

ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the Second Quarter Ended 30 June 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.**

	<u>THE GROUP</u>					
	Quarter ended 30 June			Half year ended 30 June		
	2009	2008	Changes	2009	2008	Changes
Notes	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>CONTINUING OPERATIONS</u>						
Revenue	44,180	130,553	-66%	110,031	174,863	-37%
Cost of sales	(40,350)	(123,935)	-67%	(104,023)	(166,356)	-37%
Gross profit	3,830	6,618	-42%	6,008	8,507	-29%
Other operating income	633	4,077	-84%	3,858	6,130	-37%
Sales and distribution costs	(103)	-	NM	(116)	-	NM
Administrative expenses	(870)	(915)	-5%	(1,605)	(1,173)	37%
Other operating expenses	(1,386)	-	NM	(1,804)	-	NM
Financial expenses	(1,943)	(1,757)	11%	(4,670)	(3,651)	28%
Share of profit of an associated company	(6)	120	-105%	8	181	-96%
Loss on liquidation of a subsidiary company	-	(138)	-100%	-	(138)	-100%
Profit before tax	155	8,005	-98%	1,679	9,856	-83%
Taxation	49	(866)	-106%	49	(866)	-106%
Profit after tax from continuing operations	204	7,139	-97%	1,728	8,990	-81%
<u>DISCONTINUED OPERATIONS</u>						
Loss from discontinued operations	-	(352)	-100%	-	(358)	-100%
PROFIT FOR THE PERIOD	204	6,787	-97%	1,728	8,632	-80%
Other comprehensive income:						
Currency translation difference	(172)	(385)	-55%	(25)	(256)	-90%
Total comprehensive income for the period	32	6,402	-100%	1,703	8,376	-80%
Profit for the period attributable to:						
Shareholders of the Company	223	6,927	-97%	1,747	8,775	-80%
Minority interest	(19)	(140)	-86%	(19)	(143)	-87%
	204	6,787	-97%	1,728	8,632	-80%
Total comprehensive income attributable to:						
Shareholders of the Company	51	6,542	-99%	1,722	8,519	-80%
Minority interest	(19)	(140)	-86%	(19)	(143)	-87%
	32	6,402	-100%	1,703	8,376	-80%

NM – not meaningful

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

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	(31)	(3,172)	(59)	(3,296)
Impairment of trade receivables written back	(3,350)	-	(3,350)	-
Fair value gain on financial assets, at fair value through profit or loss	(495)	-	(77)	-
Interest expense	1,846	1,608	4,349	3,433
Depreciation of property, plant and equipment	96	18	177	36
Net write down of inventories to net realisable value	-	201	-	201
Loss on liquidation of a subsidiary company	-	138	-	138
Net exchange loss	4,795	3,406	1,757	1,481

Note 2 – Discontinued operations

(a) On 1 July 2008, the Company announced the decision to cease its spa pool and bath room products business operated by its 60% owned subsidiaries World Spa Industries (M) Sdn Bhd and Monarch Spa Malaysia Sdn Bhd (collectively known as “WSM Group”) with effect from 30 June 2008. WSM Group had subsequently undergone members’ voluntary winding-up. As at 30 June 2009, WSM Group is still in the process of liquidation.

The operating performance of WSM Group up to 30 June 2008 was presented separately in the income statement as “discontinued operations”.

(b) An analysis of the results of the discontinued operations of the Group is as follows:

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	-	83	-	139
Net expense	-	(435)	-	(497)
Loss before income tax of discontinued operations	-	(352)	-	(358)
Income tax expense	-	-	-	-
Loss after income tax of discontinued operations	-	(352)	-	(358)

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

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Net cash generated from/ (used in):				
Operating activities	-	1	-	39
Financing activities	-	(14)	-	(29)
Total cash (outflows)/inflows	-	(13)	-	10

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.

