

CIRCULAR DATED 19 MARCH 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Digilife Technologies Limited (“Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular, the notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee.

Printed copies of this Circular will NOT be sent to Shareholders. Instead, this Circular will be sent to Shareholders solely by electronic means via publication on the Company’s website at the URL <https://www.sevaklimited.com/> and will also be available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. The approval in-principle of the SGX-ST in relation to the Company’s application for the Proposed Diversification (as defined herein), Proposed Acquisition (as defined herein), Proposed Consideration Share Issue (as defined herein) and Proposed Disposal (as defined herein) shall not be taken as an indication of the merits of the Proposed Diversification, Proposed Acquisition, Proposed Consideration Share Issue, Proposed Disposal, the Company, its subsidiaries or its securities.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (“Sponsor”), for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular.

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

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.



DIGILIFE TECHNOLOGIES LIMITED

(formerly known as Sevak Limited)
(Company Registration Number: 199304568R)
(Incorporated in Republic of Singapore)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- (1) THE PROPOSED DIVERSIFICATION OF BUSINESS TO INCLUDE THE PROVISION OF THE PROPOSED NEW BUSINESS;**
- (2) THE PROPOSED ACQUISITION BY THE COMPANY OF 71% OF THE ISSUED AND FULLY-PAID SHARES IN THE CAPITAL OF STRADBROKE INVESTMENTS PTE. LTD.;**
- (3) THE PROPOSED ALLOTMENT AND ISSUANCE OF 5,500,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$1.39 FOR EACH SHARE TO THE VENDOR AS SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION; AND**
- (4) THE PROPOSED DISPOSAL BY THE COMPANY OF 90% OF ITS SHAREHOLDING INTERESTS IN SINGAPORE ELECTRIC VEHICLES PTE. LTD. AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	1 April 2022 at 11 AM
Last date and time for pre-registration to attend Extraordinary General Meeting by way of electronic means	:	1 April 2022 at 11 AM
Last date and time to submit questions	:	26 March 2022 at 11 AM
Date and time of Extraordinary General Meeting	:	4 April 2022 at 11 AM

For the purposes of this Circular, Shook Lin & Bok LLP has been appointed as the legal counsel to the Company in relation to Singapore law.

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

- “Aggregated Transactions”* : has the meaning ascribed to it in Section 3.8 of the Circular.
- “Ancillary Business”* : has the meaning ascribed to it in Section 2.2 of this Circular.
- “Applicable Law”* : with respect to any person, any and all applicable constitutions, treaties, statutes, laws, by-laws, regulations, ordinances, codes, rules, rulings, judgments, rules of common law, orders, decrees, awards, injunctions or any form of decisions, determinations or requirements of or made or issued by, governmental, statutory, regulatory, administrative, supervisory or judicial authorities or bodies (including without limitation, any relevant stock exchange or securities council) or any court, arbitrator or tribunal with competent jurisdiction, whether in Singapore or elsewhere, as amended or modified from time to time, and to which such party is subject.
- “associate(s)”* : shall have the same meaning as ascribed to them in the Listing Manual.
- “Audit Committee”* : The audit committee of the Company, comprising Mr. Doraraj S (Chairman), Mr. Tushar s/o Pritamlal Doshi (Member) and Mr. Maneesh Tripathi (Member).
- “Audited Accounts”* : has the meaning ascribed to it in Section 7.4.3 of the Circular.
- “Business Day”* : any day that is not a Saturday, Sunday, national holiday or other day on which commercial banks are authorized by law to close in Singapore.
- “Board” or “Board of Directors”* : the board of Directors of the Company for the time being.
- “Catalist”* : The Catalist Board of the SGX-ST.
- “Catalist Rules”* : Section B: Rules of Catalist of the Listing Manual of the SGX-ST as amended, supplemented or modified from time to time.
- “CDP”* : the Central Depository (Pte) Limited.
- “Circular”* : this circular dated 19 March 2022 issued by the Company.

