

DLF HOLDINGS LIMITED

Company Registration No. 201726076W

Unaudited Financial Statement and Dividend Announcement

For the Year Ended 31 December 2018

Background

DLF Holdings Limited (the “Company”) was incorporated in Singapore on 13 September 2017 under the Companies Act (Chapter 50) of Singapore as a company limited by shares under the name of “DLF Holdings Pte Ltd”. The Company was converted into a public company and changed its name to “DLF Holdings Limited.” on 19 June 2018. The Company, its subsidiaries (the “Group”) were formed pursuant to a restructuring exercise (the “Restructuring Exercise”) implemented in October 2017 which was prior to the Initial Public Offering and listing on the Catalist of the SGX-ST on 25 July 2018. The Restructuring Exercise was completed on 20 October 2017. Please refer to the Company’s Offer Document dated 17 July 2018 for further details on the Restructuring Exercise.

For the purpose of this announcement, the comparative financial results of the Group for the financial period for the year ended 31 December 2017, have been prepared on the assumption that the Group’s structure following the completion of the Restructuring Exercise had in place since 1 January 2017.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Change %
	<u>For the Year Ended</u>		
	31 December 2018 (Unaudited) S\$'000	31 December 2017 (Audited) S\$'000	
Revenue	18,250,296	21,512,183	(15.2)
Cost of sales	(14,652,468)	(16,044,563)	(8.7)
Gross profit	3,597,828	5,467,620	(34.2)
Other operating income	66,180	224,134	(70.5)
Selling and distribution expenses	(27,815)	(21,337)	30.4
Administrative expenses	(4,178,115)	(1,629,479)	156.4
Other operating expenses	(308,270)	(92,437)	233.5
Finance costs	(106,309)	(79,685)	33.4
(Loss) / Profit before taxation	(956,501)	3,868,816	NM
Income tax expense	(223,809)	(501,902)	(55.4)
(Loss) / Profit for the year	(1,180,310)	3,366,914	NM
Other comprehensive income	11,099	(13,625)	NM
Total comprehensive (loss) / income for the year	(1,169,211)	3,353,289	NM
Profit attributable to:			
Owners of the Company	(1,281,428)	3,366,914	NM
Non-controlling interests	101,118	-	NM
(Loss) / Profit for the year	(1,180,310)	3,366,914	NM

Notes:

NM denotes not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit for the financial year is stated after charging/(crediting) the following:-

	For the Year Ended		
	31 December 2018	31 December	
	(Unaudited)	2017	
	S\$'000	(Audited)	Change
		S\$'000	%
Depreciation on property, plant and equipment	156,540	134,836	16.1
Impairment loss on trade receivables	363,756	-	NM
Interest expense on bank borrowing	106,309	79,685	33.4
Interest income	(90)	(693)	(87.0)
Foreign exchange loss / (gain)	89,982	(161,335)	NM
Loss on disposal of property, plant and equipment	24,120	-	NM

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 December 2018 (Unaudited) S\$'000	31 December 2017 (Audited) S\$'000	31 December 2018 (Unaudited) S\$'000	31 December 2017 (Audited) S\$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	-	-	4,993,204	4,913,204
Property, plant and equipment	1,918,500	1,948,508	-	-
Deferred tax assets	9,789	-	-	-
Total non-current assets	1,928,289	1,948,508	4,993,204	4,913,204
Current assets				
Contract assets	996,287	291,578	-	-
Trade and other receivables	6,406,818	5,743,034	2,899,209	-
Cash and bank balances	1,101,650	903,578	682,415	100
Total current assets	8,504,755	6,938,190	3,581,624	100
Total assets	10,433,044	8,886,698	8,574,828	4,913,304
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	9,499,017	4,913,304	9,499,017	4,913,304
Other reserves (Accumulated losses) / Retained earnings	(2,621,264) (709,483)	(2,632,363) 571,945	- (2,738,983)	- -
Total equity attributable to owners of the Company	6,168,270	2,852,886	6,760,034	4,913,304
Non-controlling interests	121,118	-	-	-
Total equity	6,289,388	2,852,886	6,760,034	4,913,304
LIABILITIES				
Non-current liabilities				
Borrowings	377,253	609,094	-	-
Finance lease liabilities	130,527	103,528	-	-
Deferred tax liabilities	5,111	-	-	-
Total non-current liabilities	507,780	712,622	-	-
Current liabilities				
Trade and other payables	2,052,865	3,557,308	1,814,794	-
Contract liabilities	-	78,370	-	-
Borrowings	791,045	893,232	-	-
Finance lease liabilities	47,930	75,953	-	-
Income tax payable	738,925	716,327	-	-
Total current liabilities	3,630,765	5,321,190	1,814,794	-
Total liabilities	4,143,656	6,033,812	1,814,794	-
Total equity and liabilities	10,433,044	8,886,698	8,574,828	4,913,304