	THE GROUP		THE COMPANY	
	30.06.09	31.12.08	30.06.09	31.12.08
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	14,843	46,774	12,170	36,547
Financial assets, at fair value through profit or loss	35,245	35,168	35,245	35,168
Trade receivables	46,536	46,089	8,056	7,938
Other receivables, deposits and prepayments	66,211	79,521	137,702	156,460
Tax recoverable	861	41	749	6
Inventories	23,028	78,176	10,112	20,225
Total current assets	186,724	285,769	204,034	256,344
Non-current assets				
Property, plant and equipment	15,337	11,584	11,452	11,584
Investment properties	20,122	20,122	20,122	20,122
Investment in subsidiaries	-	-	30,964	1,361
Investment in an associated company	10,708	10,700	10,700	10,700
Financial assets, available-for-sale	12,345	12,345	12,345	12,345
Intangibles	36,007	-	-	-
Trade receivables	49,907	78,992	4,993	13,758
Total non-current assets	144,426	133,743	90,576	69,870
Total assets	331,150	419,512	294,610	326,214
LIABILITIES				
Current liabilities				
Trade payables	1,990	619	1,721	334
Other payables and accruals	22,153	15,519	4,576	4,781
Bills payable	14,092	120,746	1,093	40,155
Obligation under finance lease	22	26	22	26
Bank loans (secured)	33,293	26,510	33,293	26,510
Bank loans	23,000	23,000	23,000	23,000
Total current liabilities	94,550	186,420	63,705	94,806
Non-current liabilities				
Obligation under finance lease	-	9	-	9
Bank loans (secured)	21,625	22,226	21,625	22,226
Convertible notes	6,230	8,722	6,230	8,722
Deferred taxation	8	78	8	78
Total non-current liabilities	27,863	31,035	27,863	31,035
Total liabilities	122,413	217,455	91,568	125,841
NET ASSETS	208,737	202,057	203,042	200,373
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	200,740	197,768	200,740	197,768
Reserves	7,997	4,289	2,302	2,605
TOTAL EQUITY	208,737	202,057	203,042	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 30.06.2009		As at 31.12.2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
70,407	-	132,173	38,110

Amount repayable after one year

As at 30.06.2009		As at 31.12.2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
21,625	6,230	22,235	8,722

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

	<u>THE GROUP</u>			
	Quarter ended 30 June		Half year ended 30 June	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit from continuing operations before taxation	155	8,005	1,679	9,856
Loss from discontinued operations before taxation	-	(352)	-	(358)
Profit before tax	155	7,653	1,679	9,498
Adjustments for:				
Provision for doubtful debt	-	44	-	44
Impairment of trade receivables written back	(3,350)	-	(3,350)	-
Inventories written off	-	201	-	201
Fixed assets written off	-	7	-	7
Provision for unutilised leave	(7)	54	(18)	54
Depreciation of property, plant and equipment	96	18	177	36
Fair value gain on financial assets, at fair value through profit or loss	(495)	-	(77)	-
Loss on liquidation of a subsidiary company	-	138	-	138
Interest income	(31)	(3,172)	(59)	(3,296)
Interest expense	1,846	1,608	4,349	3,433
Unrealised exchange (gain)/ loss	(75)	2,395	(60)	226
Share of results of an associated company	6	(120)	(8)	(181)
Operating profit before working capital changes	(1,855)	8,826	2,633	10,160
Decrease /(Increase) in:				
Inventories	40,534	(41,321)	55,182	(53,830)
Trade receivables	(20)	(22,889)	12,468	(14,975)
Other receivables, deposits and prepayments	2,710	(7,500)	30	(19,396)
Increase / (decrease) in:				
Trade payables	(112)	3,247	1,370	(10,260)
Bills payable	(63,165)	47,523	(106,654)	38,049
Other payables and accruals	430	1,188	1,726	2,044
Cash utilised in operations	(21,478)	(10,926)	(33,245)	(48,208)
Interest income received	31	3,172	59	3,296
Interest expense paid	(1,709)	(1,126)	(4,063)	(1,963)
Income tax paid	-	-	(826)	-
Net cash used in operating activities	(23,156)	(8,880)	(38,075)	(46,875)
Cash flows from investing activities:				
Purchase of property, plant and equipment	(38)	-	(49)	-
Proceed from sale of property, plant and equipment	-	-	-	(7)
Payment for liquidation of a subsidiary	-	(138)	-	(138)
Acquisition of subsidiaries, net of cash acquired	10	-	10	-
Investment in an associated company	-	(24)	-	(69)
Net cash used in investing activities	(28)	(162)	(39)	(214)

