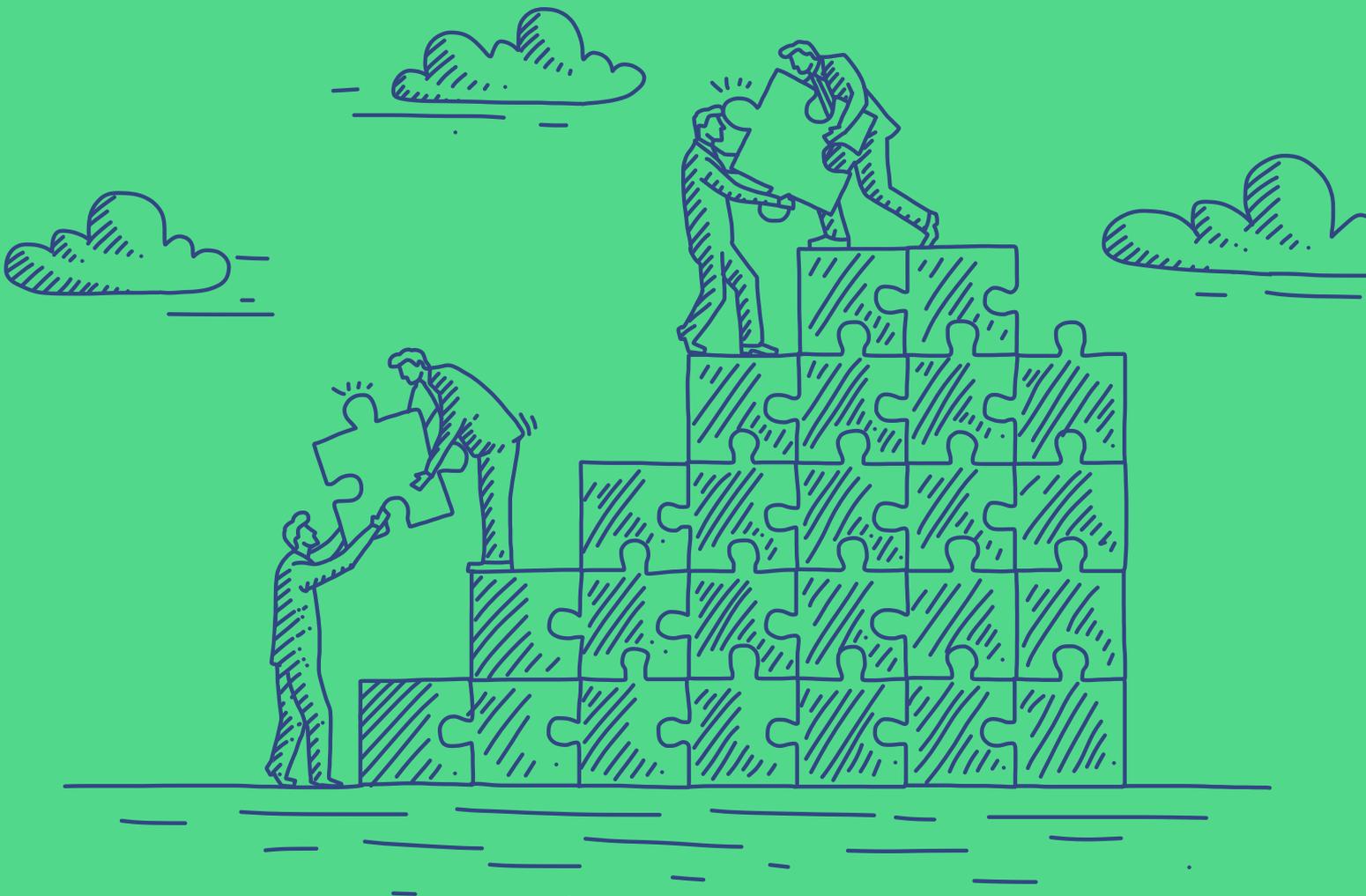




**KING WAN
CORPORATION
LIMITED**

Shaping a Stronger Tomorrow

Sustainability Report 2020



At King Wan, we are one big family. We believe in supporting one another and growing together regardless of how tough the going gets. Focused and united, we are confident that we will be able to brave the challenges today to build a better tomorrow.



*Learning
New Ways
of Collaboration*

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SUSTAINABILITY REPORT

King Wan Corporation Limited (“King Wan” or the “Group”) recognises the importance of sustainability and actively embraces sustainability practices in the Group’s strategic formulation process. It is our belief that by doing so, we can:



REPORTING SCOPE

We have adopted the international reporting framework, Global Reporting Initiative (“GRI”) standards for our sustainability report for the financial year ended 31 March 2020.

