

The logo for Digilife Technologies Limited, featuring the word "DIGILIFE" in white, uppercase, sans-serif font centered within a solid red square.

## DIGILIFE TECHNOLOGIES LIMITED

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

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### RESPONSE TO SGX QUERIES

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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 the Singapore Exchange Regulation (the “**SGX**”) in relation to the Company’s announcement dated 23 June 2023, as follows:

**It was disclosed that**

- **Mr. Mukesh Khetan has been a director of Selular Group (Company’s Indonesian Business) since 2015.**
- **Mr. Mukesh Khetan has no prior experience as a director of an issuer listed on the Exchange.**

**1. SGX’s Query 1:**

Please provide details of Mr. Mukesh Khetan’s roles and responsibilities during his tenure with Selular Group.

**Response:**

During his tenure in Indonesia, Mr. Mukesh Khetan (“**Mr. Mukesh**”) is the President-Director of Selular Group comprising of entities carrying out the business of the Company in Indonesia.

In Selular Group, he has been responsible for the entire business operations for the entities in Indonesia, managing the operational leadership team to drive revenues, cash flows, and profitability in a challenging and highly competitive business environment. He is overall responsible for the operations, compliances, banking and finances of the Selular Group. He provides business direction and has been representing the Indonesian business to the Board and Management of Digilife and other stakeholders. During his tenure, he has been able to successfully transform the business from being a loss making entity to a profitable one. He is supported by an experienced and skillful local management team.

**2. SGX’s Query 2:**

Please provide details of segment breakdown of Selular Group (by business and location) and its past 3 years’ revenue, profit and net asset contribution to the group (in terms of % and absolute amounts).

**Response:**

Mentioned below is the revenue, profit and net assets breakdown of Selular Group – Indonesia compared against the Group:

**There are no separate segments in Indonesia as the Indonesian business operates in one segment as distribution of telecom operator products and mobile devices retail.**

Particulars	Unit	12 months	15 months	9 months
		Jan 20 to Dec 20	Jan 21 to Mar 22	Apr 22 to Dec 22
Digilife Group Revenue	SGD Million	264.04	300.14	174.86
Selular Group Revenue	SGD Million	223.87	255.96	163.93
Selular Group Revenue to Digilife Group Revenue	%	85%	85%	94%

Particulars	Unit	12 months	15 months	9 months
		Jan 20 to Dec 20	Jan 21 to Mar 22	Apr 22 to Dec 22
Digilife Group Profit / (Loss)	SGD Million	(2.83)	(7.01)	0.54
Selular Group Profit	SGD Million	0.18	0.72	0.60
Selular Group Profit to Digilife Group Profit	%	N.M.	N.M.	112%

Particulars	Unit	As at 31 Dec 20	As at 31 Mar 22	As at 31 Dec 22
		Digilife Group Net Assets	SGD Million	36.90
Selular Group Net Assets	SGD Million	18.53	18.35	17.05
Selular Group Net Assets to Digilife Group Net Assets	%	50%	56%	56%

Note: (1) N.M. - Not Meaningful.

(2) The above-mentioned figures are from note 38 of the Company's respective Annual Reports.

### **3. SGX's Query 3:**

Please elaborate on the Nominating Committee's considerations and assessment, on Mr. Mukesh Khetan's suitability to be appointed as the Executive Director and Group Chief Executive Officer of the Company.

#### **Response:**

Mr. Mukesh has been with the Group for more than 10 years in various senior management positions including the handling of the Company's secretarial, governance and compliance matters. While working for the group in Indonesia he has been able to demonstrate a high level of business acumen which resulted in the business turning into a profitable one.

The NC felt that an internal promotion would be better suited given (i) Mr. Mukesh's familiarity with the Company's business operations; and (ii) his understanding of the compliance requirements of a listed company in Singapore. After having interviewed him and considering the depth of his knowledge of the Company's business operations and his qualifications, the NC assessed that Mr. Mukesh Khetan to be suitable to be appointed as an Executive Director and Group Chief Executive Officer.

### **4. SGX's Query 4:**

Please elaborate on the Sponsor's considerations and assessment, on Mr. Mukesh Khetan's suitability to be appointed as appointed as the Executive Director and Group Chief Executive Officer of the Company.

