

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

---

**THE PROPOSED DISPOSAL BY THE COMPANY OF 90% OF ITS SHAREHOLDING INTERESTS  
IN SINGAPORE ELECTRIC VEHICLES PTE. LTD. AS A MAJOR TRANSACTION**

---

**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Digilife Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that on 3 December 2021, the Company has entered into a share purchase agreement (the “**SPA**”) with SEV Holding Pte. Ltd. (the “**Purchaser**”), for the disposal by the Company of an aggregate of such number of issued shares in the capital of Singapore Electric Vehicles Pte. Ltd. (“**Target Company**”) (“**Target Company Shares**”), which represents 90% of the total issued and paid-up share capital of the Target Company (the “**Sale Shares**”) on the terms and subject to the conditions of the SPA (the “**Proposed Disposal**”).

The Proposed Disposal is considered a “major transaction” of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Accordingly, the Company intends to proceed with the Proposed Disposal which will be subject to, amongst others, the approval of the shareholders of the Company (the “**Shareholders**”) for the Proposed Disposal at an extraordinary general meeting (the “**EGM**”) to be convened in due course.

**2. INFORMATION RELATING TO THE GROUP AND THE PURCHASER**

**2.1 Information relating to the Target Company**

The Target Company is a company incorporated in the Republic of Singapore (“**Singapore**”) on 25 June 1998. The Target Company’s principal business activity includes passenger land transport, motor vehicles dealership and retail of spare parts and accessories for vehicles.

As at the date of this announcement, the Company is the legal and beneficial owner of 2 (two) Target Company Shares, representing in aggregate 100% of the total issued and paid-up share capital of the Target Company. Following the signing of the SPA, the Target Company will be issuing additional shares as part of the restructuring process required pursuant to the conditions precedent as set out in Section 3.3 below.

**2.3 Information relating to the Purchaser**

The Purchaser is an exempt private company limited by shares duly incorporated under the laws of Singapore on 10 November 2021, and is principally engaged in the business of retail sale of motor vehicles and renting and leasing of private cars.

The sole shareholder and director of the Purchaser is a businesswoman who has invested in several start-ups. She intends to diversify into the EV business through this acquisition. Post-acquisition, she intends to induct new directors and management into the business.

The Purchaser does not have any shareholding interest, direct or indirect, in the Company, and the directors and/or substantial shareholders of the Purchaser are not related to any of the directors, the chief executive officer, or substantial shareholders of the Company, or their respective associates.

### **3. MATERIAL TERMS OF THE PROPOSED DISPOSAL**

A summary of the material terms and conditions of the Proposed Disposal as set out in the SPA is as follows.

#### **3.1 Disposal of the Sale Shares**

The Company shall sell to the Purchaser, and the Purchaser shall purchase from the Company, the Sale Shares on the terms and conditions of the SPA.

The consideration for the Sale Shares shall be an aggregate of SGD 2,500,000 (the "**Consideration**") to be payable by the Purchaser to the Company in two separate tranches as follows:

- (a) the first tranche of SGD 1,000,000 (the "**First Closing Consideration**") in return for the transfer of such portion of Sale Shares representing 36% of the Target Company Shares (the "**First Closing**"); and
- (b) the second tranche of SGD 1,500,000 ("**Final Closing Consideration**") in return for the transfer of the remaining Sale Shares representing 54% of the Target Company Shares (the "**Final Closing**").

Unless extended by mutual consent of both parties to the SPA (the "**Parties**"), the First Closing shall take place within 30 days from the date of this announcement, subject to the First Closing Conditions (as defined below) being fulfilled within 25 days from the date of this announcement. The aforesaid time period may be extended by another 60 days in the event that the First Closing Conditions have not been fulfilled.

The Final Closing shall take place on or before 30 days from the date of the First Closing subject to the Final Closing Conditions (as defined below) being fulfilled.

The Purchaser shall deliver to the Company the payment of the First Closing Consideration and Final Closing Consideration by way of cheque or demand draft or telegraphic transfer in the Company's designated bank account on the First Closing and the Final Closing respectively.

#### **3.2 Consideration**

The aggregate Consideration was arrived at after arms' length negotiations and on a willing-buyer willing-seller basis, after taking into consideration that the Target Company has been loss making, discussions between the Company and the Purchaser, and other commercial factors including, *inter alia*, the historical performance and business prospects of the Target Company, prevailing market conditions, the valuation of the Sale Shares based on the Company's internal assessment of the electric vehicles of the Target Company which is based on information on the resale value of used cars including information from government websites, and the rationale for and benefits to the Group arising from the Proposed Disposal as further described in Section 4 of this Announcement.

