

DLF HOLDINGS LIMITED ANNUAL REPORT 2018

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

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

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).

CORPORATE INFORMATION

Company Registration Number	201726076W
Registered Office	16 Jalan Kilang Timor #02-05 Redhill Forum Singapore 159308 Tel: 69098155
Board of Directors	Fan Chee Seng (Executive Chairman) Wong Ming Kwong (Chief Executive Officer and Executive Director) Choong Chow Siong (Lead Independent Director) - Resigned on 7 January 2019 Wu Chiaw Ching (Lead Independent Non-Executive Director) - Appointed on 7 January 2019 Yong Siak Hoong (Independent Non-Executive Director) Yip Shee Yin (Independent Non-Executive Director)
Company Secretary	Pan Mi Keay Ong Bee Choo
Share Registrar and Share Transfer Office	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02 Singapore 068898
Audit Committee	Choong Chow Siong (Chairman) - Resigned on 7 January 2019 Wu Chiaw Ching (Chairman) - Appointed on 7 January 2019 Yong Siak Hoong Yip Shee Yin
Nominating Committee	Yong Siak Hoong (Chairman) Choong Chow Siong - Resigned on 7 January 2019 Wu Chiaw Ching - Appointed on 7 January 2019 Yip Shee Yin
Remuneration Committee	Yip Shee Yin (Chairman) Choong Chow Siong - Resigned on 7 January 2019 Wu Chiaw Ching - Appointed on 7 January 2019 Yong Siak Hoong

CORPORATE INFORMATION

Principal Bankers

DBS Bank Limited
Standard Chartered Bank (Singapore) Limited
Maybank Singapore Limited

Auditors

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
24 Raffles Place, #07-03
Clifford Centre
Singapore 048621

(Partner-in-charge: Mr Toh Kim Teck)
Appointed since 10 May 2018

Listing Information

Share Listing:
Singapore Exchange Ltd
Stock Code: SGXE73993458

Sponsor

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay, #10-00
Income at Raffles
Singapore 049318

CHAIRMAN STATEMENT

After listed in 25 July 2018, the Group continued its core business in M&E project development and turnkey contracting services for FY 2018. However, most of the projects were close to completion including turnkey project in Maldives. In October 2018, we incorporated a new 80% subsidiary, namely DLF Prosper Venture Pte Ltd mainly for the provision of project management services which complements our existing core businesses and extends our competitiveness in other segment. We hope that this will provide a leverage for the group in the coming years.

On behalf of the Board of Directors of DLF Holdings Ltd, I am pleased to present to you our annual report for the financial year ended 31 December 2018 (“FY2018”).

BUSINESS REVIEW

The Group’s operating environment in the M&E project management and turnkey contracting services segments remained steady but sluggish due to uncertainties of global economy. In addition, with the political change of new governing party elected for Maldives, the group was cautious in accepting new order as well as adopting a wait-and-see attitude for this the turnkey contracting services segment.

With the mentioned uncertainties, the Group reported a 15.2% or S\$3.3 million decrease in turnover from S\$21.5 million in FY2017 to S\$18.3 million in FY2018

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. Revenue for turnkey contracting services remained relatively stable as we continue the Maldives project during FY2018. Revenue from management services was derived from our project management role from newly incorporated 80%-owned subsidiary, DLF Prosper Venture Pte. Ltd.

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.

With the administrative expenses for FY2018 of S\$4.0 million which was 148.0% higher than in FY2017, mainly due to listing expenses, higher professional fees such as audit fees, and impairment loss on trade-receivables and increased finance cost, the Group’s registered a S\$1.24 million loss after tax as compared to S\$3.37 million profit after tax.

DIVIDENDS

In view of the loss position, the Board is not recommending a dividend for FY2018.

OUTLOOK FOR 2019

In view of the current economic conditions, coupled with the uncertainties that ensued in the global economy, the Group expects the overall business environment to remain challenging in FY2019. The Group will exercise prudence when managing our costs in terms of project management and contracting services and will continue to work on our core business where we remain competitive in Singapore market, whilst actively exploring opportunities overseas. We are confident that with listed platform, we are able to bring DLF to greater heights.

CHAIRMAN STATEMENT

APPRECIATION

On behalf of the Board, I would like to thank our management and staff for their contribution and dedication in helping the Group to overcome the many obstacles. I would also like to express my gratitude to our customers and business partners for their support and faith in us all this while. Finally, I would like to thank our shareholders for their unwavering support and we look forward to your continual support as we strive to create greater shareholder value for everyone.

DLF Holdings Ltd
Fan Chee Seng

OPERATION AND FINANCIAL REVIEW

Our Group is a Singapore-based M&E engineering services and solutions service provider. Our core business is in the provision of (i) Project Management Services; and (ii) Turnkey Contracting Services.

Our Group generally operates as a sub-contractor for our Project Management Services and also has the capabilities to undertake projects as a main-contractor, in particular, in relation to our Turnkey Contracting Services. We have developed extensive expertise as an M&E engineering services and solutions provider, and have built up a strong network with well-established customers who are often engaged in projects in Singapore and the region.

As a Project Management Services provider, we provide M&E services/solutions and management services in different segments which apart from the usual scope of M&E, we provide mainly strategic management role and working capital to execute a project.

Our Group also provides Turnkey Contracting Services where we are responsible for the overall planning, coordination and supervision of our projects.

In FY2018, The Group had engaged in management services through its 80%-owned subsidiary, DLF Prosper Venture Pte. Ltd apart from Project Management and Turnkey Contracting Services. As such, FY2018 revenue for Project management services, turnkey contracting services and management services were S\$3.6 million, S\$10.3 million and S\$4.4 million respectively, as compared to FY2017 were S\$11.1 million, S\$10.4 million for Project Management and Turnkey Contracting Services.

Project management services experienced a decrease of S\$7.6 million in revenue from FY2017 which was due mainly to completion of Sengkang Hospital project at the end of December 2017. Revenue from turnkey contracting services was stable as we continued with the works in Maldives progressively.

The fluctuation in revenue contribution from different segment varies from year to year as a result of the nature of our business being conducted on a project basis and our revenue recognition accounting method which is based on the stage of completion of a project. We may not generate similar projects in terms of size and scope with the same customer year on year.

In FY2018, Group's gross profit was S\$3.6 million as 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.

Due to this decline and coupled with higher administrative expenses, the Group registered a loss of S\$1.24million after tax as compared to S\$3.37 million profit after tax. However, the higher administrative expenses for FY2018 of S\$4.0 million which was 148.0% higher than in FY2017 was mainly due to listing expenses which was one-off non-recurring expenses. Apart from listing expenses, other costs included mainly staff salaries, directors' remuneration, rental expenses, insurance premium, depreciation expenses and professional fees such as audit fees, and impairment loss on trade receivables.

FINANCIAL HIGHLIGHTS

For the Year	2018 \$	2017 \$	% Change
Revenue			
1st Half	9,537,394	10,239,185	(6.9%)
2nd Half	8,712,902	11,272,998	(22.7%)
Total	18,250,296	21,512,183	(15.2%)
Profit / (Loss) After Tax			
1st Half	1,821,117	841,106	116.5%
2nd Half	(3,065,927) ¹	2,525,808	Not meaningful
Total	(1,244,810)	3,366,914	Not meaningful
Equity			
Share Capital	9,499,017	4,913,304	
Other Reserve	(2,621,264)	(2,632,363)	
Retained earning	(773,983)	571,945	
Total Equity	6,103,770	2,852,886	
Borrowing	1,168,298	1,502,326	
Total Asset	10,433,491	9,058,328	
Net Assets	6,224,888	2,852,886	
Financial Ratio			
Basic and fully diluted basis (LPS) / EPS (cents) ²	(1.13)	2.87	
Net Asset Value Per Share (cents)	5.14	2.36 ³	
Total Debt to Total Equity	0.19	0.52	

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

2 The Company does not have potential dilutive instruments.

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

DIRECTORS

KEY EXECUTIVES

Mr Fan Chee Seng is the Executive Chairman, Executive Director and founder of our Group. He was appointed as Director of our Company on 3 May 2018. Mr Fan is responsible for leading and implementing our Group's long-term strategy, vision and mission and the overall management, strategic planning and business development of our Group.

Mr Fan instrumental in the development of our Group over the years and he is responsible for the overall management and operations of the business of our Group. Mr Fan was also responsible for securing major projects of our Group from five-star luxury hotels such as The St. Regis Singapore, Concorde Hotel Singapore, Four Seasons Hotel Singapore, Sheraton Towers Singapore, Pan Pacific Singapore, InterContinental Hotel Singapore and Hilton Singapore and supply of hoses for offshore oil loading to leading players.

Mr Fan had more than 15 years of experience in working for various multinational corporations which are in the business of manufacturing and/or the supply of pumps. Prior to establishing our Group, Mr Fan worked in Gadelius Pte Ltd from 1982 to 1986 as a sales executive and Grundfos Singapore Pte Ltd from 1986 to 1990 as a sales manager. From 1990 to 1993, he worked in STA-Rite Industries, LLC where he was in charge of establishing the Singapore branch office. From 1993 to 1998, he was with Ebara Corporation where he was in charge of sales of pumps in the regional markets.

Mr Fan holds a Graduate Diploma in Shipbuilding and Repair Technology from Ngee Ann Technical College.

Mr Wong Ming Kwong is the CEO and Executive Director of our Company and was appointed as a Director to our Company on 13 September 2017. Mr Wong is responsible for overseeing the business development, corporate strategies and enhancement of the Group's operations, including making strategic business and financial decisions.

Mr Wong was an executive director for China Fashion Holdings Limited from December 2009 to May 2011, an executive director of ITE Electric Co. Limited from September 2014 to September 2016, a non-executive director at Mary Chia Holdings Limited from June 2009 to December 2012, an independent director for Old Chang Kee Limited from July 2010 to July 2015 and a non-executive director of Goodland Group Limited from August 2009 to January 2018. These companies are listed either on the Catalist or the Main Board of the SGX-ST.

From September 1990 to August 1992, he was the marketing communications manager for the motors group, Inchcape Sendirian Berhad, and subsequently, the business development manager till April 1993. Mr Wong spearheaded business development as a sales and marketing manager in Singapore National Printers Pte Ltd (now known as SNP Corporation Ltd) from May 1993 to December 1995. Following that, he became the marketing director of APV Asia Pte Ltd, part of the Invensys PLC global technology and controls group, before being promoted to managing director (Greater China Division) in January 1997, a key position he held until December 1998. In addition, Mr Wong Ming Kwong has a business interest in Key Elements Consulting Pte Ltd. since 1999.

Mr Wong holds a Bachelor of Arts (Second Upper Honours) (Chinese Studies) and Bachelor of Arts (Economics and Statistics) degree from the National University of Singapore. He also holds a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

DIRECTORS KEY EXECUTIVES

Mr Wu Chiaw Ching is the Lead Independent Director of our Group and was appointed to our Company on 7 January 2019.

Mr Wu is currently a partner of Wu Chiaw Ching & Company and is a fellow member of the Institute of Singapore Chartered Accountants, the Association of Chartered Certified Accountants, United Kingdom and Certified Public Accountants, Australia. In addition, Mr Wu is a member of the Singapore Institute of Directors.

Mr Wu was an independent director of Natural Cool Holdings Limited from 2006 to 2017 and an independent director of Gaylin Holdings Limited from 2012 to 2016. Mr Wu is presently an independent director of GDS Global Limited, Goodland Group Limited and LHT Holdings Limited. These companies are listed either on the Catalist or the Main Board of the SGX-ST.

Mr Wu holds a Bachelor of Commerce (Accounting) from the Nanyang University and a Master of Arts (Finance and Accounting) from the Leeds Metropolitan University.

Mr Yong Siak Hoong is an Independent Director of our Group and was appointed to our Company on 18 June 2018.

Mr Yong is currently the managing director of Philip Stein Asia Pte Ltd, a Switzerland-based watchmaker. Mr. Yong is responsible for the management of the regional office and operations such as retail and wholesale, and is primarily focused on the markets of South-East Asia and the Pacific.

Mr Yong was also the managing director for Bulgari South Asian Operations Pte Ltd, the Singapore subsidiary of luxury Italian jewelry brand Bulgari, and Vertu (Singapore) Pte Ltd, the Singapore subsidiary of luxury hand mobile phone brand Vertu. His responsibilities were in the management of the regional office and operations in the markets of South-East Asia, the Pacific and India.

Mr Yong holds a Bachelor of Business Administration from the National University of Singapore.

Mr Yong is currently a director of Make-A-Wish Foundation (Singapore) Limited, and a member of the advisory board of The Salvation Army.

Mr Yip Shee Yin is an Independent Director of our Group and was appointed to our Company on 18 June 2018.

Mr. Yip is currently a practicing lawyer and is a director and founding shareholder of Ascentsia Law Corporation where he is the head of the dispute resolution department. Mr. Yip has 20 years of legal experience in corporate advisory, risk & financial advisory and commercial & civil litigation. He represents and advises various clients including public listed companies in Singapore, Malaysia and Hong Kong, financial institutions and numerous small and medium size enterprises.

Mr Yip holds a Bachelor of Arts (Law) from the University of Durham and was called to the Bar of England and Wales by the Honorable Society of the Inner Temple as a Barrister-at-law in 1996 and was called to the Bar of Singapore as an Advocate and Solicitor in 1998.

Mr Yip was a Councilor and Chairman of the Estate Management Committee of the Jalan Besar Town Council from January 2006 to December 2010, the District Councilor of the Central Singapore Community Development Council from January 2006 to December 2011 and the Councilor of Tanjong Pagar Town Council from January 2011 to December 2015.

DIRECTORS

KEY EXECUTIVES

Mr Yip is currently the Secretary to the Board of Governors for the Kreta Ayer People's Theatre Foundation and has taken up legal adviser roles to clan associations such as Kwong Wai Siew Li Si She Shut (广惠肇李氏书室) and Tung On Wui Kun (新加坡东安会馆).

In recognition of his contributions to the community, Mr Yip was awarded with the Pingat Bakti Masyarakat, a public service medal in 2005.

Mr Koh Seng Chye is our Chief Operating Officer. He was appointed as the COO of our Company in October 2017.

Mr Koh is responsible for overseeing the operations of our Group's business segments.

Prior to joining our Group, Mr Koh worked in Keppel Shipyard Ltd from 1976 to 1987 as a project engineer, Crompton Instrument UK from 1987 to 1988 as a procurement officer and Dynamic Marine Shipyard from 1989 to 1990 as head of the purchasing department. From 1991 to 2017, Mr Koh worked in Nera Telecommunications Ltd, a company listed on the Main Board of the SGX-ST, where he was the vice president and country manager in charge of overseeing the profit and loss margins of the company's subsidiaries in the Indochina market.

Mr Koh graduated with a Bachelor of Commerce from Curtin University of Technology in 1988.

Ms Yeo Gek Eng is our Financial Controller. She was appointed as Financial Controller of our Company on October 2017. Ms Yeo Gek Eng is responsible for our Group's financial and accounting matters and its compliance with financial reporting and regulatory requirements.

