ABTERRA LTD.
(Company Registration No. 199903007C)

RESPONSE TO SGX-ST QUERIES

Unless otherwise defined, all capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 15 August 2018 and 16 March 2019.

The board of directors (the "**Board**") of Abterra Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") would like to clarify the matters raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 20 March 2019 with reference to the Company's announcement of 16 March 2019 titled, "Update announcement – Liquidation of a subsidiary" (the "**16 March 2019 Announcement**") and 15 August 2018 titled, "Voluntary administration of a subsidiary" (the "**15 August 2018 Announcement**"). The queries from the SGX-ST and the Company's responses are as follows:

SGX QUERY 1

*The 15 August 2018 Announcement stated, "The Board of Directors of Abterra Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to inform the shareholders that its wholly-owned subsidiary, Abterra Australia Pty Limited ("**Abterra Australia**"), has today appointed an administrator in Australia, Ahmad Zeidan of A2Z Insolvency Solutions, and will be placed under voluntary administration." (emphasis added)*

*The 16 March 2019 Announcement stated, "The Board wishes to update the shareholders that Abterra Australia has been placed under liquidation in Australia and Ahmad Zeidan of A2Z Insolvency Solutions Pty Limited ("**A2Z Insolvency Solutions**"), who was previously appointed as voluntary administrator of Abterra Australia, has on 1 March 2019 been appointed as liquidator of Abterra Australia." (emphasis added)*

In view of the above, please explain the reason(s) for the change from voluntary administration to liquidation.

ANSWER

Under Australian law, voluntary administration is an interim process which may either lead to a deed of company arrangement or to liquidation.

Abterra Australia was not able to secure a deal with is creditors during the administration period. Accordingly, Abterra Australia was thereafter placed under liquidation pursuant to which the assets of Abterra Australia would be realised and distributed in accordance with Australian law.

SGX QUERY 2

The 16 March 2019 Announcement stated, "Based on the Report to Creditors Pursuant to Section 439A of the Corporations Act dated 17 December 2018 issued by A2Z Insolvency Solutions, Abterra Australia owes the Company about S$4,762,050. The amount recoverable from Abterra Australia, if any, by the Company pursuant to the liquidation has yet to be determined. The Board will update

shareholders on the financial impact of Abterra Australia's liquidation after the Board receives further updates from the liquidator." (emphasis added)

The 15 August 2018 Announcement, it was stated, "Based on the financial results of the Group for the period ended 30 June 2018, Abterra Australia owes the Company about S$1,867,871, and the Company owes Abterra Australia about S$124,167. The amount recoverable from Abterra Australia will depends on the arrangement to be proposed by the administrator and the outcome of its implementation." (emphasis added)

In view of the above, please explain the reason(s) for the variation in the amounts disclosed.

ANSWER

The financial figures set out in the 15 August 2018 Announcement were extracted from the Company's financial results for the period ended 30 June 2018. Previously, the Company has provided for impairment loss on the amount owing from Abterra Australia to the Company, the amount owing from Abterra Australia to the Company in the book then was about S$1,867,871 (the "**Balance Amount**"). Accordingly, the Company had disclosed the Balance Amount in the 15 August 2018 Announcement.

The figure set out in the 16 March 2019 Announcement was extracted from the Report to Creditors Pursuant to Section 439A of the Corporations Act dated 17 December 2018 issued by A2Z Insolvency Solutions (the "**Report to Creditors**"), and the voluntary administrator of Abterra Australia has recognized the amount of debt owing from Abterra Australia to the Company is S$4,762,050 without providing for impairment loss and any other accounting treatment.

The Company would like to clarify that the relevant sentence in the 16 March 2019 Announcement should be read as follows:

"Based on the Report to Creditors Pursuant to Section 439A of the Corporations Act dated 17 December 2018 issued by A2Z Insolvency Solutions, the voluntary administrator of Abterra Australia has stated that the amount owing from Abterra Australia to the Company is S$4,762,050, Taking into account previous impairment loss and based on the Company's book, the amount owing from Abterra Australia to the Company is about S$1,867,871."

BY ORDER OF THE BOARD

Cai Suirong
Director and Chief Executive Officer
22 March 2019