Our sustainability report has been prepared in accordance with the GRI standards: Core option. This report includes activities organised by King Wan Corporation Limited for the period from 1 April 2019 to 31 March 2020, and covers environmental, social and governance (“ESG”) factors of its core businesses in Singapore that are deemed material by the King Wan Board. We have not sought external assurance for this report.

The report also incorporates the primary components of sustainability reporting requirements set out in Singapore Exchange Securities Trading Limited (“SGX-ST”)’s listing rule 711B.

BOARD STATEMENT

In compliance with SGX-ST listing rule 711, King Wan is dedicated to integrating sustainability practices throughout the organisation to create long-term value for all our stakeholders.

REPORTING PROCESS

The Group has established a Sustainability Task Force, comprising members from senior management and a risk management team, maintaining oversight in the sustainability efforts of work teams across different business units and departments including project, contract, servicing, finance, information technology and human resource.

The Sustainability Task Force reviews the Group’s sustainability objectives, challenges, targets and progress to ensure their alignment with the Group’s strategic direction, and supervises the implementation and tracking of sustainability data and progress of various work teams.

The Board oversees the process to engage stakeholders and identify material topics, and approves the ESG material factors identified by the Task Force.

King Wan aims to continuously improve this process in order to ensure that our data collection is effective and robust.

SUSTAINABILITY TARGETS



FOR OUR BUSINESS OPERATION



Goal 1:

We strive to reduce energy and water consumption for our dormitory, corporate office and mobile loo business.



Goal 2:

We target to adopt innovative technologies for our construction segment to reduce wastages and increase efficiency.

FOR OUR EMPLOYEES



Goal 1:

We aim to introduce more diversity into our workplace – in terms of gender, nationality and age group mix – to strengthen our competency while providing fair and equal employment opportunities for all.



Goal 2:

We will continue to engage and develop our employees, enabling each of them to realise their full potential.



Goal 3:

We are committed to achieving zero fatalities and injuries through prioritising occupational health and safety environment.

IN COMMUNITIES WHERE OUR OPERATIONS ARE



Goal 1:

We will continue to engage with charitable organisations and various institutions by participating in community service that helps to improve the community's well-being.

STAKEHOLDERS' ENGAGEMENT

Stakeholder Group	Engagement Platform	Issues of Concern
Our employees	<ul style="list-style-type: none"> • Regular dialogue sessions with management • Team building every quarter • Employees volunteer in corporate social responsibility programmes • Monthly employee birthday celebration, yearly Chinese New Year celebration and Christmas party • Quarterly learning and development • Performance appraisal • Mobile broadcasts through WhatsApp 	<ul style="list-style-type: none"> • Remuneration and benefits • Training and development • Legal and compliance • Health and safety
Our customers	<ul style="list-style-type: none"> • Site meetings • Networking events • Customers' survey • Ongoing dialogue • Virtual meetings (Zoom, Microsoft Teams) 	<ul style="list-style-type: none"> • Data privacy
Our suppliers and subcontractors	<ul style="list-style-type: none"> • Annual vendor evaluation • Site meetings • Written communication 	<ul style="list-style-type: none"> • Health and safety • Legal and compliance
Our investors	<ul style="list-style-type: none"> • Annual General Meeting and presentation • Company website • Media release and interviews • Annual report • Sustainability report 	<ul style="list-style-type: none"> • Economic impact • Corporate governance
Government and regulators	<ul style="list-style-type: none"> • Government websites and emails • Immediate notification from regulators on occurrence of incidents • Consultation 	<ul style="list-style-type: none"> • Fines and penalties from various regulatory agencies • Legal and compliance
Our community	<ul style="list-style-type: none"> • Company website • Charity events 	<ul style="list-style-type: none"> • Economic impact • Corporate governance
Media	<ul style="list-style-type: none"> • Media releases 	<ul style="list-style-type: none"> • Financial results • Key developments in securing of contracts

Sustainability Contact

Your feedback is important in helping us improve our sustainability practices. If you have any comments or feedback, please send it to us at kwc@kingwan.com.sg

MATERIAL KEY ESG FACTORS

From the results of our stakeholders' engagement, the Group has identified the following ESG factors to have material impact on our operations.

