
ATTILAN GROUP LIMITED

SUSTAINABILITY REPORT 2018

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Managing Director's Message

Dear valued stakeholders,

This is Attilan Group Limited and its subsidiaries' ("Attilan" or the "Group" or "We") second year Sustainability Report, which outlines the challenges and material issues that are important to our stakeholders. Financial Year 2018 (FY2018) continues to be a challenging year for the Group as we faced a decline in revenue and operational losses, and continue with the cost containment exercise we undertook as in previous year.

During the year under review, revenue decreased by 21% or S\$0.5 million from S\$2.3 million in FY2017 to S\$1.8 million in FY2018 mainly due to cessation of media sales and lower revenue recorded from fund management and preschool units in FY2018. The Group recorded a profit before tax of approximately S\$0.06 million in FY2018 as compared to a loss before tax of approximately S\$5.2 million in FY2017. The profit before tax in FY2018 was mainly due to operations being streamlined and cost containment exercise implemented by management.

The Group recognises the vital role in which sustainability reporting has, in improving our sustainable initiatives and relationship with our stakeholders, in line with the demand for accountability and transparency by our stakeholders. Hence, we focused on coupling our sustainability efforts with our strategy formulation and objectives. Under the leadership of our Board of Directors, our team of senior management ensures that our sustainability approach are executed efficiently and effectively, at the same time, oversee our performance of the goals we made for sustainability against our strategy and business objectives.

We would like to express our appreciation to our stakeholders for the unwavering support and confidence in Attilan, particularly during this challenging period. We would also like to extend our gratitude to the management and staff, business partners and various professionals for the untiring efforts, support, dedication and commitment in assisting us to ride through this difficult time to operate in the long term and even more sustainable way.

Datuk Jared Lim Chih Li
Managing Director

Report Overview

This is the second sustainability report issued by the Group, pursuant to Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Mainboard Listing Manual and in accordance with the Global Reporting Initiative (“GRI”) Standards Sustainability Reporting Guidelines 2016 - Core Option and its reporting principles. We continued to adopt the GRI framework as it is an internationally recognised reporting framework that covers a wide range of sustainability topics. This report reviews the Group’s achievements and performance towards Environmental, Social and Governance (“ESG”) issues that we and both our internal and external stakeholders view as priority to our business.

The Group has not sought any external assurance for this report and would review and assess the option to seek external assurance once our restructuring activities are completed.

Reporting Limitation

The Group continues to face challenges in FY2018 as we are still restructuring the business model and streamlining the Group, and hence we remain mindful that we may not be able to make full meaningful disclosure for the material ESG topics discussed in this report. Nevertheless, the Group is working towards to improve the company financial performance.

In the meantime, we shall continue to make announcements and keep stakeholders updated on any material developments as and when appropriate.

Reporting Period and Scope

This report focuses on Attilan’s operation in Singapore and covers data and information for the financial year 2018, from 1 January 2018 to 31 December 2018. The previous 2017 Sustainability Report was published in December 2018.

Accessibility

The Group continues to print only limited copies of this sustainability report as part of our environmental conservation efforts. Current electronic editions of the report are available at SGX website.

Feedback

Our stakeholders’ feedback is important to us. We welcome feedback on this report and any aspect of our sustainability performance.

Concerned parties may reach us through the following medium:

Attilan Group Limited
10 Hoe Chiang Road, Keppel Towers #01-01/03
Singapore 089315
T +65 6319 4319

About Us

Headquartered in Singapore, Attilan Group Limited was previously listed on SGX-ST Sesdaq on 28 February 2001 under the name Integra2000 Limited. The Group went through a restructuring of business and changed its name to reflect the change in our core business activity.

The Group successfully transferred to the Mainboard of SGX-ST on 18 August 2010. Our primary business back then was investment management, financial advisory and media sales. After our preschool was opened on 10 June 2016, the Group made a decision to focus its core business on Media and Education moving forward.