Prior to joining our Group, Ms Yeo first started her career as an auditor in 1996 with Foo Kon Tan LLP. She then joined MEC Electronics as a chief accountant from November 1999 to December 2000. Ms Yeo subsequently joined Low Keng Huat (Singapore) Ltd, a company listed on the Main Board of the SGX-ST, from December 2000 to June 2003 and Ixon International Pte Ltd from August 2003 to December 2012, where she was the head of finance department of both companies. From March 2013 September to 2017, Ms Yeo provided financial consultancy services to Revamp International Pte Ltd and G Ocean Pte Ltd and its subsidiaries ("**G Ocean Group**") which are companies in the oil and gas and beauty industry respectively. In particular, Ms Yeo had assisted to set up the accounts department and company systems of G Ocean Group.

Ms Yeo is currently a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants.

CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or “**Directors**”) of DLF Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) are strongly committed to high standards of corporate governance which are essential to the stability and sustainability of the performance of the Company and its subsidiaries (the “**Group**”), promotion of corporate transparency, accountability and integrity of the Group, protection of the interests of the Company’s shareholders (“**Shareholders**”) and maximisation of long-term shareholder value.

The Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) requires all listed companies to describe in their annual reports, their corporate governance practices, with specific reference to the principles of the Code of Corporate Governance 2012 (the “**Code**”).

This report describes the main corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code. The Company will continue to maintain its systems and corporate governance processes to ensure compliance with the Code. For the financial period from 25 July 2018 (date of listings) to 31 December 2018 (“**FY2018**”), the Board confirms that Company has complied with the principles and guidelines of the Code and where there are deviations, the reasons are explained accordingly.

The revised Code of Corporate Governance was issued on 6 August 2018 (the “**2018 Code**”), with the aim to enhance board quality by strengthening board independence and diversity and encourage better engagement between companies and all stakeholders. The 2018 Code is effective for annual reports covering financial years commencing from 1 January 2019. In this regard, the Company will endeavour to comply with the 2018 Code for the annual report for the financial year ending 31 December 2019.

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The primary function of the Board is to lead and control the Company by forming an effective working relationship with the management to achieve this objective as the Board is collectively and ultimately responsible for the long-term success of the Company.

Besides carrying out its statutory responsibilities, the Board’s other roles are to:

- (i) provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- (ii) establish a framework of prudent and effective controls which enables the identification, assessment and management of risks, including safeguarding of Shareholders’ interests and the Group’s assets;
- (iii) review management performance;
- (iv) identify the key stakeholder groups and recognise that their perceptions affect the Group’s reputation;
- (v) set the Group’s values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- (vi) consider sustainability issues, for example, environmental and social factors, as part of its strategic formulation; and
- (vii) provide oversight of the proper conduct of the Group’s business and assume responsibility for corporate governance.

CORPORATE GOVERNANCE REPORT

The directors of the Company (the “**Directors**”) are of the view that they have objectively discharged their fiduciary duties and responsibilities at all times in the interests of the Company.

To assist the Board in the execution of its responsibilities, various Board committees, namely, the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) that are headed by Independent Directors, have been established and delegated with certain functions. The chairman of the respective committees will report to the Board on the outcome of the committee meetings and their recommendations on the specific agendas mandated to the committees by the Board. Further details of the scope and functions of the various committees are provided below in this Report.

The Board holds at least two scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, annual budget, financial performance and to endorse the release of the half-yearly and annual financial results. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group.

The Constitution of the Company provides for directors to conduct meetings by teleconferencing, videoconferencing, audio-visual or other electronic means of communication. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The attendance of the Directors at meetings of the Board and the Board committees during FY2018 is tabulated below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	1	1	1	1
Number of meetings attended by respective directors				
Executive Directors				
Mr Fan Chee Seng	1	1*	1*	1*
Mr Wong Ming Kwong	1	1*	1*	1*
Independent Directors				
Dr Choong Chow Siong ⁽¹⁾	1	1	1	1
Mr Yong Siak Hoong	1	1	1	1
Mr Yip Shee Yin	1	1	1	1
Mr Wu Chiaw Ching ⁽²⁾	–	–	–	–

* By Invitation

Change of composition of the Board and Reconstitution of Board Committees after FY2018 are as below:-

- (1) Dr Choong Chow Siong ceased as Lead Independent Non-Executive Director with effect from 7 January 2019. He had relinquished his position as Chairman of the Audit Committee as well as member of the Nominating Committee and Remuneration Committee with effect from the same date.
- (2) Mr Wu Chiaw Ching has been appointed as the Lead Independent Non-Executive Director with effect from 7 January 2019. He has also been appointed as Chairman of the Audit Committee as well as member of the Nominating Committee and Remuneration Committee with effect from the same date.

CORPORATE GOVERNANCE REPORT

The profile of each Director and other relevant information as at the date of this Report are set out on pages 8 to 10 of the Annual Report. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company.

Material matters which specifically require the Board's decision or approval include the following corporate matters:

- (i) Announcement of financial statements;
- (ii) Interested persons transactions;
- (iii) Declaration of interim dividends and proposal of final dividends;
- (iv) Convening of shareholders' meetings;
- (v) Change in business direction;
- (vi) Share issuance and corporate or financial re-structuring;
- (vii) Authorisation of merger and acquisition transactions; and
- (viii) Authorisation of major transactions.

The Company will provide a newly-appointed Director guidance and orientation (including management's presentation) which will allow such person to understand the Group's business operations, strategic directions and policies, corporate functions and governance practices. If necessary, on-site visits to the Group's local and overseas places of operation will be arranged for a newly-appointed Director. Upon appointment, a Director will be provided a formal letter which sets out his duties and obligations. If a newly-appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such person to undertake training in the roles and responsibilities of a director of a listed company and to familiarise such person with the relevant rules and regulations governing a listed company. Mr Fan Chee Seng, Mr Yong Siak Hoong and Mr Yip Shee Yin have attended the relevant trainings at the Singapore Institute of Directors on 13 March 2018, 10 May 2018 and 25 September 2018 to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore. . In addition, Mr Fan Chee Seng, Mr Yip Shee Yin and Mr Yong Siak Hoong have also attended a briefing conducted by the Solicitors to the Placement and Legal Advisers to the Company on Singapore law in respect of the roles and responsibilities of a director of a public listed company in Singapore on 20 June 2018.

While the Directors are generally responsible for their own individual training needs, the Company is responsible for arranging and funding the training of Directors. As such, continuous and on-going training programs are made available to the Directors from time to time, such as courses on directors' duties and responsibilities as well as seminars and talks on relevant subject fields.

The Directors are conscious of the importance of continuing education in areas such as legal and regulatory responsibilities and accounting issues, so as to update and refresh themselves on matters that may affect their performance as a Board, or as a member of a Board committee. Accordingly, further training for Directors will extend to relevant new laws, regulations and changing commercial risks from time to time when appropriate.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and substantial shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board of the Company comprises the following Directors: -

Name of Director	Position in the Board
Mr Fan Chee Seng	Executive Chairman
Mr Wong Ming Kwong	Chief Executive Officer and Executive Director
Mr Wu Chiaw Ching	Lead Independent Director
Mr Yong Siak Hoong	Independent Director
Mr Yip Shee Yin	Independent Director

The Company believes that there should be a strong and independent element on the Board in order for it to exercise objective judgment on corporate and business affairs. Hence, the Board comprises five Directors, out of whom three are Independent Directors, the AC, the RC and the NC comprise all independence Directors and are constituted in compliance with the Code. As the Chairman of the Board is not independent, with a majority of the Board made up of independent Directors, thereby fulfilling the code's requirement. The Company also believes that the Independent Directors should be selected for their diverse expertise so that they can provide a balance of views.

As set out under the Code, an independent director is one who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. The NC deliberates to determine the independence of a Director bearing in mind the salient factors set out under this guideline in the Code, listing rules as well as all other relevant circumstances and facts. To facilitate the NC in its review of the independent status of the Directors, each Independent Director will confirm his independence. The Executive Directors are considered non-independent. During FY2018, the NC has reviewed and has confirmed the independence of the Independent Directors in accordance with the Code and listing rules. There were no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

There are no Independent Directors who has served on the Board beyond nine (9) years from the date of his first appointment.

The NC is of the view that the Board has the requisite blend of expertise, skills and attributes to oversee the Group's business. Collectively, they have competencies in areas which are relevant and valuable to the Group, such as accounting, corporate finance, business development, management, sales and strategic planning. In particular, the Executive Directors have many years of experience in the industry that the Group operates in. The NC considers that the Board's present size is adequate for effective debate, strategic decision-making and in exercising accountability to Shareholders and delegating authority to the management, taking into account the nature and scope of the Group's operations. As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective.

CORPORATE GOVERNANCE REPORT

The current Board composition provides a diversity of knowledge and experience to the Company as follows:

Balance and Diversity of the Board		
Core Competencies	Number of Directors	Proportion of Board
Accounting or finance	2	2/5
Business management	5	5/5
Legal, corporate advisory and governance	1	1/5
Relevant industry knowledge or experience	2	2/5
Strategic planning experience	5	5/5
Customer based experience or knowledge	2	2/5
Gender		
Male	5	5/5
Female	0	—

The Independent Directors provide constructive advice on the Group's strategic and business plans. They constructively challenge and help develop proposals on strategy for the Group. They also review the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance of the Group.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company believes that a clear division of responsibilities between the Executive Chairman and the Chief Executive Officer ("CEO") ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The positions of the Executive Chairman and CEO are held by Mr Fan Chee Seng and Mr Wong Ming Kwong respectively and they are not related to each other.

The Chairman's duties and responsibilities include:

- (i) leading the Board to ensure its effectiveness on all aspects of its role;
- (ii) setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (iii) promoting a culture of openness and debate at the Board;
- (iv) ensuring that the Directors receive complete, adequate and timely information;
- (v) ensuring effective communication with Shareholders;
- (vi) encouraging constructive relations within the Board and between the Board and the management;
- (vii) facilitating the effective contribution of Non-Executive Directors;

CORPORATE GOVERNANCE REPORT

- (viii) encouraging constructive relations between Executive Directors and Non-Executive Directors; and
- (ix) promoting high standards of corporate governance.

The CEO's duties and responsibilities include:

- (i) improving, developing, extending, maintaining, advising and promoting the Group's businesses to protect and further the reputation, interest and success of the Company and the Group;
- (ii) undertaking such duties and exercising such powers in relation to the Group and their businesses as the Board shall from time to time properly assign to or vest in him in his capacity as the CEO and all other matters incidental to the same; and
- (iii) overseeing, formulating and implementing corporate strategies and directions for the affairs of the Group.

PRINCIPLE 4: BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The appointment of new Directors to the Board is recommended by the NC which comprises three (3) Directors, namely, Mr Yong Siak Hoong (Chairman of the NC), Mr Yip Shee Yin and Mr Wu Chiaw Ching. As three (3) of them are Independent Directors, the NC comprises all of independent directors.

The principal functions of the NC, regulated by written terms of reference and undertaken by the NC during FY2018, are as follows:

- (i) re-nomination of our directors for re-election of directors in accordance with the Constitution at each annual general meeting and having regard to the director's contribution and performance;
- (ii) review board succession plans for Directors;
- (iii) develop a process for evaluation of the performance of the Board, the various Board committees and the Directors;
- (iv) review the training and professional development programs for the Board;
- (v) review, assess and make recommendation to the Board on all Board selection, appointments and re-appointments, taking into consideration the composition and progressive renewal of the Board and each Director's competencies, contributions and performance;
- (vi) review and determine annually the independence of Directors;
- (vii) decide the assessment process and implement a set of objective performance criteria to be applied from year to year for evaluation of the Board's performance; and
- (viii) evaluate the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted, including deciding whether a Director is able to and has been adequately carrying out his/her duties when he/she has multiple board representations.

CORPORATE GOVERNANCE REPORT

The NC leads the process and makes recommendations to the Board for the selection and approval of appointment of new Directors as follows:

- (i) reviewing and approving key executive employment of related persons and proposed terms of their employment.
- (ii) evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with the management, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- (iii) while existing Directors and the management may make suggestions, seeks external help where necessary to source for potential candidates;
- (iv) meets with short-listed candidates to assess their suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
- (v) makes recommendations to the Board for approval.

At present, no alternative Director has been appointed to the Board.

Regulations 104 and 106 (1) of the Constitution of the Company provides that one-third of the Directors (or, if their number is not three or a multiple of three, the number nearest one-third) shall retire from office by rotation and are eligible for re-election at each annual general meeting (“**AGM**”). All Directors are required to retire from office at least once in every three (3) years. Newly appointed Directors shall hold office only until the next AGM and are eligible for re-election at the AGM pursuant to Regulation 114 of the Constitution of the Company. Shareholders approve the election and re-election of Board members at the AGM.

The NC assesses and recommends to the Board the retiring directors to be re-elected at the forthcoming AGM, having regard to their contribution and performance.

The NC has recommended and the Board has agreed for the following directors to retire and seek for re-election at the forthcoming AGM:

- a) Mr Wong Ming Kwong (retiring under Regulation 104 of the Constitution of the Company);
- b) Mr Fan Chee Seng (retiring under Regulation 114 of the Constitution of the Company);
- c) Mr Wu Chiaw Ching (retiring under Regulation 114 of the Constitution of the Company);
- d) Mr Yong Siak Hoong (retiring under Regulation 114 of the Constitution of the Company); and
- e) Mr Yip Shee Yin (retiring under Regulation 114 of the Constitution of the Company).

Mr Wong Ming Kwong will, upon re-election as Director, remain as Chief Executive Officer and Executive Director.

Mr Fan Chee Seng will, upon re-election as Director, remain as Executive Chairman.

Mr Wu Chiaw Ching (Lead Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as the Chairman of the Audit Committee as well as a member of the Remuneration Committee and Nominating Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

CORPORATE GOVERNANCE REPORT

Mr Yong Siak Hoong (Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as Chairman of the Nominating Committee as well as a member of the Audit Committee and Remuneration Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

Mr Yip Shee Yin (Independent Non-Executive Director) will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee as well as a member of the Audit Committee and Nominating Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

The NC determines the independence of Directors in accordance with the guidelines set out in the Code, the listing rules and the declaration form completed by each Independent Director disclosing the required information.

The NC is of the opinion that the Board has been able to exercise objective judgment on corporate affairs independently and that the Board's decision making process is not dominated by any individual or small group of individuals.

The NC also determines whether a Director with multiple board representations is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board. The NC is satisfied that all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their multiple board representations.

The NC and the Board are of the view that there should not be any restriction to the number of board representations that each Director may take up as multiple board representations do not necessarily hinder the Directors from carrying out their duties. The NC and the Board are of the view that multiple board representations may be beneficial as these widen the experience of the Directors and broaden the perspective of the Directors and the Board.

Each member of the Nominating Committee will not participate and shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as director of the Company. In the event that any member of the Nominating Committee has an interest in a matter being deliberated upon by the Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

PRINCIPLE 5: BOARD PERFORMANCE

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC has implemented a formal Board evaluation process in assessing the effectiveness of the Board and the various Board committees. The objective of the annual evaluation is to identify areas for improvement and to implement appropriate action. The NC did not engage any external facilitator's services in respect of the evaluation process.

The Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board, and the various Board committees for FY2018. The results of the appraisal exercise were tabulated, analysed and considered by the NC which then made recommendations to the Board on areas for improvement, aimed at helping the Board to discharge its duties more effectively. Although there was no evaluation carried out on the Directors individually, the NC has taken notice of each Director's attendance record, participation in meetings and overall performance and contribution to the Board and the Group.

CORPORATE GOVERNANCE REPORT

The appraisal process focused on, inter alia, the areas of evaluation on the Board such as Board composition and size, access to information, Board procedures, Board accountability and standards of conduct.

The appraisal process for the AC encompasses AC composition and size, committee process, accountability, internal controls and risk management systems and audit process whereas the NC and the RC evaluated the respective committee's composition and size and committee process.

The NC is of the view that the Board and its various Board committees have contributed to the overall effectiveness of the Board as a whole and that the relevant criteria of the performance of the Board and the Board Committees will be maintained from year to year, subject to such necessary change(s) which is to be justified by the Board.

The Board has met its performance objectives for FY2018.

PRINCIPLE 6: ACCESS TO INFORMATION

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Directors are provided with complete, adequate and timely information in the form of Board papers and all other relevant materials prior to each Board and Board committees meetings and at such other time as necessary on an ongoing basis. Information provided to the Board includes background information relating to the matters to be brought before the Board. Relevant information on material events and transactions are circulated to the Directors as and when they arise. The Board also receives regular reports pertaining to the operational and financial performance of the Group with explanations for material variance between budget and actual performance. In respect of budgets, any material variance between the projections and actual results will be disclosed and explained.

The Board members have separate and independent access to the management, who will provide additional information as may be needed by the Board to make informed decisions in a timely manner.

The Board members also have separate and independent access to the Company Secretaries. The role of the Company Secretaries is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the Chairman's direction, the Company Secretaries should ensure good information flows within the Board and the Board committees and between the management and non-executive Directors, advising the Board on all governance matters and facilitating orientation and assisting with professional development as may be required. The Company Secretaries attend all meetings of the Board and Board committees and minutes of the Board and Board committees are circulated to the whole Board for review and information.

The Board is fully involved in and responsible for the appointment and removal of the Company Secretaries.

Where the Directors, either individually or as a group, in the furtherance of their duties, require professional advice, the management will assist them in obtaining independent professional advice, at the Company's expense.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The members of the RC comprise entirely of Independent Directors, namely Mr Yip Shee Yin (Chairman of the RC), Mr Wu Chiaw Ching and Mr Yong Siak Hoong.

The principal functions of the RC, regulated by written terms of reference and undertaken by the RC during FY2018, include the following:

- (i) review and recommend to the Board a general framework of remuneration and specific remuneration package for the Board and key management personnel covering all aspects of remuneration, including but not limited to fees, salaries, allowances, bonuses, share-based incentives and benefits-in-kind;
- (ii) review and ensure that the remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive;
- (iii) structure an appropriate portion of Executive Directors' and key management personnel's remuneration so as to link rewards to corporate and individual performance so as to align them with the interests of Shareholders and promote the long-term success of the Group; and
- (iv) review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service to ensure that the termination clauses are fair and reasonable and not overly generous to avoid rewarding poor performance.

The RC reviews the framework for remuneration of the Board and the key management personnel and recommends to the Board for adoption. The RC also determines specific remuneration packages and terms of employment for each Executive Director and key management personnel.

The RC's recommendations are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits-in-kind for the Board and key management personnel are covered by the RC.

Each member of the RC will abstain from voting on any resolutions in respect of his remuneration package.

There were no remuneration consultants engaged in FY2018. The RC will if necessary, seek expert advice inside and/or outside the Company on remuneration matters.

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Executive Directors do not receive Directors' fees. The performance-related elements of remuneration are designed to align interests of Executive Directors with those of Shareholders and link rewards to the Group's financial performance.

CORPORATE GOVERNANCE REPORT

The Company had entered into separate service agreement with the Executive Chairman, Mr Fan Chee Seng and Chief Executive Officer and Executive Director, Mr Wong Ming Kwong in which the terms of their employment are stipulated. Their initial term of employment is for a period of three (3) years from the date of admission of the Company to the Catalist (being 25 July 2018) and thereafter, their employment is renewed annually subject to termination clauses in the service agreements. The service agreement may be terminated by either party by giving not less than six (6) months' prior written notice. Under the service agreements, each of them will also be entitled to an annual performance bonus based on the Group's consolidated profit before tax for each financial year.

The Non-Executive Directors (including the Independent Directors) are paid a base fee. An additional fee is also paid to Non-Executive Directors for serving on any of the board committees. Such fees are pro-rated if a Director serves for less than one (1) year. The Directors' fees are subject to approval by Shareholders at the AGM.

The Company has adopted the Employee Share Option Scheme (the "**ESOS**") on 19 June 2018 prior to its listing on the Catalist board of the SGX-ST. The ESOS shall be administered by the RC. The purpose of the ESOS is to provide an opportunity for employees of the Group to participate in the equity of the Company so as to motivate them towards greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. The ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain employees whose services are vital to the success of the Group.

Under the rules of the ESOS, the options that are granted may have exercise prices that are, at the RC's discretion, set at the price ("**Market Price**") equal to the average of the last dealt prices for the Company's ordinary shares ("**Shares**") on the Catalist for the five consecutive trading days immediately preceding the relevant date of grant of the relevant option, or (provided that Shareholders' approval is obtained in a separate resolution) at a discount to the Market Price (subject to a maximum discount of 20% or such other percentage or amount as may be determined by the RC and as permitted by the SGX-ST). Options which are fixed at the Market Price may be exercisable at any time by the participant after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of ten (10) years. The options may be exercisable in whole or in part, on payment of the exercise price. Since its adoption till the date of this report, no option has been granted under the ESOS.

In addition to the ESOS, the Company has adopted the Performance Share Plan (the "**PSP**") on 19 June 2018 prior to its listing on the Catalist board of the SGX-ST. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to promote higher performance, goals and recognise exceptional performance. The PSP shall be managed by the RC. No performance share has been granted under the PSP during the FY2018 up to the date of report.

In setting remuneration packages, the Company keeps in mind the pay and employment conditions within the industry and in comparable companies. The level and structure of remuneration should be aligned with the Company's long-term interest and risk policies and appropriate to attract, retain and motivate the Directors and the key management personnel to respectively provide good stewardship of the Company and manage the Company effectively. If required, the Company will engage professional advice to provide guidance on remuneration matters.

The RC and Board are of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors and key management personnel in the event of such exceptional circumstances or breach of fiduciary duty.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

A breakdown showing the level and mix of the remuneration of the Directors paid or payable in respect of FY2018 is as follows:

S\$	Base/Fixed Salary	Performance-related income	Directors' Fees 2018 ¹	Benefit-in-Kind	Total
Mr Fan Chee Seng	180,000.00	–	–	–	180,000.00
Mr Wong Ming Kwong	168,000.00	–	–	–	168,000.00
Mr Choong Chow Siong	–	–	21,500.00	–	21,500.00
Mr Yong Siak Hoong	–	–	21,500.00	–	21,500.00
Mr Yip Shee Yin	–	–	21,500.00	–	21,500.00

Note:

- In respect of FY2018, the amounts of Directors' Fees proposed to be payable to the Non-Executive Directors (including the Independent Directors) are subject to the approval of Shareholders at the forthcoming AGM.

No Director has been granted share option or share-based award during FY2018.

S\$	Salary	Performance-related income	Others	Benefit-in-kind	Total
Koh Seng Chye	72,000.00	–	–	–	72,000.00
Yeo Geok Eng	96,000.00	–	–	–	96,000.00

The aggregate amount of remuneration paid to KMP was approximately S\$168,000.00 in FY2018.

The Group has two (2) KMP (other than the Director or CEO)

The Executive Directors and key management personnel are not entitled to any benefits upon termination, retirement or post-employment.

The following employee is related to our Executive Chairman, Mr Fan Chee Seng:-

S\$	Salary	Performance-related income	Others	Benefit-in-kind	Total
Ong Thiam Hong	60,000.00	–	–	–	60,000.00

Ms Ong Thiam Hong is the spouse of the Executive Chairman.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 10: ACCOUNTABILITY

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the interests of the Group. The Board provides a balanced and understandable assessment of the Group's performance, position and prospects through announcements of the Group's quarterly and full-year financial results, and announcements of the Group's major corporate developments from time to time. In line with the continuous disclosure obligations under the Catalist Rules, the Board has and will continue to inform Shareholders promptly of all pertinent information. Such information is disclosed to Shareholders on a timely basis through SGXNET.

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the Catalist Rules. The management provides the Board with the management accounts on a regular basis and as the Board may require from time to time. Such reports keep the Board informed of the Group's performance and contain explanation and information to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is committed to maintaining a sound system of internal controls to safeguard Shareholders' investments and the Group's assets. The Board oversees the management in the design, implementation and monitoring of risk management and internal control systems.

The AC and the Board review on an annual basis the adequacy of the Group's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management. The system of internal controls and risk management established by the Company are designed to manage, rather than eliminate the risk of failure in achieving the Group's strategic objectives. The management is involved in regular reviews of the risks that are significant to the fulfilment of the objectives of the business. However, it should be recognised that such systems are designed to provide reasonable assurance, but not an absolute guarantee against material misstatement or loss.

The Company has appointed internal auditor, RSM Risk Advisory Pte Ltd, to conduct internal audit review based on an agreed scope of review. RSM Risk Advisory Pte Ltd has also performed internal audit review for the purposes of the Initial Public Offering ("IPO") of the Company. In respect of FY2018, the Board has received from the Group CEO and Financial Controller ("**FC**") a letter of assurance confirming that the Group's financial records have been properly maintained and the Group's consolidated financial statements for FY2018 give a true and fair view of the Group's operations and finances, and that the Group's risk management and internal control systems were sufficiently effective.

Based on (i) the internal controls established and maintained by the Group, (ii) work performed by the internal auditors during the IPO of the company, (iii) reviews performed by the management, the AC and the Board, and (iv) the aforementioned letter during the IPO of the Company of assurance provided by the Group CEO and FC, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls (Including financial, operational, compliance and information technology control), and risk management systems were adequate and effective for FY2018.

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The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. However, the Board, together with the AC and the management, will review the adequacy and effectiveness of the internal control framework on an on-going basis and address any specific issues or risks whenever necessary.

PRINCIPLE 12: AUDIT COMMITTEE

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises three Non-Executive Directors, namely Mr Wu Chiaw Ching (Chairman of the AC), Mr Yong Siak Hoong and Mr Yip Shee Yin. The AC comprises all of independent directors, including the Chairman of the AC.

All members of the AC have extensive management and financial experience. The Board considers them as having sufficient financial management knowledge and experience to discharge their responsibilities in the AC.

The AC has full access to, and co-operation from the management, and has full discretion to invite any Director, executive officer or other persons to attend its meetings. It may require any such Director, officer or other person in attendance to leave the proceedings (temporarily or otherwise) to facilitate open discussion.

The duties and responsibilities of the AC are contained in written terms of reference, which are mainly to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, business and financial risk management. The duties of the AC include the following:

- (i) assist the Board in the discharge of its responsibilities on financial reporting matters;
- (ii) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditors;
- (iii) review the half-yearly and annual financial statements and financial results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;
- (iv) review the effectiveness and adequacy of the internal control and procedures, including accounting and financial controls and procedures and ensure co-ordination between the internal and external auditors, and the management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (v) review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (vi) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

CORPORATE GOVERNANCE REPORT

- (vii) review significant financial reporting issues and judgments with the Financial Controller and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board of Directors;
- (viii) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls with the Financial Controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;
- (ix) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (x) review any potential conflicts of interest;
- (xi) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- (xii) review and establish procedures for receipt, retention and treatment of complaints received by the Group, including criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and
- (xiii) generally to undertake such other functions and duties as may be required by the statute or the Catalist Rules, and by such amendments made thereto from time to time.

The AC has met with the external auditors without the presence of the Company's management to review any matter that might be raised.

In respect of FY2018, the AC has reviewed the independence of the external auditors, Messrs Foo Kon Tan LLP and recommended that Messrs Foo Kon Tan LLP be nominated for re-appointment as auditors at the forthcoming AGM. In recommending the re-appointment of the auditors, the AC considered and reviewed a number of key factors, including amongst other things, the adequacy of the resources and experience of the supervisory and professional staff as well as audit engagement partner to be assigned to the audit, and size and complexity of the Group and its businesses and operations. The Group has also complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors.

CORPORATE GOVERNANCE REPORT

The total fees paid in respect of audit, non-audit and IPO-related fees to the external auditors, Messrs Foo Kon Tan LLP for FY2018 are as stated below.

External Auditors Fees for FY2018	S\$ '000	% of total fees
Total audit fees	110,000.00	100
Total non-audit fees	–	0
Total fees paid	110,000.00	100

The AC has the authority to investigate any matter brought to its attention within its terms of reference, with the authority to engage professional advice at the Company's expense.

The AC and the Board have in place a whistle-blowing policy which allows employees to raise concerns about possible improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports will be addressed to the AC members and Human Resource Department. Details of the whistle-blowing policy have been made available to all employees of the Group.

Details of the activities of the AC are also provided under Principles 11 and 13 of this report. In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements as well as attending the relevant external training and seminars in respect thereof.

No former partner or director of the Company's existing auditing firm is a member of the AC.

PRINCIPLE 13: INTERNAL AUDIT

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function is currently outsourced to Messrs RSM Risk Advisory Pte Ltd, which reports directly to the AC. The AC approves the appointment, termination, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

In the opinion of the Board, Messrs RSM Risk Advisory Pte Ltd meets the standards set out by both nationally and internationally recognised professional bodies, and is satisfied that the internal auditors are qualified and experienced personnel.

The internal audit plans are reviewed and approved by the AC, to ensure the adequacy of the scope of audit, with the arising audit outcome presented and reviewed by the management, the AC and the Board.

The AC will annually review the scope and results of the internal audit and ensure that the internal audit function is adequately resourced.

The AC is of the view that the IA function is adequately resourced, independent, effective and staffed with persons with the relevant qualifications and experience and has appropriate standing within the Company.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 14: SHAREHOLDER RIGHTS

Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Shareholders are treated fairly and equitably to facilitate their ownership rights. In line with the continuous disclosure obligations of the Company, pursuant to the Catalist Rules and Companies Act, the Board's policy is that Shareholders should be informed in a comprehensive manner and on a timely basis of all material developments of the Group which would be likely to materially affect the price or value of the Company's Shares.

Shareholders have the opportunity to participate effectively in and vote at general meetings of Shareholders. They will be informed of the rules, including voting procedures that govern the general meetings.

The Company allows corporations which provide nominee or custodial services to appoint more than two proxies so that Shareholders who hold Shares through such corporations can attend and participate in general meetings as proxies.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company does not make price-sensitive disclosure to a selected group. All announcements are released via the SGXNET. Shareholders will receive the Annual Report together with the notice of AGM which is also accessible through the SGXNET. The notice of AGM is also advertised in a local newspaper.

The Company currently does not adopt any formal dividend policy. 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.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

Companies should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board supports the Code's principle to encourage Shareholders' participation at general meetings.

