ABTERRA LTD.
(Registration No. 199903007C)

RESPONSE TO THE REPRIMAND ISSUED BY THE SINGAPORE EXCHANGE TO ABTERRA LIMITED ("THE COMPANY') AND ITS EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors (the "Board") of Abterra Limited (the "Company") refers to the reprimand issued by the Singapore Exchange ("SGX") on 7 January 2016 (the "Reprimand") for breaches of the Listing Rules.

The Board wishes to inform shareholders that it takes a serious view of the Reprimand. In this regard, the Company will immediately take steps to comply with SGX's direction to appoint a compliance adviser to advise the Company on its continuing listing obligations.

Further, the Company's Nominating Committee ("NC") has convened a meeting to consider the matters raised in the Reprimand, and to draw up recommendations for the consideration of the Board. The Board will thereafter convene a meeting at the next earliest opportunity to discuss and consider the NC's recommendations.

The Board wishes to inform shareholders that since the breaches occurred in 2009 and 2010, the Company had also taken the following steps to safeguard the interests of shareholders:

1) On 4 May 2011, the audit committee of the Company had appointed PricewaterhouseCoopers CM Services Pte Ltd ("PwC") to conduct an external and independent review in respect of certain matters in relation to the FY2010 Financial Statements. PwC completed its review and issued its report to the AC on 20 March 2013. The Company immediately took steps to adopt the various recommendations set out in the PwC report, some of which are outlined below:

    a) Before any changes or variations of acquisition or disposal terms are made, the Company's merger and acquisition team ("M&A team") is required to prepare a board paper outlining the changes, which will have to be approved by the full Board. The Company will also announce any such change or variation to the acquisition or disposal terms on SGXNET in accordance with the requirements of the Listing Manual.

    b) The Company has strengthened its M&A policy to incorporate more rigorous requirements as to due diligence requirements, contents of acquisition proposal to be prepared by the management and a more structured Board deliberation process.

c) The Company carried out an internal control review exercise to further strengthen the Group's system of internal controls, which include existing and new policies relating to record keeping. As part of this review, the Company has implemented the requirement for all key verbal discussions to be documented in board papers or internal memoranda which would then be kept in the Singapore office.

d) In relation to monitoring interested person transactions ("IPTs"), the Company maintains an IPT registrar which is updated as and when any IPT declaration is made, and reviewed and endorsed by the audit committee ("AC") when it convenes on a quarterly basis. The Deputy Financial Controller of the Company (who is independent of the Company's immediate holding company General Nice Resources (Hong Kong) Limited) is the IPT officer. In addition, the Company has put in place additional measures to reinforce a more stringent and prompt reporting framework from the Company to the AC, where the AC would be immediately alerted of transactions above S$500,000 and their prior approval is required for transaction above 1% of the Company's net tangible asset value. Transactions with the same interested person will be aggregated and alerted to the AC once the aggregate value of such transactions exceed S$500,000.

2) On 28 March 2013, the Company had appointed EY Singapore to prepare various corporate policies such as the Fixed Asset policy, the Investment policy, the Trading policy, the Subsidiary Control policy, and the Acquisition policy, with a view of strengthening and enhancing the Company's internal processes and controls. The Fixed Asset policy and the Subsidiary Control policies had been approved and implemented with effect from on 13 August 2014 and the Investment policy, the Trading policy and the Acquisition policy had been approved and implemented with effect from on 23 June 2015.

Lastly, the Board wishes to reassure shareholders that the Company will take the necessary remedial action required in the circumstances and will provide information on further developments to update shareholders at the appropriate juncture.

By Order of the Board

Wong Shiu Wah Williamson
Independent Director & Chairman of Audit Committee

Chew Ban Chuan Victor Mark
Independent Director & Chairman of Remuneration

Chan Chun Tat Ray
Independent Director & Chairman of Nominating Committee

8 January 2016