### 3.3 Conditions Precedent

- (a) The First Closing shall be conditional on the following events (collectively, the “**First Closing Conditions**”):
- (i) the Purchaser and the Company obtaining all consents and approvals required by any and all applicable laws and governmental authorities to give effect to the transactions contemplated hereunder and where any consent or approval is subject to conditions, such conditions being reasonably satisfactory to the Purchaser and the Company;
  - (ii) the obtaining of all such approvals, waivers, notifications, authorization consents from directors, shareholders as applicable to each Party;
  - (iii) the audited accounts as at 31 December 2020 of the Target Company (the “**Audited Accounts**”) and its management accounts up to 31 October 2021 (the “**Management Accounts**”) being provided within 2 weeks of the date of the SPA to the Purchaser for purposes of due diligence review;
  - (iv) the Target Company having no liabilities other than those stated in its Audited Accounts and Management Accounts;
  - (v) the Target Company having discharged and terminated all inter-company balances and contracts between the Company and the Target Company and between the Target Company and all related corporations of the Company with no further outstanding balances and obligations *inter se*. The Company to prepare, execute and deliver the necessary discharge and termination letters and agreements to the Purchaser on or before the date of the First Closing;
  - (vi) 50 electric vehicles (“**EV**”) along with 50 chargers (as agreed by the Parties) shall have been transferred to the Target Company free from all encumbrance and deemed fully paid for prior to the date of the First Closing;
  - (vii) the web domain and Facebook page of the Target Company - “SingaporeElectricVehicles.com” – shall have been transferred to the Target Company free from all encumbrance and deemed fully paid for prior to the date of the First Closing;
  - (viii) discharge of all guarantees, if any, given by the Target Company to any other party;
  - (ix) the rental agreement for the use of carpark lots and charger space shall have been agreed upon and signed between the Target Company and all relevant parties;
  - (x) assignment by the Company of all relevant insurance for the 50 EVs in favour of the Target Company; and
  - (xi) transfer of all EV-related assets owned by the Company (and its related entities) to the Target Company free from encumbrance and deemed fully paid for.
- (b) The Final Closing shall be conditional on the following events (collectively, the “**Final Closing Conditions**”):
- (i) the First Closing having taken place; and

- (ii) all necessary regulatory approvals in Singapore having been obtained by the Company for the transactions contemplated under the SPA and remaining valid, including those from the SGX-ST, and if such approval is subject to any conditions, such conditions being reasonably satisfactory to the Company and satisfied accordingly.

(the “First Closing Conditions” and the “Final Closing Conditions”, collectively, the “**Conditions Precedent**”).

### **3.4 Salient Warranties and Indemnities**

In addition to warranties to be provided by the Company in relation to the Audited Accounts and Management Accounts, the Target Company’s cash balance, legal proceedings by or against the Target Company and material agreements or information provided to the Purchaser (including the agreed list of vehicles), the Company (and any of its related parties) is required to indemnify the Target Company against any tax liabilities resulting from inter-company balances written back by the Target Company in the event the intercompany balances written back is deemed taxable by the Inland Revenue Authority of Singapore.

## **4. RATIONALE FOR THE PROPOSED DISPOSAL**

The Board is of the view that the Proposed Disposal is in the best interests of the Company and Shareholders as it will allow the Group to re-strategize its financial and capital resources.

The EV fleet business was adversely affected during FY2020 due to the travel restrictions. Despite the limited opening of activities and transport in Singapore, it has experienced a fluctuating revenue pattern during FY 2020 -2021. However, business is yet to fully resume to pre-Covid levels, as seen from the rising number of Covid-19 cases in Singapore.

With the Proposed Disposal, the Company will substantially reduce its liabilities, improve its gearing and have more working capital to fund its operations, expand into other businesses and undertake new investment opportunities that may arise in the future, which may result in higher value to the Shareholders.

The Board is of the view that pursuant to the Proposed Disposal, the Group will benefit primarily due to the following reasons:

- (a) the Proposed Disposal presents the Group with an opportunity to monetize underperforming assets and will enable the Group to streamline its existing businesses and to focus more on core operations moving forward;
- (b) the Target Company is a loss-making entity, and the Proposed Disposal prevents cash depletion and will positively impact the overall results of the Group going forward; and
- (c) the Proposed Disposal will release cash of approximately S\$2,500,000 from the consideration of disposal, which can be re-deployed to other projects to achieve better gains for the Shareholders.

Further, there will be no material change to the risk profile of the Company arising from the Proposed Disposal as the total annual revenue generated by the Target Company amounts to S\$880,000 for FY2020, which represents 0.33% of the total revenue generated by the Group, being S\$264,036,000 for FY2020.

