

KEONG HONG HOLDINGS LIMITED
强枫控股有限公司

SUSTAINABILITY REPORT

2018



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CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Stakeholders,

We are pleased to present the first annual Sustainability Report of Keong Hong Holdings Limited ("Keong Hong" or "the Group"), prepared in accordance with the global GRI Standards and in compliance with Singapore Exchange Securities Trading Limited ("SGX-ST") guidelines on sustainability reporting. The report provides information about our economic, environmental and social topics and performance.

The Board of Directors and senior members of management are responsible for determining the sustainability issues as part of the strategic formulation of the Group. The Board is supported by the management's Sustainability Task Force ("STF") comprising heads of different business units which help to spearhead sustainability efforts in the organisation. The STF has put an extensive amount of effort into reviewing the Group's sustainability objectives and tracking the sustainability data and progress. On behalf of the Board of Directors, I would like to commend and recognise their commitment and strong teamwork.

Keong Hong recognises the need to upgrade our digital skills to remain relevant in the digital economy. In recent years, we have made great strides in Technology Adoption ("TA"), in an effort towards improving productivity. Keong Hong will continue to innovate and implement new technologies in our operations to benefit our business, our industry and the community.

Keong Hong is committed to providing a safe working environment for all our employees. We have developed a culture of safety and put in place various safety and environmental awareness programmes to ensure that every employee believes in our Workplace Safety and Health ("WSH") values. In 2018, we received the prestigious Royal Society for the Prevention of Accidents ("RoSPA") Gold Award in recognition of our achievements in the health and safety management system and culture. I am also happy to report that our AFR ("Accident Frequency rate") and ASR ("Accident Severity rate") were much lower than the industry average.

The Group adopts a holistic approach to understanding and managing the environmental impact of our construction activities. We have been actively promoting green and gracious practices to raise environmental consciousness and to provide a pleasant environment for all our residents and members of the public. We are honoured to receive the Building and Construction Authority ("BCA") Green and Gracious Builder Award (Excellent) in 2018 for our corporate social responsibility efforts to the environment and to the public.

At Keong Hong, our people are our greatest assets. We are committed to develop our people to their fullest potential and will continue to attract, nurture and retain capable and experienced people to support our growth and steer the Group ahead. We believe there is no limit to what a team with great camaraderie can do.

We will continue to integrate corporate social responsibility and sustainability into our corporate culture and business processes to ensure long-term value creation for our stakeholders. After all, we are in the business of building a better world.

LEO TING PING RONALD

Chairman and Chief Executive Officer
Keong Hong Holdings Limited

KEONG HONG'S SUSTAINABILITY STORY

Our Mission

To be a forward-looking company with a commitment to corporate social responsibility, built on a strong foundation of transparency, governance and ethics that creates value for our stakeholders.

Our Vision

To build a better world in an environmentally sustainable way and to improve the quality of the environment and the communities where we live and work.

Sustainability Philosophy

The Group has established a good reputation in the building and construction industry in Singapore and Maldives. The Group has leveraged on expansion opportunities, achieved new revenue streams and unlocked new capabilities and possibilities while at the same time keeping in mind our sustainability targets. Keong Hong has also been lauded for adopting highly innovative solutions in our construction projects to reduce wastage, increase efficiency and productivity. By investing in new technologies, applying strict standards to our operations and constantly seeking improvements, Keong Hong hopes to set the standard for sustainable business operations in both Singapore and Maldives.

The group is committed to prevent pollution and injury in all its construction operations. We are committed to provide quality products and services to meet customer requirements through the timely delivery of projects complying with applicable legal and other requirements, quality workmanship, good safety standard and minimising impact on the environment. We shall endeavour to provide a high standard of occupational health and safety environment and continue stringent due diligence checks on our suppliers.

Keong Hong is conscious of the impact that our projects have on the environment and shall continue monitoring and measuring these impacts. The Group will uphold our energy saving standards and invest in technologies to improve waste management and reduce emissions and effluents.

The Group will continue to ensure that our employees have a comprehensive range of welfare and benefits and that there is both racial and gender diversity in our workforce to provide unique perspectives on issues that the Group faces. The Group will continue supporting charitable organisations to improve the welfare of the community.

Sustainability Targets

Keong Hong strives to set a high standard of sustainable business operations in both Singapore and Maldives by investing in new technologies, constantly seeking improvements and ensuring strict compliance with our standards in daily operations.

We endeavour to provide a positive health and safety culture at our workplace and continue stringent due diligence checks on our suppliers. We target zero health and safety incidents in our operations.

The Group will strive to reduce our energy and water consumption, as well as our waste and effluents production. We will work towards further reducing the impact of our hotel and resort operations on the surrounding ecosystem in Maldives.

KEONG HONG'S SUSTAINABILITY STORY

Our Achievements – Noteworthy Awards

The Group, being fully committed to environmental protection, was a founding member of the Singapore Green Building Council in 2009, which leads private-public construction companies in achieving a world-class and sustainable environment in Singapore. The Council advocates green building design, practices and adoption of new technologies to drive environmental sustainability in the building and construction industry. In recognition of our achievements in environmental sustainability, the Group was awarded BCA Green And Gracious Builder Award (Excellent) in 2018. We also received the prestigious RoSPA Gold Award in recognition of our achievements in health and safety management systems and culture.

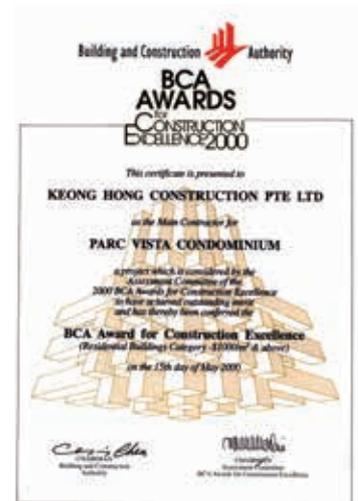
As a testament of our commitment to service and quality, the Group has achieved numerous awards and industry recognitions over the years including:

- BCA A1 grading under the category CW01 for general building which allows us to tender for public sector construction projects of unlimited value with no restrictions for private sector construction projects
- ISO 9001:2015 and SS ISO 9001:2015 Certificate of Registration (Quality Management System) for design management and building construction services
- ISO 14001:2015 and SS ISO 14001:2015 Certificate of Registration (Environmental Management System)
- OHSAS 18001:2007 Certificate of Registration (Occupational Health and Safety Management System)
- BCA Award for Greenmark Platinum for Raffles Hospital Extension
- BCA Award for Greenmark Gold Plus for J Gateway
- BCA Award for Greenmark Gold Plus for Amore
- BCA Award for Construction Excellence (Certificate of Excellence) for Parc Vista condominium
- BCA Award for Construction Excellence (Certificate of Merit) for SummerLea Green condominium
- BCA Award for Construction Excellence (Certificate of Merit) for Martin Place Residences Green condominium
- BCA Green and Gracious Builder Scheme (“GGBS”) (Excellence) (2018)
- Singapore SME 1000 Achievement Award for Achieving the Highest Sales Growth Crossing S\$100 million (2012)
- Ministry of Manpower (“MOM”) Certificate of Merit for Safety Performance Awards
- bizSAFE Star Certificate
- RoSpa (2018)

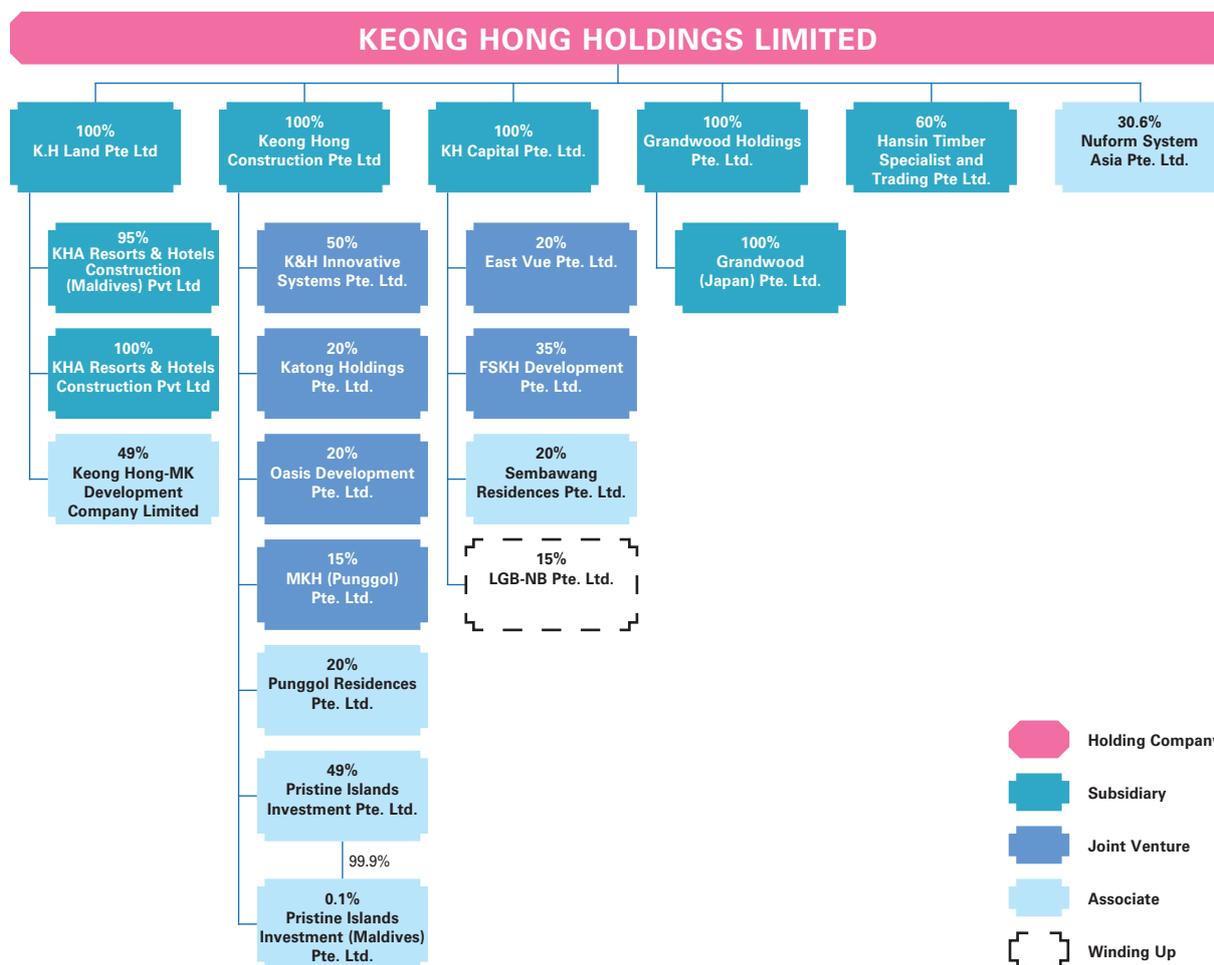
We will continue our sustainability development efforts and improve the quality of our service, and our target is to achieve BCA Construction Quality Assessment (“CONQUAS”) rating of at least 92, achieve a 90% passing rate for joint inspections within 1 re-inspection and to complete every project on time.