Consolidated cash flow statement (continued)**THE GROUP**

	Quarter ended 30 June		Half year ended 30 June	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities:				
Proceeds from borrowings	848	4,130	6,772	29,587
Net repayment of bank loans	(296)	(20)	(589)	(29)
Net repayment of finance lease commitments	(7)	(7)	(13)	(13)
Net proceeds from the rights issue	-	-	-	18,975
Share issue expense	(11)	(28)	(28)	(223)
Fixed deposits discharged from banks	19,784	1,230	26,373	1,077
Net cash provided by financing activities	20,318	5,305	32,515	49,374
Net (decrease) / increase in cash and cash equivalents	(2,866)	(3,737)	(5,599)	2,285
Cash and cash equivalents at beginning of period	4,557	10,009	7,159	3,987
Effect of currency translation on cash and cash equivalent	(89)	23	42	23
Cash and cash equivalents at end of period	1,602	6,295	1,602	6,295
Cash and cash equivalents comprise of :				
Continuing operations				
Cash and bank balances	1,602	4,179	1,602	4,179
Fixed deposits unpledged	-	2,284	-	2,284
	1,602	6,463	1,602	6,463
Discontinuing operations				
Cash and bank balances	-	60	-	60
Bank overdrafts	-	(228)	-	(228)
	-	(168)	-	(168)
	1,602	6,295	1,602	6,295

Acquisition of new subsidiaries

On 29 May 2009, the Group acquired 61.25% of the issued share capital of Sunny Energy Limited ("Sunny") and beneficial equity interest in Sunny's subsidiaries, namely Shenzhen Manxin Trading Co. Ltd (100%), Shenzhen Chuangrongxin Trading Co. Ltd (100%) and Shanxi Tai Xing Jiao Zhong Coal Industry Company Limited (80%) (collectively referred to as "Sunny Energy Group") for a purchase consideration (inclusive of transaction costs of approximately S\$52,000) of approximately S\$38,401,000.

The attributable net assets and purchase consideration of the new subsidiaries acquired during the period were as follows:

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Property, plant and equipment	3,881	-	3,881	-
Intangibles – mining rights	6,477	-	6,477	-
Cash and bank balances	62	-	62	-
Trade receivables	443	-	443	-
Other receivables, deposits and prepayments	5,105	-	5,105	-
Inventories	35	-	35	-
Other payables and accruals	(4,926)	-	(4,926)	-
Attributable net assets acquired	11,077	-	11,077	-

Acquisition of new subsidiaries (continued)

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Attributable net assets acquired	11,077	-	11,077	-
Minority interests	(2,206)	-	(2,206)	-
	8,871	-	8,871	-
Goodwill on consolidation	29,530	-	29,530	-
Total consideration	38,401	-	38,401	-
Less: Deposit paid	(18,385)	-	(18,385)	-
Less: Consideration settled by set-off of trade receivables	(19,964)	-	(19,964)	-
Less: Cash & cash equivalents of subsidiaries acquired	(62)	-	(62)	-
Net cash inflow	(10)	-	(10)	-

Management is still in the process of ascertaining the purchase price allocation of the acquisition and allocation would be assessed and finalised within 12 months from the date of acquisition.

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							
	Share capital	Other reserves	Foreign currency translation reserve	(Accumulated losses) / Retained earnings	Total shareholders' equity	Minority interests	Total equity	
	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 for the period	-	-	147	1,524	1,671	-	1,671	
Balance as at 31 March 2009	197,751	3,517	597	1,846	203,711	-	203,711	
Share issue expenses	(11)	-	-	-	(11)	-	(11)	
Issue of new shares pursuant to the conversion of the convertible notes	3,000	(271)	-	-	2,729	-	2,729	
Reversal of deferred taxation upon conversion of the convertible notes	-	70	-	-	70	-	70	
Transfer of realised deferred tax from other reserves to retained earnings	-	49	-	(49)	-	-	-	
Acquisition of subsidiaries	-	-	-	-	-	2,206	2,206	
Total comprehensive income for the period	-	-	(172)	223	51	(19)	32	
Balance as at 30 June 2009	200,740	3,365	425	2,020	206,550	2,187	208,737	

