

**ABTERRA LTD.**

(Company Registration No. 199903007C)

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**RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

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The Board of Directors (the “**Board**”) of Abterra Ltd. (the “**Company**”) wishes to make the following clarification in response to the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 12 September 2018:-

**Query:**

It is noted on page 9 of the announced financial results that, “Property, plant and equipment of the Group was decreased by approximately S\$2.4 million from S\$6.1 million as at 31 December 2017 to S\$3.7 million as at 30 June 2018. The decrease was mainly caused by reclassification of Property from Property, plant and equipment to Investment properties. This reclassification in turn increased Investment properties from S\$4.8 million as at 31 December 2017 to S\$7.1 million as at 30 June 2018.”

Please provide more details on the property that has been re-classed and the basis of the re-class.

**Company’s Response:**

The Company owns property units at 7 Temasek Boulevard Suntec City Tower 1.

Prior to April 2018, the Company occupies unit #11-01 of Suntec City Tower 1 (“**Unit A**”). In April 2018, the Company relocated to unit #11-06 of Suntec City Tower 1 (“**Unit B**”) which is a smaller unit. At the same time, Unit A was leased. In view of the foregoing, Unit A has been reclassified as investment properties while Unit B has been reclassified as property, plant and equipment.

The book value of Unit A is approximately S\$6.0 million, and the book value of Unit B is approximately S\$3.7 million. The reclassification decreased property, plant and equipment of the Group to S\$3.7 million and increased investment properties to S\$7.1 million.

The reclassification is in line with accounting policies disclosed in Company’s annual report.

BY ORDER OF THE BOARD

Cai Suirong  
Director and Chief Executive Officer  
15 September 2018