DEFINITIONS

<i>“Companies Act”</i>	:	The Companies Act 1967, as amended or modified from time to time.
<i>“Company”</i>	:	Digilife Technologies Limited (formerly known as Sevak Limited).
<i>“Completion”</i>	:	has the meaning ascribed to it in Section 3.4.3 of the Circular.
<i>“Consideration Shares”</i>	:	has the meaning ascribed to it in Section 3.4.1 of this Circular.
<i>“Constitution”</i>	:	The constitution of the Company, as may be amended, modified and/or supplemented from time to time.
<i>“Controlling Shareholder”</i>	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company.
<i>“Current Core Business”</i>	:	has the meaning ascribed to it in Section 2.1 of this Circular.
<i>“Director”</i>	:	a director of the Company for the time being.
<i>“Dr. Modi”</i>	:	means Dr. Modi Bhupendra Kumar who is the Chairman and Non-Independent Non-Executive Director and Controlling Shareholder of the Company.
<i>“EGM” or “Meeting”</i>	:	the extraordinary general meeting to be convened for the approval by the Shareholders of the Proposed Diversification, Proposed Acquisition and the Proposed Consideration Share Issue to be held by way of electronic means on 4 April 2022 at 11 AM, notice of which is set out on page 77 of this Circular.
<i>“EPS”</i>	:	earnings per share.
<i>“EV”</i>	:	electric vehicles.
<i>“Final Closing”</i>	:	has the meaning ascribed to it in Section 7.4.1 of this Circular.

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<i>“Final Closing Conditions”</i>	:	has the meaning ascribed to it in Section 7.4.3 of this Circular.
<i>“Final Closing Consideration”</i>	:	has the meaning ascribed to it in Section 7.4.1 of this Circular.
<i>“First Closing”</i>	:	has the meaning ascribed to it in Section 7.4.1 of this Circular.
<i>“First Closing Conditions”</i>	:	has the meaning ascribed to it in Section 7.4.3 of this Circular.
<i>“First Closing Consideration”</i>	:	has the meaning ascribed to it in Section 7.4.1 of this Circular.
<i>“First Major Transaction”</i>	:	has the meaning ascribed to it in Section 3.8 of this Circular.
<i>“FY”</i>	:	means the 12 months financial period from 1 January to 31 December.
<i>“FY2021 Financial Statements”</i>	:	the unaudited consolidated financial statements of the Group for the financial year from 1 January 2021 to 31 December 2021.
<i>“Group”</i>	:	the Company and its subsidiaries, collectively, for the time being.
<i>“HY 2021”</i>	:	the financial period from 1 January 2021 to 30 June 2021.
<i>“HY 2021 Financial Statements”</i>	:	the latest announced unconsolidated financial statements of the Group for HY 2021.
<i>“HYLF”</i>	:	has the meaning ascribed to it in Section 3.3 of this Circular.
<i>“JTC”</i>	:	JTC Corporation.
<i>“Latest Practicable Date”</i>	:	the latest practicable date prior to the printing of this Circular, being 7 March 2022.
<i>“Listing Manual”</i>	:	the listing manual of the SGX-ST.
<i>“Management Accounts”</i>	:	has the meaning ascribed to it in Section 7.4.3 of this Circular.
<i>“Management Committee”</i>	:	has the meaning ascribed to it in Section 2.7 of this Circular.

DEFINITIONS

<i>“NAV”</i>	:	net asset value.
<i>“Net Proceeds”</i>	:	has the meaning ascribed to it in Section 7.6 of this Circular.
<i>“NTA”</i>	:	net tangible assets.
<i>“Notice of EGM”</i>	:	the notice of the EGM set out on page 77 of this Circular.
<i>“Ordinary Resolution”</i>	:	has the meaning ascribed to it in Section 1.1 of this Circular.
<i>“Property”</i>	:	has the meaning ascribed to it in Section 3.3 of this Circular.
<i>“Property Related Assets”</i>	:	has the meaning ascribed to it in Section 2.2 of this Circular.
<i>“Proposed Acquisition”</i>	:	has the meaning ascribed to it in Section 1.1 of this Circular.
<i>“Proposed Consideration Share Issue”</i>	:	has the meaning ascribed to it in Section 1.1 of this Circular.
<i>“Proposed Disposal”</i>	:	has the meaning ascribed to it in Section 1.1 of this Circular.
<i>“Proposed Diversification”</i>	:	has the meaning ascribed to it in Section 1.1 of this Circular.
<i>“Proposed New Business”</i>	:	has the meaning ascribed to it in Section 2.2 of this Circular.
<i>“Proposed Transactions”</i>	:	has the meaning ascribed to it in Section 1.1 of this Circular.
<i>“Proxy Form”</i>	:	the proxy form in respect of the EGM as set out in this Circular.
<i>“Purchaser”</i>	:	SEV Holding Pte. Ltd., an exempt private company limited by shares duly incorporated under the laws of Singapore on 10 November 2021 with the registered office address at 376 Thomson Road, #06-05 Cube 8, Singapore 298130.
<i>“Register of Members”</i>	:	register of members of the Company.

