ABTERRA
Bringing you the earth's resources

SUSTAINABILITY REPORT

2017



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Corporate Profile

ABTERRA Ltd. ("Abterra", or the "Company" and together with subsidiaries, the "Group") is a supply chain manager in the natural resources business, trading in iron ore, coking coal and coke. Abterra aims to differentiate itself through its core strategy of vertical integration and by pursuing sustainable long-term growth in the Chinese and international markets.

Abterra's fundamental approach to business is to create sustainable long term growth for our customers, our business partners, our employees and our shareholders through our distinctive core values: Agility, Reliability, Integrity, and Professionalism.

With the corporate philosophy in mind, Abterra commits to the core business to pursue a balanced and healthy growth. We deliver the best products and the best services to continuously meet the demands of our clients.

Board Statement

Abterra is pleased to issue its inaugural sustainability report as our effort in line with the Singapore Exchange ("SGX") guidelines on Sustainability Reporting. We reaffirm our commitment to sustainability with the publication of our maiden sustainability report ("Report") guided by the Global Reporting Initiative ("GRI") Standards: Core option. For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance ("ESG") and economic performance.

Whilst mindful of our profit oriented objective, we are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long-term future of our Group. This commitment is reflected in our sustainable business strategy and the material ESG factors which are shown in this Report.

A sustainability policy ("SR Policy") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material ESG factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material ESG factors from time to time, taking into account the feedback that we received from our engagement with our stakeholders, organizational and external developments.

About this Report

This is the first Sustainability Report published by Abterra, headquartered in Singapore and listed on the Singapore Exchange Securities Trading Limited ("SGX"). The primary objective of this sustainability reporting exercise ("Exercise") is to assist the Management in developing a framework for sustainability reporting as guided by the Global Reporting Initiative ("GRI") Standards: Core option.

Reporting Period

This reporting period is for the Group's financial year ended 31 December 2017 ("FY 2017") and a report will be published annually thereafter in accordance with our SR Policy.

Scope

The entities covered under this Exercise are Abterra, Lead China Development Limited and its subsidiaries. Inactive subsidiaries and associates are not included.

Stakeholder Engagement

The Group is guided by the principle of creating sustainable value for its stakeholders and key stakeholders are identified based on the extent in which they can affect or are affected by the operations of the Group. For the purpose of this Exercise, key stakeholders identified are shareholders, employees, suppliers, regulators and customers.

Through the various engagement channels, the Group seeks to understand their stakeholders' views, communicate effectively with them and respond to their concerns. Engagement channels for stakeholders are as follows:

S/N	Key Stakeholder	Engagement channel
1	Customer	Customers are encouraged to provide their feedback and feedback obtained is reviewed and relevant follow-up actions are taken to better serve them. Communications with customers are made through various channels such as meetings, events, email communications, phone calls and teleconferences.
2	Employee	Senior management holds regular communication sessions with employees to obtain feedback and alignment of business goals across all levels of workforce. Such communication channels include emails and yearly staff evaluation sessions where employees can pose questions in person.
3	Regulator	The directors participate in consultations and briefing organised by key regulatory bodies such as Singapore Stock Exchange so as to better understand the regulatory requirements and to furnish feedback on proposed regulatory changes that impact the company's business.
4	Shareholder	The Group conveys timely, full and credible information to shareholders through announcement on SGXNET, Company's website (http://www.abterra.com.sg), annual general meetings, annual reports, and other channels such as business publications and investors' relation events.
5	Vendor	The Group maintains a good relationship with vendors by establishing various communication platforms for all levels of personnel involved in each product, such as emails, meetings and events.

Through the above channels, the Group seeks to understand the views of key stakeholders communicate effectively with them and respond to their concerns.

Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: ir@abterra.com.sg

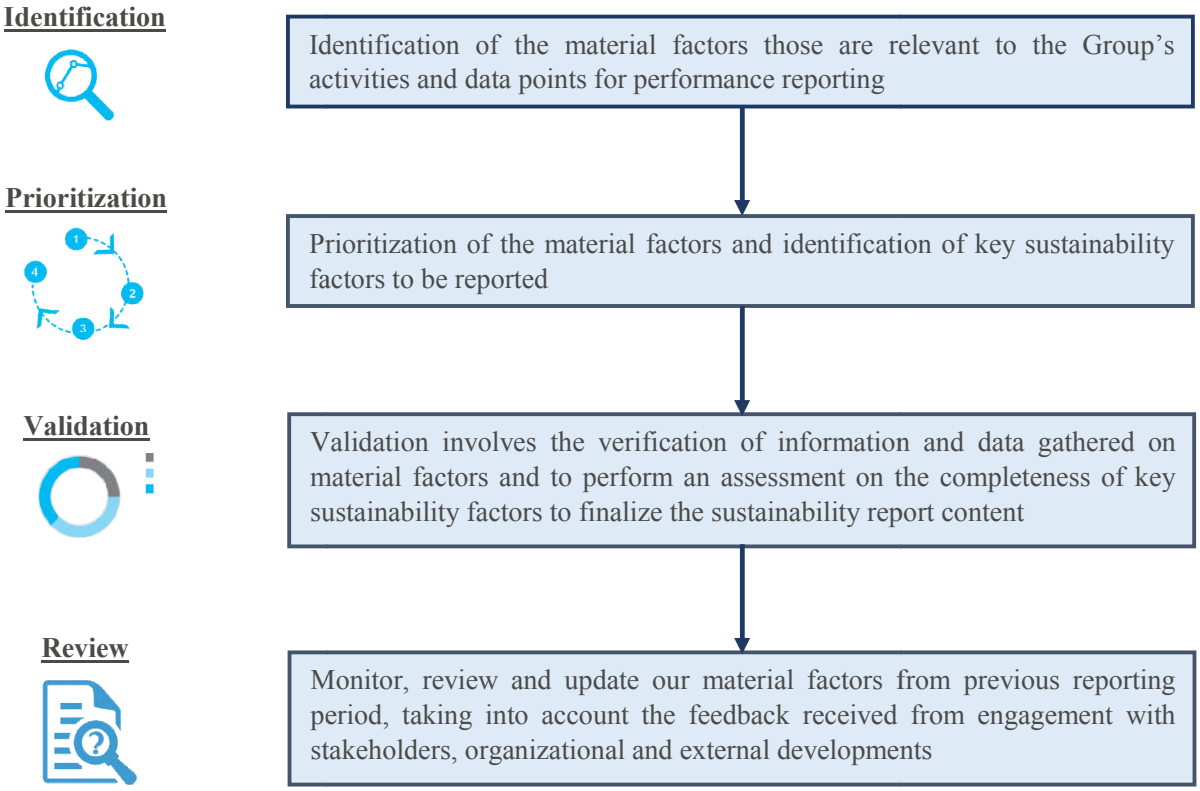
Reporting Policy and Process

Reporting structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. The Company is tasked to develop the sustainability strategy, review its material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Sustainability Report.

Sustainability reporting processes

Abterra's sustainability process begins with the identification of relevant factors. Relevant factors are then prioritized as material factors which are then validated. The end result of this process is a list of material factors disclosed in this sustainability report. Inter-relations are as shown in the chart below:



Materiality Assessment

The Exercise was carried out based on the materiality criteria as set out in the sustainability reporting policy with details as follows:

Reporting Priority

Each sustainability factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting Priority	Description	Criteria
I	High	Factors with high reporting priority are reported on in details.
II	Medium	Factors with medium reporting priority are considered for inclusion in the Report. They may not be included in this Report if not material.
III	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

Materiality Factor Matrix

The reporting priority is supported by a materiality factor matrix which considers the level of concern to external stakeholders and potential impact on business.

