DIGILIFE TECHNOLOGIES LIMITED
Company Registration No.: 199304568R
(Incorporated in the Republic of Singapore)

RESPONSE TO SIAS QUERIES

The board of directors ("**Board**") of Digilife Technologies Limited (the "**Company**", and together with its subsidiaries, the "**Group**") sets out its response to the queries raised by Securities Investors Association (Singapore) (the "**SIAS**") on 15 July 2026 in advance of the Company's Annual General Meeting to be held on 24 July 2026. The Board wishes to provide the following responses to the queries raised by SIAS:

SIAS's Question 1

The group has completed a strategic transformation through the disposal of its information communications and technology distribution and managed services business in India and its telecommunications distribution business in Indonesia, repositioning itself to focus on the manufacturing and distribution of building materials and real estate development and management.

The company announced on 13 May 2026 that the newly acquired subsidiary, Brimax AAC Products LLP, had been renamed Modi Hebel India LLP. The announcement also stated that the manufacturing facility upgrade had commenced, with completion targeted for October 2026. The company has guided that the facility upgrade will require capital expenditure of approximately INR38 crore, of which approximately INR14 crore has been incurred.

(i) How does management intend to fund the remaining capital expenditure of approximately INR24 crore? Will this be financed through additional borrowings or external equity, and what are the expected implications for the group's capital structure and liquidity? How did the board satisfy itself that it was prudent to commence the upgrade before securing the required funding?

Company's Response: The Group has initially incurred approximately INR14 crore towards the plant upgrade. Further capital expenditure of approximately INR24 crore has been deferred pending the Board's evaluation of various funding options, including debt financing, equity fund raising and other strategic financing alternatives. The eventual funding structure will depend on prevailing market conditions, funding availability, cost of capital and the Group's financial position at the relevant time. Funding through debt would increase the Group's borrowings, interest expense and gearing levels, while preserving existing shareholders' equity interests. Conversely, funding through equity would strengthen the Group's balance sheet and maintain lower gearing levels, albeit with potential shareholder dilution. The Board intends to adopt a funding approach that appropriately balances liquidity, financial flexibility and shareholder value.

In deciding to commence the upgrade, the Board took into account the independent feasibility report prepared by Knight Frank India Private Limited, which supported the commercial viability of the project. Based on the feasibility study, the Group commenced production of AAC blocks with the expectation of generating positive operating margins and cash flows. The Board considered that this phased approach would allow the Group to utilise available cash resources prudently, validate operational performance and market demand, and reduce funding requirements for subsequent phases.

Following the commencement of the operations for the production, the actual post-commencement performance fell short of the assumptions/expectations set out in the feasibility study. In light of this shortfall, the Board therefore considered it reasonable to proceed with the initial phase of the upgrade works while continuing to assess the most appropriate funding options for the remaining capital expenditure.

The Board continues to monitor the project's performance, funding requirements and financial impact, and will proceed with further expenditure only after carefully considering the Group's funding capacity, liquidity position and the expected economic returns from the project.

(ii) What production capacity does management expect to achieve, and what level of utilisation is required for the business to generate satisfactory returns?

Company's Response: Upon completion of the plant upgrade, the facility is capable to manufacture both AAC blocks and AAC panels, resulting in higher margins. Based on the independent feasibility study conducted by Knight Frank India Private Limited, the Company expects the upgraded plant to generate satisfactory returns once it achieves approximately 40–50% capacity utilisation, subject to favourable market conditions.

(iii) Given that autoclaved aerated concrete (AAC) *panels* represent a relatively new product segment for the group, what measures have been implemented to manage manufacturing execution risk, product quality, customer acceptance and project cost control during the ramp-up phase?

Company's Response: The Group has, from time to time, engaged consultants and industry specialists in connection with the plant and its manufacturing operations. The Group consults and reviews its plans as part of its ongoing evaluation of the Group's business direction. Should the Board determine its future plans for the facility, appropriate project monitoring mechanisms covering quality assurance, cost control, timelines and safety will be applied as relevant.

<u>SIAS's Question 2</u>

The group reported a loss of $(5.24) million from its continuing operations for the 15-month financial period from 1 January 2025 to 31 March 2026. Overall, the group recorded a consolidated loss before tax of $(20.33) million and a loss attributable to shareholders of $(20.37) million for FP2026. Net cash used in operating activities amounted to $8.0 million, while net cash used in investing activities was $0.40 million. Although financing activities generated net cash inflows of $2.85 million, cash and cash equivalents declined significantly from $9.14 million to $3.59 million.