Furthermore, the Group went the extra mile and participated in the CultureSAFE program to cultivate a progressive and prevalent WSH culture in the organisation beyond merely executing WSH practices. By actively promoting a safety awareness culture, we continue to reaffirm our management's commitment to an accident-free work culture. This ensures that every employee inherently believes in our WSH values and continues to implement and improve on our WSH practice and behaviours.

KEONG HONG'S SUSTAINABILITY STORY



ORGANISATION PROFILE



Keong Hong Holdings Limited is listed on the Main Board of SGX-ST. The Group's principal activities include building construction, property and hotel investment and development. Its building construction services include a broad range of residential, commercial, institutional, industrial and infrastructural projects for both private and public sectors. The Group also has property and hotel development and investment projects in Singapore, Japan and Maldives.

The Group made its maiden foray into property development in Singapore in 2012 through a joint venture with Frasers Property (formerly known as Frasers Centrepoint Limited) to develop Twin Waterfalls Executive Condominium ("EC"). Its subsequent residential developments include SkyPark Residences EC, The Amore EC, Parc Life EC, Seaside Residences and Mattar Road Condominium Project.

Keong Hong ventured into hotel development and investment in 2013 with Mercure Maldives Kooldoo Hotel and Pullman Maldives Maamutaa Resort in Maldives. In Singapore, the Group owns various joint hotel and mixed-use development projects – Hotel Indigo Singapore Katong, Holiday Inn Express Singapore Katong and Katong Square.

In 2016, the Group acquired the first of its two commercial properties in Japan.

ORGANISATION PROFILE

Led by a qualified and experienced management team with a staff strength of over 300, Keong Hong has built a strong reputation and record of accomplishment over the last 30 years for its commitment to quality and service standards.

Building and Construction

Keong Hong is a provider of a broad range of building construction services to both private and public sectors for residential, commercial, institutional, industrial and infrastructural projects.

The Group's innovative technologies and technical capabilities, supported by our commitment to quality, safety, timely delivery and customer service, are our key strengths that differentiate us from our industry peers, and is the reason for our ability to secure projects from our repeat clients. The Group has pioneered several innovative technologies and processes in the construction industry that are widely used today, such as the Silent Jack-In Spun Piling System in residential projects and the Intelligent Computerised Auto-Climb Peripheral Platform.

Leveraging our technical capability and a vast array of experience gained over the years, Keong Hong has morphed into a Design and Build main contractor capable of taking on complex projects with full responsibility in design development for structure, mechanical and electrical services. For hotel and resorts development, our expertise extends to include architectural design.

As a Design and Build main contractor, we have been able to extend our job horizon beyond that of conventional construction projects. We have established ourselves as a reputable main contractor with proven capability in the Design and Build of condominium, hotel and resorts projects, alternative design using Top Down Construction Methodology for complex basement for commercial and institutional projects. Our Design and Build and construction expertise are often harnessed through our joint ventures to create value-added propositions that have won us many development projects, for example Twin Waterfalls EC, SkyPark EC, Amore EC, Parc Life EC, Seaside Residences and Mattar Road Condominium Project.

Listed below are some completed projects involving Design and Build and their design scope:

- IBIS Hotel@ Bencoolen Street (TOP 2006, full Design and Build, include Architecture)
- Martin Place Residences Condominium (TOP 2011, Design and Build in Structure and Mechanical and Electrical ("M&E") Services)
- SIM University Extension (TOP 2011, Design and Build for deep Basement near existing campus)
- Park Hotel Alexandra (TOP 2014, Design and Build in Structure and M&E Services)
- Twin Waterfalls EC (TOP 2015, Design and Build in Structure and M&E Services)
- SkyPark EC (TOP 2016, Design and Build in Structure and M&E Services)
- Amore EC (TOP 2017, Design and Build in Structure and M&E Services)
- Raffles Hospital Extension (TOP 2018, Design and Build for deep Basement near existing MRT line and an operational hospital)

ORGANISATION PROFILE

Listed below are the Group's on-going and recently completed building construction projects:

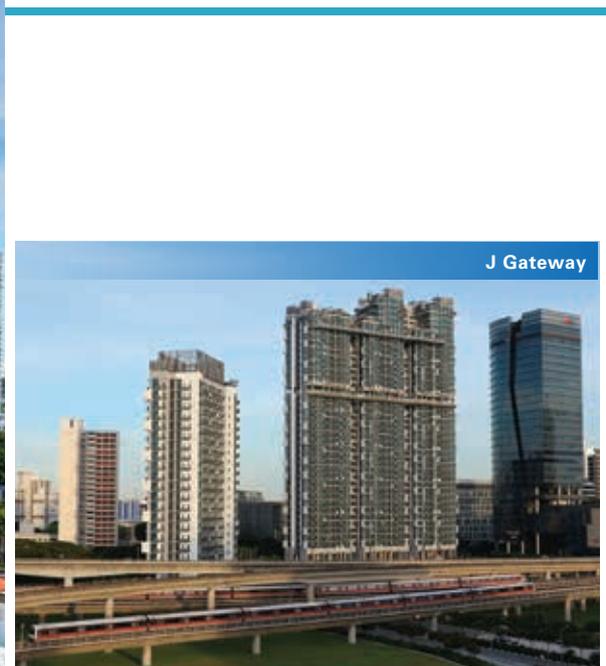
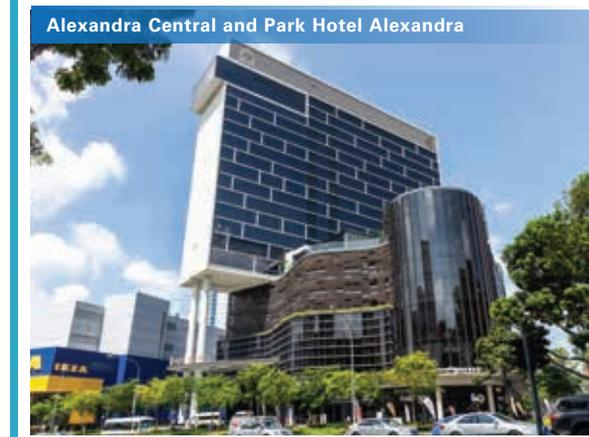
Project	Sector	Year of TOP	Remarks
Mattar Road Condominium (Condominium name pending)	Residential	2021 (estimated)	Joint venture residential development, with Keong Hong taking a 35% stake. KH Land (subsidiary of Keong Hong) is also the main contractor, leveraging its design and build experience and capability to offer value-add for the joint venture partners.
National Skin Centre	Medical/ Healthcare	2021 (estimated)	Keong Hong's first advanced precast project using precast columns, precast beams, precast hollow core slabs and in-situ concrete topping.
Seaside Residences	Residential	2020 (estimated)	Project sited next to Victoria School, social and environmental impacts are important considerations. In addition to regulatory peripheral sound barriers, Keong Hong installed sound curtains and air coolers in classes to further mitigate environmental impact.
Pullman Maldives Maamutaa Resort	Hospitality	2019 (estimated)	Unique to this 122-Villa Resort (40 Land Villas and 82 Water Villas) is the two Underwater Villas that differentiate the Resort from other resorts in Maldives.
Parc Life EC	Residential	March 2018	First Keong Hong project adopting precast bathroom unit ("PBU") to enhance quality control, site productivity and reduce reliance on foreign labour.
Raffles Hospital Extension	Medical/ Healthcare	January 2018	The building was constructed using Top Down Construction Methodology as the complex hospital project is in a very tight site adjacent to the MRT line underground. BCA Award for Greenmark Platinum.
Mercure Maldives Kooddoo Hotel	Hospitality	September 2017	The only beach hotel in the Maldives directly accessible by domestic plane.

ORGANISATION PROFILE

Project	Sector	Year of TOP	Remarks
Kooddoo Airport Extension	Infrastructural	September 2017	<p>Keong Hong's first infrastructure project in 2010 was to design and construct a 1.2-kilometer runway, a passenger terminal, an air-traffic control tower and other ancillary facilities for Kooddoo Airport.</p> <p>In 2017, the runway was extended from 1.2 kilometres to 1.8 kilometres and from category 2C to 3C.</p>
The Amore EC	Residential	November 2016	<p>Use of Silent Jack-in Piling System to minimise noise and vibration to ensure minimum disturbance to the operation of adjacent secondary school.</p> <p>BCA Award for Greenmark Gold Plus.</p>
J Gateway	Residential	November 2016	<p>The project was located next to MRT tracks. Careful planning in logistics, site access, traffic control and positioning of tower cranes to meet regulatory compliance.</p> <p>BCA Award for Greenmark Gold Plus.</p>
SkyPark Residences EC	Residential	August 2016	<p>The project was completed two and a half months ahead of schedule.</p>
Paterson Collection	Residential	May 2015	<p>Semi Top Down Construction Methodology was adopted to minimise soil movement of adjacent main road and secondary school.</p> <p>BCA Award for Construction Excellence (Certificate of Merit), BCA Quality Mark Star.</p>
Twin Waterfalls EC	Residential	June 2015	<p>A watershed milestone that marks Keong Hong's foray into housing development through joint venture with Frasers Centrepoint Limited.</p>

ORGANISATION PROFILE

Project	Sector	Year of TOP	Remarks
Keong Hong HQ	Commercial	September 2015	Constructed using prefabricated, fusion weld steel structures and bondek (profile steel decking) with concrete topping using innovative and efficient technologies, the project scored a remarkable 140% for BCA Constructability Index.
Alexandra Central and Park Hotel Alexandra	Commercial	April 2015	Keong Hong's first mixed development project with retail and hotel development.

