

ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2009

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.

Unaudited Group Statement of Comprehensive Income for 1st Quarter Ended 31 March 2009

	Quarter Ended 31	Quarter Ended 31	Changes + / (-)
	March 2009	March 2008	
	S\$'000	S\$'000	%
Continuing operations			
Turnover	65,851	44,310	49%
Cost of sales	(63,673)	(42,421)	50%
Gross profit	2,178	1,889	15%
Other operating income	3,225	2,052	57%
Sales and distribution costs	(14)	-	100%
Administrative expenses	(735)	(258)	185%
Other operating expenses			
- fair value loss on financial asset	(418)	-	100%
Financial expenses	(2,727)	(1,893)	44%
Share of profit of an associated company	15	61	-75%
Profit before tax	1,524	1,851	-18%
Taxation	-	-	
Profit from after tax	1,524	1,851	-18%
Discontinued operations			
Loss from discontinued operations	-	(6)	-100%
PROFIT FOR THE PERIOD	1,524	1,845	-17%
Other comprehensive income:			
Currency translation difference	146	129	13%
Total comprehensive income	1,670	1,974	-15%
Profit attributable to:			
Shareholders of the company	1,670	1,977	-16%
Minority interest	-	(3)	-100%
Profit for the period	1,670	1,974	-15%

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

	<----- Group ----->	
	Quarter Ended 31.03.2009	Quarter Ended 31.03.2008
	S\$'000	S\$'000
Interest income	(28)	(124)
Interest expense	2,503	1,815
Depreciation of property, plant and equipment	81	18
Fair value loss on financial assets, at fair value thru profit or loss	418	-
Net exchange (gain) / loss	(3,038)	(1,928)

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 ----->	
	31.03.09	31.12.08	31.03.09	31.12.08
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	37,583	46,774	34,715	36,547
Financial assets, at fair value through profit or loss	34,750	35,168	34,750	35,168
Trade receivables	44,160	46,089	10,358	7,938
Other receivables, deposits and prepayments	83,068	79,562	166,461	156,466
Inventories	63,528	78,176	10,112	20,225
Total current assets	263,089	285,769	256,396	256,344
Non-current assets				
Property, plant and equipment	11,512	11,584	11,512	11,584
Investment properties	20,122	20,122	20,122	20,122
Investment in subsidiaries	-	-	1,361	1,361
Investment in an associated company	10,715	10,700	10,700	10,700
Financial assets, available-for-sale	12,345	12,345	12,345	12,345
Trade receivables	68,434	78,992	9,286	13,758
Total non-current assets	123,128	133,743	65,326	69,870
Total assets	386,217	419,512	321,722	326,214
LIABILITIES				
Current liabilities				
Trade payables	2,102	619	1,813	334
Other payables and accruals	16,802	15,519	4,905	4,781
Bills payable	77,258	120,746	26,852	40,155
Obligation under finance lease	26	26	26	26
Bank loans (secured)	32,449	26,510	32,449	26,510
Bank loans	23,000	23,000	23,000	23,000
Total current liabilities	151,637	186,420	89,045	94,806
Non-current liabilities				
Obligation under finance lease	2	9	2	9
Bank loans (secured)	21,918	22,226	21,918	22,226
Convertible notes	8,871	8,722	8,871	8,722
Deferred taxation	78	78	78	78
Total non-current liabilities	30,869	31,035	30,869	31,035
Total liabilities	182,506	217,455	119,914	125,841
NET ASSETS	203,711	202,057	201,808	200,373
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	197,751	197,768	197,751	197,768
Reserves	5,960	4,289	4,057	2,605
TOTAL EQUITY	203,711	202,057	201,808	200,373

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

Amount repayable in one year or less, or on demand

As at 31.03.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
S\$84,941,422	S\$47,791,033	S\$136,782,633	S\$33,500,000

Amount repayable after one year

As at 31.03.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
S\$21,920,179	S\$8,870,978	S\$22,234,804	S\$8,721,863

Details of any collateral:

The Group's borrowings are secured by the following:

- 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.

Consolidated cash flow statement	<----- Group ----->	
	Quarter Ended 31.03.2009 S\$'000	Quarter Ended 31.03.2008 S\$'000
Cash flows from operating activities		
Profit from continuing operations before taxation	1,524	1,851
Loss from continued operations before taxation	-	(6)
Profit before tax	1,524	1,845
Adjustments for:		
Depreciation of property, plant and equipment	81	18
Fair value loss on financial assets, at fair value through profit or loss	418	-
Interest income	(28)	(124)
Interest expense	2,503	1,815
Unrealised exchange loss	147	136
Share of profit of an associated company	(15)	(61)
Operating profit before working capital changes	4,630	3,629
(Increase) / Decrease in:		
Inventories	14,648	(11,868)
Trade receivables	12,487	7,296
Other receivables, deposits and prepayments	(2,682)	(11,975)
Increase / (decrease) in:		
Trade payables	1,483	(14,097)
Bills payable	(43,488)	(10,528)
Other payables and accruals	1,285	790
Cash utilised in operations	(11,637)	(36,753)
Interest income received	28	124
Interest expense paid	(2,353)	(826)
Income tax paid	(826)	-
Net cash used in operating activities	(14,788)	(37,455)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(9)	-
Proceed from sale of property, plant and equipment	-	(7)
Investment in an associated company	-	37
Net cash used in investing activities	(9)	30