DEFINITIONS

<i>“Regulatory Authority”</i>	:	any authority, agency, department (including any governmental department or agency) or other person having authority under, or jurisdiction in respect of, any Applicable Law.
<i>“RSM”</i>	:	has the meaning ascribed to it in Section 6 of this Circular.
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents respectively, being the lawful currency of Singapore.
<i>“Securities Account”</i>	:	the securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent).
<i>“Securities and Futures Act” or “SFA”</i>	:	the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time or re-enactment thereof for the time being in force.
<i>“SEV”</i>	:	Singapore Electric Vehicles Pte. Ltd., a company incorporated in the Republic of Singapore on 25 June 1998.
<i>“SEV Agreement”</i>	:	the share purchase agreement entered into on 3 December 2021 between the Company and the Purchaser in relation to the Proposed Disposal.
<i>“SEV Announcement”</i>	:	the announcement by the Company dated 3 December 2021 that the Company and the Purchaser had entered into the SEV Agreement in respect of the Proposed Disposal on the SGXNET.
<i>“SEV Conditions Precedent”</i>	:	has the meaning ascribed to it in Section 7.4.3 of this Circular.
<i>“SEV Consideration”</i>	:	the sum of S\$2,500,000, being the aggregate consideration for the SEV Sale Shares, as further described in Section 7.4.1 of this Circular.
<i>“SEV Parties”</i>	:	has the meaning ascribed to it in Section 7.4.1 of this Circular.
<i>“SEV Shares”</i>	:	has the meaning ascribed to it in Section 7.1.1 of this Circular.
<i>“SEV Sale Shares”</i>	:	has the meaning ascribed to it in Section 7.1.1 of this Circular.
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited.

DEFINITIONS

<i>“SGXNET”</i>	:	the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies.
<i>“Shareholders”</i>	:	the registered holders of the Shares in the Register of Members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares.
<i>“Shares”</i>	:	ordinary shares in the issued share capital of the Company.
<i>“Singapore”</i>	:	means the Republic of Singapore.
<i>“SIGPL”</i>	:	has the meaning ascribed to it in Section 3.3 of this Circular.
<i>“Smart Co”</i>	:	has the meaning ascribed to it in Section 3.3 of this Circular.
<i>“Stradbroke”</i>	:	Stradbroke Investments Pte. Ltd., a company incorporated in the Republic of Singapore on 31 October 2019 bearing the Unique Entity Number 201936544R.
<i>“Stradbroke Agreement”</i>	:	the sale purchase agreement entered into on 28 December 2021 between the Company and the Vendor in relation to the Proposed Acquisition.
<i>“Stradbroke Announcement”</i>	:	the announcement by the Company dated 29 December 2021 that the Company and the Vendor had entered into the Stradbroke Agreement in respect of the Proposed Acquisition on the SGXNET.
<i>“Stradbroke Business”</i>	:	means Stradbroke and Stradbroke Ventures, collectively.
<i>“Stradbroke Conditions Precedent”</i>	:	has the meaning ascribed to it in Section 3.4.3 of this Circular.
<i>“Stradbroke Consideration”</i>	:	The sum of S\$7,645,000, being the aggregate consideration for the Stradbroke Sales Shares to be paid by issuance of the Consideration Shares, as further described in Section 3.4.1 of this Circular.
<i>“Stradbroke Group”</i>	:	has the meaning ascribed to it in Section 3.3 of this Circular.
<i>“Stradbroke Shares”</i>	:	has the meaning ascribed to it in Section 3.1.1 of this Circular.

