

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

**Full Year Financial Statement And Dividend Announcement for the Period Ended 31 December 2008**

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

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated profit and loss statement	<----- Group ----->			Variance# Increase / (Decrease) %
	6 months*	12 months	Half year results	
	Period Ended 31.12.2008 S\$'000	Period Ended 30.06.2008 S\$'000	6 months Period Ended 31.12.2007 S\$'000	
<b>Continuing operations</b>				
<b>Turnover</b>	<b>214,876</b>	<b>392,292</b>	<b>217,429</b>	<b>-1%</b>
Cost of sales	(206,615)	(373,719)	(207,363)	<b>-0.4%</b>
<b>Gross profit</b>	<b>8,261</b>	<b>18,573</b>	<b>10,066</b>	<b>-18%</b>
Other operating income	3,764	6,576	1,771	<b>113%</b>
Sales and distribution costs	(124)	-	-	<b>100%</b>
Administrative expenses	(3,685)	(2,922)	(1,749)	<b>111%</b>
Other operating expenses				
- impairment loss on investment in associate	(10,136)	-	-	<b>100%</b>
- allowance for doubtful debts	(10,200)	-	-	<b>100%</b>
- fair value loss on investment properties	(1,221)	-	-	<b>100%</b>
- others	(12)	(3)	(1,328)	<b>-99%</b>
Financial expenses	(4,466)	(6,321)	(2,670)	<b>67%</b>
Share of profit of an associated company	232	181	-	<b>100%</b>
Other items	(286)	(28)	110	<b>-360%</b>
<b>(Loss) / profit before tax</b>	<b>(17,873)</b>	<b>16,056</b>	<b>6,200</b>	<b>-388%</b>
Taxation	1,138	(1,848)	(982)	<b>-216%</b>
<b>(Loss) / profit from continuing operations</b>	<b>(16,735)</b>	<b>14,208</b>	<b>5,218</b>	<b>-421%</b>
<b>Discontinued operations</b>				
Loss from discontinued operations	-	(412)	(53)	<b>N.M.</b>
<b>NET (LOSS) / PROFIT FOR THE PERIOD</b>	<b>(16,735)</b>	<b>13,796</b>	<b>5,165</b>	<b>-424%</b>
<b>(Loss) / profit attributable to:</b>				
Shareholders of the company	<b>(16,735)</b>	<b>13,960</b>	<b>5,186</b>	<b>-423%</b>
Minority interest	-	<b>(164)</b>	<b>(21)</b>	<b>-100%</b>
<b>(Loss) / profit for the period</b>	<b>(16,735)</b>	<b>13,796</b>	<b>5,165</b>	<b>-424%</b>

Group (loss) / profit after tax is arrived at after charging / (crediting) the followings:

	<----- Group ----->		
	6 months Period Ended 31.12.08	12 months Period Ended 30.06.08	6 months Period Ended 31.12.07
	S\$'000	S\$'000	S\$'000
Interest income	(226)	(5,066)	(1,771)
Rental income	(162)	-	-
Fair value gain on financial assets, at fair value through profit or loss	(168)	-	-
Fair value loss on investment properties	1,221	-	-
Impairment loss on investment in an associated company	10,136	-	-
Interest expense	4,091	5,928	2,324
Depreciation of property, plant and equipment	115	71	35
Loss on disposal of property, plant and equipment	12	-	-
Allowance for doubtful debts	10,200	51	5
Doubtful debts recovered	(40)	(3)	-
Professional fee for acquisition of investment	1,580	-	-
Inventory written off	-	201	-
Property, plant and equipment written off	-	7	-
Gain on liquidation of a subsidiary company	-	(110)	(110)
Loss on liquidation of a subsidiary company	286	138	-
Net exchange (gain) / loss	(3,174)	(1,509)	1,317

**Notes:**

\* **The Group has altered its financial year to end on every 31 December. The previous financial year covered a period of 12 months from 1 July 2007 to 30 June 2008 while the current financial year covers a period of 6 months from 1 July 2008 to 31 December 2008.**

# **The variance is a comparison between the 6 months period ended 31 December 2008 and the 6 months period ended 30 June 2008.**