Attributable to owners of the Company

THE GROUP	Share capital S\$'000	Other reserves S\$'000	Revaluation reserve S\$'000	Foreign	(Accumulated	Total	Minority interests S\$'000	Total equity S\$'000
				currency translation reserve S\$'000	losses) / Retained earnings S\$'000	shareholders' equity S\$'000		
Balance as at 1 January 2008	129,621	9,835	209	334	(29,710)	110,289	275	110,564
Issue of new shares	65,575	(3,359)	-	-	-	62,216	-	62,216
Share issue expenses	(195)	-	-	-	-	(195)	-	(195)
Total comprehensive income for the period	-	-	-	129	1,848	1,977	(3)	1,974
Balance as at 31 March 2008	195,001	6,476	209	463	(27,862)	174,287	272	174,559
Share issue expenses	(28)	-	-	-	-	(28)	-	(28)
Capital reduction exercise to set-off accumulated losses against share capital	(40,244)	-	-	-	40,244	-	-	-
Issue of new shares pursuant to the conversion of the convertible notes	35,900	(4,932)	-	-	-	30,968	-	30,968
Convertible notes - equity component	-	910	-	-	-	910	-	910
Deferred tax on liabilities component of the convertible notes	-	(895)	-	-	-	(895)	-	(895)
Reversal of deferred taxation upon conversion of the convertible notes	-	1,770	-	-	-	1,770	-	1,770
Transfer of realised deferred tax from other reserves to retained earnings	-	592	-	-	(592)	-	-	-
Total comprehensive income for the period	-	-	-	(385)	6,927	6,542	(140)	6,402
Balance as at 30 June 2008	190,629	3,921	209	78	18,717	213,554	132	213,686

THE COMPANY	Share capital S\$'000	Other reserves S\$'000	Foreign currency translation reserve S\$'000	(Accumulated losses) / Retained earnings S\$'000	Total equity S\$'000
Balance as at 1 January 2009	197,768	3,517	-	(912)	200,373
Share issue expenses	(17)	-	-	-	(17)
Total comprehensive income for the period	-	-	-	1,452	1,452
Balance as at 31 March 2009	197,751	3,517	-	540	201,808
Share issue expenses	(11)	-	-	-	(11)
Issue of new shares pursuant to the conversion of the convertible notes	3,000	(271)	-	-	2,729
Reversal of deferred taxation upon conversion of the convertible notes	-	70	-	-	70
Transfer of realised deferred tax from other reserves to retained earnings	-	49	-	(49)	-
Total comprehensive income for the period	-	-	-	(1,554)	(1,554)
Balance as at 30 June 2009	200,740	3,365	-	(1,063)	203,042
Balance as at 1 January 2008	129,621	9,835	3	(29,549)	109,910
Issue of new shares	65,575	(3,359)	-	-	62,216
Share issue expenses	(195)	-	-	-	(195)
Total comprehensive income for the period	-	-	-	1,887	1,887
Balance as at 31 March 2008	195,001	6,476	3	(27,662)	173,818
Share issue expenses	(28)	-	-	-	(28)
Capital reduction exercise to set-off accumulated losses against share capital	(40,244)	-	-	40,244	-
Issue of new shares pursuant to the conversion of the convertible notes	35,900	(4,932)	-	-	30,968
Convertible notes - equity component	-	910	-	-	910
Deferred tax on liabilities component of the convertible notes	-	(895)	-	-	(895)
Reversal of deferred taxation upon conversion of the convertible notes	-	1,770	-	-	1,770
Transfer of realised deferred tax from other reserves to retained earnings	-	592	-	(592)	-
Total comprehensive income for the period	-	-	(6)	1,456	1,450
Balance as at 30 June 2008	190,629	3,921	(3)	13,446	207,993

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.

- During the period, the Company issued 46,153,846 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:

	Number of Shares	Issued Share Capital S\$'000
<u>Issued and paid-up share capital</u>		
Balance as at 1 January 2009	5,084,755,824	197,768
Share issue expenses	-	(17)
Balance as at 31 March 2009	5,084,755,824	197,751
Issue of new shares pursuant to the conversion of the convertible notes	46,153,846	3,000
Share issue expenses	-	(11)
Balance as at 30 June 2009	5,130,909,671	200,740

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

All the Tranche 1 Notes were fully converted as at 30 June 2009 and 30 June 2008.