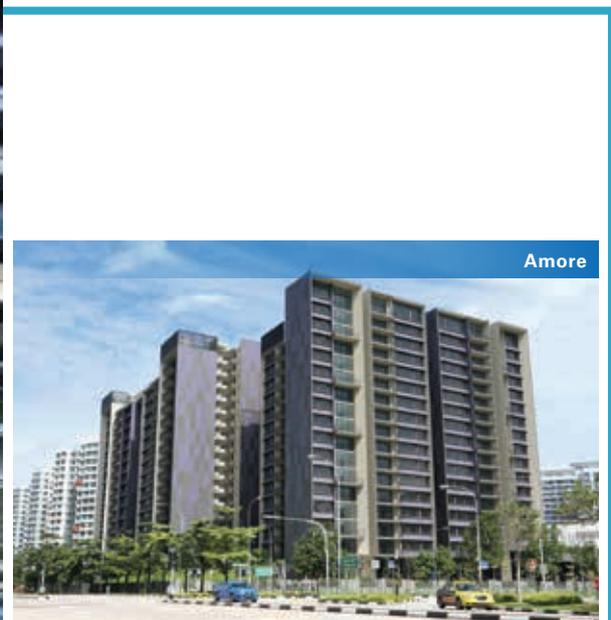
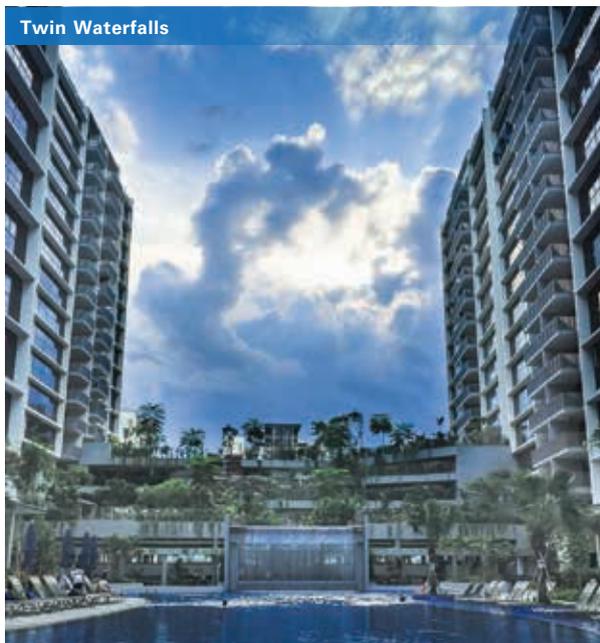


ORGANISATION PROFILE

Property Development

Keong Hong made forays into property development since 2012. Since then, the Group has developed five residential projects in Singapore. Our strategy to partner reputable property developers to jointly undertake residential development projects enables the Group to share resources with business partners and manage any business risks associated with property development projects.

Property	Type	Ownership
Twin Waterfalls	Executive condominium	20%
SkyPark Residences	Executive condominium	20%
The Amore	Executive condominium	15%
Parc Life	Executive condominium	20%
Seaside Residences	Private condominium	20%
Mattar Road Project	Private Condominium	35%



ORGANISATION PROFILE

Property and Hotel Investment

The Group's expansion into hotel and property investments provides a steady recurring income to sustain its future growth. We intend to grow our commercial and hospitality assets to form a more substantial portion of our earnings.

Keong Hong embarked on its first hotel investment in 2013. To date, our hotel and property investment portfolio includes two commercial buildings in Osaka, Japan, two hotels in Singapore and two resorts in the Maldives.

Country	Property	Ownership
Singapore	Hotel Indigo Singapore Katong	20%
	Holiday Inn Express Singapore Katong	
Maldives	Mercure Maldives Kooddoo Hotel	49%
	Pullman Maldives Maamutaa Resort	
Japan	4-4-10 Honmachi Osaka	100%
	1-2-6 Minamihorie Osaka	



ORGANISATION PROFILE

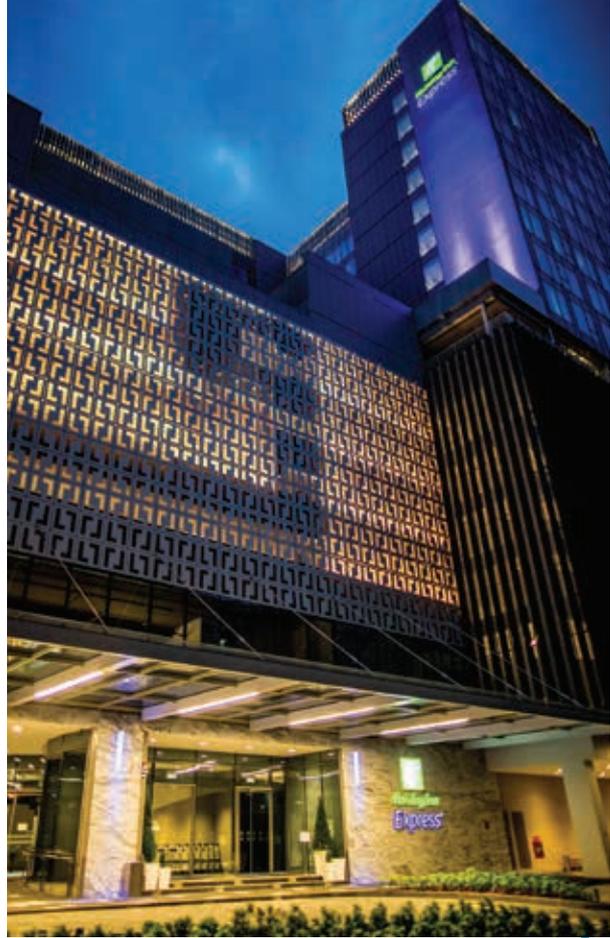
Indigo Singapore Katong



Mercure Maldives Kooddoo Hotel



Holiday Inn Express Singapore Katong



ETHICS AND INTEGRITY

Whistle-Blowing Policy

The Group has implemented a whistle-blowing policy whereby accessible channels are provided for employees, shareholders, clients, consultants, vendor and sub-contractors. These channels allow our stakeholders to raise their concerns on possible improprieties in financial reporting, fraudulent acts and other irregularities. These communication channels will ensure independent investigations and timely implementation of appropriate preventive and corrective actions. The Audit Committee reviews all whistleblowing complaints at its quarterly meetings to ensure investigation and appropriate follow-up actions are taken. The Group did not receive any whistle-blowing report in FY2018.

Interested Person Transactions

The Group has set out procedures governing all interested person transactions to ensure that they are carried out on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Group and its shareholders. The Group does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

Dealing in Securities

The Group has adopted an internal compliance code of conduct that complies with SGX listing rule 1207. It prohibits dealings in the securities of the Group by Directors and Officers while in possession of price-sensitive information.

The Group, Directors and Officers are prohibited from dealing in the securities of the Group on short-term considerations and during the period beginning two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and one month before the announcement of full year results and ending on the date of such announcements. In addition, Directors and Officers are expected to observe insider-trading laws at all times even when dealing in securities within the permitted trading period.

Anti-Corruption (GRI 205-1, 205-2, 205-3)

Keong Hong works diligently to ensure our employees adhere to the highest standards of ethics and integrity and comply with applicable regulations and professional codes of conduct.

Keong Hong adopts a strong stance against corruption and requires all employees to practise equal treatment, unbiased professionalism and non-discriminatory actions in relation to all business dealings. We have established clear guidelines and procedures for our employees. Our "No Gift/Cash Policy" is communicated to all our employees, vendors, subcontractors, service providers and relevant stakeholders. Keong Hong requires that no employees accept gifts, benefits and/or cash from all vendors, suppliers, subcontractors etc. Keong Hong has established a list of prohibited gifts and entertainment. The Group does not condone our Business Associates or any parties dealing with our group to engage in the practice of giving cash, gifts and benefits to any employees of Keong Hong.

ETHICS AND INTEGRITY

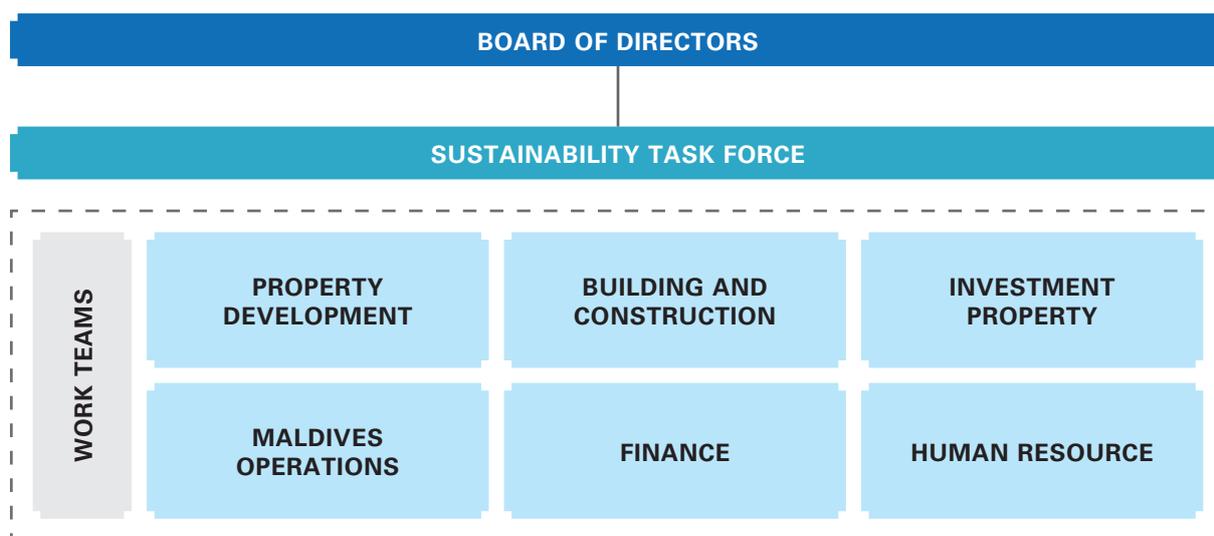
All key personnel are required to sign an Annual Declaration of Independence Form to circumvent situations where conflict of interests might arise. This requirement is mandatory for all new employees as well.

Employee Anti-Gambling policy

At Keong Hong, we are committed to promoting a productive and healthy work environment for all our employees. This includes the well-being of our employees. As such, we have implemented an Employee-Gambling policy to curb gambling activities in the Group and ensure that our employees and workers have participated in Organisation Facilitated Casino Self-Exclusion. In addition, Keong Hong has forbidden gambling on Group property and participating in online gambling via Group equipment. All new employees and workers will have to participate in the Casino Self- Exclusion as part of employment requirement. Our initiative for Organization-Facilitated-Casino-Self-Exclusion has received full support and participation from our company workforce, including directors and workers.

GOVERNANCE AND STATEMENT OF THE BOARD

The Board is supported by the management's STF which comprises heads of different business units and is chaired by Mr. Er Ang Hooa (Executive Director) who oversees achievement of all sustainability targets and report to the Board. The Task Force reviews the Group's sustainability objectives and monitors the sustainability performance.



The Board considers sustainability issues as part of our strategic formulation, and approves the material environmental, social and economic topics identified. The Board also oversees that the factors identified are managed and monitored.

