



ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the Third Quarter Ended 30 September 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.

	Notes	THE GROUP					
		Quarter ended 30 September			9 months ended 30 September		
		2009	2008	Changes	2009	2008	Changes
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>CONTINUING OPERATIONS</u>							
Revenue		18,487	113,320	-84%	128,518	288,183	-55%
Cost of sales		(16,933)	(106,624)	-84%	(120,956)	(272,980)	-56%
Gross profit		1,554	6,696	-77%	7,562	15,203	-50%
Other operating income		3,177	2,898	10%	6,971	9,027	-23%
Sales and distribution costs		-	-	0%	(53)	-	NM
Administrative expenses		(1,063)	(1,101)	-3%	(2,668)	(2,274)	17%
Other operating expenses		(1,926)	(21)	NM	(3,730)	(21)	NM
Financial expenses		(801)	(1,730)	-54%	(5,470)	(5,381)	2%
Share of profit of an associated company		94	112	-16%	102	293	-65%
Loss on liquidation of subsidiary companies		-	(212)	-100%	-	(350)	-100%
Profit before tax		1,035	6,642	-84%	2,714	16,497	-84%
Taxation		565	35	NM	614	(830)	NM
Profit after tax from continuing operations	1	1,600	6,677	-76%	3,328	15,667	-79%
<u>DISCONTINUED OPERATIONS</u>							
Loss from discontinued operations	2	-	-	NM	-	(358)	-100%
PROFIT FOR THE PERIOD		1,600	6,677	-76%	3,328	15,309	-78%
Other comprehensive income:							
Currency translation difference		(182)	352	NM	(207)	96	NM
Total comprehensive income for the period		1,418	7,029	-80%	3,121	15,405	-80%
Profit for the period attributable to:							
Shareholders of the Company		1,730	6,677	-74%	3,477	15,452	-77%
Minority interest		(130)	-	NM	(149)	(143)	4%
		1,600	6,677	-76%	3,328	15,309	-78%
Total comprehensive income attributable to:							
Shareholders of the Company		1,548	7,029	-78%	3,270	15,548	-79%
Minority interest		(130)	-	NM	(149)	(143)	4%
		1,418	7,029	-80%	3,121	15,405	-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 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	(4)	(119)	(63)	(3,415)
Impairment of trade receivables written back	(2,400)	-	(5,750)	-
Fair value gain on financial assets, at fair value through profit or loss	(446)	-	(523)	-
Interest expense	783	1,730	5,132	5,163
Depreciation of property, plant and equipment	115	166	292	202
Net write down of inventories to net realisable value	-	-	-	201
Loss on liquidation of a subsidiary company	-	286	-	424
Net exchange loss/(gain)	1,923	(2,731)	3,727	(5,565)

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 September 2009, WSM Group is still in the process of liquidation.

The operating performance of WSM Group up to 30 September 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 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	-	-	-	139
Net expense	-	-	-	(497)
Loss before income tax of discontinued operations	-	-	-	(358)
Income tax expense	-	-	-	-
Loss after income tax of discontinued operations	-	-	-	(358)

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

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Net cash generated from/ (used in):				
Operating activities	-	-	-	39
Financing activities	-	-	-	(29)
Total cash (outflows)/inflows	-	-	-	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	
	30.09.09	31.12.08	30.09.09	31.12.08
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	1,339	46,774	707	36,547
Financial assets, at fair value through profit or loss	35,691	35,168	35,691	35,168
Trade receivables	39,260	46,089	11,177	7,938
Other receivables, deposits and prepayments	86,069	79,521	133,501	156,460
Tax recoverable	1,478	41	1,265	6
Inventories	4,858	78,176	-	20,225
Total current assets	168,695	285,769	182,341	256,344
Non-current assets				
Property, plant and equipment	15,147	11,584	11,374	11,584
Investment properties	20,122	20,122	20,122	20,122
Investment in subsidiaries	-	-	30,964	1,361
Investment in an associated company	10,802	10,700	10,700	10,700
Financial assets, available-for-sale	12,345	12,345	12,345	12,345
Intangibles	35,854	-	-	-
Trade receivables	30,959	78,992	6,377	13,758
Total non-current assets	125,229	133,743	91,882	69,870
Total assets	293,924	419,512	274,223	326,214
LIABILITIES				
Current liabilities				
Trade payables	481	619	291	334
Other payables and accruals	6,193	15,519	832	4,781
Bills payable	7,000	120,746	-	40,155
Obligation under finance lease	16	26	16	26
Convertible notes	6,149	-	6,149	-
Bank loans (secured)	42,442	26,510	42,442	26,510
Bank loans	-	23,000	-	23,000
Total current liabilities	62,281	186,420	49,730	94,806
Non-current liabilities				
Obligation under finance lease	-	9	-	9
Bank loans (secured)	21,320	22,226	21,320	22,226
Convertible notes	-	8,722	-	8,722
Deferred taxation	8	78	8	78
Total non-current liabilities	21,328	31,035	21,328	31,035
Total liabilities	83,609	217,455	71,058	125,841
NET ASSETS	210,315	202,057	203,165	200,373
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	200,923	197,768	200,923	197,768
Reserves	9,392	4,289	2,242	2,605
TOTAL EQUITY	210,315	202,057	203,165	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 30.09.2009		As at 31.12.2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
49,458	6,149	132,173	38,110

