



ABTERRA LTD.
(Company Registration No: 199903007C)

Unaudited Financial Statements and Dividend Announcement for the Third Quarter Ended 30 September 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Note	THE GROUP					
	Quarter ended 30 September			9 months ended 30 September		
	2011	2010	Changes	2011	2010	Changes
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	9,882	10,541	-6%	22,578	113,521	-80%
Cost of sales	(9,157)	(9,986)	-8%	(21,096)	(105,177)	-80%
Gross profit	725	555	31%	1,482	8,344	-82%
Other operating income	6,021	11,861	-49%	4,378	16,623	-74%
Administrative expenses	(2,408)	(1,476)	63%	(6,206)	(5,507)	13%
Other operating expenses	(2,308)	(2,339)	-1%	(4,320)	(2,889)	50%
Financial costs	(439)	(1,495)	-71%	(1,092)	(3,139)	-65%
Share of results of associates	472	(348)	-236%	531	(180)	-395%
Profit/(loss) before tax	2,063	6,758	-69%	(5,227)	13,252	-139%
Income tax	-	(257)	-100%	-	(685)	-100%
Profit/(loss) after tax	2,063	6,501	-68%	(5,227)	12,567	-142%
Other comprehensive income:						
Currency translation difference	4,121	(3,701)	-211%	2,159	(3,713)	-158%
Total comprehensive income/(expense) for the period	6,184	2,800	121%	(3,068)	8,854	-135%
Profit/(loss) for the period attributable to:						
Equity holders of the Company	2,092	6,706	-69%	(4,964)	12,814	-139%
Non-controlling interest	(29)	(205)	-86%	(263)	(247)	6%
	2,063	6,501	-68%	(5,227)	12,567	-142%
Total comprehensive income/(expense) for the period attributable to:						
Equity holders of the Company	6,445	4,157	55%	(1,975)	10,253	-119%
Non-controlling interest	(261)	(1,357)	-81%	(1,093)	(1,399)	-22%
	6,184	2,800	121%	(3,068)	8,854	-135%

NM – not meaningful

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

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2011	2010	2011	2010
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	-	-	(1)	(2)
Trade receivables written back	-	-	-	(3,343)
Fair value gain on financial assets at fair value through profit or loss	(1,596)	(17)	(721)	(944)
Fair value loss on forward foreign exchange contract	1,699	-	87	-
Interest expense	437	1,449	1,085	2,859
Share-based payments – equity settled	423	96	1,104	96
Depreciation of property, plant and equipment	192	128	442	385
Amortisation of intangible assets	281	278	563	715
Net exchange (gain)/loss	<u>(4,195)</u>	<u>1,851</u>	<u>(2,691)</u>	<u>1,846</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	THE GROUP		THE COMPANY	
	(audited)		(audited)	
	30.09.11	31.12.10	30.09.11	31.12.10
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	2,456	8,879	786	3,060
Trade receivables	4,664	23,005	-	-
Financial assets at fair value through profit or loss	35,992	35,272	35,992	35,272
Other receivables, deposits and prepayments	92,521	53,886	115,569	64,034
Total current assets	135,633	121,042	152,347	102,366
Non-current assets				
Property, plant and equipment	12,782	11,478	9,680	9,913
Subsidiaries	-	-	109,579	109,575
Associates	153,065	149,354	2,149	2,149
Financial assets, available-for-sale	12,345	12,345	12,345	12,345
Derivative Financial Asset	1,617	1,704	1,617	1,704
Intangibles asset	6,294	1,954	-	-
Investment properties	21,850	21,850	21,850	21,850
Total non-current assets	207,953	198,685	157,220	157,536
Total assets	343,586	319,727	309,567	259,902
LIABILITIES				
Current liabilities				
Trade payables	1,890	966	-	-
Other payables and accruals	19,961	14,007	33,703	2,609
Provision	3,000	3,000	3,000	3,000
Income tax payable	3	143	-	117
Term loans	47,911	51,321	47,911	51,321
Total current liabilities	72,765	69,437	84,614	57,047
Non-current liabilities				
Deferred tax liabilities	299	299	294	294
Total non-current liabilities	299	299	294	294
Total liabilities	73,064	69,736	84,908	57,341
NET ASSETS	270,522	249,991	224,659	202,561
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	252,187	229,692	252,187	229,692
Reserves	(3,970)	(3,099)	(27,528)	(27,131)
Non-controlling interest	22,305	23,398	-	-
TOTAL EQUITY	270,522	249,991	224,659	202,561