The Task Force has reviewed the option for external assurance of its sustainability report and assessed that external assurance is not required for this year as the Group wishes to progressively strengthen the sustainability reporting framework.

Keong Hong adopts a precautionary approach in strategic decision making and daily operations by implementing a comprehensive Enterprise Risk Management ("ERM") framework which is aligned with the requirements of COSO Internal Controls Integrated Framework. An annual Group-wide risk assessment exercise is conducted to update the firm's risk profile in the ERM framework and reflects changing business risk exposures and addresses the significant and relevant risks to the Group.

Please refer to the 'Corporate Governance Report' in the Annual Report for more details.

STAKEHOLDER ENGAGEMENT

We engage with all our stakeholders through a variety of channels to update them about Keong Hong's developments and gather their feedback. We identify stakeholders as groups that have an impact or have the potential to be impacted by our business, as well as external organisations that have expertise in topics that we consider material. The feedback we receive from our stakeholders helps us to determine our material topics and identify our focus areas as the following:

Stakeholders	Engagement platforms	Issues of Concern	Section Reference
Employees	<ul style="list-style-type: none"> Well-structured and open annual performance appraisal system to link performance with remuneration 	<ul style="list-style-type: none"> Remuneration and Benefits Training and Development Ethics and Conduct 	Training and Career Development
Suppliers and Subcontractors	<ul style="list-style-type: none"> Weekly update with contractors on occurrence of accidents Mass toolbox meeting 	<ul style="list-style-type: none"> Health and Safety Environmental Compliance 	Managing our Suppliers
Customers	<ul style="list-style-type: none"> Annual Reports Corporate profile 	<ul style="list-style-type: none"> Quality of workers' living conditions Data Privacy 	Protecting Customer Privacy and Data
Industrial organisations	<ul style="list-style-type: none"> Annual Reports Conferences and Seminars 	<ul style="list-style-type: none"> Bargaining power and supply chain sustainability 	Financial Assistance Received from Government
Governments and Regulators	<ul style="list-style-type: none"> SGX quarterly announcements Annual Reports Sustainability Reporting Ongoing dialogues with various government agencies 	<ul style="list-style-type: none"> Environmental compliance with National Environmental Agency Regulatory and Industrial requirements under Building and Construction Authority and Ministry of Manpower 	Fines or Penalties and Injuries and Incidents
Community	<ul style="list-style-type: none"> Community Services Engagement 	<ul style="list-style-type: none"> Environmental Impact Social Development Community engagement programme 	Giving back to our Community and Environmental Topics
Shareholders and investors	<ul style="list-style-type: none"> Annual Reports Investor Relations Management 	<ul style="list-style-type: none"> Economic Performance Anti-corruption 	Anti-corruption and Direct Economic value generated and distributed

REPORTING PRACTICE

Keong Hong's first sustainability report has been produced in accordance with the GRI Standards "Core" option covering our Group's performance from 1 October 2017 to 30 September 2018.

The GRI Standards represent global best practices for reporting on economic, environmental and social topics. The report also incorporates the primary components of report content as set out by the SGX's "Comply or Explain" requirements on sustainability reporting under Listing Rule 711B. The Group has assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year. This report supplements the Group's FY2018 Annual Report and is available online at: <http://www.keonghong.com>.

Detailed section references with GRI Standards can be found on the GRI Index Page.

Keong Hong's material topics are identified based on their impact on our internal and external stakeholders, as outlined in the Stakeholder Engagement Section. (● = Singapore, ● = Maldives)

Our property investments in Japan are office rentals and not significant. As such, we did not include operations in Japan in this report.

Applicable Segments				
Material Topics	Property Development	Building and Construction	Property Investment	Group-Level
ECONOMIC				
Economic performance				●
Market Presence		●		
Indirect Economic Impacts	●	● ●		
Procurement Practices		●		
Anti-corruption				● ●
ENVIRONMENTAL				
Materials		●		
Energy	●	●	●	
Water		●	●	
Biodiversity			●	
Emission	●	●	●	
Effluents and Waste		● ●	●	
Environmental Compliance		●		● ●
Supplier Environment Assessment		● ●	●	

REPORTING PRACTICE

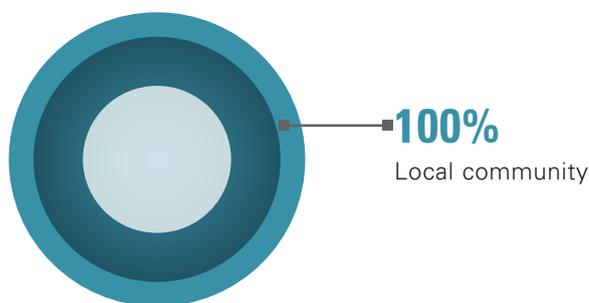
Applicable Segments				
Material Topics	Property Development	Building and Construction	Property Investment	Group-Level
SOCIAL				
Employment				● ●
Occupational Health and Safety				● ●
Training and Education		●		● ●
Diversity and Equal Opportunity				● ●
Non-discrimination				● ●
No forced, compulsory or child labour			●	● ●
Local Community				● ●
Supplier Social Assessment		● ●	●	
Customer Privacy				● ●
Socioeconomic compliance				● ●

ECONOMIC TOPICS

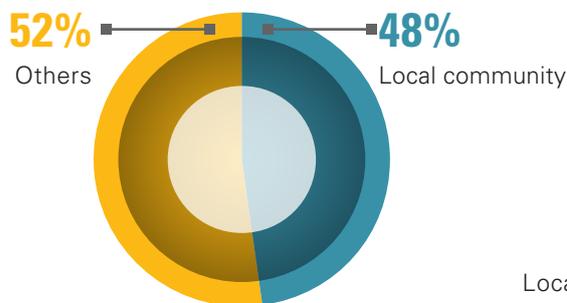
Market Presence (GRI 202-2)

Keong Hong has airport, resort and hotel operations in Maldives, and we strive to empower the local community through increasing employment opportunities for the local community. 100% of the staff at the Kooddoo Airport are hired from the local community, including all senior management staff. For our Maldives projects, the proportion of employees hired from the local community are as below:

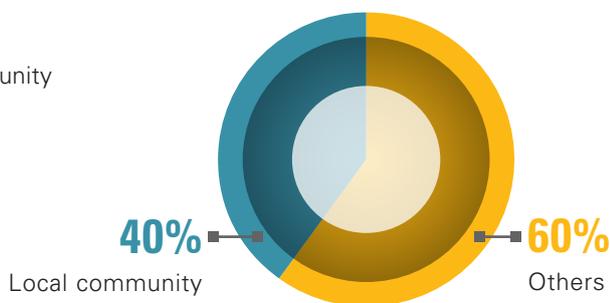
PROPORTION OF EMPLOYEES HIRED FROM LOCAL COMMUNITY FOR KOODDOO AIRPORT



PROPORTION OF EMPLOYEES HIRED FROM LOCAL COMMUNITY FOR MERCURE MALDIVES KOODDOO HOTEL



MALE HQ – PROPORTION OF EMPLOYEES HIRED FROM LOCAL COMMUNITY



Developing Technology and Indirect Economic Impacts (GRI 203-1, 203-2, 204-1)

Keong Hong has implemented various practices to ensure that we benefit the local economy and businesses during our operations.

Operations and Investment in Maldives

We endeavour to create more business opportunities for local suppliers. As such, we make a conscientious effort to procure from local suppliers directly, such as consumables, fire-fighting and medical equipment.

We also reduced the time required for construction at sites and improved productivity by using pre-fabricated roofs and water storage tanks. The structures for buggy path are precast on land before it is put together over water to allow comfortable access to over-water structures since early stages of construction and expedite the construction of permanent buggy path structures, ensuring safer working conditions and higher labour productivity. As a result, labour resource allocation and efficiency are optimised.

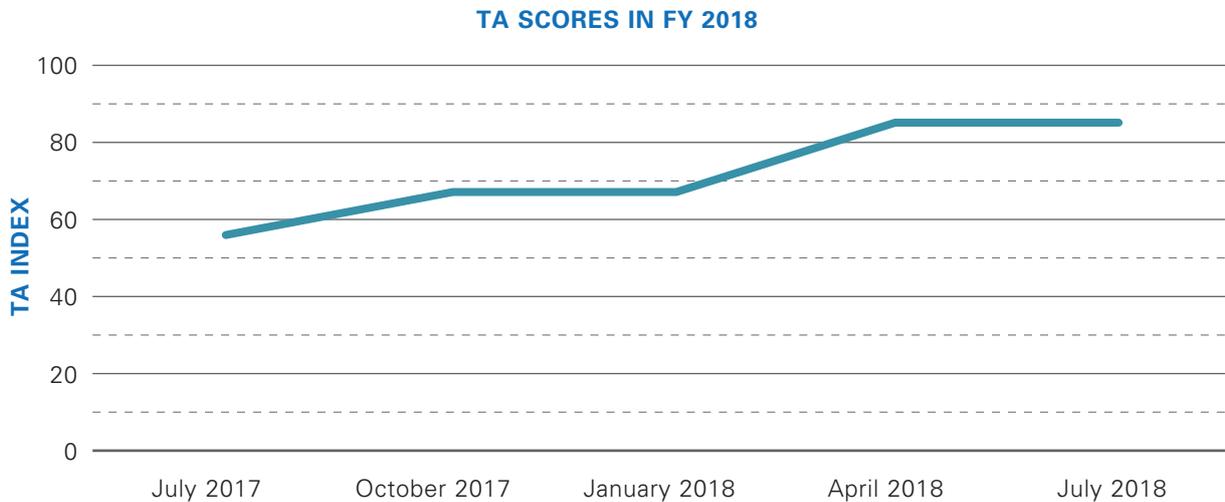
ECONOMIC TOPICS

In addition, with our Kooddoo Airport expansion, the airport can accommodate more planes including private jets. Locals also have more convenient means of transport, and tourists can travel to resorts near Kooddoo via transit at the airport. This will help to promote the local tourism industry development and create more jobs for the locals. To date, 65 Maldivians are hired, and we intend to continue improving airport facilities to meet future demand.

Building and Construction, Property Development

Our construction projects have brought about indirect economic benefits to the local community. Our construction projects require the expertise of direct/indirect suppliers and specialists – concrete, reinforcement, tiles/stone and furniture which generates business opportunities within and among the supply chain.

We recognize the need to upgrade our digital skills to remain relevant in the digital economy. In recent years, Keong Hong has made great strides in Technology Adoption (TA), in its effort towards improving productivity. Published by BCA, Keong Hong's TA Index has improved from 57.22 % in July 2017 to 85.24% in July 2018.



