

ABTERRA LTD.
(Company Registration No: 199903007C)

Full Year Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 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.

	Note	12 months(*)	12 months	THE GROUP	6 months	6 months	12 months
		Period ended 31 December 2009	Period ended 31 December 2008	Changes (#)	Period ended 31 December 2008	Period ended 31 December 2008	Period ended 30 June 2008
		S\$'000	(adjusted)(@) S\$'000	%	(adjusted)(@) S\$'000	S\$'000	S\$'000
CONTINUING OPERATIONS							
Revenue		151,883	391,993	-61%	217,310	215,321	392,292
Cost of sales		(145,018)	(372,176)	-61%	(205,974)	(205,974)	(373,719)
Gross profit		6,865	19,817	-65%	11,336	9,347	18,573
Other operating income		22,529	8,569	163%	3,764	3,764	6,576
Sales and distribution costs		(132)	(124)	6%	(124)	(124)	-
Administrative expenses		(4,012)	(4,803)	-16%	(3,685)	(3,685)	(2,922)
Other operating expenses		(5,921)	(20,243)	-71%	(21,569)	(21,569)	(3)
Financial expenses		(6,195)	(8,094)	-23%	(4,466)	(4,466)	(6,321)
Share of results of associated companies		(334)	413	-181%	232	232	181
Other items		-	(424)	-100%	(286)	(286)	(28)
Profit/(loss) before tax		12,800	(4,889)	-777%	(14,798)	(16,787)	16,056
Taxation		265	272	-3%	1,138	1,138	(1,848)
Profit/(loss) after tax from continuing operations	1	13,065	(4,617)	-823%	(13,660)	(15,649)	14,208
DISCONTINUED OPERATIONS							
Loss from discontinued operations	2	-	(358)	-100%	-	-	(412)
PROFIT/(LOSS) FOR THE PERIOD		13,065	(4,975)	-771%	(13,660)	(15,649)	13,796
Other comprehensive income:							
Currency translation difference		(1,441)	116	NM	372	372	59
Total comprehensive income for the period		11,624	(4,859)	-783%	(13,288)	(15,277)	13,885
Profit/(loss) for the period attributable to:							
Shareholders of the Company		13,260	(4,975)	NM	(13,660)	(15,649)	13,960
Non-controlling interest		195	-	NM	-	-	(164)
		13,065	(4,975)	-771%	(13,660)	(15,649)	13,796
Total comprehensive income attributable							
Shareholders of the Company		11,819	(4,859)	NM	(13,288)	(15,277)	14,039
Non-controlling interest		195	-	NM	-	-	(164)
		11,624	(4,859)	-339%	(13,288)	(15,277)	13,885

N.M. Not meaningful.

Notes:

- * The Group changed its financial year end from 30 June to 31 December. The previous audited financial year covered a period of 6 months from 1 July 2008 to 31 December 2008 while the current financial year covers a period of 12 months from 1 January 2009 to 31 December 2009.
- # The variance is a comparison between the 12 months period ended 31 December 2008(information prepared for meaningful comparison) and 31 December 2009.

Prior year adjustments

- (1) Unrecorded sale for the financial period ended 31 December 2008
- @ The financial statements for the financial period ended 31 December 2008 has been restated to reflect an unrecorded sale in the financial year during it was incurred. The correction of unrecorded sales amounted approximately to S\$1,989,000 has been applied retrospectively and the opening retained earnings have been adjusted accordingly.
- (2) Transfer of the carrying amount of equity component of convertible notes to share capital upon conversion
- @ The balance sheet and statement of equity for the financial period ended 31 December 2008 has been restated to reflect a portion of the equity component of the convertible notes not transferred to share capital account upon conversion of the notes. The correction amounted to approximately S\$2,305,000 has been applied retrospectively and adjustments had been made to classification of the opening balance of share capital and other reserve.

