DIGILIFE

MODI CHANGE

2022 ANNUAL REPORT

BUILDING NATIONS THROUGH NEW TECHNOLOGIES

CONTENTS

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

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

CORPORATE PROFILE

Digilife Technologies Limited (formerly known as Sevak Limited) was incorporated in Singapore on 15 July 1993. The Company moved to the Catalist exchange from the mainboard from 26 February 2021 and trades under ticker symbol (BAI).

The Company's business operations have been broadly classified into two operating segments as below:

- Telecom (this includes the distribution of telecom operator products in Indonesia)
- Technology (this includes the Information Communications and Technology (ICT) distribution and managed services business in India

In Indonesia, the Company mainly distributes mobile prepaid cards as authorized distributors of the well-established telecom operators namely PT Telekomunikasi Selular (Telkomsel), PT XL Axiata, PT Indosat ("**Airtime Business**"). The Company has a large network of more than 30,000 resellers along with large number of branch offices and sub branch offices across Indonesia. The Group continues to sell multi-branded mobile devices through its retail shops in Indonesia, as this also aids in its Airtime Business. The Company is digitizing its entire distribution network with the aim to transform into a digital distribution company that provide solutions for multiple products through a streamlined distribution channel.

In the technology segment in India, the Company provides both hardware infrastructure and business service integration for governments and corporate clients. The Company offers integrated one stop ICT solutions ranging from consultancy to maintenance and disaster recovery services and also undertakes projects on Networking, Data Hosting, and Managed Service solutions. The Company has enhanced its focus on services driven business and key innovative offerings to improve margins.

The Company is evaluating to get into new age construction material technologies into large real estate market like India which according to a report from India Brand Equity Foundation is estimated to be at USD200 billion in year 2021 and expected to grow to USD1 trillion by the year 2030.

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

I am pleased to present this Annual Report of Digilife Technologies Limited ("**Company**" and together with its subsidiaries the "**Group**) for the financial period covering nine months from 1 April 2022 to 31 December 2022 ("**FP 2022**") in line with the change in financial year end of the Company to December as announced on 30 November 2022.

For continuing operations, the Group recorded a turnover of S$174.59 million in the FP 2022 as against S$298.74 million for the financial period covering fifteen months from 1 January 2021 to 31 March 2022 ("**FP 2021**"). The Group made a profit before tax of S$1.13 million in FP 2022 as against a loss before tax of S$3.81 million in FP 2021.

Carrying from our objective of last year to move with agility and be cost conscious, the Group has turned profitable by shedding underperforming and loss making businesses. The management structure was made lean and agile in line with the business scale. All these decisions reaped results which is showing in the business performance.

While on one side, we have stabilized our business and made it profitable, the Company is evaluating to get into new age construction material technologies into large real estate market like India which according to a report from India Brand Equity Foundation is estimated to be at USD200 billion in year 2021 and expected to grow to USD1 trillion by the year 2030. The parent group of the Company has decades of experience working in India and is a recognized brand in the Indian market. Our Group can use all these ingredients to build a good business in this sector. We are therefore working on such plans and intend to announce them as soon as we have reasonable certainty of their feasibility.

The Company has launched a share buyback program in December as the share price of the Company is not reflecting its true value and at appropriate price levels may help enhance return on equity. We believe the share Buyback exercise may help instil confidence among the shareholders/prospective investors in the Company.

Our Independent Directors, Mr Doraraj and Mr Tushar, have chosen not to seek re-election this year as they have been with the Company for the last many years and would like to focus on other commitments. We thank them for their contributions to the Company and to the Board for all these years. While, their services will be missed, it now gives us the opportunity to refresh our Board with new ideas by inducting new Independent Directors. The Company is shortlisting some profiles for new Independent Directors. We will make appropriate announcements as and when we are ready.

I am very optimistic about the prospects of our Company considering the position we are in and the opportunities we have now. Over the last year we have evolved and moving swiftly killing the past and embracing the future. We have been able to define what is working and what is not and accordingly have acted on it. At the same time we are trying to find new spaces to grow our investments.

I am thankful to the employees of the Company who have been tirelessly working to steer the Company ahead. I am confident that the team is ready to embrace the new challenges with enthusiasm and focus for a bright future.

Thank you

Dr Bhupendra Kumar Modi
Chairman & Group CEO
Digilife Technologies Limited

OPERATIONAL & FINANCIAL REVIEW

OPERATIONAL REVIEW

Digilife Technologies Limited ("**Digilife**", and together with its subsidiaries, collectively, the "**Group**" or "**Company**"), primarily operates in the Telecom and Technology segments.

1. Telecom – Distribution of Operator products and services

The Company operates in the Telecom segment in Indonesia and primarily distributes mobile prepaid cards as authorized distributors of PT Telekomunikasi Selular (Telkomsel), PT XL Axiata and PT Indosat ("Airtime Business"). The Company operates with a large network of branches and sub branch offices covering a network of more than 30,000 resellers. The Company is also working as an aggregator for Telkomsel to sell their products to other B2B players. In its bid to transform itself into a digital distribution company by digitizing its distribution network in Indonesia, the Company has started an application for selling the telecom products online. These steps can help for distribution of multiple products using the distribution channel. The Company also sells multi-branded mobile devices through its retail shops in Indonesia, as this aids in its Airtime Business.

Due to the subsiding effect of Covid-19, the business have shown signs of improvement. Business has grown over the last year and due to cost optimization, the profitability of the Company has improved. However, the overall environment in the Telecom sector remains challenging as margins are under pressure due to competition and growing modern and electronic methods of distribution and emergence of new age fintech companies. The distribution agreement of Indosat and Telkomsel renewed this year which is expected to bring stability of business for the current year. The Group still foresees a substantial pressure on overall industry margins to continue, which will percolate to distributors as well. The Group is closely monitoring the market conditions due to the consolidation and technological changes in the sector and will continue its efforts to leverage on technology to digitize its distribution channels.

2. Technology-ICT distribution and managed services

During last year, the Company exited this business in Singapore due to continuous losses and declining margins. The Company operates under this segment in India where it offers integrated one-stop ICT solutions ranging from consultancy to maintenance and disaster recovery services and also undertakes Networking, Data Hosting, and Managed Service solutions projects. The Company has a profitable business in India though the business is still classified as a traditional business. The Company has enhanced its focus on services driven business and key innovative offerings aligned to its principal's strategy to improve margins via futuristic services based offerings. The Company keeps its focus on servicing, growing and retaining its existing client base which is largely government and public sector undertakings.

The business in this segment remains steady, however, margins remain under pressure due to competition. The Indian Government's focus on promoting small and medium enterprizes also leads to diversion of business to the new entrants. The Group is entering into new partnerships in the service industry with big industry players which resulted in a tie-up with Hewlett Packered for its service business and is expected to generate profitable revenue for the Group.

FINANCIAL REVIEW

FINANCIAL REVIEW

In line with the change in the financial year end of the Company from 31 March to 31 December, the Group's performance is for the period of 9 months from 1 April 2022 to 31 December 2022, while the comparative period is for the period of 15 months from 1 January 2021 to 31 March 2022.

For continuing operations, the Group recorded a turnover of S$174.6 million for the period of 9 months from 1 April 2022 to 31 December 2022 ("9 months ended 31 December 2022") as against S$298.7 million recorded for the period of 15 months from 1 January 2021 to 31 March 2022. As set out above, the comparative figures are not comparable due to shorter financial period, accordingly, the review against comparative figures might not be meaningful.

For 9 months ended 31 December 2022, the revenue from Telecom business was S$163.9 million as against S$255.9 million for the period of 15 months from 1 April 2021 to 31 March 2022. As mentioned above, the review of the Group's performance might not be comparative due to change in financial year end.

ICT Distribution and Managed Services ("**ICT**") segment recorded a revenue of S$10.7 million for the 9 months ended 31 December 2022 against a revenue of S$42.7 for the period of 15 months from 1 April 2021 to 31 March 2022. However, as mentioned above, the comparative figures have not been restated for disposed business in ICT and also due to change in financial year end, the review against comparative figures might not be meaningful.

For continuing operations, the Group made operating profit (before exchange gain/loss, interest, depreciation, amortisation and taxation) of S$1.01 million during 9 months ended 31 December 2022 against operating loss of S$1.14 million for the 15 months period from 1 April 2021 to 31 March 2022. As mentioned above, the review of the Group's performance might not be comparative due to change in financial year end.

For continuing operations, the Group incurred net profit before tax of S$1.13 million for 9 months ended 31 December 2022 against net loss before tax of S$3.81 million for the period of 15 months from 1 April 2021 to 31 March 2022. As mentioned above, the review of the Group's performance might not be comparative due to change in financial year end.

For FY 31 December 2022, the Group's net cash generated from operating activities of S$1.1 million, was mainly due to increase in inventories, and contract liabilities, partially offset by decrease in trade receivables, other receivables and deposits. The net cash generated from investing activities of S$0.21 million was mainly due to the cash inflow on disposal of subsidiaries, partially offset due to cash outflow on the purchase of property, plant and equipment and investment properties. The net cash used in financing activities of S$1.13 million, mainly due to placement of cash and bank deposits pledged and repayment of lease liabilities.

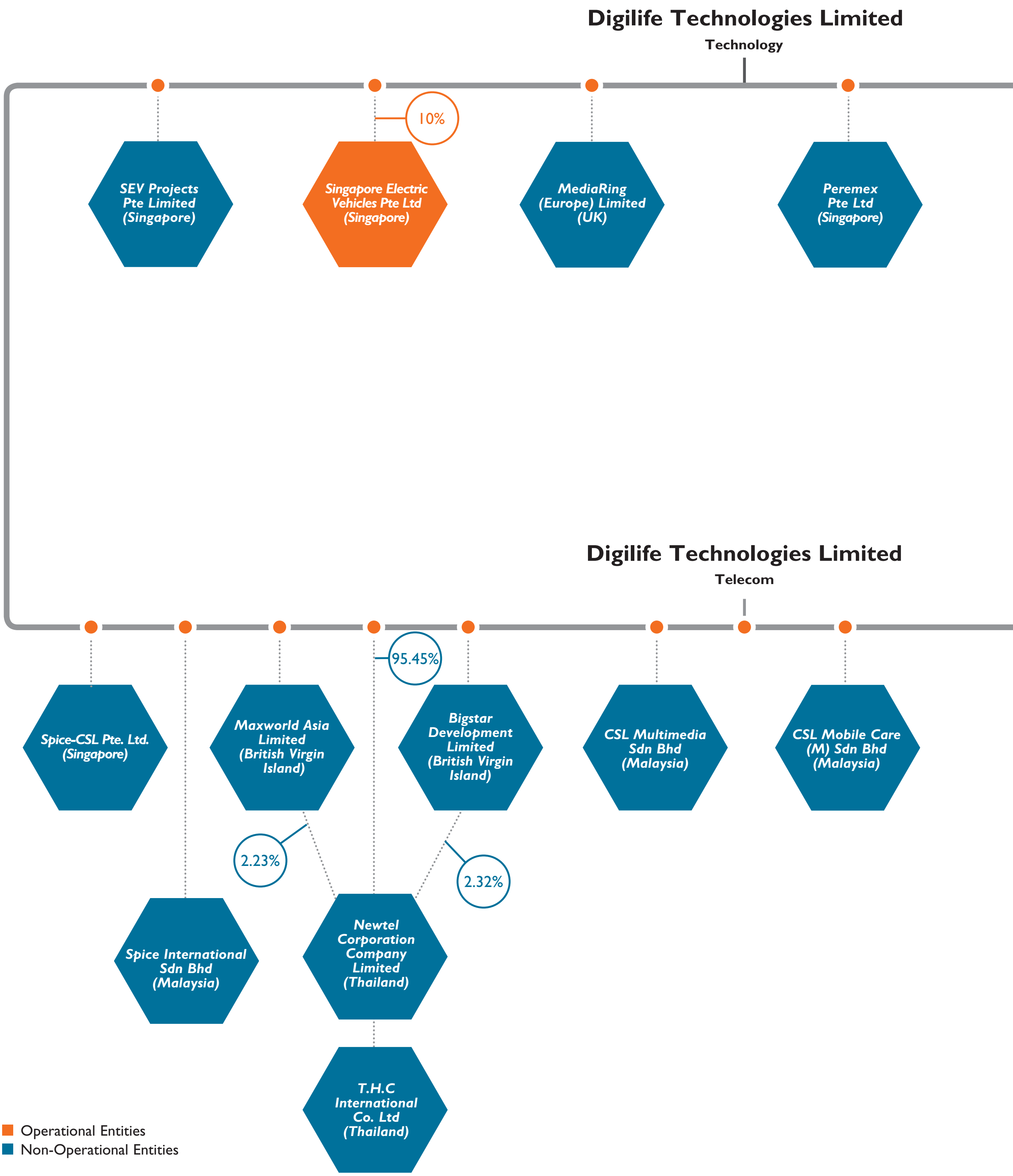
OUTLOOK:

The Group's focus on profitable revenue and divestment of loss making businesses has reaped results and the Group turned profitable this year. Revenues have been steady and with optimized costs, the business is profitable. After the renewal of distribution contracts with the telecom operators in Indonesia, our Telecom business in Indonesia is stable and expected to remain stable in the current financial year. Margins continue to be under pressure due to marketing, sales programs and product discounts driven by the telecom operators. Overall, the Telecom business remains profitable. The Technology business in India continues to have steady stream of revenue, however, being in the legacy industry, margins are in constant pressure due to extensive competition.

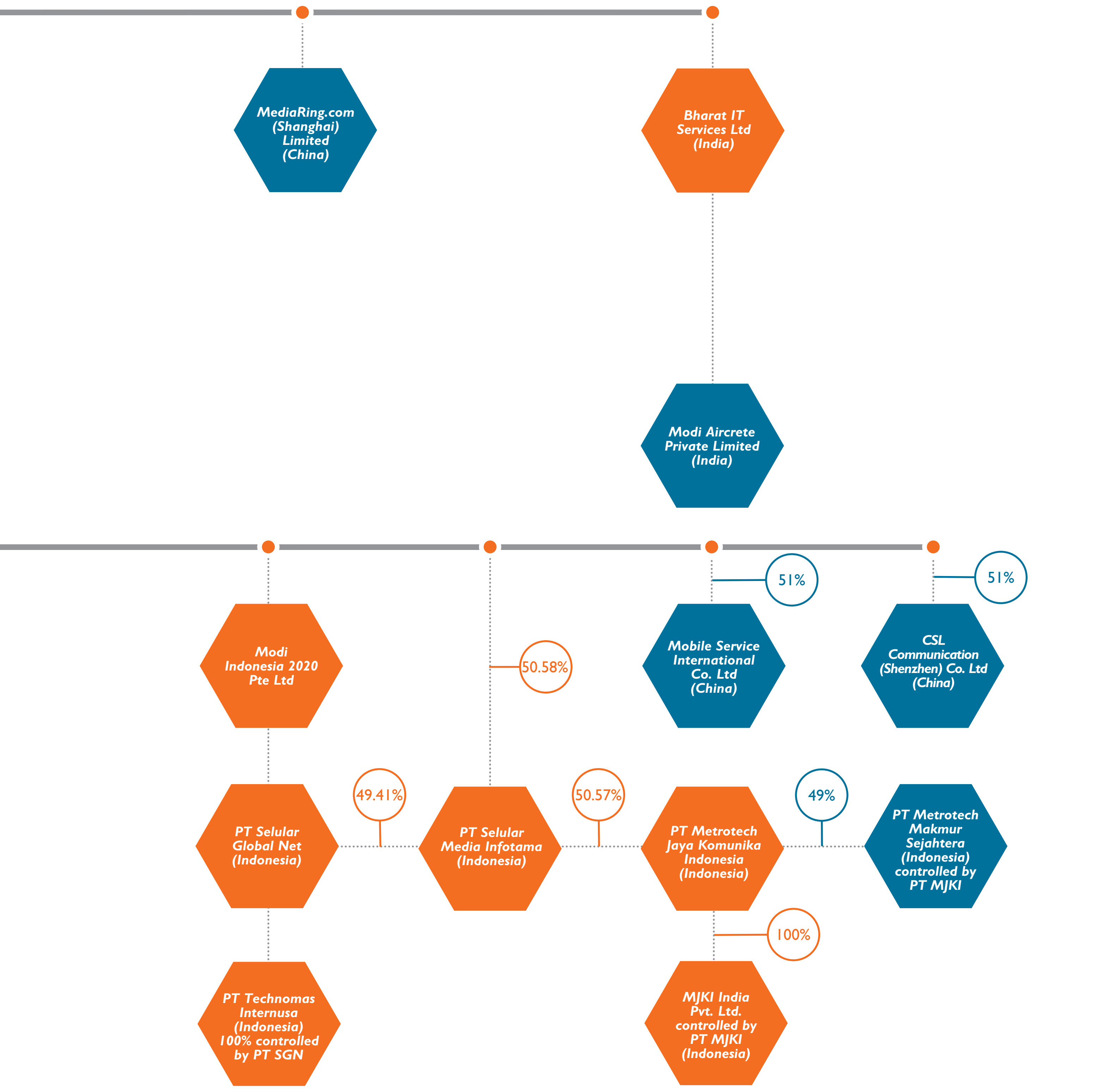
During tough times, the Group's approach of conserving cash has led to an increase in our cash balance by S$1.3 million at 31 December 2022 vis a vis period ended 31 March 2022. Overall, the businesses remain stable and barring any unforeseen circumstances, they are expected to remain the same in the current period.

The Company is evaluating to get into new age construction material technologies into the large real estate market like India. The parent group of the Company has decades of experience working in India and has a good brand equity in the Indian market. Our Group can use all these ingredients to build a good business in this sector. We are working on some plans and announce them as soon as we have information which is material and have reasonable certainty of those being implementable.

CORPORATE STRUCTURE



Operational Entities
Non-Operational Entities

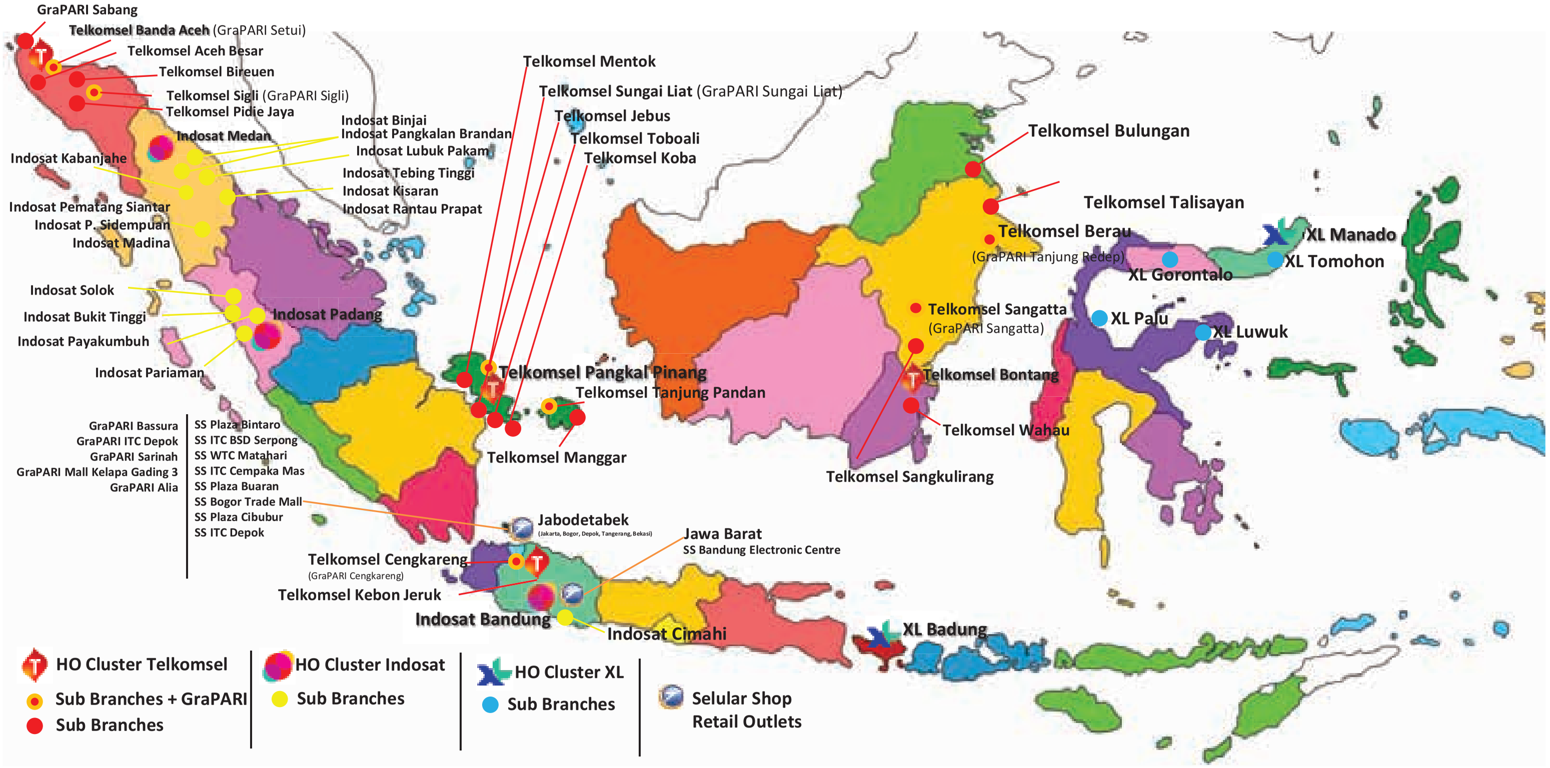

MediaRing.com (Shanghai) Limited (China)
Bharat IT Services Ltd (India)
Modi Aircrete Private Limited (India)
Modi Indonesia 2020 Pte Ltd
50.58%
51%
Mobile Service International Co. Ltd (China)
51%
CSL Communication (Shenzhen) Co. Ltd (China)
PT Selular Global Net (Indonesia)
49.41%
PT Selular Media Infotama (Indonesia)
50.57%
PT Metrotech Jaya Komunika Indonesia (Indonesia)
49%
PT Metrotech Makmur Sejahtera (Indonesia) controlled by PT MJKI
100%
PT Technomas Internusa (Indonesia) 100% controlled by PT SGN
MJKI India Pvt. Ltd. controlled by PT MJKI (Indonesia)

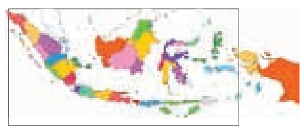
OUR DISTRIBUTION STRENGTH IN MAJOR OPERATIONS

AIRTIME & RETAIL BUSINESS

INDONESIA

CLUSTER MAPPING



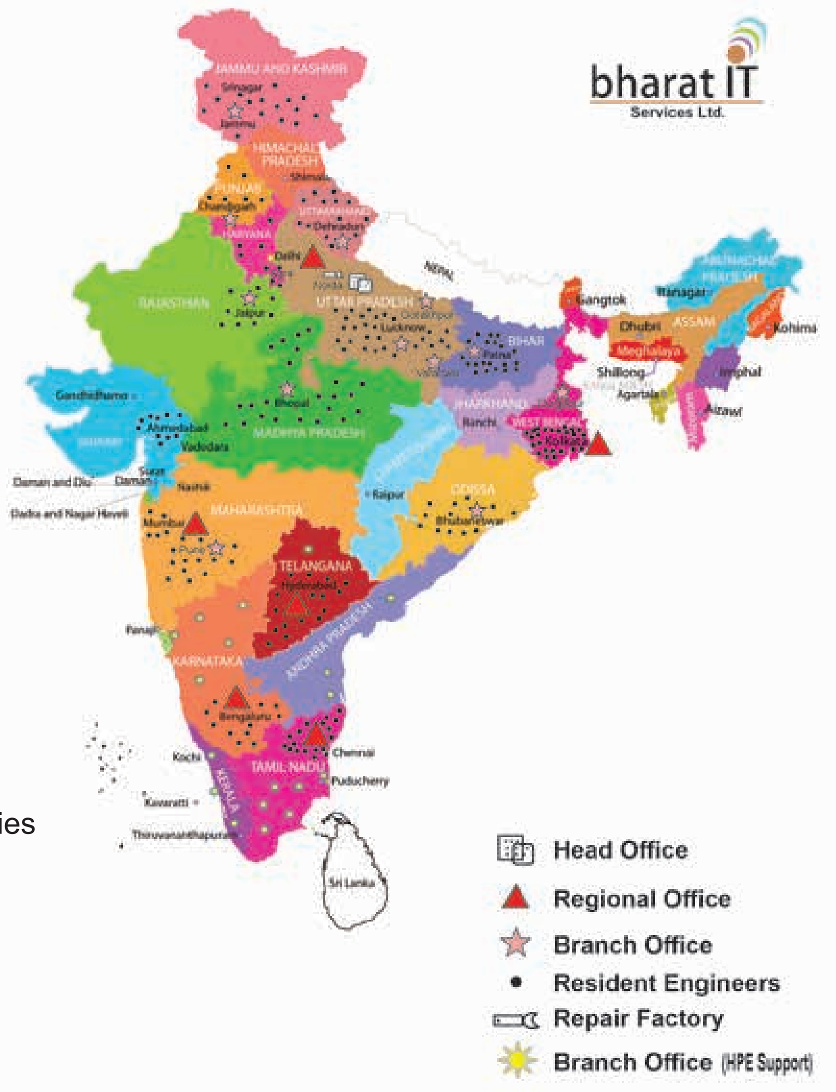


1. 53 Branch offices
2. 9 retail outlets, 5 Selular Shop synergy with OPPO, VIVO at Grapari Telkomsel
3. Over 30,000 reseller points

ICT BUSINESS
INDIA

Our Presence in India

- Head Office at Noida
- 6 Regional Offices
- 13 Branch offices
- Presence in more than 150 cities



BOARD OF DIRECTORS

DR. BHUPENDRA KUMAR MODI

Chairman & Group CEO, Digilife Technologies Limited

Dr. Bhupendra Kumar Modi ("**Dr. Modi**") has been appointed as the Non-Executive Director and Chairman with effect from 6 March 2020 subsequently with effect from 19 April 2022, he has been redesignated as Executive Chairman and Group CEO. He has served as Chairman of the Company in the past from 31 August 2009 to 14 November 2013 and from 1 September 2015 to 6 April 2018.

Dr. Modi is the Group Chairman of Modi Holding – a diversified business conglomerate with business interests in mobility, finance, healthcare, education, entertainment, clean energy and life sciences. Headquartered in Singapore, the group has a global footprint.

With nearly four decades of business experience, Dr. Modi is known as the 'Man of Many Firsts' for bringing the latest technologies into India in partnerships with industry leaders like Xerox, Alcatel, Telstra, Olivetti, Axiata, Singapore Technologies Telemedia and Fountain Life amongst others. His leadership has been instrumental in establishing and propelling the growth of these companies creating immense value for all stakeholders and he is single handedly credited with revolutionising the face of office automation in India, laying the foundation of a digital India.

In the new phase of his business career, Dr. Modi's philosophy of living 'Beyond 100' has become the cornerstone of his attempts to create an ecosystem that enables people to live Happy and Healthy beyond 100. His efforts in the healthcare industry have earned him the epithet of 'Global Leader in Wellness', bestowed by the American Academy of Anti-Aging Medicine, USA.

Dr. Modi's unstinting commitment to the global community is remarkable. His independent film production house creates content that educates and inspires. Productions such as the Bollywood movie Oh My God! And TV productions Buddha and upcoming Adi Shankaracharya are a refreshing take on interfaith knowledge which have been commercial and critical successes.

As Founder Chairman of the Global Citizen Forum (GCF), the Global Chairman of the Foreign Investors India Forum (FIIF) and the Hon. President, World Federation of United Nations Associations (WFUNA), he has led discussions with leaders from across the globe and has sought to unite all 'global citizens' in pursuit of a world without borders.

Dr. Modi is a chemical engineer and holds a Master's Degree in Business Administration from the University of Southern California. He has also been conferred PhD in financial management and a DLitt in industrial management.

MR. SUDIP BANDYOPADHYAY
Lead Independent Director

Mr. Sudip Bandyopadhyay ("**Mr. Sudip**") is appointed as Independent Non-Executive Director with effect from 16 August 2022 subsequently with effect from 9 November 2022, he has been redesignated as Lead Independent Director. He is also a Chairman of Audit Committee, Remuneration Committee and Nominating Committee of the board with effect from 9 November 2022. His area of expertise includes lending, capital markets, commodity and currency markets, wealth management, asset management, insurance, investment banking, remittance, forex and distribution of financial products. He is currently the Group Chairman of Inditrade (JRG) Group of Companies. Sudip acquired control of Inditrade Group from Barings India Private Equity Fund in 2015. Inditrade has significant presence in Agri Commodity Financing, MSME Lending and Micro Finance business.

Mr. Sudip sits on the Boards of a number of listed and unlisted domestic companies. He has been guiding many large listed and unlisted Companies as Independent Director and Audit Committee Chairman (VST Industries Limited, AGS Transact Technologies Limited etc). Mr. Sudip is also an investor in many Fintech and other Technology related ventures.

During Mr. Sudip's 16 years stint with ITC as Head of Treasury and Strategic Investments, he managed investments in excess of $1.5 billion. He managed all the treasury operations including capital, currency and money markets for ITC. Mr. Sudip was also responsible for the acquisition of strategic stakes in EIH, VST and several other companies, by ITC.

Post ITC, he was the Managing Director of Reliance Securities (Reliance Money) and also on the Board of several Reliance ADA Group companies. He was instrumental in leading Reliance Anil Dhirubhai Ambani Group's foray, amongst others, into Equity and Commodity Broking, Financial Products Distribution, Commodity Exchanges, Gold Coin Retailing, Money Changing and Money Transfer. Under his leadership, Reliance Money had aggressively expanded its footprint in India and across the globe. Sudip was also responsible for the acquisition of AMP Sanmar through which Reliance launched its Life Insurance business.

Afterwards Mr. Sudip was the Managing Director and CEO of Destimoney, a full-service financial organization, promoted by New Silk Route – an Asia focused growth capital private equity firm with over $1.4 billion under management.

Mr. Sudip has significant presence in business media through his regular interaction on leading business channels, business newspapers and magazines.

Mr. Sudip is a gold medalist from University of Calcutta and is also a qualified Chartered Accountant and a Cost Accountant with over 33 years of rich and diverse experience in various areas of finance and financial services.

MR. DORARAJ S
Independent Director

Mr. Doraraj S ("**Mr. Doraraj**") is a Lead Independent Non-Executive Director subsequently with effect from 9 November 2022, he has been redesignated as Independent Director Non-Executive Director. He is a Singaporean practicing Lawyer who was called as an Advocate and Solicitor of the Supreme Court of Singapore in 2001. He holds a MBA in Entrepreneurship from Giberran University, Australian Institute of Education.

Mr. Doraraj has worked as Director of Sales/Marketing in a company co-founded by his present partners and himself from 1982 till 2012. He retired in 2012 to pursue his other passion in the legal sector. During his 30 years he held various roles like, International Business Franchising, Developing and Marketing of products of Major overseas Manufacturers, including Startup of New Businesses in Malaysia, Corporate Administration and Human Resource Development. He was responsible for introducing and implementing the ISO 2000 Quality control system in Yen Lee Fireweld Pte Ltd, which is still running successfully.

Besides running his business, he has always been active in community and social work. Since 1967 he has always been involved in organizing sports, religious activities, and educational seminars at National levels through the various Non-Government organizations. These activities are normally targeted at the Middle- and Lower-income people with the aim of elevating their quality of life.

Currently he is a non-executive director of the following companies which he co-founded with his current partners:

1. Nirul Sdn Bhd
2. Raj Govin Law Practice (Sole Proprietor)

BOARD OF DIRECTORS

MS. CHADA ANITHA REDDY
Executive Director

Ms. Chada Anitha Reddy ("**Ms. Chada**") is appointed as Non-Independent & Non-Executive Director with effect from 23 June 2022 subsequently with effect from 1 December 2022, she has been redesignated as Executive Director. Prior to this, she had been leading the companies Human Resources Department. She has over 24 years of managerial experience.

Ms. Chada has held various senior management positions where she held leadership roles in Corporate Administration, Corporate Image & International Business Relationships, Events Management, Personnel/Human Resource Development, Communication, Public Relations. She was also actively involved in providing matrix leadership for teams in Finance, Human Resources, Policy development and Administration and led various teams during group initial acquisitions, restructuring operations and new spinoffs in Singapore, Thailand, Malaysia and Indonesia.

Ms. Chada also takes keen interest and is actively involved in community development and service, coordinating and conducting charity and community events. She held various positions in the community centres of Singapore and cultural associations and was awarded long service award by the community centres of Singapore in appreciation of her dedicated voluntary service.

Ms. Chada holds a Master of Business Administration degree.

MR. TUSHAR S/O PRITAMLAL DOSHI
Independent Director

Mr. Tushar S/O Pritamlal Doshi ("**Mr. Doshi**") is a Independent Non-Executive Director. He was born in Singapore, and completed his PSLE and GCE O Levels in Singapore and did his GCE A Levels in London. Thereafter, Mr. Doshi returned to Singapore to do his National Service before going to the USA for his Bachelors of Arts in Economics and his post graduate studies in International Business.

Mr. Doshi's formal work experience began about 29 years ago in 1994 working with various organizations as Consultant and Sales and Marketing officer. In 1996 he embarked on his entrepreneurial venture under the name of Tushiv International Pte Ltd. Under this company Mr. Doshi began his trading business in agricultural commodities and computer peripherals and chemicals, and introduced a new concept in advertising called virtual advertising.

In 2003, Mr. Doshi focused on developing a very unique and patented art formed called 3 Dimensional Holographic Sculptures which was handmade in Bali, Indonesia. He created a global market from these products with a distribution network spanning from New Zealand to the USA and across Europe and the Middle East and Africa as well as India. In 2016, Mr. Doshi sold this part of the business to his local Indonesian director and closed the retail showroom in Singapore. Since middle of 2017, Mr. Doshi has become a Global Independent Distributor for an American manufacturer in Stem Cell Lift technology and DNA Reparation and Anti Aging and Longevity space of the Health and Wellness industry. Currently he is an Investor and Board Director of a Singapore based AI & ML Tech Start Up and has interests in a MetaVerse project and is also working on a social impact start up.

Mr. Doshi was also a founding Shareholder and Director of SearchWorks Pte Ltd in Singapore and Mumbai. After a year, Mr. Doshi sold his shares to his partner and exited the company.

Mr. Doshi has been very active with various nonprofit and social organizations and served in the following positions:

1995 to 2020 –
Singapore Gujarati Society – served in various capacities, including President in the Management Committee and is currently Past President.

2007 till date –
lifetime Patron of Jain International Trade Organization in India.

2012 to 2014 –
Singapore Indian Chamber of Commerce and Industry – Co Chair of the Membership and Member of the Board of Directors.

2014 to 2016 –
GOPIO Singapore (Global Organization of People of Indian Origin Singapore) – Committee Member.

2014 till date –
Inter Racial and Religious Confidence Circle with the Mountbatten Community Center – Committee Member.

2015 to 2016 –
Singapore Cricket Club Rules and Membership Sub Committee, – Committee Member.

2017 to 2019 –
Singapore Cricket Club Marketing and Communications Committee, – Committee Member.

2017 to 2019 –
GOPIO Singapore (Global Organization of People of Indian Origin Singapore) – 2nd Vice President.

2018 to 2020 –
SME Center@Singapore Indian Chamber of Commerce and Industry – Honorary Member of the Board of Directors.

2020 to 2022 –
Singapore Indian Chamber of Commerce and Industry – Member of the Board of Directors and Start Up & Innovation Committee and FSIO Committee Member.

SENIOR MANAGEMENT

MR. GURVINDER PAL SINGH
Chief Financial Officer,
Digilife Technologies Limited

Mr. Gurvinder Pal Singh ("**GP**") is an experienced professional who has been associated with the Group for 27 years. Over the years, GP has played a pivotal role in helping shape the Group's strategy across its verticals and his deep expertise in finance has been vital to the Group achieving its financial objectives of wealth creation.

As the Chief Financial Officer of Spice Communications (Mobile Telephony Business), GP led the business and strategic planning to restructure the company after the Group took over control of operations in two telecom circles of Punjab and Karnataka. GP drove expansion of network operations, while ensuring cost optimization, resulting in higher EBITDA to ensure that company was ready for public listing. GP orchestrated Spice Communication's journey to IPO, which was over-subscribed 37 times. Leveraging well managed operations and strong investor relations, he managed achieving Group's stake sale at 7.5x.