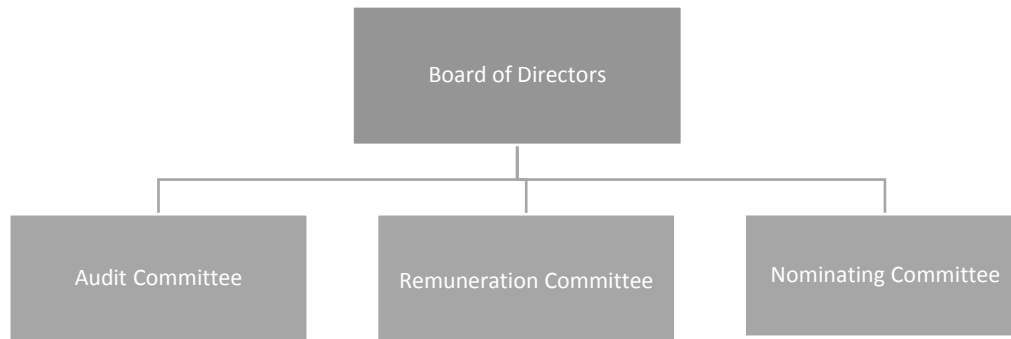
The Group's shares was suspended for trading on 12 June 2017. The Company is currently working towards a resumption of trading for our shares. However, this is subjected to the Company's fulfilment of conditions that the SGX-ST will impose as it deems fit in its discretions.

As announced via SGX-ST on 31 December 2018, the Group's wholly-owned subsidiary, Attilan Investment Ltd. ("AIL") has entered into a sale and purchase agreement with third party purchaser, in relation to the proposed disposal by AIL of the entire issued share capital of its wholly-owned subsidiary, Hub Media Group Pte. Ltd. On completion of the proposed disposal, the Group's media operations will cease to operate. The gross proceeds of S\$150,000 from the Proposed Disposal will be used by the Group to finance debt repayments and for the Group's general working capital.

With regard to the Group's preschool business, Attilan has identified a new site in Pasir Ris and targets to open the new school by end of Q3 2019. This new site has an attractive concentration of young families and is expected to deliver good enrolment. The Company is also exploring and expanding into franchising opportunities.

With a series of changes implemented by the Management on streamlining our operations and containment of cost, the flexibility we gain will allow us to continue to strive to deliver quality to our stakeholders and maintain a presence in the market.

Sustainability Governance



Name	Designation
Datuk Jared Lim Chih Li	Managing Director
Attlee Hue Kuan Yew	Independent Director
Balraj Pannu a/l Gajjan Singh	Independent Director
Jaleeludeen Bin Abu Baker	Independent Director

Table 1: Board Composition

The Group continues to stay committed in conducting our business activities in an ethically, socially and environmentally sustainable manner. In spirit of the Code of Corporate Governance 2012 (the “Code”), we maintain high standards of corporate governance to promote transparency within the organisation. The organisation continuously reviews our policies, business processes and practices in view of full compliance with the Code. Our team of senior management continues to lead our sustainability efforts through incorporating sustainability issues and solutions into our Group’s strategy formulation. The senior management ensures that our commitments to sustainable development align with our business objectives. The Group continues to engage with our key stakeholders actively through formal and informal channels. Through this process, key ESG topics are identified and outlined within this report.

The Group continues to maintain the whistle-blowing policy and procedures whereby our employees and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters for independent investigation and for appropriate follow up action.

Material Topics

Through active engagement with our stakeholders, key material topics are re-assessed on their relevance to our business. The four material topics previously identified and disclosed in FY2017 continue to remain relevant in the FY2018. There was no new topics identified in FY2018.

Sustainability Topics Selected:



We will continue to review and re-evaluate the relevance of our material ESG factors disclosed, to ensure its relevance to our stakeholders and business.