Amount repayable after one year

As at 30.09.2009		As at 31.12.2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
21,320	-	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

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit from continuing operations before taxation	1,035	6,642	2,714	16,497
Loss from discontinued operations before taxation	-	-	-	(358)
Profit before tax	1,035	6,642	2,714	16,139
Adjustments for:				
Provision for doubtful debt	-	-	-	(3)
Impairment of trade receivables written back	(2,400)	-	(5,750)	47
Inventories written off	-	-	-	201
Fixed assets written off	-	-	-	7
Provision for unutilised leave	1	-	(18)	54
Depreciation of property, plant and equipment	115	166	292	202
Fair value gain on financial assets, at fair value through profit or loss	(446)	-	(523)	-
Loss on liquidation of a subsidiary company	-	286	-	424
Interest expense	783	1,730	5,132	5,163
Interest income	(5)	(119)	(63)	(3,415)
Unrealised exchange loss	35	90	34	317
Share of results of an associated company	(94)	(112)	(102)	(293)
Operating (loss)/ profit before working capital changes	(976)	8,683	1,716	18,843
Decrease /(Increase) in:				
Inventories	18,170	(84,815)	73,353	(138,645)
Trade receivables	28,623	34,184	41,091	19,209
Other receivables, deposits and prepayments	(19,858)	15,257	(19,829)	(4,209)
Increase / (decrease) in:				
Trade payables	(1,510)	13,864	(138)	3,604
Bills payable	(7,093)	43,257	(113,747)	81,306
Other payables and accruals	(15,953)	(991)	(14,226)	1,129
Cash generated from / (utilised in) operations	1,403	29,439	(31,780)	(18,763)
Interest income received	5	119	63	3,415
Interest expense paid	(676)	(1,481)	(4,739)	(3,443)
Income tax paid	(71)	-	(897)	-
Net cash generated from /(used in) operating activities	661	28,077	(37,353)	(18,791)
Cash flows from investing activities:				
Purchase of property, plant and equipment	-	(3,380)	(49)	(3,387)
Purchase of investment properties	-	(5,861)	-	(5,861)
Proceed from sale of property, plant and equipment	-	-	-	(7)
Payment for liquidation of a subsidiary	-	(74)	-	(212)
Acquisition of subsidiaries, net of cash acquired	-	-	10	-
Investment in an associated company	-	-	-	(69)
Net cash used in investing activities	-	(9,315)	(39)	(9,536)

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

	Quarter ended 30 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities:				
Proceeds from borrowings	-	21,915	-	51,501
Net repayment of bank loans	(14,155)	-	(7,974)	(29)
Net repayment of finance lease commitments	(6)	(6)	(19)	(19)
Net proceeds from the rights issue	-	-	-	18,975
Share issue expense	(17)	(19)	(45)	(241)
Fixed deposits discharged from/(pledged to) banks	13,241	(32,730)	39,615	(31,653)
Net cash (used in)/provided by financing activities	(937)	(10,840)	31,577	38,534
Net (decrease) / increase in cash and cash equivalents				
	(276)	7,922	(5,815)	10,207
Cash and cash equivalents at beginning of period	1,602	6,235	7,159	3,987
Effect of currency translation on cash and cash equivalent	13	261	(5)	224
Cash and cash equivalents at end of period	1,339	14,418	1,339	14,418
Cash and cash equivalents comprise of :				
<u>Continuing operations</u>				
Cash and bank balances	1,339	3,375	1,339	3,375
Fixed deposits unpledged	-	11,213	-	11,213
	1,339	14,588	1,339	14,588
<u>Discontinuing operations</u>				
Cash and bank balances	-	61	-	61
Bank overdrafts	-	(231)	-	(231)
	-	(170)	-	(170)
	1,339	14,418	1,339	14,418