GP was given the responsibility of the Healthcare vertical at its infancy stage. His two-pronged strategy of focus on revenue growth and cost optimization, took the company to breakeven in its second year of operations. On account of the Group's strategy, he led discussions with potential buyers and on the strength of improved operations, achieved the Group's stake sale at 4x.

Prior to joining the Group, GP worked as Head of Accounts with Fujitsu India Telecom, a Japanese JV company manufacturing Digital Switching Systems. He has also worked as Head of Accounts & Finance with the Prestige Group, a manufacturer of wall clocks and other electronic items.

GP is a member of The Institute of Chartered Accountants of India and Bachelor of Commerce (Honours) from University of Delhi.

MR. ARUN SETH
CEO & Executive Director, Bharat IT Services Ltd

As the CEO of Bharat IT Services Ltd, Mr. Arun Seth brings with him a rich experience spanning 37 years in the Electronics and Information Technology Industry in India, having held senior and responsible positions throughout his career.

Mr. Arun Seth commenced his career with the IT industry and served DCM Data Products and Spice Limited in various senior capacities.

He joined Modi Olivetti Ltd in 1990 as General Manager. During the initial years of his tenure with the Company, Mr. Arun Seth proved to be a consistent performer and his geographic domain remained the highest revenue generating region in the country for many years.

In 1996, Mr. Arun Seth was given the complete responsibility of the organization and was capped as Chief Executive Officer of Modi Olivetti. Mr. Arun Seth remained in vanguard and transformed the organization with a select team to support him.

Even though Olivetti exited the PC business worldwide, Mr. Arun Seth was able to build a substantial business under the Spice Banner in the IT Systems, Services and Peripherals area.

Establishing strong bonds with Technology Owners, within India or outside, has been Mr. Arun Seth's key to success. When Olivetti sold out it's Banking & Postal Business to China based Olicom, Mr. Arun Seth was successful in ensuring continuity in operations and a smooth transition, thus protecting the commercial interests of Bharat IT in India operations.

Bharat IT's foray in the Cheque Truncation area by associating with ARCA Technologies S.R.L of Italy as their Indian Distributor, has gone a long way in making us a prominent player in this category in India.

This business has been instrumental in shoring up our bottom line over the past few years. Under his stewardship, the company successfully created a vertical niche for itself in the self-service segment in the BFSI sector and has been generating decent revenues from supply of suitable product for self service kiosks in the Banking Industry.

India is the hub of IT Services and with the explosion in usage of IT Hardware in the country, there was a dire need to provide basic IT services to various user segments.

Our service business in the IT sector was developed to cater to the service support needs of the domestic BFSI segment. However this business has shown regular and encouraging growth over the years and today our IT Services Business caters to all User segments across the vast geography of our country.

Today we have a 1200+ strong team of skilled service professionals operating out of 20 offices and catering to 200 locations across the country. A long and prestigious list of customers are availing our services to keep their IT Infrastructure up and running.

Mr. Seth is adept at scouting around for and spotting suitable opportunities for business enhancement and growth.

That is how Bharat IT quickly established a foothold in the IT System Integration space in India when some leading and prominent players were moving out of this domain.

Building and managing teams of successful professionals is Mr. Arun Seth's forte.

Creating and nurturing customers with long term relationships is a key strength.

SENIOR MANAGEMENT

MR. RUSLI SUFIANTO
Chief Operating Officer, Selular Group

Mr. Rusli Sufianto is the Chief Operating Officer of the Selular Group in Indonesia. He has been instrumental and has proven track record in developing business strategies, Sales Plans and Performance Targets of the Airtime business unit. Currently, he is also responsible for the Retail business of the Selular Group.

He has over 12 years of professional experience in the field of telecommunications. Prior to joining Selular Group in 2011 as General Manager of Sumatera and Kalimantan Area, he had outstanding record in working with some reputed and established companies in Indonesia like PT. Grant Surya Multi Sarana and PT. Landseair Transport.

He has good understanding of Indonesia's Telco industry. He maintains good relationships with Telco operators, dealers and partners. He also has strong business leadership skills and people management skills which make him an asset to the organization.

Mr. Sufianto is a literary language graduate from University Methodist – Indonesia.

MR. R.V.S. MINHAS
Business Head- Service, Bharat IT Services Ltd

Mr. R.V.S. Minhas ("**Mr. Minhas**") has over three decades of experience in the leadership role the field of IT Service Business Development and IT Service Delivery operations.

Mr. Minhas has worked in Large Corporate Enterprises in India leading the successful execution of IT service delivery projects for leading public sector Banks, financial Institutions and Insurance companies. He has also led rollout of mission critical services for Govt of India's Defence departments.

In addition, for 5 years, he has handled the function of IT Services distribution business covering the service products of IBM, HP, DELL and Lenovo.

He has been with Bharat IT Services for 7 years in his earlier stint.

Mr. Minhas is an Engineering Graduate in Electrical Engineering and has done Masters in Business Management.

MR. RUDI RIYADI HINDARWANTO
Senior Vice President, Selular Group

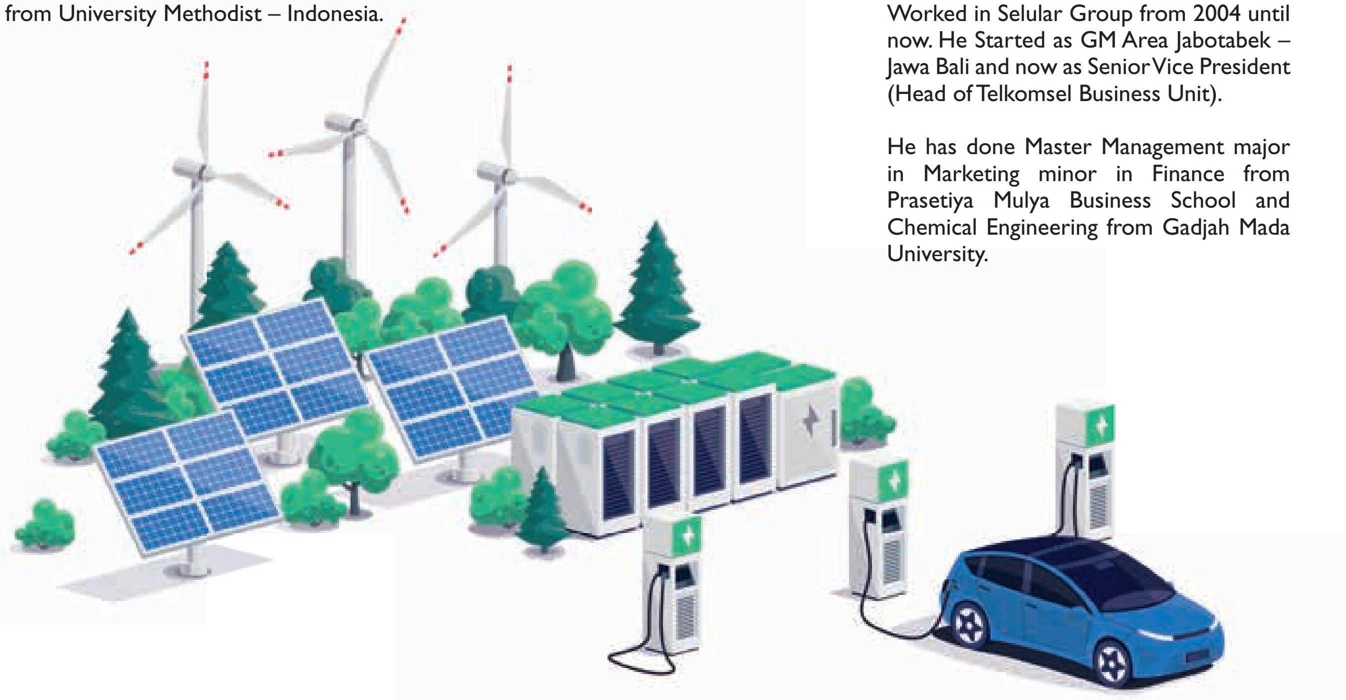
Mr. Rudi Riyadi Hindarwanto is the Senior Vice President, Selular Group. He has been associated with group since 2004. He has been Designing and implementing business unit, strategies, plans and procedures to achieve the targets, Establish comprehensive goals for performance and growth of business unit.

He establishes harmonious relations & collaboration with Telkomsel, comply Telkomsel requirement as Strategic Business Partner, Key Performance Indicator, Talent Pool, PKS Grapari Mitra.

He has over 26 years of professional experience.

He worked in Yogyakarta Chamber of Commerce Industry (1997-1999), Worked in Center of Excellence AMC// CMA (Anyer Merak Cilegon Chemical Manufacturing Association) as Business Head (1999 – 2000), Worked in PT Modern Putra Indonesia (2001 – 2003) as Product Manager Telco, Worked in PT Modern Photo Fuji Film, Tbk (2003 – 2004) as National Marketing Manager, Worked in Selular Group from 2004 until now. He Started as GM Area Jabotabek – Jawa Bali and now as Senior Vice President (Head of Telkomsel Business Unit).

He has done Master Management major in Marketing minor in Finance from Prasetiya Mulya Business School and Chemical Engineering from Gadjah Mada University.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Bhupendra Kumar Modi, Executive Chairman and Group Chief Executive Officer
Mr. Sudip Bandyopadhyay, Lead Independent Director
Mr. Doraraj S, Independent Director
Mr. Tushar s/o Pritamlal Doshi, Independent Director
Ms. Chada Anitha Reddy, Executive Director

COMPANY SECRETARY

Ms. Ngiam May Ling

AUDIT COMMITTEE

Mr. Sudip Bandhopadhay, Chairman
Mr. Doraraj S
Mr. Tushar s/o Pritamlal Doshi

NOMINATING COMMITTEE

Mr. Sudip Bandhopadhay, Chairman
Mr. Tushar s/o Pritamlal Doshi
Mr. Doraraj S

REMUNERATION COMMITTEE

Mr. Sudip Bandhopadhay, Chairman
Mr. Tushar s/o Pritamlal Doshi
Mr. Doraraj S

REGISTERED OFFICE

1 North Bridge Road,
#19-04/05 High Street Centre
Singapore 179094
Tel: (65) 6514 9458
Fax: (65) 6441 3013
https://www.digilifelimited.com/

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue #14-07
Keppel Bay Tower
Singapore 098632

STATUTORY AUDITORS

Moore Stephens LLP
10 Anson Road
#29-15 International Plaza
Singapore 079903
Date of appointment of Auditors: 25 August 2014
Partner-in-charge: Ms. Chong Jia Yun, Michelle
Date of appointment of Partner-in-charge: 30 April 2021

INTERNAL AUDITORS

BDO Advisory Pte Ltd.
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

CATALIST SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay #10-00 Collyer Quay Centre
Singapore 049318

CORPORATE GOVERNANCE

Digilife Technologies Limited ("**the Company**", together with its subsidiaries "**the Group**") are committed to achieving and maintaining high standards of corporate governance. While there will always be business risks, we believe that good corporate governance is the cornerstone to building a sound corporation in the best interests of the shareholders. We believe that given the Group's size and stage of development, the overall corporate governance we have in place is appropriate. This corporate governance report describes the Company's corporate governance framework with specific references to the principles and provisions set out in the Code of Corporate Governance 2018 (the "**Code**"). Reasons for deviations on any guidelines of the Code are explained within this report. The Company has complied with the spirit and requirements of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The principal role of the Board of Directors (the "**Board**") is to decide on matters in respect of strategic direction, performance, resources, standard of conduct, corporate planning, major investments and divestments. The Board oversees and reviews key operational activities, sets Company values with a code of conduct and ethics in place and business strategies (including sustainability issues), annual budget, management performance, adequacy of internal controls and risk management and stakeholder engagement as stakeholder perception affects the Company's reputation. The Board also approves financial results for release to the SGX-ST, major funding and borrowings, investment proposals, and ensures effective human resources and management leadership of high quality and integrity are in place. Directors are fiduciaries who exercise reasonable due diligence and independent judgement in the best interest of the Company and the shareholders, and holds the Management accountable for performance. The Directors recuse themselves from any discussions and decisions concerning a matter in which they may be in a conflict-of-interest situation.

To assist the Board in its discharge of oversight function, the Board has delegated specific responsibilities to various board committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") and these committees have their respective clear written terms of reference setting out their composition, authorities and duties, including reporting back to the Board.

The details of the AC, NC and RC can be found on pages 22 to 31 of this report.

On 30 November 2022, the Company announced the change in its financial year end from 31 March to 31 December. Following the change, the financial year of the Company will end on 31 December of each year. The Board does not foresee any material adverse impact on the Group's financial position and operations resulting from the change of financial year end.

CORPORATE GOVERNANCE

During the financial period from 1 April 2022 to 31 December 2022 ("**FY2022**"), a total of 3 Board meetings were held. The Company's Constitution allows for participation in a meeting of the Board by means of conference, telephone or similar communications equipment. The number of meetings of the Board of Directors, general meetings, AC, RC and NC held in FY2022, as well as the attendance of each Board member at these meetings are set out in the table below:

Number of meetings held in FY2022	**Board**	**AC**	**RC**	**NC**	**Annual General Meeting ("AGM")**	**Extraordinary General Meeting**
	3	**2**	**1**	**3**	**1**	**2**
Name of Director	**Number of meetings attended in FY2022**					
Dr. Bhupendra Kumar Modi[(i)]	3	–	–	–	1	2
Mr. Sudip Bandyopadhyay[(ii)]	1	1	–	–	–	1
Mr. Doraraj S[(iii)]	3	2	1	3	1	2
Mr. Tushar s/o Pritamlal Doshi[(iv)]	3	2	1	3	1	2
Ms. Chada Anitha Reddy[(v)]	1	–	–	1	1	1
Mr. Maneesh Tripathi[(vi)]	2	1	1	2	–	1

Notes:

*(i) Appointed as Group Chief Executive Officer ("**CEO**") and re-designated from Non-Independent Non-Executive Chairman to Executive Chairman on 19 April 2022.*

(ii) Appointed as Independent Non-Executive Director on 16 August 2022 and re-designated as Lead Independent Director on 9 November 2022. Following his re-designation, Mr. Sudip is the Chairman of AC, NC and RC.

(iii) Re-designation from Lead Independent Non-Executive Director to Independent Non-Executive Director on 9 November 2022. He ceased as Chairman of AC and was re-designated as member of AC on 9 November 2022.

(iv) Ceased as Chairman of NC and RC and was re-designated as members of NC and RC on 9 November 2022.

(v) Appointed as Non-Independent Non-Executive Director on 23 June 2022 and re-designated as Executive Director on 1 December 2022. She ceased as members of AC, NC and RC effective on 9 November 2022.

(vi) Ceased as Interim Group CEO on 19 April 2022 and continued to serve as Non-Independent Non-Executive Director. He resigned as Non-Independent Non-Executive Director and ceased as members of AC, NC and RC on 31 May 2022.

A Director with multiple directorships is expected to ensure that sufficient time and attention are given to the affairs of the Company.

Prior to each Board or board committee meeting and as well as on an ongoing basis, the Management provides the Board and the relevant board committees with complete, adequate and timely information, relating to matters to be brought before them for them to make informed decisions and to discharge their duties and responsibilities. Periodical reports providing updates on key performance indicators and financial analysis on the performance of the Group are also circulated to the Board for their information. This enables the Board and the board committees to make informed, sound and appropriate decisions and keep abreast of key challenges and opportunities as well as developments for the Group.

CORPORATE GOVERNANCE

The Board has independent and direct access to Senior Management at all times. Frequent dialogues and interactions take place between Senior Management and the Board members on pertinent developments in the Group's business, changes in regulations and applicable laws, and industry-related matters so to enable them to make informed decisions in their expected roles and responsibilities. The Board also has separate and independent access to the Company Secretary who attends all Board meetings. The Company Secretary is responsible for advising the Board through the Chairman to ensure that the Board procedures are followed and that the applicable requirements of the Companies Act 1967 (the "**Companies Act**") and the Catalist Rules are complied with. The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.

The Directors may take independent external advice, at the Company's expense, as and when necessary, to enable them to discharge their responsibilities effectively.

The Board oversees and communicates to Management on matters that require board approval. The Board has adopted a set of internal guidelines setting out management authority limits (including Board's approval) for capital and operating expenditure, investments and divestments, bank facilities and cheque signatories.

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 organised by professional bodies and organisations 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. If a newly appointed Director does not have prior experience as director of a listed company, the Company will arrange for such person to undertake training organized by the Singapore Institute of Directors ("**SID**") as required under Catalist Rule 406(3)(a) so to familiarise such person with the roles and responsibilities of a director of a listed company as well as the relevant rules and regulations. The Company provides funding for the training of Directors as required. During FY2022, the Directors were briefed about the regulatory updates and the new guidelines on various subjects as and when released including the briefing on sustainability reporting. The Company had arranged for Mr. Sudip to attend the programme conducted by the SID within a year of his appointment as Director of the Company. All Directors have attended training on sustainability matters which was mandated by the SGX-ST with effect from 1 January 2022. The Directors are also encouraged to attend training on specific topics of interest.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Directors of the Company as at the date of this report are:

1) Dr. Bhupendra Kumar Modi ("**Dr. Modi**")[i] (Executive Chairman)

2) Mr. Sudip Bandyopadhyay ("**Mr. Sudip**")[ii] (Lead Independent Director)

3) Mr. Doraraj S ("**Mr. Doraraj**")[iii] (Independent Non-Executive Director)

4) Mr. Tushar s/o Pritamlal Doshi ("**Mr. Tushar**")[iv] (Independent Non-Executive Director)

5) Ms. Chada Anitha Reddy ("**Ms. Chada**")[v] (Executive Director)

CORPORATE GOVERNANCE

Notes:

(i) Dr. Modi was appointed as Group CEO and re-designated from Non-Independent Non-Executive Chairman of the Board to Executive Chairman on 19 April 2022.

(ii) Mr. Sudip was appointed as Independent Non-Executive Director on 16 August 2022 and re-designated as Lead Independent Director on 9 November 2022. Following his re-designation, Mr. Sudip is the Chairman of AC, NC and RC.

(iii) Mr. Doraraj was re-designated from Lead Independent Non-Executive Director to Independent Non-Executive Director on 9 November 2022. He ceased as Chairman of AC and was re-designated as member of AC on 9 November 2022.

(iv) Mr. Tushar ceased as Chairman of NC and RC and was re-designated as members of NC and RC on 9 November 2022.

(v) Ms. Chada was appointed as Non-Independent Non-Executive Director on 23 June 2022 and re-designated as Executive Director on 1 December 2022. She ceased as members of AC, NC and RC on 9 November 2022.

The Board comprises of five Directors. The Independent Directors constituted majority of the Board.

On 19 April 2022, Mr. Tripathi ceased to be the Interim Group CEO and continued to serve on the Board as a Non-Independent Non-Executive Director. The Company announced on the same day the appointment of Dr. Modi as the Group CEO of the Company with immediate effect. Dr. Modi was the Non-Independent Non-Executive Chairman of the Board (the "**Chairman**") and was re-designated as Executive Chairman after his appointment as the Group CEO. As Group CEO, Dr. Modi is overall responsible 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.

The NC had 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) was of the view that considering that the Group is in the midst of critical business transition period, 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 this time.

Dr. Modi is a businessman, social entrepreneur, and philanthropist with considerable industry experience and vast business networks, and has provided the Group with strong leadership and vision in his role as the Chairman. Dr. Modi's experience includes his role as the founder-chairman of the Dr. M Modi Group, which is an international conglomerate with interests in the Mobility, Finance, Healthcare & Wellness, Entertainment and Technology industries, as well as leading transactions opposite brands such as Continental, Xerox, Alcatel, Telstra, Olivetti, Mediatek, KKR and Fountain Life.

On 31 May 2022, the Company announced that Mr. Tripathi had resigned as a Non-Independent Non-Executive Director of the Company with effect from 31 May 2022 to pursue future opportunities in business and social goals which better align with his future plans.

On 23 June 2022, the Board, having considered the recommendation of the NC, announced the appointment of Ms. Chada as a Non-Independent Non-Executive Director of the Company. The Board, having considered the gender diversity to the composition of the Board, her suitability, prior working experience with the Company, capabilities and qualifications, was satisfied that she possessed the requisite experience and capabilities to assume the role and responsibilities of the said role. Following her appointment, Ms. Chada would be a member of the AC, RC and NC. Ms. Chada was re-designated as Executive Director on 1 December 2022 and subsequently ceased as a member of AC, RC and NC.

On 16 August 2022, the Board, having considered the recommendation of the NC, announced the appointment of Mr. Sudip as Independent Non-Executive Director of the Company. The Board, having considered the qualifications, independence, suitability, prior working experience and capability of Mr. Sudip, was satisfied that Mr. Sudip possessed the requisite experience and capabilities to assume the duties and responsibilities of the said role.

On 9 November 2022, Mr. Sudip was re-designated as Lead Independent Director and Mr. Doraraj was re-designated from Lead Independent Non-Executive Director to Independent Non-Executive Director. Following the re-designation, Mr. Sudip became the Chairman of AC, NC and RC whereas Mr. Doraraj and Mr. Tushar re-designated as members of AC, NC and RC.

CORPORATE GOVERNANCE

Whilst, the Chairman of the Board is executive, the independent directors make up a majority of the Board. Profiles of the Directors are provided on pages 10 to 12 of this Annual Report.

The NC continues to hold the view that as warranted by circumstances, the Board may form additional board committees to look into specific areas of oversight. The Chairmen and the members in the AC, RC and NC are all Independent Directors.

The NC had reviewed the size of the Board in FY2022 taking into account the nature and scope of the Group's operations. The Board members comprise competent Directors who are able to address the relevant industry and business needs of the Group. The Board consists of individuals who are respected business leaders and professionals, whose collective core competencies and experience are extensive, diverse and relevant to the principal activities of the Group. The NC was satisfied that the Board in the FY2022 was comprised of the Directors who as a whole provided core competencies and diversity of skills, experience, gender, age and knowledge such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board to be effective.

The Company has adopted a Board Diversity Policy ("**Policy**"). The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness as part of its Policy which endorses the principle that its Board should have the balance of skills, knowledge, experience and other aspects of diversity that support the Company in the pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that the Company can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board committee, the policy provides for the NC to consider a combination of factors such as skills, knowledge, experience, educational background, gender, age, nationalities, independence and length of service. The skills, knowledge and experience to be considered include finance, accounting, business acumen, management experience, industry knowledge, strategic planning, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls.

A skills matrix is used to help identify the gaps. The skills matrix classifies the skills, knowledge and professional experience of existing Directors into several broad categories such as industry knowledge; financial markets; regulation, compliance and/or government relations; leadership; and technology; environmental, social and governance (ESG), and also where such skills, knowledge and professional experience were acquired or utilised geographically.

Suitable candidates will then be identified, including through external search firms. As required, external search firms can be engaged and can be instructed that diversity is a key criterion in the search and in particular, gender diversity. Female candidates are therefore required to be included for consideration. Selection of candidates will be based on a range of diversity perspectives. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Following its assessment of the candidates, the NC will then interview 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, will consider if its Directors meet the criteria under its Board diversity policy and possess the necessary competencies to govern the Company effectively.

The Board recognises the importance and value of gender diversity in the composition of the Board. With the appointment of Ms. Chada as Director on 23 June 2022, there is currently one female Director on the Board.

With the appointment of Mr. Sudip, the Board is satisfied with the current level of diversity on the Board in view that the Board's target to have diversity of educational background, skills, knowledge, independence and in-depth understanding and experience in various areas of finance and financial services has been met.

In terms of gender representation, the current Board consists of four men and one woman, or is 80% male and 20% female, and, as among the independent Directors, the female gender representation is 0%.

CORPORATE GOVERNANCE

The Board also recognises that gender diversity is only one aspect of Board diversity. In terms of qualifications and competencies, members of the Board include seasoned professionals in chemical engineering, business administration, economics, investment, finance, accounting and legal fields. The Board believes that its members' different backgrounds, experience, age, gender, tenure of service, and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. The profiles of the Directors are on pages 10 to 12 of this Annual Report.

As of to date, there are two independent directors, Mr Doraraj and Mr Tushar, who would not be seeking re-election at the forthcoming AGM of the Company (please refer to page 167 for further details). In view of that, the NC will be reviewing the composition of the Board which would include the appointment of two (2) additional Board members with relevant industry experience, for the replacement. The Company is in the process of reviewing potential candidates for the replacement and intends to complete the process within two months of the AGM, but in any case, no later than three months. The Company remains committed to implementing its Board diversity policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

The Board views that Board renewal is an ongoing process to ensure good governance, and to maintain relevance to the changing needs of the Group and business.

The non-Executive Directors and/or the Independent Directors, led by the Lead Independent Director, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. The Independent Non-Executive Directors constructively challenge and assist in development of proposals on strategy, assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Independent Non-Executive Directors will have discussions and meet amongst themselves without the presence of Management. For FY2022, the Non-Executive Directors and Independent Directors have met once without the presence of Management.

Chairman and CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

On 19 April 2022, Mr. Tripathi ceased to be as Interim Group CEO and Executive Director and was re-designated as Non-Independent Non-Executive Director. Subsequently, Mr. Tripathi resigned as Non-Independent Non-Executive Director and members of AC, NC and RC on 31 May 2022.

On 19 April 2022, the Company appointed Dr. Modi, the Chairman of the Board as the Group CEO. The Company is cognisant of the recommendations of Provision 3.1 of the Code which provides that the Chairman and the CEO should be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making. However, all strategic and major decisions relating to the business and management of the Group are collectively made by the Board. As such, there is a balance of power, authority and responsibility and to ensure accountability and Board independence and no one individual controls or dominates the decision making process of the Company. All major decisions involving the Company are only executed upon approval by a majority of the Board.

Notwithstanding the appointment of Dr. Modi, the Board is still capable of making independent decisions as the majority of the Board comprises non-executive directors and independent directors. Furthermore, Dr. Modi is not part of any board committee and the Company has Mr. Sudip as the Lead Independent Director, who is independently available to shareholders. As such, the Board is of the opinion that there is sufficient independence in its exercise of objective judgement on business affairs of the Group.

CORPORATE GOVERNANCE

Following the above changes, the composition of the Board as at date of this report is as follows:

Dr. Bhupendra Kumar Modi	(Executive Chairman and Group CEO)
Mr. Sudip Bandyopadhyay	(Lead Independent Director)
Mr. Doraraj S	(Independent Non-Executive Director)
Mr. Tushar s/o Pritamlal Doshi	(Independent Non-Executive Director)
Ms. Chada Anitha Reddy	(Executive Director)

Role of Chairman and CEO

The Chairman and Group CEO of the Company is Dr. Modi. He plays a pivotal role in the Group's business development and leads the Board to ensure its effective and comprehensive deliberations on matters brought to the Board, including strategic issues. At meetings, he promotes a culture of open dialogue and debate, facilitating the effective contribution of all Directors and promotes high standards of corporate governance. The Chairman maintains effective communication with all stakeholders. At shareholder meetings, the Chairman ensures constructive dialogue between shareholders, Directors and Management. In addition, Dr. Modi is responsible for making strategic proposals to the Board and implementing the Group's strategies and policies as well as the Board's decisions. He assumes the executive responsibility for the day-to-day management of the Group, with the support of Management. When working with the Board, Dr. Modi is expected to forge a productive and synergistic relationship. Dr. Modi is not encumbered by his duties as both Chairman and CEO, and that the Board is of the view that Dr. Modi can still carry out his duties fully.

Mr. Sudip was appointed as the Lead Independent Director of the Company in FY2022. As Lead Independent Director, Mr. Sudip is available to provide independent leadership. He is available to shareholders apart from the normal channels of communication with the Chairman or Management. The Lead Independent Director also meets with the other independent director to discuss on matters concerning the Company and would provide feedback to the Management of the Company.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

<u>Nominating Committee</u>

The Company has established a NC to, among other matters, make recommendations to the Board on all board appointments and re-appointments and the process and criteria for evaluation of the performance of the Board, its board committees and Directors, and oversee the Company's succession and leadership development plans.

The NC, which is guided by written terms of reference, comprises the following Directors as at the date of this report:

Mr. Sudip Bandyopadhyay	Lead Independent Director (Chairman) (appointed on 9 November 2022)
Mr. Tushar s/o Pritamlal Doshi	Independent Non-Executive Director (Member) (re-designated from Chairman to member on 9 November 2022)
Mr. Doraraj S	Independent Non-Executive Director (Member)

As at the date of this report, all the NC members including the Chairman are Independent Non-Executive Directors.

CORPORATE GOVERNANCE

The NC's key terms of reference includes review of appointment and/or replacement of Chairman, the CEO and key management personnel, evaluation of performance of board, board committees and its directors, identifying and selecting new Directors, review of training and professional development programmes for the Board and its directors and ensuring equitable distribution of responsibilities among Board members to optimise the effectiveness of the Board. Board renewal is an ongoing process to ensure good governance, and maintain relevance to the changing needs of the Group and business. The search for candidates for the Board is conducted through a broad network of contacts. Candidates should have good reputation, integrity and have expertise that complements the existing skill sets of the Board members. The candidate should also be able to devote time to the affairs of the Company and commit to duties as a Director of the Company.

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. Consideration for assessment of Board is given to diversity of experience, appropriate skills, gender, age, track record, potential contributions to the needs and goals of the Group, as well as to whether there are any conflicts of interests. 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 NC Chairman is an Independent Director and is not, or the one who is directly associated with, a Substantial Shareholder (with interest of 5% or more in the voting shares of the Company).

With reference to the considerations set out in Practice Guidance 4 relating to multiple board memberships, the Company currently does not set a limit to the number of directorships and principal commitments. The Board is of the view that the number of listed company directorship should be assessed on a case-by-case basis, including and not limited to the person's track record, capacity, nature of responsibilities and time commitments to be able to devote sufficient time and attention to the affairs of the Company. Each of the Directors is required to make his or her own self-assessment and assess their respective capacities to commit to devote sufficient time and attention to the Company's affairs. On acceptance of appointment as director of another entity or of a full time executive appointment, the Independent Directors are required to inform the NC/Board.

In accordance with Article 89 of the Company's Constitution, at least one-third of the Directors (or, if the number is not a multiple of three, the number nearest to but not less than one-third) with a minimum of one, shall retire from office by rotation at every Annual General Meeting ("**AGM**") and each Director is subject to retirement at least once in every three years. All re-appointments of Directors are subject to recommendation of the NC. The NC meets at least once a year. Additional meetings are scheduled when the Chairman of the NC deems necessary. Newly appointed Directors are required to submit themselves for re-election at the next AGM following their appointments.

At the forthcoming AGM, Mr. Sudip, Mr. Doraraj and Mr. Tushar will be retiring from office pursuant to Article 88 and Article 89 of the Company's Constitution respectively. Being eligible for re-election, Mr. Sudip has offered himself for re-election whereas Mr. Doraraj and Mr. Tushar are not seeking re-election. The NC has recommended, and the Board has agreed for Mr. Sudip to be put forward for re-election at the forthcoming AGM and noted the retirement of both Mr. Doraraj and Mr. Tushar.

Both Mr. Doraraj and Mr. Tushar have been on the Board for approximately 7 years, and that it would be timely prior to them completing 9 years to allow for a board refresh and it would also allow them time to focus on their personal goals and professional goals.

Mr. Sudip had abstained from participating in the discussion and recommendation on his nomination. In making the recommendation of Mr. Sudip, the NC had considered, amongst others, his respective experience, competency, commitment and overall contribution to the Board (in conjunction with their Director Profile set out in page 11 of this Annual Report, their respective additional information is set out in Appendix 7F of the Catalist Rules as disclosed in pages 175 to 178 of this Annual Report). Mr. Sudip will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company.

CORPORATE GOVERNANCE

The Board noted that for the period during which Mr. Doraraj's and Mr. Tushar's appointments have ceased, the Board composition would comprise one Executive Chairman, one Lead Independent Director and one Executive Director. The Board also noted that Provision 2.2 of the Code requires the Independent Directors to make up majority of the Board, when the Chairman is not independent. The Board further notes that the majority of the members of the AC, NC and RC should be independent. Rule 406(3)(c) of the Catalist Rules requires Independent Directors to make up at least one-third of the Board and the listing applicant should endeavour to fill the vacancy within two months, but in any case, not later than three months. Rule 704(7) of the Catalist Rules requires that, in the event of any retirement or resignation which renders the AC unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case, not later than three months. As such, the Company is currently in the process of searching for two suitable candidates to be appointed to the Board to meet the minimum number of the Independent Directors and AC members within two months from the date of AGM.

The NC had reviewed the independence of the Independent Directors who were present on the Board in FY2022 and found them to be independent. The Board does not impose any limit on the length of service of Independent Directors. Currently, none of the Independent Directors have served on the Board for more than nine years from their respective date of their respective first appointments.

The NC assesses the Board size and composition and each director's independence annually. The NC reviews the "independence" status of the Directors annually having regard to the circumstances set forth in Provision 2.1 in the Code, its Practice Guidance, taking into consideration whether the Directors falls under the circumstances set out in Rule 406(3)(d) of the Catalist Rules. The Independent Directors are required to submit their confirmation of independence annually for the NC's reviews. Mr. Sudip, Mr. Doraraj and Mr. Tushar each have declared that they are independent. The NC has reviewed the independence of the Board was satisfied that Mr. Sudip, Mr. Doraraj and Mr. Tushar are considered to be independent. The Board concurred with the NC's review assessment. Each independent Director had recused himself in the determination of his own independence in the review.

There are no Alternate Directors appointed in the Company.

Key information of the Directors are set out in the following pages of this Annual Report: academic, professional qualifications, directorships and principal commitments are set out on pages 10 to 12 of this Annual Report; age, date of first appointment as well as last re-election are set out in the table below.

Name	Age	Position	Date of Initial Appointment	Date of Last Re-election/ re-appointment
Dr. Bhupendra Kumar Modi(i)	74	Executive Chairman and Group Chief Executive Officer	6 March 2020	29 July 2022
Mr. Sudip Bandyopadhyay(ii)	59	Lead Independent Director	16 August 2022	Due for re-election at this AGM
Mr. Doraraj S(iii)	73	Independent Director	15 July 2016	Due for re-election at this AGM
Mr. Tushar s/o Pritamlal Doshi	56	Independent Director	15 July 2016	Due for re-election at this AGM
Ms. Chada Anitha Reddy(iv)	51	Executive Director	23 June 2022	29 July 2022
Mr. Maneesh Tripathi(v)	60	Non-Independent Non-Executive Director	5 May 2021	Not Applicable

CORPORATE GOVERNANCE

Notes:

(i) Appointed as Group CEO and re-designated as Executive Chairman and Group CEO on 19 April 2022.

(ii) Appointed as Independent Non-Executive Director on 16 August 2022 and re-designated as Lead Independent Director on 9 November 2022.

(iii) Re-designation from Lead Independent Non-Executive Director to Independent Non-Executive Director on 9 November 2022.

(iv) Appointed as Non-Independent Non-Executive Director on 23 June 2022 and re-designated as Executive Director on 1 December 2022.

(v) Resigned as Non-Independent Non-Executive Director on 31 May 2022.

Information on the shareholdings in the Company of each Director is set out on page 54 of the Directors' Statement.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Company believes that Board performance is ultimately reflected in the performance of the Group. The Board, through the delegation of its authority to the NC, ensures that Directors appointed to the Board possess the background, experience, industry knowledge and skills critical to the Group's business so as to enable the Board to make sound and well-considered decisions.

During FY2022, the NC assessed the performance of the Board as a whole, board committees and individual Directors. The assessment of the Board and the board committees is done via a confidential questionnaire, covering areas such as Board composition, Board processes, managing the Group's performance and the effectiveness of the Board in its monitoring role and the effectiveness of the board committees. The assessment of the individual Directors is done through peer assessments through a confidential questionnaire completed by each Director. The assessment parameters include attendance and contributions during Board and board committee meetings as well as commitment to their role as Directors. The evaluation questionnaire were circulated and results were aggregated by the Company Secretary and reported to the Chairman of the NC to ensure objectivity and transparency in the process. No external facilitator was used in the evaluation process.

Each Director is required to complete the board, its committees and individual performance evaluation questionnaire. The results of the evaluation are prepared and consolidated for the Board and the findings of the evaluation are discussed by the NC with recommendation to the Board for any need for improvements to be made.