The effects of the above prior year adjustments in the financial period ended 31 December 2008 are as follows:

	<u>31 December 2008</u>
<u>Income statement</u>	S\$'000
Increase in revenue	1,989
 <u>Balance sheet and statement of equity</u>	
Increase in trade receivables	1,989
Increase in share capital	2,305
Decrease in other reserve	(2,305)

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

	<u>THE GROUP</u>		
	12 months period ended 31 December 2009	12 months period ended 31 December 2008	6 months period ended 30 December 2008
	S\$'000	S\$'000	S\$'000
Interest income	(64)	(3,521)	(226)
Rental income	(548)	(162)	(162)
Allowance for doubtful trade debts	43	10,246	10,200
Impairment of trade receivables written back	(6,850)	(40)	-
Fair value gain on financial assets, at fair value through profit or loss	(1,013)	(168)	(168)
Fair value (gain)/loss on investment properties	(289)	1,221	1,221
Gain arising from consolidation	(13,464)	-	-
Impairment loss in investment in an associated company	-	10,136	10,136
Impairment loss on assets acquired	1,772	-	-
Interest expense	6,195	7,695	4,091
Depreciation of property, plant and equipment	345	151	115
Net loss on liquidation of a subsidiary company	-	314	286
Net exchange loss/(gain)	3,957	(3,366)	(3,174)

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.

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

	12 months period ended 31 December 2009 S\$’000	<u>THE GROUP</u> 12 months period ended 31 December 2008 S\$’000	6 months period ended 30 December 2008 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:

	12 months period ended 31 December 2009 S\$’000	<u>THE GROUP</u> 12 months period ended 31 December 2008 S\$’000	6 months period ended 30 December 2008 S\$’000
Net cash generated from/ (used in):			
Operating activities	-	1	-
Financing activities	-	(14)	-
Total cash (outflows)/inflows	-	(13)	-

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			
	31.12.09	31.12.08	31.12.08	30.06.08	31.12.09	31.12.08	31.12.08	30.06.08
	S\$'000	(adjusted) S\$'000	S\$'000	S\$'000	S\$'000	(adjusted) S\$'000	S\$'000	S\$'000
ASSETS								
Current assets								
Cash and bank balances	3,757	46,774	46,774	54,775	2,269	36,547	36,547	49,548
Financial assets, at fair value through profit or loss	36,181	35,168	35,168	-	36,181	35,168	35,168	-
Trade receivables	39,195	48,078	46,089	114,073	9,841	9,927	7,938	94,033
Other receivables, deposits and prepayments	64,700	79,521	79,521	70,570	134,873	156,460	156,460	113,755
Tax recoverable	-	41	41	-	-	6	6	-
Inventories	28,746	78,176	78,176	65,036	-	20,225	20,225	-
	172,579	287,758	285,769	304,454	183,164	258,333	256,344	257,336
Assets directly associated with disposal group classified as held for sale	-	-	-	1,216	-	-	-	-
Total current assets	172,579	287,758	285,769	305,670	183,164	258,333	256,344	257,336
Non-current assets								
Property, plant and equipment	13,153	11,584	11,584	163	11,293	11,584	11,584	163
Investment properties	20,411	20,122	20,122	-	20,411	20,122	20,122	-
Investment in subsidiaries	-	-	-	-	1,556	1,361	1,361	1,021
Investment in associated companies	87,155	10,700	10,700	20,604	40,331	10,700	10,700	20,423
Financial assets, available-for-sale	12,345	12,345	12,345	12,345	12,345	12,345	12,345	12,345
Intangibles	1,951	-	-	-	-	-	-	-
Trade receivables	27,151	78,992	78,992	-	5,543	13,758	13,758	-
Total non-current assets	162,166	133,743	133,743	33,112	91,479	69,870	69,870	33,952
Total assets	334,745	421,501	419,512	338,782	274,643	328,203	326,214	291,288
LIABILITIES								
Current liabilities								
Trade payables	635	619	619	3,573	326	334	334	2,416
Other payables and accruals	15,610	15,519	15,519	6,029	1,319	4,781	4,781	5,459
Bills payable	-	120,746	120,746	73,744	-	40,155	40,155	37,700
Obligation under finance lease	9	26	26	26	9	26	26	26
Provision for income tax	308	-	-	2,440	297	-	-	2,230
Convertible notes	5,967	-	-	-	5,967	-	-	-
Bank loans (secured)	41,672	26,510	26,510	28,503	41,672	26,510	26,510	25,364
Bank loans	4,120	23,000	23,000	-	-	23,000	23,000	-
	68,321	186,420	186,420	114,315	49,590	94,806	94,806	73,195
Liabilities directly associated with disposal group classified as held for sale	-	-	-	681	-	-	-	-
Total current liabilities	68,321	186,420	186,420	114,996	49,590	94,806	94,806	73,195
Non-current liabilities								
Obligation under finance lease	-	9	9	22	-	9	9	22
Bank loans (secured)	20,823	22,226	22,226	-	20,823	22,226	22,226	-
Convertible notes	-	8,722	8,722	12,336	-	8,722	8,722	12,336
Deferred taxation	52	78	78	424	47	78	78	424
Total non-current liabilities	20,875	31,035	31,035	12,782	20,870	31,035	31,035	12,782
Total liabilities	89,196	217,455	217,455	127,778	70,460	125,841	125,841	85,977
NET ASSETS	245,549	204,046	202,057	211,004	204,183	202,362	200,373	205,311
EQUITY								
Capital and reserves attributable to equity holders of the Company								
Share capital	203,719	200,073	197,768	190,629	203,719	200,073	197,768	190,629
Reserves	15,352	3,973	4,289	20,243	464	2,289	2,605	14,682
Non-controlling interest	26,478	-	-	132	-	-	-	-
TOTAL EQUITY	245,549	204,046	202,057	211,004	204,183	202,362	200,373	205,311