We have upgraded our digital capability to Building Information Model (“BIM”) and Virtual Construction and Design (“VDC”), and we are now in a new frontier. We are proud to be one of the pioneers in adopting the Digit-alpha capability transformation Programme, a pilot project with Virtual Reality (VR) as a core module sponsored by IMDA. With the Digit-alpha Programme, we hope to streamline our operations and transform our business processes to improve our workforce productivity and achieve business growth.

We also adopt the use of Prefabricated Prefinished Volumetric Construction (“PPVC”) methodology and Design for Manufacturing and Assembly (“DfMA”) technologies which improve productivity at construction sites as most of the manufacturing can be done off-site. Mobile technology is used to streamline inspection process, track rectification activities and generate real-time reports for effective quality control.

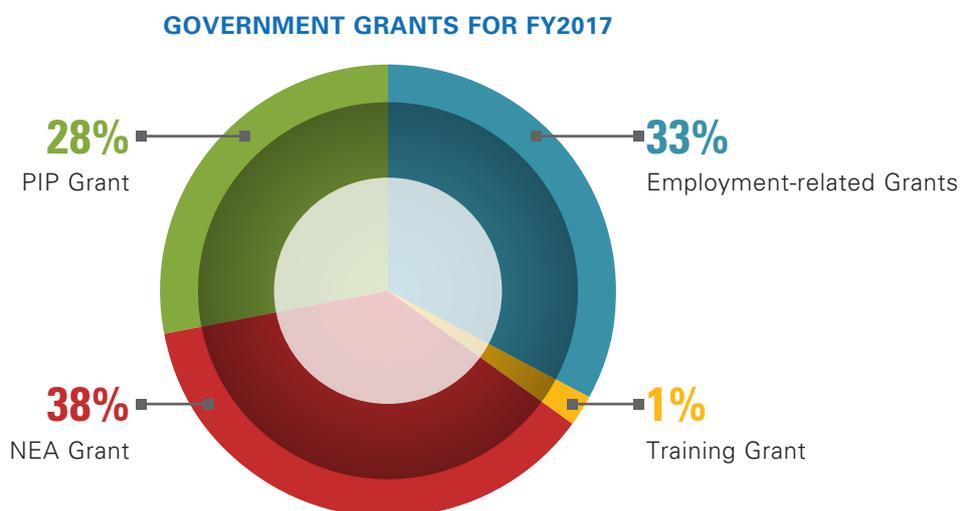
ECONOMIC TOPICS

In addition, high productivity softwares based on mobile and cloud technology are used to enhance productivity on-site and improve the skillset of our workers hired from the local community. With a higher-skilled local workforce that is competent in wielding innovative technologies, this may stimulate greater working opportunities in the local community. For example, we use Novade Quality on the Seaside Residence project to manage the defect rectification process during quality inspections, handover and defect liability period for building projects. We intend to use this technology on multiple types of projects at various stages of each project.

Keong Hong will continue to innovate and implement new technologies in our operations to benefit our business, our industry and the community.

Financial Assistance Received from Government (GRI 201-4)

For FY2017, Keong Hong has received a total of S\$129,000 in government grants to enhance the skillset and capabilities of manpower, improve productivity and encourage innovation. We also received a S\$49,000 grant under BCA's Productivity Innovation Project ("PIP") Scheme to develop and implement a high productivity software tool for managing quality and safety procedures on construction sites. The breakdown of government grants is as below:



In FY2018, under BCA's BIM Fund Scheme, Keong Hong received a S\$30,000 grant to enhance our BIM collaboration capability and help us reap the full benefits of BIM.

ENVIRONMENTAL TOPICS

Keong Hong takes precautions to ensure that we comply with governmental laws and regulations, and implement measures to operate in an environmentally sustainable manner.

Recycled Input Materials (GRI 301-2)

The Group has undertaken methods to recycle input materials in our projects to reduce wastage and ensure sustainable operations.

Building and Construction

At Keong Hong, we are committed to using eco-friendly and recycled materials in our construction projects wherever possible. We conscientiously use green concrete to replace Ordinary Portland Cement for the construction of permanent structures in our Amore and Seaside Residences projects, and 10% of the green concrete is used for superstructure works. Together with our use of green material, this translates into reduction in carbon footprint for the construction projects as the materials can be recycled. Notably, our Raffles Hospital Extension project received a Green Mark Platinum rating, which is a testament to our corporate commitment to green practices.

In addition, to minimise wastage, we implemented predominantly aluminium system formwork which includes self-climbing formwork, vertical safety screen, table form, metal wall and slab formwork for all construction projects on-site, as aluminium can be reused with minimal wastage. We also used recycled construction materials like recycled timber and plywood for safety barricade, recycled steel hollow section for fabrication and recycled earth control measure tank and filtration systems to control water discharge drainage for temporary works.

Energy and Emissions Management (GRI 302-1, 302-3, 302-4, 302-5, 305-2, 305-4, 305-5)

Keong Hong is committed to the preservation of the environment by championing Green and Gracious practices to reduce energy and water consumption as well as carbon dioxide emissions. We have received the Green and Gracious Excellence Award from BCA in recognition of our efforts.

Building and Construction

During FY2017 and FY2018, the Group has completed four projects which consumed a total of 4,201,238 kWh. The total gross floor area used for these construction projects totalled 228,774 m². See below for the total energy and emissions intensity ratios.

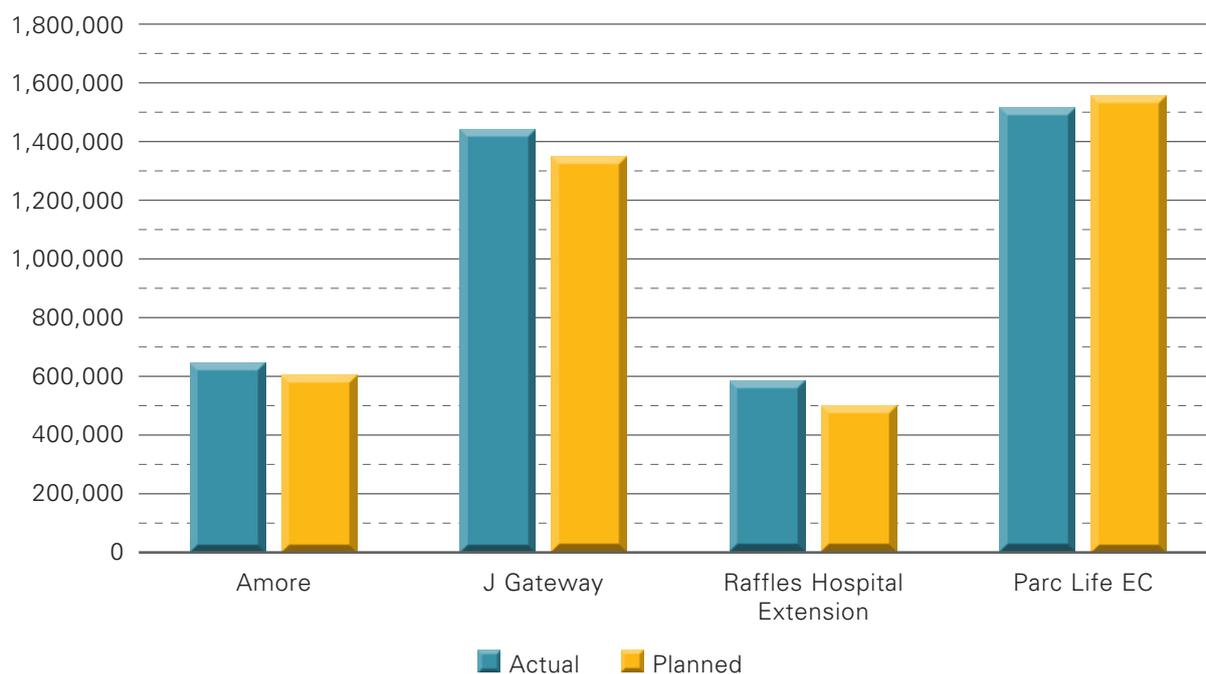
ENVIRONMENTAL TOPICS

Energy Consumption (kWh)	Target ('000)	Actual ('000)	Energy Intensity Ratio (kWh/m ²)
	4,017	4,201	18.4

CO ₂ Emission (kg)	Target ('000)	Actual ('000)	Emissions Intensity Ratio (kg/m ²)
	2,990	3,127	13.7

Keong Hong is committed to achieving our planned objectives and targets to ensure that we are operating sustainably. We strive to reduce energy consumption for all building and construction projects. See below for charts for energy consumption:

ACTUAL ENERGY CONSUMPTION VS PLANNED ENERGY CONSUMPTION (IN KWH)



The Group endeavours to draw energy from renewable sources rather than non-renewable sources. This is to preserve the environment and meet compliance standards. The Group taps on solar energy to power noise meters and traffic warning signs. In addition, the Group uses green label appliances and energy efficient light fittings to reduce energy consumption and emissions.

For the projects mentioned above, other than the Raffles Hospital Extension project, the actual energy consumption deviates less than 10% from the planned energy consumption, which is an acceptable deviation. The deviation for Raffles Hospital Extension was higher than 10% as it was our first hospital project, thus we did not include intensive testing in our projection of energy consumption. We will work towards increasing the energy efficiency of our operations and reducing our actual energy consumption.

ENVIRONMENTAL TOPICS

Operations and Investment in Maldives

The Group closely monitors operations in Maldives to ensure effective implementation of energy conservation measures. Some examples include using LED lights instead of incandescent bulbs to conserve energy and placing signage to create staff awareness and to promote an inherent culture of environmentally friendly practices amongst the employees. We endeavour to conserve energy consumption whenever possible, and we have plans to install false ceilings or glass partitions and monitor sensors in public toilets, fitness centre and other areas of the Resort and Hotel to conserve energy.

Pullman Maldives Maamutaa Resort

- Complete mechanical, electrical and plumbing system controlled and monitored via Building Management System (BMS) – regulate energy consumption
- Programmable dimming and switching system at all Front of House buildings – control energy consumption
- Control outdoor pathway lightings via daylight sensors and BMS – reduce energy consumption
- 4 prime powered generators with an auto synchronising and auto load sharing system to generate energy – monitor energy usage and shut down some generators during low energy demand periods to save on energy consumption
- Step-up and step-down substations to distribute power to each building – increase efficiency of power consumption

Mercure Maldives Kooddoo Hotel

- LED lights and solar panels installed – reduce energy usage and emissions during operations
- 3 generators with alternators – increase efficiency of power consumption

Headquarter and Property Development

The Group adopts energy-efficient features such as occupancy sensors for toilets, LED lights at corridors and green label products for photocopier machines to conserve daily energy usage. Energy efficient equipment, such as energy-efficient refrigerator and air-conditioning system, lift system with VVVF (“Variable Voltage Variable Frequency”) and sleep mode features, and ductless fans in the basement are installed to reduce energy consumption. We also use power grid power instead of a diesel generator to reduce emissions and save energy.