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
791,045	-	893,232	-

Amount repayable after one year

As at 31 December 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
377,253	-	609,094	-

Details of any collateral

The Group borrowings are secured by the Group's property and personal guarantees from the Executive Chairman of the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	For the Year Ended	
	31 December 2018	31 December 2017
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Operating activities		
(Loss) / Profit before income tax	(956,501)	3,868,816
Adjustments for:		
Depreciation of property, plant and equipment	156,540	134,836
Impairment loss on trade receivables	200,791	-
Property, plant and equipment written off	24,120	
Interest income	(90)	(693)
Interest expense	106,309	79,685
Share-based payments made for initial public offer	495,423	-
Operating profit before working capital changes	26,592	4,082,644
Change in contract assets and liabilities	(783,079)	(652,802)
Change in trade and other receivables	(735,231)	174,701
Change in trade and other payables	(1,504,443)	(2,412,189)
Cash (used in) / generated from operations	(2,996,161)	1,192,354
Income tax paid	(476,508)	(286,804)
Net cash (used in) / generated from operating activities	(3,472,669)	905,550
Investing activities		
Purchase of property, plant and equipment	(71,872)	(96,817)
(Advance to)/repayment from former shareholder of subsidiaries	-	(1,466,664)
Interest received	90	693
Net cash used in investing activities	(71,782)	(1,562,788)
Financing activities		
Proceeds from bank loan	-	808,840
Repayment of bank loan	(208,438)	-
Proceeds from bills payable	-	145,085
Repayment of bills payable	(145,085)	(500,000)
Repayment of finance leases	(79,804)	(78,920)
Advance from/(repayment to) shareholder		320,219
Proceeds from initial public offering	4,255,000	-
Interest paid	(106,309)	(79,685)
Net cash from financing activities	3,715,364	615,539

Net increase/(decrease) in cash and cash equivalents	170,913	(41,699)
Cash and cash equivalents at beginning of the year	355,177	412,352
Effect of exchange rate changes on balances held in foreign currencies	7,665	(15,476)
Cash and cash equivalents at end of the year	533,754	355,177

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

Group (Unaudited)

	Share Capital	Other reserve	Currency translation reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance as at 1 January 2018	4,913,304	(2,888,997)	256,634	571,945	2,852,886	-	2,852,886
Issuance of shares	4,585,713	-	-	-	4,585,713	-	4,585,713
Acquisition of non-controlling interests	-	-	-	-	-	20,000	20,000
Profit/(loss) for the year	-	-	-	(1,281,428)	(1,281,428)	101,118	(1,180,310)
Foreign currency translation differences	-	-	11,099	-	11,099	-	11,099
Total comprehensive income for the year	-	-	11,099	(1,281,428)	(1,270,329)	101,118	(1,169,211)
Balance as at 31 December 2018	9,499,017	(2,888,997)	267,733	(709,483)	6,168,270	121,118	6,289,388
Group							
Balance as at 1 January 2017	4,913,304	(2,888,997)	270,259	(393,891)	1,900,675	-	1,900,675
Profit for the year	-	-	-	3,366,914	3,366,914	-	3,366,914
Foreign currency translation differences	-	-	(13,625)	-	(13,625)	-	(13,625)
Total comprehensive income for the year	-	-	(13,625)	3,366,914	3,353,289	-	3,353,289
Balance as at 31 December 2017	4,913,304	(2,888,997)	256,634	571,945	2,852,886	-	2,852,886

**Statement of Changes in Equity
Company (Unaudited)**

	Share Capital S\$	Retained earnings S\$	Total equity S\$
Balance as at 1 January 2018	4,913,304	-	4,913,304
Issuance of shares	4,585,713	-	4,585,713
Loss for the period	-	(2,738,983)	(2,738,983)
Balance as at 31 December 2018	9,499,017	(2,738,983)	6,760,034

Company (Audited)

	Share Capital S\$	Retained earnings S\$	Total equity S\$
Balance as at 13 September 2017*	100	-	100
Issuance of shares	4,913,204		4,913,304
Balance as at 31 December 2017	4,913,304	-	4,913,304

* The Company was incorporated on 13 September 2017

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital – Ordinary Shares

	Number of shares	Paid-up Share Capital (SGD)
Balance at 30 June 2018	1,000,000	4,913,304
Share split	99,000,000	-
Issue of shares	21,108,700	4,585,713
Balance at 31 December 2018	121,108,700	9,499,017

The Company did not have any outstanding options, convertibles, subsidiary holdings or treasury shares as at 31 December 2018 and 31 December 2017. The Company was incorporated on 13 September 2017.