**N.M. Not meaningful.**

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

Balance sheets	<----- Group ----->		<----- Company ----->	
	31.12.08	30.06.2008	31.12.08	30.06.2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	46,774	54,775	36,547	49,548
Financial assets, at fair value through profit or loss	35,168	-	35,168	-
Trade receivables	50,600	114,073	7,938	94,033
Other receivables, deposits and prepayments	79,562	70,570	136,451	113,755
Inventories	78,020	65,036	20,225	-
	<b>290,124</b>	<b>304,454</b>	<b>236,329</b>	<b>257,336</b>
Assets directly associated with disposal group classified as held for sale	-	1,216	-	-
<b>Total current assets</b>	<b>290,124</b>	<b>305,670</b>	<b>236,329</b>	<b>257,336</b>
<b>Non-current assets</b>				
Property, plant and equipment	11,584	163	11,584	163
Investment properties	20,122	-	20,122	-
Investment in subsidiaries	-	-	1,361	1,021
Investment in an associated company	10,700	20,604	10,700	20,423
Financial assets, available-for-sale	12,345	12,345	12,345	12,345
Trade receivables	74,271	-	13,758	0
<b>Total non-current assets</b>	<b>129,022</b>	<b>33,112</b>	<b>69,870</b>	<b>33,952</b>
<b>Total assets</b>	<b>419,146</b>	<b>338,782</b>	<b>306,199</b>	<b>291,288</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	619	3,573	334	2,416
Other payables and accruals	16,239	6,029	4,781	5,459
Bills payable	120,746	73,744	20,140	37,700
Obligation under finance lease	26	26	26	26
Bank loans (secured)	26,510	28,503	26,510	25,364
Bank loans (unsecured)	23,000	-	23,000	-
Provision for income tax	-	2,440	-	2,230
	<b>187,140</b>	<b>114,315</b>	<b>74,791</b>	<b>73,195</b>
Liabilities directly associated with disposal group classified as held for sale	-	681	-	-
<b>Total current liabilities</b>	<b>187,140</b>	<b>114,996</b>	<b>74,791</b>	<b>73,195</b>
<b>Non-current liabilities</b>				
Obligation under finance lease	9	22	9	22
Bank loans (secured)	22,226	-	22,226	-
Convertible notes	8,722	12,336	8,722	12,336
Deferred taxation	78	424	78	424
<b>Total non-current liabilities</b>	<b>31,035</b>	<b>12,782</b>	<b>31,035</b>	<b>12,782</b>
<b>Total liabilities</b>	<b>218,175</b>	<b>127,778</b>	<b>105,826</b>	<b>85,977</b>
<b>NET ASSETS</b>	<b>200,971</b>	<b>211,004</b>	<b>200,373</b>	<b>205,311</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	197,768	190,629	197,768	190,629
Reserves	3,203	20,243	2,605	14,682
<b>Total shareholders' equity</b>	<b>200,971</b>	<b>210,872</b>	<b>200,373</b>	<b>205,311</b>
Minority interests	-	132	-	-
<b>TOTAL EQUITY</b>	<b>200,971</b>	<b>211,004</b>	<b>200,373</b>	<b>205,311</b>

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

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

As at 31.12.2008		As at 30.06.2008	
Secured	Unsecured	Secured	Unsecured
S\$136,782,633	S\$33,500,000	S\$85,016,723	S\$17,542,000

**Amount repayable after one year**

As at 31.12.2008		As at 30.06.2008	
Secured	Unsecured	Secured	Unsecured
S\$22,234,804	S\$8,721,863	S\$242,256	S\$12,335,499

**Details of any collateral:**

The Group's borrowings are secured by the followings:

- Legal mortgage over the Group's properties.
- Certain bank deposits.
- Corporate guarantees provided by General Nice Development Ltd. (the ultimate holding company) and General Nice Resources (Hong Kong) Ltd. (the immediate holding company), and certain directors of the Company.
- A motor vehicle under finance lease.