### **Response:**

The Sponsor took into consideration the NC's assessment. Separately, the Sponsor has conducted its own background checks to evaluate Mr. Mukesh suitability. The Sponsor considered, *inter alia*, the following:

1. Sponsor's independent background checks, disclosures and declarations regarding Mr Mukesh's qualifications and experience, as well as his involvement with the Company, as detailed in the Company's response to query no.1;
2. Mr. Mukesh's overall familiarity in relation to the Group's business in his capacity as a senior management member of the Company and his familiarity with the relevant regulatory requirements applicable to the Company;
3. His prior experience including his role and responsibilities in managing the business operations for the entities in Indonesia which is one of the major core businesses of the Group; and
4. As Mr. Mukesh has not been a director of a company listed in Singapore, the Sponsor also recommended to the NC/Company to ensure that Mr. Mukesh attends the relevant training courses to further familiarise himself with the roles and responsibilities as Director of a public listed company in Singapore. Mr. Mukesh has committed to attend such training courses as soon as possible.

In view of the above, the Sponsor did not note anything adverse which would affect Mr Mukesh's suitability to be appointed as the Executive Director and Chief Executive Officer of the Group.

**SGX Note: We noted numerous board changes in the past 12 months. In addition, 3 out of 4 existing directors do not have prior experience as director of Singapore listed companies when they were appointed.**

### **5. SGX's Query 5:**

Please provide the NC's consideration and assessment on the efficacy of the Board as a whole, as well as the Board and IDs' familiarity with local rules, laws and regulations.

### **Response:**

The recent changes to the Board were primarily due to the retirement of the Independent Directors who had served on the Board for almost 7 years. In addition, Dr Bhupendra Kumar Modi Company's Chairman had also resigned, the circumstances of which has already been announced by the Company. The remaining board changes are replacements for the aforementioned cessations. Save for the aforementioned, there have not been any other recent changes to the Board.

As disclosed by the Company in its latest Annual Report the Company is evaluating new age construction material technologies in large real estate markets like India and accordingly the new Directors are expected to bring fresh perspectives to the Board as they have diverse backgrounds and experiences, which is also recommended by the Singapore Code of Corporate Governance.

Notwithstanding the fact that the independent directors of the Company have no prior experience as directors of Singapore listed companies, they are highly qualified and have extensive and diverse experience working in Singapore and listed companies in India. The lead independent director, Mr. Sudip, sits on the board of large listed companies in India, such as Inditrade Capital Ltd, AGS Transact Technologies Limited, and VST Industries Limited, where he is the audit committee chairman of the company. Separately, Mr. Rajesh has experience advising companies based in Singapore in the areas of, *inter alia*, capital markets, finance and restructuring. He is currently serving as an advisor to companies listed in India and Bangladesh. The Executive Director and Group CEO, Mr. Mukesh is associated with the Group for more than 10 years and apart from the Indonesian business of the Group, he has also been overseeing the Group compliance matters related to the

Companies Act, Listing Manual, Code of Corporate Governance, etc. Throughout his career, he has been associated with publicly listed companies in India like Vaibhav Global Limited, India and Provogue India Limited as their Company Secretary and Compliance Officer before joining the Group. Specifically, in Singapore over the last 10 years, he has executed and overseen complex and substantial corporate actions of the Company including share consolidation, capital reduction, share buybacks, acquisition and divestments, ESOP/share awards schemes, managing shareholders meetings, Board and Committee Meetings.

Additionally, the Company's directors participate in various training programs conducted by SGX and other bodies to keep themselves up-to-date and improve their knowledge, ultimately contributing to the effectiveness of the Board. Based on the aforementioned, the Board and NC are satisfied that the Directors are familiar with the local rules, laws and regulations. In addition, and also as disclosed in their respective appointment announcements, they will also attend relevant mandatory training courses prescribed by the SGX to further familiarize themselves with the local rules, laws and regulations. The Company will also arrange relevant training courses for its Board through its professional service providers once the Company has appointed another independent director (which the Company is still in the process of identifying a suitable candidate).

The Company arranges various trainings for its Directors. This would include trainings organized by the Singapore Institute of Directors (SID) such as the recent Board and Director Fundamentals program held on 27 June 2023 (Session I) and 28 June 2023 (Session II).

The Company will also arrange relevant training courses for its Board through its professional service providers once the Company has appointed another independent director (which the Company is still in the process of identifying a suitable candidate).

#### **6. SGX's Query 6:**

Please provide the Sponsor's consideration and assessment on the efficacy of the Board as a whole, as well as the Board and IDs' familiarity with local rules, laws and regulations.

#### **Response:**

The Sponsor has taken into consideration, inter alia, the level of the independent element of the Board, the broad range of expertise and experience possessed by the current Board members as detailed above and the current business and future business plans of the Group. The Sponsor noted that such diverse skills, experience, and attributes of the current Board members should facilitate decision making in the Group's operations.