Please refer to page 2 of the announcement for the nature of prior year adjustments

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

Amount repayable in one year or less, or on demand

As at 31.12.2009		As at 31.12.2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
41,680	10,088	132,173	38,110

Amount repayable after one year

As at 31.12.2009		As at 31.12.2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
20,823	-	22,235	8,722

Details of any collateral:

The Group's borrowings are secured by the following:

- Legal mortgage over the Group's properties.
- Corporate guarantees provided by General Nice Development Ltd. (the intermediate holding company) and General Nice Resources (Hong Kong) Ltd. (the immediate holding company), and certain directors of the Company.
- Structured deposit placed in a financial institution
- 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

	1 January to 31 December 2009	1 July to 31 December 2008 (adjusted)	1 July to 31 December 2008
	S\$'000	S\$'000	S\$'000
Cash flows from operating activities			
Profit/(loss) before taxation	12,800	(14,798)	(16,787)
Adjustments for:			
Provision for doubtful debt	43	10,200	10,200
Doubtful non-trade debts recovered	-	(40)	(40)
Impairment of trade receivables written back	(6,850)	-	-
Amortization of intangibles	107	-	-
Depreciation of property, plant and equipment	345	115	115
Loss on disposal of property, plant and equipment	-	12	12
Loss on liquidation of a subsidiary company	-	286	286
Impairment loss on investment in an associated company	-	10,136	10,136
Impairment loss on assets acquired	1,772	-	-
Fair value gain on financial assets, at fair value through profit or loss	(1,013)	(168)	(168)
Fair value (gain)/loss on investment properties	(289)	1,221	1,221
Interest income	(64)	(226)	(226)
Interest expense	6,196	4,091	4,091
Unrealised exchange (gain)/ loss	(2,388)	1,912	1,912
Gain arising from consolidation	(13,464)	-	-
Share of results of associated companies	334	(232)	(232)
Provision for unutilised leave	(25)	4	4
Operating profit/(loss) before working capital changes	(2,496)	12,513	10,524
Decrease /(Increase) in:			
Inventories	49,430	(9,363)	(9,363)
Trade receivables	54,816	(18,529)	(16,540)
Other receivables, deposits and prepayments	(3,542)	(8,292)	(8,292)
Increase / (decrease) in:			
Trade payables	16	(3,061)	(3,061)
Bills payable	(120,746)	37,759	37,759
Other payables and accruals	(8,502)	12,222	12,222
Cash generated from/(utilised in) operations	(31,024)	23,249	23,249
Interest income received	64	226	226
Interest expense paid	(7,684)	(3,735)	(3,735)
Net income tax refund/(paid)	591	(1,627)	(1,627)
Net cash provided by/(used in) operating activities	(38,053)	18,113	18,113
Cash flows from investing activities:			
Purchase of property, plant and equipment	(40)	(3,335)	(3,335)
Proceed from sale of property, plant and equipment	-	4	4
Dividend received from an associate company	325	-	-
Purchase of investment properties	-	(5,860)	(5,860)
Purchase of financial assets, at fair value through profit or loss	-	(35,000)	(35,000)
Acquisition of subsidiaries and an associate company, net of cash	(17)	-	-
Proceed from liquidation of a subsidiary company	-	170	170
Payment for liquidation of a subsidiary company	-	(74)	(74)
Net cash provided by/(used in) investing activities	268	(44,095)	(44,095)