ENVIRONMENTAL TOPICS

Water Management (GRI 303-1, 303-2, 303-3)

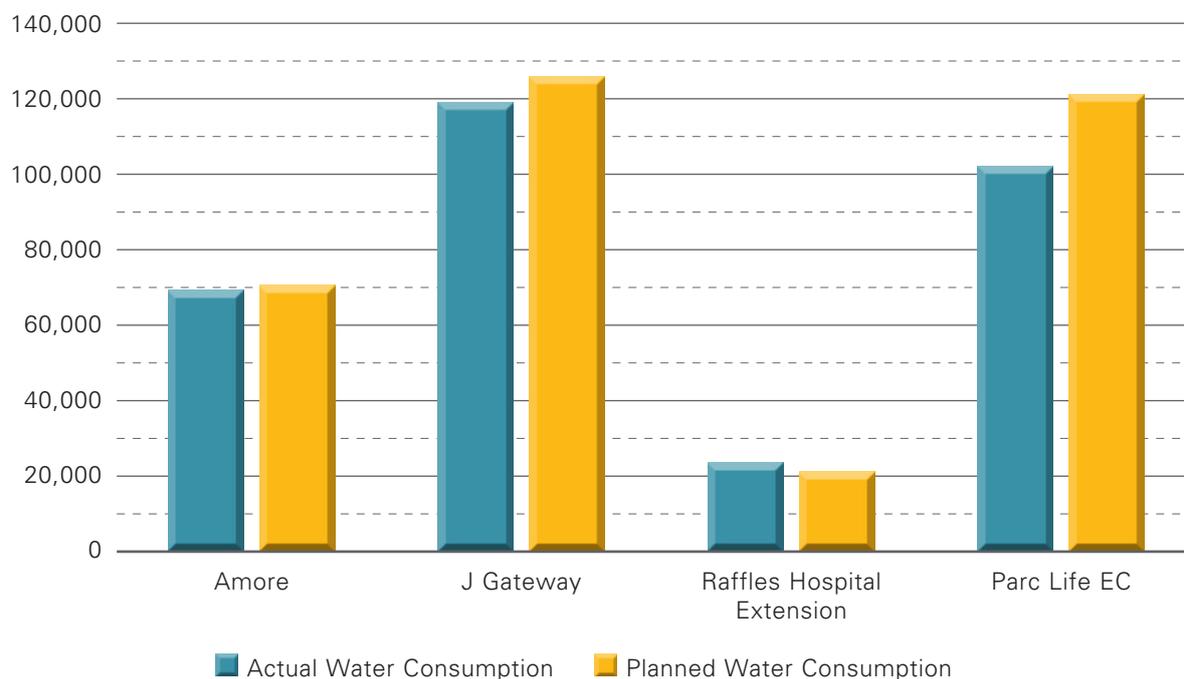
Building and Construction

A total of 313,128 m³ of water was consumed for the four completed projects.

Water Consumption (m ³)	Target ('000)	Actual ('000)	Water Intensity Ratio (m ³ /m ²)
	338	313	1.4

At Keong Hong, we are committed to reducing water consumption at construction sites to ensure sustainable operations. As seen from the graph below, our water consumption is generally lower than planned, which is testimonial of our water conservation efforts.

ACTUAL WATER CONSUMPTION VS PLANNED WATER CONSUMPTION (IN M³)



We have always engaged our Qualified Erosion Control Professional ("QECP") to design our Earth Control Measures ("ECM") plan integrated with washing bay system as part of our sediment control. It is an efficient way to conserve water as washing large volume of vehicles could mean high water consumption. Rainwater that is stored in the sump of the tank will be reused for the washing of vehicles entering or leaving the site. This allows us to conserve water used for washing of vehicles at our construction sites. We endeavour to implement more water conservation measures to further reduce water consumption on-site.

ENVIRONMENTAL TOPICS

Operations and Investment in Maldives

We recycle water via desalination methods through Reverse Osmosis ("RO").

Mercure Maldives Kooddoo Hotel	Pullman Maldives Maamutaa Resort	Kooddoo Airport
<ul style="list-style-type: none"> • 2 RO fresh water machines to produce fresh water • 2 treated water tanks of 150,000 litres each and 1 sewerage treated water tank of 150,000 litres to store the treated water 	<ul style="list-style-type: none"> • 2 RO fresh water machines to produce fresh water • 5 treated water tanks of 150,000 litres each and 1 sewerage treated water tank of 150,000 litres to store the treated water 	<ul style="list-style-type: none"> • Monitor RO plant operations and water consumption on a regular basis – ensure efficient water conservation

In FY2018, a daily average of 97 m³ of water was drawn from bore holes near the sea for the entire Mercure Maldives Kooddoo Hotel, and there was no significant impact on any water sources. The Group will continue to preserve all water sources and minimise any adverse impact caused by water withdrawal.

Managing Biodiversity (GRI 304-2, 304-3)

Keong Hong endeavours to protect and preserve the environment during our operations, by putting initiatives in place to ensure we operate sustainably.

Operations and Investment in Maldives

The Group has engaged specialists to preserve the vibrant biodiversity of the environment in Maldives. Before evacuation and construction commence, our specialists will transplant corals from all project sites to safe areas. The Group has plans to set up a coral conservation programme at the resort which includes a coral garden and coral nursery to preserve the coral reef. We endeavour to maintain the good condition of the coral colonies in the vicinity of our operations. Planting of corals under the rooms will only commence after all construction activities are completed to prevent any unnecessary coral stress and bleaching.



Coral garden that attracted several fish species (Surgeonfishes, Damselfishes, Lionfish) and lobsters

ENVIRONMENTAL TOPICS



Coral nursery – coral beds installed and populated with coral pieces glued to a cement base

Due to the high volume of marine recreation activities at Pullman Maldives Maamutaa Resort, the Group has undertaken several initiatives to manage environmental impacts for all operations in Maldives. To circumvent any damage to the coral reef through the use of boats and marine equipment, the Group has imposed rules on boat operators on the island such as anchoring, boat operation, boat sewage and garbage disposal. For tourists engaging in recreational activities, strict rules on activities such as fishing, marine wildlife viewing, snorkelling, diving and scuba, have been established and enforced.

In an effort to ensure that our environmental protection efforts are regulated and implemented properly, we went the extra mile to perform Environmental Impact Assessment (“EIA”) on the Pullman Maldives Maamutaa Resort project, and we successfully attained EIA approval in 2015. As such, proper precautionary measures have been implemented to guarantee environmental and biodiversity sustainability during operations.

Effluents and Waste Management (GRI 306-1, 306-2, 306-5)

Keong Hong endeavours to manage waste sustainably by implementing technologies and complying with the code of practice.

Building and Construction

We minimise construction waste by harnessing advanced technology, namely BIM, VDC and Virtual Reality. These technologies pre-empt costly abortive works by identifying clashes in a virtual environment before the project is actually built. High standard of workmanship and quality of works are also achieved through implementation of DfMA technology like PPVC and PBU by shifting work to a sheltered and controlled environment. Wherever feasible, construction materials used for our projects are Green Label certified from the Singapore Environmental Council. The Group implements on-site recycling policies to segregate different types of waste materials so they can be efficiently handled for disposal. Surface run-off water is treated before it is discharged to public drains.

Keong Hong is responsible in the disposal of its waste materials by using only approved methods to minimise any harm to the environment. Excess debris and general waste from construction are collected in designated bins for proper disposal by licensed disposal contractors. All leftover scrap metal from reinforcement bars are segregated and disposed by licensed waste collectors. Timbers that are not reusable are periodically disposed by the licensed contractor engaged by our appointed Environment Control Officer.

ENVIRONMENTAL TOPICS

Operations and Investment in Maldives

To ensure proper management of sludge and effluents, the Group has constructed a sewer network grid over the island with a gravity flow system, as opposed to the conventional pump system used in previous projects which was less energy-efficient.

At Mercure Maldives Kooddoo Hotel, sewage is disposed via a computerised chemical digestive system whereby sewage is pumped via a 150,000 litre capacity sewage treatment plant to process it into sludge. On the other hand, sewage at Pullman Maldives Maamutaa Resort is disposed via Membrane Bioreactor system whereby sewage is pumped via a 300,000 litre capacity sewage treatment plant to process it into sludge. Once the sludge is dried, it is sent to a nearby waste management centre and used for landfill. This system is established for both Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort, and complies with local standards and accepted code of practices.

We take care in wastewater disposal to ensure that we do not harm the environment during operations. At our properties, rejected brine from our RO plants are instantly mixed with the water column to reduce its concentration to negligible amounts before being discharged into the lagoon, thus this discharge has no effect on the surrounding environment. Sewerage is also recycled into portable water to be stored for irrigation usage, and only excess sewerage is discharged into the sea.

Division of waste type generated at our Kooddoo Airport, Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort are completed at the waste management building which is equipped with incinerators, compactors and bottle crushers. We ensure that proper transportation and waste disposal methods are used in accordance to the type of waste.

In our effort to minimise plastic wastage, we own a water bottling facility which effectively cleans glass bottles and fills the bottles up with clean filtered potable water. These glass bottles of water have replaced plastic bottles in the rooms, thereby reducing plastic waste generated.



Bottling room, bottle washer, pre-bottle washing, filters (left to right)

ENVIRONMENTAL TOPICS



Bottling tap, water-filled bottles, glass bottles used in Mercure Maldives Kooddoo hotel and rooms (left to right)

Managing our Suppliers (GRI 308-1, 308-2)

Operations and Investment in Maldives

When selecting suppliers, we entrust the recommendations from our internationally renowned hotel operator, AccorHotel ("Accor"), with their abundance of experience in the Maldives region. We evaluate and select suppliers that are approved and recommended by our hotel operator.

The suppliers have gone through stringent checks to ensure that they are in compliance with local regulations and sourcing of raw materials are done ethically and in an environmentally friendly manner. We also regularly review the supplies procured to ensure that sustainable products are used. For instance, at Mercure Maldives Kooddoo Hotel, the procured bed sheets, duvet and pillow covers are eco-friendly textile products certified according to Oeko-Tex Standard 100 technology. The Oeko-Tex Standard 100 is a globally uniform testing and certification system for textile products which covers multiple human-ecological attributes, and textile products may be certified according to Oeko-Tex Standard 100 only if all components strictly meet the required ecological criteria without exception. This shows our commitment to ensure a sustainable supply chain.

