ABTERRA LTD.
(Company Registration No. 199903007C)

RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR SECOND QUARTER ENDED 30 JUNE 2019

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to make the following clarifications in response to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") 22 August 2019 in relation to the unaudited financial statements and dividend announcement for the second quarter ended 30 June 2018 (the "**Financial Statements**"). The queries from the SGX-ST and the Company's responses are as follows:

Query 1:

Please explain the reason(s) for the increase in the "*Administrative expenses*" financial statement line item as follows:-

Financial Statement Line Item	THE GROUP					
	Quarter ended 30 June			Half year ended 30 June		
	2019	2018	+/-	2019	2018	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Administrative expenses	(370)	(303)	22%	(812)	(618)	31%

Company's Response:

The increase in the "Administrative expenses" is mainly due the change in the Group's third party service providers, including but not limited to company secretary, legal counsel and auditors (the "**Third Party Professional Parties**"). Subsequent to our decision to change these Third Party Professional Parties, the Group has been issued final invoices for services rendered by the outgoing Third Party Professional Parties. This has resulted in the increase in our administrative expenses for the second quarter ended 30 June 2019 and half year ended 30 June 2019. This increase in administrative expenses was partially offset by lower bank, transportation, travelling and other miscellaneous expenses.

Query 2:

It is noted on page 9 of the announced financial results, "*Other operating income in first half year 2019 decreased by S$0.1 million. This was mainly due to fair value gain on forward contract at BLX in the corresponding first half year period in 2018.*"

Page 1 of the announced financial results also shows the movement in other operating income as follows:-

Financial Statement Line Item	THE GROUP					
	Quarter ended 30 June			Half year ended 30 June		
	2019	2018	+/-	2019	2018	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Other operating income	(833)	(391)	113%	186	296	-37%

Please provide a breakdown of other operating income and elaborate on why it is negative for the quarter ended 30 June 2019.

Company's Response:

The breakdown is as follows:

	2019 Q2	2019 half year
	Unaudited as at 31 March 2019	Unaudited as at 31 March 2019
	S$'000	S$'000
Rental & Service Income	75	151
Unrealised Exchange Gain/(Loss)	-914	29
Other operating income of a subsidiary	6	6
Total other operating income	-833	186

As shown in the abovementioned table, the unrealised exchange loss amounts to approximately S$0.914 million. This is mainly due to the fluctuations in the different foreign exchange rate for which Group holds its assets and records its liabilities (SGD, USD, CNY (Rmb), HKD and AUD).

BY ORDER OF THE BOARD

Cai Suirong
Director and Chief Executive Officer
25 August 2019