The Chairman, with recommendation of the NC would act on the results of the performance evaluation, with the view of strengthening the Board as a whole, its committees and individual director to enhance its effectiveness and performance. Throughout the FY2022, the Board has maintained open lines of communication directly with Senior Management on matters within their purview, over and above their attendance at convened meetings. The Board has also constructively challenged and assisted in developing proposals on strategy and reviewed the Management's performance in meeting set goals and objectives. The Board has also provided valuable inputs, knowledge and raised insightful issues at Board and board committees' meetings.

Based on the review of the Board, in concurrence with the NC, is satisfied that the Board, individual directors and its respective board committees' performance in FY2022, were found to be operating effectively and contributing to the overall effectiveness of the Board. The Board's performance objectives for the year were met.

CORPORATE GOVERNANCE

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and mix of remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The remuneration policy is aimed to attract, retain and motivate talent to achieve the strategic objectives of the Company. The compensation is linked to the achievement of the organization and individual performance objectives and that it is benchmarked against comparative compensation in the market.

Disclosure on remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Remuneration Committee

The RC comprises of the following Directors as at the date of this report:

Mr. Sudip Bandyopadhyay	Lead Independent Director (Chairman) (appointed on 9 November 2022)
Mr. Tushar s/o Pritamlal Doshi	Independent Non-Executive Director (Member) (re-designated from Chairman to member on 9 November 2022)
Mr. Doraraj S	Independent Non-Executive Director (Member)

As at the date of this report, all the members of the RC including the Chairman are Independent Non-Executive Directors.

The main responsibilities of the RC which are guided by its written terms of reference, include:

(i) reviewing policy on executive remuneration and for determining the remuneration packages of individual Directors and Key Management personnel; and

(ii) reviewing and making recommendation to the Board for endorsement of a framework for remuneration which covers all aspects of remuneration including Directors' fees, salaries, allowance, bonuses, options and benefits in kind, the specific remuneration packages and termination terms for each Director.

In setting an appropriate remuneration structure and level, the RC takes into consideration industry practices and norms in compensation as well as the Group's relative performance. The compensation structure is designed to enable the Company to stay competitive and relevant.

CORPORATE GOVERNANCE

Only the Independent Directors are paid fees. Non-Executive Directors who are not independent have not been paid any fee or any other form of remuneration during FY2022. On 19 April 2022, the Chairman assumed the role of Group CEO and was re-designated as Executive Chairman and Group CEO and does not draw a salary/remuneration for such role.

There is no remuneration criteria for the Independent Directors however the framework for their remuneration is based on separate fixed fees which is line with the market price for holding a chairman position and being a member, as well as serving on board committees. The Independent Directors receive their fees in accordance with their level of contributions, taking into account factors such as their responsibilities, effort and time spent for serving on the Board and the board committees. The framework is as follows:

Fees of Independent Directors for FY2022	**Chairman (S$ per annum)**	**Member (S$ per annum)**
Board	–	20,000
Audit Committee	11,000	5,000
Nominating Committee	7,500	4,000
Remuneration Committee	7,500	4,000

Share awards are granted from time to time as decided by the RC. The policy takes into account the effort and time spent and the responsibilities assumed by each Independent Director. Directors' fees are subject to the shareholders' approval at the forthcoming AGM. No Director is involved in the decision concerning his own fee.

The RC has recommended to the Board a total amount of S$67,499 as Directors' fees for FY2022. This recommendation has been endorsed by the Board and would be tabled at the forthcoming AGM for shareholders' approval.

The level and mix of each of the Directors' and CEO remuneration are set out below for the FY2022:

	Fees %	**Salary %**	**Bonus %**	**Share-based Payment %**	**Total S$**
S$250,000 and below					
Dr. Bhupendra Kumar Modi(i)	–	–	–	–	–
Mr. Sudip Bandyopadhyay(ii)	100	0	0	0	11,727
Mr. Doraraj S(iii)	100	0	0	0	28,383.33
Mr. Tushar s/o Pritamlal Doshi(iv)	100	0	0	0	27,833.33
Ms. Chada Anitha Reddy(v)	–	100	–	–	11,000
Mr. Maneesh Tripathi(vi)	–	–	–	–	–

(i) Appointed as Group CEO and re-designated from Non-Independent Non-Executive Chairman of the Board to Executive Chairman on 19 April 2022.

(ii) Appointed as Independent Non-Executive Director on 16 August 2022 and redesignated as Lead Independent Director on 9 November 2022. Following his re-designation, Mr. Sudip is the Chairman of AC, NC and RC.

(iii) Re-designated from Lead Independent Non-Executive Director to Independent Non-Executive Director on 9 November 2022. He ceased as Chairman of AC and was re-designated as member of AC on 9 November 2022.

(iv) Ceased as Chairman of NC and RC and was re-designated as members of NC and RC on 9 November 2023.

(v) Appointed as Non-Independent Non-Executive Director on 23 June 2022 and redesignated as Executive Director on 1 December 2022. She ceased as members of AC, NC and RC on 9 November 2022.

(vi) Ceased as Interim Group CEO on 19 April 2022 and continued to serve as Non-Independent Non-Executive Director. He resigned as Non-Independent Non-Executive Director and members of AC, NC and RC on 31 May 2022.

CORPORATE GOVERNANCE

The Company adopts long-term incentive schemes such as Employee Share Option Scheme 2014 ("**ESOS**") and The Digilife Technologies Performance Share Plan 2021 ("**PSP**") that reward Directors and employees who contribute to the Group and are valuable to retain, using vesting schedules.

For key management personnel, the Group adopts a remuneration policy that comprises a fixed and a variable component. The variable component is in the form of a variable bonus that is linked to the Group's key performance indicators approved by the Board. The RC can engage experts to give advice on executive compensation, as and when the need for such services arises. There was no external remuneration consultant appointed in FY2022 to assist in the review of compensation and remuneration packages.

Information on the Group's ESOS and PSP is set out in the Directors' Statement on page 55.

Given the size and nature of the Company's business, the Company has identified 6 top key management personnel in FY2022. The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2022 is as follows:

No	Name	Designation	Basic %	Variable Pay %	Total %	Salary Range in S$
1	Mr. Rusli Sufianto	Chief Operation Officer, Selular Group	81	19	100	0 – 250,000
2	Mr. Arun Seth	CEO & Executive Director, Bharat IT	60	40	100	
3	Mr. Abhrajit Shaw	Chief Financial Officer, Digilife (resigned on 14 July 2022)	91	9	100	
4	Mr. Rudi Riyadi Hindarwanto	Senior Vice President, Selular Group	86	14	100	
5	Mr. RVS Minhas	Business Head – Service, Bharat IT	80	20	100	
6	Mr. Gurvinder Pal Singh	Chief Financial Officer, Digilife (appointed on 16 August 2022)	67	33	100	

The aggregate remuneration (excluding statutory taxes and share awards) paid to the above key executives in FY2022 was S$510,513.25.

The Company is of the view that due to confidentiality and sensitivity attached to remuneration matters; it would not be in the best interest of the Company to disclose the exact details of the remuneration of each of the key management personnel as recommended by the Code. The information on performance conditions of the key management personnel in FY2022 are not disclosed due to confidentiality and sensitivity attached to remuneration matters.

There is no termination, retirement and post-employment benefits granted to the Directors, the Group CEO or the key executives apart from the applicable laws. There is no contractual provision in the terms of employment of the Group CEO, Executive Directors and the key management personnel to reclaim incentive components of their remuneration paid in prior years.

The RC would review the Company's obligations arising in the event of termination of any executive director and/or key executive contracts of service, to ensure that the termination clauses are fair and reasonable.

There is no family relationship between any of our Directors, CEO and/or key management personnel, and there is no employee who is an immediate family member of a Director, the CEO or substantial shareholder whose remuneration exceeds S$100,000 in the Group's employment for FY2022.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Group does not have a separate Risk Management Committee. However, Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management also reviews all significant policies and procedures and will highlight all significant matters to the AC and the Board.

The AC is delegated the full responsibility to review, together with the Company's auditors, at least once a year, the effectiveness and adequacy of the Group's system of internal accounting controls, operational, compliance and information technology controls and risk management policies.

The AC also monitors Management's responses to audit findings and actions taken to correct any noted deficiencies. The key internal controls covered under such a review include:

(i) identification of risks and implementation of risk management policies and measures;

(ii) establishment of policies and approval limits for key financial and operational matters, and the rules relating to the delegation of authorities;

(iii) documentation of key processes and procedures;

(iv) ensuring the integrity, confidentiality and availability of critical information;

(v) maintenance of proper accounting records;

(vi) ensuring the effectiveness and efficiency of operations;

(vii) safeguarding of the Group's assets; and

(viii) ensuring compliance with applicable laws and regulations.

The Company's internal control system ensures that assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for publication is reliable. The Group has also put in place policies on proper employee behaviour and conduct which includes the observance of confidentiality obligations on information relating to the Group and customers, and the safeguarding of system integrity.

The internal audit function assists the AC and the Board in evaluating internal controls, financial and accounting matters, compliance, financial risk management, operational and information technology controls.

The Board has received assurance from (1) the Group CEO and the Chief Financial Officer ("**CFO**") that the financial records have been properly maintained and the financial statements for the financial period from 1 April 2022 to 31 December 2022 ("FY2022") give a true and fair view of the Group's operations and finances; and (2) regarding the adequacy and effectiveness of the Group's risk management and internal control systems, addressing the financial, operational, compliance and information technology risks.

CORPORATE GOVERNANCE

Based on the internal controls and risk management systems established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the AC concurs and the Board is of the opinion that Group's internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, are adequate and effective.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group would not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

<u>Audit Committee</u>

The AC comprises the following Directors as at the date of this report:

Mr. Sudip Bandyopadhyay	Lead Independent Director (Chairman) (appointed on 9 November 2022)
Mr. Doraraj S	Independent Non-Executive Director (Member) (re-designated from Chairman to member on 9 November 2022)
Mr. Tushar s/o Pritamlal Doshi	Independent Non-Executive Director (Member)

As at the date of this report, all members of the AC including the Chairman are Independent Non-Executive Directors. No former partner or Director of the Company's existing auditing firm or auditing corporation is a member of the AC and they have no financial interest in such auditing firm. During FY2022, the Company has appointed Mr. Sudip who has relevant accounting experience and expertise as Independent Non-Executive Director on 16 August 2022 and re-designated him as Lead Independent Director and appointed him as Chairman of AC, NC and RC on 9 November 2022 to strengthen the Board composition and its committees.

The AC has explicit authority to conduct or authorise investigation into any matter within its terms of reference. It has full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings and reasonable resources to discharge its functions properly.

The AC held two meetings in FY2022. The number of the Directors' participation and attendance at the AC meetings held during the FY2022 can be found on page 17 of this Annual Report.

The key roles of the AC include but are not limited to:

(i) maintaining adequate accounting records;

(ii) reviewing the scope and results of the internal audit reports as well as Management's responses to the findings of the internal audit reports;

(iii) reviewing the quarterly and full-year financial statements and the integrity of financial reporting of the Company;

(iv) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management system, addressing financial, operational, compliance and information technology risks;

CORPORATE GOVERNANCE

(v) reviewing the interested party transactions;

(vi) making recommendations to the Board on (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(vii) reviewing findings of internal investigations into matters where there is suspected fraud, irregularity, failure of internal controls or violation of any law likely to have a material impact on the financial reporting or other matters;

(viii) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(ix) Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(x) Reviewing the assurance from the CEO and CFO on the financial records and financial statements; and

(xi) Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit functions.

The AC members take measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements through updates from the external auditors and the Management from time to time.

During FY2022, the AC reviewed the half-yearly and annual financial statements; the results of the audits performed by the internal and external auditors and reviewed the register of interested person transactions.

The AC noted that there were no non-audit services provided by the auditors of the Company. The external auditors have confirmed their independence and the AC is satisfied on the independence of the external auditors.

The AC had met with internal and external auditors, without the presence of Management, at least once during FY2022.

The financial statements of the Company and its key subsidiaries are audited by Moore Stephens LLP and its member firms. Both the AC and the Board have reviewed the appointment of auditors and were satisfied that the appointment of Moore Stephens LLP as the external auditors of the Group would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company has complied with Rules 712 and 715 of the Catalist Rules. The AC, has therefore, recommended Moore Stephens LLP to be re-appointed as external auditors at the forthcoming AGM.

The Company has put in place a whistleblowing framework ("**Whistleblowing Policy**") endorsed by the AC where the employees of the Group or any other person may, in confidence, raise concerns about possible corporate improprieties on matters of financial reporting or other matters. A dedicated secured email address (sudip@inditrade.com) has been set up to allow whistleblowers to contact the AC Chairman directly. In the Whistleblowing Policy, it has designated an independent function to investigate whistleblowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential and the Company is committed to ensure protection of the whistleblower against reprisal, detrimental or unfair treatment. The AC is responsible for oversight and monitoring of whistleblowing policy and processes.

Details of the Whistleblowing Policy and arrangements have been made available to all employees of the Group. The AC and the Board will ensure that independent investigations and any appropriate follow-up actions are carried out.

There were no reported incidents pertaining to whistle blowing during FY2022.

CORPORATE GOVERNANCE

Financial Matters:

In review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditors and were reviewed by the AC:

Significant matters:

Significant Matters	How the AC reviewed these matters and what decisions were made
A. Revenue recognition	The AC considered the scope of accounting standards relevant to revenue recognition by the Group and the Group's revenue recognition practices. Please refer to page 58 of this Annual Report for the audit report on the matter. The AC discussed with Management in relation to the internal controls that exist over revenue recognition, and the assessment of those controls by the internal auditors. The AC also obtained an understanding of the work performed by the external auditors, including their assessment of the key controls in operation in relation to the internal control systems. The AC was satisfied with the appropriateness of the revenue recognised in the financial statements.
B. Valuation of inventories	The AC reviewed Management's judgements in assessing the required level of inventories provisioning and considered the method of estimating the carrying value of inventory remains appropriate. The AC also discussed with the external auditors on their review of the reasonableness of the allowances for inventories obsolescence. Please refer to page 59 of this Annual Report for the audit report on the matter. The AC concurred with Management's assessment of the allowance for inventory obsolescence and concluded that the disclosures in the financial statements were appropriate.
C. Valuation of trade and other receivables and loan receivable	The AC assessed the reasonableness of the recoverability of the amount due from trade and other receivables. The AC considered the observations and findings presented by the external auditors with reference to the Group's credit policy, and evaluation of the processes for identifying impairment indicators, the payment track records and credit worthiness. Please refer to page 60 of this Annual Report for the audit report on the matter. The AC reviewed the impairment computations and obtained assurance from Management that detailed impairment testing had been undertaken using appropriate methodology and assumption. The AC also discussed with the external auditors on their review of the reasonableness and relevance of the assumptions used in the impairment assessment. The AC concurred with Management's assessment of the allowance for impairment of trade and other receivables and concluded that the disclosures in the financial statements were appropriate.

CORPORATE GOVERNANCE

Internal Audit

In line with the Code and Rule 719(3) of the Catalist Rules which require issuers to establish and maintain on an ongoing basis, an effective IA function that is adequately resourced and independent of the activities it audits, the Company has engaged BDO Advisory Pte Ltd. ("**BDO**") as the Company's independent internal auditors to provide an independent resource and perspective to the Board and the AC, on the processes and controls that help to mitigate major risks. BDO reports functionally and administratively to the AC.

BDO performs its work according to the Global BDO IA Methodology which is consistent with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. BDO is given full access to documents, records, properties and personnel, including access to the AC.

The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

The AC reviews the adequacy and effectiveness of the internal audit function at least once a year. The AC is satisfied that BDO is independent and effective, has the adequate resources to perform its functions and has appropriate standing within the Company, with numerous years of experience and is requisite qualification. The internal auditor reports its findings and recommendations for improvement of any internal control weakness to the AC. The AC reviews and makes recommendations to the Board to adopt the internal audit plan drawn up on an annual basis and ensures that the approved audit recommendations are adequately performed.

The AC relies on reports from the Management and external and internal auditors on any material non-compliance and internal control weaknesses. Thereafter, the AC oversees and monitors the implementations thereto.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of general meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders are entitled to participate and vote at general meetings of shareholders. The Board welcomes questions from institutional and retail shareholders who have an opportunity to raise issues either formally at or informally after the general meeting to allow shareholders to communicate their views on various matters affecting the Company. The respective Chairmen of the AC, RC and NC are expected to be available at AGMs to answer questions relating to the work of these committees.

The Company, presents separate resolutions on each issue at Shareholders' meetings, with voting on each resolution is carried out systematically by poll, with proper recording of the votes cast and the resolutions passed. The results of the electronic poll voting on each resolution, including the total number of votes cast for or against each resolution, were also announced via SGXNet after the conclusion of the Shareholders' meetings. The Company tabled separate resolutions on each substantially separate issue at the AGM held during FY2022. There were no resolutions which were bundled.

At each AGM, shareholders are encouraged to participate in the question and answer session. The Board of Directors, the external auditors and the Senior Management are present to respond to shareholders' questions about the conduct of audit and the preparation and content of the auditors' report. The Directors' attendance at the previous AGM held on 29 July 2022 is disclosed on page 17 of this Annual Report.

CORPORATE GOVERNANCE

If any shareholder is unable to attend the AGM, the Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote on his or her behalf at the AGM. A relevant intermediary, which has the meaning in the Companies Act, is allowed to appoint more than two proxies. The Company has not implemented absentia voting methods such as voting via mail, e-mail or fax etc until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretary prepares minutes of shareholders' meetings which incorporates substantial comments and responses from the Board and Management. These minutes include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Chairman, Board members and Management are available to shareholders. The Company publishes such minutes of the meetings on SGXNET and its corporate website at the link https://digilifelimited.com/index.html.

The Company does not have a dividend policy. The Board in considering dividend payments will take into account factors such as the Company's earning, financial condition, capital requirements, business expansion plans and cash flow. No dividend has been declared for FY2022 as the Group intends to conserve cash for future investments. The Group has not raised any money from shareholders after 2011, however it has paid back cash in the form of capital reduction and share buyback. The Group continues to be conservative in respect of borrowings. The Company is conserving cash for supporting increase in revenues both from existing business and new business streams.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Board has adopted the formal investor relations policy ("**IR Policy**") which sets out the mechanism governing the communication channel through which its stakeholders who may contact the Company and through which the Company shall announce its financial results, general announcements, press release, answers to its stakeholders queries etc. The IR Policy allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with stakeholders. The IR Policy is available on its corporate website, www.digilifelimited.com. The Company maintains the highest professional and ethical standards in dealings with its stakeholders and ensures that the best interests of the Company are served.

The Board will provide timely and fair disclosures to all stakeholders. Where there are inadvertent disclosures made to a selected group, the Company would make the same disclosure publicly to ensure fair dissemination of news as promptly as possible.

In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules, it is under the IR Policy that the shareholders are informed of all major developments that significantly affect the Group. The Management will then address the queries raised by institutional and retail investors or shareholders via phone calls or emails. Any shareholder also is free to call at the Company office during office hours on working days and get their queries attended.

The Board and Management of the Company engage with the shareholders during shareholders meetings and dialogue sessions as and when organised. In addition, the Directors and Management are available to answer any questions which the investors or shareholders may have in relation to the Company. The Company allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

CORPORATE GOVERNANCE

Information is communicated to the shareholders on a timely basis through:

(i) Half-year and full-year financial results announcements, announcements of corporate information in accordance with the requirements of SGX-ST, and press releases broadcasted through SGXNet;

(ii) annual reports and circulars that are electronically sent/announced to all shareholders;

(iii) notices and explanatory notes for annual general meetings and extraordinary general meetings;

(iv) The Shareholders would also be briefed on the voting procedures and the resolutions that they are voting on;

(v) the websites of the Company (https://digilifelimited.com) at which shareholders and the public may access information on the Group including the annual reports of the Company; and

(vi) The notice of annual general meeting is dispatched to shareholders at least 14 days before the meeting.

The Company's AGM for the financial period from 1 January 2021 to 31 March 2022 was held on 29 July 2022 ("**AGM 2022**") by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**") in the midst of COVE-19 pandemic. Shareholders were invited to participate in the virtual AGM 2022 by (a) observing and/or listening to the AGM 2022 proceedings via live audio-and-visual webcast via their mobile phones, tablets or computers or live audio-only stream via telephone (Live Webcast); (b) submitting questions in advance of the AGM 2022 or during the AGM 2022 via an online text box; and/or (c) voting at the AGM 2022 (i) live by the shareholders themselves via electronic means or (ii) appointing the Chairman of the Meeting as proxy to attend and vote on their behalf at the AGM 2022. The Chairman and respective Directors and the CEO were present by way of video conference or in person at the virtual AGM 2022.

As the forthcoming AGM for FY2022 will be held on 28 April 2023 ("**AGM 2023**") by electronic means pursuant to the Order, shareholders will not be able to attend the AGM 2023 in person, but will be able to participate in the AGM 2023 proceedings by:

(a) observing and/or listening to the AGM 2023 proceedings via "live" audio-and-visual webcast via their mobile phones, tablets or computers or "live" audio-only stream via telephone (Live Webcast);

(b) submitting questions in advance of the AGM 2023 or during the AGM 2023 via an online text box; and/or

(c) voting at the AGM 2023 (i) "live" by the shareholders themselves via electronic means or (ii) by appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy to attend and vote on their behalf at the AGM 2023.

Please refer to the notice of AGM for full details on the alternative arrangements for shareholders to participate in the AGM 2023. The Company shall publish the minutes of the AGM 2023 on SGXNet and the Company's website within one (1) month after the date of the AGM 2023.

CORPORATE GOVERNANCE

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The relationships and interests of material stakeholders will impact the Company's long-term sustainability, service and product standards. Material stakeholders are parties who may be affected by the ability of the Company to conduct its activities or vice versa actions who can affect the ability of the Company to conduct its activities.

For full details on the Group's approach to stakeholder engagement and materiality assessment, please refer to the Group's sustainability report for FY2022 (as found in pages 39 to 41 of this Annual Report, the Company has detailed its stakeholder engagement and materiality assessment).

MATERIAL CONTRACTS
(Rule 1204(8) of Catalist Rules)

On 28 December 2021, the Company entered into a share sale and purchase agreement ("**SPA**") with TG Holdings HK Limited ("**Vendor**") for the acquisition of an aggregate of 11,131,000 (representing 71%) issued shares in the capital of Stradbroke Investments Pte. Ltd ("**Target**"). The remaining 29% of the Target is legally and beneficially owned by Smart Co. Holding Pte. Ltd, which is wholly owned by Dr. Modi Bhupendra Kumar, who was the Chairman and Non-Independent Non-Executive Director and controlling shareholder for the Company at the date of signing the SPA.

Subsequent to the financial year ended 31 March 2022, the Company announced on 13 May 2022 the termination of the SPA as the Vendor has not provided the requisite third-party approvals and completion deliverables as per the SPA. Full details can be found in the Company's announcements dated 29 December 2021, 19 March 2022, 28 March 2022, 28 April 2022 and 13 May 2022.

Other than those disclosed in the financial statements and the above, the Company and its subsidiary companies did not enter into any material contracts involving interests of the CEO, Directors or controlling shareholders and no such material contracts still subsist at the end of the financial year.

DEALINGS IN THE COMPANY'S SECURITIES
(Rule 1204(19) of Catalist Rules)

In line with the recommended practices on dealings in securities set out under Rule 1204(19) of the Catalist Rules, the Company has a policy in place prohibiting dealings in the Company's securities on short-term considerations. The Company, its Directors and employees are also expected to observe the insider trading laws at all times as prescribed by the Securities and Futures Act 2001. The Company has issued directives to its employees and Directors not to deal in the Company's securities on short-term considerations and while in possession of price-sensitive information. The Company and its officers also abstain from dealing with the Company's securities for the period of one month immediately preceding and ending on the date of the announcement ("**the blackout period**") of the Company's half-year and full-year financial statements.

CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS
(Rule 1204(17) of Catalist Rules)

The Group has in place procedures governing interested person transactions ("**IPTs**") to ensure that they are properly documented and reported to the AC in a timely matter and are carried out on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

There were no other transactions conducted with interested persons as defined in the Catalist Rules for FY2022 which exceed the stipulated threshold:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of Catalist Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)[1]
NIL			

* Refer Financial Statements note 35 on Page 136.

Note:

1. There was neither renewal nor new IPT mandate obtained during the AGM of the Company held on 29 July 2022.

NON-SPONSOR FEES
(Rule 1204(21) of Catalist Rules)

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**") to act as its new continuing sponsor with effect from 1 October 2022, in place of RHT Capital Pte. Ltd. ("**RHTC**")

There were no non-sponsor fees paid/payable to the Company's Sponsor and RHTC for FY2022.

SUSTAINABILITY REPORT

BOARD STATEMENT

We are pleased to present the annual Sustainability Report of Digilife Technologies Limited ("**Digilife**", the "**Company**", and together with its subsidiaries, the "**Group**", "**we**" or "**our**") for our financial period from 1 April 2022 to 31 December 2022 ("**FY2022**"). Since the Company changed its financial year end from 31 March to 31 December, this report highlights the key Economic, Environmental, Social and Governance ("**EESG**") related initiatives carried out during the 9-month period, FY2022, whilst its comparative period is 15 months from 1 January 2021 to 31 March 2022 ("**FY2021**").

The major operation of the Group is the authorised distributor of Indonesia's well-established telecom operators which has a network of more than 30,000 resellers, and provider of system integration and related business services in India. We strive to minimise our impact on the environment and ensure that our products and services can help to improve people's accessibility to technology at the same time.

Stepping out from the COVID-19 crisis, we will continue our focus on leveraging our core strengths and remain flexible and resilient in business development. We aim to enhance our performance in our two core pillars, namely sustainability and innovation, leading us to greater heights.

We have always been placing sustainability as a part of our wider strategy to create long-term value for all of our stakeholders, thus key material EESG factors of the Group have been identified and reviewed by the Management. The Board of Directors of the Group (the "**Board**") oversees the management and the monitoring of these factors after confirmation of the list of material factors, thus taking them into consideration in determining the Group's strategic direction and policies. The Company has engaged our internal auditors to perform an internal review of our sustainability reporting process.

REPORTING FRAMEWORK, PERIOD AND SCOPE

This report is prepared in compliance with the requirements of Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B, with reference to the Global Reporting Initiative ("**GRI**") Standards 2021. We have chosen to report using the GRI Standards as it is an internationally recognised reporting framework which covers a comprehensive range of sustainability disclosure. Besides, the structured framework favours a clear reporting on the Group's material matters and the management of its impact, thus giving a full and balanced picture of our sustainability performance.

The Company is currently in the process of identifying the risks and opportunities of its material sustainability issues as well as climate change, as such, under the "**Comply or Explain**" provision, the Company's disclosure of risks and opportunities will be based on an "**Explain**" basis for the Sustainability Report in FY2022.

FEEDBACK

We welcome feedback from our stakeholders regarding our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to investor-relations@digilifelimited.com.

We hope our staffs and partners enjoy reading our report and we are excited to work with you if you are a potential partner keen on working with us as we continue to strive for value creation for our shareholders and the community.

13 April 2023

SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY

STAKEHOLDERS ENGAGEMENT

In order to ensure our business directions and sustainability strategies are up to date with the proper priorities and key stakeholders' interests, as well as staying in line with the industry's best practices, we actively engage with both internal and external stakeholders, including but not limited to customers, suppliers, employees, and regulators. We seek to understand the needs of our key stakeholders through various communication channels, and subsequently incorporate these needs into our business strategies with the aim of mutually benefiting all our key stakeholders.

Stakeholders	Engagement Platforms	Frequency	Focus Areas
Customers	• Mixture of physical meetings and virtual meetings • CDMP (Coverage – Distribution – Marketing – Product) • Gathering outlet	Daily Daily Occasionally	• Quality services • Rights protection
	• Rebate Program (Target, Reward)	Monthly	
	• Social Media (WhatsApp/LINE) • Marketing Hotline – Telemarketing	Daily	
	• SMS blast • Brochure, Sticker • Exhibition • Bundling Product	Occasionally	
Suppliers	• Mixture of physical meetings and virtual meetings due to COVID-19 • Coordinate meetings with branch managers or operations • Review and execute plans for monthly targets • Socialisation products, programs and new regulations • National Gatherings, commitments to next year's targets	Daily Daily Monthly Monthly/Quarterly Annually	• Fair and transparent procurement • Joint development • Contracts fulfilment
	• Vendor Assessment 1. KPI target 2. Agreement renewal	 Monthly 1-3 years	
	• Awards and Reward	Annually	
Employees	• Staff Appraisals	Annually	• Guarantee of basic rights and interests • Employee capabilities and career development • Sense of belonging and recognition
	• Staff Bonding Sessions 1. National Meeting 2. Cluster Gathering 3. Open Fasting on Lebaran 4. Home leave transportation (EID)	 Annually Occasionally Annually Annually	
	• Whistle-blowing policy updates	Annually	

SUSTAINABILITY REPORT

Stakeholders	Engagement Platforms	Frequency	Focus Areas
Bankers	• Face-to-face meetings • Lunches • E-mails/Phone call • Meetings	Quarterly Business update	• Timely fulfilment of financial obligations
Local Communities	• Sponsorship • Donations	Occasionally	• Contribution to the local employment and economic development • Supporting local suppliers • Volunteer activities
Media	• Social Media (Facebook/Instagram)	Weekly	

MATERIALITY ASSESSMENT

In FY2022, the Group engaged its stakeholders to perform a materiality assessment survey initiated by a third-party agency in order to enhance the objectivity of the evaluation.

Step 1: Impact Identification

While we understand that sustainability risks and opportunities may vary among different businesses and stakeholders with various backgrounds, we undergo internal identification of the potential impacts from the EESG pillars making reference to the categorisation of the GRI Standards.

Step 2: Stakeholder Identification

We select our key stakeholders based on criteria including their legal obligations, power of influence and their significance to the Group to participate in the engagement. In FY2022, internal general staff and directors as well as external suppliers and business partners were invited to prioritise the relevant sustainability issues.

Step 3: Significance Evaluation

Based on the ranking results from stakeholders as well as the weighting applied to optimise the materiality analysis, the Group has derived the materiality assessment results as shown below.

SUSTAINABILITY REPORT

Areas that were identified to be vital:

ENVIRONMENTAL
- Energy

ECONOMIC
- Economic Performance
- Procurement Practices
- Anti-corruption

SOCIAL
- Occupational Health and Safety
- Training and Education
- Diversity and Equal Opportunity
- Local Communities
- Customer Privacy

GOVERNANCE
- Corporate Governance
- Enterprise Risk Management
- Business Ethics and Compliance
- Compliance with laws and regulations

CLIMATE CHANGE

In view of the increasing concerns from stakeholders, enhanced disclosure obligations as well as to respond to the climate emergency, the Group is dedicated to strengthening its climate change management and disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**").

While the Group is currently operating in industries which are not identified as those posing significant climate risks as well as not facing potential direct severe immediate impacts, and has yet to identify applicable climate-related risks and opportunities and the relevant impacts on its development, the Group is committed to setting out its strategy and efforts regarding climate change mitigation, adaptation and resilience through conducting an in-depth climate assessment in the coming years.

The Group strives to improve its risk management and assessment procedures in order to enhance its climate change resilience across its operations. The Group is now currently further developing its risk management measures, while further outlining its dedication towards climate mitigation through optimising its energy consumption in all facets of its business operations.

In the meantime, as a preliminary step before developing climate-related targets, such as those related to Greenhouse Gas ("**GHG**") emissions, energy and water usage and renewable energy, the Group is now in the progress of setting suitable metrics for better understanding, tracking and monitoring of its climate-mitigation performance. Starting from FY2022, the Group will be disclosing its GHG Emissions, both Scope 1 and Scope 2, as an introductory effort to combat climate change.

SUSTAINABILITY REPORT

ECONOMIC

ECONOMIC PERFORMANCE

The Group strongly believes that prioritising financial sustainability is crucial, thus considering the interests of key stakeholders has always been its basic principle to ensure long-term profitability and shareholder value.

Transition Towards COVID-19 Resilience

In FY2022, the Group continued to stay resilient in the times of uncertainty brought about by the COVID-19 pandemic by strictly following the latest updates of health protocols released by the governments and various agencies regarding workplace management. Actions such as work-from-home arrangements, split team arrangements and social distancing had been carried out at the Group's workspaces in order to continue its operation uninterrupted.

As the impact of COVID-19 continues to alleviate, the distribution of telecom operator products and services has improved in Indonesia, thus improving business performance. Still, the overall telecom sector remains challenging given the intense competition which causes tight margin pressure. As the telecom sector in Indonesia is still performing a structural transition from legacy (voice and SMS) services to data services, the Group expects substantial pressure on the overall industry margins will still continue, and is likely to affect distributors as well. In light of this, we will closely monitor the market conditions and strive to leverage technology to digitise our distribution channels.

Meanwhile, the Information and Communications Technology ("**ICT**") business is returning to normal steadily with the stabilised environment in India. Still, new business opportunities are scarce due to lesser open bids, as most of the contracts associated with the government, public or financial sectors have been extended with their current vendors. Moreover, the increase in fares for transport during the COVID-19 period causes an inevitable rise in transportation costs for physical service delivery by field engineers.

To remain financially sustainable given the difficulties brought by COVID-19, the Group has moved out from non-profitable/ non-strategic businesses in FY2022 by divesting from its ICT business in Singapore and disposing 90% of its battery electric vehicle ("**EV**") business.

For detailed financial results, please refer to the following sections in our Annual Report for FY2022:

- Operational and Financial Performance Review, pages 4 to 5
- Financial Statements, pages 63 to 161

PROCUREMENT PRACTICES

Given the Group's business nature, it mainly engages with domestic and foreign suppliers as a distributor. For Bharat IT Private Limited ("**Bharat IT**"), it purchases directly from two foreign suppliers and various domestic suppliers, then sells to its customers and business partners; while Modi Indonesia 2020 Pte Ltd ("**Modi Indonesia**"), is a retail and distribution company for a number of well-known telco operators based locally in Indonesia. The Group clearly states its procurement policy in its cooperation agreement with its suppliers. Moreover, new suppliers are selected based on their capacity to supply timely deliveries at the most competitive price.

In FY2022, Bharat IT and Modi Indonesia had 87% and 100% of their purchases sourced locally respectively (FY2021:27% for product and 71% for service in Bharat IT, and 100% in Modi Indonesia), while Digilife did not have active trading of business (FY2021: 98%). We have achieved the target we set previously and aim to continue to source our purchases locally in the coming years.

SUSTAINABILITY REPORT

ANTI-CORRUPTION

The Group has zero tolerance for any form of corruption. As we are currently in the progress of developing our risk management and assessment procedures, our operations are yet to be assessed on its risks related to corruption, and accordingly, any significant risk has yet to be identified. However, no incidents of corruption were reported in FY2022 (FY2021: Nil), and we have achieved our target of zero incidents of corruption within the Group. We aim to maintain zero incidents of corruption every year by undergoing various initiatives, including:

- Educating all employees on anti-bribery and anti-corruption to help them recognise and mitigate associated risks; and
- Strengthening controls by reviewing policies and procedures and working towards reinforcing a full compliance culture.

Whistle-blowing policy

The Company has established a whistle-blowing policy with the Board's approval, and all employees are required to be fully aware of and act in accordance with the policy. This policy clearly states the mechanisms for employees to raise concerns on possible improprieties in financial reporting or other matters in confidence through e-mail. In FY2022, no whistle-blowing reports were received (FY2021: Nil). More details about the whistle-blowing policy can be found in the Corporate Governance Report.

