ABTERRA LTD.
(Company Registration No. 199903007C)

DISPOSAL OF TWO OFFICE UNITS LOCATED AT 7 TEMASEK BOULEVARD SUNTEC TOWER 1 SINGAPORE 038987 (the "Property")

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1. Introduction

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") wishes to announce that the Company has today entered into an option agreement (the "**Option Agreement**") to grant an option to an unrelated third party (the "**Purchaser**") pursuant to which the Company has agreed to sell, and the Purchaser has agreed to acquire, the Property at a purchase consideration of S$9,240,000 (the "**Sale Consideration**") and subject to the terms and conditions of the Option Agreement (the "**Proposed Disposal**").

2. Information on the Property Units

The Property comprises 2 office units with an aggregate floor area of 4,400 square foot located at 7 Temasek Boulevard Suntec Tower 1 Singapore 038987 together with related fixtures and fittings and furniture included therein.

The Property was held for rental income but has been vacant for 2.5 months as the rental market for office units at Suntec City has been very competitive.

3. The Sale Consideration and Use of Sale Proceeds

The Sale Consideration was arrived at on a willing buyer-willing seller basis, taking into consideration the valuation of the Property and the current market conditions.

A deposit of 1% of the Sale Consideration amounting to S$92,400 has been paid to the Company's solicitor on the signing of the Option Agreement, 9% of the Sale Consideration amounting to S$831,600 will be paid to the Company before 4.00 p.m. on 25 May 2016, and the balance will be paid upon completion of the Proposed Disposal.

The net book value of the Property in the audited financial statements as at 31 December 2015 was S$13,000,000 and the Group will recognise a pre-tax loss on the Proposed Disposal of approximately S$3,760,000. No valuation report has been commissioned.

The net proceeds (less all expenses) from the disposal of the Property would be S$9,232,800. It is intended that the proceeds from the Proposed Disposal be used to reduce bank borrowings and general working capital.

4. Terms and Conditions

The Proposed Disposal is expected to be completed three (3) months from the date the option is exercised. Option Agreement and is subject to the general conditions of sale known as "Law Society of Singapore's Conditions of Sale 2012".

5. Relative Figures under Rule 1006

The relative figures computed under the relevant bases of Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	%
(a)	The net asset value of the assets disposed of, compared with the Group's net asset value	17.01%
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	0.56%
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	11.92%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount proven and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

As the relevant relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual exceed 5% but is less than 20%, the Proposed Disposal constitutes a disclosable transaction under Chapter 10 of the Listing Manual and does not requires the approval of the shareholders.

6. Rationale for Proposed Disposal

The Board has approved a plan for the partial divestment of the Company's investment property, which would provide the Company with cash proceeds.

7. Financial Effects

The *pro forma* financial effects of the Proposed Disposal set out below, based on the Group's audited financial statements for the financial year ended 31 December 2015 ("**FY2015**"), are purely for illustration purposes only and do not reflect the future

actual financial position and performance of the Company or the Group after the completion of the Proposed Disposal.

(a) Net tangible assets ("NTA")

The effect of the Proposed Disposal on the NTA (calculated as equity attributable to owners of the Company less intangible assets) per share of the Group for FY2015, assuming that the Proposal Disposal has been effected as at 31 December 2015 is as follows:

	Before the Proposed Disposal	**After the Proposed Disposal**
NTA (S$)	76,432,000	72,672,000
Number of issued shares	244,274,150	244,274,150
NTA per share (Singapore cents)	31.29	29.75

(b) Loss per share

Assuming that the Proposed Disposal was completed on 1 January 2016, the effect on the loss per share ("**LPS**") of the Group would be as follows:

	Before the Proposed Disposal	**After the Proposed Disposal**
Loss attributable to shareholders (S$)	51,014,000	54,774,000
LPS (Singapore cents)	20.88	22.42

8. Interest of Directors' and Controlling Shareholders

Save for their respective shareholdings in the Company, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the disposal of the Property.

9. Service Contracts

No person will be appointed to the Board of the Company in connection with the Proposed Disposal. Accordingly, no service contract will be entered into by the Company.

10. Document(s) available for inspection

A copy of the Option Agreement is available for inspection during normal business hours at the Company's registered office at 7 Temasek Boulevard #11-05 Suntec Tower 1 Singapore 038987, for three months from the date of this announcement.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
4 May 2016