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<i>“Stradbroke Sale Shares”</i>	:	has the meaning ascribed to it in Section 3.1.1 of this Circular.
<i>“Stradbroke Ventures”</i>	:	has the meaning ascribed to it in Section 3.3 of this Circular.
<i>“Substantial Shareholder(s)”</i>	:	a person who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company.
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore.
<i>“Valuation”</i>	:	has the meaning ascribed to it in Section 6 of this Circular.
<i>“Valuation Date”</i>	:	means 30 November 2021.
<i>“Valuation Reports”</i>	:	the valuation reports in respect of the valuation of Stradbroke and SEV, summaries of which are set out in Appendix A to this Circular.
<i>“Vendor”</i>	:	means TG Holdings HK Limited, a corporation duly incorporated under the laws of Hong Kong on 14 November 2018, and is an investment holding company.
<i>“%” or “per cent.”</i>	:	percentage or per centum.
<i>“2021 Share Issue Mandate”</i>	:	has the meaning ascribed to it in Section 4.1.2 of this Circular.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term **“treasury share”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

The terms **“subsidiary”**, **“subsidiaries”** and **“subsidiary holdings”** shall have the meanings ascribed to them under Section 5 of the Companies Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

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Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes no obligation to update publicly or revise any forward-looking statements.

LETTER TO SHAREHOLDERS

DIGILIFE TECHNOLOGIES LIMITED

(formerly known as Sevak Limited)
(Company Registration Number: 199304568R)
(Incorporated in Republic of Singapore)

Directors:

Dr. Bhupendra Kumar Modi (Chairman and Non-Independent Non-Executive Director)
Mr. Doraraj S (Lead Independent Director)
Mr. Tushar S/O Pritamlal Doshi (Independent Non-Executive Director)
Mr. Maneesh Tripathi (Non-Independent Executive Director and Interim CEO)

Registered Office:

1 North Bridge Road,
#19-04/05 High Street Centre,
Singapore 179094

19 March 2022

To: The Shareholders of Digilife Technologies Limited

Dear Sir/Madam

- (1) **THE PROPOSED DIVERSIFICATION OF BUSINESS TO INCLUDE THE PROPOSED NEW BUSINESS;**
- (2) **THE PROPOSED ACQUISITION OF 71% OF THE ISSUED AND FULLY-PAID SHARES IN THE CAPITAL OF STRADBROKE INVESTMENTS PTE. LTD.;**
- (3) **THE PROPOSED ALLOTMENT AND ISSUANCE OF 5,500,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$1.39 FOR EACH SHARE TO THE VENDOR AS SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION; AND**
- (4) **THE PROPOSED DISPOSAL BY THE COMPANY OF 90% OF ITS SHAREHOLDING INTERESTS IN SINGAPORE ELECTRIC VEHICLES PTE. LTD. AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES.**

1. INTRODUCTION

1.1 Purpose of the Circular

The Directors are convening an EGM by way of electronic means on 4 April 2022 at 11 AM to seek Shareholders' approval for the following (collectively, the "**Proposed Transactions**"):

- (a) (Ordinary Resolution 1) the proposed diversification of the Group's business to include the provision of the Proposed New Business (the "**Proposed Diversification**");
- (b) (Ordinary Resolution 2) the proposed acquisition of 71% of the issued and fully-paid shares in the capital of Stradbroke (the "**Proposed Acquisition**");

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- (c) (Ordinary Resolution 3) the proposed allotment and issuance of 5,500,000 new Shares at an issue price of S\$1.39 for each Share to the Vendor as satisfaction of the consideration for the Proposed Acquisition (the “**Proposed Consideration Shares Issue**”); and
- (d) (Ordinary Resolution 4) the proposed disposal by the Company of 90% of its shareholding interests in SEV as a major transaction under Chapter 10 of the Catalyst Rules (the “**Proposed Disposal**”).

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Transactions and to seek Shareholders’ approval in respect of the same at the EGM, the notice of which is set out on page 77 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

The SGX-ST assumes no responsibility for the contents of the Circular, including the accuracy of any statements made, reports contained or opinions expressed in this Circular.

1.2 Conditionality of Resolutions

Shareholders should note that **Ordinary Resolutions 1 to 3** are inter-conditional. This means that if any of these resolutions are not approved, the other resolutions will not be deemed duly passed. Ordinary Resolutions 1 to 3 are inter-conditional as the completion of each transaction is conditional upon the completion of the other transactions.

1.3 Disclaimers

If a Shareholder is in any doubt as to the action he/she should take, he/she should consult his/her legal, financial, tax or other professional adviser(s) immediately.