The Board encourages Shareholders to attend general meetings to ensure a greater level of Shareholders' participation and to meet with the Board and the key management personnel so as to stay informed of the Group's developments and to raise issues and ask the Directors or the management questions regarding the Group's business and operations. The Directors, including the Chairman of the AC, NC and RC, and the management as well as external auditors will be present at general meetings to address Shareholders' queries.

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Currently, the Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. Pursuant to Section 181 of the Companies Act, a member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his stead. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The Company practises having separate resolutions at general meetings on each substantially separate issue. The Company also makes available minutes of general meetings to Shareholders upon their requests.

The Company will conduct voting by poll and an announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET after the conclusion of the general meeting.

SUSTAINABILITY REPORTING

In compliance with Rule 711A and B and Practice Note 7F of the Sustainability Reporting Guide in the Catalist Rules, the Company's first Sustainability Report will be released before 31 December 2020.

DEALINGS IN SECURITIES

The Group has implemented appropriate guidelines on dealings in the Company's securities in compliance with the best practices as set out in Rule 1204(19) of the Catalist Rules. All Directors and officers of the Group are not allowed to trade in the Company's securities during the periods commencing one month before the announcement of the Company's half year and full year financial results respectively. To facilitate compliance, reminders are issued to all directors and staff prior to the applicable trading black-outs. Our directors and staff, who are expected to observe insider trading laws at all times, are also discouraged from dealing in the Company's securities on short-term considerations.

NON-SPONSOR FEES

Non-sponsor fees amounting to S\$1,120,000 was paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2018.

INTERESTED PERSON TRANSACTIONS

The Group has procedures governing all Interested Persons Transactions ("**IPT**") to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Company did not enter into any IPT with value equal to or more than S\$100,000 during FY2018. The Company did not obtain any general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

USE OF 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.

CORPORATE GOVERNANCE REPORT

As at the date of this report 10 April 2019, the status on the use of the IPO net proceeds is as follows:

Use of IPO Net Proceeds	Amount allocated S\$'000	Amount utilised S\$'000	Balance 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.

The above utilisations are in accordance with the intended use of the IPO net proceeds and percentage allocated, as stated in the Offer Document.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of its CEO, Directors or controlling shareholders which are either still subsisting at the end of FY2018 or if not then subsisting, entered into by the Company during FY2018.

DIRECTORS' STATEMENT

for the financial year ended 31 December 2018

The directors submit this statement to the members together with the audited consolidated financial statements of the DLF Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the financial year ended 31 December 2018.

In our opinion:

- (a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Names of directors

The directors in office at the date of this report are:

Fan Chee Seng (Executive Chairman)

Wong Ming Kwong (Chief Executive Officer and Executive Director)

Choong Chow Siong (Lead Independent Non-Executive Director) - Resigned on 7 January 2019

Wu Chiaw Ching (Lead Independent Non-Executive Director) - Appointed on 7 January 2019

Yong Siak Hoong (Independent Non-Executive Director)

Yip Shee Yin (Independent Non-Executive Director)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of the Company or of any other corporate body other than as disclosed in this statement.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, the following directors who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations, except as follows:

	Share registered in the name of director	
	As at 1.1.2018	As at 31.12.2018
The Company - DLF Holdings Limited		
Fan Chee Seng	51,000,000	51,000,000
Wong Ming Kwong	45,000,000	45,000,000

DIRECTORS' STATEMENT

for the financial year ended 31 December 2018

Directors' interest in shares or debentures (Cont'd)

Mr Fan Chee Seng and Mr Wong Ming Kwong, by virtue of the provisions of Section 7 of the Act, is deemed to have an interest in the other subsidiaries of the Company of which, all but five are wholly-owned.

There are no changes to the above shareholdings or debentures between the end of the financial year and 10 April 2019.

Share options

No options were granted during the financial year to take up unissued shares of the Company or any subsidiary.

No shares were issued during the financial year to which this report related by virtue of the exercise of options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The audit committee at the end of the financial year comprises the following members:

Choong Chow Siong (Chairman) - Resigned on 7 January 2019
Wu Chiaw Chiang (Chairman) - Appointed on 7 January 2019
Yong Siak Hoong
Yip Shee Yin

The audit committee performs the functions set out in Section 201B (5) of the Companies Act, Cap.50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

- overall scope of both internal and external audits and the, assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors.
- met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;
- reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- reviewed the cost effectiveness and the independence and objectivity of the external auditor;

DIRECTORS' STATEMENT

for the financial year ended 31 December 2018

Audit Committee (Cont'd)

- reviewed the nature and extent of non-audit services provided by the external auditor;
- reviewed statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2018 as well as the auditor's report thereon; and
- reviewed interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The audit committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to The Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants has expressed its willingness to accept re-appointment.

On behalf of the Directors

FAN CHEE SENG

WONG MING KWONG

Dated: 10 April 2019

INDEPENDENT AUDITORS' REPORT

to the members of DLF Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DLF Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position of the Group and the statement of financial position of the Company as at 31 December 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for projects - Revenue recognition, recoverability of contract work balances (Note 3) to the financial statements)

Risk:

Revenue recognition of projects requires management's use of estimates in identification of performance obligations, assessment of the number of performance obligations and whether they are satisfied over time or a point in time, determination of an appropriate method to measure progress of the project for revenue recognition.

Revenue from performance obligations satisfied over time is recognised using the percentage of completion ("POC") method. The stage of completion is certified by third party quantity surveyors and measured by reference to the value of the project costs incurred to date to the estimated total costs to complete the project. Significant judgements are required to determine the total project costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total project costs will impact the POC method.

INDEPENDENT AUDITORS' REPORT

to the members of DLF Holdings Limited

Key Audit Matters (Cont'd)

Our response:

We read the contracts signed with customers for significant contracts and engaged management to obtain an understanding of the performance obligations of the Group and its contractual rights. We discussed with management to assess whether the criteria for recognising revenue over time or a point in time are met, taking into consideration the contractual terms.

We evaluated the Group's estimated total project costs, taking into consideration costs incurred to date, estimated costs to completion, project progress and any deviation in project cost components which could lead to cost overruns.

We tested the arithmetic accuracy of project revenues and profits based on the stage of completion calculations.

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions in the estimates.

Impairment assessment of trade receivables

Risk:

As at 31 December 2018, the Group's trade receivables of \$4,766,983 was significant to the Group as it accounted for 45.7% of the Group's total assets.

Significant judgements and assumptions, including the credit risks of customers and the timing and amount of realisation of debts, are used in performing an assessment and measures the impairment loss on trade receivables.

Our response:

We analysed the aging of trade receivables, requested trade receivables balance confirmations, and tested subsequent receipts of trade receivables post balance sheet date.

We also assessed the recoverability of the trade receivables on a sample basis through our evaluation of management's assessment with reference to, amongst others, the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITORS' REPORT

to the members of DLF Holdings Limited

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of DLF Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Toh Kim Teck.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 10 April 2019

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2018

	Note	The Group			The Company		
		31 December 2018	31 December 2017 Restated	1 January 2017	31 December 2018	31 December 2017	1 January 2017
		\$	\$	\$	\$	\$	\$
ASSETS							
Non-Current Assets							
Subsidiaries	5	–	–	–	4,993,204	4,913,204	4,913,204
Deferred tax assets	6	9,789	–	–	–	–	–
Property, plant and equipment	7	1,918,500	1,948,508	1,976,727	–	–	–
Total non-current assets		1,928,289	1,948,508	1,976,727	4,993,204	4,913,204	4,913,204
Current Assets							
Trade and other receivables	8	6,107,265	5,743,034	7,451,929	2,849,518	–	–
Contract assets	9	1,296,287	463,208	518,343	–	–	–
Cash and bank balances	10	1,101,650	903,578	972,342	682,415	100	100
Total current assets		8,505,202	7,109,802	8,942,614	3,531,933	100	100
Total assets		10,433,491	9,058,328	10,919,341	8,525,137	4,913,304	4,913,304
EQUITY AND LIABILITIES							
Capital and Reserves							
Share capital	11	9,499,017	4,913,304	4,913,304	9,499,017	4,913,304	4,913,304
Reserves	12	(2,621,264)	(2,632,363)	(2,618,738)	–	–	–
(Accumulated losses)/ Retained earnings		(773,983)	571,945	(393,891)	(2,853,174)	(49,691)	–
Total equity attributable to owners of the Company		6,103,770	2,852,886	1,900,675	6,645,843	4,863,613	4,913,304
Non-controlling interests		121,118	–	–	–	–	–
Total equity		6,224,888	2,852,886	1,900,675	6,645,843	4,863,613	4,913,304
Non-current Liabilities							
Borrowings	13	377,253	609,094	–	–	–	–
Finance lease liabilities	14	130,527	103,528	166,186	–	–	–
Deferred tax liabilities	6	5,111	–	–	–	–	–
Total non-current liabilities		512,891	712,622	166,186	–	–	–
Current Liabilities							
Trade and other payables	15	2,117,812	3,807,308	6,310,732	1,879,294	49,691	–
Contract liabilities	9	–	–	961,932	–	–	–
Borrowings	13	791,045	893,232	1,059,990	–	–	–
Finance lease liabilities	14	47,930	75,953	62,815	–	–	–
Current tax liabilities		738,925	716,327	457,011	–	–	–
Total current liabilities		3,695,712	5,492,802	8,852,480	1,879,294	49,691	–
Total liabilities		4,208,603	6,205,442	9,018,666	1,879,294	49,691	–
Total equity and liabilities		10,433,491	9,058,328	10,919,341	8,525,137	4,913,304	4,913,304

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2018

	Note	Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
Revenue	4	18,250,296	21,512,183
Cost of sales		(14,652,468)	(16,044,563)
Gross profit		3,597,828	5,467,620
Other operating income	16	66,180	224,134
Selling and distribution expenses		(27,815)	(21,337)
Administrative expenses		(4,041,824)	(1,629,479)
Impairment loss on trade receivables		(200,791)	–
Other operating expenses	17	(308,270)	(92,437)
Finance costs	18	(106,309)	(79,685)
(Loss)/profit before taxation	19	(1,021,001)	3,868,816
Tax expense	21	(223,809)	(501,902)
(Loss)/profit for the year		(1,244,810)	3,366,914
Other comprehensive income, at net tax:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		11,099	(13,625)
Total comprehensive (loss)/income for the year		(1,233,711)	3,353,289
(Loss)/Profit attributable to:			
Owners of the Company		(1,345,928)	3,366,914
Non-controlling interests		101,118	–
		(1,244,810)	3,366,914
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(1,334,829)	3,353,289
Non-controlling interests		101,118	–
		(1,233,711)	3,353,289
		Cents	Cents
(Loss)/earnings per share			
Basic and diluted	22	(1.13)	2.87

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2018

	Share capital \$	Other reserve \$	Currency translation reserve \$	(Accumulated losses)/ Retained earnings \$	Equity attributable to owners of the parent \$	Non-controlling interests \$	Total Equity \$
At 1 January 2017	4,913,204	(2,888,997)	270,259	(393,891)	1,900,675	–	1,900,675
Total comprehensive income for the year:							
Profit for the year	–	–	–	3,366,914	3,366,914	–	3,366,914
Other comprehensive income							
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
Contributions by and distributions to owners:							
Waiver of advance to former shareholders of subsidiaries	–	–	–	(2,401,078)	(2,401,078)	–	(2,401,078)
Total transactions with owners, recognised directly in equity	–	–	–	(2,401,078)	(2,401,078)	–	(2,401,078)
At 31 December 2017	4,913,304	(2,888,997)	256,634	571,945	2,852,886	–	2,852,886
At 1 January 2018	4,913,304	(2,888,997)	256,634	571,945	2,852,886	–	2,852,886
Total comprehensive income for the year:							
Loss for the year	–	–	–	(1,345,928)	(1,345,928)	101,118	(1,244,810)
Other comprehensive income							
Foreign currency translation differences	–	–	11,099	–	11,099	–	11,099
Total comprehensive income for the year	–	–	11,099	(1,345,928)	(1,334,829)	101,118	(1,233,711)
Contributions by and distributions to owners:							
Issuance of shares	4,585,713	–	–	–	4,585,713	–	4,585,713
Issue of shares to non-controlling interests	–	–	–	–	–	20,000	20,000
Total transactions with owners, recognised directly in equity	4,585,713	–	–	–	4,585,713	20,000	4,605,713
At 31 December 2018	9,499,017	(2,888,997)	267,733	(773,983)	6,103,770	121,118	6,224,888

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2018

		Year ended 31 December 2018	Year ended 31 December 2017
	Note	\$	\$
Cash Flows from Operating Activities			
(Loss)/profit before income tax		(1,021,001)	3,868,816
Adjustments for:			
Depreciation of property, plant and equipment	7	156,540	134,836
Impairment loss on trade receivables	8	200,791	–
Interest income	16	(90)	(693)
Interest expense	18	106,309	79,685
Property, plant and equipment written off	17	24,120	–
Share-based payments made for initial public offer		495,423	–
Operating (loss)/profit before working capital changes		(37,908)	4,082,644
Change in contract assets and liabilities		(783,079)	(652,802)
Change in trade and other receivables		(735,678)	174,701
Change in trade and other payables		(1,439,496)	(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
Cash Flows from Investing Activities			
Purchase of property, plant and equipment (Note A)		(71,872)	(96,817)
Advance to former shareholders of subsidiaries		–	(1,466,664)
Interest received		90	693
Net cash used in investing activities		(71,782)	(1,562,788)
Cash Flows from Financing Activities			
(Repayment of)/proceeds from bank loan		(208,438)	808,840
Proceeds from bills payable		–	145,085
Proceeds from initial public offering		4,255,000	–
Repayment of bills payable		(145,085)	(500,000)
Repayment of finance leases		(79,804)	(78,920)
Advance from shareholder		–	320,219
Interest paid		(106,309)	(79,685)
Net cash generated 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		7,664	(15,476)
Cash and cash equivalents at end of the year	10	533,754	355,177

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2018

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
Cash and bank balances	1,101,650	903,578
Less: Bank overdrafts	(567,896)	(548,401)
	533,754	355,177

Notes:

A. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$150,652 (2017 - \$126,217) of which \$78,780 (2017 - \$29,400) was acquired by means of finance leases. Cash payments of \$71,872 (2017 - \$96,817) were made to purchase property, plant and equipment.

The following is the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

	As at 1 January 2018 \$	Proceeds from loans/ advances \$	Repayment \$	As at 31 December 2018 \$
Finance lease	179,481	78,780	(79,804)	178,457
Bill payable	145,085	-	(145,085)	-
Bank loans	808,840	-	(208,438)	600,402

	As at 1 January 2017 \$	Proceeds \$	Repayment \$	As at 31 December 2017 \$
Finance lease	229,001	29,400	(78,920)	179,481
Bill payable	500,000	145,085	(500,000)	145,085

Significant non-cash transactions:

	Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
Waiver of advance to former shareholders of subsidiaries	-	2,401,078

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

1 General information

The financial statements of the Group and of the Company for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated as a private limited company and domiciled in Singapore.

The registered office and place of business is located at 16 Jalan Kilang Timor, #02-05 Redhill Forum, Singapore 159308.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 5.

2 Restructuring Exercise

The Group undertook the following transactions as part of a restructuring exercise (the "Restructuring Exercise") implemented in October 2017 in preparation for its listing (the "Listing") on the Catalist Board of the Singapore Exchange Securities Trading PTE LTD.