(i) The group has identified real estate development and management as one of its strategic business segments. Can the board provide an update on its real estate development plans? If the group intends to pursue new development projects in the near term, what funding strategy does the board envisage?

Company's Response: Real estate development and management remains part of the Proposed New Business approved by Shareholders at the EGM dated 6 November 2025. The Board continues to monitor opportunities in this segment as part of its broader evaluation of the Group's business direction, and will make the necessary announcement(s) under the SGX-ST Catalist Rules should any specific plans or funding strategy be finalised.

(ii) As the AAC business enters its expansion phase, it will require capital expenditure and additional working capital.

Can the board explain whether the group has sufficient financial resources to execute its growth plans without materially increasing financial risk? What funding options are currently under consideration, and under what circumstances would the board consider raising additional debt or equity?

Company's Response: The Board is currently evaluating various business and strategic opportunities. Any definitive business plans or material developments will be announced to shareholders via SGXNet in accordance with the SGX-ST Catalist Rules. The Board regularly reviews the Group's funding requirements against its available financial resources. Various funding options, including internal accruals and bank borrowings, remain under consideration to support the Group's operations and future business plans. The Board will consider raising additional debt or equity as and when required, having regard to the Group's cash flow position, prevailing market conditions, the cost and terms of available financing, and the need to maintain a prudent capital structure. Any material funding decisions will be announced in accordance with the SGX-ST Catalist Rules.

<u>SIAS's Question 3</u>

Following the cessation of office of Mr Mukesh Khetan as group chief executive officer on 30 June 2025 to pursue other career opportunities, Ms Shivani Srivastva Wadhwa was appointed executive director and vice chairperson. Ms Shivani Srivastva Wadhwa subsequently resigned with effect from 15 May 2026 to pursue career opportunities in other areas.

The position of group chief executive officer remains vacant.

(i) **Can the board provide an update on the search for a new group chief executive officer? What experience, capabilities and leadership attributes are being prioritised for the role? Has the board identified suitable candidates, and what is the expected timeline for making the appointment? Given the group's ongoing strategic transformation and expansion of its AAC business, how does the board assess the risks associated with the prolonged vacancy?**

Company's Response: The Board recognises the importance of appointing a suitable candidate to the position of Group Chief Executive Officer. Following the resignation of Ms. Shivani Srivastva Wadhwa with effect from 15 May 2026, the Board is actively evaluating suitable candidates with relevant experience, taking into account the Group's ongoing evaluation of its business direction. The Board will make the appropriate announcement in accordance with the SGX-ST Catalist Rules once a suitable candidate has been identified and the appointment finalised.

Pending the appointment, the Board has ensured that the Group's day-to-day matters continue to be discharged by the existing Board and senior management team, and does not consider the current vacancy to have had a material adverse impact on the Group's affairs.

(ii) In the annual report, Mr Asheesh Mehrotra serves as the interim chief executive officer of Modi Hebel India LLP, while Mr Himanshu Verma is listed as production & operations lead.

Can the board elaborate on Mr Asheesh Mehrotra's experience and track record in the building materials industry? What are his key responsibilities, and is he accountable for overseeing the plant upgrade and the operational ramp-up of the AAC business?

Company’s Response: Mr. Asheesh Mehrotra, Interim Chief Executive Officer of the Group’s subsidiary, Modi Hebel India LLP, brings 30 years of experience across infrastructure, real estate, telecom, cement and agri-business, including senior roles at Omaxe Limited, Prism Cement Ltd, and Indian Railway Station Development Corporation.

His interim responsibilities include oversight of matters relating to the Group's business, including engagement on banking and institutional relationships, and support to the Board's ongoing evaluation of the Group's business direction.

(iii) In the circular to shareholders dated 22 October 2025, the key personnel identified as leading the AAC operations were Mr Rakesh Sharma (plant manager), Mr Alpesh Gandhi (head of sales) and Mr Atul Kumar Bajpai (chief mechanical engineer).

Can the board comment on the retention of key management personnel, the continuity of operational leadership and whether the group currently has any capability gaps in areas such as manufacturing, engineering, sales or plant operations that could affect the execution of its growth strategy?

Company’s Response: The Board places importance on the retention of key management and continuity of operational leadership. The current leadership team provides continuity across the Group's business functions.

The Board is not aware of any capability gaps that would materially affect the execution of the Group's plans at this time.

BY ORDER OF THE BOARD

Chada Anitha Reddy
Non-Executive Director & Chairperson
Digilife Technologies Limited

23 July 2026

This announcement has reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the ***"Sponsor"****). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the* ***"Exchange"****) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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