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

<b>Consolidated cash flow statement</b>	<b>&lt;----- Group -----&gt;</b>	
	<b>01.07.2008 - 31.12.2008</b>	<b>01.07.2007 - 30.06.2008</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
<b>(Loss) / profit before tax</b>	<b>(17,873)</b>	<b>15,644</b>
Adjustments for:		
Allowance for impairment on trade receivables	10,200	51
Doubtful debts recovered	(40)	(3)
Inventories written off	-	201
Property, plant and equipment written off	-	7
Depreciation of property, plant and equipment	115	71
Loss on disposal of property, plant and equipment	12	-
Gain on liquidation of a subsidiary company	-	(110)
Loss on liquidation of a subsidiary company	286	138
Impairment loss on investment in an associated company	10,136	-
Fair value gain on financial assets, at fair value through profit or loss	(168)	-
Fair value loss on investment properties	1,221	-
Interest income	(226)	(5,066)
Interest expense	4,091	5,928
Unrealised exchange loss	1,912	1,679
Share of profit of an associated company	(232)	(181)
Provision for unutilized annual leave	4	54
<b>Operating profit before working capital changes</b>	<b>9,438</b>	<b>18,413</b>
Increase in:		
Inventories	(9,207)	(27,068)
Trade receivables	(16,330)	(76,175)
Other receivables, deposits and prepayments	(8,292)	(69,958)
Increase / (decrease) in:		
Trade payables	(3,061)	(26,116)
Bills payable	37,759	72,883
Other payables and accruals	12,942	1,644
<b>Cash generated from / (utilised in) operations</b>	<b>23,249</b>	<b>(106,377)</b>
Interest income received	226	5,066
Interest expense paid	(3,735)	(2,570)
Income tax paid	(1,627)	-
<b>Net cash provided by / (used in) operating activities</b>	<b>18,113</b>	<b>(103,881)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(3,335)	(22)
Purchase of investment properties	(5,860)	-
Proceed from sale of property, plant and equipment	4	-
Purchase of financial assets, at fair value through profit or loss	(35,000)	-
Proceed from liquidation of a subsidiary company	170	110
Payment for liquidation of subsidiary companies	(74)	(138)
Investment in an associated company	-	(69)
Investment in financial assets, available-for-sale	-	(12,345)
<b>Net cash used in investing activities</b>	<b>(44,095)</b>	<b>(12,464)</b>

Consolidated cash flow statement	<----- Group ----->	
	01.07.2008 - 31.12.2008	01.07.2007 - 30.06.2008
	S\$'000	S\$'000
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	23,000	29,586
Net repayment of bank loans	(5,098)	(60)
Net repayment of finance lease commitments	(12)	(24)
Net proceeds from issuance of new shares	-	18,824
Net proceeds from the rights issue	-	75,944
Proceeds from issuance of convertible notes	-	31,000
Expenses in relation to issuance of convertible notes	-	(900)
Share issue expense	(43)	
Fixed deposits discharged from / (pledged to) bank	15,312	(48,312)
<b>Net cash provided by financing activities</b>	<b>33,159</b>	<b>106,058</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>7,177</b>	<b>(10,287)</b>
Cash and cash equivalents at beginning of period/year	6,295	16,559
Effect of currency translation on cash and cash equivalents	302	23
<b>Cash and cash equivalents at end of period/year</b>	<b>13,774</b>	<b>6,295</b>
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	13,774	6,523
Bank overdrafts	-	(228)
	<b>13,774</b>	<b>6,295</b>

The impact of the discontinued operations on the cash flows of the Group is as follows:

	01.07.2008 - 31.12.2008	01.07.2007 - 30.06.2008
		S\$'000
Operating cash inflows	-	65
Investing cash outflows	-	-
Financing cash outflows	-	(60)
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>5</b>
Cash and cash equivalents at beginning of year	-	(173)
<b>Total cash outflows</b>	<b>-</b>	<b>(168)</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.**

<b>Group</b>	<b>Share capital</b>	<b>Other reserves</b>	<b>Revaluation reserve</b>	<b>Foreign currency translation reserve</b>	<b>(Accumulated losses) / Retained earnings</b>	<b>Total shareholders' equity</b>	<b>Minority interests</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 July 2008</b>	<b>190,629</b>	<b>3,921</b>	<b>209</b>	<b>78</b>	<b>16,035</b>	<b>210,872</b>	<b>132</b>	<b>211,004</b>
Currency translation differences	-	-	-	372	-	372	-	372
Share issue expenses	(43)	-	-	-	-	(43)	-	(43)
<b>Net income / (expenses) recognised directly to equity</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>372</b>	<b>-</b>	<b>329</b>	<b>-</b>	<b>329</b>
Net loss	-	-	-	-	(16,735)	(16,735)	-	(16,735)
<b>Total recognised income / (expense)</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>372</b>	<b>(16,735)</b>	<b>(16,406)</b>	<b>-</b>	<b>(16,406)</b>
Issue of new shares	7,182	(594)	-	-	-	6,588	-	6,588
Reversal of deferred taxation upon conversion	-	126	-	-	-	126	-	126
Transfer of realised deferred tax from other reserves to retained earnings	-	64	-	-	(64)	-	-	-
Deconsolidation of subsidiary company	-	-	(209)	-	-	(209)	(132)	(341)
<b>Balance as at 31 December 2008</b>	<b>197,768</b>	<b>3,517</b>	<b>-</b>	<b>450</b>	<b>(764)</b>	<b>200,971</b>	<b>-</b>	<b>200,971</b>