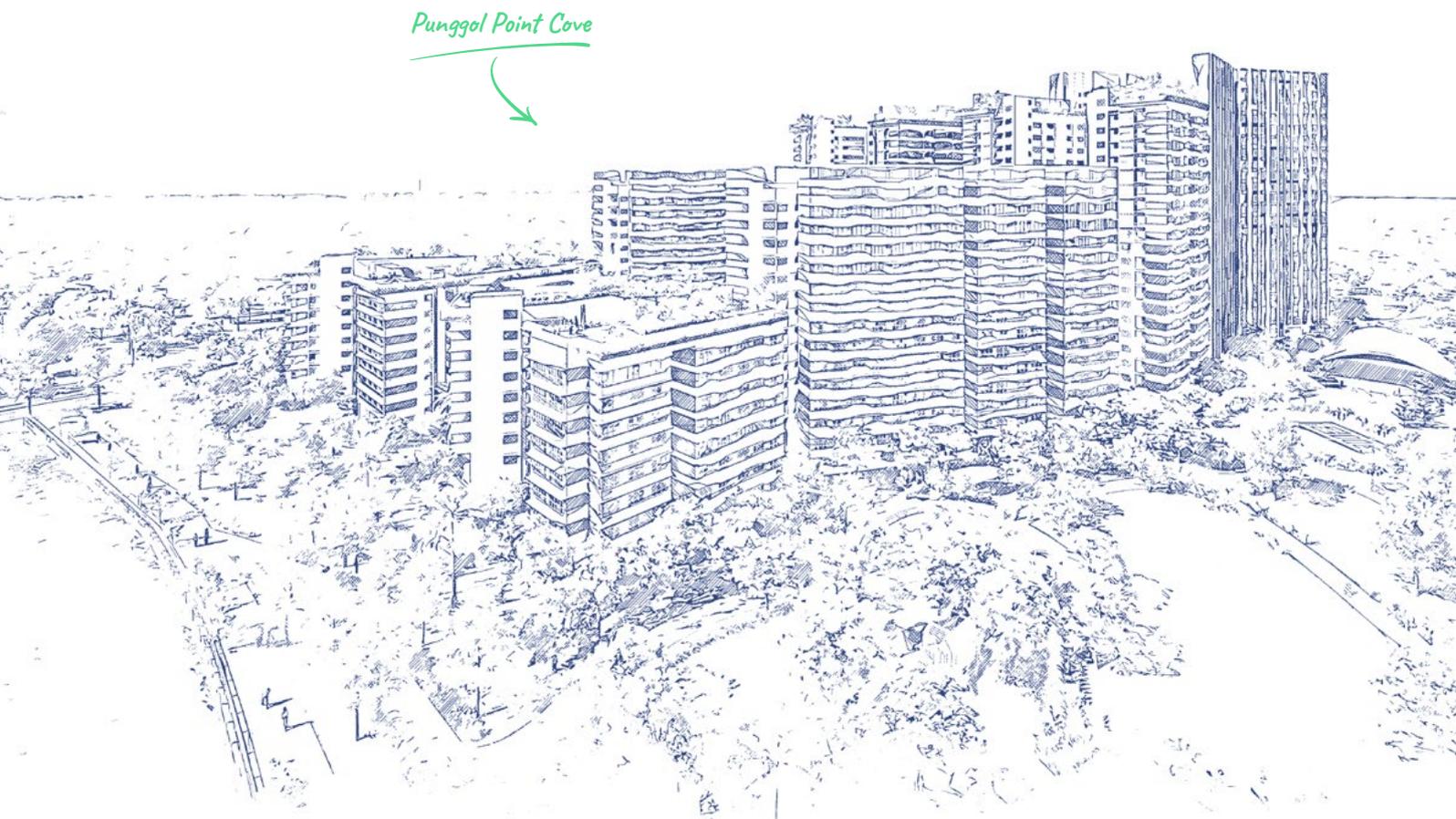
Primary Factors	Material Factors	Performance Measure	Addressed in Report
Economic	1) Economic performance	<ul style="list-style-type: none"> Total economic value 	Economic contribution to society
	2) Anti-corruption	<ul style="list-style-type: none"> Number of incidents 	Legal compliance and corporate governance
Social	1) Employment	<ul style="list-style-type: none"> Rate of staff turnover 	Labour practices and conducive work environment
	2) Occupational health and safety	<ul style="list-style-type: none"> Number of accidents, fatality 	Workplace safety and health
	3) Training and development	<ul style="list-style-type: none"> Number of training hours 	Labour practices and conducive work environment
	4) Diversity and opportunity	<ul style="list-style-type: none"> Percentage of male and female employees 	Labour practices and conducive work environment
	5) Local community	<ul style="list-style-type: none"> Total donation and volunteering hours 	Corporate social Responsibility Initiative
	6) Customer health and safety	<ul style="list-style-type: none"> Number of non-compliance incidents 	Workplace safety and health
	7) Customer privacy	<ul style="list-style-type: none"> Average Construction Quality Assessment System ("CONQUAS") score Number of breach incidents 	Workplace safety and health Legal compliance and corporate governance
Environment	1) Energy efficiency	<ul style="list-style-type: none"> Electricity consumption (Kwh) 	Environmental initiative
	2) Water, Effluents and Waste	<ul style="list-style-type: none"> Water consumption (m³) Carbon emission(CO₂) 	Environmental initiative
	3) Environmental compliance	<ul style="list-style-type: none"> Number of fines Participation in Building and Construction Authority ("BCA") Green Mark projects 	Legal compliance and corporate governance Environmental initiative

ECONOMIC CONTRIBUTION TO SOCIETY

The Group provides Mechanical and Electrical (“M&E”) engineering services and portable lavatories in Singapore. We also have direct investments in vessel Ownership and Chartering, Property Development and operations in Workers’ Dormitory through our network of subsidiaries and associates in Singapore, Thailand and China. The Group operates our various business segments in accordance to the adopted sustainability practices through close collaboration with business partners to identify arising sustainability opportunities and risks.

