

DIGILIFE TECHNOLOGIES LIMITED
(formerly known as Sevak Limited)
(Company Registration No. 199304568R)
(Incorporated in the Republic of Singapore)

ENTRY INTO A NON-BINDING MEMORANDUM OF UNDERSTANDING AS AN INTERESTED PERSON TRANSACTION PURSUANT TO CHAPTER 9 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Digilife Technologies Limited (formerly known as Sevak Limited) (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following proposed interested party transaction (“**IPT**”) pursuant to Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

2. DETAILS OF THE INTERESTED PERSONS

Bharat IT Services Limited (“**Bharat IT**”) is a wholly-owned subsidiary of the Company.

Dr. Bhupendra Kumar Modi (“**Dr Modi**”) is the Chairman and Non-Independent Non-Executive Director and controlling shareholder of the Company.

Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited) (“**Smart Bharat**”) is beneficially owned and controlled by Dr Modi with approximately 99.93% of the shares owned by Dr Modi as at the date of announcement. The balance 0.07% is owned by unrelated parties. Accordingly, Smart Bharat, being an associate of Dr Modi, is considered as an “interested person” under the ambit of Chapter 9 of the Catalist Rules.

Consequently, the proposed entry into the transaction (as set out in paragraph 3 below) between Bharat IT and Smart Bharat will constitute an “interested person transaction”.

3. DETAILS OF THE INTERESTED PERSON TRANSACTION

Bharat IT has entered into a non-binding memorandum of understanding with Smart Bharat dated 23 June 2021 (the “**MOU**”) in relation to the sale of the land and building property located at Khasra no. 93min, 94min, 95, 96, 97, 98, 99, 101min Durg Nagla, Rampur, Uttar Pradesh, India, comprising area 1.8170 hectare (the “**Sale Property**”) by Smart Bharat (“**Purchase Transaction**”).

The Sale Property is in close vicinity of a large city catchment area of Moradabad and Bareilly, Uttar Pradesh, India, which has been announced for development as “Smart City” under the Smart City Mission of Government of India.

Bharat IT and Smart Bharat contemplate entering into definitive agreement in respect of the Purchase Transaction (“**Definitive Agreement**”). The Definitive Agreement is proposed to be entered within 120 days from the date of this MOU failing which this MOU shall expire. Pending the entry into the Definitive Agreement, the MOU is not legally binding, except in relation to the Bharat IT’s payment of Rs. 55,000,000, which is equivalent value of SGD 995,980¹ (“**Deposit**”) (as defined below) and the refund of such Deposit to Bharat IT if the Definitive Agreement are not entered into by 21 October 2021.

¹ Foreign exchange rate used is Rs 55.22/SGD, based on the interbank cross rates taken from The Business Times (dated 21 June 2021) which refer to the rate as at 18 June 2021.

A summary of the other principal terms of the MOU is set out below:

Seller:	Smart Bharat Private Limited
Purchaser:	Bharat IT Services Limited
Consideration:	Rs. 370,000,000 (Rupees Thirty Seven Crore Only), which is equivalent value of SGD 6,700,228 ¹ (the " Consideration "), of which – (a) Deposit of Rs 55,000,000 (Rupees Five Crore and Fifty Lacs only), which is equivalent value of SGD 995,980 ¹ , of the Consideration shall be paid within three working days of the signing of the MOU. (b) remaining consideration of Rs 315,000,000 (Rupees Thirty One Crore Fifty Lacs Only), which is equivalent value of SGD 5,704,248 ¹ (" Balance Payment ") shall be paid on in accordance with the terms of the Definitive Agreement.

The Consideration was arrived at on a willing-buyer, willing-seller basis, after taking into account the government approved circle rates for property and the internal valuation done by Smart Bharat. For the avoidance of doubt, the Consideration may be subject to adjustment based on an independent valuer's report on the Sale Property commissioned by Bharat IT prior to the execution of the Definitive Agreement.