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 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Property, plant and equipment	-	-	3,881	-
Intangibles – mining rights	-	-	6,477	-
Cash and bank balances	-	-	62	-
Trade receivables	-	-	443	-
Other receivables, deposits and prepayments	-	-	5,105	-
Inventories	-	-	35	-
Other payables and accruals	-	-	(4,926)	-
Attributable net assets acquired	-	-	11,077	-

Acquisition of new subsidiaries (continued)

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Attributable net assets acquired	-	-	11,077	-
Minority interests	-	-	(2,206)	-
	-	-	8,871	-
Goodwill on consolidation	-	-	29,530	-
Total consideration	-	-	38,401	-
Less: Deposit paid	-	-	(18,385)	-
Less: Consideration settled by set-off of trade receivables	-	-	(19,964)	-
Less: Cash & cash equivalents of subsidiaries acquired	-	-	(62)	-
Net cash inflow	-	-	(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	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
Balance as at 1 January 2009	197,768	3,517	450	322	202,057	-	202,057
Share issue expenses	(28)	-	-	-	(28)	-	(28)
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	-	-	(25)	1,747	1,722	(19)	1,703
Balance as at 30 June 2009	200,740	3,365	425	2,020	206,550	2,187	208,737
Share issue expenses	(17)	-	-	-	(17)	-	(17)
Issue of new shares pursuant to the conversion of the convertible notes	200	(24)	-	-	176	-	176
Reversal of deferred taxation upon conversion of the convertible notes	-	1	-	-	1	-	1
Transfer of realised deferred tax from other reserves to retained earnings	-	12	-	(12)	-	-	-
Total comprehensive income for the period	-	-	(182)	1,730	1,548	(130)	1,418
Balance as at 30 September 2009	200,923	3,354	243	3,738	208,258	2,057	210,315

Attributable to owners of the Company

THE GROUP	Share capital S\$'000	Other reserves S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	(Accumulated losses) / Retained earnings S\$'000	Total shareholders' equity S\$'000	Minority interests S\$'000	Total equity S\$'000
Balance as at 1 January 2008	129,621	9,835	209	334	(32,392)	107,607	275	107,882
Issue of new shares	101,475	(8,291)				93,184	-	93,184
Share issue expenses	(223)	-	-	-	-	(223)	-	(223)
Capital reduction exercise to set-off accumulated losses against share capital	(40,244)	-	-	-	40,244	-	-	-
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	-	-	-	(256)	8,775	8,519	(143)	8,376
Balance as at 30 June 2008	190,629	3,921	209	78	16,035	210,872	132	211,004
Share issue expenses	(20)	-	-	-	-	(20)	-	(20)
Issue of new shares pursuant to the conversion of the convertible notes	2,000	(288)	-	-	-	1,712	-	1,712
Reversal of deferred taxation upon conversion of the convertible notes	-	56	-	-	-	56	-	56
Transfer of realised deferred tax from other reserves to retained earnings	-	35	-	-	(35)	-	-	-
Deconsolidation of subsidiary company	-	-	(209)	-	-	(209)	(132)	(341)
Total comprehensive income for the period	-	-	-	352	6,677	7,029	-	7,029
Balance as at 30 September 2008	192,609	3,724	-	430	22,677	219,440	-	219,440

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	(28)	-	-	-	(28)
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	-	-	-	(102)	(102)
Balance as at 30 June 2009	200,740	3,365	-	(1,063)	203,042
Share issue expenses	(17)	-	-	-	(17)
Issue of new shares pursuant to the conversion of the convertible notes	200	(24)	-	-	176
Reversal of deferred taxation upon conversion of the convertible notes	-	1	-	-	1
Transfer of realised deferred tax from other reserves to retained earnings	-	12	-	(12)	-
Total comprehensive income for the period	-	-	-	(37)	(37)
Balance as at 30 September 2009	200,923	3,354	-	(1,112)	203,165
Balance as at 1 January 2008	129,621	9,835	3	(32,231)	107,228
Issue of new shares	65,575	(3,359)	-	-	62,216
Share issue expenses	(223)	-	-	-	(223)
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)	3,343	3,337
Balance as at 30 June 2008	190,629	3,921	(3)	10,764	205,311
Share issue expenses	(20)	-	-	-	(20)
Issue of new shares pursuant to the conversion of the convertible notes	2,000	(288)	-	-	1,712
Reversal of deferred taxation upon conversion of the convertible notes	-	56	-	-	56
Transfer of realised deferred tax from other reserves to retained earnings	-	35	-	(35)	-
Total comprehensive income for the period	-	-	-	2,891	2,891
Balance as at 30 September 2008	192,609	3,724	(3)	13,620	209,950