The Group’s performance has a direct impact on our key stakeholders, including employees, customers, suppliers, government and investors. We therefore aim to deliver economic benefits through effective project management, efficient resource management, stable contribution to public finance and services, community engagement, bringing sustainable growth to our enterprise and ecosystem.

For more information on the Group’s business and financial performance, please refer to pages 8 and 9 of the Annual Report.



CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

COMPANY CONTRIBUTION



Number of hours

1,120



Amount of contribution

\$7,500

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate social responsibility (“CSR”) has evolved over the years to become an integral part of the organisation. It has expanded to more dimensions such as corporate responsibility to our stakeholders – our shareholders, employees, customers, suppliers, sub-contractors and the wider community. We actively seek to play a part to improve the environment and contribute to the well-being of the communities in which we live and do business.

As part of our community involvement, King Wan continues to contribute to the Muscular Dystrophy Association (Singapore) (“MDAS”), an organisation

that the Group has been actively supporting since 2014. All corporate funds raised are channelled into supporting MDAS’ essential programmes and services for beneficiaries such as therapy sessions to help slow down muscle deterioration and transport subsidies for fetching beneficiaries between home and school in specialised vehicles. We also continue to promote opportunities for young adults with severe muscular dystrophy to be meaningfully employed by engaging them for print or web-based collaterals, through BizPower – a centre-based employment programme run by MDAS.

LEGAL COMPLIANCE AND CORPORATE GOVERNANCE

King Wan values corporate governance and legal compliance. It is of paramount importance that the Group abides by legal and regulatory requirements and is in compliance with, including but not limited to, the Code of corporate Governance issued by Monetary Authority of Singapore and guidelines provided by BCA, Ministry of Manpower ("MOM"),

Singapore Civil Defence Force ("SCDF"), National Environmental Agency ("NEA") and other relevant regulators.

For further details on Corporate Governance, please refer to pages 17 to 40 of the Annual Report.

CONFLICT OF INTEREST POLICY

The Company has set out procedures governing all interested persons transactions to ensure that they are carried out at arm's length, on normal commercial terms and not be detrimental to the interests of the Group and our shareholders.

In FY2020, there was no identified conflict of interest between the Group and any interested party.

CUSTOMER PRIVACY POLICY

King Wan protects the privacy and confidentiality of our customers' information. We do not divulge or sell personal information to third parties for marketing or promotional purposes. All employees are guided by King Wan's Code of Business Conduct and Ethics.

In FY2020, there was no identified case regarding breach of customer privacy or loss of customer data.

ANTI-CORRUPTION POLICY

King Wan takes a strong stand against corruption and bribery in the Group. We provide an accessible platform for employees and third parties to raise concerns about any wrongdoing and improper conduct within the Group.

New employees are trained on the Code of Business Conduct and Ethics and briefed on the whistle-blowing policy.

In order to facilitate the reporting of suspected cases of fraud, corruption, workplace harassment or other improper activities, independent

investigations are carried out in a timely manner. Appropriate action will be taken to correct any weaknesses in internal controls and policies to prevent a recurrence.

In FY2020, there were no incidents of corruption and no public legal cases brought against the Group or its employees.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has put in place policies and procedures to ensure compliance with relevant laws and regulations, particularly those relating to BCA, MOM, SCDF and NEA. At the corporate level, we also ensure that we are in compliance with the SGX-ST Listing Rules, Securities and Futures Act and the Singapore Companies Act.

Through constant monitoring, evaluation, and auditing of our ISO 45001:2018 certified Occupational Health and Safety ("OH&S") management system, King Wan actively ensures that all our activities and operations comply with existing regulatory requirements. Any changes and non-compliance with the relevant laws are made known to the management, and actions are taken to ensure compliance.

Towards ensuring continued improvement, we have reviewed and streamlined our processes to improve and tighten the procedures at construction sites. In addition, we have implemented an ISO 14001:2015 certified Environmental, Health and Safety standard ("EHS") management system.

ENVIRONMENTAL INITIATIVE

At King Wan, we strive to carry out our business operations in a socially responsible manner and are committed to protecting the environment. We believe that the efficient use of natural resources such as energy and water will contribute positively to the Group's sustainable growth in the long term.

