ABTERRA LTD.
(Company Registration No. 199903007C)

RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") wishes to make the following clarifications in response to the query raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 13 December 2016:-

Query:

With reference to the statement of financial position on page 3 of the unaudited financial statements for the third quarter ended 30 September 2016, please disclose the reason(s) for the material variances in the amounts of the following items:-

Line Item	The Group (S$'000)		The Company (S$'000)	
	30 Sep 2016 (Unaudited)	31 Dec 2015 (Audited)	30 Sep 2016 (Unaudited)	31 Dec 2015 (Audited)
Investment properties	20,468	30,800	20,468	30,800
Borrowings	8,029	16,124	8,029	16,124

Our Response:

	Note	S$000
(1) Investment properties		
Balance as at 1.1.2016		30,800
Additions:		
Reclassification of property in Australia	(i)	1,108
Less: Disposals in August 2016	(ii)	(11,440)
Balance as at 30.9.2016		20,468

	Note	Total	Term Loan (Maybank)	Other borrowings
		S$000	S$000	S$000
(2) Bank borrowings				
Balance as at 1.1.2016		16,124	14,124	2,000
Additions:				
New loans	(iii)	2,600	0	2,600
Less: Repayment of borrowings		(10,695)	(8,695)	(2,000)
Balance as at 30.9.2016		8,029	5,429	2,600

Note:

(i) Reclassification of property in Australia represented a transfer from an owner-occupied property to leased property in February 2016, as the property was leased out to generate rental income since that month. The amount of addition is based on the fair value of the property at 19 February 2016, which has been determined by an independent qualified professional valuer based on the direct comparison approach.

(ii) Disposals in August 2016 represented the net carrying amount of office units located at 7 Temasek Boulevard, Suntec Tower 1 disposed of on 26 August 2016 (please refer to the announcements on 4 May 2016, 29 May 2016, 25 August 2016 and 26 August 2016).

(iii) New loans represented borrowings from individual unrelated third parties on 17 August 2016, 14 September 2016, 20 September 2016 and 23 September 2016 respectively, with a total amount of S$2,600,000.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
15 December 2016