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

	1 January to 31 December 2009	1 July to 31 December 2008 (adjusted)	1 July to 31 December 2008
	S\$'000	S\$'000	S\$'000
Cash flows from financing activities:			
Proceeds from borrowings	-	23,000	23,000
Net repayment of bank loans	(5,122)	(5,098)	(5,098)
Net repayment of finance lease commitments	(26)	(12)	(12)
Share issue expense	(56)	(43)	(43)
Fixed deposits discharged from banks	38,856	8,697	8,697
Net cash provided by financing activities	33,652	26,544	26,544
Net (decrease) / increase in cash and cash equivalents	(4,133)	562	562
Cash and cash equivalents at beginning of period	7,159	6,295	6,295
Effect of currency translation on cash and cash equivalent	(28)	302	302
Cash and cash equivalents at end of period	2,998	7,159	7,159
Cash and cash equivalents comprise of :			
Continuing operations			
Cash and bank balances	3,757	7,159	7,159
Fixed deposits pledged to bank for trade facilities	(759)	-	-
	2,998	7,159	7,159

Please refer to page 2 of the announcement for the nature of prior year adjustments

Acquisition of new subsidiaries and an associated company

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%)(“Manxin”), Shenzhen Chuangrongxin Trading Co. Ltd (100%)(“CRX”) and an associated company, Shanxi Tai Xing Jiao Zhong Coal Industry Company Limited (80%) (“Jiaozhong”)(collectively referred to as “Sunny Energy Group”) for a purchase consideration (inclusive of transaction costs of approximately S\$52,000) of approximately S\$29,920,000.

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

	THE GROUP	
	1 January to 31 December 2009	1 July to 31 December 2008
	S\$'000	S\$'000
Investment in an associate company	79,354	-
Cash and bank balances	34	-
Other receivables , deposits and prepayments	23	-
Other payables and accruals	(8,577)	-
Attributable net assets acquired	70,834	-
Less : Non-controlling interest	(27,450)	-
Gain arising from consolidation	(13,464)	-
Total consideration	29,920	-
Less: Deposit paid	(18,385)	-
Less: Consideration settled by set-off of trade receivables	(19,964)	-
Less: Consideration to be refunded by vendor	8,480	-
Less: Cash & cash equivalents of subsidiaries acquired	(34)	-
Net cash outflow	17	-

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 S\$'000	Other reserves S\$'000	Foreign currency translation reserve S\$'000	(Accumulated losses) / Retained earnings S\$'000	Total shareholders' equity S\$'000	Non-controlling interest S\$'000	Total equity S\$'000
Balance as at 1 January 2009	200,073	1,212	450	2,311	204,046	-	204,046
Share issue expenses	(28)	-	-	-	(28)	-	(28)
Issue of new shares pursuant to the conversion of the convertible notes	3,168	(439)	-	-	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	-	-	-	-	-	27,448	27,448
Total comprehensive income for the period	-	-	(25)	(242)	(267)	-	(267)
Balance as at 30 June 2009	203,213	892	425	2,020	206,550	27,448	233,998
Share issue expenses	(25)	-	-	-	(25)	-	(25)
Issue of new shares pursuant to the conversion of the convertible notes	531	(74)	-	-	457	-	457
Reversal of deferred taxation upon conversion of the convertible notes	-	3	-	-	3	-	3
Transfer of realised deferred tax from other reserves to retained earnings	-	35	-	(35)	-	-	-
Total comprehensive income for the period	-	-	(1,416)	13,502	12,086	(970)	11,116
Balance as at 31 December 2009	203,719	856	(991)	15,487	219,071	26,478	245,549