## 5. USE OF PROCEEDS

The estimated total gross cash available from the Proposed Disposal will be S\$2,500,000, excluding expenses to be incurred in connection with the Proposed Disposal (which includes legal, professional and administrative fees and expenses) (the “**Net Proceeds**”).

The Company intends to utilise the Net Proceeds for general working capital purposes, repayment of borrowings and working capital loans of the Group and to fund future business expansions, investments and acquisitions when suitable opportunities arise.

## 6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

### 6.1 NTA, Book Value and Net Profit Figures

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 September 2021 (“**Adjusted Figure**”), the net tangible asset (“**NTA**”) value and book value of the Target Company as 30 September 2021 after elimination of intercompany balances is S\$4,889,717 and S\$4,894,722 respectively.

Based on the 30 September 2021 Adjusted Figures (as defined below) and the Net Proceeds, the Group would expect to realise an attributable net disposal loss of S\$1,900,746 over adjusted NTA and an excess of the Net Proceeds over the adjusted book value of approximately S\$1,905,250.

The *pro forma* financial effects of the Proposed Disposal as set out below are purely for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Company and the Group following the completion of the Proposed Disposal. The *pro forma* financial effects have been prepared based on the Group’s FY2020 Financial Statements, subject to the following assumptions:

- (a) the financial effects of the Proposed Disposal on the NTA per share of the Company for FY2020 are computed assuming that the Proposed Disposal had been completed on 31 December 2020; and
- (b) the financial effects of the Proposed Disposal on the earnings per share (“**EPS**”) of the Company for FY2020 are computed assuming that the Proposed Disposal had been completed on 1 January 2020.

### 6.2 Effects on NTA per share

30 September 2021	Before the Proposed Disposal	After the Proposed Disposal <sup>(2)</sup>
NTA <sup>(1)</sup> (S\$'000)	34,647	32,747
Number of issued ordinary shares, excluding treasury shares	13,519,813	13,519,813
NTA <sup>(1)</sup> per share, excluding treasury shares (S\$ cents)	2.56	2.42

Notes:

- (1) NTA has been calculated based on the elimination of intercompany balances as on 30 September 2021.

- (2) NTA calculation includes the Consideration from the Proposed Disposal, and excludes the adjusted NTA of Target Company.

31 December 2020	Before the Proposed Disposal	After the Proposed Disposal <sup>(2)</sup>
NTA <sup>(1)</sup> (S\$'000)	35,180	34,321
Number of issued ordinary shares, excluding treasury shares	11,851,225	11,851,225
NTA <sup>(1)</sup> per share, excluding treasury shares (S\$ cents)	2.97	2.90

Notes:

- (1) NTA has been calculated based on the elimination of intercompany balances as on 31 December 2020.  
(2) NTA calculation includes the Consideration from the Proposed Disposal and excludes the adjusted NTA of Target Company.

### 6.3 Effects on EPS

30 September 2021	Before the Proposed Disposal	After the Proposed Disposal
Net loss <sup>(1)</sup> attributable to equity holders of the Company (S\$'000)	(3,875)	(5,509)
Weighted average no. of ordinary shares, excluding treasury shares <sup>(2)</sup>	12,851,352	12,851,352
Loss per share <sup>(3)</sup> , excluding treasury shares (S\$ cents)	(0.30)	(0.43)

Notes:

- (1) Net loss means profit or loss including discontinued operations that have not been disposed and before non-controlling interest after elimination of intercompany balances as on 30 September 2021.  
(2) Weighted average no. of ordinary shares includes shares issued in March and July 2021, pursuant to the Company's performance share plan.  
(3) Loss per share has been calculated based on the elimination of intercompany balances as on 30 September 2021.

31 December 2020	Before the Proposed Disposal	After the Proposed Disposal
Net profit <sup>(1)</sup> attributable to equity holders of the Company (S\$'000)	(2,667)	(4,158)
Weighted average no. of ordinary shares, excluding treasury shares <sup>(2)</sup>	11,851,225	11,851,225
Loss per share <sup>(3)</sup> , excluding treasury shares (S\$ cents)	(0.23)	(0.35)

Notes:

- (1) Net loss means profit or loss including discontinued operations that have not been disposed and before non-controlling interest after elimination of intercompany balances as on 31 December 2020.
- (2) EPS has been calculated based on the no. of ordinary shares in issue as at the 31 December 2020.
- (3) Loss per share has been calculated based on the elimination of intercompany balances as on 31 December 2020.

