



ABTERRA LTD.

(Registration No. 199903007C)

UPDATE ON PROPOSED DUAL LISTING PRIMARY LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

With reference to the announcement of Abterra Ltd. (the "Company") on 25 August 2009 that it was contemplating the possibility of seeking a dual listing of its shares on the main board of The Stock Exchange of Hong Kong Limited., the board of Directors (the "Board") wishes to provide an update on the proposed dual listing as follows:

- (a) an update to shareholders on what the Company has undertaken in respect of its submission of the application to SEHK and the status of its application (if any).

In the Company's announcement dated 25 August 2009, the Company informed shareholders that it was contemplating the possibility of seeking a dual primary listing of its shares on the Hong Kong stock exchange ("SEHK"). The Company consulted external professionals to ascertain its eligibility to apply for a dual listing on SEHK and has assessed the proposals of the external professionals. The Company has been advised that one of the requirements for a new listing on the Main Board of the SEHK is that the listing applicant should have a minimum track record of three financial years under substantially the same management where the net profit of the listing applicant for the latest completed financial year should not be less than HK\$20 million and the aggregate net profit of the listing applicant for the preceding two financial years should not be less than HK\$30 million. With respect to the latest financial year ended 31 December 2009 (FY2009), the Company did not fulfill this requirement. The Company will review its dual listing eligibility on SEHK after its financial results for the financial year ending 31 December 2010 are announced next year.

- (b) To also advise when the professionals were appointed to undertake this exercise.

For the reason explained in (a) above, no external professional advisers have been formally appointed by the Company for the proposed exercise, although several financial advisory firms have submitted proposals to act as financial adviser to the Company, and some preliminary work has been undertaken by the management of the Company in consultation with these advisers for the purpose of considering the Company's eligibility for dual listing.

- (c) The reasons why the Company did not provide an update on this matter after it had deemed it necessary to announce its intention to seek a dual-listing.

The Company's FY2009 audited results were approved at its AGM on 30 April 2010. Thereafter the Company needed to analyze its financial performance and the breakdown of the profit and loss, in the context of the listing requirements of the SEHK. In particular, the Company had to consider whether items not incurred in the ordinary and usual course of business or were one-off in nature, ought properly to be taken into consideration in calculating the net profit for the purpose of SEHK's listing requirements. After discussing with several financial advisers, it was concluded that the Company would not be eligible based on its latest financial results for FY2009. However the Company is still keen to seek a dual-listing and is looking to assess its eligibility on the basis of its financial results for the coming financial year ending 31 December 2010. If there are any material developments on this matter, the Company will make the necessary announcements to update as and when appropriate.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
18 May 2010