ABTERRA LTD.
(Company Registration No. 199903007C)

RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") wishes to make the following clarification in response to the query raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 8 March 2017:-

Query no. (a)

With regard to the fair value loss of S$3,893,000 on investment properties in part 1(a)(ii),
(i) please confirm if an independent valuation has been commissioned; and
(ii) how is the impairment loss arrived at?

Our Response:

(i) No valuation was commissioned when the properties were sold.

(ii) The investment properties sold but pending completion were reclassified as "investment properties held for sale" under current assets in the unaudited financial statement for the financial year ended 31 December 2016 ("**FY2016 Results**"). The value of "Investment properties held for sale" was S$11,367,000 which was the agreed consideration. The fair value loss on investment properties of S$3,893,000 as reflected in the FY2016 Results was the difference between the carrying amount brought forward from 2015 of S$15,260,000 and the agreed consideration of S$11,367,000.

Query no. (b)

With regard to the "Loss on disposal of investment properties" in part 1(a)(ii), please clarify on the following:-
(i) what is the "Loss on disposal of investment properties" of FY2016 attributable to?

Our Response:

(i) Loss on disposal of investment properties in FY2016 Results refers to the loss incurred for the disposal of the investment properties which had been completed on or prior to 31 December 2016. Fair value loss on investment properties refers to the FY2016 Results relates to properties sold but pending completion as at 31 December 2016.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
9 March 2017