The Restructuring Exercise involved the following:

(a) Acquisition of ACMES-Kings by Mr Manfred Fan

On 6 October 2017, Mr Manfred Fan entered into a sale and purchase agreement with Mr Wong Yai Mow for the acquisition of the entire issue share capital of ACMES-Kings for a consideration of S\$968,403.60 taking into account the net asset value of the company.

The consideration was satisfied by way of (a) a set-off of an existing loan of \$972,492 owing by Mr Wong Yai Mow to Mr Manfred Fan under the terms of a promissory note which was issued by Mr Wong Yai Mow on 31 August 2017; and (b) the issue and allotment of 40,000 Shares to Mr Wong Yai Mow under the letter of redirection as described in the following sub-paragraph (b) below.

(b) Acquisition of DLF Pte. Ltd. ("DLF"), DLF Engineering and ACMES-Kings by our Company

On 6 October 2017, our Company entered into a sale and purchase agreement with Mr Manfred Fan and Mr Wong Ming Kwong, for the acquisition of the entire issued share capital of DLF, DLF Engineering and ACMES-Kings at a consideration of \$4,913,203.60 taking into account the net asset value of the companies. The consideration was satisfied by the issue and allotment of an aggregate of 999,900 Shares to Mr Manfred Fan and Mr Wong Ming Kwong.

Under the letter of redirection issued by Mr Manfred Fan on 6 October 2017 to our Company, our Company issued and allotted 40,000 Shares to Mr Wong Yai Mow. Accordingly, Mr Manfred Fan, Mr Wong Ming Kwong and Mr Wong Yai Mow each hold 51.0%, 45.0% and 4.0% of the share capital of our Company respectively following the completion of the acquisition of DLF, DLF Engineering and ACMES-Kings by our Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

2 Restructuring Exercise (Cont'd)

Prior to the Restructuring Exercise and during the financial year ended 31 December 2017, the Relevant Business Assets and the Relevant Subsidiaries were controlled by Mr Manfred Fan, the Controlling Shareholder.

The above Restructuring Exercise is considered to be a business combination involving entities or businesses under common control and is accounted for by applying the pooling of interests method. Accordingly, the assets and liabilities of these businesses and entities transferred have been included in the consolidated financial statements at their carrying amounts. Although the Restructuring Exercise occurred on 5 October 2017, the consolidated financial statements present the financial position and financial performance as if the businesses had always been consolidated since the beginning of the earliest period presented.

The financial statements have been prepared on a going concern basis. The Group incurred losses and total comprehensive loss of \$1,244,810 and \$ 1,233,711, respectively, and reported net operating cash outflows of \$3,472,669 for the financial year ended 31 December 2018.

During the financial year ended 31 December 2018, the Group incurred non-recurring listing expenses of \$1,371,343. As at 31 December 2018, the Group's and the Company had net current assets of \$4,809,490 and \$1,652,639, and net assets of \$6,224,888 and \$6,645,843, respectively.

The directors of the Company believe that it is appropriate to use the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2018.

3(a) Basis of preparation

The financial statements are prepared in accordance with SFRS(I). SFRS(I) *1 First-time Adoption of International Financial Reporting Standards* has been applied in preparing these financial statements promulgated by the Accounting Standards Council ("ASC"). These consolidated financial statements are the first financial statements to be prepared in accordance with SFRS(I) financial statements.

The Group's consolidated financial statements until 31 December 2017 had been prepared in accordance with Singapore Financial Reporting Standards. Singapore Financial Reporting Standards differ in certain respects from SFRS(I). Please refer to Note 3(b) for the reconciliation of the Group's equity and profit or loss reported in accordance with SFRS to SFRS(I).

These consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The preparation of financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3(a) (Significant accounting estimates and judgements).

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been presented in Singapore dollars, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

Significant judgements in applying accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Income taxes (Note 21)

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical accounting estimates and assumptions used in applying accounting policies

Revenue recognition

The Group recognises revenue from projects as the project progresses using the percentage-of-completion method. The percentage of completion is estimated by reference to the stage of completion based on the value of the costs incurred to date as certified by third party quantity surveyors and the estimated total project costs to complete. Significant judgement is required in determining the estimated total contract costs which include contracts awarded, estimation of variation works, if any, and the experience of qualified project managers.

If project costs to be incurred increased 3% from management's estimates, the Group's loss for the year before tax would have increased by \$188,000 (2017 – profit for the year before tax would have decreased by \$295,000).

Impairment of financial assets and contract assets (Note 8,9)

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a contract asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as current credit standing, payment history, probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Impairment of financial assets and contract assets (Note 8,9) (Cont'd)

The Group's and the Company's carrying amount of financial assets and contract assets at the reporting date amounted to \$6,989,759 (31 December 2017 - \$5,672,421, 1 January 2017 - \$7,555,537).

Depreciation of property, plant and equipment (Note 7)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

A 5% (2017 - 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately 0.7% (2017 - 0.2%) variance in the Group's profit or loss for the financial year. The Group's carrying amount of property, plant and equipment at the reporting date amounted to \$1,918,500 (31 December 2017 - \$1,948,508, 1 January 2017 - \$1,976,727).

Impairment of non-financial assets (Note 7)

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash generating units, have been determined based on adjusted fair value and value-in-use calculations. These calculations require the use of estimates. Estimating the recoverable amount requires the Group to make estimates of the expected future cash flows from the cash-generating unit and use estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

Income taxes (Note 21)

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3(b) Adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)")

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018. These financial statements for the year ended 31 December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 December 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 December 2018, an additional opening statement of financial position as at date of transition (1 January 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 January 2017) and as at end of last financial period under FRS (31 December 2017), and for total comprehensive income

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(b) Adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) (Cont’d)

and cash flows reported for the last financial period under FRS (for the year ended 31 December 2017). Additional disclosures are made for specific transition adjustments if applicable.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 Revenue from Contracts with Customers which includes clarifications to SFRS(I) 15 Revenue from Contracts with Customers;
- SFRS(I) 9 Financial Instruments which includes amendments arising from SFRS(I) 4 Insurance Contracts;
- requirements in SFRS(I) 2 Share-based Payment arising from the amendments to IFRS 2 – Classification and measurement of share-based payment transactions;
- requirements in SFRS(I) 1-40 Investment Property arising from the amendments to IAS 40 – Transfers of investment property;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – Deletion of short-term exemptions for first-time adopters;
- requirements in SFRS(I) 1-28 Investments in Associates and Joint Ventures arising from the amendments to IAS 28 – Measuring an associate or joint venture at fair value; and
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration.

The application of the above standards and interpretations do not have a material effect on the financial statements, except for SFRS(I) 15 and SFRS(I) 9.

Management did not elect any of the optional exemptions available under SFRS(I) 1. Therefore, the adoption of SFRS(I) does not have a material effect on the financial statements.

The accounting policies set out in note 3(d) have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2017 (the Group’s date of transition), subject to the mandatory exceptions under SFRS(I) 1.

(1) SFRS(I) 9 Classification of financial assets

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income (“FVOCI”) – debt instrument, FVOCI – equity instrument; or fair value through profit or loss (“FVTPL”). The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(b) Adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) (Cont’d)

(1) SFRS(I) 9 Classification of financial assets (Cont’d)

The following table below explains the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for the Group’s financial assets related to equity investments as at 1 January 2018.

			31 December 2017	1 January 2018
	Original classification under FRS 39	New classification under SFRS(I) 9	Original carrying amount under FRS 39 \$	New carrying amount under SFRS(I) 9 \$
The Group				
Trade and other receivables	Loans and receivables	Amortised cost	5,209,213	5,209,213
Cash and bank balances	Loans and receivables	Amortised cost	903,578	903,578
			6,112,791	6,112,791

(2) Presentation of contract assets and liabilities

Under SFRS(I) 15, consideration receivable for work performed (net of progress billings to be billed to customers) is recognised as contract assets. A contract liability is recognised if the progress billings invoiced are ahead of the percentage of completion of performance obligations.

The following table below explains the original presentation under FRS frame-work and new presentation under SFRS(I) frame-work for the Group’s financial assets and liabilities related to amounts owing by/to contract customers as at 1 January 2018.

Original presentation under FRS frame-work	New presentation under SFRS(I) frame-work	31 December 2017 \$	1 January 2018 \$
Amounts owing by contract customers	Contract assets	463,208	463,208
Amounts owing to contract customers	Contract liabilities	-	-

The reclassifications on the statement of financial position did not have any effect on statement of changes in equity and statement of comprehensive income for the year ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(c) Standards issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued in 2018 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual Periods beginning on)
SFRS(I) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019
SFRS(I) 3	Amendments to SFRS(I) 3: Definition of a Business	1 January 2020
SFRS(I) 1-1, SFRS(I) 1-8	Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases – Incentives and SFRS(I) INT 1-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Group has office equipment, motor vehicle, car park and warehouse storage where they are operating leases. The Group expects these operating leases to be recognised as right-of-use assets with corresponding lease liabilities under the new standard. Management does not plan to early adopt the above new SFRS(I) 16.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

SFRS(I) 3 Amendments to SFRS(I) 3: Definition of a Business

On 11 March 2019, ASC issued the narrow-scope amendments to SFRS(I) 3 Business Combinations to improve the definition of a business. The amendments narrowed and clarified the definition of a business.

They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(c) Standards issued but not yet effective(Cont'd)

SFRS(I) 3 Amendments to SFRS(I) 3: Definition of a Business (Cont'd)

The amendments to SFRS(I) 3 should apply for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, with earlier application permitted.

SFRS(I) 1-1, SFRS(I) 1-8 Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

The amendments clarify that the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in SFRS(I) Standards. Materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary user.

The amendments to SFRS(I) 1-1 and SFRS(I) 1-8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

3(d) Summary of significant accounting policies

Basis of consolidation and business combinations

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Basis of consolidation and business combinations (Cont'd)

Basis of consolidation (Cont'd)

Subsidiary (Cont'd)

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in ownership interests in subsidiaries without change of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Basis of consolidation and business combinations (Cont'd)

Basis of consolidation (Cont'd)

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations and goodwill

The acquisition method of accounting is used to account for business combinations entered into by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Basis of consolidation and business combinations (Cont'd)

Business combinations and goodwill (Cont'd)

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Business combinations involving businesses or entities under common control

Business combinations involving businesses or entities under common control are accounted for by applying the pooling of interest method which involves the following:

- Assets, liabilities, reserves, revenue and expenses of consolidated business or entities are reflected at their existing amounts;
- The retained earnings recognised in the consolidated financial statements are the retained earnings of the combining entities or businesses immediately before the combination; and
- No additional goodwill is recognised as a result of the combination.

The statement of comprehensive income reflects the results of the combining entities or businesses for the full year, irrespective of when the combination took place. Comparatives are presented as if the entities or businesses had always been combined since the date the entities or businesses had come under common control.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Singapore Dollars.

The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore Dollars. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Basis of consolidation and business combinations (Cont'd)

Conversion of foreign currencies

Foreign currency transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Group entities

The results and financial position of all the Group entities (*none of which has the currency of a hyperinflationary economy*) and the Company that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Property	20 years
Motor Vehicles	1 to 10 years
Computers	2 to 3 years
Office equipment	2 to 5 years
Furniture, fixture and fittings	2 to 3 years
Air conditioners	5 years
Renovations	2 to 3 years
Tool and equipment	2 to 3 years

The Group's 999-year leasehold land is not depreciated.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before that expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

- **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policies in this section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

- **Financial assets (Cont'd)**

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost includes trade receivables, and contract assets.

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de- recognised.

Financial assets designated as fair value through other comprehensive income (OCI) (equity instruments)

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument – by – instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

- **Financial assets (Cont'd)**

Subsequent measurement (Cont'd)

Financial assets designated as fair value through other comprehensive income (OCI) (equity instruments) (Cont'd)

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investment which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

- **Financial assets (Cont'd)**

Derecognition (Cont'd)

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section **Financial Instruments – initial recognition and subsequent measurement**.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs.

Subsequent measurement

They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

Individual assets or cash-generating units are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation.

Impairment losses recognised for cash-generating units, are charged pro rata to the assets in the cash-generating unit.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared because of the constitution of the Company which grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as a reduction of rental expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Related parties (Cont'd)

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Project revenue

Revenue from project is recognised by reference to the stage of completion when it can be measured reliably. The stage of completion is determined based on proportion of total contract costs incurred to-date and the estimated costs to complete.

Where the project outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Service income is recognised when the services are rendered to customers.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

3(d) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Revenue from sale of goods/services rendered

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods and acceptance by customers. Revenue from services is recognised when services are rendered and accepted by customers.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated cost or the possible return of goods.

4 Revenue

	Year ended 31 December 2018	Year ended 31 December 2017
The Group	\$	\$
Project revenue	3,554,627	11,118,192
Turnkey contracting services	10,311,024	10,393,991
Project management services	4,384,645	-
	18,250,296	21,512,183
Timing of revenue recognition		
At a point in time	14,695,669	10,393,991
Overtime	3,554,627	11,118,192
	18,250,296	21,512,183
Geographical segments		
Singapore	7,939,272	11,118,192
Maldives	10,311,024	10,393,991
	18,250,296	21,512,183

5 Subsidiaries

	31 December 2018	31 December 2017	1 January 2017
The Company	\$	\$	\$
Unquoted equity investments, at cost	4,993,204	4,913,204	4,913,204

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

5 Subsidiaries (Cont'd)

Details of the Group's subsidiaries are set out below:

Name	Principal activities	Country of Incorporation	Percentage of interest held		
			31 December 2018	31 December 2017	1 January 2017
DLF Pte. Ltd. ⁽¹⁾	Procurement of equipment and components such as offloading hoses and the provision of logistic services to offshore oil rigs	Singapore	100%	100%	100%
DLF Engineering Pte Ltd ⁽¹⁾	Provision of building and construction services	Singapore	100%	100%	100%
ACMES-Kings Corporation Pte. Ltd. ⁽¹⁾	Provision of plumbing, non-electric heating and air-conditioning services	Singapore	100%	100%	100%
ACMES Properties Pte Ltd ⁽¹⁾	Property owning	Singapore	100%	100%	100%
ACMES-Power Building Services Pte Ltd ⁽¹⁾	General contractors (building construction including major upgrading works)	Singapore	100%	100%	100%
DLF Prosper Venture Pte Ltd ("DLFPV")	Installation of industrial machinery and equipment, mechanical engineering works	Singapore	80%	–	–

(1) Audited by Foo Kon Tan LLP

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

5 Subsidiaries (Cont'd)

Summarised financial information in respect of the non-controlling interest (NCI) in the Group's non-100% owned subsidiary, where ownership interest is not adjusted for, is set out below:

The Group	DLFPV \$	Total \$
31 December 2018		
Current assets	1,167,582	1,167,582
Current liabilities	561,992	561,992
Net assets	605,590	605,590
Net assets attributable to NCI	121,118	121,118
Revenue	4,384,645	4,384,645
Profit for the year	505,591	505,591
Other comprehensive income ("OCI")	-	-
Total comprehensive income	505,591	505,591
Attributable to NCI:		
- Profit	101,182	101,182
- OCI	-	-
Total comprehensive income	101,182	101,182
Cash flows used in operating activities	(1,720)	(1,720)
Cash flows used in investing activities	(600,000)	(600,000)
Cash flows generated from financing activities	(601,720)	(601,720)
Net (decrease)/ increase in cash and cash equivalents	-	-