ENVIRONMENTAL

ENERGY

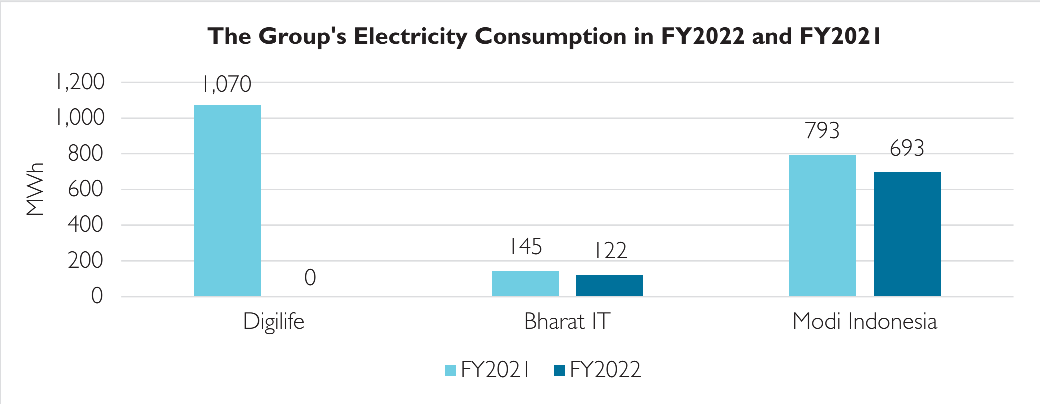
The Group is fully aware of its responsibility to minimise negative impacts towards the environment, therefore, we consistently monitor our energy consumption at our workplaces to ensure responsible consumption of resources. A summary of the Group's energy consumption and GHG Emissions in FY2022 is available in the table below.

Table 1: The Group's energy consumption and GHG emissions in FY2022.

Types of Resources	Unit	Amount
Electricity[1]	MWh	815 (FY2021: 2,008)
Diesel	L	2,550
Gasoline	L	200,154
Total	MWh	2,782
Types of GHG Emissions[2]	**Unit**	**Amount**
Scope 1 (Direct Emissions)[3]	Tonnes of CO_2e	480
Scope 2 (Energy Indirect Emissions)[4]	Tonnes of CO_2e	637

1. *The Group's electricity consumption in FY2022, post the shifting of Digilife headquarters and disposal of Singapore ICT and electric vehicle businesses, only includes Bharat IT's and Modi Indonesia's usage as the corporate office of Digilife only pays rental charges as tenants without separate utility charges.*
2. *The methodology adopted for reporting on GHG emissions set out above was based on GHG Protocol Corporate Accounting and Reporting Standard and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.*
3. *The Group's Scope 1 (Direct Emissions) included only the emissions arose from the consumption of liquid fuels in motor vehicles.*
4. *The Group's Scope 2 (Energy Indirect Emissions) included only the emissions arose from electricity consumption.*

SUSTAINABILITY REPORT



We are committed to optimising the use of electricity by educating employees to save and reduce energy consumption. In particular, Bharat IT has been exercising shutting down electrical equipment during lunch hours as a regular practice, and is currently under evaluation on the feasibility of using solar power as an alternative energy supply to minimise its energy consumption. Moreover, after reviewing its historical data, Modi Indonesia has set its energy consumption target to be not higher than Indonesian Rupiah (**IDR**) 98/month, per head count.

SOCIAL

All employees play an important role in the Group, and we believe that promoting a collaborative teamwork culture where everyone strives to achieve our corporate goals in an open and non-judgmental environment is essential to achieve long-term success. We aim to create a rewarding and safe working environment for our people, while at the same time treating them equally. As such, we respect and support the protection of internationally proclaimed human rights, and do not tolerate any form of discrimination in terms of employment or occupation. In addition, we support the elimination of all forms of forced and compulsory labour, especially child labour.

The Group provides competitive remuneration based on merit to all its employees, and employees are free to exercise the right to freedom of association without the coverage of collective bargaining agreements.

OCCUPATIONAL HEALTH AND SAFETY

The Group is committed to safeguarding its employees' health and safety by implementing a series of job safety guidelines. In FY2022, the group continued to comply with the Singapore standard for occupational safety and health management system under ISO 45001 and the Work and Injury Compensation Act.

We have established a stringent set of workplace security and administration policies applicable to all employees. It covers a standardised procedure to identify and report occupational health and safety hazards, and ensure that proper actions have been taken to manage the risks, including office security and emergency procedures. Our employees are well-trained in the policies and procedures, including relevant safety measures. In particular, specialised employees in Digilife are responsible for handling the physical inventories of servers and IT systems are required to wear gloves, safety boots, helmets, and safety jackets to minimise safety risks. In Bharat IT, the team is adequately trained on safety measures on electrical shocks. For Modi Indonesia, despite no significant occupational hazard being present due to its business nature, health security and medical insurance is provided to all its employees as an additional safety assurance. Emergency Kits are always available and accessible to all and are replenished regularly.

SUSTAINABILITY REPORT

Moreover, other than the Workman Compensation as required by the law, our insurance policies including Group medical, hospitalisation and surgery, personal accident insurance and work injury and compensation (WICA) are also applicable to staff members, plus travel insurance for all business-related travels. We are also certified with BizSafe Level 4 for Workplace Safety and Health ("**WSH**") capabilities.

To maintain a safe working environment, the investigation team will be guided by our Human Resource ("**HR**") Team and Head of Department Managers who are well-equipped with health and safety knowledge in events of incidents. The team conducts investigations by gathering information, reviewing, and analysing the root causes, thus implementing the necessary actions. Throughout the investigation, the team abides by the investigation guidelines established by the Ministry of Manpower through i-submit reporting. We seek to learn from past mistakes and strive to prevent similar incidents from happening again.

No cases of fatalities or work-related injuries were recorded in FY2022. We are proud to present that we have managed to achieve the target of zero workplace incidents in FY2022 (FY2021: Nil), and we aim to maintain our outstanding performance in the next financial year. Furthermore, we plan to provide external training on WSH matters to our managers and HR personnel in the next financial year to further maintain zero workplace incidents the Group presently have.

TRAINING AND EDUCATION

We understand the importance of providing suitable training programs to our employees, thus our career development programs are designed in a way that suits each individual's needs and goals. The following table shows a summary of the training hours of the Group's employees.

Table 2: Number of training hours provided to the Group's employees in FY2022.

Unit: Training Hours	Position			
Gender	General staff	Middle management	Senior management	Total
Male	18	16.5	0	34.5
Average training hour	0.01	0.15	0	0.02
Female	0	0	0	0
Average training hour	0	0	0	0
Total	18	16.5	0	34.5
Average training hour	0.01	0.14	0	0.02

We have achieved our target to strengthen our employees' skills by providing them with the relevant training in FY2022. In the future, we will continue to provide our employees with the opportunity to adopt new skills and technology to ensure satisfactory performance and sustain the Group's efforts to remain competitive in the market.

Performance Review

The annual performance review is held where supervisors will assess the performance of the employees together, thus two-way communication is ensured in order to have a fair evaluation of each employee. Employees who had outstanding performance appraisal results will be offered various career advancement opportunities, including promotion, quantum of salary increment, and annual variable bonuses. This review is conducted fairly based on employees' experience, qualifications and performance. In FY2022, 100% of Digilife's and 3% of Bharat IT's employees had gone through the annual performance and career development review.

We will continue to devote our efforts to provide opportunities for our employees to learn new skills and promote a favourable corporate working environment for employees to work and reach their fullest potential.

SUSTAINABILITY REPORT

EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITY

Employees have always been one of our most important assets, and we believe that having a strong commitment to embracing diversity guides us to the key to success. We foster an inclusive culture where employees with wide-ranged backgrounds and qualities are highly motivated, engaged and connected. Meanwhile, we do not discriminate against race, age, gender, religion, ethnicity, disability or nationality. We make sure employees at all levels are treated fairly, and have equal opportunities and resources in order to fully contribute to the Group. We have achieved the target of having no record of discrimination in FY2022 and we strive to maintain zero instances of discrimination within the Group.

As of 31 December 2022, a total of 2,135 employees were employed under the Group and all are full-time employees. Details of the Group's demographic are shown below.

Table 3: The Group's employee distribution by gender in FY2022.

Gender	Male	Female
Total	1,771	364
Percentage (%)	83	17

Table 4: The Group's employee distribution by age group in FY2022.

Unit: Number of Employees	Age group		
	Under 30 years old	30-50 years old	Over 50 years old
Total	854	1,219	62
Percentage (%)	40	57	3

Table 5: The Group's employee distribution by geographical location in FY2022.

Unit: Number of Employees	Geographical location			
	Singapore	India	Indonesia	Total
Total	1	1,124	1,010	2,135

There are a total of 579 new hires for the Group in FY2022. Details are as follows:

Table 6: The Group's new hires distribution by gender in FY2022.

Gender	Male	Female
Number of new hires	526	53
Percentage (%)	30	15

Table 7: The Group's new hires distribution by age group in FY2022.

Age group	Under 30 years old	30-50 years old	Over 50 years old
Number of new hires	288	281	10
Percentage (%)	34	23	16

SUSTAINABILITY REPORT

In FY2022, the total turnover rate for the Group is 29% with 612 employees leaving the Group. The tables below show the detailed distribution of turnover:

Table 8: The Group's turnover distribution by gender in FY2022.

Gender	Male	Female
Number of employee turnover	574	38
Percentage (%)	32	10

Table 9: The Group's turnover distribution by age group in FY2022.

Age group	Under 30 years old	30-50 years old	Over 50 years old
Number of employee turnover	266	332	14
Percentage (%)	31	27	23

CUSTOMER PRIVACY

Cyber security and data privacy has always been playing a crucial role in safeguarding both the Group's data and that of its customers, suppliers, business partners and employees. The Group has been implementing various measures to protect against cyber risks, securing confidential information for both its internal and external stakeholders.

The Group has established and incorporated the "Privacy of Customer Communications Policy" into its Code of Conduct, in order to emphasise the paramount importance of privacy which is fundamental to business operations. The advancement of technology has been favourable to the Group's plans for its network; to continuously expand and become more comprehensive, creating a future with greater accessibility. While the Group understands that "user-friendly" products are preferred in markets due to their ease of access, potential concerns on privacy should be addressed as well.

We are committed to safeguarding the privacy of customer communications, as we understand how important it is to our business as a data and voice service provider. Every employee is required to strictly abide by the internal guidelines and ensure that this commitment is met. Unless permitted by law and Management of Digilife, any employee must not:

- Disclose customers' information or the location of equipment, circuits, trunks or cables to any unauthorised person;
- Tamper with or intrude upon a voice, data and related transmission;
- Listen to or repeat customers' conversations or communications, or permit either to be monitored or recorded;
- Allow access to any communication transmitted by Digilife; and
- Install or permit anyone to install any device that enables someone to listen to, observe or determine that communication has occurred.

Meanwhile, the Group's employment process is also under the protection of privacy measures, the information of all applicants is safeguarded and access to personal data is restricted only to authorised personnel on a need-to-know basis. In compliance with the Personal Data Protection Act ("**PDPA**") policy, we ensure that only minimal personal information, e.g., only the 4 digits followed by 1 letter of his/her NRIC/FIN number, will be needed to fill in when applicants are filling out a job application form. Our application form also clearly states the purpose of the data collection and requires the applicant to give consent to the collection of information when applying for the job. Our standardised procedure clearly states that the PDPA form has to be sent to the applicant for their signature to get their consent before the start of physical documents collection, including a copy of their IC copy, school and employment certificates, and any other similar references. All personal data collected by the Group are well-protected and secured from any unauthorised access, thus it will only be retained if it is deemed necessary for business or legal purposes, after which the data will be destroyed and removed from the Group's systems.

SUSTAINABILITY REPORT

Moreover, we have established our own PDPA policy and appointed a Data Protection Officer. Our team of HR personnel are also equipped with the knowledge necessary for us to implement relevant practices and measures to ensure compliance with the PDPA.

In Bharat IT, IT hardware maintenance is mainly its responsibility, as per the Agreement entered into with its customers, and they are responsible for managing and maintaining the data stored in the IT system. Its service engineers remind customers regularly to secure their data and first line employees are required to sign a Confidentiality Agreement.

We have achieved the target of zero incidents of non-compliance and there were no complaints received regarding breach of privacy or loss of customer data (FY2021: Nil). We aim to maintain zero incidents of non-compliance and complaints by devoting our greatest efforts to enforce and improve our existing policies.

LOCAL COMMUNITIES

The Group upholds the philosophy of giving back to the community, therefore it encourages proactive involvement throughout various Corporate Social Responsibility ("**CSR**") initiatives and environmental conservation programs. We are committed to aiding the development and improvement of the society that we live and work in by contributing time and resources to support different activities.

As the Group is currently enhancing its approach towards CSR, operations are yet to be involved with implemented local community engagement, impact assessments, and development programs. Still, one of the Group's subsidiaries, Modi Indonesia, has been supporting charities and community organisations, such as orphanages, from time to time as a general practice, and assisting in natural disasters.

The Group has been complying with the laws related to CSR, and no other CSR activities had been organised in FY2022 due to the difficulties brought about by the COVID-19 pandemic, thus the target to continue to contribute to the local communities has not been achieved. In the near future, the Group targets to incorporate more CSR initiatives in Singapore and India when it is feasible to do so, given the relaxation of COVID-19 restrictions.

RESPONSE TO COVID-19

Ensuring the health and safety of our employees is one of our most fundamental responsibilities. We have been closely following the control and prevention measures announced by governments to keep our working environment safe. We provide our employees with medical benefits (inpatient and outpatient), Group hospitalisation and surgical insurance. Digilife also provides travel insurance with overseas medical coverage for staff when business travel is needed.

SUSTAINABILITY REPORT

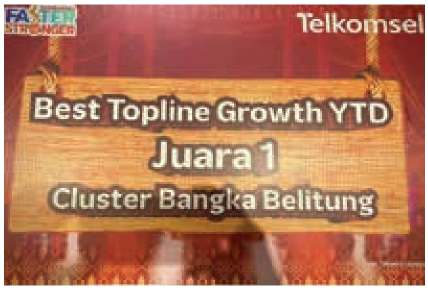
Meanwhile, Digilife continues to work its way through an extended pandemic scenario as per various notifications, advisories and notices/articles in press and policy statements by various governments and its agencies. In particular, Bharat IT followed the Standard Operating Procedures as required by the national/local government. Masks and sanitisers were provided to employees, and they had to measure their temperature on a regular basis. Its premises were also sanitised on alternative days. Meanwhile, Modi Indonesia implemented governmental health and safety protocols, such as wearing masks, spraying disinfectant in the office and maintaining social distancing. Vitamins were also being distributed to employees to increase immunity, and they were constantly reminded through e-mail broadcasts to follow all applicable health protocols. In addition, regular reminders were sent to employees to take booster vaccination as stated in the national regulation.

AWARDS

Modi Indonesia received the following awards in FY2022:

1. 3rd Best Performance Area Sumatera
2. The Best Double Digit Growth Region Sumbagut
3. 2nd Best Sumbagsel, Best Contribution CVM Semester I 2022
4. 1st Best Sumbagsel, Best Topline Growth YTD
5. 1st Best Sumbagsel, Best Digital Growth YTD
6. The Best SF Area 2 Jabotabek Jabar
7. The Best RS Active Area 4 Pamasuka

3rd Best Performance Area Sumatera



1st Best Sumbagsel, Best Topline Growth YTD

1st Best Sumbagsel, Best Digital Growth YTD

The Best SF Area 2 Jabotabek Jabar

The Best SF Area 2 Jabotabek Jabar

The Best RS Active Area 4 Pamasuka

SUSTAINABILITY REPORT

GOVERNANCE

COMPLIANCE WITH LAWS AND REGULATIONS

Environmental Compliance

We focus on creating value through our product and service offerings that minimised the impact on the environment.

For Modi Indonesia, it complied with the Indonesian government's regulation, Rule No.: PP-No-101-Tahun-2014 "Management Of Hazardous Wastes and Toxic". A certified agent has been engaged in managing its waste related to mobile phones and computers according to the regulation.

Currently, there are no environmental compliances applicable to Digilife and Bharat IT. However, as per the 2016 circular released by the Indian Government, Bharat IT has complied with E-Waste (Management) Rules, 2016.

Socioeconomic Compliance

The Group will continue to stay updated with the latest labour laws, work safety and health compliances to ensure its rules and practices are aligned with its work ethics and values to continue to achieve zero incidents of non-compliance in all material aspects throughout different departments. In particular, a labour law consultant has been hired in Bharat IT to carry out periodic review of its processes to ensure strict compliance with government regulations can be achieved.

The Group is proud to inform that it is compliant with the applicable rules and regulations in environmental, social and economic aspects. As such, the Group has achieved its target of zero incidents of non-compliance with laws and regulations that resulted in significant fines or sanctions in FY2022 (FY2021: Nil). There were no regulatory breaches for any of our entities in Singapore, India or Indonesia. We aim to continue maintaining our outstanding performance in the future.

CORPORATE GOVERNANCE

The Board and Management of Digilife are committed to achieving a high standard of corporate governance within the Group by implementing effective self-regulatory practices in order to ensure the Group is operating sustainably. We believe that continuously driving for corporate excellence is the key to establishing a more transparent, accountable and equitable system, thereby enhancing long-term shareholders' value.

In FY2022, no cases of non-compliance to the Code of Corporate Governance were reported within the Group, thus we have achieved the target we previously set. We will continue to comply with the Code of Corporate Governance and meet applicable requirements. If any deviations were identified, the Group will make the necessary disclosure and explanations as required by the Code of Corporate Governance.

For more details, please refer to the Annual Report for FY2022 pages 16 to 37 for the Group's Corporate Governance Report.

RISK MANAGEMENT

The Board is committed to ensuring that the Group's Enterprise Risk Management ("**ERM**") framework is effective and practical in order to secure shareholders' interests and the sustainability of the Group, as well as providing a basis for making more informed decisions regarding the risk exposure and risk appetite of the Group.

We have achieved the target set previously and reviewed our ERM policies for the past two financial years. We strive to ensure that all relevant risks are identified, communicated and addressed timely by reviewing the ERM policies regularly.

For detailed disclosure of our risk management policies, please refer to pages 29 to 30 of our Annual Report for FY2022.

SUSTAINABILITY REPORT

BUSINESS ETHICS AND COMPLIANCE

All staff are reminded that the highest standards of business ethics should be upheld during operations. Therefore, the Group regularly makes announcements on the latest developments in both the international and local (areas where the Group operates at) standards and regulations to all relevant staff.

Understanding the cruciality of ethical business conduct to the Group's business, the Board adopts the Code of Conduct and Ethics Policy (the "**Code**") to help maintain the standards of business conduct for the Group and ensure that it complies with the legal requirements. The Code serves as a guidance for the Group to further improve the ethical and transparent processes, thus, deterring any wrongdoing. The matters covered in this Code are of the highest importance to the Company, stakeholders and business partners.

All employees have to strictly abide with the basic guidelines as set out in the Code of Conduct and Ethics ("**Code of Conduct**"). It comprises the policies for Reporting Irregularities, Privacy of Customer Communications, Confidentiality of Company Information, the competitive position of Digilife, Gifts/Entertainment, Outside Employment and Conflict of Interest, among other issues. The Code of Conduct also clearly states the required standards of integrity which all employees are expected to follow. In any case of violation or non-compliance is found, disciplinary action, including termination, may be called when necessary.

We have achieved the target of maintaining no incidents of non-compliance with the Code of Conduct in FY2022 (FY2021: Nil). We strive to ensure that all allegations received are promptly addressed and continue to achieve this target in the following years by maintaining zero incidents of non-compliance.

Memberships

Singapore Indian Chamber of Commerce and Industry
Singapore Business Federation
India Indonesia Chamber of Commerce

SUSTAINABILITY REPORT

GRI STANDARDS CONTENT INDEX

Statement of use	Digilife Technologies Limited has reported with reference to the GRI Standards for the period 1 April 2022 to 31 December 2022
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Reference/Description
GRI 2: General Disclosure 2021		
2-1	Organisational details	Page 15 of the Annual Report
2-2	Entities included in the organisation's sustainability reporting	Pages 6 to 7 of the Annual Report
2-3	Reporting period, frequency and contact point	Page 38 The publication date of this report is same as its Annual Report.
2-4	Restatements of information	Pages 43 to 47
2-5	External assurance	We have yet to conduct external sustainability assurance over this report for FY2022, and may seek external assurance in the future. Our Internal auditors, BDO Advisory Pte Ltd is responsible for our Internal Review of the Company's FY2022 Sustainability Report. Our external auditors, Moore Stephens LLP provided external assurance over our financial reports for FY2022 and is contained in the FY2022 Annual Report.
2-6	Activities, value chain and other business relationships	The Group is operating as the authorised distributor of the well-established telecom operators with a current network of more than 30,000 resellers in Indonesia and carrying out system integration and related business in India. At Digilife, our goal is to ensure that our services and products can help to improve people's accessibility to technology while minimising the impact on the environment. Our suppliers are primarily based out of Indonesia, Singapore, China, and Italy, where they are supplying us our telecom operator and IT distribution products. To ensure that only qualified suppliers are selected during supplier onboarding, track records, suppliers' capacity on timely delivery, competitive prices as well as their commitments towards high quality, health safety standards and sustainability.
2-7	Employees	Pages 46 to 47
2-9	Governance structure and composition	Pags 16 to 37, 50
2-22	Statement on sustainable development strategy	Page 38
2-23	Policy commitments	The Group's Code of Conduct and Ethics covers responsible business conduct, including the authoritative intergovernmental instruments that it references, thus stipulating the need to conduct due diligence checks, applying the precautionary principles, and respecting human rights.
2-27	Compliance with laws and regulations	Pages 50 to 51
2-28	Membership associations	Page 51

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Reference/Description
2-29	Stakeholder engagement	Pages 39 to 41
2-30	Collective bargaining agreements	The Group does not have any collective bargaining agreements in FY2022.
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Pages 39 to 41
3-2	List of material topics	Page 41
3-3	Management of materials topics	Please refer to the management's disclosure in each chapter for details.
Economic Topics		
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	Page 42
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	Page 42
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	As the Group is currently in the progress of developing its risk management and assessment procedures, its operations are yet to be included for assessment on risks related to corruption.
Environmental Topics		
GRI 302: Energy		
302-1	Energy consumption within the organisation	Pages 43 to 44
Social Topics		
GRI 403: Occupational Health and Safety		
403-2	Hazard identification, risk assessment, and incident investigation	Pages 44 to 45
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Page 45
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Pages 46 to 47
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	The Group's operations are yet to be involved with implemented local community engagement, impact assessments, and development programs
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 47

DIRECTORS' STATEMENT

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

The directors present their statement to the members together with the audited consolidated financial statements of Digilife Technologies Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial period from 1 April 2022 to 31 December 2022, and the statement of financial position of the Company as at 31 December 2022.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial period from 1 April 2022 to 31 December 2022; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

The directors of the Company in office at the date of this statement are:

Dr. Bhupendra Kumar Modi	(Executive Chairman and Group Chief Executive Officer)
Mr. Sudip Bandyopadhyay	(Lead Independent Director) (Appointed on 16 August 2022)
Mr. Doraraj S	(Independent Non-Executive Director)
Mr. Tushar s/o Pritamlal Doshi	(Independent Non-Executive Director)
Ms. Chada Anitha Reddy	(Executive Director)

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Except as described in this statement, neither at the end of nor at any time during the financial period, was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3 Directors' Interests in Shares or Debentures

The directors of the Company holding office at the end of the financial period or at the date of this statement had no interests in the shares, share options, performance shares or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), except as follows:

	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
Name of Director and Company	**At the beginning of the financial period**	**At the end of the financial period**	**At the beginning of the financial period**	**At the end of the financial period**
		Ordinary shares		
Digilife Technologies Limited (the Company)				
Dr. Bhupendra Kumar Modi	804,634	804,634	6,277,438	6,515,686
Mr. Doraraj S	29,323	29,323	–	–
Mr. Tushar s/o Pritamlal Doshi	30,075	30,075	–	–
Ms. Chada Anitha Reddy	6,690	6,690	–	–

Between the Financial Year end and 21 January 2023, Dr. Bhupendra Kumar Modi's interest in the holdings of the company changed from 6,515,686 to 6,851,086 on 3 January 2023, refer to the announcement dated 3 January 2023.

DIRECTORS' STATEMENT

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

4 Share Options

The particulars of share options of the Company are as follows:

(a) Digilife Technologies Stock Option Plan 2014 ("ESOP 2014")

The ESOP 2014 was approved by the shareholders in their meeting held on 15 April 2014 with an objective to gradually phase out the Sevak 1999 Employees' Share Option Scheme and the 1999 Sevak Employees' Share Option Scheme II as no new options can be granted under these schemes. Pursuant to ESOP 2014, the Remuneration Committee ("RC") has the authority to grant options to present and future employees of the Group as well as to other persons who are eligible under ESOP 2014 at the average of the closing prices for the 5 trading days prior to the issuance of the grant, less a discount, if any, to be determined by the RC, which shall not exceed 20% of the then prevailing market price.

ESOP 2014 is administered by the RC who then determines the terms and conditions of the grant of the options, including the exercise price, the vesting periods which may be over and above the minimum vesting periods prescribed by the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the imposition of retention periods following the exercise of these options by the employees, if any.

The RC had on 27 March 2015 granted a total of 274,200,000 stock options to the directors under the ESOP 2014. The options granted at an exercise price of S$0.0024 were to be vested after 2 years from the date of the grant. The options can be exercised up to 10 years from the date of the grant.

All options granted under ESOP 2014 had lapsed.

No other directors were granted options under this Scheme and no participant received 5% or more of the total options available under the Scheme. No unissued shares are under option as at the date of this statement.

During the financial period under review, no options have been granted at a discount.

(b) Digilife Technologies Performance Share Plan 2021 ("PSP 2021")

The PSP 2021 was approved by the shareholders in their meeting held on 19 February 2021 with an objective to promote higher performance goals, recognise exceptional achievement and retain talents within the Group. The PSP 2021 motivates employees of the Company (including the Directors and Group employees) to optimise their performance standards and efficiency as well as to reward them for their significant contributions to the Company. The Company's view is that all deserving and eligible participants (regardless of whether they are Controlling Shareholders or associates) should be equally entitled to take part in and benefit from the Company's fair and equitable system of remuneration.

The total number of Shares which may be issued pursuant to the share awards (the "Awards") granted under the PSP 2021 on any date, when added to: (a) the total number of new Shares allotted and issued and/or to be allotted and issued, issued Shares (including treasury shares) delivered and/or to be delivered, and Shares Released and/or to be Released in the form of cash in lieu of Shares, pursuant to Awards granted under the Plan; and (b) the number of Shares issued and issuable in respect of all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed thirty (30) per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) on the day preceding the date of the relevant Award.

DIRECTORS' STATEMENT

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

4 Share Options (Continued)

(b) Digilife Technologies Performance Share Plan 2021 ("PSP 2021") (Continued)

On 1 March 2021, a total of 804,634 Awards has been granted to Dr. Bhupendra Kumar Modi, a controlling shareholder of Company in accordance with the PSP 2021. The Awards were vested immediately after the grant. For details, please refer to the announcement dated 01 March 2021.

On 8 July 2021, a total of 863,954 Awards has been granted to 23 employees of the Group, including the Directors, Chief Executive Officer and Chief Financial Officer. The Awards were vested immediately after the grant. For details, please refer to the announcement dated 8 July 2021.

During the financial period under review, no shares award was granted.

5 Audit Committee

The Audit Committee ("AC") at the date of this statement comprises the following Directors:

Mr. Sudip Bandyopadhyay	(Chairman and Lead Independent Director)
Mr. Doraraj S	(Member and Independent Non-Executive Director)
Mr. Tushar s/o Pritamlal Doshi	(Member and Independent Non-Executive Director)

The AC performs the functions set out in section 201B (9) of the Singapore Companies Act 1967. In performing those functions, the AC reviewed the overall scope of the internal audit function, external audit function and the assistance given by the Company's officers to the auditors. The AC met with the auditors to discuss the results of their audit and their evaluation of the systems of internal controls. The AC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial period from 1 April 2022 to 31 December 2022, as well as the external auditor's report thereon.

The AC has noted that there are no non-audit services provided by the auditors and as such the independence of the auditors is not affected.

A full report on the functions performed by the AC is included in the report on Corporate Governance.

6 Independent Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

……………………………………..
Sudip Bandyopadhyay
Lead Independent Director

……………………………………..
Chada Anitha Reddy
Executive Director

Singapore

13 April 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIGILIFE TECHNOLOGIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Digilife Technologies Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial period from 1 April 2022 to 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 April 2022 to 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIGILIFE TECHNOLOGIES LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>Revenue recognition

We refer to Note 2(r) and Note 4 to the financial statements.

For the financial period from 1 April 2022 to 31 December 2022, the Group recorded revenue amounting to S$174.59 million from its continued operations.

We have identified revenue recognition to be significant because of the high volume of transactions and the varying sales and contractual terms. Revenue recognition is susceptible to the higher risk that the revenue is recognised when the control of goods has not been transferred to the customers. Accordingly, we have identified revenue recognition as a key audit matter.</td><td>Our audit response

We have performed the following key audit procedures:

• Updated our understanding of the Group's control environment over the sales process and the relevant systems including the design of key controls over the capture and recording of revenue transactions. We have performed tests of key controls as appropriate;

• Performed sample testing on revenue and checked that the revenue recognition criteria are appropriately applied;

• Performed analytical review procedures and enquired with management for any significant or unusual fluctuations noted;

• Tested the revenue to be recognised in the relevant accounting period by performing cut-off tests at the year end;

• Tested journal vouchers for any unusual adjustments made to the revenue account; and

• Reviewed the adequacy of the disclosures relating to revenue in Note 2(r) and Note 4 to the financial statements.

Our audit findings

We found the Group's revenue recognition to be consistent with its accounting policy as disclosed in Note 2(r) to the financial statements. We also found that the relevant disclosures on revenue in the financial statements to be adequate.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIGILIFE TECHNOLOGIES LIMITED

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of inventories We refer to Note 2(k), Note 3(b)(ii) and Note 11 to the financial statements. As at 31 December 2022, the total carrying amount of inventories was S$12.29 million. The assessment of the carrying amount of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. Reviews are made periodically by management on inventories for obsolescence and decline in net realisable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.	**Our audit response** We have performed the following key audit procedures: • Tested and analysed the ageing of the inventories; • Reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventories obsolescence; • Conducted a detailed discussion with the Group's key management and considered their views on the adequacy of allowances for inventories obsolescence in light of the current economic environment; • Reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sampling basis at the reporting date; and • Reviewed the adequacy of the disclosures relating to inventories in Note 2(k), Note 3(b)(ii) and Note 11 to the financial statements. **Our audit findings** We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence and the relevant disclosures in the financial statements to be adequate.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIGILIFE TECHNOLOGIES LIMITED

Key Audit Matters (Continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>Valuation of trade and other receivables and loan receivable

We refer to Note 2(i), Note 3(a)(ii), Note 12, Note 13, Note 23 and Note 40(a) to the financial statements.

As disclosed in Notes 12, 13, 23 and 40(a) to the financial statements, the Group assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.

The carrying amount of trade and other receivables and loan receivable of the Group was S$8.06 million as at 31 December 2022. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other receivables and loan receivable as at the reporting date.</td><td>Our audit response

We have performed the following key audit procedures:

• Updated our understanding of the Group's processes and key controls relating to the monitoring of trade and other receivables and loan receivable and assessment of ECL, including the process for identifying impairment indicators;

• Reviewed and tested the aging of trade and other receivables and loan receivable;

• Reviewed and challenged management's assessment on the credit worthiness of selected customers. Discussed with the key management and the component auditors on the adequacy of the allowance for impairment recorded by the Group and reviewed the supporting documents provided by management in relation to their assessment;

• Checked the mathematical accuracy of management's computation of the expected credit loss;

• Checked the subsequent receipts from major debtors after the year end and obtained documentary evidence, representation and explanations from management to assess the recoverability of long outstanding debts, where applicable; and

• Reviewed the adequacy of the disclosures relating to trade and other receivables and loan receivable in Note 2(i), Note 3(a)(ii), Note 12, Note 13, Note 23 and Note 40(a) to the financial statements.