Further, the executive directors of the Company have been with the Company for several years and have demonstrated their familiarity with the local rules, laws and regulations. With regard to the independent directors, the Sponsor has considered their background and work experience as detailed in their respective appointment announcements and also as elaborated above. Furthermore, they will be attending the relevant SID training courses as well as additional training courses to be organized by the Company to further enhance their familiarity with the local rules, laws and regulations. The Company also takes guidance from their professional service providers in areas, inter alia, such as legal, accounting and compliance where required and accordingly, the Sponsor is assured of the Board and the IDs' capability and familiarity with the local rules, laws and regulations.

#### **7. SGX's Query 7:**

What are the key reasons for / circumstances which led to the frequent changes to the Board?

#### **Response:**

The recent changes to the Board were primarily due to the retirement of the Independent Directors who had served on the Board for almost 7 years. Other than these, the Company's Chairman, Dr Bhupendra Kumar Modi resigned, the circumstances of which have already been announced by the

Company. Other than the replacement for these directors, there have not been any changes to the Board recently.

As announced by the Company on 11 May 2023, the Company is currently in the process of appointing an additional candidate to the Board as an Independent Director and member of its Board committees for compliance with Rule 406(3)(c) of the Catalist Rules. The Company will make the relevant announcement accordingly in due course.

#### **8. SGX's Query 8:**

Given that most of the existing board members were appointed during the year and did not have prior experience as directors of SGX listed companies at the time of their appointments, how does the Board / NC ensure that the board has adequate knowledge of and continuity on matters of the Company?

#### **Response:**

Currently, the Board consists of 4 members of which Mr. Mukesh has been associated with the Group for more than 10 years and is handling the Group compliance matters related to the Companies Act, Listing Manual, Code of Corporate Governance etc. and as such he is familiar with and has adequate knowledge of and continuity on the matters of the Company including the applicable laws. Ms Anitha has been on the Board for quite some time and has also been part of the Group for more than 13 years in various board/senior management positions and the Board is assured of her knowledge of the Group's business. As mentioned above, the Independent Directors are professionals who carry with them relevant experiences in various fields which the NC also takes into consideration when assessing the suitability of the new directors.

The Company arranges a detailed induction program for newly appointed Directors, setting out various information about their duties, obligations and responsibilities as Directors including management presentations on the Group's businesses and strategic plans and objectives. The Directors are provided with regular updates on regulatory changes and any new applicable laws and are also encouraged to attend training programs, seminars and workshops organized by professional bodies and organizations at the Company's expense, so as to enable them to develop, maintain their skills and knowledge and properly discharge their duties as Board or Board Committee members.

As part of the overall cost efficiency measures, the management structure was also made lean and agile in line with the business scale. These decisions reaped results which are reflected in the Group's FY2022 performance.

#### **9. SGX's Query 9:**

What is the key process by the Board / NC in selecting, appointment, re-appointing and / or re-designating directors to the Board? What are the key criteria used by the NC in identifying and evaluating the proposed directors?

#### **Response:**

The NC reviews and assesses the nominations for the selection, appointment, re-appointment or re-election of Directors before making recommendations of the same to the Board. Some of the key criteria used by the NC in identifying, selecting and evaluating proposed directors include skills, knowledge, the capacity and ability to commit, experience, educational background, character and integrity assessment, past employment history, detailed background checks, gender, nationality, independence and length of service and also the requirement of any particular skill set or experience at the time of appointment. The NC also ensures that new Directors are aware of their duties and obligations and evaluates the Directors' availability to commit them to carrying out the Board's duties and activities having regard to director's contribution and performance (such as attendance, preparedness, participation and candour). The Company uses internal resources and external search

firms to identify / shortlist suitable candidates, to maintain diversity. NC then interviews the short-listed candidates.

The NC will thereafter make its recommendations to the Board including appointments to the appropriate Board committee(s) after matching the candidates' skills-set to the needs of each Board committee. The Board, taking into account the views of the NC and the findings of its Sponsor, if any, to consider if the proposed directors meet the criteria set out in its Board diversity policy and possess the necessary competencies to govern the Company competently and effectively. The ultimate decision is based on merit and contribution that the selected candidates can bring to the Board.

In evaluating the re-designation or re-appointment of directors, the NC considers a combination of factors such as skills, knowledge, experience, the previous contributions made to the board in its decision-making process, understanding of the business requirements and the ability to set up strategic directions of the Board.

## **BY ORDER OF THE BOARD**

**Chada Anitha Reddy**  
Executive Chairperson  
Digilife Technologies Limited

30 June 2023

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This announcement has been 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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