THE GROUP	Attributable to owners of the Company							
	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	Non-controlling interest S\$'000	Total equity S\$'000
Balance as at 1 January 2008	129,621	9,835	209	334	(32,302)	107,697	132	107,829
Share issue expenses	(223)	-	-	-	-	(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	101,475	(8,291)	-	-	-	93,184	-	93,184
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)	8,685	8,429	-	8,429
Balance as at 30 June 2008	190,629	3,921	209	78	16,035	210,872	132	211,004
Share issue expenses	(43)	-	-	-	-	(43)	-	(43)
Issue of new shares pursuant to the conversion of the convertible notes	7,182	(594)	-	-	-	6,588	-	6,588
Reversal of deferred taxation upon conversion of the convertible notes	-	126	-	-	-	126	-	126
Transfer of realised deferred tax from other reserves to retained earnings	-	64	-	-	(64)	-	-	-
Deconsolidation of subsidiary company	-	-	(209)	-	-	(209)	(132)	(341)
Total comprehensive income for the period	-	-	-	372	(15,649)	(15,277)	-	(15,277)
Balance as at 31 December 2008	197,768	3,517	-	450	322	202,057	-	202,057
Prior year adjustment	2,305	(2,305)	-	-	1,989	1,989	-	1,989
At 1 January 2009 as restated	200,073	1,212	-	450	2,311	204,046	-	204,046

Please refer to page 2 of the announcement for the nature of prior year adjustments

Attributable to owners of the Company

THE GROUP	Share capital	Other reserves	Revaluation reserve	Foreign currency translation reserve	(Accumulated losses) / Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2007	53,207	5,918	209	19	(37,577)	21,776	296	22,076
Share issue expenses	(364)	-	-	-	-	(364)	-	(364)
Capital reduction exercise to set-off accumulated losses against share capital	(40,244)	-	-	-	40,244	-	-	-
Issue of new shares	116,230	-	-	-	-	116,230	-	116,230
Issue of new shares pursuant to the conversion of the convertible notes	61,800	(8,291)	-	-	-	53,509	-	53,509
Convertible notes - equity component	-	4,827	-	-	-	4,827	-	4,827
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)	-	-	-
Comprehensive income for the period	-	-	-	59	13,960	14,019	(164)	13,855
Balance as at 30 June 2008	190,629	3,921	209	78	16,035	210,872	132	211,004

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	200,073	1,212	-	1,077	202,362
Share issue expenses	(28)	-	-	-	(28)
Issue of new shares pursuant to the conversion of the convertible notes	3,168	(439)	-	-	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	-	-	-	(2,090)	(2,090)
Balance as at 30 June 2009	203,213	892	-	(1,062)	203,043
Share issue expenses	(25)	-	-	-	(25)
Issue of new shares pursuant to the conversion of the convertible notes	531	(74)	-	-	457
Reversal of deferred taxation upon conversion of the convertible notes	-	3	-	-	3
Transfer of realised deferred tax from other reserves to retained earnings	-	35	-	(35)	-
Total comprehensive income for the period	-	-	-	705	705
Balance as at 31 December 2009	203,719	856	-	(392)	204,183

