



ABTERRA LTD.

(Company Registration No. 199903007C)

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

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 18 August 2016:-

Query

Please provide a breakdown of the “*Other receivables, deposits and prepayments*” financial statement line item; and disclose the Board’s assessment (including the bases of such an assessment) as to whether (i) any impairment needs to be recognized; and (ii) the amount of impairment recognized.

Our Response:

Breakdown of the other receivables, deposits and prepayments:

	30 June 2016	31 December 2015
	S\$'000	S\$'000
<u>Other receivables</u>		
Amount due from General Nice Resources (Hong Kong) Limited	7,501	7,664
Amount due from related parties	6,959	7,353
Interest receivable from Shenzhen Manfu Industrial Co., Ltd	252	270
Dividend receivable	4,494	4,494
Sundry debtors	590	590
<u>Deposits</u>		
Deposits paid to Shenzhen Manfu Industrial Co., Ltd	74,847	80,264
Other deposits	471	479
Prepayments	32	559
Less: Allowance for doubtful debts	(34,691)	(37,740)
	60,455	63,933

(i) As mentioned in the annual report for the year ended 31 December 2015, in absence of further information, the management is unable to ascertain if further allowances for doubtful debts on the deposit is required. The impairment is solely brought forward from 1 January 2016, the difference being the foreign exchange difference.

(ii) As explained in point (i) above.

ABTERRA LTD.

Page 2

BY ORDER OF THE BOARD

Lau Yu

Director and Chief Executive Officer

19 August 2016