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 quarter ended 30 September 2009, the Company issued 3,076,923 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
Issue of new shares pursuant to the conversion of the convertible notes	46,153,846	3,000
Share issue expenses	-	(28)
Balance as at 30 June 2009	5,130,909,670	200,740
Issue of new shares pursuant to the conversion of the convertible notes	3,076,923	200
Share issue expenses	-	(17)
Balance as at 30 September 2009	5,133,986,593	200,923

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 September 2009 and 30 September 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 100 million more shares would have been issued for the 9 months ended 30 September 2009. (30 September 2008: approximately 188 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	5,084,755,824
Issue of new shares pursuant to conversion of convertible notes during the current financial period	49,230,769
As at 30 September 2009	5,133,986,593

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 September 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 September 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 September		9 months ended 30 September	
	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)	0.03	0.13	0.07	0.35
- Weighted average number of shares	5,131,035,757	4,990,247,343	5,104,240,411	4,447,629,691
(ii) On a fully diluted basis	-	-	-	-

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 September 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 100,000,009 (30 September 2008: 187,692,315) 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	
	30.09.2009	31.12.2008	30.09.2009	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	4.10	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 September 2009 of 5,133,986,593 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

	THE GROUP					
	Quarter ended 30 September			9 months ended 30 September		
	2009	2008	Changes	2009	2008	Changes
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Continuing operations</u>						
Trading – Iron Ore	-	35,540	-100%	2,674	89,087	-97%
Trading – Coke and Coal	12,977	73,515	-82%	101,506	177,845	-43%
Trading – Others	5,510	4,265	29%	24,338	21,251	15%
	18,487	113,320	-84%	128,518	288,183	-55%
<u>Discontinued operations</u>						
Spa pools and bathroom products	-	-	0%	-	139	-100%
Total	18,487	113,320	-84%	128,518	288,322	-55%

Turnover for the three months ended 30 September 2009 was S\$18.5 million, a decrease of 84% compared to the same period in the previous year. Cost of sales decreased by 84% from S\$106.6 million to S\$16.9 million which is in line with the decrease in turnover.

For the 9 months ended 30 September 2009, trade for iron ore declined by 97% while the Group's trading in coke and coal declined by 43% compared to corresponding period in prior year. Trading activities in other non core products such as non-ferrous metals increased by 15%. 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 5.3% in September 2008 to 5.9% in September 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 nine months ended 30 September 2009 was lower at approximately S\$6.9 million compared to S\$9 million for the corresponding period. These were largely attributable to the decrease of interest income by S\$3.4 million compared to the corresponding period and an exchange gain of S\$5.6 million in 2008 but not in 2009, offset by trade receivables impairment write back of S\$5.8 million. A major debtor has a repayment schedule with the Group that started in March 2009. For the 9 month ended 30 September 2009, amount due from this major debtor has reduced from S\$125.4 million at 31 December 2008 to S\$66.6 million at 30 September 2009.

Administrative expenses increased from S\$2.3 million in the nine months ended 30 September 2008 to S\$2.7 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 operation costs. For the nine months period ended 30 September 2009, depreciation expenses increased by approximately S\$193,000 due to acquisition of new office, staff costs increased by approximately S\$139,000 and business operation costs increased by S\$127,000 due to more professional fee incurred for acquisition activities during the financial period. The Group has implemented cost control measures to minimize administrative expenses.

Other operating expenses increased to S\$3.5 million for the financial period ended 30 September 2009 as a result of exchange losses mainly due to the 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 1.41 in September 2009.

Finance costs for the financial period ended 30 September 2009 increased 2% from S\$5.4 million in the first nine months of 2008 to S\$5.5 million in the corresponding period in 2009. However, finance expenses had reduced in the three months ended 30 September 2009 from S\$1.7 million for the corresponding period in 2008 to S\$801,000 due to settlement of bill payables and bank borrowings during the period. Interest bearing bills payable and bank borrowings fell from S\$14.1 million and S\$77.9 million at 30 June 2009 to S\$7 million and S\$63.8 million at 30 September 2009 respectively.

There is a tax credit of S\$614,000 for the 9 months ended 30 September 2009 is due to overprovision of income tax in prior year. Based on management's assessment, there is no tax charge for the period ended 30 September 2009.