We have plans to start screening suppliers ourselves instead of through our hotel operator for future jobs to ensure quality, accountability and social responsibility within our supply chain.

Building and Construction

At Keong Hong, we take pride in our efforts to ensure that our suppliers and subcontractors are selected based on high quality and environmentally friendly practices. Before awarding contracts, we evaluate our suppliers and subcontractors based on their track record, workmanship, ISO certification and safety performance. We select those with satisfactory scores, and for some who are relatively new and failed the supplier assessment, we will monitor their site performance to ensure accountability and quality assurance.

During contract term, we continue to assess suppliers based on their compliance with material specification/standards, response to replacement of defective material/emergency and their Green and Gracious practices. As for subcontractors, we assess their technical capability, safe performance and Green and Gracious practices. These continuous assessments show our commitment to maintain quality and sustainability of our operations.

ENVIRONMENTAL TOPICS

In addition, subcontractors and external service providers procure materials and services for our contracts and project activities, we execute purchase control to ensure that they meet the needs of our project requirements during procurement. We go the extra mile in supplier management to insure quality, accountability and sustainability in our supply chain.

Environmental Compliance (GRI 307-1)

The Group's compliance policies and regulations take into consideration data collected on Energy, Water, and Waste Disposal. The data are analysed for the various projects for project cost optimisation and resources.

Keong Hong has committed to a set of guidelines to manage environmental pollution at all our project sites. We are committed to controlling the combined cost of water, electricity, diesel consumption and generator rental to less than 1% of contract sum per project, as well as keeping waste disposal cost to less than 0.3% of contract sum per project.

Building and Construction

The Group strives to manage noise arising from construction activities by using a set of permissible noise limits and Noise Management Plans (NMP) compliant with National Environment Agency (NEA) Noise Regulation.

To achieve minimization of noise, the Group has engaged a noise control vendor to perform real-time noise monitoring to ensure that the noise generated does not exceed the allowable limit NEA. Noise barriers are erected around the site to reduce noise from the construction equipment. Generators used on site are required to be 'silent' generators, so that noise generated is reduced.

The Group implements vector control plans at our sites to combat the issue of pest and mosquito breeding. Daily on-site housekeeping checks are conducted to control and pre-empt mosquito breeding. To further mitigate mosquito breeding, the Group engages pest control companies to manage our construction sites to clamp down on mosquito breeding. Allocation and implementation of proper disposal systems for construction debris and organic waste are in place to facilitate pest control.

We aim to receive no more than one NEA summon for noise, silt and mosquitos per project over a 12 months window period of construction activities.

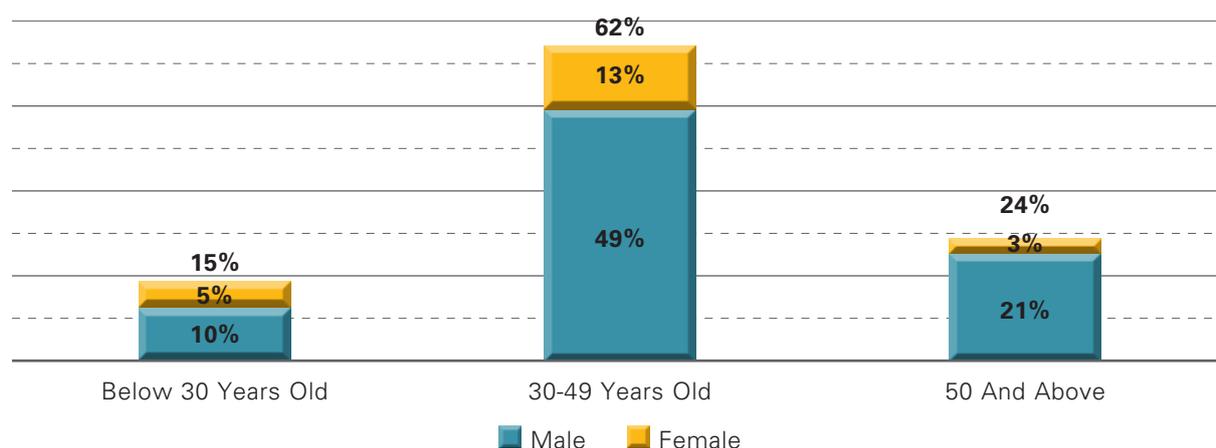
OUR PEOPLE, OUR ASSETS

Keong Hong embraces diversity and our employees come from various walks of life. This inclusive diversity drives innovation and increases productivity and competitive advantages in our organization. We endeavour to make our workplace fair for all our staff and workers. We provide training opportunities for staff development through continuous learning and skills improvement. We strive to provide sufficient welfare standards for all our employees.

Employee Diversity (GRI 401-1, 405-1, 406-1)

We value the experience and knowledge of our senior staff as well as the passion and adaptability of the younger staff. We had a total strength of 144 staff as at 30 September 2018. We have a diversified workforce consisting of employees coming from different countries such as China, Thailand, Malaysia, Myanmar, Bangladesh and India.

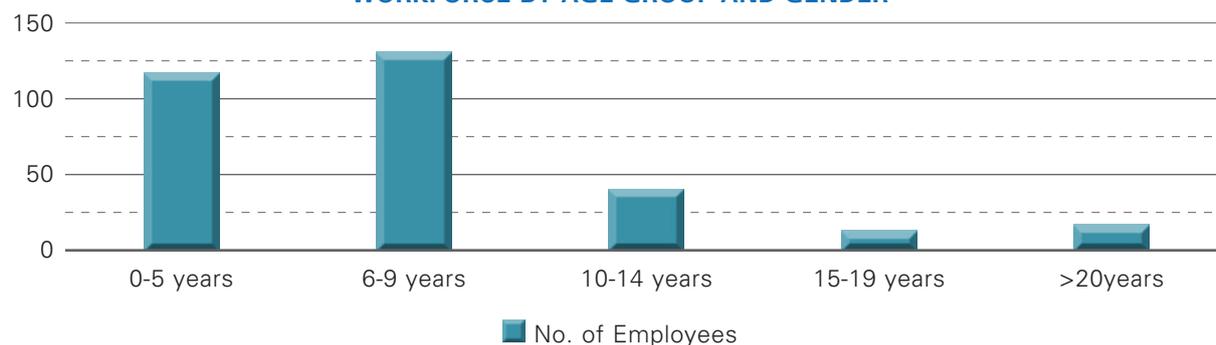
WORKFORCE BY AGE GROUP AND GENDER



In FY2018, our new hire rate was 15% and attrition rate was 17%. Our new hire rate increased significantly from 3.5% in FY2017 due to an expansion of our operations and our new project at National Skin Centre in FY2018.

Description	FY2018	FY2017
Number of new hires	22	6
Number of resigned staff	25	24

WORKFORCE BY AGE GROUP AND GENDER



OUR PEOPLE, OUR ASSETS

We hold employee satisfaction and appreciation in high regard, and we recognise long-serving employees with annual long service awards. As we embrace diversity and encourage inclusivity, we employ workers from eight other countries. We also recognise the contributions of all employees equally and fairly. As such, there were no incidents of discrimination in our organization, and more than half of our construction workers have been with the company for over 5 years. With 71 employees with more than 10 years of service, this is a testament of our exemplary labour management.

Employee Benefits (GRI 401-2, 401-3)

At Keong Hong, we prioritise the welfare of our staff and workers by entitling them to a range of benefits including healthcare and insurance, parental leave and retirement benefits where eligible as we believe in a comprehensive welfare system for our employees. Long service employees are rewarded with increases in annual paid leave. Medical benefits, dental claims and fully paid Executive Health Screenings are extended to all employees.

Every female employee is entitled up to a maximum 16 weeks of paid maternity leave while male employees are entitled up to 2 weeks of paid paternity leave. Employee's entitlement to childcare leave is in accordance to the Children Development Co-Savings Act. Adoptive mothers are entitled to 12 weeks of paid adoption leave to care for their adopted infants.

The physical and mental wellbeing of our staff is integral to their career development as well as the sustainability of our growth. As such, we implemented initiatives such as building a gym facility and Cosy Corner at our Headquarters for employees to exercise regularly and enhance their work-life balance. In addition, we regularly organise recreational events such as cricket and hockey games and festival celebrations for all staff and workers, including our sub-con workers, to promote bonding and social well-being.



OUR PEOPLE, OUR ASSETS

To help promote a clean and healthy living environment for our workers, our HR executive carries out weekly inspections of their on-site living quarters to ensure that they are well-maintained.



Vision towards an Accident-free Work Culture (GRI 403-1, 403-4)

We have a Health and Safety Committee with joint management-worker representation to facilitate a positive health and safety culture. It is the responsibility of our workers that they observe all safety precautions and comply with our Safety Rules and Regulations. We implement strict safety policies on-site by mandating trainings such as Safety Induction Training and Safe Work Practices Demonstration for all workers before they are allowed to commence work on-site to help us achieve our goal of an accident-free work culture.

We believe that positive safety culture starts from the top. We have implemented the Construction Safety Audit Scoring System ("ConSASS") to audit the Safety and Health Management System at our Group and worksites. We have developed the CultureSAFE programme to help us build a positive WSH culture, mind-set and attitude beyond infrastructure and level of competency.

OUR PEOPLE, OUR ASSETS

Safety Award Day



OUR PEOPLE, OUR ASSETS



We went the extra mile to perform a Safety Pledging ceremony before each project to formalise our commitment towards health and safety. The ceremony is led by the Group's CEO and involves senior management and representatives of subcontractors and workers. The pledge is signed by everyone and posted on the entrance of the worksite. Together, we pledge to promote safety and strive for zero accident at our project sites.

Safety Pledging Day



OUR PEOPLE, OUR ASSETS

Injuries and Incidents (GRI 403-2, 403-3)

Our overall accident frequency rate and severity rates are below the industrial standard, and we continue to endeavour to lower these rates.

	FY2018	FY2017
Accident Severity Rate	11.7	34

We saw a significant decrease in the ASR from FY2017 to FY2018, and our AFR in FY2018 is 0.42, which is in line with our aim of meeting the following Occupational Health and Safety Objectives:

- Maintain formal certification of our OHSAS 18001:2008 safety management system and BizSafe Star
- Zero fatality
- Zero MOM demerit points
- Not more than 1 reportable incident to Ministry of Manpower per project over a 12 months window period of construction activities
- Reduce AFR to below Industrial Standard (1.3) per project per year
- Reduce ASR to below Industrial Standard (85) per project per year

To lower the risk of incidents and diseases, high-risk areas with water bodies and food waste that attract pests such as mosquitos, flies and rodents were identified. Thereafter, we implemented corresponding preventive measures, such as constructing surface and subsoil drainage to control mosquito breeding at water bodies, and engaging NEA-approved licensed contractors to dispose food wastes and preventing food from rotting at our worksites.