We continue to use more energy-efficient lightings and lift in our office building, thereby reducing electricity consumption. Additionally, we use water-efficient fittings and fixtures in our corporate office to reduce water consumption, as well as adopt

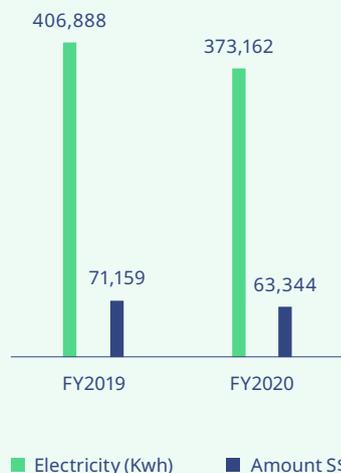
environmentally friendly methods of waste disposal in our desilting business.

The management also strongly encourages and reinforces the importance of practising the 3Rs (i.e. reduce, reuse and recycle) in our daily operations – the responsible usage of electricity, water and paper by every employee. King Wan believes that every small effort counts and goes a long way in contributing to the conservation and protection of the earth's natural resources.

ENERGY EFFICIENCY

As a result of our continuous efforts to reduce energy and water consumption, we recorded a 8.3% reduction in electricity consumption and maintained water consumption below the target limit of 35,000M³. This improvement allowed us to reduce our carbon footprint and enjoy 8.2% cost savings on our electricity bills.

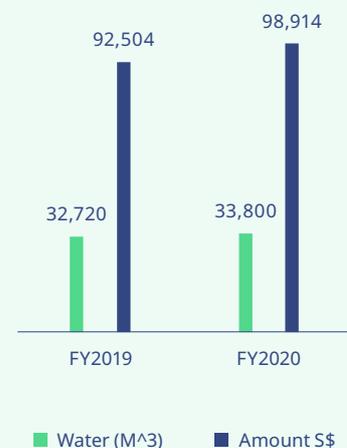
ELECTRICITY CONSUMPTION & CARBON FOOTPRINT FY2020



CO₂ EMISSION



WATER CONSUMPTION FY2020



ENVIRONMENTAL INITIATIVE

King Wan is a provider of M&E services to numerous BCA Green Mark Projects. We are committed to work with our valued business partners to construct high quality developments for the communities where our operations are found. Central to the realisation of this mission is our proactive adoption of sustainable construction methods and integration of innovative technologies to enhance environmental performance.

The BCA Green Mark projects undertaken by King Wan during the year are listed below:

BCA Green Mark Platinum

- M&E retrofitting works to Heritage Conservation Centre and Sun Yat Sen Nanyang Memorial Hall
- Additions and alterations to existing industrial development at Tuas South Ave 14

BCA Green Mark Gold^{Plus}

- Daintree Residence
- Piermont Grand
- M&E retrofitting works to Asian Civilisation Museum
- PSA Tuas Terminal Gateway
- Punggol North Contract 11 &12
- Tampines Neighbourhood 9 Contract 18

BCA Green Mark

- NIL



WORKPLACE SAFETY & HEALTH

At King Wan, we are guided by our philosophy “Lead the Way – Safety First” in our care for our employees and communities. Workplace safety and health (“WSH”) is of paramount importance to us. We firmly believe that work progress cannot be achieved at the expense of safety. Management sets the tone by defining and enforcing clear WSH management guidelines, fostering a safe and conducive working environment.

We place great emphasis on proper installation methods, fire and emergency safety compliance, maintenance of equipment and materials integrity. Qualified professionals such as engineers and technical supervisory staff are engaged to monitor construction progress and ensure that developments are built in accordance with building regulations and codes. All our employees and subcontractors are expected to meet King Wan’s high standards of quality, safety and sustainability for projects.

HEALTH AND SAFETY POLICIES

Our commitment to WSH is based on the belief that a good working environment not only makes our employees safer, but also enables them to focus better, enjoy high work morale, and increase their work productivity and efficiency.

SAFETY COURSES AND TRAINING HOURS

We ensure that our employees are adequately orientated on site safety measures and regulations, in addition to being well-trained in WSH standards and regulations through WSH courses. Employees with designated job scope are also further assessed based on specialised requirements and sent for training in relevant courses.

Our endeavour in achieving and maintaining high WSH standards sees King Wan putting in place a comprehensive Safety and Health management system, which has been certified in ISO 45001, ISO 9001:2015 and awarded with the bizSAFE Star accreditation.

REGULAR HEALTH AND SAFETY MEETINGS

During our regular project meetings, latest health and safety matters and reports on any related issue or incident are prioritised and promptly highlighted. Attendees are also constantly reminded to follow recommended safety measures and regulations. Relevant findings and new policies are communicated in a timely manner to the rest of the project team.

Our respective Project-in-charge will also carry out regular site safety inspections to ensure that WSH standards and measures are fully observed at all times.

In FY2020, we have achieved zero fatalities both at the corporate office and project sites.