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

Amount repayable in one year or less, or on demand

As at 30.09.2011		As at 31.12.2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
47,911	-	48,821	2,500

Amount repayable after one year

As at 30.09.2011		As at 31.12.2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	19,912	-

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

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows

	THE GROUP			
	Quarter ended 30 September		9 months ended 30 September	
	2011	2010	2011	2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(loss) before tax	2,063	6,758	(5,227)	13,252
Adjustments for:				
Impaired trade receivables written back	-	-	-	(3,343)
Bad debts written off	-	-	3	-
Accruals written back	-	-	(265)	-
Provision for unutilised leave	-	44	-	14
Depreciation of property, plant and equipment	192	128	442	385
Fair value gain on financial assets at fair value through profit or loss	(1,596)	(17)	(721)	(944)
Fair value loss on forward foreign exchange contract	1,699	-	87	-
Amortisation of intangible asset	281	278	563	715
Interest income	-	-	(1)	(2)
Interest expense	437	1,449	1,085	2,859
Negative goodwill arising from consolidation	-	(11,194)	-	(11,194)
Unrealised exchange (gain)/loss	(2,899)	843	(905)	828
Share-based payments	423	96	1,104	96
Share of results of associates	(472)	348	(531)	180
Operating profit/(loss) before working capital changes	128	(1,267)	(4,366)	2,846
Decrease/(Increase) in:				
Inventories	-	13,035	-	14,551
Trade receivables	(1,717)	(56,792)	18,341	(5,970)
Other receivables, deposits and prepayments	(966)	48,883	23,032	(2,507)
Increase/(Decrease) in:				
Trade payables	499	(1,124)	924	2,949
Bills payable	-	(1,453)	-	-
Other payables and accruals	(191)	5,525	(1,770)	(1,464)
Cash (used in)/generated from operations	(2,247)	6,807	36,161	10,405
Interest income received	-	-	1	2
Interest expense paid	(437)	(1,422)	(1,085)	(2,636)
Income tax paid	(84)	(141)	(140)	(338)
Net cash (used in)/from operating activities	(2,768)	5,244	34,937	7,433
Cash flows from investing activities				
Purchase of property, plant and equipment	(17)	(1)	(1,746)	(9)
Purchase of intangible assets	-	-	(4,992)	-
Acquisition of Xinrui	-	-	(61,672)	-
Acquisition of subsidiaries, net of cash	-	9	-	9
Dividend received from an associate	-	213	-	213
Net cash (used in)/from investing activities	(17)	221	(68,410)	213

Consolidated statement of cash flows (continued)**THE GROUP**

	Quarter ended 30 September		9 months ended 30 September	
	2011	2010	2011	2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Proceed from share issuance	-	1,839	22,500	7,924
Repayment of borrowings	(307)	(7,947)	(3,410)	(16,374)
Repayment of lease obligations	-	-	-	(9)
Advances from holding company	-	-	7,989	-
Share issue expenses	-	(22)	(5)	(50)
Fixed deposits discharged from a bank	-	-	-	759
Net cash (used in)/from financing activities	(307)	(6,130)	27,074	(7,750)
Net decrease in cash and cash equivalents	(3,092)	(665)	(6,399)	(104)
Cash and cash equivalents at beginning of period	5,617	3,564	8,879	2,998
Effect of currency translation on cash and cash equivalents	(69)	(71)	(24)	(66)
Cash and cash equivalents at end of period	2,456	2,828	2,456	2,828