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 2008	129,621	9,835	3	(32,231)	107,228
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	101,475	(8,291)	-	-	93,184
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	(43)	-	-	-	(43)
Issue of new shares pursuant to the conversion of the convertible notes	7,182	(594)	-	-	6,588
Reversal of deferred taxation upon conversion of the convertible notes	-	126	-	-	126
Transfer of realised deferred tax from other reserves to retained earnings	-	64	-	(64)	-
Total comprehensive income for the period	-	-	3	(11,612)	(11,609)
Balance as at 31 December 2008	197,768	3,517	-	(912)	200,373
Prior year adjustment	2,305	(2,305)	-	1,989	1,989
At 1 January 2009 as restated	200,073	1,212	-	1,077	202,362

Please refer to page 2 of the announcement for the nature of prior year adjustments

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 July 2007	53,207	5,918	7	(42,926)	16,206
Share issue expenses	(364)	-	-	-	(364)
Capital reduction exercise to set-off accumulated losses against share capital	(40,244)	-	-	40,244	-
Issue of new shares	116,230	-	-	-	116,230
Issue of new shares pursuant to the conversion of the conversion notes	61,800	(8,291)	-	-	53,509
Convertible notes - equity component	-	4,827	-	-	4,827
Deferred tax on liabilities component	-	(895)	-	-	(895)
Reversal of deferred taxation upon conversion	-	1,770	-	-	1,770
Transfer of realized deferred tax from other reserves to retained earnings	-	592	-	(592)	-
Comprehensive income for the period	-	-	(10)	14,038	14,028
Balance as at 30 June 2008	190,629	3,921	(3)	10,764	205,311

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 53,846,153 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	200,073
Issue of new shares pursuant to the conversion of the convertible notes	53,846,153	3,699
Share issue expenses	-	(53)
Balance as at 31 December 2009	<u>5,138,601,977</u>	<u>203,719</u>

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 31 December 2009 and 31 December 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 95 million more shares would have been issued for the financial year ended 31 December 2009. (31 December 2008: approximately 149 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	<u>53,846,153</u>
As at 31 December 2009	<u>5,138,601,977</u>

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 31 December 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

FRS 108 Operating Segments replaces FRS 14 Segment Reporting, and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Segment revenue, segment profits and segment assets are also measured on a basis that is consistent with internal reporting. The adoption of the standard has no impact on the financial position and results of the Group.

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	
	1 January to 31 December 2009	1 July to 31 December 2008 (Adjusted)
	Cents	Cents
Earnings/(losses) per ordinary share for the period	0.26	(0.27)
(i) Based on weighted average number of ordinary shares in issue (cents)		
- Weighted average number of shares	5,112,561,936	5,007,967,535
(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. Losses per ordinary share for the financial period ended 31 December 2008 has been revised to 27 cents from previously reported losses per ordinary share of 31 cents after taking into consideration the impact of prior year adjustment disclosed in page 2 of the announcement.

Diluted profit per ordinary share for the financial year ended 31 December 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 95,384,615(31 December 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 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	
	31.12.2009	31.12.2008	31.12.2009	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	4.78	4.01	3.97	3.98

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 31 December 2009 of 5,138,601,977 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>			1 July to 31 December 2008 S\$'000
	1 January to 31 December		Changes	
	2009	2008		
	S\$'000	S\$'000	%	
<u>Continuing operations</u>				
Trading – Iron Ore	7,312	93,426	-92%	39,879
Trading – Coke and Coal	120,484	257,962	-53%	153,951
Trading – Others	24,087	40,466	-40%	23,480
	151,883	391,854	-61%	217,310
<u>Discontinued operations</u>				
Spa pools and bathroom products	-	139	-100%	-
Total	151,883	391,993	-61%	217,310

Turnover for the financial year ended 31 December 2009 was S\$152 million, a decrease of 61% compared to the previous year. Cost of sales decreased by 61% from S\$372.2 million to S\$145 million which was in line with the decrease in turnover.

For the financial year ended 31 December 2009, trade for iron ore declined by 92% while the Group's trading in coke and coal declined by 53% compared to prior year. Trading activities in other non core products such as non-ferrous metals decrease by 40%. The Group continues to focus on its trading of core products which is iron ore, coke and coal. The decrease in sales was due to the tightening of credit facilities in the market and global economic crisis.

Gross profit margin decreased slightly by 0.6% from 5.1% in 2008 to 4.5% in 2009.