Consolidated cash flow statement	<----- Group ----->	
	Quarter Ended 31.03.2009	Quarter Ended 31.03.2008
	S\$'000	S\$'000
Cash flows from financing activities:		
Proceeds from borrowings	5,922	24,819
Net repayment of bank loans	(293)	-
Net repayment of finance lease commitments	(6)	(6)
Net proceeds from the rights issue	-	18,981
Share issue expense	(17)	(194)
Fixed deposits discharged from / (pledged to) bank	6,589	(153)
Net cash provided by financing activities	12,195	43,447
Net (decrease) / increase in cash and cash equivalents	(2,602)	6,022
Cash and cash equivalents at beginning of period	7,159	3,987
Cash and cash equivalents at end of period	4,557	10,009
Cash and cash equivalents comprise of :		
Cash and bank balances	2,727	8,771
Fixed deposits	34,856	51,026
Bank overdrafts	-	(246)
	37,583	59,551
Fixed deposits pledged	(33,026)	(49,542)
	4,557	10,009

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

	Quarter Ended 31.03.2009	Quarter Ended 31.03.2008
	S\$'000	S\$'000
Operating cash inflows	-	64
Investing cash outflows	-	-
Financing cash outflows	-	(46)
Net increase in cash and cash equivalents	-	18
Cash and cash equivalents at beginning of period	-	(173)
Total cash outflows	-	(155)

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.

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
Balance as at 1 January 2009	197,768	3,517	-	450	322	202,057	-	202,057
Share issue expenses	(17)	-	-	-	-	(17)	-	(17)
Total Comprehensive income	-	-	-	147	1,524	1,671	-	1,671
Balance as at 31 March 2009	197,751	3,517	-	597	1,846	203,711	-	203,711

Balance as at 1 January 2008	129,621	9,835	210	334	(29,710)	110,290	275	110,565
Issue of new shares	62,216	-	-	-	-	62,216	-	62,216
Share issue expenses	(195)	-	-	-	-	(195)	-	(195)
Total Comprehensive income	-	-	-	129	1,847	1,976	(3)	1,973
Balance as at 31 March 2008	191,642	9,835	210	463	(27,863)	174,287	272	174,559

Company	Share capital	Other reserves	Foreign currency translation reserve	(Accumulated losses) / Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2009	197,768	3,517	-	(913)	200,372
Share issue expenses	(17)	-	-	-	(17)
Total Comprehensive income	-	-	-	1,453	1,453
Balance as at 31 March 2009	197,751	3,517	-	540	201,808

Balance as at 1 January 2008	129,621	9,835	3	(29,549)	109,910
Issue of new shares	62,216	-	-	-	62,216
Share issue expenses	(195)	-	-	-	(195)
Total Comprehensive income	-	-	-	1,887	1,887
Balance as at 31 March 2008	191,642	9,835	3	(27,662)	173,818

- 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.**

There was no change in the Company's share capital during the period from 1 January 2009 to 31 March 2009.

0% conditional unsecured convertible notes due 2010 in aggregate principal amount of up to S\$45 Million ("Tranche 1 Notes")

All of the Tranche 1 Notes are fully converted as at 31 March 2009. (31 March 2008: approximately 544 million shares)

0% conditional unsecured convertible notes due 2010 in aggregate principal amount of up to S\$31 million ("Tranche 2 Notes")

If all the Tranche 2 Notes are converted at the conversion price of S\$0.065 per share, approximately 149 million shares will be issued for the 3 months ended 31 March 2009. (31 March 2008: approximately 352 million shares)

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

The figures presented in the financial statements for the three months ended 31 March 2009 have not been audited or reviewed.

- 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 2008 except that the Group has adopted new Financial Reporting Standards (FRS) which became effective on 1 January 2009.

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.

On 1 January 2009, the Group adopted the new/revised FRS 1 - Presentation of Financial Statements – Revised Presentation, and FRS 108 - Operating Segments.

The following are the new or revised FRS that are relevant to the Group:

- FRS 1 – Presentation of Financial Statements – Revised Presentation

- FRS 108 – Operating Segments

As the Group is not required to present segment results for quarterly announcements, the Management is of the opinion that it will have no impact on the financial position and results of the Group for the quarter ended 31 March 2009.