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

If all the outstanding Tranche 2 Notes were converted at the conversion price of S\$0.065 per share, approximately 103 million more shares would have been issued for the 6 months ended 30 June 2009. (30 June 2008: approximately 218 million 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 31 December 2008	5,084,755,825
Issue of new shares pursuant to conversion of convertible notes during the current financial period	46,153,846
As at 30 June 2009	5,130,909,671

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 2009 (31 December 2008: Nil).

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 have not been audited or reviewed by the Group's external 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 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 or revised FRS 1 - Presentation of Financial Statements – Revised Presentation, and FRS 108 - Operating Segments.

The FRS that are relevant to the Group include:

- 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 period ended 30 June 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.**

	THE GROUP			
	Quarter ended 30 June		Half year ended 30 June	
	2009	2008	2009	2008
	Cents	Cents	Cents	Cents
Earnings per ordinary share for the period				
(i) Based on weighted average number of ordinary shares in issue (cents)	*	0.15	0.03	0.21
- Weighted average number of shares	5,096,421,082	4,667,162,778	5,090,620,677	4,137,009,779
(ii) On a fully diluted basis	-	-	-	-

*: representing less than 0.01 cents

Earnings per ordinary share is calculated from dividing the Group's net profit attributable to shareholders of the Company for the period by the weighted average number of ordinary shares in issue during the financial period.

Diluted profit per ordinary share for the financial period ended 30 June 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 103,076,932 (30 June 2008: 218,461,540) 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 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	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	4.07	3.97	3.96	3.94

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 June 2009 of 5,130,909,671 ordinary shares (31 December 2008: 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

	<u>THE GROUP</u>					
	Quarter ended 30 June			Half year ended 30 June		
	2009	2008	Changes	2009	2008	Changes
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Continuing operations</u>						
Trading – Iron Ore	2,711	36,030	-92%	2,711	53,547	-95%
Trading – Coke and Coal	23,642	82,271	-71%	88,529	104,330	-15%
Trading – Others	17,827	12,252	46%	18,791	16,986	11%
	44,180	130,553	-66%	110,031	174,863	-37%
<u>Discontinued operations</u>						
Spa pools and bathroom products	-	83	-100%	-	139	-100%
Total	44,180	130,636	-66%	110,031	175,002	-37%

Turnover for the three months ended 30 June 2009 was S\$44.2 million, a decrease of 66% compared to the same period in the previous year. Cost of sales decreased by 67% from S\$123.9 million to S\$40.4 million which is in line with the decrease in turnover.

For the 6 months ended 30 June 2009, trade for iron ore declined by 95% while the Group's trading in coke and coal declined by 15% compared to corresponding period in prior year. Trading activities in other non core products such as non-ferrous metals increase by 11%. The Group continues to focus on its trading of core products which is coke and coal. The decrease in sales is due to the tightening of credit facilities in the market and global economic crisis.

Gross profit margin increased slightly by 0.6% from 4.9% in June 2008 to 5.5% in June 2009 due to the change in the Group's sales mix to focus more on selling coke and coal which usually has higher profit margin.

Other operating income for the half year ended 30 June 2009 was lower at approximately S\$3.9 million compared to S\$6.1 million for the corresponding period. These were largely attributable to the decrease of interest income by S\$5 million compared to the corresponding period and offset by trade receivables impairment write back of S\$3.4 million. A major debtor has a repayment schedule with the Group that started in March 2009. For the period from March to June 2009, the major trade debtor has met its scheduled repayments. As a result, the management has decided to write back a portion of the allowance for doubtful debts made against the trade receivables due from the major trade debtor.

Administrative expenses increased from S\$1.2 million in the six months ended 30 June 2008 to S\$1.6 million for the corresponding period in 2009. The increase was due to higher headcounts, higher depreciation expenses after the purchase of our own office property in Suntec City in August 2008, and increased business operations. The Group has implemented cost control measures to minimize administrative expenses.

Other operating expenses increased to S\$1.8 million for the financial period ended 30 June 2009 as a result of exchange losses mainly due to weakening of US dollars. The Group is exposed to currency risk mainly from volatility in US dollars exchange rates, particularly to currency translation risk on the US dollar denominated net financial asset position. The exchange rate of US dollars against Singapore dollars fell from approximately 1.51 in January 2009 to 1.45 in June 2009.

