on the Group's business.

On 20 April 2018, the Company made an application (the "Application") to the Singapore Exchange Securities Trading Limited ("SGX-ST") for a waiver to comply with Rule 707(1) of the Listing Manual (the "Waiver") and for an extension of time of four months up to 31 August 2018 to hold its annual general meeting ("AGM") for FY2017. Based on the Company's submissions and representations, the SGX-ST rejected the Application on 13 July 2018, having taken in consideration the announcement made by the Company on 17 April 2018 (the "Announcement"), informing shareholders of, amongst others, the Company's auditors' notice to resign and the outstanding audit matters raised by the auditors.

On 16 July 2018, as required by the SGX-ST the Company suspended the trading of its shares. The Company will make further announcements to update the shareholders on any material developments.

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/recommendeded, 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 2018 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
13 August 2018