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 the equity holders of the Company							Non-controlling interest	Total equity
	Share capital	Share option reserve	Other reserves	Foreign currency translation reserve	Retained earnings/(accumulated losses)	Total shareholders' equity			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 January 2011	229,692	257	-	(3,504)	148	226,593	23,398	249,991	
Share issue expenses	(5)	-	-	-	-	(5)	-	(5)	
Issuance of new shares pursuant to the Equity Line Facility	22,500	-	-	-	-	22,500	-	22,500	
Recognition of share based payments	-	681	-	-	-	681	-	681	
Total comprehensive expense for the period	-	-	-	(1,364)	(7,056)	(8,420)	(832)	(9,252)	
Balance as at 30 June 2011	252,187	938	-	(4,868)	(6,908)	241,349	22,566	263,915	
Recognition of share based payments	-	423	-	-	-	423	-	423	
Total comprehensive income/(expense) for the period	-	-	-	4,353	2,092	6,445	(261)	6,184	
Balance as at 30 Sep 2011	252,187	1,361	-	(515)	(4,816)	248,217	22,305	270,522	
Balance as at 1 January 2010	203,719	-	942	(989)	12,549	216,221	26,551	242,772	
Share issue expenses	(27)	-	-	-	-	(27)	-	(27)	
Issuance of new shares pursuant to the conversion of the convertible notes	500	-	(47)	-	-	453	-	453	
Issuance of new shares pursuant to the Equity Line Facility	4,500	-	-	-	-	4,500	-	4,500	
Reversal of conversion option to share capital	38	-	-	-	-	38	-	38	
Reversal of deferred taxation upon conversion of the convertible notes	-	-	8	-	-	8	-	8	
Transfer of realised deferred tax from other reserves to retained earnings	-	-	33	-	(33)	-	-	-	
Total comprehensive (expense)/income for the period	-	-	-	(12)	6,108	6,096	(42)	6,054	
Balance as at 30 June 2010	208,730	-	936	(1,001)	18,624	227,289	26,509	253,798	
Share issue expenses	(22)	-	-	-	-	(22)	-	(22)	
Issuance of new shares pursuant to the Equity Line Facility	4,000	-	-	-	-	4,000	-	4,000	
Recognition of share based payments	-	-	96	-	-	96	-	96	
Total comprehensive (expense)/income for the period	-	-	-	(2,549)	6,706	4,157	(1,357)	2,800	
Balance as at 30 September 2010	212,708	-	1,032	(3,550)	25,330	235,520	25,152	260,672	

THE COMPANY	Share capital S\$'000	Share option reserve S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance as at 1 January 2011	229,692	257	-	(27,388)	202,561
Share issue expenses	(5)	-	-	-	(5)
Issuance of new shares pursuant to the Equity Line Facility	22,500	-	-	-	22,500
Recognition of share based payments	-	681	-	-	681
Total comprehensive expense for the period	-	-	-	(2,011)	(2,011)
Balance as at 30 June 2011	252,187	938	-	(29,399)	223,726
Recognition of share based payments	-	423	-	-	423
Total comprehensive income for the period	-	-	-	510	510
Balance as at 30 September 2011	252,187	1,361	-	(28,889)	224,659
Balance as at 1 January 2010	203,719	-	942	(3,478)	201,183
Share issue expenses	(27)	-	-	-	(27)
Issuance of new shares pursuant to the conversion of the convertible notes	500	-	(47)	-	453
Issuance of new shares pursuant to the Equity Line Facility	4,500	-	-	-	4,500
Reversal of deferred taxation upon conversion of the convertible notes	-	-	8	-	8
Reversal of conversion option to share capital	38	-	-	-	38
Transfer of realised deferred tax from other reserves to retained earnings	-	-	33	(33)	-
Total comprehensive income for the period	-	-	-	920	920
Balance as at 30 June 2010	208,730	-	936	(2,591)	207,075
Share issue expenses	(22)	-	-	-	(22)
Issuance of new shares pursuant to the Equity Line Facility	4,000	-	-	-	4,000
Recognition of share based payments	-	-	96	-	96
Total comprehensive income for the period	-	-	-	(2,836)	(2,836)
Balance as at 30 September 2010	212,708	-	1,032	(5,427)	208,313

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 2011, no change in the company's share capital.
- 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 2011	226,755,386	229,692
Issue of new shares under Equity Line Facility agreement during the current financial period	18,491,561	22,500
Share issue expenses	-	(5)
Balance as at 30 June, 30 September 2011	<u>245,246,947</u>	<u>252,187</u>

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 2010	226,755,386
Issue of new shares under Equity Line Facility agreement during the current financial period	<u>18,491,561</u>
Balance as at 30 June, 30 September 2011	<u>245,246,947</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 30 September 2011 (31 December 2010: 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 2010 except for the adoption of certain revised Financial Reporting Standards (“FRS”) which are effective for the financial period commencing 1 January 2011. The adoption of these FRS has no material impact on the Group’s and the Company’s financial statements.

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.

Please refer to paragraph 4.