Economic Performance

In FY2018, revenue decreased by 21% or S\$0.5 million from S\$2.3 million in FY2017 to S\$1.8 million in FY2018 mainly due to cessation of media sales and lower revenue recorded from fund management and preschool units in FY2018. The Group recorded a profit before tax of approximately S\$0.06 million in FY2018 as compared to a loss before tax of approximately S\$5.2 million in FY2017. The profit before tax in FY2018 was mainly due to operations being streamlined and cost containment exercise implemented by management.

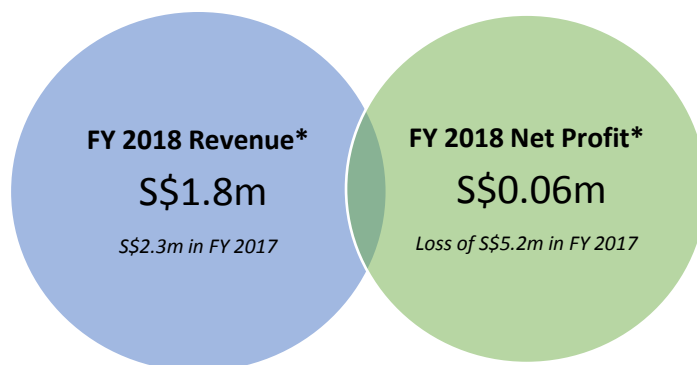


Figure 1: Snapshot of the Group's financial performance

**FY2018 Unaudited financial figures extracted from company announcement dated 1 March 2019.*

Further details on our economic performance can be found throughout the Group's Unaudited Full Year Results ended 31 December 2018 (as audited financial statements are not available as of release date of this report). Moving forward, the Group will actively look for potential opportunities to improve the financial position of the Group.

Anti-Corruption

The Group upholds itself to good corporate governance practices and continues to maintain the corporate governance policy which lays out the code of conduct in which essential corporate principles and behavioral rules are set out. It is supplemented by guidelines which are paramount in our preventive measure against corruption, and for dealing with potential conflicts of interest. Our employees are expected to act in the highest form of integrity. The Group continues to enforce the whistle-blowing policy that was established and approved by the Board and validated by the Audit Committee. The Audit Committee undertakes the responsibility of overseeing any investigation of any matter within their scope of responsibility. They have the authority to make decisions upon receiving any findings from the abovementioned investigations.

The whistle blowing policy serves as an avenue for employee of the Group, to raise in confidence, concerns about actual or possible corporate improprieties in matters of financial reporting or other matters. The policy also assures whistle blowers that they are shielded from reprisals for whistleblowing in good faith. The details of the whistle-blowing policy and procedure have been made available to all employees and are inculcated on our stand on zero tolerance for corruption. During the financial year under review, no whistle-blowing report regarding the abovementioned concerns was received by the Audit Committee. Going forward, the Group strives to maintain the zero instance of whistle-blowing incident being reported.

Employment

Our human capital has been the key drivers to the sustainability of our business. We continue to observe fair employment practices and are committed to provide our employees a fair and equitable work environment through a sound management system.

We continue our efforts in reviewing our employment policies and practices and enhance them, where necessary, with intent to attract, retain and develop a vibrant and robust workforce and provide our employees with a healthy workplace environment. We believe that a diverse and inclusive team with different nationalities, ethnicity, age groups, backgrounds and skill-sets will bring about more enriching perspective in the workplace.

The Group continues to practice a two way open communication between our employees and management, which allows us to obtain our employees opinions and feedback to management, in order for us to evaluate any matter that arises and take necessary actions to rectify these issues on a timely basis. The annual performance appraisal continues to be performed as it assist senior management in recognizing individuals and providing opportunities to individuals, based on merit. The Group continues to uphold its Code of Conduct, which serves as a guideline to our people, so as to ensure that they understand what is expected of them in our Group.