Group	Share capital	Other reserves	Revaluation reserve	Foreign currency translation reserve	(Accumulated losses) / Retained earnings	Total shareholders' equity	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2007</b>	53,207	5,918	209	19	(34,895)	24,458	296	24,754
Prior year adjustment	-	-	-	-	(2,682)	(2,682)	-	(2,682)
<b>At 1 July 2007 as restated</b>	53,207	5,918	209	19	(37,577)	21,776	296	22,072
Currency translation differences	-	-	-	59	-	59	-	59
Share issue expenses	(364)	-	-	-	-	(364)	-	(364)
<b>Net income / (expenses) recognised directly to equity</b>	(364)	-	-	59	-	(305)	-	(305)
Net profit	-	-	-	-	13,960	13,960	(164)	13,796
<b>Total recognised income / (expense)</b>	(364)	-	-	59	13,960	13,655	(164)	13,491
Capital reduction exercise to set-off accumulated losses against share capital	(40,244)	-	-	-	40,244	-	-	-
Issue of new shares	178,030	(8,291)	-	-	-	169,739	-	169,739
Convertible notes – equity component	-	4,827	-	-	-	4,827	-	4,827
Deferred tax liabilities component	-	(895)	-	-	-	(895)	-	(895)
Reversal of deferred taxation upon conversion	-	1,770	-	-	-	1,770	-	1,770
Transfer of realised deferred tax from other reserves to retained earnings	-	592	-	-	(592)	-	-	-
<b>Balance as at 30 June 2008</b>	190,629	3,921	209	78	16,035	210,872	132	211,004

Company	Share capital	Other reserves	Foreign currency translation reserve	(Accumulated losses) / retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2008</b>	<b>190,629</b>	<b>3,921</b>	<b>(3)</b>	<b>10,764</b>	<b>205,311</b>
Currency translation differences	-	-	3	-	3
Share issue expenses	(43)	-	-	-	(43)
<b>Net expense recognised directly to equity</b>	<b>(43)</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>(40)</b>
Net loss	-	-	-	(11,612)	(11,612)
<b>Total recognised income / (expenses)</b>	<b>(43)</b>	<b>-</b>	<b>3</b>	<b>(11,612)</b>	<b>(11,652)</b>
Issue of new shares	7,182	(594)	-	-	6,588
Reversal of deferred tax upon conversion	-	126	-	-	126
Transfer of realised deferred tax from other reserves to retained earnings	-	64	-	(64)	-
<b>Balance as at 31 December 2008</b>	<b>197,768</b>	<b>3,517</b>	<b>-</b>	<b>(912)</b>	<b>200,373</b>

<b>Balance as at 1 July 2007</b>	<b>53,207</b>	<b>5,918</b>	<b>7</b>	<b>(40,244)</b>	<b>18,888</b>
Prior year adjustment	-	-	-	(2,682)	(2,682)
<b>At 1 July 2007 as restated</b>	<b>53,207</b>	<b>5,918</b>	<b>7</b>	<b>(42,926)</b>	<b>16,206</b>
Currency translation differences	-	-	(10)	-	(10)
Share issue expenses	(364)	-	-	-	(364)
<b>Net expense recognised directly to equity</b>	<b>(364)</b>	<b>-</b>	<b>(10)</b>	<b>-</b>	<b>(374)</b>
Net profit	-	-	-	14,038	14,038
<b>Total recognised income / (expenses)</b>	<b>(364)</b>	<b>-</b>	<b>(10)</b>	<b>14,038</b>	<b>13,664</b>
Capital reduction exercise to off-set accumulated losses against share capital	(40,244)	-	-	40,244	-
Issue of new shares	178,030	(8,291)	-	-	169,739
Convertible notes – equity component	-	4,827	-	-	4,827
Deferred tax on liabilities component	-	(895)	-	-	(895)
Reversal of deferred tax upon conversion	-	1,770	-	-	1,770
Transfer of realised deferred tax from other reserves to retained earnings	-	592	-	(592)	-
<b>Balance as at 30 June 2008</b>	<b>190,629</b>	<b>3,921</b>	<b>(3)</b>	<b>10,764</b>	<b>205,311</b>

- 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 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.**

**Issued and paid up capital**

- On 29 December 2008, the Company allotted and issued 47,351,292 new ordinary shares at S\$0.05663222 per share pursuant to the HKI Scheme after adjudication and verification by our legal representative.