In view of the above, the Group recorded a 78% decline in profit after tax to S\$3.3 million for the financial period ended 30 September 2009 from S\$15.3 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 September 2009 were lower at S\$1.3 million, a decrease of S\$45.5 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\$7 million at 30 September 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\$4.9 million at 30 September 2009.

Trade receivables of the Group decreased by 44% from S\$125.1 million at 31 December 2008 to S\$70.2 million at 30 September 2009. In particular, a major trade debtor has a repayment schedule with the Group that started in March 2009. The outstanding amount due from this major debtor at 30 September 2009 is S\$66.6 million (31 December 2008: S\$125.4 million). Subsequent updates will be made in tandem with the quarterly results.

Other receivables, deposits and prepayments increased from S\$79.5 million at 31 December 2008 to S\$86.1 million at 30 September 2009 mainly due to net increase in deposit paid of S\$ 5.9 million. In particular, other receivables, deposits and prepayments consist mainly of a deposit paid for the acquisition of 22.8% equity interest in Zuoquan Xinrui Metallurgy Mine Co. Ltd ("Xinrui") amounting to S\$31.3 million.

There is an increase of tax recoverable of S\$41,000 at 31 December 2008 to S\$1.5 million at 30 September 2009, which relates to tax to be refunded from Inland Revenue Authority of Singapore ("IRAS") due to tax overpaid, subject 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 September 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. The Sunny Energy Group had a net loss of approximately S\$427,000 for the financial period from 1 January 2009 to 30 September 2009. The results of Sunny Energy Group do not have a material impact to the 9 months results of the Group. The contribution of Sunny Energy Group to the Group's income statement amounted to a loss of approximately S\$148,000.

Goodwill is tested for impairment normally on an annual basis and when there is an indication that goodwill have been impaired. Intangible assets, property plant and equipment and investment in subsidiaries and associates are tested for impairment whenever there is any objective evidence or indication that these assets may have been impaired. At the moment, as there is no objective evidence for any impairment of the assets, no provision for impairment has been made on the assets in the balance sheet. Where there is objective evidence of impairment, the assets are tested for impairment and any impairment loss assessed would be recognised in the income statement.

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 until 8 August 2014. The Group intends to hold them until maturity. For the financial period ended 30 September 2009, the unrealised fair value gain on FVPL was approximately S\$0.5 million.

The decrease in other payables and accruals for the Group from S\$15.5 million at 31 December 2008 to S\$6.2 million at 30 September 2009 is mainly due to repayment of S\$11.4 million to the immediate holding company during the period ended 30 September 2009, offset by an increase in other payables and accruals of S\$1.1 million due to the incorporation of the balance sheets of the Sunny Energy Group acquired during the financial period.

Convertibles notes which amount to S\$6.1 million (31 December 2008: S\$8.2 million) has been reclassified from non-current liability to current liability. Convertible notes which are not previously redeemed or purchased, converted or cancelled by the Company will be redeemed by the Company at 100% of their principal amount on the maturity date on 19 July 2010. The conversion price is S\$0.065 per share.

Review of Cash Flow Statement

Cash outflows from operating activities were S\$37.4 million for the period ended 30 September 2009 compared to S\$18.8 million in the corresponding period of prior year. Cash outflows from operating activities for the period ended 30 September 2009 is mainly due to payments made for other receivables, deposits and repayments of S\$19.8 million and repayment of other payables and accruals of S\$14.2 million after taking into consideration of receipts from sales of inventory and collection from trade receivables to repay bill payables for the 9 months ended 30 September 2009.

Cash outflows from investing activities were S\$39,000 for the period ended 30 September 2009 compared to S\$9.5 million in the corresponding period of prior year. This is mainly due to the purchase of new office on 26 August 2008. The purchase consideration for the property was S\$31.6 million and was funded through a combination of both external bank financing and internal resources.

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\$31.6 million due to repayment of bank borrowings offset by discharge of fixed deposits previously pledged to banks. Proceedings from 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 been fully discharged at 30 September 2009 (31 December 2008 : S\$39.6 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.

Following the successful implementation of China's RMB 4 trillion stimulus package, there was a respite for the steel mills. However, the fundamental issues of falling exports, soaring imports and concerns of oversupply remains unresolved in the steel industry.

The Group will focus on prudent cost containment measures and effective cash flow management to prepare for the recovery in the long-run. The management has put in dedicated efforts to streamline its operations and implement cost control measures during this current economic turndown and shall continue to monitor its financial position closely.

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.**

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 Cai Sui Xin, 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 9 months and third quarter ended 30 September 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
8 November 2009