

DLF HOLDINGS LIMITED

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

RESPONSE TO SGX QUERIES DATED 1 MAY 2019

DLF Holdings Limited (the “**Company**”) wishes to announce its responses to the following queries from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 1 May 2019, with reference to the Company’s announcement dated 30 April 2019 in relation to the results of annual general meeting held on 30 April 2019.

Question 1

What were the reasons for the entire board (save for the Executive Chairman, Mr Fan) being voted down by shareholders at the AGM? There were no indications of any unusual developments in the Company from announcements released. In addition, from the announcement template on cessation of the CEO and the 3 IDs, it was stated that there were no unresolved differences. Besides, Company is newly listed in July 2018.

Company’s Response

The Company and its subsidiaries (the “**Group**”) had reported a loss of S\$1.24 million for financial year ended 31 December 2018 versus a profit of S\$3.37 million for financial year ended 31 December 2017. Some shareholders (including Mr Manfred Fan) were not satisfied with the performance of the Executive Director cum Chief Executive Officer (“**CEO**”) and had accordingly voted against the resolution relating to the re-election of the CEO as the Director of the Company. These shareholders had also decided to restructure the entire Board in line with the change in management.

Question 2

How is the Board going to function with Mr Fan being the sole director remaining?

Company’s Response

The Executive Chairman and controlling shareholder of the Company, Mr Manfred Fan has identified three (3) proposed Independent Directors to be appointed to the Board. PrimePartners Corporate Finance Pte. Ltd (“**PPCF**”) will conduct and expedite due diligence on these proposed candidates. Mr Manfred Fan has indicated that, other than the business activities in the ordinary course of business, the Group is not expected to have any major transactions or corporate actions in the near future which require the Board’s deliberation.

Question 3

With the departure of Mr Wong Ming Kwong (“**Mr Wong**”) (ex-Executive Director cum CEO), would operations be affected? In the IPO offer document, Mr Wong is stated as being a key management personnel, without whom the Group’s operations and profitability would be adversely affected; and a service agreement was entered into.

Company’s Response

Mr Manfred Fan founded the Group in 1999 when he first established DLF Engineering Pte. Ltd. He has more than 30 years of experience in the engineering and related industries and has been instrumental in the development of the Group’s business over the years since incorporation and he is responsible for the overall management and operations of the business of the Group. Since the Initial Public Offering of the Company, as the Executive Chairman, Mr Manfred Fan has been involved in the daily operations of the Group. Following the departure of the Executive Director cum CEO, Mr Manfred Fan will take over/assume the role and responsibilities of the CEO.

Mr Manfred Fan has confirmed that the operations of the Group's business are not expected to be materially affected with the departure of Mr Wong.

Question 4

What were the key questions raised by shareholders, including but not limited to the resolution on re-election of directors?

Company's Response

There was no question raised by shareholders present at the AGM.

Question 5

Mr Wong (ex-ED cum CEO) is a controlling shareholder of the Company holding approximately 37% (which is still under moratorium). He was the founder of the Company. Will his departure result in any breach of banking covenants by the Group?

Company's Response

The existing banking facilities of the Group were secured by land and personal guarantee provided by Mr Manfred Fan. The loan covenants did not make reference to Mr Wong's directorship or management role in the Company or Mr Wong's shareholdings in the Company.

Mr Manfred Fan has confirmed that the departure of Mr Wong as the Executive Director cum CEO is not expected to result in any breach of the banking covenants by the Group.

DLF HOLDINGS LIMITED

Manfred Fan Chee Seng
Executive Chairman
15 May 2019

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

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rules 226(2)(b) and 753(2) of the SGX-ST Listing Manual Section B: Rules of Catalist.

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

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