As the Group undergoes the restructuring exercise to restore the Group's deteriorating financial position, the management ensures that our employees are well-formed of the potential impacts they might be facing due to the aforementioned exercises. The Group has strategized our business to focus our existing resources on other aspects which may assist in the restoration of the Group's financial position. Nevertheless, we believe that after this exercise, Attilan would be able to regain its focus on our employees' development as we adjust our benefits to align to our business operations. Moving forward, we strive to align our human capital strategy with our business strategy, and to continue to abide by the prevailing regulations set out by concerning our employees, for instance, making monthly Central Provident Fund (CPF) contributions.

Occupational Health and Safety

We consider people as the backbone of our business operation and strive to ensure that our employees' health and safety are always taken care of. We recognise the importance in delivering and sustaining safe and healthy work environment throughout all our business operations and facilities.

We also cultivate a health and safety culture that runs throughout our organisation, one that emphasises individual responsibility at all levels. In addition to observing regulatory compliance i.e Workplace Safety and Health Act and Fire Safety Act, we are always on the go at containing health and safety risks.



In FY 2018, no work-related accidents were reported on our premises. We have set targets to achieve zero number of incident related to health and safety in coming years.

GRI Content Index

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
GENERAL DISCLOSURE		
GRI 102: General Disclosures 2016	Organizational Profile	
	102-1 Name of the organisation	Cover Page
	102-2 Activities, brands, products, and services	Page 2
	102-3 Location of headquarters	Page 3
	102-4 Location of operations	Page 3
	102-5 Ownership and legal form	Page 3
	102-6 Markets served	Page 3
	102-7 Scale of the organisation	Page 3
	102-8 Information on employees and other workers	Page 8
	102-9 Supply chain	Not applicable, due to the investment holding nature and size of the current business, there was no major procurement activities involved in the business operations.
	102-10 Significant changes to the organisation and its supply chain	Not applicable.
	102-11 Precautionary principle or approach	Precautionary approach
	102-12 External initiatives	We will work on reporting this in the next report once restructuring exercise is complete.
	102-13 Membership of associations	
	Strategy	
	102-14 Statement from senior decision maker	Page 1
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	Page 3
	Governance	
	102-18 Governance structure	Page 4
	Stakeholder Engagement	
	102-40 List of stakeholder groups	Continual engagement with our stakeholders allows the Group to share information about our practices and performance, as well as giving stakeholders an avenue to communicate their perception of Attilan's sustainability. We will work on reporting stakeholder engagement approach in the next report once corporate restructuring is complete.
	102-41 Collective bargaining agreements	
	102-42 Identifying and selecting stakeholders	
	102-43 Approach to stakeholder engagement	
	102-44 Key topics and concerns raised	
	102-45 Entities included in the consolidated financial statements	Page 2
	102-46 Defining report content and topic boundaries	Page 2
	102-47 List of material topics	Page 5
	102-48 Restatements of information	Not applicable.
	102-49 Changes in reporting	No changes in reporting.
	102-50 Reporting period	Page 2
	102-51 Date of most recent report	31 December 2018
	102-52 Reporting cycle	Page 2
	102-53 Contact point for questions regarding the report	Page 2
	102-54 Claims of reporting in accordance with the GRI Standards	Page 2
	102-55 GRI content index	Page 10
	102-56 External assurance	Page 2

GRI Content Index (Cont'd)

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 6
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 201: Economic Performance	201-1 Direct Economic value generated and distributed	
Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 7
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 205: Anti-Corruption	205-1 Operations assessed for risks related to corruption	
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 8
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 401: Employment	401-1 New employee hires and employee turnover	Not applicable. Not a meaningful disclosure as we only have minimal amount of employees due to restructuring exercise.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 9
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management – worker health and safety committees	Not applicable. No worker health and safety committees established.
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Not applicable. No reported work-related injuries/ fatalities for FY 2018.
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Not applicable. No worker belongs in this category.
	403-4 Health and safety topics covered in formal agreements with trade unions	Not applicable. No formal agreements with trade unions.