6 Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

Deferred tax assets are attributable to the following:

	The Group			The Company		
	31 December 2018 \$	31 December 2017 \$	1 January 2017 \$	31 December 2018 \$	31 December 2017 \$	1 January 2017 \$
Deferred tax assets						
Trade receivables	9,789	-	-	-	-	-
Deferred tax liabilities						
Property, plant and equipment	5,111	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

6 Deferred tax assets and liabilities (Cont'd)

Movement in temporary differences during the year:

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Deferred tax assets				
At 1 January	-	-	-	-
Recognised in profit or loss	9,789	-	-	-
At 31 December	9,789	-	-	-
Deferred tax liabilities				
At 1 January	-	-	-	-
Recognised in profit or loss	5,111	-	-	-
At 31 December	5,111	-	-	-

Settlement of deferred tax assets and liabilities is as follows:

	The Group			The Company		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
<u>To be settled within one year</u>						
Deferred tax assets	9,789	-	-	-	-	-
<u>To be settled after one year</u>						
Deferred tax liabilities	5,111	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

7 Property, plant and equipment

The Group	999-year leasehold land	Leasehold property	Motor vehicles	Computers	Office equipment	Furniture, fixture and fittings	Air conditioners	Renovations	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Cost</u>									
At 1 January 2017	1,130,000	200,000	922,162	69,639	58,717	188,566	6,500	24,753	2,600,337
Additions	-	-	36,800	60,917	28,500	-	-	-	126,217
Write-off	-	-	(58,800)	-	-	-	-	-	(58,800)
At 31 December 2017	1,130,000	200,000	900,162	130,556	87,217	188,566	6,500	24,753	2,667,754
Additions	-	-	78,780	4,631	-	25,358	-	41,883	150,652
Write-off	-	-	(127,304)	-	-	-	-	-	(127,304)
At 31 December 2018	1,130,000	200,000	851,638	135,187	87,217	213,924	6,500	66,636	2,691,102
<u>Accumulated depreciation</u>									
At 1 January 2017	-	15,417	270,953	58,945	58,476	188,566	6,500	24,753	623,610
Depreciation charges	-	10,000	100,351	18,545	5,940	-	-	-	134,836
Write-off	-	-	(39,200)	-	-	-	-	-	(39,200)
At 31 December 2017	-	25,417	332,104	77,490	64,416	188,566	6,500	24,753	719,246
Depreciation charges	-	10,000	111,892	24,508	5,700	2,113	-	2,327	156,540
Write-off	-	-	(103,184)	-	-	-	-	-	(103,184)
At 31 December 2018	-	35,417	340,812	101,998	70,116	190,679	6,500	27,080	772,602
<u>Carrying amounts</u>									
At 31 December 2018	1,130,000	164,583	510,826	33,189	17,101	23,245	-	39,556	1,918,500
At 31 December 2017	1,130,000	174,583	568,058	53,066	22,801	-	-	-	1,948,508
At 1 January 2017	1,130,000	184,583	651,209	10,694	241	-	-	-	1,976,727

At 31 December 2018, property and land with carrying amounts of \$1,294,583 (31 December 2017: \$1,304,583, 1 January 2017: \$1,314,583) are mortgaged to banks to secure the bank loans granted to the Group (Note 13).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

8 Trade and other receivables

	The Group			The Company		
	31 December 2018 \$	31 December 2017 Restated \$	1 January 2017 \$	31 December 2018 \$	31 December 2017 \$	1 January 2017 \$
Trade receivables	4,967,774	4,960,975	5,366,785	-	-	-
Impairment of trade receivables	(200,791)	-	-	-	-	-
	4,766,983	4,960,975	5,366,785	-	-	-
Other receivables	642	-	1,000	-	-	-
Amount due from subsidiaries	-	-	-	2,849,518	-	-
Amount due from former shareholders of subsidiaries	-	-	1,478,681	-	-	-
Loan to non-controlling interest	280,388	-	-	-	-	-
Loan to non-controlling interest's holding company	300,000	-	-	-	-	-
Deposits	345,459	248,238	190,728	-	-	-
	5,693,472	5,209,213	7,037,194	2,849,518	-	-
Advance payment to suppliers	392,145	368,736	257,443	-	-	-
Prepaid income tax	-	145,760	120,529	-	-	-
Prepayments	21,648	19,325	36,763	-	-	-
	6,107,265	5,743,034	7,451,929	2,849,518	-	-

The non-trade amounts and loan due from related parties are unsecured, interest-free and repayable on demand.

Trade receivables have credit terms of between 30 and 90 (2017: 30 and 90, 2016: 30 and 90) days.

Trade and other receivables are denominated in the following currencies:

	The Group			The Company		
	31 December 2018 \$	31 December 2017 \$	1 January 2017 \$	31 December 2018 \$	31 December 2017 \$	1 January 2017 \$
Singapore dollar	2,418,787	1,712,893	3,214,672	2,849,518	-	-
United States dollar	3,274,685	3,496,320	3,822,522	-	-	-
	5,693,472	5,209,213	7,037,194	2,849,518	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

8 Trade and other receivables (Cont'd)

The ageing of trade receivables that are past due but not impaired at the reporting date is as follows:

	The Group			The Company		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
Past due but not impaired:						
- less than 3 months	1,238,192	2,173	4,332,848	-	-	-
- 3 months to less than 6 months	5,725	98,885	33,980	-	-	-
- 6 months to less than 9 months	1,262,703	5,491	3,585	-	-	-
- 9 months to less than 12 months	1,763,060	633,992	778,124	-	-	-
	4,269,680	740,541	5,148,537	-	-	-

Movements in allowance for impairment

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Allowance for impairment				
At 1 January	-	-	-	-
Allowance made	200,791	-	-	-
At 31 December	200,791	-	-	-

9 Contract assets and liabilities

	The Group			The Company		
	31 December 2018	31 December 2017 Restated	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
Contract assets						
Analysed as: Current	1,296,287	463,208	518,343	-	-	-

Analysis of credit risk is set out in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

9 Contract assets and liabilities (Cont'd)

	The Group			The Company		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
Contract liabilities						
Analysed as:						
Current	-	-	961,932	-	-	-

Contract liabilities represent amounts of consideration billed to customers prior to completion of the performance obligation.

Revenue recognised during the year ended 31 December 2018 that was included in the contract liabilities balance at the beginning of the year was \$Nil (2017: \$961,932)

10 Cash and bank balances

	The Group			The Company		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
Cash at bank	1,099,952	903,478	972,242	682,315	-	-
Cash on hand	1,698	100	100	100	100	100
	1,101,650	903,578	972,342	682,415	100	100

Cash and bank balances are denominated in the following currencies:

	The Group			The Company		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
Singapore dollar	821,154	540,291	290,586	669,211	100	100
United States dollar	280,496	363,287	681,756	13,204	-	-
	1,101,650	903,578	972,342	682,415	100	100

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

10 Cash and bank balances (Cont'd)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	31 December 2018	31 December 2017
The Group	\$	\$
Cash and bank balances	1,101,650	903,578
Less: Bank overdrafts (Note 13)	(567,896)	(548,401)
	533,754	355,177

11 Share capital

	The Group and the Company			
	2018	2017	2018	2017
	Number of ordinary shares		\$	\$
Ordinary shares issued and fully paid, with no par value				
At 1 January	1,000,000	1,000,000	4,913,304	4,913,304
- Share split	99,000,000	-	-	-
Issuance of shares to service provider of IPO	2,608,700	-	600,000	-
Issuance of shares pursuant to IPO	18,500,000	-	3,985,713	-
At 31 December	121,108,700	1,000,000	9,499,017	4,913,304

Share capital refers to shares issued to the controlling shareholders pursuant to the Restructuring Exercise as described in Note 2, which is deemed to have taken place since the beginning of the earliest period presented.

During the financial year ended 31 December 2018:

- the Company sub-divided each ordinary share into 99 ordinary shares each prior to the Listing; and
- the Company issued 2,608,700 at \$0.23 per share to the sponsor/issue manager as part of the consideration for their services rendered in connection with the Listing; and
- the Company issued 18,500,000 shares at \$0.23 per share in the Listing generating net proceeds of \$3,985,713 after deduction of qualifying listing expenses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

12 Reserves

	31 December 2018	31 December 2017	1 January 2017
The Group	\$	\$	\$
Merger reserve	(2,888,997)	(2,888,997)	(2,888,997)
Foreign currency translation reserve	267,733	256,634	270,259
	(2,621,264)	(2,632,363)	(2,618,738)

Merger reserve represents the difference between the consideration paid and the issued share capital of subsidiaries under common control that are accounted for by applying the “pooling-of-interest” method pursuant to the Restructuring Exercise (Note 2).

Foreign currency translation reserve records exchange differences arising from the translation of the financial statements of a subsidiary whose functional currencies is different from that of the Group’s presentation currency.

13 Borrowings

	31 December 2018	31 December 2017	1 January 2017
The Group	\$	\$	\$
Non-current liabilities			
Bank loans	377,253	609,094	–
	377,253	609,094	–
Current liabilities			
Bills payable	–	145,085	500,000
Bank overdraft	567,896	548,401	559,990
Bank loans	223,149	199,746	–
	791,045	893,232	1,059,990
	1,168,298	1,502,326	1,059,990

At the reporting date, bank loans comprise \$356,841 and \$243,561 bearing variable interest and weighted average fixed interest rate of 2.25% (2017 – 2.25%) and 6.6% (2017 – 6.6%) per annum, respectively. Bank overdraft bears interest at 0.57% (2017 - 0.57%) per annum and is secured by a banker’s guarantee.

At 31 December 2017, bills payable bore interest at 5.75% (1 January 2017: 5.75%) per annum.

The loans are secured by the Group’s leasehold property and land (Note 7) and personal guarantee of a director of a subsidiary.

Borrowings are denominated in Singapore dollars.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

14 Finance lease liabilities

The Group	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$
Future minimum lease payments:			
- Within one year	49,889	76,869	72,077
- Between one and five years	123,891	103,528	158,700
- More than five years	15,875	-	-
	189,655	180,397	230,777
Interest	(11,198)	(916)	(1,776)
Present value of minimum lease payments	178,457	179,481	229,001
Present value of minimum lease payments:			
Current			
- Within one year	47,930	75,953	62,815
Non-current			
- Between one and five years	130,527	103,528	166,186
	178,457	179,481	229,001

Finance lease liabilities are denominated in Singapore dollars.

15 Trade and other payables

	The Group			The Company		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	Restated \$	\$	\$	\$	\$
Trade payables	1,161,054	2,443,068	5,515,169	-	-	-
Other payables	-	36,045	33,322	93,968	1,915	-
Amount due to director	18,018	-	-	18,018	16,120	-
Amount due to subsidiary	-	-	-	1,418,630	-	-
Amount due to shareholder	-	-	224,048	-	-	-
Loan from third-party	-	250,000	-	-	-	-
Accrued expenses	840,106	987,887	383,902	348,678	31,656	-
	2,019,178	3,717,000	6,156,441	1,879,294	49,691	-
Goods and services tax payable	98,634	90,308	154,291	-	-	-
	2,117,812	3,807,308	6,310,732	1,879,294	49,691	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

15 Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	The Group			The Company		
	31 December 2018 \$	31 December 2017 \$	1 January 2017 \$	31 December 2018 \$	31 December 2017 \$	1 January 2017 \$
Singapore dollar	1,657,471	2,601,437	3,515,191	1,879,294	49,691	–
United States dollar	361,707	1,115,563	2,641,250	–	–	–
	2,019,178	3,717,000	6,156,441	1,879,294	49,691	–

The non-trade amounts due to director, subsidiary and shareholder were unsecured, interest-free and repayable on demand.

The loan from third party bore interest at 18% per annum, and was unsecured and repayable in twelve equal instalments from July 2017.

16 Other operating income

	Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
The Group		
Government grants	18,808	28,440
Interest income	90	693
Exchange gain	–	161,335
Sundry income	47,282	33,666
	66,180	224,134

17 Other operating expenses

	Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
The Group		
Exchange loss	89,982	92,437
General expenses	17,764	–
Office supply	15,135	–
Property Tax	2,760	–
Property, plant and equipment written off	24,120	–
Repair and maintenance	35,889	–
Subscription Fee	1,233	–
Transportation	121,387	–
	308,270	92,437

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

18 Finance costs

The Group	Year ended 31 December 2018	Year ended 31 December 2017
	\$	\$
Interest expense on:		
- Finance lease liabilities	2,797	10,853
- Bills payable	–	35,360
- Bank overdraft	16,153	31,176
- Bank service charge	31,900	–
- Loans	55,459	2,296
	106,309	79,685

19 (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after including:

The Group	Note	Year ended 31 December 2018	Year ended 31 December 2017
		\$	\$
Audit fees paid to auditors of the Company		110,000	200,000
Depreciation of property, plant and equipment	7	156,540	134,836
Directors' fee		64,500	–
Operating lease expense		148,942	134,836
Listing expenses (included within administrative expenses)		1,371,343	–

20 Employee benefits expense

The Group	Year ended 31 December 2018	Year ended 31 December 2017
	\$	\$
Key management personnel's remuneration		
- Short term benefits	348,000	214,000
- Defined contribution plan	9,360	26,740
	357,360	240,740
Other than key management personnel		
- Short term benefits	2,529,982	2,551,551
- Defined contribution plan	274,425	494,518
	2,804,407	3,046,069
	3,161,767	3,286,809
Employee benefits expense were included within:		
Cost of sales	1,815,127	1,900,861
Administrative expenses	1,346,640	1,385,948
	3,161,767	3,286,809

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

21 Tax expense

	Year ended 31 December 2018	Year ended 31 December 2017
The Group	\$	\$
Current tax expense		
Current year	228,487	501,902
	228,487	501,902
Deferred tax expense		
Origination and reversal of temporary differences	(4,678)	–
	(4,678)	–
	223,809	501,902

Reconciliation of tax expense

	Year ended 31 December 2018	Year ended 31 December 2017
The Group	\$	\$
(Loss)/profit before taxation	(1,021,001)	3,868,816
Tax at statutory rate of 17% (2017 - 17%)	(173,570)	657,699
Tax effect on non-deductible expenses	508,977	–
Deferred tax assets on tax losses previously not recognised	(39,748)	(32,326)
Tax grant, exemption and credit	(71,850)	(133,072)
Deferred tax assets on losses not recognised	–	9,601
	223,809	501,902

The following have not been recognised:

	Year ended 31 December 2018	Year ended 31 December 2017
The Group	\$	\$
Tax losses	53,221	298,858
Effect of deferred tax assets	9,047	50,805

Deferred tax assets have not been recognised in respect of these tax losses due to unpredictability of future profit streams. These tax losses are available for offset against future profits subject to agreement by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

22 Earnings per share

	Year ended 31 December 2018	Year ended 31 December 2017
The Group		
(Loss)/profit attributable to owners of the Company (\$)	(1,244,810)	3,366,914
Weighted average number of ordinary shares in issue during the year	109,715,785	1,171,123
Basic and diluted (loss)/earnings per share (cents per share)	(1.13)	2.87