(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 31 December 2018	As at 31 December 2017
Total number of issued shares	121,108,700	1,000,000

The Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited combined financial statements for the financial year ended 31 December 2017 as set out in the Company's offer document dated 17 July 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the new and revised Singapore Financial Reporting Standard (International) ("SFRS(I)" and SFRS(I) interpretations ("SFRS(I)INT") that are relevant to the Group and effective for the financial year beginning on 1 January 2018. The adoption of these new and revised SFRS(I) and SFRS(I)INT does not result in significant changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial year ended 31 December 2018 or prior periods.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Loss per share (“LPS”) / Earnings per share (“EPS”)	For the Year Ended	
	31 December 2018	31 December 2017
(Loss) / Profit attributable to shareholders of the Company	\$(1,281,428)	\$3,366,914
Pre-IPO number of ordinary shares	102,608,700	102,608,700
Basic and fully diluted basis (LPS) / EPS (cents)	(1.10)	3.28
Post-IPO number of ordinary shares	121,108,700	121,108,700
Basic and fully diluted basis (LPS) / EPS (cents)	(1.16)	3.37

Notes:-

1. As the Company was incorporated on 13 September 2017 and only had 1,000,000 shares as at 31 December 2017, for comparison and illustration purposes, the basic and diluted EPS for the financial year ended 31 December 2018 are presented based on pre-IPO share capital of 100,000,000 after the share split.

2. The basic and diluted EPS were the same as the Company did not have any potentially diluted instruments for both financial years.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

(a) Current period reported on; and
(b) Immediately preceding financial year.

	Group		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Net asset value (S\$)	6,289,388	2,852,886	6,760,034	4,913,304
Number of ordinary shares in issue				
Pre-IPO number of ordinary shares	-	100,000,000	-	100,000,000

Post-IPO number of ordinary shares	121,108,700	-	121,108,700	-
Net asset value per ordinary share based on pre-IPO number of ordinary shares(cent)	-	2.85	-	4.91
Net asset value per ordinary share based on post-IPO number of ordinary shares(cent)	5.19	-	5.58	-

Notes:-

As the Company only had 1,000,000 shares as at 31 December 2017, for comparison and illustration purposes, the net asset value per share are presented based on pre-IPO share capital of 102,608,700 shares and post-IPO share capital of 121,108,700 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review for the performance of the Group for the year ended 31 December 2018 and 31 December 2017 ("FY2018" and "FY2017" respectively).

Consolidated Statement of Comprehensive Income

Revenue

S\$	FY2018	FY2017	Change (%)
Mechanical and electrical services	3,554,627	11,118,192	(68.0)
Turnkey contracting services	10,311,024	10,393,991	(0.8)
Management services	4,384,645	-	NM
Total	18,250,296	21,512,183	(15.2)

Revenue for mechanical and electrical services, turnkey contracting services and management services for FY2018 were S\$3.6 million, S\$10.3 million and S\$4.4 million respectively, representing 19.5%, 56.5% and 24.0% of total revenue for FY2018 respectively.

Decrease in revenue for mechanical and electrical services was due mainly to completion of Sengkang Hospital at the end of December 2017 as well as the ongoing trade tensions between USA and China which affected our order book and trading.

During this period, our customers in USA has reduced their purchases for certain products due to the economic uncertainties amid the trade tensions. Revenue for turnkey contracting services remained relatively stable as we embarked on Phase 3B of the Maldives project during FY2018. Revenue from management services was derived from our project management role for fabrication, erection and installation of structural and associated steelwork for a work order in relation to a living quarters in Singapore ("**Work Order**"), which was undertaken by the Company's newly incorporated 80%-owned subsidiary, DLF Prosper Venture Pte. Ltd. For the Work Order, DLF Prosper Venture Pte. Ltd. is the project manager and we provide strategic direction and working capital for the execution of the work order.

Cost of sales

Our Group's cost of sales mainly comprised material costs, sub-contractor costs, labour costs, rental of equipment. Cost of sales was S\$14.7 million, approximately 80.3% of our total revenue for FY2018. Cost of sales decreased by 8.7% compared to FY2017, which was in line with lower revenue for FY2017.

