



ABTERRA LTD.

(Company Registration No. 199903007C)

RESPONSE TO SGX QUERIES ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors (the “**Board**”) of Abterra Ltd. (the “**Company**”) wishes to make the following clarification with regard to the SGX queries:

- (a) As required under Listing Rule 710, please make disclosures as recommended in the Code of Corporate Governance 2012 (the “Code”) or otherwise explain the reason(s) for the deviation from the following Code guidelines:-

- (i) Paragraph 2.4 of the Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. The Board should also explain why any such director should be considered independent.

Despite Mr Chew Ban Chuan Victor Mark joining the Board on May 2004, he has served with the current management for less than 9 years (since September 2006). The current management was formed subsequent to the acquisition of 65.0% of the issued shares of the Company by General Nice Resources (Hong Kong) Ltd. on 1 September 2006. Notwithstanding this, the Nominating Committee has also reviewed and is of the opinion that Mr Chew is independent. The other two independent directors, Mr Wong Shiu Wah Williamson and Mr Chan Chun Tat Ray, were appointed in 2010.

- (ii) Paragraph 11.3 of the Code states that the Board also should comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) regarding the effectiveness of the Company's risk management and internal control systems.

The Company wishes to clarify that it has received assurance from the CEO and the Financial Controller that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) regarding the effectiveness of the Company's risk management and internal control systems.

- (b) Paragraph 9.3 of the Code states that the Company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

As the Company is required under Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please let us know whether the Company has complied with the Code paragraph 9.3 in relation to the disclosure of the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).

Due to the highly competitive industry conditions, the Company believes that it is not in the best interests of the Company to disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

BY ORDER OF THE BOARD

Lau Yu
Chief Executive Officer
23 April 2014