Our audit findings

Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other receivables and loan receivable to be reasonable and the relevant disclosures in the financial statements to be adequate.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIGILIFE TECHNOLOGIES LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIGILIFE TECHNOLOGIES LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms Chong Jia Yun, Michelle.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
13 April 2023

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Note	Group Period from 1.4.2022 to 31.12.2022 S$'000	Group Period from 1.1.2021 to 31.3.2022 S$'000
Continuing operations			
Turnover	4	**174,587**	298,743
Operating expenses			
Purchases and changes in inventories and direct service fees incurred	4(a)	**(160,623)**	(271,979)
Commissions and other selling expenses		**(227)**	(353)
Other income – operating	5	**236**	849
Personnel costs	6	**(8,591)**	(20,076)
Infrastructure costs		**(450)**	(1,507)
Marketing expenses		**(660)**	(1,176)
Other expenses – operating		**(2,724)**	(6,093)
Other income – non-operating	5	**48**	58
Other expenses – non-operating		**(65)**	(1,509)
Interest income from cash deposits	5	**199**	286
Finance costs – interest expense		**(115)**	(136)
Depreciation of property, plant and equipment	17	**(341)**	(679)
Amortisation of intangible assets	19	**(147)**	(242)
Profit/(Loss) before taxation from continuing operations	7	**1,127**	(3,814)
Taxation	8	**(591)**	(571)
Profit/(Loss) for the period from continuing operations		**536**	(4,385)
Profit/(Loss) for the period from discontinued operations	9	**4**	(2,628)
Total profit/(loss) for the period		**540**	(7,013)
Profit/(Loss) attributable to:			
Owners of the parent		**540**	(7,013)
Non-controlling interest		**–**	–
Total		**540**	(7,013)
Earnings/(Loss) per share			
From continuing and discontinued operations			
– Basic and diluted (cents per share)	10	**3.99**	(53.70)
From continuing operations			
– Basic and diluted (cents per share)	10	**3.96**	(33.58)
From discontinued operations			
– Basic and diluted (cents per share)	10	**0.03**	(20.12)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Profit/(Loss) for the period	**540**	(7,013)
Other comprehensive (loss)/income, net of income tax:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(3,284)**	275
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	**–**	37
Other comprehensive (loss)/income for the period, net of tax	**(2,744)**	312
Total comprehensive loss for the period	**(2,744)**	(6,701)
Total comprehensive (loss)/income attributable to:		
Owners of the parent	**(2,740)**	(6,703)
Non-controlling interest	**(4)**	2
Total comprehensive loss for the period	**(2,744)**	(6,701)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		31.12.2022 S$'000	31.3.2022 S$'000	31.12.2022 S$'000	31.3.2022 S$'000
Assets					
Current assets					
Inventories	11	**12,285**	11,462	**–**	–
Trade receivables	12	**4,456**	5,890	**47**	53
Other receivables and deposits	13	**2,377**	2,361	**209**	210
Prepayments	14	**666**	949	**4**	54
Due from subsidiaries	15	**–**	–	**174**	168
Cash and cash equivalents	16	**7,820**	6,499	**3,900**	2,076
Fixed deposits	16(a)	**3,606**	3,901	**–**	30
Tax recoverable	13	**1,181**	1,123	**–**	–
Assets of disposal group classified as held for sale	9(a)	**–**	6,796	**–**	–
		32,391	38,981	**4,334**	2,591
Non-current assets					
Property, plant and equipment	17	**1,093**	1,117	**11**	22
Investment properties	18	**3,221**	2,633	**–**	–
Intangible assets	19	**1,226**	1,373	**32**	50
Investment in subsidiaries	20	**–**	–	**19,892**	22,884
Investment in associate	21	**–**	–	**–**	–
Long-term loans and advances to subsidiaries	24	**–**	–	**465**	483
Deferred tax assets	25	**297**	421	**–**	–
Other receivables	13	**50**	89	**–**	–
Financial assets, at FVPL	22	**295**	–	**295**	–
Fixed deposits	16(a)	**779**	977	**–**	–
		6,961	6,610	**20,695**	23,439
Total assets		**39,352**	45,591	**25,029**	26,030

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 31.12.2022 S$'000	Group 31.3.2022 S$'000	Company 31.12.2022 S$'000	Company 31.3.2022 S$'000
Liabilities					
Current liabilities					
Trade creditors	26	**1,344**	974	**47**	49
Other creditors and accruals	27	**2,908**	2,800	**428**	580
Contract liabilities	4	**618**	688	**–**	–
Lease liabilities	36	**52**	50	**5**	4
Loans and bank borrowings	28	**2,182**	2,226	**–**	–
Due to subsidiaries	15	**–**	–	**4,635**	5,095
Tax payable		**299**	84	**–**	–
Liabilities directly associated with disposal group classified as held for sale	9(a)	**–**	4,003	**–**	–
		7,403	10,825	**5,115**	5,728
Non-current liabilities					
Lease liabilities	36	**54**	68	**10**	15
Provision for employee benefits	34(b)	**649**	646	**–**	–
Contract liabilities	4	**366**	418	**–**	–
Deferred tax liabilities	25	**509**	513	**–**	–
Loans and bank borrowings	28	**150**	156	**–**	–
Long-term loans and advances from subsidiaries	15(a)	**–**	–	**6,385**	6,217
		1,728	1,801	**6,395**	6,232
Total liabilities		**9,131**	12,626	**11,510**	11,960
Equity attributable to owners of the Company					
Share capital	29	**549,704**	549,704	**549,704**	549,704
Treasury shares	30	**(1,098)**	(1,098)	**(1,098)**	(1,098)
Accumulated losses	31	**(499,105)**	(499,645)	**(523,923)**	(523,372)
Other reserves	32	**(6,394)**	(6,394)	**(11,164)**	(11,164)
Translation reserve	33	**(12,823)**	(9,543)	**–**	–
		30,284	33,024	**13,519**	14,070
Non-controlling interest		**(63)**	(59)	**–**	–
Total equity		**30,221**	32,965	**13,519**	14,070
Total liabilities and equity		**39,352**	45,591	**25,029**	26,030

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Attributable to owners of the Company							
	Share capital S$'000	Treasury shares S$'000	Accumulated losses S$'000	Other reserves S$'000	Translation reserve S$'000	Total S$'000	Non-controlling interest S$'000	Total S$'000
Group								
31 December 2022								
Balance at 1 April 2022	**549,704**	**(1,098)**	**(499,645)**	**(6,394)**	**(9,543)**	**33,024**	**(59)**	**32,965**
Profit for the period	**–**	**–**	**540**	**–**	**–**	**540**	**–**	**540**
Other comprehensive loss, net of tax	**–**	**–**	**–**	**–**	**(3,280)**	**(3,280)**	**(4)**	**(3,284)**
Total comprehensive income/(loss) for the period	**–**	**–**	**540**	**–**	**(3,280)**	**(2,740)**	**(4)**	**(2,744)**
Balance at 31 December 2022	**549,704**	**(1,098)**	**(499,105)**	**(6,394)**	**(12,823)**	**30,284**	**(63)**	**30,221**
31 March 2022								
Balance at 1 January 2021	548,020	(3,547)	(492,667)	(5,031)	(9,818)	36,957	(61)	36,896
Loss for the period	–	–	(7,013)	–	–	(7,013)	–	(7,013)
Other comprehensive income, net of tax	–	–	35	–	275	310	2	312
Total comprehensive income/(loss) for the period	–	–	(6,978)	–	275	(6,703)	2	(6,701)
Issue of ordinary shares under PSP 2021	1,684	2,449	–	(1,363)	–	2,770	–	2,770
Balance at 31 March 2022	**549,704**	**(1,098)**	**(499,645)**	**(6,394)**	**(9,543)**	**33,024**	**(59)**	**32,965**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	Period from 1.1.2021 to 31.3.2022 S$'000
Cash Flows from Operating Activities		
Profit/(Loss) before taxation from continuing operations	**1,127**	(3,814)
Profit/(Loss) before taxation from discontinued operations	**4**	(2,628)
Total profit/(loss) before taxation	**1,131**	(6,442)
Adjustments for:		
Depreciation and amortisation	**506**	1,939
Impairment loss on non-trade debts	**–**	216
Write off of non-trade debts	**71**	–
Allowance/(Reversal) of impairment loss of trade debts, net	**15**	(214)
Allowance for inventory obsolescence, net	**168**	221
Interest income from cash deposits	**(199)**	(286)
Loss on revaluation of investment properties	**31**	250
Impairment loss on property, plant and equipment	**–**	1,736
Intangible assets written off	**–**	125
Expense recognised in respect of equity-settled employees share incentive plan	**–**	2,770
Fair value (gain)/loss for financial assets, at FVPL	**(12)**	201
(Gain)/Loss on disposal of property, plant and equipment	**(34)**	155
Loss/(Gain) on disposal of subsidiaries	**45**	(125)
Finance costs	**133**	172
Unrealised foreign exchange differences	**(720)**	(108)
Operating cash flows before working capital changes	**1,135**	610
Increase in inventories	**(1,747)**	(2,491)
Decrease in trade receivables	**813**	1,239
Decrease/(Increase) in other receivables and deposits	**519**	(2,684)
Decrease in prepayments	**165**	1,813
Increase/(Decrease) in trade creditors	**471**	(1,123)
Increase in other creditors and accruals	**453**	2,358
(Decrease)/Increase in contract liabilities	**(19)**	860
Cash flows generated from operating activities	**1,790**	582
Interest paid	**(133)**	(172)
Income tax paid	**(558)**	(324)
Net cash flows generated from operating activities	**1,099**	86

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	Period from 1.1.2021 to 31.3.2022 S$'000
Cash Flows from Investing Activities		
Interest income received from cash deposits	**199**	286
Proceeds from disposal of property, plant and equipment	**77**	404
Purchase of property, plant and equipment	**(744)**	(594)
Purchase of investment properties	**(843)**	–
Purchase of intangible assets	**–**	(61)
Cash flow (net) consequent to disposal of investment in subsidiaries	**1,523**	(665)
Net cash flows generated from/(used in) investing activities	**212**	(630)
Cash Flows from Financing Activities		
(Placement)/Withdrawal of cash and bank deposits pledged	**(690)**	1,867
Proceeds of loans and bank borrowings, net	**52**	210
Repayment of lease liabilities	**(496)**	(1,894)
Net cash flows (used in)/generated from financing activities	**(1,134)**	183
Net increase/(decrease) in cash and cash equivalents	**177**	(361)
Effect of exchange rate changes on cash and cash equivalent	**(833)**	–
Cash and cash equivalents at the beginning of the period	**7,967**	8,328
Cash and cash equivalents at the end of the period (Note 16)	**7,311**	7,967

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1 GENERAL

Digilife Technologies Limited (the "Company") is a limited liability company, incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 26 February 2021, the Company transferred its listing from the Main Board to the Catalist of the SGX-ST.

The registered office and principal place of business of the Company is located at 1 North Bridge Road, #19-04/05 High Street Centre, Singapore 179094.

The principal activities of the Company are rendering of telecommunication services and distribution of telecommunication handsets. The principal activities of the subsidiaries are disclosed in Note 20 to the financial statements.

The financial statements for the financial period ended 31 December 2022 were approved and authorised for issue by the board of directors in accordance with a resolution of the directors on the date of the Directors' Statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Basis of Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when all three elements of control are present: (a) power over the entity; (b) exposure or rights to variable returns from its involvement with the entity; and (c) ability to use its power to affect the amount of its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the statement of financial position of the Company. On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in the income statement.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Consolidation (Continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Consolidation (Continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with SFRS(I) 9 *Financial Instruments* either in income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the subsidiaries financial statements to ensure consistency of accounting policies with that of the Group.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated income statement.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(c) Transactions with Non-Controlling Interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the statements of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. Equity in an associate is accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's net investment in its associate. The Group determines at each financial year end whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates are accounted for at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign Currencies

Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates ("functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in Singapore Dollar ("S$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions.

At the financial period end, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the financial period end are recognised in the consolidated income statement, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. These currency translation differences are recognised in the foreign currency translation reserve in the consolidated financial statements and transferred to the consolidated income statement as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of Group entities' financial statements

The results and financial position of each of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– Assets and liabilities are translated at the closing exchange rate at the financial period end;

– Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of transactions); and

– All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the Group are reclassified to the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign Currencies (Continued)

Translation of Group entities' financial statements (Continued)

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the financial period end.

(f) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2(n) to the financial statements. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Buildings

Buildings are initially recorded at cost and are subsequently carried at revalued amounts. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. Revaluation will be based on valuation by professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in the income statement. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in the consolidated income statement.

Work in Progress

Work in progress comprises of battery electric vehicles and other miscellaneous tools and parts that are not capable of being used during the current financial year. These assets are carried at cost, less any recognised impairment losses. Depreciation of these assets commences when the assets are ready for their intended use.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, Plant and Equipment (Continued)

Work in Progress (Continued)

The residual values, useful lives and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate. This ensures that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the item of property, plant and equipment.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture, fixtures and fittings	3 – 10 years
Computer equipment	2 – 5 years
Office equipment	3 – 8 years
Motor vehicles	3 – 10 years
Leasehold improvement	3 – 20 years
Buildings	20 years

Computer equipment includes office computers, telecommunication equipment and network equipment. Fully depreciated property, plant and equipment are retained in the consolidated financial statements until they are no longer in use.

Disposal

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement. Any amount in revaluation reserve is transferred to accumulated losses directly. No transfer is made from the revaluation reserve to accumulated losses except when an asset is derecognised.

(g) Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value, determined annually by independent professional valuers on the highest-and-best use basis. Gains and losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the period in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvements is recognised in the consolidated income statement when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the income statement in the year of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment Properties (Continued)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in the income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in the consolidated income statement.

When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

(h) Intangible Assets

i. Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

ii. Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible Assets (Continued)

ii. Other intangible assets (Continued)

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss through the 'amortisation of intangible assets' line item.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

a. Patents, trademarks and licences

The initial costs of acquiring patents, trademarks and licences are capitalised and charged to profit or loss over the license period from 3 to 10 years. The costs of applying for and renewing patents and licences are charged to profit or loss.

The carrying amounts of patents, trademarks and licenses are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment in amount is provided in full.

b. Customer contracts, order backlog, customer relationship and marketing rights

Customer contracts, order backlog, customer relationship and marketing rights acquired through business combinations are measured at fair value as at the date of acquisitions. Subsequently, customer contracts, order backlog, customer relationship and marketing rights are amortised on a straight-line basis over their estimated useful lives of 1 to 20 years.

The carrying amounts of customer contracts, order backlog, customer relationship and marketing rights are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment in amount is provided in full.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible Assets (Continued)

ii. Other intangible assets (Continued)

c. Research and development costs

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs have a finite useful life and are amortised over the period of 3 years from the completion of the related project on a straight-line basis.

(i) Financial Assets

Classification and Measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives, if any, are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>Initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Assets (Continued)

Classification and Measurement (Continued)

Subsequent measurement

i. Debt instruments

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other income/other expenses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income", if any.

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income/other expenses", if any.

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables measured at amortised cost.

ii. Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other income/other expenses", except for those equity securities which are not held for trading which is presented in other comprehensive income. Movements in fair values of investments classified as FVOCI are presented as "gains/losses on fair value changes" in OCI, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Assets (Continued)

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings, if any.

Impairment

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Assets (Continued)

Impairment (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not consider otherwise (e.g. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in income statement.

(j) Contract Costs

The Group capitalises costs incurred in fulfilling a contract with the customer only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligation in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are recognised as an asset (i.e. Contract costs – fulfilment) in the statements of financial position. Upon fulfilment of the performance obligation and recognition of revenue, these costs will be recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

(l) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

The Group recognises other borrowing costs as an expense in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(p) Leases

i. When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in "Property, plant and equipment" and lease liabilities in "Lease liabilities" in the statements of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Leases (Continued)

i. When the Group is the lessee (Continued)

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Impairment of Non-financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group based its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, the Group has used cash flow projections based on detailed budgets and forecast calculations that is deemed reliable and accurate.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the profit and loss is treated as a revaluation increase.

(r) Revenue Recognition

Revenue of the Group comprises fees earned from telecommunication and internet service provider ("ISP") services rendered, sale of software licences, distribution of telecom operator products and services, distribution of telecommunication handsets, related products and services, and the supply, rental, maintenance and servicing of computer hardware and peripheral equipment and systems integration service relating to computer equipment and peripherals, storage systems and networking products and the business of battery electric vehicles and passenger land transport. These revenues are categorised into operating segments (Note 38) as detailed in Note 2(u) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue Recognition (Continued)

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The specific recognition criteria must also be met before revenue is recognised for goods and services sold.

Goods and Services Sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer which coincides with delivery of goods or rendering of services. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for the time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The Group considers certain services to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services. Discounts are not considered as they are only given in rare circumstances and are never material. Revenue from the maintenance services and rental of battery electric vehicles is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service.

Revenue from distribution of operator products and services is recognised at a point in time when goods are delivered and services are rendered respectively.

Financing Component

The Group does not have any significant financing component in its contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee Benefits

i. Defined contribution plans

The Group has complied with the mandatory contribution schemes including national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

ii. Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the financial year end.

iii. Employee share incentive plan

Employees (including senior executives and Directors) of the Group receive remuneration in the form of share options and performance shares as consideration for services rendered ('equity-settled transactions').

The cost of equity-settled share-based transactions with employees is measured by reference to the fair value at the date on which the share options and performance shares are granted which takes into account market conditions and non-vesting conditions. The Group has plans that are time-based and performance-based. In valuing the performance-based plans, no account is taken of any performance conditions.

The cost of equity-settled share-based transactions is recognised in the income statement, together with a corresponding increase in the employee share-based payment reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and the end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share-based payment reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share-based payment reserve is transferred to share capital if new shares are issued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee Benefits (Continued)

iv. Defined benefit plan

The Group provides additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the respective jurisdiction, in accordance to the local legal regulations.

The said additional provisions are estimated using actuarial calculations based on the report prepared by independent actuary firms. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in accumulated losses and will not be reclassified to the consolidated income statement. Past service cost is recognised in the consolidated income statement in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

(a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

(b) Net interest expense or income; and

(c) Remeasurement.

The Group presents the first two components of defined benefit costs in the consolidated income statement in the line item 'personnel costs'. Curtailment gains and losses are accounted for as past service costs.

(t) Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Taxes (Continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the financial year end and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the financial year end, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition when a business combination is initially accounted for but is subsequently realised, the acquirer shall recognise the resulting deferred tax income in profit or loss or a reduction to goodwill (as long as it does not exceed goodwill) if incurred during the measurement period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Taxes (Continued)

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the income statement, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

(u) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

1. the nature of the products;
2. the type or class of customer for their products and services; and
3. methods used to distribute their products to the customers or provide their services.

    i. Operating Segments

    The main operating segments of the Group are:

    a. Telecom:

        (i) Distribution of mobile prepaid cards; and

        (ii) Sale of mobile handsets, related products and services.

    b. Technology

        1. Information and Communications Technology ("ICT") distribution & managed services:

            (i) Supply, rental, maintenance and servicing of computer hardware and peripheral equipment;

            (ii) Systems integration service related to computer equipment and peripherals, storage systems, networking products, customised solutions and software products;

            (iii) Networking and routing solutions for large enterprise networks with related switches, monitors, solutions, hardware and facilities management services;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Segment Reporting (Continued)

3. methods used to distribute their products to the customers or provide their services. (Continued)

   i. Operating Segments (Continued)

      b. Technology (Continued)

         1. Information and Communications Technology ("ICT") distribution & managed services: (Continued)

            (iv) Cloud computing and innovative data, security, backup, disaster recovery solutions with related infrastructure services; and

            (v) ISP service that offers an extensive portfolio of data services includes broadband, lease line access, private network, network security, hosted services and Information Technology ("IT") solutions to corporate users and consumers.

         2. Battery electric vehicles comprising:

            (i) Business of battery electric vehicles and passenger land transport. This segment had been disposed on 29 April 2022.

   ii. Geographical Information

      The Group has organised geographical segments according to the region in which the reporting Company is incorporated in. Assets and capital expenditure are based on the location of the assets.

(v) Share Capital and Share Issue Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are shown separately under other reserves.

(w) Related Parties

A related party is defined as follows:

a. A person or a close member of that person's family is related to the Group and Company if that person:

   i. has control or joint control over the Company;

   ii. has significant influence over the Company; or

   iii. is a member of the key management personnel of the Group or the Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Related Parties (Continued)

b. An entity is related to the Group and the Company if any of the following conditions apply:

i. the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

iii. both entities are joint ventures of the same third party;

iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

v. the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

vi. the entity is controlled or jointly controlled by a person identified in (a);

vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(x) Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

(y) Treasury Shares

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount comprising of the consideration paid and any directly attributable incremental cost is presented as two components within equity attributable to the Company's equity holders as treasury shares and other reserves respectively, until they are cancelled, sold or re-issued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Treasury Shares (Continued)

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued, the cost of treasury shares is reversed from the treasury shares and other reserves accounts respectively and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

(z) Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and;

i. Represents a separate major line of business or geographical area of operations; or

ii. is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

iii. is a subsidiary acquired exclusively with a view to resale.

When a component of an entity qualifies as a discontinued operation, the comparative consolidated income statement is retrospectively restated to segregate the results of all operations that have been discontinued by the end of the latest reporting period.

(aa) Contingencies

A contingent liability is:

i. a possible obligation that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

ii. a present obligation that arises from past events but is not recognised because:

   (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (b) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and the fair values can be reliably determined thereof.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(bb) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at each financial year end. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial period end are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 20 years. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 December 2022 are approximately S$1,093,000 and S$11,000 (31 March 2022: S$1,117,000 and S$22,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If depreciation on property, plant and equipment increases/decreases by 10% (31 March 2022: 10%) from management's estimate, the Group's results before taxation from continuing operations will decrease/increase by approximately S$34,000 (31 March 2022: S$68,000).

ii. Impairment of trade and other receivables and loan receivable

As at 31 December 2022, the Group's trade and other receivables and loan receivable amounted to S$8,064,000 (31 March 2022: S$9,463,000), net of allowance for impairment, arising from the Group's different revenue segments as disclosed in Note 2(u).

Based on the Group's historical credit loss experience, trade and other receivables exhibited different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected credit loss rates by grouping the receivables across geographical regions in each revenue segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Key Sources of Estimation Uncertainty (Continued)

ii. *Impairment of trade and other receivables and loan receivable* (Continued)

An allowance for impairment of S$6,854,000 (31 March 2022: S$6,792,000) for trade and other receivables and loan receivable was recognised as at 31 December 2022.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There is no major customer in financial difficulties during the financial period.

The Group's and the Company's credit risk exposure for trade and other receivables and loan receivable by different revenue segment are set out in Note 40(a).

iii. *Impairment of investment in subsidiaries*

The Company follows the guidance of SFRS(I) 1-36 in determining the recoverability of its investment in subsidiaries. The recoverable amount of investment in subsidiaries has been determined based on management's assessment of the fair value of the subsidiaries' assets and liabilities as at the financial year end. The measurement was categorised as a Level 2 fair value, as defined in Note 41 to the consolidated financial statements. The significant assumptions used refer to the fair value of the subsidiaries' investment properties and property, plant and equipment (Notes 18 and 17).

iv. *Defined benefits plan*

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return of assets, future salary increases, mortality rates and future pension increases. The carrying amount of the Group's employee benefits liabilities as at 31 December 2022 is S$649,000 (31 March 2022: S$646,000). Further details are given in Note 34(b) to the financial statements.

v. *Impairment of property, plant and equipment*

The Group and the Company assess impairment of property, plant and equipment at each period end by evaluating conditions specific to the Group and the Company that may lead to impairment of assets.

Impairment assessment of property, plant and equipment includes considering certain indications such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant under-performance relative to the expected historical or future operating results and significant negative industry or economic trends.

Where there are indications of impairment of its assets, the management estimates the recoverable amounts of these assets to determine the extent of the impairment loss, if any. The recoverable amounts of these assets are determined based on the higher of fair value less cost to sell and value-in-use.

For the previous financial period ended 31 March 2022, the Group recognised an impairment loss on motor vehicles of S$1,736,000 based on the fair value of the motor vehicles. No additional impairment loss on property, plant and equipment has been recognised for the current financial period ended 31 December 2022. The carrying amount of the Group's property, plant and equipment as at 31 December 2022 is S$1,093,000 (31 March 2022 : S$1,117,000) as disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical Judgements made in applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements:

i. *Determination of functional currency*

The Group measures foreign currency transactions in the respective functional currencies of its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

ii. *Allowance for inventories obsolescence*

Reviews are made periodically by management on inventories for inventory obsolescence and decline in net realisable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving experiences. Allowances for inventories are written back upon subsequent sale of the inventories.

During the financial period ended 31 December 2022, the Group has recognised an allowance of S$31,000 for inventory obsolescence (31 March 2022: Nil) and wrote off inventories of S$137,000 (31 March 2022: S$505,000). The Group also wrote back an allowance for inventories of Nil (31 March 2022: S$284,000) upon the sale of inventories, allowance thereof had been recognised previously.

The carrying amount of the Group's inventories as at 31 December 2022 was S$12,285,000 (31 March 2022: S$11,462,000).

iii. *Income taxes*

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Group's tax payable, tax recoverable, deferred tax assets and deferred tax liabilities as at 31 December 2022 were S$299,000, S$1,181,000, S$297,000 and S$509,000 (31 March 2022: S$84,000, S$1,123,000, S$421,000 and S$513,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical Judgements made in applying Accounting Policies (Continued)

iv. Control over PT Technomas Internusa as a subsidiary

Note 20 to the financial statements describes that PT Technomas Internusa ("TIN") is a subsidiary of the Group although the Group does not own any equity interest in TIN. Based on the contractual arrangements between the Group and the shareholders of TIN, the Group has the power to direct the relevant activities of TIN based on the extent of managerial involvement and voting rights. Therefore, the directors concluded that it has the practical ability to direct the relevant activities of TIN unilaterally and have exposure to variable returns and hence the Group has control over TIN.

4 TURNOVER AND CONTRACT LIABILITIES

Turnover from continuing operations comprises the following:

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Telecom		
Distribution of operator products and services	**163,927**	255,956
Technology		
ICT distribution and managed services	**10,660**	42,742
Others	**–**	45
	174,587	298,743
Turnover from the sale of goods	**169,613**	294,553
Turnover from the rendering of services	**4,974**	4,190
	174,587	298,743

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

	At a point in time S$'000	**Over time S$'000**	**Total S$'000**
31.12.2022			
Telecom			
Distribution of operator products and services			
– Indonesia	**163,927**	**–**	**163,927**
Technology			
ICT distribution and managed services			
– India	**5,686**	**4,974**	**10,660**
Total	**169,613**	**4,974**	**174,587**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

4 TURNOVER AND CONTRACT LIABILITIES (CONTINUED)

Disaggregation of revenue from contracts with customers (Continued)

	At a point in time S$'000	Over time S$'000	Total S$'000
31.3.2022			
Telecom			
Distribution of operator products and services			
– Indonesia	255,956	–	255,956
Technology			
ICT distribution and managed services			
– Singapore	17,923	4,145	22,068
–India	11,623	9,051	20,674
	29,546	13,196	42,742
Others			
– Singapore	–	45	45
Total	285,502	13,241	298,743

Revenue from the maintenance services is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service.

Contract balances

	Group		
	31.12.2022 S$'000	31.3.2022 S$'000	31.12.2020 S$'000
Contract liabilities – current			
– ICT managed services	**618**	688	1,633
– Others	**–**	–	41
	618	688	1,674
Contract liabilities – non-current			
– ICT managed services	**366**	418	515
	984	1,106	2,189

Contract liabilities relate to the Group's obligation to perform services to customers for which the Group has received consideration from customers for mainly ICT managed services. Contract liabilities are recognised as revenue as the Group performs under the contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

4 TURNOVER AND CONTRACT LIABILITIES (CONTINUED)

Contract balances (Continued)

Significant changes in the contract liabilities balances during the reporting period are disclosed as follows:

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Revenue recognised in the current period that was included in the contract liability balance at the beginning of the period	**(960)**	(2,189)
Increase due to cash received, excluding amounts recognised as revenue during the period	**941**	1,106
Exchange differences	**(103)**	–

No revenue is recognised during the financial period ended 31 December 2022 from performance obligations satisfied (or partially satisfied) in the previous periods, due to changes in transaction price.

Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2022 is S$5,896,000 (31 March 2022: S$8,233,000).

The Group expects to recognise S$3,316,000 (31 March 2022: S$4,028,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2022 within one year, and S$2,580,000 (31 March 2022: S$4,205,000) after one year.

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods of one year or less, or billed based on time incurred, is not disclosed.

4(a) Purchases and Changes in Inventories and Direct Service Fees Incurred

Purchases and changes in inventories and direct service fees incurred comprise the following:

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Telecom		
Distribution of operator products and services	**155,087**	241,290
Technology		
ICT distribution and managed services	**5,536**	30,689
	160,623	271,979

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

5 OTHER INCOME FROM CONTINUING OPERATIONS

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Other income – operating:		
– Rental income	**57**	71
– Write-back of trade and sundry payables	**45**	–
– Support service to a related party	**–**	9
– Job Support Scheme	**–**	269
– Reversal of overprovision of employee costs	**–**	204
– Others	**134**	296
	236	849
Other income – non-operating:		
– Gain/(Loss) on disposal of property, plant and equipment	**34**	(68)
– Gain on disposal of subsidiaries (Note 20)	**–**	125
– Others	**14**	1
	48	58
Interest income:		
– Fixed deposits	**177**	191
– Bank balances	**15**	1
– Others	**7**	94
	199	286

Write-back of trade and sundry payables in the current financial period is related to certain accruals and liabilities that were no longer required.

Job Support Scheme was an one-off grant received from the Government for the relief of Covid-19.

6 PERSONNEL COSTS FROM CONTINUING OPERATIONS

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Salaries and allowances	**7,553**	14,716
Central Provident Fund contributions	**495**	1,114
Defined benefit plan (Note 34(b))	**103**	116
Staff welfare	**234**	471
Insurance	**58**	200
Performance share plan costs	**–**	2,770
Other personnel costs	**148**	689
	8,591	20,076

Other personnel costs include mainly medical fees, recruitment costs, training costs and provision for unpaid leave balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

7 PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUING OPERATIONS

Profit/(Loss) before taxation from continuing operations is stated after charging/(crediting) the following:

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Audit fees paid/payable to:		
– Auditors of the Company	**166**	290
– Other auditors		
– network firms	**102**	122
– non-network firms	**10**	17
Directors' fees:		
– Directors of the Company	**70**	99
Other professional fees	**565**	980
Equipment rental*	**45**	59
Foreign exchange (gain)/loss	**(542)**	457
Telecommunication expenses	**150**	242
Travelling and entertainment	**1,027**	1,293
Impairment loss on non-trade debts (Notes 40(a) and 13)	**–**	216
Write off of non-trade debts	**71**	–
Impairment loss on trade debts (Notes 40(a) and 12)	**15**	18
Write-back of impairment loss on trade debts (Note 40(a))	**–**	(232)
	15	(214)
Allowance for inventory obsolescence (Note 11)	**31**	–
Write-back of allowance for inventory obsolescence (Note 11)	**–**	(284)
Write off of inventories (Note 11)	**137**	505
	168	221
Loss on revaluation of investment properties	**31**	250
Impairment loss on property, plant and equipment	**–**	1,736
Fair value (gain)/loss for financial assets, at FVPL	**(12)**	201
Intangible assets written off	**–**	125
Interest expense on lease liabilities (Note 36)	**1**	28
Interest expense on loans and borrowings	**114**	108
	115	136

* pertains to short term lease of vehicle rental

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

8 TAXATION

Major components of income tax expense

The major components of income tax expense for the financial period ended 31 December 2022 and financial period ended 31 March 2022 are:

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Consolidated income statement:		
– Current income tax	**509**	477
– (Over)/Underprovision in respect of previous years	**(10)**	9
	499	486
Deferred income tax (Note 25)		
– Origination and reversal of temporary differences	**92**	85
Income tax expense	**591**	571

Foreign currency translation gain recognised in profit or loss upon disposal of foreign subsidiaries presented under other comprehensive income have no income tax impact.

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting results multiplied by the applicable corporate tax rate for the financial period ended 31 December 2022 and 31 March 2022 is as follows:

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Profit/(Loss) before taxation from continuing operations	**1,127**	(3,814)
Profit/(Loss) before taxation from discontinuing operations	**4**	(2,628)
	1,131	(6,442)
Tax at the domestic rates applicable to pre-tax profit or loss in the countries concerned*	**385**	(392)
Adjustments:		
Tax effect of expenses not deductible for tax purposes#	**77**	1,084
Deferred tax assets not recognised	**170**	531
Income not subject to taxation##	**(31)**	(661)
(Over)/Underprovision of income tax in respect of previous years	**(10)**	9
Income tax expense recognised in the income statement	**591**	571

* The reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

\# The expenses not deductible for tax purposes mainly relate to impairment loss on non-trade receivables.

\#\# The income not subject to taxation mainly relate to disposal of subsidiary during the current financial period and exchange movements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

8 TAXATION (CONTINUED)

Relationship between tax expense and accounting profit (Continued)

The Group, in arriving at the current tax liabilities for the Singapore companies, has taken into account losses to be transferred under the loss transfer system of group relief in Singapore. This is subject to compliance with the relevant rules and procedures and agreement of the Inland Revenue Authority of Singapore. The current year tax expense of the Group is net of the tax effects of the unutilised tax losses transferred.

The use of these tax losses and unabsorbed capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Estimated unutilised tax losses	**116,570**	118,852

The unutilised tax losses do not expire except for unutilised tax losses relating to subsidiaries in Indonesia, Thailand, China and Malaysia which have expiry periods of between 5 and 20 years. The breakdown of unutilised tax losses with expiry thereof is as follows:

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Expiry dates		
31 March 2024	**626**	685
31 March 2025	**356**	396
31 March 2026	**382**	423
31 March 2027	**220**	236
31 March 2028 and thereafter	**21,577**	22,560

9 DISCONTINUED OPERATIONS

On 3 December 2021, the Company entered into a share purchase agreement with a buyer to dispose of the Group's subsidiary, Singapore Electric Vehicles Pte. Ltd., which solely runs the Battery Electric Vehicles ("BEV") Business. On 4 April 2022, the Company obtained the shareholders' approval for the disposal at an Extraordinary General Meeting. On 29 April 2022, the Company completed the disposal of 90% shareholding interests in Singapore Electric Vehicles Pte. Ltd. ("SEV").

The disposal was consistent with the Group's plan to divest non-strategic/core and/or loss-making entities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

9 DISCONTINUED OPERATIONS (CONTINUED)

Analysis of loss for the period from discontinued operations of the following disposed entity, SEV:

The results of the discontinued operations included in the consolidated income statement are set out below. The comparative statement of comprehensive income has been re-presented to include those operations classified as discontinued in the current period.

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	**Period from 1.1.2021 to 31.3.2022 S$'000**
Turnover	**274**	1,395
Operating expenses		
Purchases and changes in inventories and direct service fees incurred	**(107)**	(127)
Personnel costs	**–**	(452)
Infrastructure costs	**–**	(78)
Marketing expenses	**–**	(1)
Other expenses – operating	**(106)**	(606)
Other income – non-operating	**98**	59
Other expenses – non-operating	**–**	(1,764)
Finance costs	**(18)**	(36)
Depreciation of property, plant and equipment	**(92)**	(999)
Amortisation of intangible assets	**–**	(19)
Profit/(Loss) before tax from discontinued operations	**49**	(2,628)
Loss on disposal of operations	**(45)**	–
Taxation	**–**	–
Profit/(Loss) for the period from discontinued operations, net of tax	**4**	(2,628)
Profit for the year from discontinued operation (attributable to owners of the Company)	**4**	(2,628)
Cash flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	**967**	(1,425)
Net cash (outflows)/inflows from investing activities	**(300)**	180
Net cash (outflows)/inflows from financing activities	**(484)**	1,868
Net cash inflows	**183**	623

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

9(a) Disposal group classified as held for sale

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Assets related to battery electric vehicles	–	6,796
Liabilities associated with assets held for sale	–	4,003

The major classes of assets and liabilities of the BEV business at the end of the reporting period are as follows:

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Trade receivables	–	32
Other receivables and deposits	–	2,021
Prepayments	–	141
Cash and bank balances	–	794
Property, plant and equipment	–	3,808
Assets of disposal group classified as held for sale	–	6,796
Trade creditors	–	411
Other creditors and accruals	–	1,897
Contract liabilities	–	79
Lease liabilities	–	1,616
Liabilities of disposal group classified as held for sale	–	4,003
Net assets of disposal group classified as held for sale	–	2,793

10 EARNINGS/(LOSS) PER SHARE

	Group	
	Period from 1.4.2022 to 31.12.2022 Cents per share	**Period from 1.1.2021 to 31.3.2022 Cents per share**
Basic and diluted earnings per share:		
From continuing operations	**3.96**	(33.58)
From discontinued operations	**0.03**	(20.12)
	3.99	(53.70)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

10 EARNINGS/(LOSS) PER SHARE (CONTINUED)

(a) Basic Earnings/(loss) per Share

Basic earnings/(loss) per share is calculated by dividing profit/(loss), net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period. The following table reflects the profit/(loss) and share data used in the basic and diluted earnings/(loss) per share computation for the following period:

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	Period from 1.1.2021 to 31.3.2022 S$'000
Net profit/(loss) attributable to ordinary shareholders for computing basic and diluted earnings per share	**540**	(7,013)

	Group	
	31.12.2022 '000	31.3.2022 '000
Weighted average number of ordinary shares (excluding treasury shares) as at 31 December 2022 and 31 March 2022 for the purpose of computing the basic earnings per share as disclosed in Note 29	**13,519**	**13,059**

(b) Diluted Earnings/(Loss) per Share

Diluted earnings/(loss) per share is calculated by dividing profit/(loss), net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	31.12.2022 '000	31.3.2022 '000
Weighted average number of ordinary shares (excluding treasury shares) as at 31 December 2022 and 31 March 2022 for the purpose of computing the basic earnings per share as disclosed in Note 29	**13,519**	**13,059**

11 INVENTORIES

	Group		Company	
	31.12.2022 S$'000	31.3.2022 S$'000	31.12.2022 S$'000	31.3.2022 S$'000
Inventories	**12,285**	**11,462**	**–**	**–**

The cost of inventories recognised as an expense amounted to S$160,623,000 (31 March 2022: S$268,906,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

11 INVENTORIES (CONTINUED)

The Group has recognised an allowance of S$31,000 for inventory obsolescence (31 March 2022: Nil) and wrote off inventories of S$137,000 (31 March 2022: S$505,000).

The Group wrote back an allowance for inventories amounting to Nil (31 March 2022: S$284,000) upon the sale of inventories, allowance thereof had been recognised previously.

The Group has subject the inventories amounting to S$8,176,000 (31 March 2022: S$7,841,000) to collateral charge as security for bank facilities (Note 28).

12 TRADE RECEIVABLES

	Group		Company	
	31.12.2022 S$'000	**31.3.2022 S$'000**	**31.12.2022 S$'000**	**31.3.2022 S$'000**
Trade receivables	**6,750**	8,040	**490**	501
Less:				
Allowance for impairment	**(2,294)**	(2,150)	**(443)**	(448)
Net trade receivables	**4,456**	5,890	**47**	53
Add:				
Long-term loans and advances to subsidiaries (Note 24)	**–**	–	**465**	483
Other receivables, deposits and tax recoverable (Note 13)	**3,608**	3,573	**209**	210
Cash and cash equivalents (Note 16)	**7,820**	6,499	**3,900**	2,076
Fixed deposits (Note 16(a))	**4,385**	4,878	**–**	30
Due from subsidiaries (Note 15)	**–**	–	**174**	168
Total financial assets	**20,269**	20,840	**4,795**	3,020

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Allowance for impairment for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL") as disclosed in the accounting policy in Note 2(i). The Group has recognised a loss allowance of 100% against certain receivables over 365 days past due (credit-impaired) because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period. None of the trade receivables that have been written off is subject to recovery process.

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

12 TRADE RECEIVABLES (CONTINUED)

The Group's and the Company's movement in credit loss allowance for impairment and credit risk in relation to trade receivables from contracts with customers under SFRS(I) 9 as at 31 December 2022 are set out in the provision matrix as presented in Note 40(a). The Group's provision for loss allowance is determined based on the default rate by credit rating of customers, obtained from independent credit rating companies.

Receivables pledged as collateral

The Group has pledged trade receivables with a carrying amount of S$860,000 (31 March 2022: S$621,000) as collateral to secure a subsidiary's bank loans (Note 28).

13 OTHER RECEIVABLES, DEPOSITS AND TAX RECOVERABLE

	Group		Company	
	31.12.2022 S$'000	**31.3.2022 S$'000**	**31.12.2022 S$'000**	**31.3.2022 S$'000**
Other receivables and deposits				
Current				
Other receivables				
– Third parties	**4,779**	4,838	**863**	863
– Related parties	**1**	1	**1**	1
	4,780	4,839	**864**	864
Less:				
Allowance for impairment	**(2,722)**	(2,804)	**(804)**	(804)
	2,058	2,035	**60**	60
Deposits	**309**	309	**149**	150
Interest receivable	**10**	17	**–**	–
	2,377	2,361	**209**	210
Non-current				
Other receivables	**50**	89	**–**	–
Total other receivables and deposits	**2,427**	2,450	**209**	210
Tax recoverable				
Current	**1,181**	1,123	**–**	–

Other receivables mainly relate to value-added tax receivables and accrued performance bonuses for the distribution of operator products and services.