## 8. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 September 2021, after adjusting for the elimination of intercompany balances (the “**30 September 2021 Adjusted Figures**”), the relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Catalist Rules are as follows:

### Relative Figures Based on the 30 September 2021 Adjusted Figures:

Rule	Bases of computation	Relative figures
Rule 1006(a)	Net asset value (“NAV”) <sup>(1)</sup> of the assets to be disposed of S\$4,894,722 compared with the Group’s NAV of S\$36,083,930.	13.56%
Rule 1006(b)	Net loss <sup>(2)</sup> attributable to the Sale Shares to be disposed of S\$270,643, compared with the Group’s net loss of S\$3,874,869.	6.98%
Rule 1006(c)	Aggregate value of the consideration received of S\$2,500,000 <sup>(3)</sup> , compared with the Company’s market capitalisation <sup>(3)</sup> of approximately S\$17,98,1351.	13.90%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as the transaction is not an acquisition.
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable as this transaction is not a disposal of mineral, oil and gas assets.

Note: The Target Company and the Group have net losses of S\$270,643 and S\$3,874,869 respectively as of 30 September 2021 (negative figures).

Notes:

- (1) Under Rule 1002(3)(a) of the Catalist Rules, “net assets” means total assets less total liabilities.

- (2) Under Rule 1002(3)(b) of the Catalyst Rules, "net loss" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Under Rule 1002(5) of the Catalyst Rules, "market capitalisation" of the Company is determined by multiplying the 13,519,813 shares in issue by the weighted average price of such shares transacted on 2 December 2021, being the market day immediately preceding the date of the SPA, of S\$1.33 per share.

**Relative Figures Based on the HY2021 Figures (30 June 2021):**

Based on the latest announced unconsolidated financial statements of the Group for the financial period ended 30 June 2021 (the "HY 2021 Figures"), the relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Catalyst Rules are as follows:

<b>Rule</b>	<b>Bases of computation</b>	<b>Relative figures</b>
Rule 1006(a)	Net asset value ("NAV") <sup>(1)</sup> of the assets to be disposed of S\$3,792,746 compared with the Group's NAV of S\$35,396,074.	10.72%
Rule 1006(b)	Net loss <sup>(2)</sup> attributable to the Sale Shares to be disposed of S\$324,595, compared with the Group's net loss of S\$2,348,753.	13.82%
Rule 1006(c)	Aggregate value of the consideration received of S\$2,500,000 <sup>(3)</sup> , compared with the Company's market capitalisation <sup>(3)</sup> of approximately S\$17,981,351.	13.90%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as the transaction is not an acquisition.
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable as this transaction is not a disposal of mineral, oil and gas assets.

Note: The Target Company and the Group have net losses of S\$324,595 and S\$2,348,753 respectively as of 30 June 2021 (negative figures).

Notes:

- (1) Under Rule 1002(3)(a) of the Catalyst Rules, "net assets" means total assets less total liabilities.
- (2) Under Rule 1002(3)(b) of the Catalyst Rules, "net loss" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Under Rule 1002(5) of the Catalyst Rules, "market capitalisation" of the Company is determined by multiplying the 13,519,813 shares in issue by the weighted average price of such shares transacted on 2 December 2021, being the market day immediately preceding the date of the SPA, of S\$1.33 per share.

Notwithstanding that the relative figure computed under Rule 1006(b) of the Catalist Rules involves negative figures, on the application of paragraph 4.4(e) of Practice Note 10A of the Catalist Rules, Rule 1014 shall apply to the Proposed Disposal as the loss on disposal exceeds 10% of the consolidated net loss of the Company as of 30 September 2021. Accordingly, the Proposed Disposal is classified as a “major transaction” under Rule 1014 of the Catalist Rules and is accordingly subject to the approval of the Shareholders at the EGM to be held in due course.

**9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

As at the date of this Announcement, none of the Directors or the controlling shareholders of the Company has any direct or indirect interest in the Proposed Disposal, other than through their respective shareholding interests in the Company (if any).

**10. DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**11. CIRCULAR TO SHAREHOLDERS**

A circular containing further details on the Proposed Disposal and enclosing a notice of EGM in connection therewith will be despatched to Shareholders in due course.

**12. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Disposal and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

**13. DOCUMENTS FOR INSPECTION**

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 1 North Bridge Road, #19-04/05, High Street Centre, Singapore 179094, for a period of three (3) months from the date of this Announcement.

**14. CAUTION IN TRADING**

**Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of the Conditions Precedent set out above and accordingly are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this Announcement that the Proposed Disposal will be completed. Shareholders are advised to read this Announcement and any further announcements by the Company**

**carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Disposal, the SPA and other matters contemplated in this announcement.

**BY ORDER OF THE BOARD**

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

3 December 2021

---

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

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

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