The issue price was determined by the weighted average market price for the past 30 trading days traded on the SGX-ST prior to the issue date.

- During the period, the Company issued 69,230,767 new ordinary shares at the issue price of S\$0.065 pursuant to the conversion of the convertible notes.
- The details of the movements of issued shares and share capital are as follows:

	<b>Number of Shares</b>	<b>Issued Share Capital S\$'000</b>
<b><u>Issued and paid-up share capital</u></b>		
Balance as at 1 July 2008	4,968,173,765	190,629
Shares issued pursuant to HKI Scheme	47,351,292	2,682
Issue of new shares pursuant to the conversion of the convertible notes	69,230,767	4,500
Share issue expenses	-	(43)
Balance as at 31 December 2008	<u>5,084,755,824</u>	<u>197,768</u>

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

The figures have not been audited or reviewed by the auditors.

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 has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to the audited financial statements for the year ended 30 June 2008.

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.**

Not applicable.

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.**

	<----- Group ----->	
	01.07.2008 - 31.12.2008	01.07.2007 - 30.06.2008
	Cents	Cents
<b>(Loss)/ Earnings per ordinary share</b>		
- Basic	(0.33)	0.39
- Diluted	-	-

(Loss)/Earnings per ordinary share is calculated by dividing the Group's net loss attributable to shareholders of the Company for the period ended 31 December 2008 of S\$16,734,931 (June 2008: profit of S\$13,960,010) by the weighted average number of 5,007,967,535 (June 2008: 3,605,614,382) ordinary shares in issue during the financial period.

Diluted loss per ordinary share for the financial period ended 31 December 2008 is calculated based on the weighted average number of ordinary shares during the year adjusted to assume conversion of all potential dilutive ordinary shares of 149,230,778 (June 2008: 218,461,540) arising from the convertible notes. Diluted (loss) / earnings per ordinary share have not been disclosed as it is anti-dilutive.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year.**

	<----- Group ----->		<----- Company ----->	
	31.12.2008	30.06.2008	31.12.2008	30.06.2008
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	3.95	4.25	3.94	4.13

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 31 December 2008 of 5,084,755,824 (30 June 2008: 4,968,173,765) 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 Operations

Analysis of turnover	<----- Group ----->			Increase / (Decrease)
	01.07.2008 - 31.12.2008	01.07.2007 - 30.06.2008	01.07.2007 - 31.12.2007	
	S\$'000	S\$'000	S\$'000	%
<b>Continuing operations</b>				
Trading – Iron Ore	39,879	144,510	90,963	-56%
Trading – Coke and Coal	151,962	211,322	106,993	42%
Trading – Others	23,035	36,460	19,473	18%
	<b>214,876</b>	<b>392,292</b>	<b>217,429</b>	<b>-1%</b>
<b>Discontinued operations</b>				
Spa pools and bathroom products	-	320	181	-100%
<b>Total</b>	<b>214,876</b>	<b>392,612</b>	<b>217,610</b>	<b>-1%</b>

Turnover decreased 1% to approximately S\$214.88 million this period from approximately S\$217.61 million for the 6 months ended 31 December 2007 due to the current financial crisis together with the global economic crisis which led to a decline in global trading activities. In addition, the Chinese government policy on traffic control and air pollution control for the Olympic Games in Beijing from July to September 2008 had also affected the Group's delivery of goods to customers. These have in turn resulted in a slowdown of the Group's trading activities for the period. The decrease was also attributable to the softening of global commodity prices which affected the unit sales price of goods for new contracts.

Cost of sales decreased by 0.4% from approximately S\$207.36 million to approximately S\$206.62 million which is in line with the decrease in turnover. The Group's inventories are purchased and recorded in US dollars. Some of the inventories sold in the early months of this financial period were purchased at the time when the US dollars was weak compared to Singapore dollars. Therefore the Group recorded the costs of goods sold at a comparatively lower value when converted in Singapore dollars and thus led to a lower cost of sales. This reduction was partly offset by an increase in freight costs for the current financial period.