Materiality Factor Matrix			**Business Impact**		
			1	2	3
			Low	Medium	High
Stakeholders Concern	C	High	II	I	I
	B	Medium	III	II	I
	A	Low	III	III	II

Stakeholders Concern

Rating	Description	Criteria
C	High	Significant interest
B	Medium	Some interest
A	Low	Minimal interest

Business Impact

Rating	Description	Criteria
3	High	Factor has an impact or potential impact on the organisation, or is core to the purpose of the organization
2	Medium	Factor has impact on the day-to-day operations of the organisation, or is of general concern to the organisation
1	Low	Factor has little or no impact on the organisation or is not of concern to the organisation

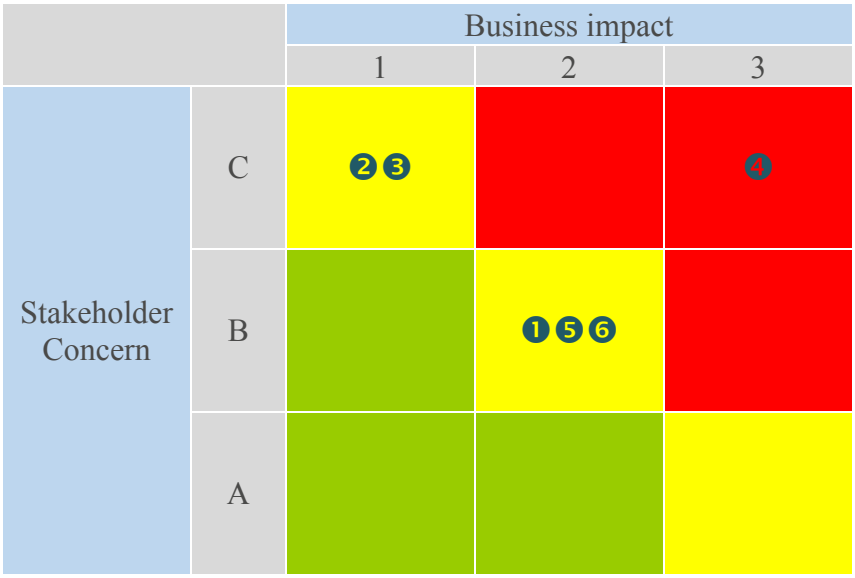
Practice and Performance

The materiality assessment performed for FY2017 involved the Group's' Senior Management in identifying sustainability factors deemed material to the Group's businesses and stakeholders so as to allow us to channel our resources judiciously to create sustainability value for all stakeholders.

The key sustainability factors (Level I and selected level II reporting priority) have been applicable to the Group:

S/N	Material Factor	Topic	Key Stakeholder	Reporting Priority
Social				
1	Diversity and Equal Opportunity	Equality and diversity in the workplace	Employee	II
2	Local Communities	Donations and community work	Community	II
Environmental				
3	Energy, Effluent and Waste	Energy conservation and waste optimization	Community Shareholder	II
Economic				
4	Economic Performance	Sustainable business performance	Shareholder	I
5	Anti-corruption	Proactive anti-corruption practices	Shareholder Regulator	II
Governance				
6	Governance	Robust corporate governance framework	Regulator	II

Material Factors Matrix



Target Setting

Given that this is our inaugural report, we are in the process of compiling a trend for key related data to develop targets. Accordingly, target setting is deferred till a time when adequate data is available to set reasonable targets.

Social

Diversity and Equal Opportunity

The Group's core business relates to commodity trading and human capital is the key to Group's sustainability. The Group is committed to diversity and equal opportunity in employment to grow its human capital. Accordingly, the Group strives to provide a work environment for employees that foster fairness, equity and respect for social and cultural diversity, regardless of their gender, age or educational background. The total number of employees in our Group as at 31 December 2017 stands at 21.

On gender diversity, the Group views diversity in the Board level as an essential element in supporting sustainable development with one female Board member. The percentage of female to total employees is 76 % and about 80 % of managers are females as at 31 December 2017. Further details are as follows:

Disclosure	Number of employee			Percentage		
	Male	Female	Total	Male	Female	Total
Gender diversification (all employees)	5	16	21	24	76	100%
Gender diversification (managerial level)	2	8	10	20	80	100%

On age diversity, matured workers are valued for their experience knowledge and skills. As at 31 December 2017, 29 % of the workforce is at least 40 years old with details as follows:

Age	Number of Employee	Percentage
Above 40	6	29
30 to 39	7	33
Below 30	8	38
Total	21	100%

On diversity in educational background, the Group seeks to create an inclusive environment for employees from different educational background. As at 31 December 2017, the breakdown of employees by education level during the reporting period is as follows:

Education qualification	Number of employee	Percentage
Tertiary	17	81
Non-tertiary	4	19
Total	21	100%

To promote equal opportunity, the Group has the following measures:

- A human resource policy is in place to select employees based on merit and competency
- Staff assessment is performed regularly to evaluate the performance of staff and provides staff with sense of self-awareness to undertake the training that will improve their skills and abilities.
- For staff recruitment, emphasis is placed on ensuring advertisements do not state age, race, gender or religion as preference or requirement

Donations and Community Work

Following the adoption of the Lee Ah Mooi Old Age Home as the Group's charity since 2014, the employees of Abterra have been volunteering at the Home and extending their support to meet the needs of the Home's residents.

The 110-bedded Lee Ah Mooi Old Age Home is a private nursing home dedicated to providing healthcare services to the "sandwiched-class" elderly – those who do not qualify for government-funded homes but are unable to afford services at private homes. With a mission to provide affordable, professional and personalised eldercare services for the needy and sick in Singapore, the Home is highlight dependent on volunteers and sponsorships.

The Group's efforts at the Home are aimed at enhancing the welfare of the Home's residents which included participating in the Home's day-to-day activities. Management worked closely with the Home to understand the needs of their residents and have plans in the pipeline to sponsor the Home with other selected perishable food, medical items and equipment.

The Group will continue to explore ways to support the Home's needs. Plans are in the pipeline to sponsor the Home with other food, medical items and equipments.

Environmental

Energy, effluent and Waste

The Group is committed to responsible usage of energy and water resources that helps to preserve the environment in which the Group operates in. The Group operates from various office locations in Singapore and the People's Republic of China ("PRC"). To operate from its offices, the Group relies on electricity to run equipment such as lighting, office equipment and air-conditioning. Key statistics on electricity consumption during the reporting period is as follows:

Description	Electricity Consumption (kWh)
Aggregate	23,906

The Group tracks and review spending on electricity consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns.

As a supply chain manager in the natural resource business, the Group believes in creating a green and sustainable future by adhering closely to the applicable environmental standards. Accordingly, we have an environmental policy in place covering waste management, water management, erosion and sediment control and surface and ground water pollution.

The Group owns a mine in Australia. However, the mine was under maintenance with no mining activities during the reporting period.

Going forward, the Group will continue to cooperate with the relevant government agencies, industry bodies and business partners to further improve its environmental initiatives and contribute to a sustainable environment.

Economic

Sustainable Business Performance

The Group is committed to create long-term economic value and development for shareholders as well as key stakeholders by adopting responsible business practices and growing business in a sustainable manner.

Details of the Group's economic performance can be found in the Company's result announcement dated 28 February 2018 on SGXNET.

Proactive Anti-corruption Practices

The Group is committed to carry out business with integrity by avoiding corruption in any form, including bribery, and complying with the prevention of corruption act of Singapore.

The Group has in place a whistle blowing policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. Further, an employee handbook is in place to provide guidance to employees about the benefits and reflect the culture of the business.

In the period of reporting, there was no incident of fraud reported.

Governance

Robust Corporate Governance Framework

The Group is committed to high standards of corporate governance and its high standard of corporate governance is integral in ensuring sustainability of the Group's business as well as safeguarding shareholders' interests and maximizing long-term shareholder's value.

The Group's quest for good governance lies in putting in place an effective framework of risk management and internal controls. This integrity and professionalism of our Board members and employees, governed by a system of policies, will enable the Group to achieve greater heights.

Supplementary Statement

As GRI Standards, this Sustainability Report is required to include a GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in this report and other published materials.

Given that the partial disclosures are included in Abterra's Annual Report 2017 and the Company has yet to issue Annual Report 2017, a complete GRI content index is deferred till the time when the Annual Report 2017 is issued. The Company will follow up this matter.