DELIVERING QUALITY AND STANDARDS

The quality of our project determines how well we add value to our customers. It is our priority to deliver innovative green designs, high standards of workmanship without compromising on functionality or price. Established in 1989, CONQUAS is the industry benchmark for quality and workmanship standards of construction projects in Singapore. With an average CONQUAS score of 97.03, King Wan’s score is significantly above the latest industry’s average of 89.2 obtained from BCA website.

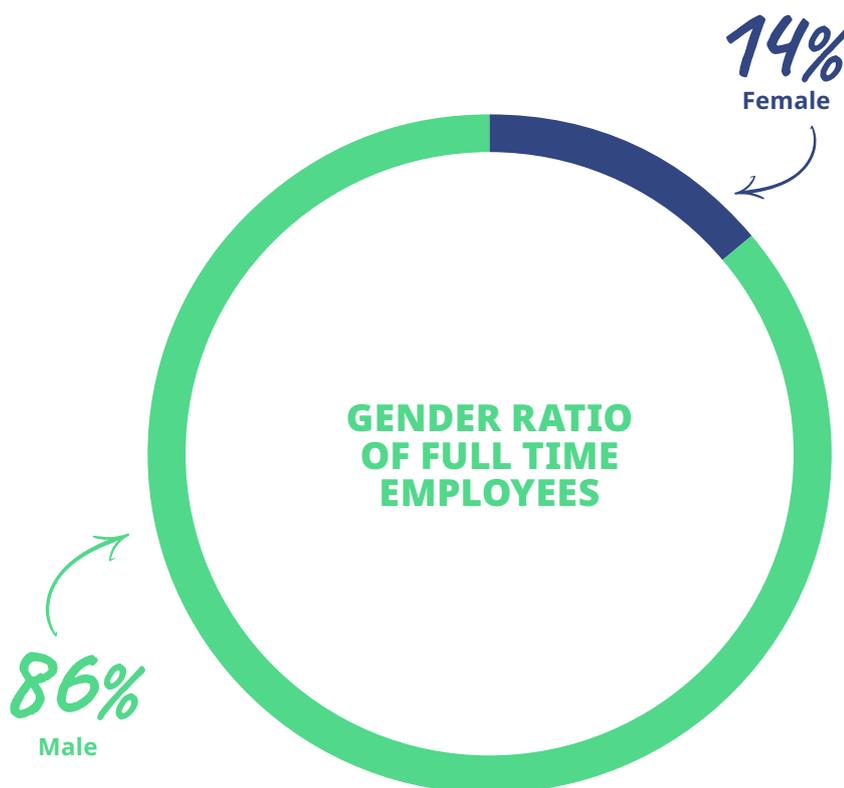
LABOUR PRACTICES AND CONDUCTIVE WORK ENVIRONMENT

We recognise our employees as the Group's most important asset, vital to our business sustainability. We strongly believe that with fair remuneration, the provision of equal opportunities, and a culture of nurturing and empowering through training and development, our engaged workforce will be able to contribute positively to the Group. This process has been responsible for building a dynamic culture at King Wan.

We have a Human Resource ("HR") framework with goals and objectives to attract, retain and develop a motivated and modernised workforce.

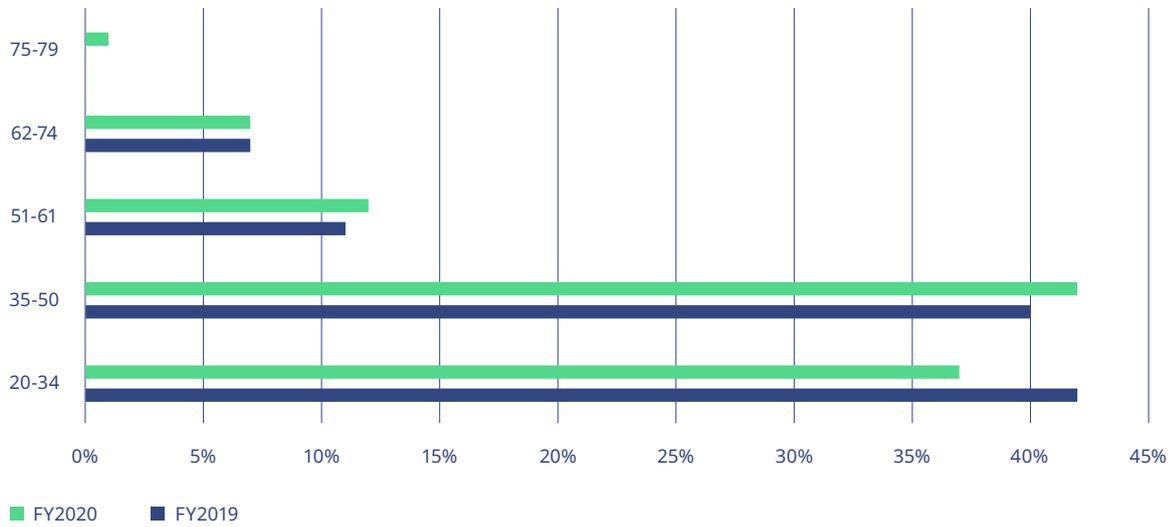
Our HR policies, which cover our employees from recruitment to retirement, are reviewed regularly to ensure relevance and effectiveness. We encourage our staff to provide feedback to help us align expectations and make decisions.