Training and Career Development (GRI 404-1, 404-2, 404-3)

Keong Hong has provided various trainings to upgrade our workforce and ensure that our staff and workers are equipped with sufficiently high standard of knowledge, skills, abilities and motivation to meet our present and future objectives and challenges.

10,372 hours of staff training	28 hours of training per staff	33 hours of training per worker
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Our upgrading programmes include certification courses for Green Mark Manager and Specialist Diploma in Construction Productivity to ensure that our staff can contribute to the sustainability development of our business. We also focus on production related trainings such as Good Industry Practices, BIM Management and BIM (Architecture track) to further improve the quality of our business productions.

OUR PEOPLE, OUR ASSETS

Operations and Investment in Maldives

Besides employees in Singapore, we also provide trainings for our staff in Maldives that are essential to their jobs. At Kooddoo Airport, all staff are trained to use SMS, a software that enables them to better manage the airport better using data collected from the field. Other than training programs to make operations more efficient, we also conducted Aviation Security Command (“AVESCOM”) awareness training program for all staff to educate them on aviation security so as to enforce proper national security measures at the airport. As we prioritise workplace safety, employees from the Safety department receive basic and advanced incident investigation trainings to equip them with the knowledge and skills to conduct workplace safety inspections, allowing them to identify and manage hazards and potential risks.

Assessment of Supplier on Labour Management *(GRI 408-1, 409-1, 414-1, 414-2)*

Operations and Investment in Maldives

Our selected hotel operator, Accor, ensures strict compliance with the local legal framework, as well as various fundamental documents including International Labour Organisation’s fundamental conventions and the ten principles of the United Nations Global Compact. As such, Accor exercises strict due diligence when assessing their suppliers and service providers to ensure that they are not at risk for incidents of child labour or forced or compulsory labour. In the event of non-compliance with local labour laws, Accor would immediately sever all ties with the supplier or service provider in question.

We entrust Accor with the hotel supplier management as they have expertise in that area. Majority of our suppliers are approved and recommended by our hotel operator. The suppliers have gone through stringent checks to ensure there is no child or prisoner labour. We have plans to start screening suppliers ourselves for future jobs to ensure quality and accountability.

To ensure compliance with Maldives labour regulations, our HQ key personnel regularly visit the Kooddoo airport site to conduct operational audit with the assistance of our local legal advisor. We ensure that all workers on the Pullman Maldives Maamutaa construction site are holding on to valid work permit.

Building and Construction

We exercise stringent control on-site via biometric system to ensure only valid work permit holders can gain entry to the project site. Regular checks are conducted by our HR executive to ensure that only workers registered under the current worksite resident address are allowed to stay on-site. We mandate that our contractors and sub-constructors comply with labour regulations in Singapore.

OUR PEOPLE, OUR ASSETS

Giving back to our Community (GRI 413-1, 413-2)

Since the Group's beginning, we have recognised that giving back to our community is an ongoing commitment and a significant part of our efforts to make a difference to society. For many years, the Group has funded charitable organisations that focus on caring for the underprivileged, community chests, societies and religious communities. Since 2010, the Group has donated over S\$609,000 to various charitable organisations and beneficiaries.

Our corporate social responsibility programme in FY2018 included adopting a tree at the Singapore University of Technology and Design campus for \$8,000, as part of its "Campus in Bloom" fundraising drive to raise money for scholarships, bursaries, and student welfare and campus initiatives. This is in line with our support of educational initiatives to develop a future generation which will contribute to the growth of the country. We also made donations to other charitable and social causes such as the Community Chest, Singapore Association for Mental Health and The Singapore Scout Association. The Group places emphasis on dedicating resources towards the development of local communities and future leaders by investing in educational institutes and bursaries.

The Group has also been channelling a significant part of our efforts and resources into developing the talent pool for our industry. In FY2018, the Group has donated over \$166,000 to bursaries and educational institutes. We have awarded scholarships and bursaries to deserving recipients for their pursuit of tertiary education. For example, the Built Environment Undergraduate Scholarship Scheme administered by BCA is awarded to promising individuals to pursue an undergraduate course in Built Environment Tenable at one of the local universities. We are also one of the participating companies in the Institute of Technical Education ("ITE") Work-Learn Technical Diploma in Mechanical and Electrical Services Supervision ("TDMESS") course under the "SkillsFuture Earn and Learn Programme". We endeavour to contribute to the growth of our industry through the development of our future generation of talents.

More recently, we have worked closely with United Nations Development Programme ("UNDP") to achieve global Sustainable Development Goals ("SDGs") to create sustainable localised solutions to the population. We have received several appreciation letters commending our efforts and commitment to the UNDP.

Keong Hong will continue with our contributions to the community and fulfil our duty as a socially responsible corporation.

OUR PEOPLE, OUR ASSETS



Keong Hong Construction Pte Ltd prominently displayed beside a beautiful Bucida tree in the SUTD Central Courtyard.

Fines or Penalty (GRI 307-1, 416-1, 416-2, 419-1)

At Keong Hong, we strictly comply with social and economic laws and regulations where we operate.

Building and Construction

Keong Hong Construction Pte Ltd was fined S\$352,500 by MOM for housing foreign workers in overcrowded conditions in temporary quarters and a debarment term of 2 years. This lapse was because of a shortage of short term foreign worker dormitories available in the market, coinciding with the completions of several Keong Hong projects within a short window period, resulting in a temporary spike in demand for worker accommodation. After providing the explanation to the Agency, the ban imposed on the group for the recruitment of new foreign workers was reduced to six months on 12 June 2018.

OUR PEOPLE, OUR ASSETS

In order to prevent such recurrence, Project Managers and Supervisors are to meet weekly for an update of the workers' housing and living conditions to ascertain compliance with the regulations set forth by MOM. In addition, regular inspection of the workers' living quarters shall be conducted by the Supervisors to ensure that the hygiene level is maintained.

The Group has also received an S\$2,500 fine from Public Utilities Board ("PUB") due to the discharge of silty water into public drainage. Keong Hong takes such matters seriously and shall take the necessary steps to ensure that such issues do not surface again. Keong Hong shall seal the gaps between the hoarding and hoarding footing, provide humps at the site entrance and pave up the access paths/roads. The Group shall also regularly review our environmental policies and enforce them.

Protecting Customer Privacy and Data (GRI 418-1)

The Group takes utmost care in protecting our customers' privacy and data and is in compliance with the Personal Data Protection Act (2012). There has been no reported breach in FY2018.

SGX FIVE PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none">■ Economic, Environmental and Social Topics■ Stakeholder Engagement
2	Policies, Practices and Performance	<ul style="list-style-type: none">■ Chairman's Message■ Keong Hong's Sustainability Story■ Economic, Environmental and Social Topics
3	Board Statement	Governance and Statement of the Board
4	Targets	Keong Hong's Sustainability Story
5	Framework	Reporting Practice

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Organisation Profile
102-9	Supply chain	Organisation Profile
102-10	Significant changes to the organisation and its supply chain	Organisation Profile
102-11	Precautionary Principle or approach	Organisation Profile
102-12	External initiatives	Organisation Profile
102-13	Membership of associations	Organisation Profile
102-14	Statement from senior decision-maker	Chairman and Chief Executive Officer's Message
102-15	Key impacts, risks, and opportunities	Chairman and Chief Executive Officer's Message, Keong Hong's Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder Companies	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
201-4	Financial assistance received from government	Financial Assistance Received from Government
202-2	Proportion of senior management hired from the local community	Market Presence

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
203-1	Infrastructure investments and services supported	Developing Technology and Indirect Economic Impacts
203-2	Significant indirect economic impacts	Developing Technology and Indirect Economic Impacts
204-1	Proportion of spending on local suppliers	Developing Technology and Indirect Economic Impacts
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training on anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
301-2	Recycled input materials used	Recycled Input Materials
302-1	Energy consumption within the organisation	Energy and Emissions Management
302-3	Energy intensity	Energy and Emissions Management
302-4	Reduction of energy consumption	Energy and Emissions Management
302-5	Reductions in energy requirements of products and services	Energy and Emissions Management
303-1	Water withdrawal by source	Water Management
303-2	Water sources significantly affected by withdrawal of water	Water Management
303-3	Water recycled and reused	Water Management
304-2	Significant impacts of activities, products, and services on biodiversity	Managing Biodiversity
304-3	Habitats protected or restored	Managing Biodiversity
305-2	Energy Indirect Greenhouse Gas Emissions (Scope 2)	Managing Our Emission
305-4	Greenhouse Gas Emissions Intensity	Managing Our Emission
305-5	Reductions in Greenhouse Gas Emissions	Managing Our Emission
306-1	Total water discharged by quality and destination	Effluents and Waste Management
306-2	Waste by type and disposal method	Effluents and Waste Management

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GRI Standards	Disclosure Content	Section Reference
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Compliance Fines or Penalty
308-1	Percentage of new suppliers that were screened using environmental criteria	Managing Our Suppliers
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Managing Our Suppliers
401-1	New employee hires and employee turnover	Employee Diversity
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Employee Benefits
401-3	Parental leave	Employee Benefits
403-1	Formal joint management-worker health and safety committee	Vision towards an Accident-free Work Culture
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Injury and Incidents
403-3	Workers with high incidence or high risk of diseases related to their occupations	Injury and Incidents
403-4	Health and safety topics covered in formal agreements with trade union	Vision towards an Accident-free Work Culture
404-1	Average hours of training per year per employee	Training and Career Development
404-2	Programmes for upgrading employee skills and transition assistance programmes	Training and Career Development
404-3	Regular performance and career development review	Training and Career Development
405-1	Diversity of governance bodies and employees	Employee Diversity
406-1	Incidents of discrimination and corrective actions taken	Employee Diversity
408-1	Operations and suppliers at significant risk for incidents of child labour	Assessment of Supplier on Labour Management
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Assessment of Supplier on Labour Management
413-1	Operations with local community engagement, impact assessments, and development programmes	Giving Back to Our Community

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GRI Standards	Disclosure Content	Section Reference
413-2	Operations with significant actual and potential negative impacts on local communities	Giving Back to Our Community
414-1	New suppliers that were screened using social criteria	Assessment of Supplier on Labour Management
414-2	Negative social impacts in the supply chain and actions taken	Assessment of Supplier on Labour Management
416-1	Assessment of the health and safety impacts of product and service categories	Fines or Penalty
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Fines or Penalty
418-1	Substantiated complaints concerning breaches of customer privacy and customer data loss	Protecting Customer Privacy and Data
419-1	Non-compliance with laws and regulations in the social and economic area	Fines or Penalty