Other operating income for the financial year ended 31 December 2009 was higher at approximately S\$22.5 million compared to S\$8.6 million for the corresponding period. These were largely attributable to trade receivables impairment write back of S\$6.9 million, fair value gain of the financial asset, at fair value through profit or loss of S\$1 million and gain arising from consolidation of S\$13.5 million, offset by decrease in interest income by S\$3.5 million and an exchange gain of S\$4.7 million in 2008 not in 2009. A major debtor has a repayment schedule with the Group that started in March 2009. For the financial year ended 31 December 2009, amount due from this major debtor has reduced from S\$125.4 million at 31 December 2008 to S\$52 million at 31 December 2009.

Administrative expenses decreased from S\$4.8 million in 2008 to S\$4 million in 2009. The decrease was due to professional fees decreased by approximately S\$1.2 million, and depreciation expenses increased by approximately S\$0.2 million mainly due to the purchase of our own office property in Suntec City in August 2008. The Group will continue to implement cost control measures to minimize administrative expenses.

Other operating expenses decreased to S\$5.9 million for 2009 from S\$20.2 million in 2008. The other operating expenses for 2008 includes an impairment loss on the investment in an associated company of S\$10.1 million and trade receivable doubtful debt allowance of S\$10.2 million, both of which are one-off items that did not recur in 2009. Other operating expenses in 2009 arose from exchange losses mainly due to the weakening of the US dollar and impairment loss on assets acquired which amounted to S\$1.8 million. The Group is exposed to currency risk mainly from volatility in the US dollar exchange rate, in particular to currency translation risk on the US dollar denominated net financial asset position. The US dollar exchange rate against the Singapore dollar fell from 1.51 in January 2009 to 1.4 in December 2009.

Finance costs for 2009 decreased 23% from S\$8.1 million in the previous financial year to S\$6.2 million. This was largely attributable to the settlement of bill payables and bank borrowings during the financial year. Bank borrowings fell from S\$71.7 million at 31 December 2008 to S\$66.6 million at 31 December 2009. Interest bearing bills payable was reduced to zero from S\$120.7 million a year ago.

In view of the above, the Group recorded a profit after tax of S\$13.1 million for the financial year ended 31 December 2009, a reversal from a net loss of S\$4.6 million 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 31 December 2009 were lower at S\$3.8 million, a decrease of S\$43 million from S\$46.8 million at 31 December 2008. This was mainly due to the settlement of the bills payable of S\$120.7 million outstanding as of the year ending 2008, which was 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\$28.7 million at 31 December 2009.

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 year ended 31 December 2009, the unrealised fair value gain on FVPL was approximately S\$1 million.

Trade receivables of the Group decreased by 48% from S\$127.1 million at 31 December 2008 to S\$66.3 million at 31 December 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 December 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\$79.5 million at 31 December 2008 to S\$64.7 million at 31 December 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 deposits paid for the acquisition of 22.8% of equity interest in Zuoquan Xinrui Metallurgy Mine Co. Ltd amounting to S\$31.3 million and for the acquisition of 30.6% of equity interest in Shanxi Lingshi Fuyuan Coal Co., Ltd. amounting to S\$24.3 million.

Increase in investment in associated companies is due to the completion of the acquisition over Jiaozhong in 2009. Progress of the coal mine consolidation exercise is still on-going.

Intangibles of the Group consist of the intangible assets of approximately S\$2 million arising on completion of an iron processing operations in Indonesia on 15 December 2009.

Convertibles notes which amount to S\$6 million (31 December 2008: S\$8.7 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\$38.1 million for the year ended 31 December 2009 compared to cash inflows of S\$18.1 million in prior year. The net cash outflows from operating activities for the period ended 31 December 2009 is mainly due to the full repayment of the bills payables. The major components of the cash inflows from operating activities are the receipts from sales of inventory and collection from trade receivables.

Cash inflows from investing activities were S\$268,000 for the year ended 31 December 2009 compared to cash outflows of S\$44.1 million in the corresponding period of prior year. The cash outflows in 2008 are mainly due to the purchase of 100% principal-protected structure deposits with the principal amount of S\$35 million and tenure of 6 years.