One of our core values at King Wan is to perform our jobs at the highest level of integrity and professionalism. As such, we are fully committed to comply with all applicable Singapore local employment laws, regulations and training requirements stipulated by various agencies such as BCA, MOM and SCDF.



King Wan has a headcount of over 300 full-time employees for our Singapore operations. Currently, there are no part-time or temporary employees.

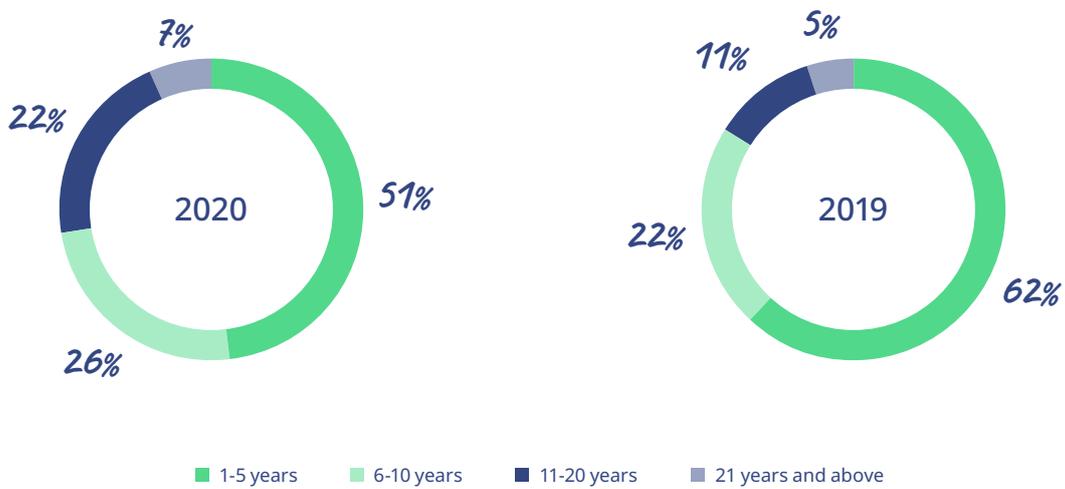
AGE DEMOGRAPHIC



EMPLOYEE RETENTION

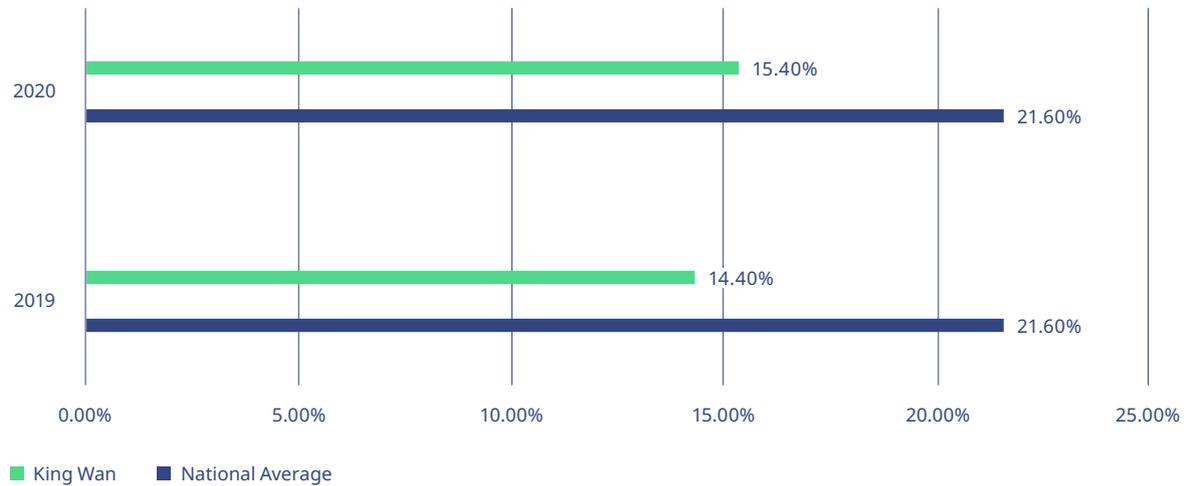
King Wan’s success in employee engagement is evident from our employees’ average length of service. As illustrated in the figure below, over 49% of our staff has stayed with King Wan for more than 5 years.