For the purpose of impairment assessment, the Group has recognised a loss allowance of 100% against certain receivables over 365 days past due (credit-impaired) because historical experience has indicated that these receivables are generally not recoverable. The remaining other receivables are considered to have low credit risk as at 31 December 2022 as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit loss ("ECL") which reflects the low credit risk of the exposures. There is no allowance for impairment arising from these net outstanding balances as the expected credit losses are not material. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

The Group's and the Company's movement in credit loss allowance for impairment and credit risk in relation to other receivables under SFRS(I) 9 as at 31 December 2022 are set out in the provision matrix as presented in Note 40(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

14 PREPAYMENTS

	Group		Company	
	31.12.2022	**31.3.2022**	**31.12.2022**	**31.3.2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Other prepaid expenses	**547**	817	**4**	54
Prepaid selling expenses	**119**	132	**–**	–
	666	949	**4**	54

Total prepaid expenses mainly relate to advance payments to vendors by subsidiaries.

15 DUE FROM/(TO) SUBSIDIARIES

Amounts due from subsidiaries to the Company are stated after deducting allowance for impairment of S$317,000 (31 March 2022: S$317,000).

The net amounts due to subsidiaries of S$4,461,000 (31 March 2022: S$4,927,000) include trade payables of S$4,635,000 (31 March 2022: S$5,095,000) which is unsecured, interest-free and repayable based on normal credit terms and non-trade receivables of S$174,000 (31 March 2022: S$168,000) which is unsecured, interest-free and to be settled in cash.

Movement in the allowance account:

	Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning of the period	**317**	1,824
Write back consequent to capitalisation of amount due from subsidiary	**–**	(1,507)
At the end of the period	**317**	317

15(a) Long-Term Loans and Advances from Subsidiaries

The loans bear interest of 4% (31 March 2022: 4%) per annum and will mature on 30 June 2026. The loan amounts at the end of the financial period were S$6,385,000 (31 March 2022: S$6,217,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Group		Company	
	31.12.2022 S$'000	**31.3.2022 S$'000**	**31.12.2022 S$'000**	**31.3.2022 S$'000**
Fixed deposits	**4,599**	3,348	**3,062**	1,651
Cash and bank balances	**3,221**	3,151	**838**	425
	7,820	6,499	**3,900**	2,076
Less:				
Cash and bank deposits pledged	**(1,537)**	(1,697)	**–**	–
Add:				
Unpledged fixed deposits (Note 16(a))	**1,028**	2,371	**–**	–
Cash and bank balances included in a disposal group held for sale (Note 9(a))	**–**	794	**–**	–
Cash and cash equivalents per statement of cash flows	**7,311**	7,967	**3,900**	2,076

Fixed deposits with financial institutions mature in varying periods from the financial period end.

Fixed deposits earn interest at the effective interest rates at 2.3% (31 March 2022: 0.3% to 1.9%) per annum. The maturity dates are between 1 January 2023 and 31 January 2023 (31 March 2022: between 1 April 2022 and 30 June 2022).

Cash at bank earns interest at floating rates based on daily bank deposits ranging from 0% to 2.75% (31 March 2022: 0% to 2.75%) per annum.

Fixed deposits of S$1,537,000 (31 March 2022: S$1,697,000) are pledged as security for trust receipts, bank guarantees, standby letters of credit and other bank services.

Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents are presented net of pledged fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

16(a) Fixed Deposits

Fixed deposits comprise the following:

	Group		Company	
	31.12.2022 S$'000	**31.3.2022 S$'000**	**31.12.2022 S$'000**	**31.3.2022 S$'000**
Fixed deposits:				
– mature within one year	**3,606**	3,901	**–**	30
– mature after one year	**779**	977	**–**	–
	4,385	4,878	**–**	30
Less: Fixed deposits pledged				
– mature within one year	**(2,578)**	(1,530)	**–**	(30)
– mature after one year	**(779)**	(977)	**–**	–
	(3,357)	(2,507)	**–**	(30)
Unpledged fixed deposits (Note 16)	**1,028**	2,371	**–**	–

Fixed deposits with financial institutions mature in varying periods from the financial period end.

Mature within one year

Fixed deposits earn interest at the effective interest rates ranging from 1.9% to 6.3% (31 March 2022: 0.1% to 5%) per annum. The maturity dates are between 1 January 2023 and 31 December 2023 (31 March 2022: between 1 April 2022 and 23 May 2022).

Mature after one year

Fixed deposits earn interest at the effective interest rates ranging from 4.00% to 7.65% (31 March 2022: 2.75% to 6.75%) per annum. The maturity dates are between 3 January 2024 and 9 December 2028 (31 March 2022: between 1 April 2023 and 30 May 2027).

Fixed deposits of S$3,357,000 (31 March 2022: S$2,507,000) are pledged as security for bank guarantees for projects undertaken in India.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

17 PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and fittings S$'000	Computer equipment S$'000	Office equipment S$'000	Motor vehicles[1] S$'000	Leasehold improvement S$'000	Buildings[1] S$'000	Total S$'000
Group							
31.12.2022							
Cost or valuation							
At 1 April 2022	124	913	523	375	316	1,179	3,430
Additions[2]	3	64	293	46	–	38	444
Disposals/write-offs	(2)	(48)	(402)	(30)	(18)	–	(500)
Translation differences	(11)	(67)	(101)	(38)	(27)	(98)	(342)
At 31 December 2022	114	862	313	353	271	1,119	3,032
Comprising:							
Cost	114	862	313	353	271	–	1,913
Valuation	–	–	–	–	–	1,119	1,119
At 31 December 2022	114	862	313	353	271	1,119	3,032
Accumulated depreciation							
At 1 April 2022	108	809	271	149	293	550	2,180
Depreciation charge for the period	3	41	223	25	3	46	341
Disposals/write-offs	(2)	(46)	(361)	(30)	(18)	–	(457)
Translation differences	(10)	(56)	(103)	(15)	(29)	(45)	(258)
At 31 December 2022	99	748	30	129	249	551	1,806
Accumulated impairment							
At 1 April 2022 and 31 December 2022	6	6	9	–	13	99	133
Net carrying amount							
At 31 December 2022	9	108	274	224	9	469	1,093

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture, fixtures and fittings S$'000	Computer equipment S$'000	Office equipment S$'000	Motor vehicles[1] S$'000	Leasehold improvement S$'000	Buildings[1] S$'000	Work in progress S$'000	Total S$'000
Group								
31.3.2022								
Cost or valuation								
At 1 January 2021	133	7,788	745	7,902	343	1,228	38	18,177
Additions[2]	6	58	227	2,004	–	–	37	2,332
Disposals/write-offs	(2)	(5,783)	(387)	(558)	–	(48)	(38)	(6,816)
Derecognised on disposal of subsidiaries	(5)	(1,138)	(53)	–	(28)	–	–	(1,224)
Reclassified to disposal group classified as held for sale	(8)	–	–	(8,973)	(6)	–	(37)	(9,024)
Translation differences	–	(12)	(9)	–	7	(1)	–	(15)
At 31 March 2022	124	913	523	375	316	1,179	–	3,430
Comprising:								
Cost	124	913	523	375	316	–	–	2,251
Valuation	–	–	–	–	–	1,179	–	1,179
At 31 March 2022	124	913	523	375	316	1,179	–	3,430
Accumulated depreciation								
At 1 January 2021	112	7,595	641	2,640	295	127	–	11,410
Depreciation charge for the period	7	89	48	1,057	33	444	–	1,678
Disposals/write-offs	(2)	(5,776)	(374)	(82)	–	(23)	–	(6,257)
Derecognised on disposal of subsidiaries	(1)	(1,087)	(36)	–	(31)	–	–	(1,155)
Reclassified to disposal group classified as held for sale	(8)	–	–	(3,466)	(6)	–	–	(3,480)
Translation differences	–	(12)	(8)	–	2	2	–	(16)
At 31 March 2022	108	809	271	149	293	550	–	2,180
Accumulated impairment								
At 1 January 2021	6	6	9	–	13	99	–	133
Impairment for the period	–	–	–	1,736	–	–	–	1,736
Reclassified to disposal group classified as held for sale	–	–	–	(1,736)	–	–	–	(1,736)
At 31 March 2022	6	6	9	–	13	99	–	133
Net carrying amount								
At 31 March 2022	10	98	243	226	10	530	–	1,117

(1) Right-of-use assets arising from motor vehicles and buildings are recognised in accordance with SFRS(I) 16 *Leases*. Please see Note 36 for more information.

(2) Included in additions are cash payments of S$444,000 (31 March 2022: S$594,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group has a policy of engaging an independent external valuer to assess the valuation of buildings in Indonesia on a triennial basis or when the carrying amounts are likely to differ materially from their revalued amounts. The Group had engaged an independent external valuer to assess the valuation of buildings in Indonesia in the current financial period.

Work in progress

Work in progress assets comprised battery electric vehicles and other miscellaneous tools and parts that were not capable of being used in the previous financial year. During the financial period ended 31 March 2022, work in progress was reclassified to assets of disposal group classified as held for sale.

Right-of-use assets

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 36.

Assets pledged as security

The carrying amount of property, plant and equipment held under lease liabilities as at 31 December 2022 was S$298,000 (31 March 2022: S$412,000) for the Group and the Company. The leased assets have been pledged as security for the related leasing arrangement.

Buildings at fair value

The fair value of the Group's buildings (exclude right-of-use assets) was arrived at on the basis of a valuation carried out by Felix Sutandar and Rekan, an independent valuer with appropriate qualifications and experience in the valuation of properties in the relevant locations in the current financial period. The valuation was arrived at by reference to market evidence of transaction prices of similar properties. Management is of the opinion that there is no significant price fluctuation in the property market and the carrying amounts of buildings are not significantly different from the revalued amounts as at 31 December 2022.

Details of the Group's buildings and information about the fair value hierarchy (Note 41) are as follows:

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
31.12.2022				
Office buildings – Indonesia	**–**	**469**	**–**	**–**
31.3.2022				
Office buildings – Indonesia	–	530	–	–

Level 2 fair value of the Group's buildings have been derived using the market data approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is the selling price per square meter and the usage of the property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Had the buildings been measured at cost less accumulated depreciation, the carrying amount would have been as follows:

	Group	
	31.12.2022 S$'000	**31.3.2022 S$'000**
Buildings		
– Cost	**822**	822
– Accumulated depreciation and impairment	**(492)**	(462)
– Net carrying amount	**330**	360

	Furniture, fixtures and fittings S$'000	**Computer equipment S$'000**	**Office equipment S$'000**	**Total S$'000**
Company				
31.12.2022				
Cost				
At 1 April 2022	**1**	**109**	**78**	**188**
Disposals	**–**	**(7)**	**–**	**(7)**
At 31 December 2022	**1**	**102**	**78**	**181**
Accumulated depreciation				
At 1 April 2022	**1**	**101**	**64**	**166**
Depreciation charge for the period	**–**	**2**	**7**	**9**
Disposals	**–**	**(5)**	**–**	**(5)**
At 31 December 2022	**1**	**98**	**71**	**170**
Net carrying amount				
At 31 December 2022	**–**	**4**	**7**	**11**

	Furniture, fixtures and fittings S$'000	**Computer equipment S$'000**	**Office equipment S$'000**	**Motor vehicles S$'000**	**Work in progress S$'000**	**Total S$'000**
Company						
31.3.2022						
Cost						
At 1 January 2021	1	431	79	7,112	38	7,661
Additions	–	6	–	–	–	6
Disposals	–	(328)	(1)	(7,112)	(38)	(7,479)
At 31 March 2022	1	109	78	–	–	188
Accumulated depreciation						
At 1 January 2021	1	424	53	1,876	–	2,354
Depreciation charge for the period	–	5	12	669	–	686
Disposals	–	(328)	(1)	(2,545)	–	(2,874)
At 31 March 2022	1	101	64	–	–	166
Net carrying amount						
At 31 March 2022	–	8	14	–	–	22

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

18 INVESTMENT PROPERTIES

	Group	
	31.12.2022 S$'000	31.3.2022 S$'000
At fair value		
Balance at beginning of period	**2,633**	2,897
Additions	**843**	–
Loss from fair value adjustment	**(31)**	(250)
Translation differences	**(224)**	(14)
Balance at end of period	**3,221**	2,633

The fair value of the Group's investment properties as at 31 December 2022 was based on the valuation reports prepared by the external independent valuers, Felix Sutandar and Rekan1 and Er. B.P.Singh, with appropriate qualifications and experience in the valuation of properties in the relevant locations, based on market data approach. Under the market data approach, the valuation was arrived at by reference to market evidence of transaction prices of similar properties.

Details of the Group's investment properties and information about the fair value hierarchy are as follows:

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
31.12.2022				
Commercial property				
– Indonesia	**–**	**2,378**	**–**	**2,378**
– India	**–**	**843**	**–**	**843**
	–	**3,221**	**–**	**3,221**
31.3.2022				
Commercial property				
– Indonesia	**–**	**2,633**	**–**	**2,633**

Level 2 fair value of the Group's investment properties have been derived using the market data approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is the selling price per square meter and the usage of the property.

Investment properties are held mainly for use by tenants under operating leases. The following amounts are recognised in the Group's consolidated income statement:

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	Period from 1.1.2021 to 31.3.2022 S$'000
Rental income	**57**	71
Direct operating expenses arising from investment properties that generated rental income	**122**	155

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

19 INTANGIBLE ASSETS

	Goodwill S$'000	Software, licensing, patents and trademarks S$'000	Customer contracts S$'000	Order backlog S$'000	Customer relationship S$'000	Marketing rights S$'000	Deferred development costs S$'000	Total S$'000
Group								
31.12.2022								
Cost								
At 1 April 2022	**131,116**	**25,989**	**53**	**631**	**52,710**	**5,086**	**3,615**	**219,200**
Translation differences	**–**	**(33)**	**–**	**–**	**–**	**–**	**–**	**(33)**
At 31 December 2022	**131,116**	**25,956**	**53**	**631**	**52,710**	**5,086**	**3,615**	**219,167**
Accumulated amortisation and impairment								
At 1 April 2022	**131,116**	**25,938**	**53**	**631**	**52,710**	**3,764**	**3,615**	**217,827**
Amortised during the period	**–**	**12**	**–**	**–**	**–**	**135**	**–**	**147**
Translation differences	**–**	**(33)**	**–**	**–**	**–**	**–**	**–**	**(33)**
At 31 December 2022	**131,116**	**25,917**	**53**	**631**	**52,710**	**3,899**	**3,615**	**217,941**
Net carrying amount								
At 31 December 2022	**–**	**39**	**–**	**–**	**–**	**1,187**	**–**	**1,226**
31.3.2022								
Cost								
At 1 January 2021	131,116	26,344	53	631	53,420	5,086	3,784	220,434
Additions	–	61	–	–	–	–	–	61
Disposals/write-offs	–	(19)	–	–	–	–	(167)	(186)
Derecognised on disposal of subsidiaries	–	(356)	–	–	(710)	–	–	(1,066)
Translation differences	–	(41)	–	–	–	–	(2)	(43)
At 31 March 2022	131,116	25,989	53	631	52,710	5,086	3,615	219,200
Accumulated amortisation and impairment								
At 1 January 2021	131,116	26,292	53	631	53,420	3,548	3,656	218,716
Amortised during the period	–	29	–	–	–	216	16	261
Disposals/write-offs	–	(4)	–	–	–	–	(57)	(61)
Derecognised on disposal of subsidiaries	–	(339)	–	–	(710)	–	–	(1,049)
Translation differences	–	(40)	–	–	–	–	–	(40)
At 31 March 2022	131,116	25,938	53	631	52,710	3,764	3,615	217,827
Net carrying amount								
At 31 March 2022	–	51	–	–	–	1,322	–	1,373

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

19 INTANGIBLE ASSETS (CONTINUED)

Marketing rights were recognised at the time of acquisition of a subsidiary, Bharat IT Services Limited, and valued at S$5,086,000 with an estimated useful life of 15 years.

The remaining amortisation period as at 31 December 2022 is 7 years for marketing rights and between 1 and 3 years for licensing, patents and trademarks.

	Licensing, patents and trademarks S$'000	Deferred development costs S$'000	Total S$'000
Company			
31.12.2022			
Cost			
At 1 April 2022 and 31 December 2022	**2,446**	**3,660**	**6,106**
Accumulated amortisation and impairment			
At 1 April 2022	**2,396**	**3,660**	**6,056**
Amortised during the period	**18**	**–**	**18**
At 31 December 2022	**2,414**	**3,660**	**6,074**
Net carrying amount			
At 31 December 2022	**32**	**–**	**32**
31.3.2022			
Cost			
At 1 January 2021	2,394	3,660	6,054
Additions	52	–	52
At 31 March 2022	2,446	3,660	6,106
Accumulated amortisation and impairment			
At 1 January 2021	2,389	3,660	6,049
Amortised during the period	7	–	7
At 31 March 2022	2,396	3,660	6,056
Net carrying amount			
At 31 March 2022	50	–	50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

20 INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Unquoted equity shares, at cost	**282,456**	290,623
Less: Allowance for impairment	**(262,564)**	(267,739)
	19,892	22,884

During the financial period ended 31 December 2022, the Company recognised an impairment charge of Nil (31 March 2022: S$5,175,000) and a reversal of impairment of S$5,175,000 (31 March 2022: S$19,143,000).

During the previous financial period ended 31 March 2022, the impairment loss of S$5,175,000 was recognised based on the recoverable amount of the investment in subsidiary which is the fair value less costs to sell. Subsequent to the financial period ended, the subsidiary was disposed of to a third party. The measurement was categorised as a Level 3 fair value.

The reversal of impairment of S$5,175,000 (31 March 2022: S$19,143,000) was due to the disposal of a subsidiary during the current financial period.

On 3 December 2021, the Company entered into a share purchase agreement with a buyer to dispose of the Group's subsidiary, Singapore Electric Vehicles Pte. Ltd. ("SEV"), which solely runs the Battery Electric Vehicles Business. On 4 April 2022, the Company obtained the shareholders' approval for the disposal at an Extraordinary General Meeting. On 29 April 2022, the Company completed the disposal of 90% shareholding interests in Singapore Electric Vehicles Pte. Ltd.

The major classes of assets and liabilities disposed of, the loss on disposal and the net cash flows were as follows:

	SEV
	S$'000
Consideration received in cash and cash equivalents	2,500
Trade receivables	54
Other receivables and deposits	1,215
Prepayments	195
Cash and cash equivalents	977
Property, plant and equipment	9,252
Trade creditors	(401)
Other creditors and accruals	(2,037)
Contract liabilities	(58)
Lease liabilities	(6,369)
Net assets disposed of	2,828
Total consideration received	2,500
90% of net assets disposed of	(2,545)
Loss on disposal of subsidiary	(45)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

20 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The aggregate cash outflow arising from disposal of subsidiary:

	SEV S$'000
Consideration received in cash and cash equivalents	2,500
Cash and cash equivalents balance disposed of	(977)
Aggregate cash inflow arising from disposal of subsidiary	1,523

In 31 March 2022, a restructuring exercise was undertaken whereby 100% interest in Cavu Corp Pte. Ltd. ("Cavu") and Delteq Pte. Ltd. ("Delteq"), engaged in ICT distribution and managed services in Singapore, were disposed. The disposals were completed on 9 November 2021 and 21 December 2021 respectively.

The major classes of assets and liabilities disposed of, the gain on disposal and the net cash flows were as follows:

	Cavu S$'000	Delteq S$'000	Total S$'000
Consideration received in cash and cash equivalents	50	650	700
Total consideration received	50	650	700
Inventories	6	2,460	2,466
Trade receivables	79	3,157	3,236
Other receivables and deposits	39	287	326
Prepayments	167	980	1,147
Cash and cash equivalents	283	1,082	1,365
Property, plant and equipment	15	54	69
Intangible assets	–	17	17
Trade creditors	(324)	(3,533)	(3,857)
Other creditors and accruals	(137)	(1,316)	(1,453)
Loans and borrowings	–	(877)	(877)
Deferred revenue	(208)	(1,656)	(1,864)
Net (liabilities)/assets disposed of	(80)	655	575
Total consideration received	50	650	700
Net liabilities/(assets) disposed of	80	(655)	(575)
Gain/(Loss) on disposal of subsidiaries	130	(5)	125

The aggregate cash outflow arising from disposal of subsidiaries:

	Cavu S$'000	Delteq S$'000	Total S$'000
Consideration received in cash and cash equivalents	50	650	700
Cash and cash equivalents balance disposed of	(283)	(1,082)	(1,365)
Aggregate cash outflow arising from disposal of subsidiaries	(233)	(432)	(665)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

20 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The details of subsidiaries are as follows:

Name	Principal activities	Country of incorporation and place of business	Percentage of equity interest held by the Group 31.12.2022 %	31.3.2022 %
Held by the Company				
Singapore Electric Vehicles Pte. Ltd.[(c),(k)]	Passenger land transport, motor vehicles dealership and retail of spare parts and accessories for vehicles	Singapore	**10**	100
SEV Projects Pte. Limited[(c)]	Renting and leasing of private cars without operator and development of other software and programming activities	Singapore	**100**	100
MediaRing (Europe) Limited[(e)]	Dormant	United Kingdom	**100**	100
Bharat IT Services Limited[(a)]	To supply, rent, maintain and service computer hardware	India	**100**	100
Spice-CSL Pte. Ltd.[(c)]	Procurement, OEM, manufacturing, distribution and sale of mobile handsets and accessories	Singapore	**100**	100
Spice International Sdn. Bhd.[(i)]	In the business of procurement, OEM, manufacturing, distribution and sale of mobile handsets and accessories, computer and electronic equipment and consultancy services	Malaysia	**100**	100
Newtel Corporation Company Limited[(g)]	Procurement, OEM, manufacturing, distribution and sale of mobile handsets and accessories	Thailand	**100**	100
Maxworld Asia Limited[(b)]	Investment holding	British Virgin Islands	**100**	100
Bigstar Development Limited[(b)]	Investment holding	British Virgin Islands	**100**	100
Modi Indonesia 2020 Pte. Ltd.[(c)]	Investment holding and distributor of handphone	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

20 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name	Principal activities	Country of incorporation and place of business	Percentage of equity interest held by the Group 31.12.2022 %	31.3.2022 %
Held by the Company (Continued)				
PT. Selular Media Infotama[(a)]	Retail and distributor of telecommunication equipment and prepaid phone cards and top up vouchers	Indonesia	**99.99**	99.99
CSL Multimedia Sdn. Bhd[(i)]	Trading of portable computers and computer accessories	Malaysia	**100**	100
CSL Mobile Care Sdn Bhd[(i)]	Repairing and maintenance of mobile phones	Malaysia	**100**	100
Mobile Service International Co. Ltd (China)[(f)]	Technical advice and services and supply chain management services	People's Republic of China	**51**	51
CSL Communication (Shenzhen) Co. Ltd (China)[(f)]	Trading of mobile handsets	People's Republic of China	**51**	51
MediaRing.com (Shanghai) Limited[(d)]	To market and sell telecommunication services	People's Republic of China	**100**	100
Peremex Pte. Ltd.[(c)]	To supply, rent, maintain and service computer hardware and peripheral equipment	Singapore	**100**	100
Held by Subsidiaries				
Held by Newtel Corporation Company Limited				
T.H.C. International Co., Ltd[(g)]	In the business of procurement, OEM, manufacturing, distribution and sale of mobile handsets and accessories	Thailand	**100**	100
Held by Modi Indonesia 2020 Pte. Ltd.				
PT. Selular Global Net[(a)]	Distributor of prepaid phone cards and top up vouchers	Indonesia	**99.99**	99.99

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

20 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name	Principal activities	Country of incorporation and place of business	Percentage of equity interest held by the Group 31.12.2022 %	31.3.2022 %
Held by Subsidiaries (Continued)				
Held by PT. Selular Media Infotama				
PT. Metrotech Jaya Komunika Indonesia[(a)]	Distributor of telecommunication equipment	Indonesia	**99.99**	99.99
PT Technomas Internusa[(a),(h)]	Distributor of prepaid phone cards and top up vouchers	Indonesia	**–**	–
Held by PT. Metrotech Jaya Komunika				
PT. Metrotech Makmur Sejahtera[(a)]	Distributor of telecommunication equipment	Indonesia	**49**	49
MJKI India Private Limited[(j)]	In the business of fintech, realtech, wellness related activities	India	**99.99**	–
Held by Bharat IT Services Limited				
Autonomous Electric Mobility Pvt. Ltd[(a)]	Import, manufacture and operate electric vehicles: IT and IT related services	India	**100**	100

(a) Audited by a member firm of Moore Global Network Limited of which Moore Stephens LLP, Singapore is a member

(b) Not required to be audited by the laws of its country of incorporation

(c) Audited by Moore Stephens LLP, Singapore

(d) Audited by Shanghai Huiqiang Certified Public Accountants Co. Ltd.

(e) Audited by Blick Rothenberg Chartered Accountants, United Kingdom

(f) Audited by Shenzhen Long De CPA

(g) Audited by SSV Audit, Thailand

(h) Refer to Note 3(b)(iv) for the assessment of control over PT Technomas Internusa

(i) Audited by Sanjay Consulting (M) Sdn Bhd, Malaysia

(j) Incorporated in the current financial period and audited by Gupta Garg & Agrawal, India

(k) Disposed in the current financial period

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

20 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Impairment testing of investment in subsidiaries

An impairment loss was recognised for the previous financial period ended 31 March 2022 of S$5,175,000. The recoverable amount of the investment was determined based on management's assessment of the fair value of the subsidiaries' assets and liabilities as at the financial period end.

Non-controlling interests

There are no material non-controlling interests of non-wholly-owned subsidiaries to be disclosed.

21 INVESTMENT IN ASSOCIATE

	Group		Company	
	31.12.2022 S$'000	31.3.2022 S$'000	31.12.2022 S$'000	31.3.2022 S$'000
Unquoted shares, at cost	**64**	64	**64**	64
Share of post-acquisition reserves	**(64)**	(64)	**(64)**	(64)
Carrying amount of investments	**–**	–	**–**	–

Name	Principal activities	Country of incorporation and place of business	Percentage of equity interest held by the Group 31.12.2022 %	31.3.2022 %
Held by the Company				
Vipafone (Proprietary) Limited[(a)]	To market and sell telecommunication services	South Africa	**40**	40

(a) Not required to be audited by the laws of its country of incorporation

Unrecognised share of losses of associate

The Group has not recognised losses relating to Vipafone (Proprietary) Limited where its share of losses exceeds the Group's interest in this associate as the Group has no obligation in respect of these losses. Based on the information available to the Group, the Group's cumulative unrecognised losses in Vipafone (Proprietary) Limited are not material.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

22 FINANCIAL ASSETS, AT FVPL

	Group and Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning of the period	**–**	201
Additions	**283**	–
Fair value gain/(loss)	**12**	(201)
At the end of the period	**295**	–

On 29 April 2022, the Company completed the disposal of 90% shareholding interests in Singapore Electric Vehicles Pte. Ltd. ("SEV"). Accordingly, management has designated the remaining 10% shareholding interests in SEV as financial assets, to be measured at FVPL as there is no fixed maturity term and held for trading.

During the financial period ended 31 December 2022, the Group recognised a fair value gain on financial assets, at FVPL of S$12,000 (31 March 2022: fair value loss S$201,000).

The Group determined that the reported net assets value of SEV represents the fair value at the end of the reporting period, which is a level 3 of the fair value hierarchy. The key observable inputs are disclosed in Note 41.

23 LOAN RECEIVABLE

	Group and Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Third party	**1,838**	1,838
Less: Allowance for impairment	**(1,838)**	(1,838)
	–	–

Movement in the allowance account:

	Group and Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning and the end of the period	**1,838**	1,838

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

24 LONG-TERM LOANS AND ADVANCES TO SUBSIDIARIES

	Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Long-term loans and advances treated as part of net investment in subsidiaries	**1,358**	1,522
Long-term loans to subsidiaries	**42,427**	45,323
Less: Allowance for impairment	**(43,320)**	(46,362)
	465	483

Long-term loans and advances treated as part of the net investment in subsidiaries are quasiequity in nature, unsecured, interest-free and have no fixed terms of repayment.

Long-term loans to subsidiaries are unsecured, interest-bearing between 4% and 5% (31 March 2022: between 4% and 5%) per annum and have fixed repayment terms of between 2 and 7 years (31 March 2022: between 2 and 7 years). The contractual undiscounted cash flows for long-term loans to subsidiaries amounted to S$488,000 (31 March 2022: S$493,000).

For the purpose of impairment assessment, expected credit losses ("ECL") are recognised in two stages. For credit exposures for which there has not been a significant increase in the risk of default since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit loss which reflects the low credit risk of the exposures. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and estimated the probability of default of the amounts due from subsidiaries as well as the loss upon default and recognised a loss allowance of 100% against certain receivables. There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

Movement in the allowance account:

	Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning of the period	**46,362**	51,593
Capitalisation of amount due from subsidiary	**–**	(5,175)
Write-offs	**(1,019)**	–
Exchange differences	**(2,023)**	(56)
At the end of the period	**43,320**	46,362

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

25 DEFERRED INCOME TAX

	Group			
	Provisions S$'000	Revaluation gain on property, plant and equipment S$'000	Reversal of impairment loss on intangible asset S$'000	Total S$'000
Deferred tax assets/(liabilities)				
31.12.2022				
At 1 April 2022	**421**	**(223)**	**(290)**	**(92)**
Charged to income statement (Note 8)	**(96)**	**(29)**	**33**	**(92)**
Exchange differences	**(28)**	**–**	**–**	**(28)**
At 31 December 2022	**297**	**(252)**	**(257)**	**(212)**
31.3.2022				
At 1 January 2021	568	(196)	(344)	28
Charged to income statement (Note 8)	(111)	(28)	54	(85)
Charged to other comprehensive income	(35)	–	–	(35)
Exchange differences	(1)	1	–	–
At 31 March 2022	421	(223)	(290)	(92)

26 TRADE CREDITORS

	Group		Company	
	31.12.2022 S$'000	31.3.2022 S$'000	31.12.2022 S$'000	31.3.2022 S$'000
Trade creditors	**1,344**	974	**47**	49
Add:				
Other creditors and accruals (excluding employee benefit obligation) (Note 27)	**2,908**	2,800	**428**	580
Lease liabilities (Note 36)	**106**	118	**15**	19
Loans and bank borrowings (Note 28)	**2,332**	2,382	**–**	–
Due to subsidiaries (Note 15)	**–**	–	**4,635**	5,095
Long-term loans and advances from subsidiaries (Note 15(a))	**–**	–	**6,385**	6,217
Total financial liabilities carried at amortised cost	**6,690**	6,274	**11,510**	11,960

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

Trade creditors are non-interest bearing and are normally settled on 30 to 120 days' terms.

27 OTHER CREDITORS AND ACCRUALS

	Group		Company	
	31.12.2022 S$'000	**31.3.2022 S$'000**	**31.12.2022 S$'000**	**31.3.2022 S$'000**
Amounts due to related parties	**7**	7	**7**	7
Other creditors	**663**	409	**79**	27
Accrued operating expenses	**2,113**	2,302	**342**	546
Deposits received	**125**	82	**–**	–
	2,908	2,800	**428**	580

Amounts due to related parties are non-trade in nature, repayable on demand, unsecured, interest-free and are to be settled in cash.

Included in the Group's and the Company's accrued operating expenses are sundry accruals amounting to S$2,090,000 and S$342,000 (31 March 2022: S$2,298,000 and S$546,000) respectively. These accruals are non-interest bearing and are to be settled within the next twelve months.

Sundry accruals mainly relate to accruals for payroll expenses, professional fees and administrative expenses.

28 LOANS AND BANK BORROWINGS

	Group		Company	
	31.12.2022 S$'000	**31.3.2022 S$'000**	**31.12.2022 S$'000**	**31.3.2022 S$'000**
Loans and bank borrowings – current	**2,182**	2,226	**–**	–
Loan and bank borrowing – non current	**150**	156	**–**	–
	2,332	2,382	**–**	–

The current loans of the Group bear interest rates of between 8% and 11% (31 March 2022: between 8% and 11%) per annum and are repayable within the next 12 months.

The non-current loan of the Group for the current financial year bears interest rate of 8% (31 March 2022: 8%) per annum and is repayable within the next 3 years.

Loans amounting to S$2,182,000 (31 March 2022: S$2,226,000) are secured over a subsidiary's trade receivables (Note 12), inventories (Note 11) and fixed deposits pledged (Note 16 and Note 16(a)). Repayment of these loans is due on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

28 LOANS AND BANK BORROWINGS (CONTINUED)

The reconciliation of movements of liabilities to cash flow arising from financing activities is presented below:

	Loans and bank borrowings S$'000	Lease Liabilities S$'000
At 1 April 2022	**2,382**	**118**
Addition	**–**	**16**
Proceeds	**178,993**	**–**
Repayments	**(178,941)**	**(28)**
	52	**(28)**
Non-cash changes:		
Exchange differences	**(102)**	**–**
At 31 December 2022	**2,332**	**106**
At 1 January 2021	2,206	1,891
Addition	–	1,738
Proceeds	294,349	–
Repayments	(294,139)	(1,894)
	210	(1,894)
Non-cash changes:		
Exchange differences	(34)	(1)
Reclassified to disposal group classified as held for sale	–	(1,616)
At 31 March 2022	2,382	118

29 SHARE CAPITAL

	Group and Company			
	31.12.2022		31.3.2022	
	Number of shares '000	Share capital S$'000	Number of shares '000	Share capital S$'000
Fully paid ordinary shares:				
At the beginning of the period	**13,880**	**549,704**	13,016	548,020
Issue of shares under employee share incentive plan (Note 34(a))	**–**	**–**	864	1,684
At the end of the period	**13,880**	**549,704**	13,880	549,704

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

There are no cancellation of shares during the current financial period.

There is no share buy-back by the Company during the current financial period. The weighted average number of ordinary shares as at 31 December 2022 was 13,519,000 (31 March 2022: 13,059,000), excluding treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

30 TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are held by the Company presented as a component within shareholders' equity. There were no purchase or cancellation of treasury shares during the current financial period and previous financial year.

	Group and Company			
	31.12.2022		**31.3.2022**	
	Number of shares ’000	**Share capital S$’000**	**Number of shares ’000**	**Share Capital S$’000**
Treasury shares:				
At the beginning of the period	**361**	**1,098**	1,165	3,547
Re-issue of treasury shares (Note 34(a))	**–**	**–**	(804)	(2,449)
At the end of the period	**361**	**1,098**	361	1,098

31 ACCUMULATED LOSSES

	Group		Company	
	31.12.2022 S$’000	**31.3.2022 S$’000**	**31.12.2022 S$’000**	**31.3.2022 S$’000**
At the beginning of the period	**(499,645)**	(492,667)	**(523,372)**	(519,821)
Profit/(Loss) for the period	**540**	(7,013)	**(551)**	(3,551)
Remeasurement of defined benefit plans	**–**	35	**–**	–
At the end of the period	**(499,105)**	(499,645)	**(523,923)**	(523,372)

32 OTHER RESERVES

	Group		Company	
	31.12.2022 S$’000	**31.3.2022 S$’000**	**31.12.2022 S$’000**	**31.3.2022 S$’000**
Reserve on acquisition of non-controlling interest	**3,389**	3,389	**–**	–
Revaluation reserve	**1,381**	1,381	**–**	–
Employee share-based payment reserve	**268**	268	**268**	268
Share issue costs	**(11,054)**	(11,054)	**(11,054)**	(11,054)
Purchase of treasury shares	**(378)**	(378)	**(378)**	(378)
Total other reserves	**(6,394)**	(6,394)	**(11,164)**	(11,164)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

32 OTHER RESERVES (CONTINUED)

(a) Reserve on Acquisition of Non-Controlling Interest

The reserve on acquisition of non-controlling interest relates to the excess of the net recognised amount of the identifiable assets acquired and liabilities assumed over the fair value of the consideration on the acquisition of a non-controlling interest.