On 29 May 2009, the Group acquired a 61.25% equity interest in the Sunny Energy Group for a purchase consideration of approximately S\$29,920,000. Further details of the cash flows related to the acquisition are outlined in the consolidated cash flow statement.

Cash from financing activities shows an inflow of S\$33.7 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 the Company pledged to banks for bills payable and bank loans granted to the Company and certain subsidiary companies had decreased from S\$39,615,000 at 31 December 2008 to S\$759,000 at 31 December 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.

Buoyed by healthy recovery figures across most industrial segments, steelmakers across China are geared towards a recovery in 2010. According to China Iron and Steel Association, China crude steel production of 2010 is expected to breach 600 million tonnes growth of 6.2% from the previous year.

With China accounting for 44.7% of world crude steel output in January 2010, there has been a natural increase in its demand for commodities to fuel its massive production scale.

With trade facilities in placed, alongside the equity line of credit that the Group has secured recently, the Group expects healthy growth and expansion in its trading capabilities, exploiting the growing steel industry in China 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.

Business segments

12 months period ended	Trading -	Trading -	Trading -	
31.12.2009	Iron ore	Coal	Others	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000
Turnover	7,312	120,484	24,087	151,883
Segment results	8,807	4,776	-	13,583
Other operating income				15,678
Unallocated costs				(9,932)
Finance expenses				(6,195)
Share of profit of associated companies				(334)
Other items				-
Profit before tax				12,800
Taxation				265
Minority interest				195
Profit attributable to shareholders				13,260
Other segment items				
Depreciation				345
Fair value gain on investment properties				(289)
31.12.2009	Trading -	Trading -	Trading -	TOTAL
	Iron ore	Coal	Others	S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets	21,271	27,653	17,421	66,345
Associated companies				87,155
Unallocated assets				181,245
Consolidated total assets				334,745
Segment liabilities	344	-	291	635
Unallocated liabilities				88,561
Consolidated total liabilities				89,196

Business segments *(continued)***6 months period ended
31.12.2008**

	Trading - Iron ore S\$'000	Trading - Coal S\$'000	Trading - Others S\$'000	TOTAL S\$'000
Turnover	39,879	153,951	23,480	217,310
Segment results	(3,965)	2,542	2,435	1,012
Other operating income				3,764
Unallocated costs				(15,054)
Finance expenses				(4,466)
Share of profit of an associated company				232
Other items				(286)
Loss before tax				(14,798)
Taxation				1,138
Loss attributable to shareholders				(13,660)
Other segment items				
Allowance for doubtful debts	4,579	4,065	1,556	10,200
Depreciation				115
Fair value loss on investment properties				1,221
Impairment losses on investment in an associated company				10,136

31.12.2008

	Trading - Iron ore S\$'000	Trading - Coal S\$'000	Trading - Others S\$'000	TOTAL S\$'000
Segment assets	51,991	133,334	19,901	205,226
Associated company				10,700
Unallocated assets				205,575
Consolidated total assets				421,501
Segment liabilities	6,144	115,001	430	121,575
Unallocated liabilities				95,880
Consolidated total liabilities				217,455

Geographical segments

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

	Turnover for continuing operations	
	12 months	6 months
	period ended	period ended
	31.12.2009	31.12.2008
	S\$'000	S\$'000
Singapore	38,539	89,405
Macau	113,344	127,905
China	-	-
Indonesia	-	-
Total	151,883	217,310

	Assets for continuing operations	
	31.12.2009	31.12.2008
	S\$'000	S\$'000
	Singapore	170,714
Macau	60,269	146,128
China	99,633	23,045
Indonesia	4,129	363
Total	334,745	421,501

	Capital expenditure for continuing operations	
	31.12.2009	31.12.2008
	S\$'000	S\$'000
	Singapore	40
Macau	-	-
China	-	-
Indonesia	1,860	-
Total	1,900	32,895

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 full year ended 31 December 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
27 February 2010