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 ----->	
	Quarter Ended 31.03.2009	Quarter Ended 31.03.2008
	Cents	Cents
Earnings per ordinary share		
- Basic	0.03	0.05
- Diluted	-	-

Earnings per ordinary share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the period ended 31 March 2009 of S\$1,524,000 (2008: S\$1,845,000) by the weighted average number of 5,084,755,824 (2008: 3,679,516,121) ordinary shares in issue during the financial period.

Diluted profit per ordinary share for the financial period ended 31 March 2009 is calculated based on the weighted average number of ordinary shares during the period adjusted to assume conversion of all potential dilutive ordinary shares of 149,230,778 (2008: 149,230,778) arising from the convertible notes. Diluted earnings per ordinary share have not been presented 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 ----->	
	31.3.2009	31.12.2008	31.03.2009	31.12.2008
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	4.01	3.97	3.97	3.94

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 31 March 2009 and 31 December 2008 of 5,084,755,824 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 Statement of Comprehensive Income

Analysis of turnover	<----- Group ----->		
	Quarter Ended 31.03.2009	Quarter Ended 31.03.2008	Increase / (Decrease)
	S\$'000	S\$'000	%
Continuing operations			
Trading – Iron Ore	-	17,517	-100%
Trading – Coke and Coal	64,887	22,059	194%
Trading – Others	964	4,734	-80%
	65,851	44,310	49%
Discontinued operations			
Spa pools and bathroom products	-	55	-100%
Total	65,851	44,365	48%

Turnover for the three months ended 31 March 2009 was \$65.9 million, an increase of 49% compared to the same period in the previous year. Cost of sales increased by 50% from S\$42.4 million to S\$63.7 million which is in line with the increase in turnover.

For the 3 months ended 31 March 2009, no trade was recorded for iron ore while the Company's trading in coke and coal tripled. Trading activities in other non core products such as non-ferrous metals decline by 80% as the Group focuses on its trading of core products which is coke and coal. The main reason for the change of sales mix was dependent on the customers' demand for each type of minerals the Group trade. The demand for iron ore and other non-ferrous metals has dropped significantly after the start of the financial crisis while the demand for coke and coal still exist.

Gross profit margin decreased slightly by 0.95% from 4.26% in March 2008 to 3.31% in March 2009 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. In addition, gross profit margin decreases due to the demanding market conditions where the products was sold at a lower than envisaged price.

Other operating income for the quarter ended March 2009 was higher at approximately S\$3.23 million compared to S\$2.05 million for the corresponding period. These were largely attributable to exchange gains of S\$3.0 million as a result from strengthening of US dollar in the period ended March 2009.

Administrative expenses increased from S\$0.26 million in the three months ended 31 March 2008 to S\$0.74 million for the corresponding period in 2009. The increase was due to higher headcounts, increased business operations, and the legal and professional fees incurred.

Other operating expenses increased to S\$0.42 million in March 2009 as a result of the fair value loss on the financial assets at fair value through profit or loss ("FVPL"). (See Review on Balance Sheet)

Finance costs in March 2009 increased 44% from S\$1.89 million in the first quarter of 2008 to S\$2.73 million in the corresponding quarter in 2008. 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.

In view of the above, the Group recorded a 15% decline in profit after tax to \$1.67 million for the quarter ended March 2009 from S\$1.97 million for the corresponding quarter in 2008.

Review of Balance Sheet

Cash and bank balances as at 31 March 2009 were lower at S\$37.6 million, a decrease of S\$9.19 million from S\$46.77 million at 31 December 2008. This was mainly due to the settlement of the bills payable which decreased from S\$120.7 million at 31 December 2008 to S\$77.3 million at 31 March 2009. The bills payable were also partially settled by the cash obtained from the sale of inventories. As a result, the inventories decreased from S\$78.2 million to S\$63.5 million.

The trade receivables of the Group decreased by 10% from S\$125.1 million to S\$112.6 million in line with successful collection from its trade debtors. In particular, a major trade debtor has a repayment schedule with the Group that started in March 2009. For March 2009, the major trade debtor has met its scheduled repayments. Subsequent updates will be made in tandem with the quarterly results.

FVPL represent the 100% principal-protected structure deposits with the principal amount of S\$35 million and tenure of 6 years. The Group intends to hold them until maturity. As at 31 March 2009, the unrealised fair value loss on FVPL was S\$0.42 million.

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 rest of the year to remain challenging due to the global financial crisis.

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.

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.

Not applicable.

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.

Not applicable.

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

18. Confirmation By The Board Pursuant To Rule 705(4)

We, Lau Yu and Maheskumar s/o Shantilal Purshotam Mehta, being two directors of Abterra Ltd. (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the first quarter ended 31 March 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
15 May 2009