Gross profit margin decreased slightly by 0.8% from 4.6% in December 2007 to 3.8% in December 2008 due to the change in the Group's sales mix of selling less metallurgical coke which usually has higher profit margin. The sales mix is dependent upon the sales orders from customers.

Other operating income for the period ended December 2008 was higher at approximately S\$3.76 million compared to S\$1.77 million for the corresponding period. These were largely attributable to exchange gains of approximately S\$3.17 million as a result from strengthening of US dollar in the second half of 2008.

Administrative expenses increased from S\$1.75 million in the six months ended 31 December 2007 to S\$3.69 million for the corresponding period in 2008. The increase was due to higher headcounts, increased business operations, and the professional fees incurred.

Other operating expenses increased from S\$1.33 million in December 2007 to S\$21.57 million in December 2008. The S\$21.57 million was comprised of the allowance for doubtful debts of S\$10.20 million, impairment loss of S\$10.14 million on the investment in an associated company and the fair value loss of S\$1.22 million on investment properties.

Finance costs in December 2008 increased 67% from S\$2.67 million to S\$4.47 million. This was largely attributable to interest expenses on more bank borrowings to finance the higher quantity of inventories as a result of reduced global economic activities.

The Group reported a net loss of S\$16.73 million, mainly due to the allowance for doubtful debts, impairment loss on investment in an associated company and the fair value loss on investment properties.

### **Review of Balance Sheet**

Cash and bank balances as at 31 December 2008 were lower at S\$46.77 million, decreased by approximately S\$8 million from S\$54.77 million at 30 June 2008. It was mainly due to the settlement for the acquisition of the commercial property as our new office and investment properties, and purchase of financial assets, at fair value through profit or loss.

Financial assets, at fair value through profit or loss ("FVPL") represent the structured deposits placed with a bank with the principal amount of S\$35 million. These FVPL are principal-protected and we intend to hold them until maturity. As at 31 December 2008, the fair value gain on FVPL was S\$0.168 million.

Trade receivables increased from S\$114.07 million to S\$124.87 million, net of allowance for doubtful debts of S\$10.2 million made in light of the current challenging business environment. The increase is as a result of the counterparties experiencing delays in onward dealings with factories which are reducing their production capacities under this economic climate.

Other receivables, deposits and prepayments increased from S\$70.57 million to S\$79.56 million were mainly prepayments made to suppliers of metallurgical coke to secure supply.

Inventories increased from S\$65.04 million to S\$78.02 million. This is mainly due to the Olympic and Paralympic Games in Beijing where the Chinese Government restricted goods delivery in the port areas near Beijing to reduce air pollution and to avoid traffic congestion from July to September 2008. The increase was also attributable to the present downturn of the global business activities. A large portion of the inventories have been subsequently sold and delivered to the customers.

Non-current assets at 31 December 2008 were higher at S\$137.47 million, increased by approximately \$104.36 million from S\$33.11 million at 30 June 2008. The increase was due partly to the reclassification of trade receivables. The concerned trade debtor had been accorded a repayment plan and as such was considered a long term trade receivable. Also contributed to the increase was the purchase of properties as office and part of which is leased out for rental income purposes. The increase was partly offset by the impairment loss on investment in an associated company.

Current liabilities increased by approximately S\$72.14 million from S\$115.00 million at 30 June 2008 to S\$187.14 million at 31 December 2008. The increase was primarily attributable to the slowness in the offtake by buyers thereby resulting in higher level of inventories at year end whose purchases was financed mainly by bank borrowings. Most of these inventories are subsequently sold after year end.

Non current-liabilities rose S\$18.25 million to S\$31.03 million mainly due to the mortgage loan for the Group's commercial properties.

- 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 expects operating conditions for the year ahead to remain challenging, due to the tightening of global credit under the turbulent economic condition.

