



Our Ref: REG/LC/GT/TY/NOC-DLF

26 September 2019

**The Board of Directors**

DLF Holdings Limited  
140 Paya Lebar Road  
#08-07, AZ @ Paya Lebar  
Singapore 409015

Dear Sirs,

**DLF HOLDINGS LIMITED (“DLF” OR THE “COMPANY”, TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)**

**NOTICE OF COMPLIANCE (THE “NOTICE”)**

1. Singapore Exchange Regulation (“**SGX RegCo**” or the “**Exchange**”) refers to:
  - (a) The Company’s SGXNet announcement dated 20 September 2019 (Announcement Reference No: SG190920TENDST9X) titled “Mandatory Unconditional Cash Offer” released by CEL Impetus Corporate Finance Pte Ltd for and on behalf of QRC Pte Ltd (“**Offeror**”) (“**20 September 2019 Announcement**”); and
  - (b) The Company’s SGXNet announcement dated 22 September 2019 (Announcement Reference No: SG190920TENDST9X) titled “Mandatory Unconditional Cash Offer by CEL Impetus Corporate Finance Pte Ltd for and on behalf of QRC Pte Ltd, for DLF Holdings Limited” (“**22 September 2019 Announcement**”).

**Background**

2. The Company was listed on 25 July 2018 and is a Singapore-based mechanical & electrical engineering services and solutions service provider. Its core business is in the provision of (i) Project Management Services; and (ii) Turnkey Contracting Services.

3. In the 20 September 2019 Announcement, CEL Impetus Corporate Finance Pte Ltd announced, for and on behalf of QRC Pte Ltd ("**Offeror**"), that the Offeror has on 20 September 2019 entered into sale and purchase agreements ("**SPAs**") with Mr Wong Ming Kwong ("**Mr Wong**"), the controlling shareholder, former Chief Executive Officer and former Executive Director of the Company, and Mr Fan Chee Seng ("**Mr Fan**"), controlling shareholder, Executive Chairman and Executive Director of the Company. Pursuant to the SPAs, the Offeror will purchase 45,000,000 and 24,221,740 ordinary shares ("**Sale Shares**") in the capital of the Company from Mr Wong and Mr Fan respectively. The aggregate consideration for the total of 69,221,740 Sale Shares is S\$5,601,353.98, being approximately S\$0.0809 ("**Sale Price**") for each Sale Share.
4. The total Sale Shares represents approximately 57.16% of the total number of ordinary shares in the share capital of the Company. As a result, the Offeror is required to make a mandatory unconditional cash offer ("**Offer**") for all the shares, excluding treasury shares and those already owned, controlled and agreed to be acquired by the Offeror, in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers. The consideration for each Offer Share is S\$0.081 ("**Offer Price**") in cash.
5. In the 22 September 2019 Announcement, the Company announced that the Board will appoint an independent financial adviser ("**IFA**" to be appointed) to advise the directors of the Company who are considered independent for the purposes of the Offer ("**Independent Directors**").
6. The Company was listed in July 2018, with IPO price of S\$0.23/share. The Offer Price of \$0.081 is at a 56% discount to the last transacted price, and also at significant discounts to the 1-month; 3-month; and 12-month VWAP prices.
7. The Offeror was incorporated in 2018 and is in the business of providing business and management consultancy services. This is completely different from the Group's existing business as set out in paragraph 2 of this Notice.
8. SGX RegCo notes that Mr Fan is the founder of the Group and the sole Executive Director of the Company currently. Mr Wong was formerly the Executive Director cum CEO of the Company. SGX RegCo is of the view that the rationale for Mr Wong and Mr Fan entering into the SPAs to sell their shares at the Sale Price to the Offeror constitutes important information for shareholders in deciding whether to accept the Offer.
9. On 23 September 2019, SGX RegCo queried the Company on, amongst others, the rationale and intention of the Offer and the SPAs, as well as relationships (if any) between the Offeror, the Group, its directors, key management and their associates. ("**RegCo Queries of 23 September 2019**")

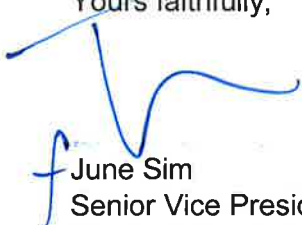
### Other Matters

10. Since the Company's initial public offering in July 2018, SGX RegCo noted developments in the Group, in particular changes to the board and key management and termination of a key project (collectively the "**Developments**"). As a result, SGX RegCo queried and required the Company to announce its responses to 3 sets of queries via SGXNet.

### Exchange's Directives

11. Catalyst Rule 305(1)(b) provides that the Exchange may, for the purposes of ensuring that the market is fair, orderly and transparent, require an issuer to make specific disclosures. Catalyst Rule 305(1)(k) further provides that the Exchange may impose on Relevant Persons any other requirements which it considers appropriate.
12. Pursuant to Catalyst Rules 305(1)(b) and (k), the Exchange requires:
  - (a) The Company to disclose via SGXNet, its responses to RegCo Queries of 23 September 2019;
  - (b) The Independent Directors to scrutinize the bases taken into consideration by the IFA in arriving at the IFA opinion on the Offer. Thereafter, the Independent Directors must set out in the Offeree Circular to be despatched to shareholders, detailed justifications and bases in arriving at their recommendation to shareholders;
  - (c) The Company to engage the Offeror to set out its business plans and future direction for the Group and to disclose these in the Offeree Circular to shareholders, in view of the Offeror's intention to maintain the listing status of the Company following completion of the Offer; and
  - (d) The Company and its directors to provide full assistance to RegCo's review of the Developments.
13. Pursuant to Catalyst Rule 305(4), failure to comply with the requirements imposed by the Exchange shall be deemed to be a contravention of the Rules.
14. Please note that compliance with this Notice does not constitute a waiver of any kind, and SGX RegCo reserves the right to take disciplinary action against the Company and / or Relevant Persons for breaches of the Listing Rules, including any failure to comply with the requirements imposed by the Exchange.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'June Sim', is written over the typed name and title.

June Sim  
Senior Vice President  
Head, Listing Compliance  
Singapore Exchange Regulation

cc: Ms Gillian Goh, PrimePartners Corporate Finance Pte. Ltd.