23 Related party transactions

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between the parties are as follows:

	Year ended 31 December 2018	Year ended 31 December 2017
The Group	\$	\$
Procurement of engineering and mechanical and electrical services from a firm in which a director has financial interest	–	3,862
Payment on behalf of a firm in which a director's spouse has financial interest	–	50,000

24 Operating lease commitments

	31 December 2018	31 December 2017	1 January 2017
The Group	\$	\$	\$
Not later than one year	86,450	–	–
Later than one year not later than five years	106,950	–	–
Later than five years	–	–	–
	193,400	–	–

25 Financial risk management

The Group's and the Company's financial risk management policies set out the overall business strategies and risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include: credit risk, liquidity risk, interest rate risk, and foreign currency risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

25 Financial risk management (Cont'd)

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$	Total \$
31 December 2018			
Financial assets			
Trade and other receivables	5,693,472	–	5,693,472
Contract assets	1,296,287	–	1,296,287
Cash and bank balances	1,101,650	–	1,101,650
	8,091,409	–	8,091,409
Financial liabilities			
Trade and other payables	–	2,019,178	2,019,178
Borrowings	–	1,168,298	1,168,298
Finance lease liabilities	–	178,457	178,457
	–	3,365,933	3,365,933
31 December 2017			
Financial assets			
Trade and other receivables	5,209,213	–	5,209,213
Contract assets	463,208	–	463,208
Cash and bank balances	903,578	–	903,578
	6,575,999	–	6,575,999
Financial liabilities			
Trade and other payables	–	3,717,000	3,717,000
Borrowings	–	1,502,326	1,502,326
Finance lease liabilities	–	179,481	179,481
	–	5,398,807	5,398,807
1 January 2017			
Financial assets			
Trade and other receivables	7,037,194	–	7,037,194
Contract assets	518,343	–	518,343
Cash and bank balances	972,342	–	972,342
	8,527,879	–	8,527,879
Financial liabilities			
Trade and other payables	–	6,156,441	6,156,441
Contract liabilities	–	961,932	961,932
Borrowings	–	1,059,990	1,059,990
Finance lease liabilities	–	229,001	229,001
	–	8,407,364	8,407,364

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

25 Financial risk management (Cont'd)

The Company	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$	Total \$
31 December 2018			
Financial assets			
Trade and other receivables	2,849,518	–	2,849,518
Cash and bank balances	682,415	–	682,415
	3,531,933	–	3,531,933
Financial liabilities			
Trade and other payables	–	1,879,294	1,879,294
31 December 2017			
Financial assets			
Cash and bank balances	100	–	100
Financial liabilities			
Trade and other payables	–	49,691	49,691
1 January 2017			
Financial assets			
Cash and bank balances	100	–	100

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. The Group has adopted the policy of dealing only with creditworthy counterparties. Receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

At the reporting date, other than as disclosed in Notes 8 no allowances for impairment is necessary in respect of trade and other receivables past due and not past due.

Significant concentrations of credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset. As at 31 December 2018, 2 (2017: 2%) customers collectively accounted for approximately 82% (2017: 62%) of the Group's total trade receivables. Except as disclosed, there were no other significant concentrations of credit risk at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

Significant concentrations of credit risk (Cont'd)

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. As at 31 December 2018 and 2017, the Group and the Company does not have any significant concentrations of credit risk.

Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

Exposure to credit risk

The tables below detail the credit quality of the Group's and the Company's financial assets and other items, as well as maximum exposure to credit risk by internal credit rating grades:

The Group	Internal credit rating	12-month / Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 December 2018					
Trade and other receivables	(1)	Lifetime ECL	5,914,263	(200,791)	5,693,472
Contract assets	(2)	Lifetime ECL	1,296,287	–	1,296,287
	Internal credit rating	12-month / Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 December 2017					
Trade and other receivables	(1)	Lifetime ECL	5,209,213	–	5,209,213
Contract assets	(2)	Lifetime ECL	463,208	–	463,208
	Internal credit rating	12-month / Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
1 January 2017					
Trade and other receivables	(1)	Lifetime ECL	7,037,194	–	7,037,194
Contract assets	(2)	Lifetime ECL	518,343	–	518,343
The Company	Internal credit rating	12-month / Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 December 2018					
Trade and other receivables	(1)	Lifetime ECL	2,849,518	–	2,849,518

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

(1) Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. The ECL on trade receivables are estimated by reference to payment history, current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date.

(2) Contract assets

Loss allowance for contract assets is measured at an amount equal to lifetime expected credit losses, similar to that for trade receivables. Consideration receivable for work performed (net of progress billings to be billed to customers) is recognised as contract assets.

At the reporting date, no provision for loss allowance was required.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank loans and bank overdraft.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

25 Financial risk management (Cont'd)

Interest rate risk (Cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (bp) in interest rates on variable rate bank loans and a change of 10 basis points (bp) in interest rate on bank overdraft at the reporting date would have increased/(decreased) profit or loss before tax and equity by the amounts shown below.

	31 December 2018		31 December 2017		1 January 2017	
	←		Increase/(Decrease)		→	
	Loss before tax	Equity	Profit before tax	Equity	Profit before tax	Equity
	\$	\$	\$	\$	\$	\$
The Group						
Interest rate increase						
- bank loans:50 bp (2017						
- 50 bp); bank overdraft:						
10 bp (2017 - 10 bp)	1,800	(1,800)	(2,300)	(2,300)	(600)	(600)
Interest rate decrease						
- bank loans:50 bp (2017						
- 50 bp); bank overdraft:						
10 bp (2017 - 10 bp)	(1,800)	1,800	2,300	2,300	600	600

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are dominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the functional currencies of the respective Group entities. The currencies that give rise to foreign currency risk are the United States dollar ("USD") and Singapore dollar ("SGD").

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

25 Financial risk management (Cont'd)

Foreign currency risk (Cont'd)

At the reporting date, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currencies were as follows:

The Group	USD \$	SGD \$	Total \$
31 December 2018			
Trade and other receivables	1,729,989	-	1,729,989
Cash and cash equivalents	32,317	32,740	65,057
Trade and other payables	(279,976)	(960,855)	(1,240,831)
Net exposure	1,482,330	(928,115)	554,215
31 December 2017			
Trade and other receivables	-	67,367	67,367
Cash and cash equivalents	62,299	10,154	72,453
Trade and other payables	(137,896)	(856,980)	(994,876)
Net exposure	(75,597)	(779,459)	(855,056)
1 January 2017			
Trade and other receivables	3,744,325	78,197	3,822,522
Cash and cash equivalents	666,569	(5,292)	661,277
Trade and other payables	(2,528,003)	(190,412)	(2,718,415)
Net exposure	1,882,891	(117,507)	1,765,384

Sensitivity analysis - Foreign currency risk

A 5% (2017 - 5%) strengthening of the USD against the functional currencies of the Group entities at the reporting date would have increased/decreased profit or loss before tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects.

A 5% (2017 - 5%) weakening of the above currencies against the functional currencies of the Group entities at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

25 Financial risk management (Cont'd)

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's liquidity risk management policy is to maintain sufficient liquid financial assets and a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

	Carrying amount	Contractual undiscounted cash flows			
		Total	Less than 1 year	Between 2 and 5 years	Over 5 years
	\$	\$	\$	\$	\$
31 December 2018					
Trade and other payables	2,019,178	2,019,178	2,019,178	–	–
Bank loans	600,402	679,955	238,361	441,594	–
Bank overdraft	567,896	567,896	567,896	–	–
Finance lease liabilities	178,457	189,655	49,889	123,891	15,875
	3,365,933	3,456,684	2,875,324	565,485	15,875
31 December 2017					
Trade and other payables	3,717,000	3,717,000	3,717,000	–	–
Bills payable	145,085	153,427	153,427	–	–
Bank loans	808,840	924,813	259,601	665,212	–
Bank overdraft	548,401	548,401	548,401	–	–
Finance lease liabilities	179,481	180,397	76,869	103,528	–
	5,398,807	5,524,038	4,755,298	768,740	–
1 January 2017					
Trade and other payables	6,156,441	6,156,441	6,156,441	–	–
Bills payable	500,000	528,750	528,750	–	–
Bank overdraft	559,990	559,990	559,990	–	–
Finance lease liabilities	229,001	230,777	72,077	158,700	–
	7,445,432	7,475,958	7,317,258	158,700	–

26 Fair value measurement

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

26 Fair value measurement (Cont'd)

Definition of fair value (Cont'd)

Fair value measurement of financial instruments

The carrying values of variable rate bank loans approximate their fair values.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, trade and other payables, and borrowings) approximate their fair values because of the short period to maturity.

27 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

- (1) Mechanical and electrical services segment relates to provision of solutions and services in fire protection systems, plumbing and sanitary systems, and heating, ventilation and air-conditioning systems. Our customers include main contractors, property developers, luxury hotels, statutory boards, listed companies and government bodies; and
- (2) Turnkey contracting services segment relates to provision of one-stop solutions and services for the entire span of a construction project from planning and design, coordination and supervision and implementation.
- (3) Management services segment relates to provision of contract work management and fulfilment services.

The Group Chief Executive Officer ("Group CEO") monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Intersegment pricing is determined on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

27 Operating segments (Cont'd)

	Mechanical and electrical services	Turnkey contracting services	Management Services	Unallocated	Total
2018	\$	\$	\$	\$	\$
Revenue	3,554,627	10,311,024	4,384,645	–	18,250,296
Segment results	1,209,589	1,820,657	567,582	–	3,597,828
Loss before tax	(371,514)	1,588,133	565,862	(2,803,482)	(1,021,001)
Segment assets	4,664,348	3,938,758	1,087,582	742,803	10,433,491
Segment liabilities	2,511,063	1,176,604	60,272	460,664	4,208,603
Other information:					
Interest income	90	–	–	–	90
Interest expense	(91,947)	(14,107)	–	(255)	(106,309)
Exchange loss, net	(81,351)	(9,230)	–	599	(89,982)
Capital expenditure	150,652	–	–	–	150,652
Property, plant and equipment written off	(24,120)	–	–	–	(24,120)
Depreciation of property, plant and equipment	(150,851)	(5,689)	–	–	(156,540)

	Mechanical and electrical services	Turnkey contracting services	Management Services	Unallocated	Total
2017	\$	\$	\$	\$	\$
Revenue	11,118,192	10,393,991	–	–	21,512,183
Segment results	3,404,528	2,063,092	–	–	5,467,620
Profit before tax	1,950,969	1,967,538	–	(49,691)	3,868,816
Segment assets	6,626,792	2,431,436	–	100	9,058,328
Segment liabilities	3,970,892	2,184,859	–	49,691	6,205,422
Other information:					
Interest income	693	–	–	–	693
Interest expense	(79,685)	–	–	–	(79,685)
Exchange loss, net	(92,437)	–	–	–	(92,437)
Capital expenditure	126,217	–	–	–	126,217
Depreciation of property, plant and equipment	(128,285)	(6,551)	–	–	(134,836)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

27 Operating segments (Cont'd)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Singapore	Maldives	Total
	\$	\$	\$
2018			
Revenue	7,939,272	10,311,024	18,250,296
Non-current assets	1,918,500	–	1,918,500
2017			
Revenue	11,118,192	10,393,991	21,512,183
Non-current assets	1,948,508	–	1,948,508

Information about major customers

During the financial year ended 31 December 2018, sales to 1 (2017:1) customer accounted for more than 10% of the Group's total revenue.

28 Capital management

The Group's objectives when managing capital are:

- (a) To safeguard the Group's ability to continue as a going concern;
- (b) To support the Group's stability and growth;
- (c) To provide capital for the purpose of strengthening the Group's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Group reviews and manages its capital structure to ensure optimal capital management and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group currently does not adopt any formal dividend policy.

The Group is not subject to externally imposed capital requirements.

The Group monitors capital using Gearing Ratio, which is calculated using total liabilities divided by total equity.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2018

28 Capital management (Cont'd)

	31 December 2018 \$	31 December 2017 \$	1 January 2017 \$
The Group			
Total liabilities (A)	4,208,603	6,205,422	9,018,666
Total equity (B)	6,224,888	2,852,886	1,900,675
Gearing ratio (A)/(B)	0.68	2.18	4.74

29 Prior years adjustments

As at 31 December 2017, the Group's contract assets for one project and trade and other payables were each understated by \$250,000. Directors have concluded that it is appropriate to restate the Group's balance sheet of the prior financial year in respect of the abovementioned amounts with the resultant reclassification of the contract liabilities to contract assets for the underlying project. These adjustments/reclassifications have no impact on the Group's profit for the year ended 31 December 2017 and the Group's total equity as at 31 December 2017.

	As reported \$	Adjustment/ Reclassification \$	As restated \$
The Group			
Statement of financial position as at 31 December 2017			
Contract assets	291,578	171,630	463,208
Trade and other payables	3,557,308	250,000	3,807,308
Contract liabilities	78,370	(78,370)	-

30 Comparative Figures

Certain comparative figures have been reclassified due to prior years adjustments (Note 29).

STATISTICS OF SHAREHOLDINGS

as at 22 March 2019

SHARE CAPITAL INFORMATION

Issued and fully paid-up capital	:	\$9,768,303.60
Number of Shares	:	121,108,700
Class of shares	:	Ordinary Shares
Voting rights	:	One vote per share

The Company does not have treasury shares and subsidiary holdings.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 22 March 2019, approximately 20.73% of the issued Ordinary Shares of the Company is being held by the public and therefore, Rule 723 of Section B: Rules of Catalist of the SGX-ST Listing Manual (the "Catalist Rules") has been complied with.

