

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)

RESPONSE TO SIAS QUERIES

The Board of Directors (the “**Board**”) of Digilife Technologies Limited (the “**Company**” together with its subsidiaries, the “**Group**”) were informed of the concerns of the shareholders on the Group by the Securities Investors Association (Singapore) (the “**SIAS**”) on 21 July 2022. The Board would like to take the opportunity to address these concerns as follows:

1. SIAS’s Question 1:

Company CFO was appointed in Dec 2020 and has now resigned in July 2022. Can the NC Chairman explain what was the selection process followed?

Company’s Response:

As previously disclosed by the Company on 29 April 2021 in response to SIAS Q&A on Annual Report, Mr. Abhrajit Shaw (“Mr. Shaw”) was one of the shortlisted candidates that was eventually recommended by NC to be appointed as CFO in December 2020. Two other candidates were considered however, they were not selected based on the skills and experience required for this position. Amongst others, the NC noted that Mr. Shaw was employed with Bharat IT Services Limited, a wholly owned subsidiary of Digilife Technologies Limited (erstwhile “Sevak Limited”) and having taken into consideration the succession plans for key management personnel of the Company, was of the view an internal promotion would be better suited given Mr Shaw’s familiarity with the Company’s operations. As announced by the Company (then known as “Sevak Limited”) on 17 December 2020, the NC and the Board considered and approved the appointment of Mr. Shaw based on his capability, knowledge, qualifications and experience. For further details, please refer to the Company’s announcements on 29 April 2021 and 17 December 2020 respectively.

As announced by the Company on 14 July 2022, Mr. Shaw tendered his resignation as Chief Financial Officer on 14 July 2022 in order to further his studies abroad and the Board mutually agreed with Mr Shaw that his last working day would be 4 August 2022. The Board has identified and shortlisted a candidate to replace Mr. Shaw and will make the necessary announcement in due course. For full details, please refer to the Company’s announcement on 14 July 2022.

2. SIAS’s Question 2:

Chief Strategy officer was redesignated as CEO in April 2021 and he also resigned last Sept 2021.

Company’s Response:

As announced in the Company’s response to SGX queries on 12 April 2021 and SIAS Q&A on Annual Report on 29 April 2021 respectively, Mr. Mayank Vishnoi (“Mr Vishnoi”) was appointed

as Chief Strategy Officer of the Company in July 2020 as being part of the new management team then, to realise its strategic vision and business plans upon being satisfied that the relevant personnel possess the requisite experience, capabilities and knowledge to execute the role. The NC noted his experience in strategy, corporate finance and capital markets in Asia and also considered his relevant knowledge, skill and experience required for the role before recommending his appointment as the Chief Executive officer (“CEO”) of the Company on 1 April 2021. For full details, please refer to the Company’s announcements on 1 April 2021, 12 April 2021 and 29 April 2021.

Mr. Vishnoi resigned as the CEO of the Company with effect on 29 September 2021 to pursue other career opportunities in other area. Please refer to the Company’s announcement dated 29 September 2021 for further details.

3. SIAS’s Question 3:

An interim CEO was appointed and again a change was made in April 2022 with a new CEO replacing him. Again, what is the selection and short listing process the NC Chairman and Board followed is being questioned.

Company’s Response:

Following the resignation of Mr Vishnoi and the difficulty in finding an immediate replacement CEO in a short period of time and who has the skills and experience required to manage the operations and maintain continuity, the NC recommended to the Board for the appointment of Mr. Maneesh Tripathi (“Mr Tripathi”) as Interim CEO which he had held until 19 April 2022. Having considered Mr Tripathi was previously the CEO of the Company for more than 7 years and was immediately available, the NC was of the view that he would be a suitable candidate amidst the tough business operating environment brought about the COVID-19 pandemic whilst the Company continued its search for a CEO.

Mr Tripathi’s appointment as CEO was mainly on an interim basis to facilitate the transition from the departure of Mr Vishnoi. Once the transition had stabilized, Mr Tripathi then wished to re-focus on his previous commitments before his undertaking as Interim CEO and accordingly, stepped down in April 2022 but remained as a Non-Executive Director. Following his cessation, Dr. Bhupendra Kumar Modi (“Dr. Modi”) was appointed as the Group CEO with effect from 19 April 2022 and was re-designated as Executive Chairman and CEO after his appointment as the CEO.