- 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.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business segments**

<b>31.12.2008</b>	<b>Trading - Iron ore S\$'000</b>	<b>Trading - Coal S\$'000</b>	<b>Trading - Others S\$'000</b>	<b>TOTAL S\$'000</b>
<b>Turnover</b>	39,879	151,962	23,035	214,876
<b>Segment results</b>	(3,965)	553	1,349	(2,063)
Other operating income				3,764
Unallocated costs				(15,054)
Finance expenses				(4,466)
Share of profit of an associated company				232
Other items				(286)
Loss before tax				(17,873)
Taxation				1,138
<b>Loss attributable to shareholders</b>				<b>(16,735)</b>
<b><u>Other segment items</u></b>				
Depreciation				115
Fair value loss on investment properties				1,221
Impairment losses on investment in an associated company				10,136

<b>31.12.2008</b>	<b>Trading - Iron ore S\$'000</b>	<b>Trading - Coal S\$'000</b>	<b>Trading - Others S\$'000</b>	<b>TOTAL S\$'000</b>
<b>Segment assets</b>	51,991	131,345	19,535	202,871
Associated company				10,700
Unallocated assets				205,575
<b>Consolidated total assets</b>				<b>419,146</b>
<b>Segment liabilities</b>	6,144	115,001	220	121,365
Unallocated liabilities				96,810
<b>Consolidated total liabilities</b>				<b>218,175</b>

30.6.2008

	<----- Continuing operations ----->				Discontinued	TOTAL
	Trading -	Trading -	Trading -	Total from	operations -	
	Iron	Coal	Others	continuing	Spa pools &	
	S\$'000	S\$'000	S\$'000	operations	bathroom	S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Turnover</b>	144,510	211,322	36,460	392,292	320	392,612
<b>Segment results</b>	6,932	10,504	1,137	18,573	68	18,641
Other operating income				6,575	16	6,591
Unallocated costs				(2,925)	(450)	(3,375)
Finance expenses				(6,321)	(45)	(6,366)
Share of profit from an associated company				181	-	181
Other items				(28)	-	(28)
Profit before tax				16,055	(411)	15,644
Taxation				(1,848)	-	(1,848)
Minority interest				164	-	164
<b>Profit attributable to shareholders</b>				<b>14,371</b>	<b>(411)</b>	<b>13,960</b>
<b>Other segment item -</b>						
Depreciation				<b>54</b>	<b>17</b>	<b>71</b>
<b>Segment assets</b>	97,630	58,367	23,111	179,108		
Associated company				20,604		
Unallocated assets				137,853		
Discontinued operation						
- Spa, pool and bathroom segment				1,217		
				<b>338,782</b>		
<b>Segment liabilities</b>	31,431	29,637	16,249	77,317		
Unallocated liabilities				49,780		
Discontinued operation						
- Spa, pool and bathroom segment				681		
				<b>127,778</b>		

## Geographical segments

The group's business segments are managed on a worldwide basis through the main geographical areas mentioned below. The turnover, assets and capital expenditure are based on the location of the business operations.

	Turnover for continuing operations		Turnover for discontinued operations		Total consolidated turnover	
	31.12.2008	30.06.2008	31.12.2008	30.06.2008	31.12.2008	30.06.2008
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	87,416	339,730	-	-	87,416	339,730
Malaysia	-	-	-	320	-	320
Macau	127,460	52,562	-	-	127,460	52,562
<b>Total</b>	<b>214,876</b>	<b>392,292</b>	<b>-</b>	<b>320</b>	<b>214,876</b>	<b>392,612</b>

	Assets for continuing operations		Assets for discontinued operations		Total consolidated assets	
	31.12.2008	30.06.2008	31.12.2008	30.06.2008	31.12.2008	30.06.2008
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	249,976	232,477	-	-	249,976	232,477
Malaysia	-	-	-	1,216	-	1,216
Macau	145,762	72,140	-	-	145,762	72,140
China	23,045	32,949	-	-	23,045	32,949
Indonesia	363	-	-	-	363	-
<b>Total</b>	<b>419,146</b>	<b>337,566</b>	<b>-</b>	<b>1,216</b>	<b>419,146</b>	<b>338,782</b>

	Capital expenditure for continuing operations		Capital expenditure for discontinued operations		Total consolidated capital expenditure	
	31.12.2008	30.06.2008	31.12.2008	30.06.2008	31.12.2008	30.06.2008
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	32,895	22	-	-	32,895	22
Malaysia	-	-	-	-	-	-
Macau	-	-	-	-	-	-
<b>Total</b>	<b>32,895</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>32,895</b>	<b>22</b>

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to note 8 in this announcement.

**15. A breakdown of sales.**

Not applicable.

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

**17. Interested Person Transactions**

Nil

**BY ORDER OF THE BOARD**

**Lau Yu  
Executive Director and Chief Executive Officer  
1 March 2009**