



ABTERRA LTD.

(Registration No. 199903007C)

MATERIAL DIFFERENCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") refers to the announcement released by the Company to SGXNet on 1 March 2009 with regards to the unaudited financial statements for the financial period ended 31 December 2008.

The Board wishes to announce that pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, four material adjustments have been made following the finalization of the audit.

1. *The difference of S\$1,086,000 between the Group's unaudited loss of approximately S\$16,735,000 and the audited loss of approximately S\$15,649,000 arose due to the following:*

The Company had purchased one batch of goods, of which the final purchase price was determined after the release of the unaudited financial statements. As the final purchase price was reduced, the Group's cost of goods sold was decreased by approximately S\$641,000.

In addition, the Company realized an additional revenue of S\$445,000 through trading on this batch of shipment. As the revenue was confirmed by the counterparty only after the release of the unaudited financial statements, the Group's audited revenue was subsequently increased by approximately S\$445,000.

The sum of these two adjustments in turn attributed to a reduction of loss of S\$1,086,000 from the Group's unaudited loss.

2. *The difference of S\$1,086,000 between the Group's unaudited net assets of approximately S\$200,971,000 and the audited net assets of approximately S\$202,057,000 arose as per explanation in Point 1 above.*

3. *The difference of S\$20,015,000 between the Company's unaudited total liabilities of approximately S\$105,826,000 and the audited total liabilities of approximately S\$125,841,000 arose due to the following:*

A trust receipt loan of the Company amounting to US\$13,908,625 (equivalent to approximately S\$20,015,000) was booked in the Company's wholly-owned subsidiary, Abterra Macao Commercial Offshore Ltd ("ABM"). ABM does not have banking facilities with a certain bank and have used the banking facilities granted by that bank to the Company to finance its purchases. As the trust receipt loan was applied by ABM but endorsed by the Company, the Company is thereby legally liable on the trust receipt loan. Hence, Messrs LTC LLP, the Company's auditor, is in the view that the liabilities of S\$20,015,000 should be recognized in the Company's book instead of its subsidiary ABM. There is a corresponding audit adjustment to increase the total assets of the Company by

S\$20,015,000 from approximately S\$306,199,000 to approximately S\$326,214,000 as stated in the audited financial statements.

The above material adjustment does not have an impact on the financial statements at the Group level.

4. *The difference of S\$6,615,000 between the Group's unaudited cash and cash equivalents of approximately S\$13,774,000 and the audited cash and cash equivalents of approximately S\$7,159,000 in the consolidated cash flow statement arose due to the following:*

Subsequent to the release of the Company's unaudited financial statements, the Company's auditors received one bank confirmation that advised for an amount of S\$6,615,000 as fixed deposit pledged to the bank. As such, S\$6,615,000 was reclassified from the cash flows from financing activities and resulted in the difference between the Group's unaudited and audited cash and cash equivalents in the consolidated cash flow statement.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
14 April 2009