ABTERRA LTD.
(Company Registration No. 199903007C)

RESPONSE TO SGX QUERY ON THE UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 19 August 2015:-

Query:

It is stated on page 9 of the results announcement, "Revenue and gross profit decreased to zero from 1Q 2014 as no sales were made during the period under review." Please provide an explanation as to:

(i) why no sales were made during the period; and
(ii) the Board of Directors' opinion on the viability of the Company's business and the bases for such an opinion.

Our Response:

(i) No sales were recorded during the period mainly due to lack of financial facilities and weakening global economy. The outlook for the Company's trading business is expected to remain challenging.

(ii) With regards to the viability of the Group's business, the Board of Directors have agreed to review and monitor the Group's business for the next six months and will keep the shareholders updated of their review. Abterra currently receives rental income from its investment properties located in Singapore. The Group has also been actively exploring investment opportunities in the regional property markets. The addition of the property business allows the Group to diversify into property investment and provide an alternative stable income stream.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
20 August 2015