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	
	2011	2010	2011	2010
	Cents	Cents	Cents	Cents
Earnings/(loss) per ordinary share for the period				
(i) Based on weighted average number of ordinary shares in issue (cents)	0.86	3.20	(2.06)	6.16
- Weighted average number of shares	245,246,947	209,889,707	241,127,043	208,090,438
(ii) On a fully diluted basis	0.84	3.19	(2.04)	6.15
- Weighted average number of shares	248,277,947	210,023,040	243,736,663	208,223,771

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 earnings per ordinary share for the financial period ended 30 September 2011 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 3,031,000 (2010: 1,200,000) arising from share option issued.

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	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on total number of shares excluding treasury shares at the end of the reporting period	1.10	1.23	0.92	0.98

Net asset value per ordinary share is calculated based on the issued and paid-up share capital as at 30 September 2011 of 245,246,947 ordinary shares (after share consolidation) (31 December 2010: 212,793,570 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 Consolidated Statement of Comprehensive Income

Revenue

Revenue for the 3Q 2011 slightly decreased by S\$0.7 million as compared with the corresponding period mainly due to the lack of credit facilities.

Other operating income

Other operating income for the 3Q 2011 decreased by S\$5.8 million as compared with the corresponding period, which was brought by the net effect of the absence of negative goodwill of S\$11.2 million arising from the acquisition of the Max Harvest Group during last period and the exchange gain of S\$4.2 million recorded during the current period, which was mainly attributed to the Renminbi denominated deposit as Renminbi appreciated against Singapore dollars in 3Q 2011.

Administrative expenses

Administrative expenses for the 3Q 2011 increased by S\$0.9 million as compared with the corresponding period, which was mainly attributed to the increase in the professional fees during the quarter.

Finance costs

Finance costs for the 3Q 2011 decreased by S\$1.1 million as compared with the corresponding period. This was largely attributable to the partial repayment to the bank loan during 2010 and the current period. Moreover, less charges on bills discounting and L/C was noted in the current period as a result of less trading activities in the current period.

Net profit after tax

In view of the above, the Group recorded a profit after tax of S\$2.1 million for the 3Q 2011 as compared with the profit after tax of S\$6.5 million for the corresponding period in 2010.

Review of Consolidated Statement of Financial Position

Cash and bank

Cash and bank balances of the Group decreased from S\$8.9 million at 31 December 2010 to S\$2.5 million at 30 September 2011. See Review of Statement of Cash Flows.

Trade receivables

Trade receivables of the Group decreased from S\$23.0 million at 31 December 2010 to S\$4.7 million at 30 September 2011. The decrease was attributable to the repayment of trade receivables from a major trade debtor during the period.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments increased from S\$53.9 million at 31 December 2010 to S\$92.5 million at 30 September 2011. The increase was mainly due to the deposit paid for the acquisition of 54.42% of equity interest in Zuoquan Xinrui Metallurgy Mine Co. Ltd (“Xinrui”) of S\$89.8 million, offset by the refund of prepayment of S\$18.0 million from a metallurgical coke supplier due to the cancellation of the transaction.

Intangible assets

Intangible assets increased from S\$2.0 million at 31 December 2010 to S\$6.3 million at 30 September 2011. The increase was mainly due to the acquisition of mining rights in Australia in May 2011, which amounted to S\$4.9 million.

Term loans

Term loans decreased from S\$51.3 million at 31 December 2010 to S\$47.9 million at 30 September 2011 mainly due to the partial repayment of term loans and the repayment of loan notes during the period.

Review of Consolidated Statement of Cash Flows

Cash outflows from operating activities were S\$2.8 million for the 3Q 2011, compared to cash inflows of S\$5.2 million in the corresponding period of prior year. Cash outflow from operating activities was mainly due to the payment of operating expenses and prepayments made to supplier.

Cash from financing activities shows an outflow of S\$0.3 million mainly due to the repayments of borrowings.

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.

Stable revenue streams were generated from the Group's trading activities since 2Q 2011. The Group will continue to broaden its base of suppliers and customers as well as to seek more credit facilities to support its trading activities. Barring any unforeseen circumstances, the Group is cautiously optimistic that so long as it can secure more credit facilities, its trading activities will show improvement in the year ahead.

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 9 months and third quarter ended 30 September 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lau Yu
Executive Director and Chief Executive Officer
11 November 2011