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning and the end of the period	**3,389**	3,389

(b) Revaluation Reserve

The revaluation reserve arises on the revaluation of property, plant and equipment.

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning and the end of the period	**1,381**	1,381

(c) Employee Share-Based Payment Reserve

Employee share-based payment reserve represents the equity-settled share options and performance shares granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the period in which the performance and/or service conditions are fulfilled.

The share options and performance shares granted had lapsed. According to SFRS(I) 2, the Group is not allowed to subsequently reverse the amount recognised for services received from an employee if the vested equity instruments are later forfeited or, in the case of share options, the options are not exercised.

	Group and Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning and the end of the period	**268**	268

(d) Share Issue Cost

Share issue cost represents cumulative expenses incurred for the issuance of shares being capitalised.

	Group and Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning of the period	**(11,054)**	(9,691)
Issue of ordinary shares	**–**	(1,363)
At the end of the period	**(11,054)**	(11,054)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

32 OTHER RESERVES (CONTINUED)

(d) Share Issue Cost (Continued)

i. Purchase of treasury shares

The reserve for the Company's treasury shares comprises directly attributable transaction costs in acquiring the treasury shares as disclosed in Note 2(y) to the consolidated financial statements.

	Group and Company	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
At the beginning and the end of the period	**(378)**	(378)

33 TRANSLATION RESERVE

	Group		Company	
	31.12.2022	**31.3.2022**	**31.12.2022**	**31.3.2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At the beginning of the period	**(9,543)**	(9,818)	**–**	–
Exchange differences arising on translating the net assets of foreign operations	**(3,280)**	275	**–**	–
At the end of the period	**(12,823)**	(9,543)	**–**	–

34 EMPLOYEE BENEFITS

(a) Employee Share Incentive Plan

The Company has employee share incentive plans for granting of non-transferable options to employees.

The particulars of share options of the Company are as follows:

(i) Digilife Technologies Stock Option Plan 2014 ("ESOP 2014")

The ESOP 2014 was approved by the shareholders in their meeting held on 15 April 2014 with an objective to gradually phase out the Sevak 1999 Employees' Share Option Scheme and the 1999 Sevak Employees' Share Option Scheme II as no new options can be granted under these schemes. Pursuant to ESOP 2014, the Remuneration Committee ("RC") has the authority to grant options to present and future employees of the Group as well as to other persons who are eligible under ESOP 2014 at the average of the closing prices for the 5 trading days prior to the issuance of the grant, less a discount, if any, to be determined by the RC, which shall not exceed 20% of the then prevailing market price.

ESOP 2014 is administered by the RC who then determines the terms and conditions of the grant of the options, including the exercise price, the vesting periods which may be over and above the minimum vesting periods prescribed by the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the imposition of retention periods following the exercise of these options by the employees, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

34 EMPLOYEE BENEFITS (CONTINUED)

(a) Employee Share Incentive Plan (Continued)

(i) Digilife Technologies Stock Option Plan 2014 ("ESOP 2014") (Continued)

The RC had on 27 March 2015 granted a total of 274,200,000 stock options to the directors under the ESOP 2014. The options granted at an exercise price of S$0.0024 were to be vested after 2 years from the date of the grant. The options can be exercised up to 10 years from the date of the grant.

All options granted under ESOP 2014 had lapsed.

No other directors were granted options under this Scheme and no participant received 5% or more of the total options available under the Scheme. No unissued shares are under option as at the date of this statement.

During the financial period under review, no options have been granted at a discount.

(ii) Digilife Technologies Performance Share Plan 2021 ("PSP 2021")

The PSP 2021 was approved by the shareholders in their meeting held on 19 February 2021 with an objective to promote higher performance goals, recognise exceptional achievement and retain talents within the Group. The PSP 2021 motivates employees of the Company (including the Directors and Group employees) to optimise their performance standards and efficiency as well as to reward them for their significant contributions to the Company. The Company's view is that all deserving and eligible participants (regardless of whether they are Controlling Shareholders or associates) should be equally entitled to take part in and benefit from the Company's fair and equitable system of remuneration.

The total number of Shares which may be issued pursuant to the share awards (the "Awards") granted under the PSP 2021 on any date, when added to: (a) the total number of new Shares allotted and issued and/or to be allotted and issued, issued Shares (including treasury shares) delivered and/or to be delivered, and Shares Released and/or to be Released in the form of cash in lieu of Shares, pursuant to Awards granted under the Plan; and (b) the number of Shares issued and issuable in respect of all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed thirty (30) per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) on the day preceding the date of the relevant Award.

On 1 March 2021, a total of 804,634 Awards has been granted to Dr. Bhupendra Kumar Modi, a controlling shareholder of Company in accordance with the PSP 2021. The Awards were vested immediately after the grant.

On 8 July 2021, a total of 863,954 Awards has been granted to 23 employees of the Group, including the Directors, Chief Executive Officer and Chief Financial Officer. The Awards were vested immediately after the grant.

During the financial period under review, no share awards have been granted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

34 EMPLOYEE BENEFITS (CONTINUED)

(b) Post-Employment Defined Benefit Plans

The Group has several defined benefit plans covering eligible employees of the subsidiaries.

The estimated employee benefits liability recognised in the statements of financial position are as follows:

	Group	
	31.12.2022 S$'000	**31.3.2022 S$'000**
Non-current portion	**649**	646
	649	646

The employee benefits expenses recognised in the consolidated income statement are as follows:

	Group	
	31.12.2022 S$'000	**31.3.2022 S$'000**
Current service costs	**97**	155
Interest costs	**47**	105
Loss on curtailments and settlements	**(41)**	(144)
Net employee benefits expense (Note 6)	**103**	116

Changes in the present value of the defined benefit obligation are as follows:

	Group	
	31.12.2022 S$'000	**31.3.2022 S$'000**
Benefit obligation at the beginning of the period	**646**	1,062
Retirement benefit expenses recognised in profit or loss	**103**	116
Benefits paid	**(51)**	(533)
Translation differences	**(49)**	38
Defined benefit cost charged to OCI	**–**	(37)
Benefit obligation at the end of the period	**649**	646

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

34 EMPLOYEE BENEFITS (CONTINUED)

(b) Post-Employment Defined Benefit Plans (Continued)

The principal assumptions used by independent actuaries in determining the post-employment obligations for certain subsidiaries' plans are as follows:

Annual discount rate	:	7.00% – 7.50%
Annual salary increment rate	:	2% – 5.5%
Annual employee turnover rate	:	5% – 8%
Mortality rate reference	:	IALM1 2012-2014 and 100% TMI42
Disability rate	:	0 – 5% TMI32
Retirement age	:	58 – 60 years

[1] Indian Assured Lives Mortality

[2] Tabel Mortalita Indonesia 4

35 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties who are not members of the Group took place during the year at terms agreed between the parties.

(a) Sale and Purchase of Goods and Services and Others

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	Period from 1.1.2021 to 31.3.2022 S$'000
Advance payment for purchase from entities owned by a significant shareholder	–	(421)
Sale of goods to entities owned by a shareholder	–	2
Rental of office space from a company owned by a significant shareholder	–	(566)
Payment for a director/companies related to a director	–	(2)

During the previous financial period ended 31 March 2022, the Group entered into an agreement dated 14 March 2022 with Smart Global Corporate Holding Private Limited, a firm owned by a significant shareholder, to purchase a property in Uttar Pradesh, India. The transaction was completed during the current financial period and recorded as investment property as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of Key Management Personnel

	Group	
	Period from 1.4.2022 to 31.12.2022 S$'000	Period from 1.1.2021 to 31.3.2022 S$'000
Short-term employee benefits	565	692
Central Provident Funds contributions	13	10
Total compensation paid to key management personnel	578	702
Comprise amounts paid to:		
Independent directors of the Company – Directors' fees	67	99
Executive Director and other key management personnel	511	603
	578	702

36 LEASE LIABILITIES

The Group as a Lessee

Nature of the Group's leasing activities and carrying amount of right-of-use ("ROU") assets

The Group entered into leases and makes annual lease payments for the leasing of offices, office equipment and leased equipment. The lease contracts include an extension option of which the management is unlikely to exercise the option. There is no externally imposed covenant on these lease arrangements. Right-of-use assets acquired under leasing arrangements comprise mainly leasing of motor vehicles and leasing of office space.

Carrying amount of right-of-use assets classified within property, plant and equipment

	Group	
	31.12.2022 S$'000	31.3.2022 S$'000
Buildings	**469**	530

The Group has lease contracts with average tenure of between 2 and 20 years. The right-of-use assets are depreciated over the period of the lease terms. Depreciation starts at the commencement date of the leases.

Depreciation of right-of-use assets classified within property, plant and equipment

	Group	
	31.12.2022 S$'000	31.3.2022 S$'000
Buildings	**39**	436
Motor vehicles	**–**	437
	39	873

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

36 LEASE LIABILITIES (CONTINUED)

The Group as a Lessee (Continued)

Amounts recognised in profit or loss

	Group	
	31.12.2022 S$'000	31.3.2022 S$'000
Depreciation of right-of-use assets	**39**	873
Interest expense on lease liabilities	**1**	64
	40	937

Other disclosures

	Group	
	31.12.2022 S$'000	31.3.2022 S$'000
Total cash outflow for leases	**496**	1,894

Carrying amount of lease liabilities

	Group		Company	
	31.12.2022 S$'000	31.3.2022 S$'000	31.12.2022 S$'000	31.3.2022 S$'000
Minimum lease payments due:				
– Not later than 1 year	**53**	52	**6**	6
– Later than 1 year but within 5 years	**54**	68	**10**	15
	107	120	**16**	21
Less:				
Future finance charges	**(1)**	(2)	**(1)**	(2)
Present value of financial lease liabilities	**106**	118	**15**	19

The present value of lease liabilities is analysed as follows:

	Group		Company	
	31.12.2022 S$'000	31.3.2022 S$'000	31.12.2022 S$'000	31.3.2022 S$'000
Not later than 1 year	**52**	50	**5**	4
Later than 1 year but within 5 years	**54**	68	**10**	15
	106	118	**15**	19

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

36 LEASE LIABILITIES (CONTINUED)

The Group as a lessor

Nature of the Group's leasing activities

The Group has entered into various non-cancellable lease commitments in respect of lease equipment and properties for a period of 1 to 3 years. The lessee does not have an option to purchase the property at the expiry of the lease period. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Future minimum lease receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Within 1 year	**56**	69
Within 2 to 3 years	**25**	39
	81	108

37 CONTINGENT LIABILITIES AND COMMITMENTS

Continuing financial support

The Company has undertaken to provide continuing financial support to its subsidiaries by not demanding payment for loans and receivables owing by them until they have the financial capability to repay the Company. The Company will also, when required, provide sufficient working capital to enable them to operate as a going concern for a period of at least twelve months from the respective dates of the Directors' reports of the subsidiaries relating to the audited financial statements for the financial period ended 31 December 2022.

Corporate guarantees

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Corporate guarantees provided to enable a former subsidiary to obtain credit facilities and banking facilities:		
– Total facilities	**1,000**	1,000
– Total outstanding	**205**	483

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

38 SEGMENT INFORMATION

(a) Operating Segments

	Telecom S$'000	ICT distribution and managed services S$'000	Inoperative Companies S$'000	Operation related to Disposed Company S$'000	Group S$'000
31.12.2022					
Turnover – external sales	**163,927**	**10,660**	**–**	**274**	**174,861**
Profit/(loss) before taxation (excluding depreciation, amortisation, HQ costs and other non operating items)	**1,572**	**464**	**(32)**	**88**	**2,092**
Depreciation and amortisation	**(268)**	**(194)**	**–**	**(92)**	**(554)**
HQ costs (country)*	**(187)**	**–**	**–**	**–**	**(187)**
Non operating items (net)	**(22)**	**–**	**13**	**8**	**(1)**
Taxation	**(492)**	**(99)**	**–**	**–**	**(591)**
Profit/(loss) after taxation	**603**	**171**	**(19)**	**4**	**759**
Unallocated HQ costs – Group (net)*	**–**	**–**	**–**	**–**	**(219)**
Net profit/(loss) for the period	**603**	**171**	**(19)**	**4**	**540**

* includes depreciation and amortisation expenses

	Telecom S$'000	ICT distribution and managed services S$'000	Inoperative Companies S$'000	IHQ (Unallocated) S$'000	Operation related to Disposed Company S$'000	Group S$'000
Segment assets	21,913	12,555	531	4,353	–	39,352
Segment liabilities	4,863	3,676	256	336	–	9,131
Capital expenditure	400	44	–	–	300	744

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

38 SEGMENT INFORMATION (CONTINUED)

(a) Operating Segments (Continued)

	Telecom S$'000	ICT distribution and managed services S$'000	Inoperative Companies S$'000	Operation related to Disposed Companies S$'000	Total from continuing operations S$'000	Discontinued operation S$'000	Group S$'000
31.3.2022							
Turnover – external sales	255,955	20,720	–	22,068	298,743	1,395	300,138
Profit/(loss) before taxation (excluding depreciation, amortisation, HQ costs and other non operating items)	4,042	1,553	(174)	(167)	5,254	306	5,560
Depreciation and amortisation	(492)	(343)	–	(42)	(877)	(1,018)	(1,895)
HQ costs (country)*	(1,814)	–	–	–	(1,814)	–	(1,814)
Non operating items (net)	(624)	(266)	(164)	(223)	(1,277)	(1,916)	(3,193)
Taxation	(394)	(153)	–	–	(547)	–	(547)
Profit/(loss) after taxation	718	791	(338)	(432)	739	(2,628)	(1,889)
Unallocated HQ costs – Group (net)*	–	–	–	–	(5,124)	–	(5,124)
Net profit/(loss) for the period	718	791	(338)	(432)	(4,385)	(2,628)	(7,013)

* includes depreciation and amortisation expenses

	Telecom S$'000	ICT distribution and managed services S$'000	Inoperative Companies S$'000	Operation related to Disposed Companies S$'000	IHQ (Unallocated) S$'000	Total from continuing operations S$'000	Discontinued operation S$'000	Group S$'000
Segment assets	22,820	13,024	572	–	2,379	38,795	6,796	45,591
Segment liabilities	4,468	3,514	116	–	525	8,623	4,003	12,626
Capital expenditure	57	536	–	–	26	619	36	655

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

38 SEGMENT INFORMATION (CONTINUED)

(a) Operating Segments (Continued)

A reconciliation of total assets for reportable segments to total assets is as follows:

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Total assets for reportable segments	**39,352**	45,591
Elimination of inter-segment assets	**–**	–
Total assets	**39,352**	45,591

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	Group	
	31.12.2022	**31.3.2022**
	S$'000	**S$'000**
Total liabilities for reportable segments	**9,131**	12,626
Elimination of inter-segment liabilities	**–**	–
Total liabilities	**9,131**	12,626

The recognition of right-of-use assets and lease liabilities increased segment assets and segment liabilities as follows:

	Segment assets S$'000	**Segment liabilities S$'000**
31.12.2022		
Telecom	**469**	**106**
31.3.2022		
Telecom	360	34
Technology		
– ICT distribution and managed services	52	84
	412	118

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

38 SEGMENT INFORMATION (CONTINUED)

(a) Operating Segments (Continued)

The recognition of right-of-use assets and lease liabilities on the statements of financial position resulted in an increase in depreciation and interest expenses in the consolidated income statement as follows:

	Depreciation S$'000	Interest expenses S$'000
31.12.2022		
Telecom	**39**	**1**
31.3.2022		
Telecom	371	27
Technology		
– ICT distribution and managed services	502	55
	873	82

(b) Geographical Information

	Turnover		Non-current Assets*		Capital Expenditure	
	31.12.2022 S$'000	**31.3.2022 S$'000**	**31.12.2022 S$'000**	**31.3.2022 S$'000**	**31.12.2022 S$'000**	**31.3.2022 S$'000**
Southeast Asia[(a)]	**163,927**	256,001	**3,239**	3,491	**400**	338
South Asia[(b)]	**10,660**	20,674	**2,301**	1,632	**44**	281
Disposed companies	**274**	22,068	**–**	–	**300**	–
	174,861	298,743	**5,540**	5,123	**744**	619
Discontinued operations	**–**	1,395	**–**	3,808	**–**	36
	174,861	300,138	**5,540**	8,931	**744**	655

(a) Southeast Asia includes Singapore, Indonesia, Malaysia and Thailand. Indonesia is the largest contributor at 94% (31 March 2022: 85%) for turnover. Singapore is the largest contributor at 58% (31 March 2022: Singapore at 43%) for non-current assets.

(b) South Asia includes India.

* Non-current assets exclude financial assets and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

39 DIRECTORS' REMUNERATION

	Number of directors in remuneration bands		
	Executive Directors	Non-Executive Directors	Total
31.12.2022			
S$250,000 and above	**–**	**–**	**–**
Below S$250,000	**2**	**3**	**5**
	2	**3**	**5**
31.3.2022			
S$250,000 and above	–	–	–
Below S$250,000	1*	3	4
	1	3	4

* ceased to be the Director with effect from 31 May 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments.

The Group's principal financial instruments comprise financial assets, at FVPL, fixed deposits, cash and bank balances, lease liabilities and bank borrowings. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade creditors, which arise directly from its day-to-day operations.

It is the Group's policy not to engage in foreign exchange and/or derivatives speculation or trading for profit purposes. It is not in the interest of the Group to engage in trading for profit or to speculate or trade in treasury instruments.

The key financial risks include credit risk, liquidity risk, interest rate risk, foreign exchange risk and market price risk. The Board reviews and agrees policies for managing these risks which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial period, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should there be a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group mainly transacts with high credit quality counterparties which are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The carrying amount of trade and other receivables, loan receivable, financial assets, at FVPL, fixed deposits and cash and bank balances represents the Group's maximum exposure to credit risk. Cash and bank balances are placed with banks of good standing. The Group performs ongoing credit evaluation of its customers' financial conditions and maintains an allowance for doubtful trade debts based upon expected collectability of all trade debts.

At the financial year end, the Group's and the Company's maximum exposure to credit risk is represented by:

i. The carrying amount of each class of financial assets recognised in the statements of financial position; and

ii. Corporate guarantees provided to enable a former subsidiary to purchase goods and/or services from a supplier, to obtain banking facilities and insurance bonds from an insurance company:

	Group		Company	
	31.12.2022	**31.3.2022**	**31.12.2022**	**31.3.2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**
– Total facilities	**1,000**	1,000	**–**	–
– Total outstanding	**205**	483	**–**	–

These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiary has a strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

The movements in credit loss allowance for impairment are as follows:

	Trade receivables S$'000	Other receivables S$'000	Total S$'000
Group			
31.12.2022			
At 1 April 2022 per SFRS(I) 9	**2,150**	**2,804**	**4,954**
Loss allowance recognised in profit or loss during the period on:			
– Assets that are credit-impaired	**15**	**–**	**15**
– Exchange differences	**129**	**(82)**	**47**
	144	**2,722**	**62**
At 31 December 2022 per SFRS(I) 9	**2,294**	**2,722**	**5,016**
31.3.2022			
At 1 January 2021 per SFRS(I) 9	3,161	2,992	6,153
Loss allowance recognised in profit or loss during the period on:			
– Assets that are credit-impaired	18	216	234
– Reversal of unutilised amounts	(232)	–	(232)
– Utilised	(37)	–	(37)
– Exchange differences	(760)	(127)	(887)
	(1,011)	89	(922)
Derecognised on disposal of subsidiaries	–	(277)	(277)
At 31 March 2022 per SFRS(I) 9	2,150	2,804	4,954
Company			
31.12.2022			
At 1 April 2022 per SFRS(I) 9	**448**	**804**	**1,252**
Loss allowance recognised in profit or loss during the period on:			
– Exchange differences	**(5)**	**–**	**(5)**
At 31 December 2022 per SFRS(I) 9	**443**	**804**	**1,247**
31.3.2022			
At 1 January 2021 per SFRS(I) 9	435	801	1,236
Loss allowance recognised in profit or loss during the period on:			
– Exchange differences	13	3	16
At 31 March 2022 per SFRS(I) 9	448	804	1,252

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

Cash and cash equivalents, fixed deposits and financial assets, at FVPL are subject to immaterial credit loss.

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

Credit risk grading guideline

Management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are as follows:

Internal rating grades	Definition	Basis of recognition of expected credit loss (ECL)
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition (i.e. interest and/or principal repayment are more than 30 days past due).	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired (i.e. interest and/or principal repayments are more than 365 days past due).^	Lifetime ECL (credit-impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

^ There is a rebuttable presumption that default does not occur later than when a financial asset is 365 days past due. Management has based on historical experience and information to demonstrate that a more lagging default criteria is more appropriate given the nature of the Group's business in satisfying a performance obligation over time and customers generally make payment when the performance obligation is completed.

A financial asset is credit-impaired when credit risk has increased significantly since initial recognition due to the following:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Information regarding trade and other receivables and loan receivable that are credit-impaired are disclosed in Notes 12, 13 and 23.

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2022 and 31 March 2022 are set out in the provision matrix as follows:

		Past due						
	Current**	Within 30 days**	30 to 60 days^	60 to 90 days^	90 to 180 days^	180 to 365 days^^	More than 365 days^^	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group								
31.12.2022								
Telecom								
Expected loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**48%**	**99%**	**63%**
Trade receivables	**707**	**272**	**27**	**–**	**–**	**31**	**1,810**	**2,847**
Allowance for impairment	**–**	**–**	**–**	**–**	**–**	**(15)**	**(1,785)**	**(1,800)**
Technology								
ICT distribution and managed services								
Expected loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**92%**	**13%**
Trade receivables	**2,951**	**16**	**35**	**69**	**170**	**124**	**538**	**3,903**
Allowance for impairment	**–**	**–**	**–**	**–**	**–**	**–**	**(494)**	**(494)**
31.3.2022								
Telecom								
Expected loss rate	0%	0%	0%	0%	0%	0%	100%	56%
Trade receivables	1,132	106	73	–	–	–	1,652	2,963
Allowance for impairment	–	–	–	–	–	–	(1,652)	(1,652)
Technology								
ICT distribution and managed services								
Expected loss rate	0%	0%	0%	0%	0%	9%	91%	11%
Trade receivables	4,221	25	66	65	82	79	539	5,077
Allowance for impairment	–	–	–	–	–	(7)	(491)	(498)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2022 and 31 March 2022 are set out in the provision matrix as follows: (Continued)

		Past due						
	Current** S$'000	Within 30 days** S$'000	30 to 60 days^ S$'000	60 to 90 days^ S$'000	90 to 180 days^ S$'000	180 to 365 days^^ S$'000	More than 365 days^^ S$'000	Total S$'000
Company								
31.12.2022								
Technology								
ICT distribution and managed services								
Expected loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**90%**	**90%**
Trade receivables	**–**	**–**	**–**	**–**	**–**	**–**	**490**	**490**
Allowance for impairment	**–**	**–**	**–**	**–**	**–**	**–**	**(443)**	**(443)**
31.3.2022								
Technology								
ICT distribution and managed services								
Expected loss rate	0%	0%	0%	0%	0%	0%	90%	89%
Trade receivables	–	5	–	–	–	–	501	501
Allowance for impairment	–	–	–	–	–	–	(448)	(448)

** rated as performing
^ rated as under-performing
^^ rated as non-performing

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

The Group's and the Company's credit risk exposure in relation to other receivables under SFRS(I) 9 as at 31 December 2022 and 31 March 2022 are set out in the provision matrix as follows:

		Past due						
	Current** S$'000	Within 30 days** S$'000	30 to 60 days^ S$'000	60 to 90 days^ S$'000	90 to 180 days^ S$'000	180 to 365 days^^ S$'000	More than 365 days^^ S$'000	Total S$'000
Group								
31.12.2022								
Other receivables								
Expected loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**96%**	**56%**
Other receivables	**3,410**	**–**	**–**	**–**	**–**	**6**	**4,752#**	**8,168**
Allowance for impairment	**–**	**–**	**–**	**–**	**–**	**–**	**(4,560)**	**(4,560)**
31.3.2022								
Other receivables								
Expected loss rate	0%	0%	0%	0%	0%	0%	77%	57%
Other receivables	2,176	–	–	–	–	–	6,039#	8,215
Allowance for impairment	–	–	–	–	–	–	(4,642)	(4,642)
Company								
31.12.2022								
Other receivables								
Expected loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**98%**	**93%**
Other receivables	**145**	**–**	**–**	**–**	**–**	**–**	**2,706##**	**2,851**
Allowance for impairment	**–**	**–**	**–**	**–**	**–**	**–**	**(2,642)**	**(2,642)**
31.3.2022								
Other receivables								
Expected loss rate	0%	0%	0%	0%	0%	0%	98%	93%
Other receivables	160	–	–	–	–	–	2,692##	2,852
Allowance for impairment	–	–	–	–	–	–	(2,642)	(2,642)

** rated as performing

^ rated as under-performing

^^ rated as non-performing

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

The Group's and the Company's credit risk exposure in relation to other receivables under SFRS(I) 9 as at 31 December 2022 and 31 March 2022 are set out in the provision matrix as follows: (Continued)

Management has assessed other receivables to have low credit risk and there has been no significant increase in the risk of default on the receivables since initial recognition. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition. Accordingly, the 12-month expected credit loss is not material.

* The expected credit loss is not material.

The remaining receivables (Group) mainly pertain to Goods & Services Tax receivable and tax recoverable from Singapore, Indonesia and Thailand entities respectively. The Group received correspondences from the tax authorities on the recoverability of these amounts. Accordingly, the expected credit loss is not material.

The remaining receivables (Company) mainly pertain to Goods & Services Tax and rental deposit. As per rental agreement, this deposit will be refunded to the Company on the expiration of the rental. The expected credit loss is not material.

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Group and the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents and fixed deposits and secured committed funding facilities from financial institutions. In assessing the adequacy of these funding facilities, management reviews its working capital requirements regularly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity Risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the financial year end based on the contractual undiscounted repayment obligations.

	Within 1 year S$'000	1 to 5 years S$'000	After 5 years S$'000	Total S$'000
Group				
31.12.2022				
Financial assets:				
Trade and other receivables	**8,014**	**50**	**–**	**8,064**
Financial assets, at FVPL	**295**	**–**	**–**	**295**
Cash and cash equivalents	**7,820**	**–**	**–**	**7,820**
Fixed deposits	**3,641^**	**1,106***	**–**	**4,747**
Total undiscounted financial assets	**19,770**	**1,156**	**–**	**20,926**
Financial liabilities:				
Trade and other creditors and accruals	**4,245**	**–**	**–**	**4,245**
Due to related parties	**7**	**–**	**–**	**7**
Lease liabilities	**53**	**54**	**–**	**107**
Loans and bank borrowings	**2,182**	**150**	**–**	**2,332**
Total undiscounted financial liabilities	**6,487**	**204**	**–**	**6,691**
Total net undiscounted financial assets	**13,283**	**952**	**–**	**14,235**
31.3.2022				
Financial assets:				
Trade and other receivables	9,374	89	–	9,463
Cash and cash equivalents	6,499	–	–	6,499
Fixed deposits	3,923^	1,333*	–	5,256
Total undiscounted financial assets	19,796	1,422	–	21,218
Financial liabilities:				
Trade and other creditors and accruals	3,767	–	–	3,767
Due to related parties	7	–	–	7
Lease liabilities	52	68	–	120
Loans and bank borrowings	2,226	156	–	2,382
Total undiscounted financial liabilities	6,052	224	–	6,276
Total net undiscounted financial assets	13,744	1,198	–	14,942

^ includes interest receivable from fixed deposits of S$35,000 (31 March 2022: S$22,000)

* includes interest receivable from fixed deposits of S$327,000 (31 March 2022: S$356,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity Risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Within 1 year S$'000	1 to 5 years S$'000	After 5 years S$'000	Total S$'000
Company				
31.12.2022				
Financial assets:				
Trade and other receivables	**256**	**–**	**–**	**256**
Financial assets, at FVPL	**295**	**–**	**–**	**295**
Due from subsidiaries	**174**	**561^**	**–**	**735**
Cash and cash equivalents	**3,900**	**–**	**–**	**3,900**
Total undiscounted financial assets	**4,625**	**561**	**–**	**5,186**
Financial liabilities:				
Trade and other creditors and accruals	**468**	**–**	**–**	**468**
Amounts due to related parties	**7**	**–**	**–**	**7**
Due to subsidiaries	**4,635**	**7,324#**	**–**	**11,959**
Lease liabilities	**6**	**10**	**–**	**16**
Total undiscounted financial liabilities	**5,116**	**7,334**	**–**	**12,450**
Total net undiscounted financial liabilities	**(491)**	**(6,773)**	**–**	**(7,264)**
31.3.2022				
Financial assets:				
Trade and other receivables	263	–	–	263
Due from subsidiaries	168	535^	–	703
Cash and cash equivalents	2,076	–	–	2,076
Fixed deposits	30	–	–	30
Total undiscounted financial assets	2,537	535	–	3,072
Financial liabilities:				
Trade and other creditors and accruals	622	–	–	622
Amounts due to related parties	7	–	–	7
Due to subsidiaries	5,095	7,345#	–	12,440
Lease liabilities	6	15	–	21
Total undiscounted financial liabilities	5,730	7,360	–	13,090
Total net undiscounted financial liabilities	(3,193)	(6,825)	–	(10,018)

^ includes interest receivable from subsidiaries of S$96,000 (31 March 2022: S$52,000)

includes interest payable to subsidiaries of S$939,000 (31 March 2022: S$1,128,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and bank borrowings, lease liabilities, fixed deposits and cash and bank balances.

To manage interest rate risk, surplus funds are placed with reputable banks as fixed deposits.

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk.

	Within 1 year S$'000	1 – 5 years S$'000	After 5 years S$'000	Total S$'000
Group				
31.12.2022				
Floating rate				
Cash and cash equivalents	**7,820**	**–**	**–**	**7,820**
Fixed deposits	**3,606**	**779**	**–**	**4,385**
Loan and bank borrowings	**(2,182)**	**(150)**	**–**	**(2,332)**
Fixed rate				
Lease liabilities	**(52)**	**(54)**	**–**	**(106)**
31.3.2022				
Floating rate				
Cash and cash equivalents	6,499	–	–	6,499
Fixed deposits	3,901	977	–	4,878
Loan and bank borrowings	(2,226)	(156)	–	(2,382)
Fixed rate				
Lease liabilities	(50)	(68)	–	(118)
Company				
31.12.2022				
Floating rate				
Cash and cash equivalents	**3,900**	**–**	**–**	**3,900**
Fixed rate				
Long-term loans and advances to subsidiaries	**174**	**465**	**–**	**639**
Long-term loans and advances from subsidiaries	**(4,635)**	**–**	**(6,385)**	**(11,020)**
Lease liabilities	**(5)**	**(10)**	**–**	**(15)**
31.3.2022				
Floating rate				
Cash and cash equivalents	2,076	–	–	2,076
Fixed deposits	30	–	–	30
Fixed rate				
Long-term loans and advances to subsidiaries	168	483	–	651
Long-term loans and advances from subsidiaries	(5,095)	–	(6,217)	(11,312)
Lease liabilities	(4)	(15)	–	(19)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest Rate Risk (Continued)

The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risks.

Sensitivity analysis for interest rate risk

At the financial year end, if the SGD's and the foreign currencies' interest rates had been 100 (31 March 2022: 100) basis points lower/higher with all other variables held constant, the impact to the Group's results before tax would decrease/increase by approximately S$99,000 (31 March 2022: increase/decrease by approximately S$90,000). There is no significant impact to the Company's results before tax.

(d) Foreign Exchange Risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Indian Rupee ("INR"), Indonesian Rupiah ("IDR") and Malaysian Ringgit ("MYR"). The foreign currencies in which these transactions are denominated are mainly USD and SGD.

The Group does not enter into foreign exchange contracts to hedge its foreign exchange risk resulting from cash flows from transactions denominated in foreign currencies. However, the Group reviews periodically that its net exposure is kept at an acceptable level. Approximately 100% (31 March 2022: 100%) of the Group's sales are denominated in the functional currency of the operating unit making the sale, while 99% (31 March 2022: 97%) of costs are denominated in the respective functional currencies of the Group's entities. The Group's trade and other receivables and trade and other payables balances at the financial year end have similar exposures.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including United States – United States Dollar ("USD"), India – Indian Rupee ("INR"), Indonesia – Indonesian Rupiah ("IDR"), Malaysia – Malaysian Ringgit ("MYR") and Thailand – Thai Baht ("THB").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign Exchange Risk (Continued)

The Group's foreign currency exposure based on the information provided to key management at the end of the financial year end are as follows:

	USD S$'000	SGD S$'000	INR S$'000	THB S$'000	MYR S$'000	IDR S$'000	Others S$'000	Total S$'000
Group								
31.12.2022								
Trade receivables	**47**	**–**	**3,353**	**25**	**–**	**1,031**	**–**	**4,456**
Other receivables and deposits	**28**	**358**	**930**	**39**	**–**	**2,253**	**–**	**3,608**
Cash and cash equivalents	**199**	**3,917**	**995**	**8**	**17**	**2,651**	**33**	**7,820**
Fixed deposits	**–**	**–**	**4,385**	**–**	**–**	**–**	**–**	**4,385**
Trade creditors	**(830)**	**(47)**	**(298)**	**(15)**	**–**	**(154)**	**–**	**(1,344)**
Other creditors and accruals	**(3)**	**(411)**	**(1,215)**	**(146)**	**(5)**	**(1,064)**	**(64)**	**(2,908)**
Lease liabilities	**–**	**(15)**	**(41)**	**–**	**–**	**(50)**	**–**	**(106)**
Loans and bank borrowings	**–**	**–**	**(123)**	**(27)**	**–**	**(2,182)**	**–**	**(2,332)**
Net financial (liabilities)/ assets	**(559)**	**3,802**	**7,986**	**(116)**	**12**	**2,485**	**(31)**	**13,579**
Net assets denominated in functional currencies	**–**	**(3,801)**	**(6,909)**	**116**	**(12)**	**(2,485)**	**31**	**(13,060)**
Net currency exposure	**(559)**	**1**	**1,077**	**–**	**–**	**–**	**–**	**519**
31.3.2022								
Trade receivables	48	11	4,520	–	–	1,311	–	5,890
Other receivables and deposits	28	1,294	850	158	2	1,213	28	3,573
Cash and cash equivalents	267	2,105	788	10	21	3,237	71	6,499
Fixed deposits	–	30	3,598	–	–	1,250	–	4,878
Trade creditors	(294)	(49)	(487)	(1)	–	(55)	(88)	(974)
Other creditors and accruals	(4)	(568)	(977)	(42)	(10)	(1,157)	(42)	(2,800)
Lease liabilities	–	(18)	(66)	–	–	(34)	–	(118)
Loans and bank borrowings	–	–	(156)	–	–	(2,226)	–	(2,382)
Net financial assets/ (liabilities)	45	2,805	8,070	125	13	3,539	(31)	14,566
Net assets denominated in functional currencies	–	(2,805)	(7,097)	(125)	(13)	(3,539)	12	(13,567)
Net currency exposure	45	–	973	–	–	–	(19)	999

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign Exchange Risk (Continued)

The Group's foreign currency exposure based on the information provided to key management at the end of the financial year end are as follows: (Continued)

	USD S$'000	SGD S$'000	THB S$'000	MYR S$'000	Others S$'000	Total S$'000
Company						
31.12.2022						
Trade receivables	**47**	**–**	**–**	**–**	**–**	**47**
Other receivables and deposits	**28**	**181**	**–**	**–**	**–**	**209**
Due from/(to) subsidiaries	**1,406**	**(8,095)**	**552**	**118**	**(4,362)***	**(10,381)**
Cash and cash equivalents	**62**	**3,838**	**–**	**–**	**–**	**3,900**
Trade creditors	**–**	**(47)**	**–**	**–**	**–**	**(47)**
Other creditors and accruals	**(3)**	**(421)**	**–**	**–**	**(4)**	**(428)**
Lease liabilities	**–**	**(15)**	**–**	**–**	**–**	**(15)**
Net financial assets/(liabilities)	**1,540**	**(4,559)**	**552**	**118**	**(4,366)**	**(6,715)**
Net assets denominated in functional currencies	**–**	**4,559**	**–**	**–**	**–**	**4,559**
Net currency exposure	**1,540**	**–**	**552**	**118**	**(4,366)**	**(2,156)**
31.3.2022						
Trade receivables	48	5	–	–	–	53
Other receivables and deposits	28	182	–	–	–	210
Due from/(to) subsidiaries	1,405	(7,900)	469	149	(4,784)*	(10,661)
Cash and cash equivalents	57	2,019	–	–	–	2,076
Fixed deposits	–	30	–	–	–	30
Trade creditors	–	(49)	–	–	–	(49)
Other creditors and accruals	(3)	(573)	–	–	(4)	(580)
Lease liabilities	–	(19)	–	–	–	(19)
Net financial assets/(liabilities)	1,535	(6,305)	469	149	(4,788)	(8,940)
Net assets denominated in functional currencies	–	6,305	–	–	–	6,305
Net currency exposure	1,535	–	469	149	(4,788)	(2,635)

* denominated in Renminbi

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign Exchange Risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's results before tax to a reasonably possible change in the following exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group (Decrease)/Increase in results before tax	
	31.12.2022 S$'000	31.3.2022 S$'000
USD/SGD		
– strengthened 5% (31 March 2022: 5%)	**(28)**	(2)
– weakened 5% (31 March 2022: 5%)	**28**	2

41 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

A. Fair value of financial instruments that are carried at fair value

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
31.12.2022				
Designated at fair value through profit or loss (Note 22)	**–**	**–**	**295**	**295**

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There has been no transfer of financial instruments between Level 1 and Level 2 during the financial periods ended 31 December 2022 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

41 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

A. Fair value of financial instruments that are carried at fair value (Continued)

Valuation technique and input used in Level 3 fair value measurement

Description	Fair value at S$'000	Unobservable input	Input value S$'000	Relationship of unobservable input to fair value
31.12.2022				
Financial assets, at FVPL	**295**	Reported net asset value	295	The higher the net asset value, the higher the fair value

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, fixed deposits, trade and other receivables, loan receivable, trade and other creditors, amounts due from/(to) subsidiaries, current loans and bank borrowings and current lease liabilities.