Valuation of the Sale Property	Bharat IT will be appointing an independent property valuer to value the Sale Property, and such valuation will form the basis of any adjustments to be made to the Balance Payment (if applicable).
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Conditions Precedent	The Purchase Transaction is contemplated to be conditional upon, <i>inter alia</i> , the following conditions being satisfied (the " Conditions "). When the Definitive Agreement are entered into, further conditions may be set out.
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- (a) the results of due diligence investigations on the Sale Property conducted by Bharat IT being reasonably satisfactory to Bharat IT;
- (b) appointment of a Valuer as well as an Independent Financial Advisor for the Purchase Transaction;
- (c) Bharat IT and Smart Bharat each obtaining the necessary approvals, including but not limited to the approvals of their board of directors and shareholders to validly execute and deliver the Definitive Agreement and perform their obligations thereunder;
- (d) Smart Bharat being the legal and beneficial owner of the Sale Property and having the complete and unrestricted right to sell and transfer full legal and beneficial title to and of the Sale Property, and there being no encumbrances on, over or affecting the Sale Property (including any mortgages granted pursuant to any banking facilities having been fully settled and discharged in respect of the Sale Property);

- (e) Smart Bharat having complied with each of its obligations and undertakings set forth in the Definitive Agreement to be performed by it on or prior to Completion;
- (f) no law having been enacted or promulgated which would restrain, prohibit or restrict the implementation of the transactions contemplated by the Agreement; and
- (g) no order of any governmental authorities has been issued, and no proceedings have been commenced or threatened, which would delay, restrict or prevent the Purchase Transaction.

Signing of Definitive Agreement is conditional upon the satisfaction of the Conditions on or before the date falling 120 days after the date of the MOU.

The Company will make a further announcement when the Definitive Agreement are entered into.

4. RATIONALE AND BENEFIT TO THE COMPANY

The Sale Property would be used as part of Group's project to plan, setup, and operate a centralized service center at a low-cost location, call center to manage remote First level/L1/L2 calls, a Network Operations Center (NOC) and a possible data center or any other projects aligned to its core ICT business. The management of the Group plans to run the technical business units and new facilities in consonance with the existing business of the Bharat IT, with the objective of enhancing and growing the value of the Group through new opportunities.

As such, the Board is of the view that the Purchase Transaction will be beneficial for the Group as it is in line with the Group's strategic plans to expand its core business in information, communications and technology.

5. TOTAL VALUE OF THE INTERESTED PERSON INTRANSACTIONS WITH THE SAME INTERESTED PERSON FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

There are no other IPTs entered into with Smart Bharat for the current financial year 2021 commencing on 1 January 2021 up to the date of this announcement and other IPTs during 2021 are SGD 522,809 being rentals paid for the offices of the Company and its subsidiaries in Singapore.

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2020, the Group's consolidated net tangible assets as at 31 December 2020 was SGD 35,178,000 (the "**Group NTA**"). The net book value of the land part of the Sale Property which was purchased in the year 1984 is Rs.23,622,108, which is equivalent value of SGD 427,766¹ as at 31 December 2020, which is approximately 1.21% of the Group NTA. The Indian government specified circle rate of the land part of the Sale Property is Rs.363,400,000, which is equivalent value of SGD 6,580,711¹ and total internal valuation of the Sale Property including the land is Rs. 382,971,000, which is equivalent value of SGD 6,935,116¹.

The aggregate value of all interested transactions for the current financial year ending 31 December 2021 is SGD 522,809¹ representing approximately 1.49% of the Group NTA. As at the date of this announcement, the Company has not entered into any other interested person transaction with Smart Bharat, save for the Purchase Transaction.

The Consideration amount is Rs. 370,000,000, which is equivalent value of SGD 6,700,228¹, which is approximately 19.05% of the Group NTA. Accordingly, the Company will be seeking shareholder's approval in accordance with the Catalist Rule 906.

In addition, the Company contemplates the Purchase Transaction to be a major transaction under Catalist Rule 1014. The Company shall also seek shareholder's approval accordingly in due course.

6. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee of the Company (the "AC") had reviewed the MOU and is of the view that the MOU is entered into on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. This view is however, subject to an independent valuer's report on the value of the Sale Property and the opinion of an independent financial advisor to be appointed by the Company, the consideration and other terms and conditions which are satisfactory to the AC and agreed to with Bharat IT to be set out in the Definitive Agreement. The Company shall make a subsequent announcement in due course accordingly.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the other Directors or controlling shareholders of the Company has any interest, direct or indirect, other than through their respective shareholders in the Company in the Purchase Transaction.

8. DOCUMENTS FOR INSPECTION

The Company will make further announcements, in compliance with the requirements of Chapter 9 and Chapter 10 of the Catalist Rules, upon the execution of the Definitive Agreement and/or when there are material developments in respect of the Purchase Transaction.

A copy of the MOU is available for inspection during normal business hours at the registered office of the Company at 152 Ubi Avenue 4, Singapore 408826 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Tushar s/o Pritamlal Doshi
Independent Non-Executive Director
Digilife Technologies Limited

23 June 2021

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"). The Sponsor has not independently verified the contents of this announcement.

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 Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com