Finance costs for the financial period ended 30 June 2009 increased 28% from S\$3.7 million in the first half of 2008 to S\$4.7 million in the corresponding period in 2009. This was largely attributable to interest expenses on bank borrowing taken for the acquisition of Suntec Tower property purchased in August 2008 and interest expenses on more bank borrowings to finance the higher quantity of inventory for the period January to March 2009 as a result of reduced global economic activities. All the inventories as at the beginning of this financial period were subsequently sold.

In view of the above, the Group recorded an 80% decline in profit after tax to S\$1.7 million for the financial period ended 30 June 2009 from S\$8.6 million for the corresponding period in 2008.

Review of Balance Sheet

The Group balance sheet incorporates the balance sheets of the Sunny Energy Group acquired during the financial period.

Cash and bank balances of the Group as at 30 June 2009 were lower at S\$14.8 million, a decrease of S\$32.0 million from S\$46.8 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\$14.1 million at 30 June 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 at 31 December 2008 to S\$23.0 million at 30 June 2009.

Trade receivables of the Group decreased by 23% from S\$125.1 million at 31 December 2008 to S\$96.4 million at 30 June 2009, 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. From March to June 2009, the major trade debtor has met its scheduled repayments. Subsequent updates will be made in tandem with the quarterly results.

Other receivables, deposits and prepayments decreased from S\$79.6 million at 31 December 2008 to S\$66.2 million at 30 June 2009 mainly due to S\$18.4 million of deposit recognized as investment cost upon completion of Sunny Energy Group acquisition. In particular, other receivables, deposits and prepayments consist mainly of a deposit paid for the acquisition of 22.8% of equity interest in Zuoquan Xinrui Metallurgy Mine Co. Ltd amounting to S\$31.3 million. The acquisition is expected to be completed in the last quarter of 2009.

There is an increase of tax recoverable of S\$41,000 at 31 December 2008 to S\$861,000 at 30 June 2009, which relates to tax to be refunded from Inland Revenue Authority of Singapore (“IRAS”) due to tax overpaid, subjected to assessment by and agreement with IRAS.

Intangibles of the Group consists of the goodwill of approximately S\$29.5 million arising on acquisition of the Sunny Energy Group on 29 May 2009 and the mining rights of Shanxi Tai Xing Jiao Zhong Coal Industry Company Limited that amounted to approximately S\$6.5 million at 30 June 2009. Management is still in the process of ascertaining the purchase price allocation of the acquisition and allocation would be assessed and finalised within 12 months from the date of acquisition.

Financial assets, at fair value through profit or loss (“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. For the financial period ended 30 June 2009, the unrealised fair value gain on FVPL was approximately S\$0.08 million.

Review of Cash Flow Statement

Cash outflows from operating activities were S\$38.1 million for the period ended 30 June 2009 compared to S\$46.9 million in the corresponding period of prior year. Although net profit has declined in the half year period by 80%, cash flow from operating activities improved due to stronger cash flows from better working capital management compared to the same period last year.

On 29 May 2009, the Group acquired Sunny Energy Group for a purchase consideration of approximately S\$38,401,000. Further details of the cash flows related to the acquisition are outlined in the consolidated cash flow statement. As part of the total consideration, approximately S\$20 million was paid by a major debtor on behalf of the Group as repayment of its debts owing to the Group. This is not reflected as a cash outflow item in the consolidated cash flow statement.

Cash from financing activities shows an inflow of S\$32.5 million due to proceedings from borrowings and discharge of fixed deposits previously pledged to banks. Proceedings from borrowings and discharge of fixed deposits previously pledged to banks were used to fund the daily operations of the Group. Further details of the borrowings are outline in paragraph Item 1(b) (ii) – Aggregate amount of group’s borrowings and debts securities. Fixed deposits of the Group and Company pledged to banks for bills payable and bank loans granted to the Company and certain subsidiary companies had decreased from S\$39.6 million at 31 December 2008 to S\$13.2 million at 30 June 2009.

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 trades in raw materials that are used for steel production. Management believes that the overall market demand for the raw materials of steel is improving. Together with China’s long term plans to boost infrastructural facilities within China, the Group expects its overall operating environment to improve in the foreseeable future, barring any unforeseen circumstances.

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(5)

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 half year and second quarter ended 30 June 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

**Lau Yu
Executive Director and Chief Executive Officer
14 August 2009**