SUBSTANTIAL SHAREHOLDERS AS AT 22 March 2019

	Direct Interest	%	Deemed Interest	%
Fan Chee Seng	51,000,000	42.11	–	–
Wong Ming Kwong	45,000,000	37.16	–	–

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	3	2.56	1,600	0.00
1,001 - 10,000	74	63.25	628,700	0.52
10,001 - 1,000,000	30	25.64	5,330,800	4.40
1,000,001 and above	10	8.55	115,147,600	95.08
TOTAL	117	100.00	121,108,700	100.00

STATISTICS OF SHAREHOLDINGS

as at 22 March 2019

TWENTY LARGEST SHAREHOLDERS AS AT 22 MARCH 2019

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	FAN CHEE SENG	51,000,000	42.11
2	WONG MING KWONG	45,000,000	37.16
3	WONG YAI MOW	4,000,000	3.30
4	RHB SECURITIES SINGAPORE PTE LTD	3,365,000	2.78
5	PRIMEPARTNERS CORPORATE FINANCE PTE LTD	2,608,700	2.15
6	LOO AH LEK PETER @ LOH AH LAK	2,510,000	2.07
7	CHUA KUANG CHIN	2,150,000	1.78
8	WONG SOO FAN	1,720,000	1.42
9	DIANA SNG SIEW KHIM	1,523,900	1.26
10	LIM SHAO-LIN	1,270,000	1.05
11	LYE TONG SONG	773,000	0.64
12	ANG KONG MENG	490,200	0.40
13	LEE TECK SENG	430,000	0.36
14	LOW CHUI HENG	430,000	0.36
15	ALDRICH KOH SHU LIANG (XU SHULIANG)	400,000	0.33
16	HO SU CHIN	250,000	0.21
17	CHENG EE HUANG	241,800	0.20
18	HYTECH BUILDERS PTE LTD	208,700	0.17
19	TAN KHENG CHAI	207,100	0.17
20	NEO PUAY KEONG	200,000	0.17
	Total:	118,778,400	98.09

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Kingfisher Room, Level 1, 101 Seletar Club Road, Singapore 798273 on Tuesday, 30 April 2019 at 9.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2018 and the Auditors' Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees of S\$64,500.00 for the financial year ended 31 December 2018. **(Resolution 2)**
3. To approve the payment of Directors' fees of S\$129,000.00 for the financial year ending 31 December 2019, to be paid quarterly in arrears. **(Resolution 3)**
4. To re-elect Mr Wong Ming Kwong, a Director retiring under Regulation 104 of the Constitution of the Company. **(Resolution 4)**

[See Explanatory Note 1]

5. To re-elect the following Directors retiring pursuant to Regulation 114 of the Company's Constitution:-
 - (a) Mr Fan Chee Seng **(Resolution 5)**
 - (b) Mr Wu Chiaw Ching **(Resolution 6)**
 - (c) Mr Yong Siak Hoong **(Resolution 7)**
 - (d) Mr Yip Shee Yin **(Resolution 8)**

[See Explanatory Note 2]

6. To re-appoint Messrs Foo Kon Tan LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, the following Ordinary Resolutions, with or without modifications:

7. AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT pursuant to Section 161 of the Companies Act and subject to Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to issue and allot new ordinary shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise) and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS that:

- (1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority),

NOTICE OF ANNUAL GENERAL MEETING

does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro-rata basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time such authority was conferred, after adjusting for:
- (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new Shares arising from the exercise of any share options which are outstanding or subsisting at the time such authority was conferred; and
 - (c) any subsequent bonus issues, consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and
- (4) such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

(Resolution 10)

[See Explanatory Note 3]

8. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE DLF EMPLOYEE SHARE OPTION SCHEME**

“THAT pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the exercise of options granted in accordance with the provisions of the DLF Employee Share Option Scheme (the “**ESOS**”), provided always that the aggregate number of the ESOS Shares shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

(Resolution 11)

[See Explanatory Note 4]

NOTICE OF ANNUAL GENERAL MEETING

9. AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE DLF PERFORMANCE SHARE PLAN

“THAT pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the DLF Performance Share Plan (the “PSP”), provided always that the aggregate number of additional new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

(Resolution 12)

[See Explanatory Note 5]

10. OTHER BUSINESS

To transact any other ordinary business that may be properly transacted at an AGM of the Company.

BY ORDER OF THE BOARD

Pan Mi Keay
Company Secretary
15 April 2019

Explanatory Notes:-

1. Mr Wong Ming Kwong will, upon re-election as Director, remain as Chief Executive Officer and Executive Director.

Detailed information of Mr Wong Ming Kwong can be found under the “Board of Directors” and “Disclosure of information on seeking re-election pursuant to Rule 720(5) of the Catalist Rules” sections in the Company’s Annual Report 2018.

2. Mr Fan Chee Seng will, upon re-election as Director, remain as Executive Chairman and Executive Director.

Detailed information of Mr Fan Chee Seng can be found under the “Board of Directors” and “Disclosure of information on seeking re-election pursuant to Rule 720(5) of the Catalist Rules” sections in the Company’s Annual Report 2018.

Mr Wu Chiaw Ching (Lead Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as the Chairman of the Audit Committee as well as a member of the Remuneration Committee and Nominating Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

Mr Yong Siak Hoong (Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as Chairman of the Nominating Committee as well as a member of the Audit Committee and Remuneration Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

Mr Yip Shee Yin (Independent Non-Executive Director) will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee as well as a member of the Audit Committee and Nominating Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

Detailed information of Mr Wu Chiaw Ching and Mr Yong Siak Hoong as well as Mr Yip Shee Yin can be found under the “Board

NOTICE OF ANNUAL GENERAL MEETING

of Directors” and “Disclosures of information on seeking re-election pursuant to Rule 720(5) of the Catalist Rules” sections in the Company’s Annual Report 2018.

3. Ordinary Resolution 10, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue Shares and/or Instruments (as defined above). The aggregate number of new Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
4. Ordinary Resolution 11, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant ESOS provided that the aggregate number of new Shares to be allotted and issued pursuant to the ESOS and other share-based incentive scheme(s) or plan(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
5. Ordinary Resolution 12, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Notes:-

- (1) (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

- (2) A proxy need not be a member of the Company.
- (3) A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.
- (4) The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company’s Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than 72 hours before the time appointed for holding the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE “CATALIST RULES”)

The Directors are seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 April 2019 (“AGM”) (the “Retiring Directors”).

Pursuant to Rule 720(5) of the Catalist Rules the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules:

1) Mr Fan Chee Seng

Date of Appointment	3 May 2018
Date of last re-appointment	Not applicable
Age	60
Country of principal residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>Mr Fan Chee Seng has more than 20 years of experience in the M&E industry.</p> <p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experience and suitability of Mr Fan Chee Seng for re-appointment as Executive Chairman of the Company. The Board have reviewed and concluded that Mr Fan Chee Seng possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Fan Chee Seng is responsible for leading and implementing our Group’s long-term strategy, vision and mission and the overall management, strategic planning and business development of our Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Executive Director
Professional qualifications	Mr Fan Chee Seng holds a Graduate Diploma in Shipbuilding and Repair Technology from Ngee Ann Technical College. He also holds a Graduate Diploma in Marketing from the Marketing Institute of Singapore.
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> 1. 2009 – 2011 MNMDLF Marketing Pte. Ltd. — Director 2. 2015 – 2017 J & M E-Tech Pte. Ltd. — Director 3. 1996 – 2017 Ruby Link Sdn. Bhd. — Director 4. 1996 – 2017 Dynetic Sdn. Bhd. — Director 5. 1996 – 2017 Focal Greenway Sdn. Bhd. — Director

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Shareholding interest in the listed issuer and its subsidiaries	51,000,000 ordinary shares - 42.11%
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years) Present	<ul style="list-style-type: none"> ● MNMDLF Pte. Ltd. ● J & ME-Tech Pte. Ltd. ● Ruby Link Sdn. Bhd. ● Dyhetic Sdn. Bhd. ● Focal Greenway Sdn. Bhd. <ul style="list-style-type: none"> ● DLF Pte. Ltd. ● DLF Engineering Pte. Ltd. ● Acmes-Power Building Services Pte Ltd ● Acmes Kings Corporate Pte. Ltd. ● Acmes Properties Pte. Ltd.

a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c)	Whether there is any unsatisfied judgment against him?	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>
<p>Disclosure applicable to the appointment of Director only</p>	
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>N.A.</p>

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

2) Mr Wong Ming Kwong

Date of Appointment	13 September 2017
Date of last re-appointment	Not applicable
Age	59
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>Mr Wong Ming Kwong is experienced in identifying new business opportunities in the M&E industry.</p> <p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experience and suitability of Mr Wong Ming Kwong for re-appointment as Chief Executive Officer of the Company. The Board have reviewed and concluded that Mr Wong Ming Kwong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Wong Ming Kwong is responsible for overseeing the business development, corporate strategies and enhancement of the Group's operations, including making strategic business and financial decisions.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer and Executive Director
Professional qualifications	Mr Wong Ming Kwong holds a Bachelor of Arts (Second Upper Honours)(Chinese Studies) and Bachelor of Arts (Economics and Statistics) degree from the National University of Singapore. He also holds a Graduate Diploma in Marketing from the Marketing Institute of Singapore.
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> 1. 2009 – 2011 China Fashion Holdings Limited – Executive Director 2. 2014 – 2016 ITE Electric Co. Ltd (now known as Sunrise Shares Holdings Ltd.) – Executive Director
Shareholding interest in the listed issuer and its subsidiaries	45,000,000 ordinary shares - 37.16%
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years) Present	Kitchen Agenda Pte. Ltd. ITE Lumens Pte. Ltd. Old Chang Kee Ltd. Sunrise Shares Holdings Ltd. ITE Electric Systems Co Pte. Ltd. Goodland Group Limited Key Elements Consulting Pte. Ltd. Alist Capital Pte. Ltd. Premium Selection Pte. Ltd. Food Agenda Pte. Ltd. Tomonari Pte. Ltd. Wellquest Investment Pte. Ltd. Restyle 360 Pte. Ltd. Wismore Investment Pte. Ltd. Food Link Pte. Ltd.

a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c) Whether there is any unsatisfied judgment against him?	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j)	<p>Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only		

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.
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DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

3) Mr Wu Chiaw Ching

Date of Appointment	7 January 2019
Date of last re-appointment	Not applicable
Age	63
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr Wu Chiaw Ching for re-appointment as Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Wu Chiaw Ching possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Audit Committee as well as a member of the Nominating Committee and Remuneration Committee
Professional qualifications	<ul style="list-style-type: none"> ● Bachelor of Commerce (Accountancy), Nanyang University, Singapore ● Post-graduate Diploma in Business Administration, Massey University, New Zealand ● Diploma in Management Consultancy, National Productivity Board, Singapore ● Master of Arts (Finance and Accounting), Leeds Metropolitan University, United Kingdom ● Fellow Chartered Accountant, Institute of Singapore Chartered Accountants.
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> 1. Wu Chiaw Ching & Co, Singapore (1987 – Present) – Partner 2. Excelsior Partners, PAF, Singapore (2010 to Present) - Partner
Shareholding interest in the listed issuer and its subsidiaries	Nil

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
<p>Other Principal Commitments* Including Directorships#</p> <p>Past (for the last 5 years)</p> <p>Present</p>	<ol style="list-style-type: none"> 1. Aegis Portfolio Managers Pte Ltd 2. Aegis Wealth Managers Pte. Ltd. 3. Aegis Private Capital Pte. Ltd. 4. Aegis Financial Circle Pte. Ltd. 5. Aegis Knowledge Pte. Ltd. 6. Natural Cool Holdings Limited 7. Gaylin Holdings Limited 8. K & Q Realty Pte. Ltd. 9. Natural Cool Holdings Limited 10. Gaylin Holdings Limited 11. P99 Holdings Limited <ol style="list-style-type: none"> 1. Pinpoint Pte. Ltd. 2. Goodland Group Limited 3. GDS Global Limited 4. Singapore Teochew Foundation Limited 5. Singapore Shippers Academy Pte. Ltd. 6. South Grand Textiles (Private) Limited 7. Ngee Ann Development Private Limited 8. LHT Holdings Limited 9. Wu Chiaw Ching & Co, Singapore 10. Excelsior Partners, PAF, Singapore

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c)	Whether there is any unsatisfied judgment against him?	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No
Disclosure applicable to the appointment of Director only	
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

4) Mr Yip Shee Yin

Date of Appointment	18 June 2018
Date of last re-appointment	Not applicable
Age	48
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr Yip Shee Yin for re-appointment as Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Yip Shee Yin possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Remuneration Committee as well as a member of the Audit Committee and Nominating Committee
Professional qualifications	Bachelor of Arts (Law) from the University of Durham and was called to the Bar of England and Wales by the Honourable Society of the Inner Temple as a Barrister-at-law in 1996 and was called to the Bar of Singapore as an Advocate and Solicitor in 1998
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> 1. Ascentsia Law Corporation (Director 29 May 2002 to present) 2. Ascentsia Fiduciaries Private Limited (Director 14 Jan 2004 to present) 3. Acellent Consultancy Pte Ltd (Director 14 Jul 2015 to present)
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years) Present	Nil 1. Ascentsia Law Corporation 2. Ascentsia Fiduciaries Private Limited 3. Acellent Consultancy Pte Ltd

a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c)	Whether there is any unsatisfied judgment against him?	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only	

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.
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DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

5) Mr Yong Siak Hoong

Date of Appointment	18 June 2018
Date of last re-appointment	Not applicable
Age	55
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr Yong Siak Hoong for re-appointment as Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Yong Siak Hoong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Nominating Committee as well as a member of the Audit Committee and Remuneration Committee
Professional qualifications	Bachelor of Business Administration from the National University of Singapore
Working experience and occupation(s) during the past 10 years	May 2014 to present: Managing Director, Philip Stein Asia Pte. Ltd. Mar 2010 to Dec 2013: Managing Director, Vertu(S) Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships#	
Past (for the last 5 years)	1. Vertu(S) Pte. Ltd.
Present	1. Philip Stein Asia Pte. Ltd. 2. Le Temps Asia Pte Ltd 3. Relationship Enhancement Institute Pte Ltd 4. Make-A-Wish Foundation (Singapore) Ltd 5. Sandplay Therapy Malaysia Sdn Bhd

a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c)	Whether there is any unsatisfied judgment against him?	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j)	<p>Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclosure applicable to the appointment of Director only	
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>N.A.</p>

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DLF HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 201726076W)

IMPORTANT

1. For investors who have used their SRS monies ("SRS Investors") to buy the Company's shares, this Annual Report 2018 is sent to them at the request of their SRS Approved Nominees (as the case may be) solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. SRS Investors may attend and cast their votes at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees (as the case may be) to appoint the Chairman of the AGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2019.

PROXY FORM

I/We, _____ (Name) NRIC/Passport No. _____

of _____ (Address)
being a member/members of **DLF HOLDINGS LIMITED** (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy (%)

as my proxy/our proxies, to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at Kingfisher Room, Level 1, 101 Seletar Club Road, Singapore 798273 on Tuesday, 30 April 2019 at 9.30 a.m. and at any adjournment thereof.

I/We direct my proxy/our proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" at the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2018 thereon.		
2.	To approve the Directors' fees of S\$64,500.00 for the financial year ended 31 December 2018.		
3.	To approve the Directors' fees of S\$129,000.00 for the financial year ending 31 December 2019, be paid quarterly in arrears.		
4.	To re-elect Mr Wong Ming Kwong, a Director retiring pursuant to Regulation 104 of the Company's Constitution.		
5.	To re-elect Mr Fan Chee Seng, a Director retiring pursuant to Regulation 114 of the Company's Constitution.		
6.	To re-elect Mr Wu Chiaw Ching, a Director retiring pursuant to Regulation 114 of the Company's Constitution.		
7.	To re-elect Mr Yong Siak Hoong, a Director retiring pursuant to Regulation 114 of the Company's Constitution.		
8.	To re-elect Mr Yip Shee Yin, a Director retiring pursuant to Regulation 114 of the Company's Constitution.		
9.	To re-appoint Foo Kon Tan LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.		
11.	To authorise the allotment and issuance of shares under the Employee Share Option Scheme.		
12.	To authorise the allotment and issuance of shares under the Performance Share Plan.		

Dated this _____ day of _____ 2019

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s) or, Common Seal
of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

- 1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

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**Affix
Postage
Stamp
Here**

DLF HOLDINGS LIMITED
Company's Share Registrar
Tricor Barbinder Share Registration Services
80 Robinson Road
#11-02
Singapore 068898

2nd fold here

- 3 The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than 72 hours before the time appointed for the meeting.
- 4 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- 5 The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
- 6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 7 A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
- 8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.