ABTERRA LTD.
(Company Registration No. 199903007C)

RESPONSE TO SGX QUERIES ON THE ANNOUNCEMENT ON CORRIGENDUM TO ANNOUNCEMENTS MADE ON 4 MAY 2016 AND 29 MAY 2016 IN RELATION TO THE DISPOSAL OF TWO OFFICE UNITS LOCATED AT 7 TEMASEK BOULEVARD SUNTEC TOWER 1 SINGAPORE 038987

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 30 August 2016:-

Query

It is stated in the Announcement, "*In relation to the announcement made on 4 May 2016: (a) The net book value of the Property in the audited financial statements as at 31 December 2015 should be "**S$11,440,000**" and not "**S$13,000,000**"*.

We also note that the Company had previously disclosed in its announcement of 29 May 2016 in response to SGX queries that, "*The net book value of the Property in the audited financial statements as at 31 December 2015 was S$13,000,000. This valuation was conducted by 11 February 2016…The current valuation of the Property was arrived at based on information found in caveats lodged on similar properties obtained by the Company's housing agent…A valuation report was not commissioned as the Company had already conducted a valuation in February 2016 for its annual auditing purposes.*"

Taking into consideration the above disclosures, please explain the decrease in the net book value of the Property from S$13,000,000 to S$11,440,000.

Our Response:

There is no decrease in the net book value of the Property.

The value of S$13,000,000 as disclosed in previous announcements was for the floor area of approximately 4,994 square feet. It is an oversight to use the wrong floor area. The strata floor area sold is 4,400 square feet. As a result, the net book value of the Property disposed of should be S$11,440,000 instead of S$13,000,000.

The calculation is as follows:
4,400 sq.ft. / 4,994 sq.ft. = 88%
S$13,000,000 x 88% = S$11,440,000

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
30 August 2016