Gross profit and gross profit margin

Group's gross profit was S\$3.6 million for FY2018, compared with S\$5.5 million for FY2017. The gross profit margin declined from 25.4% in FY2017 to 19.7% in FY2018 mainly due to higher material and labour costs incurred to meet the project deadlines.

Other operating income

Other income for FY2018 comprised mainly sundry income. The decrease from FY2017 was due to foreign exchange gain recorded for FY2017 as compared to foreign exchange loss recorded for FY2018 and the absence of government grants for FY2018.

Selling and distribution expenses

Selling and distribution expenses arise from advertising, marketing and entertainment activities. The increase was attributable to the increased marketing expenses for trade promotion activities in FY2018.

Administrative expenses

Administrative expenses comprised mainly staff salaries, directors' remuneration, rental expenses, insurance premium, depreciation expenses and professional fees. Administrative expenses for FY2018 were S\$4.2 million which was 156.4% higher than FY2017, mainly due to listing expenses, higher professional fees such as audit fees, and impairment loss on trade receivables.

Other operating expenses

Other operating expenses comprised mainly travel and transport expenses, foreign exchange losses and loss on disposal of fixed assets. Other operating expenses for FY2018 were S\$0.3 million which was higher as compared to FY2017's expenses, mainly due to foreign exchange losses and loss on disposal of fixed assets.

Finance costs

Finance costs comprised mainly interest expenses for bank loans, bank overdrafts, bills payable and finance lease. The increase in finance costs was mainly due to the increase in average interest rates during the year.

Taxation

Our overall effective tax rate (excluding listing expenses) was 23.0% and 13.0% for FY2018 and FY2017 respectively. The increase in tax rate is mainly due to losses incurred by the Company, as an investment company, not allowed for carry forward.

Consolidated Statement of Financial Position**Non-current assets**

Non-current assets comprised solely of property, plant and equipment. No significant change for property, plant and equipment balance as at 31 December 2018 as compared to 31 December 2017.

Current assets

As at 31 December 2018, contract assets stood at S\$1.0 million, compared to S\$0.3 million as at 31 December 2017. The increase was primarily due to additional contract assets earned by operating activities but not yet billed to customers.

As at 31 December 2018, trade and other receivables stood at S\$6.4 million as compared to S\$5.7 million as at 31 December 2017. The increase of approximately S\$0.8 million is mainly due to working capital loans made to Prosper Environmental & Engineering Pte. Ltd., our joint venture partner and higher trade receivables with the completion of projects. The working capital loans were for the purposes of initial costs such as materials and labour costs incurred during the initial stage of the Work Order. Trade and other receivables balance as at 31 December 2018 mainly comprised (i) trade receivables of approximately S\$5.0 million due from customers and main contractors; and (ii) other receivables of S\$1.6 million which included working capital loans.

Non-current liabilities

As at 31 December 2018, the balance of non-current liabilities was S\$0.5 million, compared with S\$0.7 million as at 31 December 2017. Non-current liabilities decreased by S\$0.2 million primarily due to repayment on bank borrowings payable after one year.

Current liabilities

As at 31 December 2018, trade and other payables stood at S\$2.1 million as compared to S\$3.6 million as at 31 December 2017. The decrease of approximately S\$1.5 million was due mainly to lower amount owing to suppliers with the completion of projects. Trade and other payables comprised mainly of: (i) trade payables to third parties of approximately S\$1.2 million; and (ii) accrued operating expenses of approximately S\$0.9 million that mainly relates to certain sub-contractor costs.

As at 31 December 2018, bank borrowings of approximately S\$0.8 million reduced by S\$0.1 million as compared to 31 December 2017 due to repayments. Bank borrowings consist of: (i) secured bank loans of approximately S\$0.2 million; and (ii) bank overdraft of approximately S\$0.6 million.

As at 31 December 2018, finance lease liabilities decreased by S\$28,000 from 31 December 2017 due to repayment.

Consolidated Statement of Cash Flow

Net cash flows used in operating activities

In FY2018, the net cash used in operating activities was S\$3.5 million which consisted mainly of operating profit before working capital changes of approximately S\$27,000, net working capital outflow of S\$3.0 million and tax paid of S\$0.5 million. The net working capital outflow was due mainly to (i) an increase in contract assets of \$0.8 million due to additional contract assets earned by operating activities but not yet billed to customers; (ii) an increase in trade and other receivables of S\$0.7 million due to working capital loans made to our joint venture partner; and (iii) a decrease in trade and other payables of S\$1.5 million due to payment made to suppliers.

Net cash flows used in investing activities

In FY2018, the net cash used in investing activities of S\$71,782 consisted mainly of purchase of property, plant and equipment.