The NC recommended the appointment of Dr. Modi in consideration of his experience and leadership as the Chairman of the Group. The Board (save for Dr. Modi) felt that considering that the Group was in the midst of critical business transition period following series of divestments, an ongoing acquisition proposal that time and considering Dr. Modi's years of experience, his appointment as Group CEO would be essential and in the best interests of the Group for effective implementation of direction set by the Board at that time. Nonetheless where the opportunity arises and until such time where the Company’s transition period is over, the Company is also on the lookout for any suitable candidate (either through internal promotion of external staff or employing externally) to align with the business strategy changes.

As CEO, Dr. Modi is having overall responsibility for leading and ensuring the effectiveness of the Board, driving the Group’s strategic direction and the day-to-day execution of strategies developed by the Board.

4. SIAS's Question 4:

Similarly there have been various changes in Board composition and it seems like a merry go round where the same person keeps coming in and out of the Board, who is disclosed as an employee working for the controlling shareholder group company.

Company's Response:

The Company has set out its responses to the personnel changes in the above responses and related announcements. Similar to any other companies that undergo changes in their personnel (either on a Board level or employee level) in adaptation of their business landscapes they operate in and/or different level of expertise candidates possess, these changes are at times reactionary and necessitated resulting from circumstantial changes as described. Notwithstanding these changes, the Chairman and the Independent Directors of the Company remained on the Board for the last 18 months till date and the Independent Directors comprise half of the Board, chairs board committees, so to ensure that there is an avoidance of concentration power in one individual where the Chairman and CEO are the same person.

In relation to the changes to the Non-Independent Directors, the NC acknowledges their past employment with the controlling shareholders and were therefore, classified as non-independent directors. Since, they have had years of experience with the Company in the past as directors and/or executives on the management, based on the proposal by the Chairman, the NC had recommended and the Board had approved their respective appointments as non-independent directors of the Company taking into account their suitability, prior working experience in the company, capabilities and qualifications for the role.

Additionally, as announced by the Company in its annual report on 14 July 2021, the Company is looking to further strengthen the Board by appointing additional Independent Director/s with relevant expertise and experience. As and when there are material developments in this respect, the Company will make the relevant announcements.

5. SIAS's Question 5:

With no clearly defined strategy and the share price and liquidity being a major concern, in addition to continuous turnover of key personnel, some shareholders are wanting an option to get out. Is going private and delisting an option which the controlling shareholder will consider is the key question in the minds of some of the shareholders.

Company's Response:

As set out in the Company's (then known as "Sevak Limited") annual report that was announced on 8 April 2020 and subsequent announcements, the Company was focused on undertaking cost rationalization measures and intense business executions on a day-to-day business as part of its adaptation to the unprecedented COVID-19 pandemic. Such measures took time to implement and as disclosed in the Company's annual report on 14 July 2022 and prior announcements, the Company for the reported financial year, had exit loss making, sunset, non-strategic businesses and accordingly made multiple divestments during the last 12 months and rationalized costs at all levels. The Company was able to monetize underperforming assets, reduce its liabilities and streamline its existing businesses. In doing so, the Company is in a better position by freeing up its resources to focus on core operations and stem any further losses moving forward. The Company is focused now to make investments into sunrise, profitable, growth-oriented businesses. The Company is also looking for strategic partnerships in these areas. Any material development in this regard will be announced by the Company.

When these investments, partnerships are realized and the Company performs better, the Company believes that the price and liquidity of the shares would then be reflective. As far as taking the Company private or delisting is concerned, the Company would refrain to comment as this is a matter to be dealt with by the shareholders and the Company will convey these concerns to its controlling shareholders.

BY ORDER OF THE BOARD

Chada Anitha Reddy

Non-Independent Non-Executive Director
Digilife Technologies Limited

27 July 2022

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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.

The contact person for the Sponsor is Mr. Leong Weng Tuck (Registered Professional, RHT Capital Pte. Ltd.), Address: 6 Raffles Quay, #24-02, Singapore 048580, Contact: sponsor@rhtgoc.com.