



## **ABTERRA LTD.**

(Company Registration No. 199903007C)

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### **TERMINATION OF SALE AND PURCHASE AGREEMENT RELATING TO 54.42% EQUITY INTEREST IN ZUOQUAN XINRUI METALLURGY MINE CO., LTD – UPDATE ON REPAYMENT TERMS**

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The Board of Directors (the “**Board**”) of Abterra Ltd. (the “**Company**”) refers to the announcements made by the Company on 7 April 2011, 5 April 2012, 5 October 2012, 6 July 2013, 31 December 2013, 2 March 2014, 9 May 2014 and 22 May 2014 (“**Announcements**”) in relation to the above matter. Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Announcements.

Under the terms of the Deed of Termination dated 31 December 2013 (“**Deed**”), the third instalment of the Refund Payment in the amount of RMB122,840,000 (“**Third Instalment Payment**”) was due on 30 September 2014.

The Company received a request from Shenzhen Manfu Industrial Co., Ltd (“**Manfu**”), the holding company of Full Winner Industrial (Overseas) Limited (“**Full Winner**”), for an extension of time of 3 months to 31<sup>st</sup> December 2014 to pay the Third Instalment Payment. The letter explained that Manfu is in the midst of realigning its investment portfolio and the Company has been informed that the realignment process is expected to be completed on or prior to the end of the current calendar year, thereafter which Manfu expects to have sufficient cash flow to repay the Third Instalment Payment. In connection with the Extension Request, Manfu agrees to pay default interest of 4% per annum on the Third Instalment Payment, amounting to RMB1,238,496 on or before 15 October 2014.

The Board has considered the Extension Request and has also taken into account that the Company has security over Manfu’s 65% shareholding interest (“**Mortgaged Shares**”) in General Nice (S.A.) Resources Company Limited (“**GNSA**”) for the purposes of guaranteeing Full Winner’s payment and discharge obligations in respect of any outstanding Refund Payment. The major assets held by GNSA and its subsidiaries (“**GNSA Group**”) are (i) the Prospecting Rights; (ii) lands on which the Prospecting Right is located; and (iii) lands and buildings located in Johannesburg, Gauteng Province, South Africa. As announced by the Company on 22 May 2014, the net asset value of the Mortgaged Shares is higher than the amount of the Refund Payment that is currently outstanding from Full Winner to the Company.

The Board, having considered all the circumstances, has agreed to accept the Extension Request. The security over the Mortgaged Shares remains available to be enforced against Manfu if the Company does not receive the Third Instalment Payment by 31<sup>st</sup> December 2014. The Company will make further announcements when there are any further related developments in relation to the above.

BY ORDER OF THE BOARD

Lau Yu  
Chief Executive Officer  
1 October 2014