Net cash flows from investing activities

In FY 2018, the net cash from financing activities was S\$3.7 million which consisted mainly of proceeds from the initial public offering of S\$4.3 million and partially offset by the repayment of bank loans, bills payables, finance lease and interest expense of S\$0.5 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Upon successful listing of the Company on Catalist of SGX-ST on 25 July 2018, it marked a major milestone in the Group's business. Apart from enhancing corporate image locally and regionally, the Group is able to leverage on its networking in identifying new business opportunities, particularly when certain of our projects are pending for completion.

The ongoing economic uncertainties including the trade tensions between USA and China may affect our order books. In addition, as our activities are closely linked to the construction industry, we expect the operating environment within the construction

industry to remain challenging in the next 12 months. Furthermore, due to the uncertain political climate in Maldives where we derive revenue from turnkey contracting services, we will be cautious in undertaking further projects in Maldives until the political climate improves.

In line with the Group's strategies and future plan as disclosed in Offer Document, we will continue our effort to look for suitable opportunities through acquisition, joint venture and strategic alliance in expanding the Group's businesses locally and regionally.

11. Dividend

(a) Current Financial Period Reported On: Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year: Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable:

Not applicable

(d) Books closure date:

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for FY2018 as we do not have sufficient retained earnings and also to conserve cash for our working capital requirements.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions. The Company did not enter into any interested person transactions with value equal to or exceeds S\$100,000 during FY2018.

15. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$2.854 million (excluding listing expenses of approximately S\$1.401 million) raised from the IPO on the Catalist Board of the SGX-ST on 25 July 2018.

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

Use of IPO Net Proceeds	Amount allocated	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000
To explore opportunities in mergers and acquisitions, joint venture and strategic alliance	1,000	580	420
General working capital purposes	1,854	1,385	469
Total	2,854	1,965	889

The expense in relation to the cash used for general working capital comprised mainly the operating expenses for our Maldives project amounting to S\$1 million, and the remaining for operating expenses for our mechanical and electrical services projects.

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuers most recently audited manual financial statements, with comparative information for the immediately preceding year

Our Group currently operates in Singapore and Maldives. Our operations in Singapore comprised our Mechanical and Electrical services, and Management services, while our operations in Maldives comprised solely our Turnkey Contracting Services. Accordingly, our revenue and profit before income tax in Singapore and Maldives are equivalent to (i) Mechanical and Electrical services, and Management services, and (ii) Turnkey Contracting Services respectively for the Financial Year Under Review.

Business segments

FY2018

	Mechanical and electrical services	Turnkey contracting services	Management services	Total
Revenue	<u>3,554,627</u>	<u>10,311,024</u>	<u>4,384,645</u>	<u>18,250,296</u>
Results	<u>1,209,589</u>	<u>1,820,657</u>	<u>567,582</u>	<u>3,597,828</u>

FY2017

	Mechanical and electrical services	Turnkey contracting services	Total
Revenue	<u>11,118,192</u>	<u>10,393,991</u>	<u>21,512,183</u>
Results	<u>3,404,528</u>	<u>2,063,092</u>	<u>5,467,620</u>

Geographical segment

FY2018

	Singapore	Maldives	Total
Revenue	<u>7,939,272</u>	<u>10,311,024</u>	<u>18,250,296</u>

FY2017

	Singapore	Maldives	Total
Revenue	<u>11,118,192</u>	<u>10,393,991</u>	<u>21,512,183</u>

17. **In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Paragraph 8 above for details.

18. **Breakdown of Group's revenue and profit/(loss) after tax for first half year and second half year**

	FY2018 S\$'000	FY2017 S\$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	9,537,394	10,239,185	(6.9%)
(b) Operating profit after tax before deducting minority interests reported for first half year	1,821,117	841,106	116.5%
(c) Sales reported for second half year	8,712,902	11,272,998	(22.7%)

(d) Operating (losses) / profit after tax before deducting minority interest reported for second half year	(3,001,427) ¹	2,525,808	NM
--	--------------------------	-----------	----

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY2018	FY2017
	S\$'000	S\$'000
Ordinary shares (tax exempt 1- tier)		
- Interim	-	-
- Final (Proposed)	-	-
Total Annual Dividend	-	-

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

21. Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

¹ Operating losses after tax before deducting minority interest reported for second half year includes listing expenses amounting to S\$1,371,343

BY ORDER OF THE BOARD

Wong Ming Kwong
Group CEO

1 March 2019

DLF Holdings Limited (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 25 July 2018. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms Tan Pei Woon, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and E-mail: sponsorship@ppcf.com.sg).