EMPLOYEE RETENTION

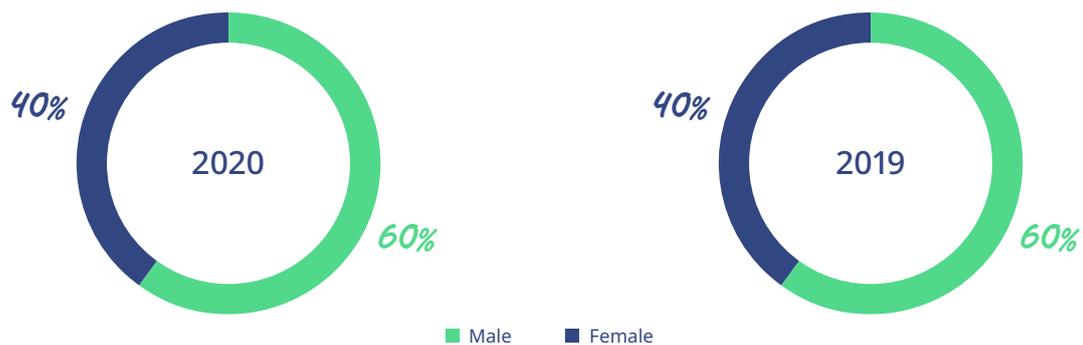


EMPLOYEE TURNOVER RATE

Our employee turnover rate at 15.4% is below the national average of 21.6% for the construction sector in 2019 – obtained from the MOM website.



GENDER OF HEADS OF DEPARTMENT



100% of Heads of Department (“HODs”) for Singapore operations are either Singaporean or Permanent Residents, hired from our local community. In FY2020, 40% of our 15 HODs were female.

BENEFITS AND WELFARE

Besides competitive remuneration, we take care of our employees through comprehensive welfare and benefits schemes, including but not limited to insurance coverage, medical and dental benefits for our full-time employees in Singapore.

PRO-FAMILY BENEFITS

King Wan provides benefits and adopts welfare practices in line with the Singapore government's pro-family legislation. Parents whose children are Singapore Citizens at birth get to enjoy maternity leave of 16 weeks and paternity leave of two weeks respectively, as advocated by the government.



FAIR REMUNERATION

King Wan's compensation packages are aligned with internal parity and market benchmarks. King Wan offers fair and competitive remuneration packages based on employees' performance, and expected roles and responsibilities. This is to ensure that we remain competitive in attracting talent, which is key to our sustained growth. King Wan also has a well-structured and open annual performance appraisal system which is reviewed periodically and enhanced to ensure open communication between employees and their reporting officers.

COMPETITIVE REMUNERATION

Remuneration is recommended by the HR Department and the respective HODs, and approved

by the Remuneration Committee which consists of members from King Wan's Board of Directors. Compensation packages are benchmarked against market surveys to ensure relevancy of King Wan's salaries to the industry and overall market.

CENTRAL PROVIDENT FUND ("CPF") SCHEME AND CONTRIBUTIONS

The CPF is a comprehensive social security savings plan which aims to provide working Singaporeans and Permanent Residents with a measure of financial security and confidence in their old age. CPF contribution is computed based on a percentage of the employee's monthly salary and varies with the employee's age.

EMPLOYEE RELATIONS

PERFORMANCE-BASED APPRAISAL

As an organisation committed to meritocracy, our rewards and compensation policies emphasise employees' performance. This is judged not only based on what employees have achieved in the review period, but also on how it is achieved. Annually, our employees will receive performance and career development reviews. Our performance management process is reviewed periodically to incorporate employees' feedback and enhancements to the system.

EMPLOYEE DEVELOPMENT

	2020	2019
Total Training Hours	5,907.0	6,286.5
Average Training Hours per Employee	19.50	18.94

King Wan believes that in order for the Group to grow and stay relevant in this competitive business landscape, it is critical that we invest in our employees' learning and development and equip them with knowledge and relevant skills to perform well in their jobs. The Group strives to develop our employees through training, job rotation and internal promotion opportunities. Training needs are identified and implemented at the start of each year. We encourage employees to take up relevant job-related skill courses.

Bash a Dash Event



EMPLOYEE ENGAGEMENT AND WELLNESS

“Where there’s a will there’s a way; where there’s a team, there’s more than one way”

For the third year running, our Recreational Committee brought our people together through fun activities that helped them see each other in a different light, and allowed them to connect in a different setting. Through a series of planned team bonding events that were fun and motivational, our teams developed skills like communication, planning, problem-solving and conflict resolution. The “Beach Bash-A-Dash” at Sentosa in July 2019 was one such event where team members worked together to learn how to achieve a unified purpose.

Other than our teambuilding activities, we also incorporated teamwork activities into our daily routine. We have assembled mini think tank groups and appointed rotational leaders to be facilitators in organising an effective meeting. This greatly cultivates the team’s functionality and allow opportunities for growth both individually and as a group.





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