The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of non-current other receivables, lease liabilities, loans and bank borrowings and fixed deposits approximate the fair values.

Determination of fair value

The fair values of other receivables, lease liabilities, loans and borrowings and fixed deposits are estimated by discounting expected future cash flows at current market incremental lending/deposit rates for similar types of lending, leasing and deposit arrangements at the financial year end and are included in level 2 of the fair value hierarchy.

42 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios and a positive cash position in order to support its business and maximise shareholder value.

The Group is not subject to any externally imposed capital requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

To maintain a positive cash position, the Group ensures that it has sufficient cash balances and enters into loans when necessary. In order to achieve positive cash position, the Group focuses on deriving positive cash profits as well as through better working capital management.

No changes were made in the objectives, policies or processes during the financial periods ended 31 December 2022 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

42 CAPITAL MANAGEMENT (CONTINUED)

The Group is currently in a net cash position. The Group will continue to be guided by prudent financial policies of which gearing is an important aspect.

	Group	
	31.12.2022 S$'000	**31.3.2022 S$'000**
Total gross debt		
– Loans and bank borrowings	**2,332**	2,382
– Lease liabilities	**106**	118
	2,438	2,500
Shareholders' equity		
– Share capital	**549,704**	549,704
– Treasury shares	**(1,098)**	(1,098)
– Accumulated losses	**(499,105)**	(499,645)
– Other reserves	**(6,394)**	(6,394)
– Translation reserve	**(12,823)**	(9,543)
	30,284	33,024
Gross debt equity ratio	**8.05%**	7.57%
Cash and bank balances and fixed deposits	**12,205**	11,377
Less: Total gross debt	**(2,438)**	(2,500)
Net cash position	**9,767**	8,877

43 ADOPTION OF NEW STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except that in the current year, the Group has adopted all the new and revised SFRS(I)s issued that are relevant to its operations and effective for annual periods beginning on 1 April 2022. The adoption of these new and revised SFRS(I)s has had no material financial impact on the financial performance and financial position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

44 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

As at the date of these financial statements, the Group and the Company have not adopted the following amendments to standards that have been issued but are not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements – Classification of Liabilities as current or non-current*	1 January 2024
Amendments to SFRS(I) 1-1 – *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16 *Lease – Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-1 – *Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements*	1 January 2023
Amendments to SFRS(I) 1-8 – *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12 – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture*	Deferred indefinitely, early application is still permitted

The directors of the Company expect the adoption of the amendments above will have no material impact on the consolidated financial statements in the period of initial application.

45 SUBSEQUENT EVENTS

Share buyback exercise

Subsequent to the financial year ended 31 December 2022, the Company commenced its share buyback exercise following shareholders' approval which was announced on 20 December 2022.

46 COMPARATIVE FIGURES

The Company announced the change in the financial year end of the Company from 31 March to 31 December with effect from 30 November 2022. Following the change, the financial year of the Company will end on 31 December of each year. With the change of financial year, the audited financial statements for the financial period ended 31 December 2022 covered a period of 9 months from 1 April 2022 to 31 December 2022. The comparative figures covered a period of 15 months from 1 January 2021 to 31 March 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2023

Class of equity securities	:	Ordinary shares
Number of equity securities (including Treasury Shares)	:	13,880,384
Number of equity securities (excluding Treasury Shares)	:	13,493,313
Number/Percentage of Treasury Shares	:	387,071 (2.79%)
Number/Percentage of subsidiary holding held	:	Nil
Voting rights	:	One vote per Share. The Company cannot exercise any voting right in respect of treasury shares.

Shareholdings of Substantial Shareholders as at 15 MARCH 2023

		No. of Shares			
Name	**Note**	**Direct Interest**	**Deemed Interest**	**Total Interest**	**%[1]**
Dr. Bhupendra Kumar Modi ("BKM")	2	804,634	6,851,086	7,655,720	56.74
Dilip Modi ("DLM")	3	–	5,121,308	5,121,308	37.95
Veena Modi ("VM")	3	–	1,482,387	1,482,387	10.99
S Global Innovation Centre Pte. Ltd.	2a	3,638,921	–	3,638,921	26.97
Smart Co. Holding Pte. Ltd.	2b, 2c, 4	410,660	6,397,426	6,808,086	50.46
S Global Holdings Limited	5	–	5,121,308	5,121,308	37.95
Smart Bharat Private Limited	2e, 6	1,482,387	–	1,482,387	10.99
Spice Bulls Pte. Ltd	2c, 6	1,276,118	1,482,387	2,758,505	20.44
Global Tech Innovations Ltd.	7	–	5,121,308	5,121,308	37.95
Smart Global Corporate Holding Private Limited	8	–	5,121,308	5,121,308	37.95
Paramount Assets Investments Pte. Ltd.	9, 10	1,414,492	–	1,414,492	10.48
Lee Foundation	9	–	1,414,492	1,414,492	10.48
Lee Pineapple Company (Pte.) Limited	10	–	1,414,492	1,414,492	10.48

Notes:

(1) The above percentages are calculated based on the Company's share capital comprising of 13,493,313 issued and paid-up Shares as at 15 March 2023, excluding treasury shares.

(2) BKM is deemed to be interested in 6,851,086 Shares comprising the following:

(a) 3,638,921 Shares held directly by S Global Innovation Centre Pte. Ltd., as S Global Innovation Centre Pte. Ltd. is controlled by BKM along with DLM. By virtue of Section 7 of the Companies Act, Smart Global Corporate Holding Private Limited, Global Tech Innovations Ltd., S Global Holdings Limited, Prospective Infrastructure Pvt. Ltd. and Spice Connect Private Ltd. are deemed to be interested in the 3,638,921 Shares held through S Global Innovation Centre Pte. Ltd.;

(b) 410,660 Shares held directly by Smart Co. Holding Pte. Ltd. as Smart Co. Holding Pte. Ltd. is wholly-owned by BKM;

(c) 1,276,118 Shares held directly by Spice Bulls Pte. Ltd. as Spice Bulls Pte. Ltd. is wholly-owned by Smart Co. Holding Pte. Ltd., which is in turn wholly-owned by BKM i;

(d) 43,000 Shares held directly by Innovative Management Pte. Ltd. as Innovative Management Pte. Ltd. is wholly-owned by BKM; and

(e) 1,482,387 Shares held directly by Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited), as approximately 99.93% of the shares of Smart Bharat Private Limited are beneficially owned and controlled by BKM, investment vehicles controlled by BKM and his family members.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2023

(3) DLM is the son of BKM, and Divya Tongya ("DT") is the daughter of BKM. VM is the spouse of BKM and mother of DLM and DT.

DLM is a Substantial Shareholder, as he is deemed to be interested in 3,638,921 Shares through S Global Innovation Centre Pte. Ltd., as S Global Innovation Centre Pte. Ltd. is controlled by BKM, DLM and 1,482,387 Shares held directly by Smart Bharat Private Limited, as Smart Bharat Private Limited is a subsidiary of Smart Global Corporate Holding Private Limited and DLM holds no less than 20% of the shares in Smart Global Corporate Holding Private Limited.

DT does not have any interest in Shares, as her deemed interest ceased after she had transferred her shareholding interest in Smart Global Corporate Holding Private Limited to BKM.

VM is a Substantial Shareholder, as she is deemed to be interested in 1,482,387 Shares held through Smart Bharat Private Limited by virtue of her holding of no less than 20% of the shares in Smart Bharat Private Limited.

(4) Smart Co. Holding Pte. Ltd. is deemed to be interested in 6,397,426 Shares comprising the following:

(a) 3,638,921 Shares indirectly held through S Global Innovation Centre Pte. Ltd.;

(b) 1,276,118 Shares held directly by Spice Bulls Pte. Ltd. as Spice Bulls Pte. Ltd. is wholly-owned by Smart Co. Holding Pte. Ltd: and

(c) 1,482,387 Shares held directly by Smart Bharat Private Limited, as Smart Bharat Private Limited is a subsidiary of Smart Global Corporate Holding Private Limited and Smart Co. Holding Pte. Ltd. has an indirect interest of no less than 20% of the shares in Smart Global Corporate Holding Private Limited.

(5) S Global Holdings Limited is deemed to be interested in 5,121,308 Shares comprising 3,638,921 Shares indirectly held through S Global Innovation Centre Pte. Ltd. and 1,482,387 Shares held directly by Smart Bharat Private Limited, as the Smart Bharat Private Limited is a subsidiary of Smart Global Corporate Holding Private Limited and S Global Holdings Limited has an indirect interest of no less than 20% of the shares in Smart Global Corporate Holding Private Limited.

(6) Pursuant to a sale and purchase agreement dated 23 November 2021 ("SPA") executed between Smart Bharat Private Limited ("Vendor") and Spice Bulls Pte. Ltd. ("Purchaser"), the Vendor shall sell and transfer to the Purchaser, and the Purchaser shall purchase from the Vendor, the 1,482,387 shares in the capital of the Company owned by the Vendor ("Sale Shares"). The purchase price for the Sale Shares shall be the prevailing market price of the Shares on the SGX-ST (as reported by Bloomberg L.P.) as at the Completion Date (as defined in the SPA) as agreed by the Purchaser and the Vendor. The deemed interest in 1,482,387 Shares held by Spice Bulls Pte. Ltd. Arises pursuant to the SPA whereby Spice Bulls Pte. Ltd. has agreed to acquire the Sale Shares. Upon completion under the SPA, the deemed interest in 1,482,387 Shares held by Spice Bulls Pte. Ltd. will be reflected as a direct interest in 1,482,387 Shares held by Spice Bulls Pte. Ltd.

(7) Global Tech Innovations Ltd. is deemed to be interested in 5,121,308 Shares comprising 3,638,921 Shares indirectly held through S Global Innovation Centre Pte. Ltd. and 1,482,387 Shares held directly by Smart Bharat Private Limited, as Smart Bharat Private Limited is a subsidiary of Smart Global Corporate Holding Private Limited and Global Tech Innovations Ltd. holds no less than 20% of the shares in Smart Global Corporate Holding Private Limited.

(8) Smart Global Corporate Holding Private Limited is deemed to be interested in 5,121,308 Shares comprising 3,638,921 Shares indirectly held through S Global Innovation Centre Pte. Ltd. and 1,482,387 Shares held directly by Smart Bharat Private Limited, as Smart Bharat Private Limited is a subsidiary of Smart Global Corporate Holding Private Limited.

(9) Lee Foundation, by virtue of its interest in not less than 20% of the total issued share capital of Lee Pineapple Company (Pte.) Ltd., is deemed to be interested in 1,414,492 Shares held directly by Paramount Assets Investments Pte. Ltd., a wholly-owned subsidiary of Lee Pineapple Company (Pte.) Ltd.

(10) Lee Pineapple Company (Pte.) Ltd. is deemed to be interested in 1,414,492 Shares held directly by Paramount Assets Investments Pte. Ltd., a wholly-owned subsidiary of Lee Pineapple Company (Pte.) Ltd.

PUBLIC FLOAT

As at 15 March 2023, 32.29% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST which require that at least 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2023

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	7,778	67.69	186,356	1.38
100 – 1,000	3,210	27.94	947,049	7.02
1,001 – 10,000	455	3.96	1,160,363	8.60
10,001 – 1,000,000	43	0.37	3,272,062	24.25
1,000,001 AND ABOVE	4	0.04	7,927,483	58.75
TOTAL	**11,490**	**100.00**	**13,493,313**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	S GLOBAL INNOVATION CENTRE PTE LTD	3,638,921	26.97
2	SMART BHARAT PRIVATE LIMITED	1,482,387	10.99
3	PARAMOUNT ASSETS INVESTMENTS PTE LTD	1,414,492	10.48
4	PHILLIP SECURITIES PTE LTD*	1,391,683	10.31
5	DBS NOMINEES (PRIVATE) LIMITED	977,206	7.24
6	UOB KAY HIAN PRIVATE LIMITED**	677,744	5.02
7	ABN AMRO CLEARING BANK N.V.	395,323	2.93
8	SMART CO HOLDING PTE LTD	260,286	1.93
9	CITIBANK NOMINEES SINGAPORE PTE LTD	76,458	0.57
10	TAN CHIP SIN	69,500	0.52
11	CHONG YEAN FONG	68,114	0.50
12	TAI TAK SECURITIES PTE LTD	61,700	0.46
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	55,075	0.41
14	OCBC SECURITIES PRIVATE LIMITED	50,584	0.37
15	BIKASH PODDAR	47,000	0.35
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	31,902	0.24
17	TUSHAR S/O PRITAMLAL DOSHI	30,075	0.22
18	DORARAJ S	29,323	0.22
19	GOH KIM SENG	28,900	0.21
20	JIN WEIHUA	23,250	0.17
	TOTAL	**10,809,923**	**80.11**

* 1,276,118 Shares are held on behalf of Spice Bulls Pte. Ltd

** 150,374 Shares are held on behalf of Smart Co Holding Pte Ltd.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held by way of electronic means on Friday, 28 April 2023 at 5.30 PM for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial period from 1 April 2022 to 31 December 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Sudip Bandyopadhyay as a Director of the Company retiring pursuant to Regulation 88 of the Constitution of the Company. **(Resolution 2)**

   See Explanatory Note (i)

3. To note that the following Directors of the Company will be retiring pursuant to Regulation 89 of the Constitution of the Company and they will not be seeking re-election at this Annual General Meeting:

   (a) Mr. Doraraj S
   (b) Mr. Tushar s/o Pritamlal Doshi

   See Explanatory Note (ii)

4. To approve the payment of Directors' fees of S$67,499 for the financial period from 1 April 2022 to 31 December 2022. (Financial Period from 1 January 2021 to 31 March 2022: S$98,750) **(Resolution 3)**

5. To re-appoint Moore Stephens LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 4)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:

7. **Share Issue Mandate in accordance with Section 161 of the Companies Act 1967 and Rule 806(2)(a) of Section B: Rules of Catalist of the Listing Manual**

   That pursuant to Section 161 of the Companies Act 1967 ("**Companies Act**") and Rule 806(2)(a) of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

   (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instructions convertible into Shares;

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit and, notwithstanding the authority conferred by this ordinary resolution, issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this ordinary resolution was in force, provided that:

(c) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this ordinary resolution) to be issued pursuant to this ordinary resolution shall not exceed one hundred percent (100%) of the total number of issued shares (as calculated in accordance with sub-paragraph (d) below), of which the aggregate number of shares to be issued other than on a pro rata basis shall not exceed fifty percent (50%) of the total number of issued shares;

(d) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (c) above, the total number of Issued Shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this ordinary resolution, after adjusting for:

  (i) new Shares arising from the conversion or exercise of any convertible securities;

  (ii) new Shares arising from exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this ordinary resolution; and

  (iii) any subsequent bonus issue, consolidation or subdivision of shares;

(e) in exercising the authority conferred by this ordinary resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all legal requirements under the Companies Act and the Constitution of the Company; and

(f) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

See Explanatory Note (iii) **(Resolution 5)**

8. **Authority to issue shares under the 2014 Employee Stock Option Plan**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to grant options under the prevailing 2014 Employee Stock Option Plan ("**2014 ESOP**") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the terms and conditions under the 2014 ESOP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of ordinary shares available under the Digilife Technologies Performance Share Plan 2021, 2014 ESOP, Sevak Restricted Share Plan and the Sevak Performance Share Plan, the 1999 Sevak Employees Share Option Scheme and the 1999 Sevak Employees Share Option Scheme II, collectively shall not exceed thirty per centum (30%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

See Explanatory Note (iv) **(Resolution 6)**

NOTICE OF
ANNUAL GENERAL MEETING

9. **Authority to issue shares under the Digilife Technologies Performance Share Plan 2021**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to grant awards under the Digilife Technologies Performance Share Plan 2021 (formerly known as Sevak Performance Share Plan 2021) and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the terms and conditions under the Digilife Technologies Performance Share Plan 2021, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of ordinary shares available under the Digilife Technologies Performance Share Plan 2021, 2014 ESOP, Sevak Restricted Share Plan and the Sevak Performance Share Plan, the 1999 Sevak Employees Share Option Scheme and the 1999 Sevak Employees Share Option Scheme II, collectively shall not exceed thirty per centum (30%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

See Explanatory Note (v) **(Resolution 7)**

10. **Proposed Adoption of the Share Buyback Mandate**

That:

(a) for the purposes of Section 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("**Share Buybacks**") in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) an on-market Share Buyback ("**Market Share Buyback**") transacted through the SGX-ST's trading system; and/or

(ii) an off-market Share Buyback ("**Off-Market Share Buyback**"), otherwise than on a securities exchange, effected in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all conditions prescribed by the Catalist Rules and the Companies Act,

and otherwise in accordance with the applicable provisions of the Companies Act and the Catalist Rules, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on:

(i) the date on which the next annual general meeting of the Company ("**AGM**") is held or required by law to be held;

NOTICE OF ANNUAL GENERAL MEETING

(ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extend mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in general meeting,

whichever is the earliest ("**Relevant Period**").

(d) for purposes of this Resolution:

"**Prescribed Limit**" means 10% of the total number of Shares as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury Shares that may be held by the Company and Shares held by subsidiaries of the Company in accordance with the Companies Act ("**Subsidiary Holdings**") from time to time);

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share, which shall not exceed:

(i) In the case of a Market Share Buyback, 5% above the average closing market prices of the Shares over the last 5 Market Days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day of the Market Share Buy-Back by the Company, and deemed to be adjusted for any corporate action that occurs after such 5-day period; and

(ii) In the case of an Off-Market Share Buyback pursuant to an equal access scheme, 20% above the average of the closing market prices of the Share over the last 5 Market Days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buyback, and deemed to be adjusted for any corporate action that occurs after such 5-day period; and

(e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be prepared) as they and/or he may consider necessary or expedient to give effect to the transactions contemplated by this Resolution.

See Explanatory Note (vi) **(Resolution 8)**

By Order of the Board

Ngiam May Ling
Company Secretary
Digilife Technologies Limited

13 April 2023

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Resolution 2 is for the re-election of Mr. Sudip Bandyopadhyay ("**Mr. Sudip**"), a Director of the Company who retires at the Annual General Meeting. Mr. Sudip will, upon re-election, remain as Lead Independent Director of the Company and will be considered independent.

For more information on the abovementioned Director who is retiring at the Annual General Meeting is set out in the section entitled "Additional Information on Director Seeking Re-Election" on pages 175 to 178 in the Annual Report.

(ii) Upon the retirement of Mr. Doraraj S ("**Mr. Doraraj**") as Independent Non-Executive Director of the Company at the conclusion of this Annual General Meeting, Mr. Doraraj will concurrently cease to be a member of Audit, Nominating and Remuneration Committees.

Upon the retirement of Mr. Tushar s/o Pritamlal Doshi ("**Mr. Doshi**") as Independent Non-Executive Director of the Company at the conclusion of this Annual General Meeting, Mr. Doshi will concurrently cease to be a member of Audit, Nominating and Remuneration Committees.

(iii) The proposed share issue mandate falls within the limits set out in Rule 806(2)(a) and 806(2)(b) of the Catalist Rules. For the avoidance of doubt, the adoption of the relevant proposed share issue mandate as set out in Ordinary Resolution 5 is contingent on the relevant thresholds for shareholders' approval being met.

The Ordinary Resolution 5, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time the Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time when the Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(iv) The Ordinary Resolution 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the grant of options or awards under the 2014 ESOP, provided always that the aggregate number of shares available under the Digilife Technologies Performance Share Plan 2021, 2014 ESOP, Sevak Restricted Share Plan and the Sevak Performance Share Plan, the 1999 Sevak Employees Share Option Scheme and the 1999 Sevak Employees Share Option Scheme II, collectively shall not exceed thirty per centum (30%) of the total number of issued shares, excluding treasury shares and subsidiary holdings, in the capital of the Company from time to time.

(v) The Ordinary Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the grant of options or awards under the Digilife Technologies Performance Share Plan 2021, provided always that the aggregate number of shares available under the Digilife Technologies Performance Share Plan 2021, 2014 ESOP, Sevak Restricted Share Plan and the Sevak Performance Share Plan, the 1999 Sevak Employees Share Option Scheme and the 1999 Sevak Employees Share Option Scheme II, collectively shall not exceed thirty per centum (30%) of the total number of issued shares, excluding treasury shares and subsidiary holdings, in the capital of the Company from time to time.

(vi) The Ordinary Resolution 8, if passed, will empower the Directors of the Company effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, or the date on which the purchases or acquisitions of Shares are carried out to the full extent mandated, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting. whichever is earliest, to purchase issued ordinary shares in the capital of the Company by way of on-market purchases or off-market purchases of up to ten percent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in this notice of AGM.

The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Company and its subsidiaries for the financial period from 1 January 2021 to 31 March 2022 are set out in the "Circular to Shareholders in relation to the Proposed Adoption of the Share Buyback Mandate" dated 13 April 2023.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. **No attendance at AGM**

The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM, Proxy Form and the Annual Report 2022 will not be sent to shareholders. Instead, the Notice of AGM, the Proxy Form and the Annual Report 2022 may be accessed at the Company's website at the URL https://digilifelimited.com/investors.html#news, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements. Members will not be able to attend in person.

Alternative arrangements have been put in place to allow shareholders to participate at the AGM by:

(a) observing and/or listening to the AGM proceedings via "live" audio-and-visual webcast via their mobile phones, tablets or computers or "live" audio-only stream via telephone (Live Webcast);

(b) submitting questions in advance of the AGM or during the AGM via an online text box; and/or

(c) voting at the AGM (i) "live" by the shareholders themselves via electronic means or (ii) by appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy to attend and vote on their behalf at the AGM.

Details of the steps for pre-registration, submission of questions and voting at the AGM are set out in detail below.

2. **Pre-Registration to attend the AGM remotely**

Shareholders and CPF/SRS investors who wish to attend, ask questions and vote at the AGM must pre-register at the pre-registration website at https://registration.ryt-poll.com/home/index/digilife-agm-2023 from now till 5.30 PM on 19 April 2023 to enable the Company to verify their status as shareholders. If they wish to appoint the Chairman of the Meeting to vote on their behalf, they should submit a Proxy Form/approach their respective CPF Agent Banks or SRS Operators in accordance with paragraph (5) below.

Following the verification, authenticated persons will receive a confirmation email which will contain the instructions to access the "live" audio-and-visual webcast and a telephone number to access the "live" audio-only stream of the AGM proceedings, via the e-mail address provided during pre-registration.

Persons who do not receive the confirmation email by 5.30 PM on 27 April 2023, but have registered by 5.30 PM on 19 April 2023 deadline should contact the Company at digilife-agm@ryt-poll.com.

Deadline to pre-register: By 5.30 PM on 25 April 2023.

Investors holding Shares through relevant intermediaries (other than CPF/SRS investors) will not be able to pre-register at https://registration.ryt-poll.com/home/index/digilife-agm-2023 for the "live" broadcast of the AGM. Such investors who wish to participate in the "live" broadcast of the AGM should instead contact the relevant intermediary through which they hold such Shares as soon as possible, no later than 5.30 PM on 19 April 2023 (being 7 working days before the date of the AGM) in order to make the necessary arrangements for them to participate in the AGM.

3. **Submission of questions**

Shareholders and CPF/SRS investors will be able to ask questions at the AGM by submitting text-based questions via the "live" audio-and-visual webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box. It is important for shareholders and CPF/SRS investors to have their web-browser devices ready for asking questions during the Live Webcast.

Shareholders and CPS/SRS investors who pre-registered and are verified in accordance with paragraph (2) above are also encouraged to submit questions related to the proposed resolutions to be tabled for approval at the AGM in the following manner:

(a) via the pre-registration website at https://registration.ryt-poll.com/home/index/digilife-agm-2023;

(b) by email to digilife-agm@ryt-poll.com;

(c) if submitted by post, be deposited at the office of Company's electronic AGM service provider, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

(d) during the AGM via an online text box.

Shareholders will need to identify themselves when posing questions by providing the following details:

– the shareholder's full name as it appears on the CDP/CPF/SRS share records;

– the shareholder's NRIC/Passport/UEN number;

NOTICE OF ANNUAL GENERAL MEETING

– the shareholder's contact number and email address; and

– the manner in which the shareholder holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

In view of the current COVID-19 measures which may make it difficult for shareholders to submit their questions by post, shareholders are strongly encouraged to submit their questions electronically via email.

Deadline to submit questions: By 5.30 PM on 21 April 2023.

The Company will endeavour to address the substantial and relevant questions received from shareholders relating to the agenda of the AGM prior to the AGM by publishing the responses to these questions on SGXNET and the Company's website on or before 27 April 2023. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters.

The Company will adopt real-time electronic communication facilities i.e. an online text box for the shareholders to raise questions during the AGM and get responded from the Company prior to vote casting.

The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on Company's website and on SGXNET, and the minutes will include the responses to substantial and relevant questions referred to above.

4. **Voting at the AGM**

Shareholders and CPF/SRS investors who wish to attend and vote electronically (in real time) at the AGM must pre-register at the pre-registration website in accordance with paragraph (2) above.

"Live" voting will be conducted during the AGM for shareholders and CPF/SRS investors attending the LiveWebcast (and not the audio-only feed via telephone). It is important for shareholders and CPF/SRS investors to have their web-browser devices ready for voting during the Live Webcast.

5. **Voting by the appointment of Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as Proxy**

A member (whether individual or corporate) who does not wish to attend and vote (in real time) at the AGM may submit a Proxy Form to appoint the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as his/her/its proxy to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5.30 PM on 19 April 2023) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) to vote on their behalf by the cut-off date.

For the avoidance of doubt, pre-registration is not required if a shareholder only intends to appoint the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as his/her/its proxy and does not intend to attend the AGM. The Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy, need not be a Member of the Company.

The instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy, which can be assessed at the SGX website at the link: https://www.sgx.com/securities/company-announcements or the Company's website at the link https://digilifelimited.com/investors.html#news, must be submitted to the Company in the following manner:

(a) if electronically, be submitted via email at digilife-agm@ryt-poll.com; or

(b) if by post, be deposited at the office of Company's electronic AGM service provider, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903,

in either case, by no later than 5.30 PM on 25 April 2023, being seventy-two (72) hours before the time fixed for the holding of the AGM and in default the instrument of proxy shall be treated as invalid. Shareholders who wish to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

Deadline to submit Proxy Form: By 5.30 PM on 25 April 2023.

Where an instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy submitted by email, it must be authorised in the following manner, failing which the instrument may be treated as invalid:

(a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

(b) by way of the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

A corporation which is a shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy (including any related attachment). In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

6. Completion and return of the instrument appointing the Chairman of the AGM or proxy(ies) (other than the Chairman of the Meeting) will not prevent a shareholder from attending and voting (in real time) via electronic means at the AGM if he/she/it subsequently wishes to do so, provided that in the event of such attendance by the shareholder via electronic means, the relevant instrument submitted by the shareholder shall be deemed to be revoked.

7. All documents and information relating to the business of the Meeting (including this Notice of Meeting and the instrument appointing a proxy) have been published on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://digilifelimited.com/investors.html#news.

Personal data privacy:

By submitting personal data to the Company (or its agents) or an instrument appointing the Chairman of the AGM or proxy(ies) (other than the Chairman of the Meeting) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the AGM or proxy(ies) (other than the Chairman of the Meeting) as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any Applicable Laws, listing rules, regulations and/or guidelines, and recording and transmitting images and voice recordings when broadcasting the proceedings of the AGM through a live audio-visual webcast or live audio-only stream.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information on Mr. Sudip Bandyopadhyay ("Mr. Sudip") who is seeking re-election as Director at the Annual General Meeting to be held on 28 April 2023, is to be read in conjunction with his biographies on page 11 of the Annual Report 2022.

Name of Director	**Sudip Bandyopadhyay**
Date of Appointment	16 August 2022
Date of last re-appointment (if applicable)	–
Age	59
Country of principal residence	India
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr. Sudip as Lead Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration his qualifications, expertise and past experiences.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Lead Independent Director • Chairman of Audit, Nominating and Remuneration Committees
Professional qualifications	• CA (Chartered Accountant) • ICWA (Cost Accountant) • Bachelor of Commerce (Honors) from St. Xavier's College, Kolkata, Calcutta University
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Working experience and occupation(s) during the past 10 years	2015 to present: Group Chairman of Inditrade Capital Limited 2010-2015: Managing Director & CEO of Destimoney – New Silk Route
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) Or Appendix 7H (Catalist Rule 706(6))	Yes
Shareholding interest in the listed issuer and its subsidiaries?	None

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Other Principal Commitments Including Directorships	
Past (for the last 5 years) Directorships:	1) Affordable India Housing Finance Limited 2) Derby Communications (India) Private Limited 3) Ebix Paytech Private Limited 4) Jagdamba Contractors and Builders Limited 5) Robocash Private Limited 6) Omaxe Limited 7) Wall Street Finance Limited 8) Inditrade Technologies Limited 9) Inditrade Community Foundation 10) Smart Bharat Private Limited
Present	Directorships: 1) VST Industries Limited 2) Inditrade Capital Limited 3) AGS Transact Technologies Limited 4) Inditrade Fincorp Limited 5) Inditrade Rural Marketing Limited 6) Inditrade Microfinance Limited 7) India Transact Services Limited 8) Inditrade Scalerator Limited 9) Securevalue India Limited 10) Totalstart Entrepreneurship Ecosystem Developers
Information Required	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him/her?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(d) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No
(e) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(j) Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

DIGILIFE TECHNOLOGIES LIMITED

(Company Registration Number: 199304568R)
(Incorporated in Republic of Singapore)

(Please see notes overleaf before completing this Form)

A printed copy of this Proxy Form will NOT be dispatched to shareholders

IMPORTANT

1. The **Annual General Meeting** ("**Meeting**" or "**AGM**") is being convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Order 2020. Printed copies of this Notice of AGM, Proxy Form and the Annual Report 2022 will not be sent to shareholders. Instead, the Notice of AGM, the Proxy Form and the Annual Report 2022 may be accessed at the Company's website at the URL https://digilifelimited.com/investors.html#news, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to the attendance of the Meeting through electronic means, as well as conduct of the Meeting and relevant guidance with full details are set out in the notice of the AGM dated 13 April 2023 which can be accessed via the SGX website at: https://www.sgx.com/securities/company-announcements.
3. For investors who have used their Central Provident Fund ("**CPF**") monies to buy shares in the capital of Digilife Technologies Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
4. This Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. CPF/SRS investors who wish to appoint the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5.30 PM on 19 April 2023)

*I/We ____ (name)

of ____ (address)

being a member/members of Digilife Technologies Limited (the "**Company**"), hereby appoint:

Name:	**Address**	**NRIC/ Passport No.**	**Email Address#**	**Proportion of Shareholdings (%)**	
				No. of Shares	%

and/or*

Name:	**Address**	**NRIC/ Passport No.**	**Email Address#**	**Proportion of Shareholdings (%)**	
				No. of Shares	%

And/or* the Chairman of the AGM as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf, at the AGM of the Company to be held via electronic means on Friday, 28 April 2023 at 5.30 PM and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

No.	**Resolutions relating to:**	**Number of votes For^**	**Number of votes Against^**	**Number of votes Abstaining^**
As Ordinary Business				
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial period from 1 April 2022 to 31 December 2022			
2.	Re-election of Mr. Sudip Bandyopadhyay as a Director of the Company			
3.	Approval of Directors' fees amounting to S$67,499 for the financial period from 1 April 2022 to 31 December 2022			
4.	Re-appointment of Moore Stephens LLP as Auditors of the Company for the ensuing year and authority for Directors to fix their remuneration			
As Special Business				
5.	Share Issue Mandate pursuant to Section 161 of Companies Act and Rule 806(2)(a) of Catalist Rules			
6.	Authority to issue shares under the 2014 Employee Stock Option Plan			
7.	Authority to issue shares under the Digilife Technologies Performance Share Plan 2021			
8.	Proposed Adoption of the Share Buyback Mandate			

Compulsory for registration purposes. Only provided email address in the submitted Proxy Form will receive a confirmation email for the AGM.

^ Voting will be conducted by poll. If you wish the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. If no specific direction as to voting is given, the Chairman of the Company as your proxy will vote or abstain from voting at his/her discretion.

Dated this ______________ day of ________ 2023

Total number of Shares held in:	**No. of Shares**
(a) Depository Register	
(b) Register of Members	

____
Signature(s) of Member(s)
or Common Seal of Corporate Member

* Delete where applicable
IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person and can only participate in the AGM via electronic means. Alternative arrangements relating to the attendance at the AGM have been put in place to allow shareholders to electronically access the AGM by (a) observing and/or listening to the AGM proceedings via "live" audio-and-visual webcast (via their mobile phones, tablets or computers) or "live" audio-only stream (via telephone) (Live Webcast); (b) submitting questions in advance of the AGM or during the AGM via an online text box; and/or (c) voting at the AGM (i) "live" by the members themselves via electronic means or (ii) by appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy to attend and vote on their behalf at the AGM. A member (whether individual or corporate) who does not wish to attend and vote (in real time) at the AGM must submit this Proxy Form to appoint the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as his/her/its proxy to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This Proxy Form may be accessed at the Company's website at the URL https://digilifelimited.com/investors.html#news and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy for that resolution will be treated as invalid.

   CPF/SRS investors who wish to appoint the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5.30 PM on 19 April 2023) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) to vote on their behalf by the cut-off date.

3. The Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting), as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy, which can be assessed at the SGX website at the link: https://www.sgx.com/securities/company-announcements or the Company's website at the link: https://digilifelimited.com/investors.html#news, must be submitted to the Company in the following manner:

   a. If electronically, be submitted via email at digilife-agm@ryt-poll.com or

   b. if submitted by post, be deposited at the office of Company's electronic AGM service provider, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903

   in either case, by no later than 5.30 PM on 25 April 2023, being seventy-two (72) hours before the time fixed for the holding of the AGM and in default the instrument of proxy shall be treated as invalid.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. Where an instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy submitted by email, it must be authorised in the following manner, failing which the instrument may be treated as invalid:

   a. by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   b. by way of the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

   A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy (including any related attachment). In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting or proxy(ies) (other than the Chairman of the Meeting) as proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

7. Completion and return of the instrument appointing the Chairman of the AGM or proxy(ies) (other than the Chairman of the Meeting) will not prevent a member from attending and voting (in real time) via electronic means at the AGM if he/she/it subsequently wishes to do so, provided that in the event of such attendance by the member via electronic means, the relevant instrument submitted by the member shall be deemed to be revoked.

   *A "relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

8. **Personal data privacy:**

   By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2023.

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