2. THE PROPOSED DIVERSIFICATION

2.1 Introduction

The Current Core Business of the Group are distribution of operator products and services, information communications and technology distribution and managed services, and mobile devices retail services which the Group has been operating for many years. These businesses are legacy businesses and are trending towards becoming sunset industries. Accordingly, the Group intends to pursue the Proposed Diversification to diversify its businesses.

2.2 The Proposed Diversification

The Group seeks to diversify the Current Core Business to include the following activities as a result of the Proposed Acquisition:

- (a) the management of various types of properties (including but not limited to residential, hospitality, commercial (retail and office), industrial and any other types of properties (“**Property Related Assets**”));

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- (b) holding investments in the Property Related Assets, and holding the same for long term investment for the collection of rent, capital growth potential and/or provision of property related services and facilities, where appropriate; and
- (c) The Group may also, as part of the Proposed New Business, seek to engage in the trading of natural resources and/or other commodities, the trading of carbon credits (which are tradable permits or certificates which provide the holder of such credits the right to emit carbon dioxide or other greenhouse gases), providing access to digital apps and e-commerce platforms, as well as aircraft ownership, leasing and financing.

The Group intends to pursue the above-mentioned business sectors (the “**Proposed New Business**”) in addition to the Current Core Business. Pursuant to completion of the Proposed Acquisition, the Company will own 71% of Stradbroke, which is also engaged in other industries such as the development of digital applications, timber trading, gold trading and fisheries, through its subsidiaries (the “**Ancillary Business**”). Please refer to Section 3.5 of this Circular for further details in relation to the rationale and benefit to the Company arising from the Proposed Acquisition.

Please refer to Section 3.3 of this Circular for further details in relation to Stradbroke, the Ancillary Business and the Proposed Acquisition.

2.3 Rationale for the Proposed Diversification

The Group has been actively looking for business ventures to diversify its Current Core Business and the Proposed Diversification is part of the Group’s corporate strategy to improve Shareholders’ value. The Group wishes to venture into the Proposed New Business with the aim of increasing Shareholders’ value in the medium term. Through the Proposed Acquisition as described in Section 3 of this Circular, the Group would have an initial foothold into different markets and industries by creating partnerships, alliances and attracting investors into the Company, particularly in the sunrise industries of digital applications development, financial technology and other business sectors as mentioned in in Section 2.2 above, which the Group anticipates will have potential for growth.

The Proposed New Business and Proposed Diversification may provide the Group with an opportunity to venture into new areas of businesses and industries by leveraging on its presence in countries like India and Indonesia, and to facilitate expansion of the Group by creating partnership or strategic alliances.

The Group believes that the Proposed Diversification will provide the following benefits to the Group:

- (a) **Potential that the Proposed New Business might potentially offer the Group new business opportunities and provide additional revenue streams.**

The Company has identified the Proposed New Business as business sectors which will provide the Group with possible new prospects for diversification. The Company intends to explore these new business sectors through leveraging its existing footholds in the markets in which it is currently operating in.

The Company’s medium-term plan is based on the premise that the Property Related Assets may create additional revenue streams for the Group through the rental and other associated benefits of the Property, which may enhance the Group’s business

LETTER TO SHAREHOLDERS

performance. In particular, diversification into the real estate sector may create immediate value for the Group through the leasing of commercial buildings, or venturing into smart building projects, which in turn may streamline the Group's cost structure and reduce its reliance on its Current Core Business.

(b) **Relationship with new partners**

The Proposed Diversification is expected to lead to the creation of new partnerships of the Group through forging alliances in new sectors and industries, which will help the Group move towards a new strategic direction and result in better utilization of the cashflow acquired by the Group due to the recent divestment of certain subsidiaries of the Group. The Group believes that the Proposed Diversification will provide an opportunity for the Group to leverage on its current network, experience and knowledge, and to identify and seek suitable business opportunities in the real estate business.

The Group will continue to operate the existing business units in the immediate future, and will continue to develop, or may monetize and/or diversify them further in the future if the commercial need arises.

Additionally, the Proposed Diversification may provide flexibility for the Group should it identify opportunities in the sustainability industry (such as the trading of carbon credits, the information technology industry (particularly with respect to the development of digital applications) or leverage the experience of the existing management of Stradbroke arising from the Proposed Acquisition to foray into the aviation sector through aircraft financing and leasing and the commodities trading industry.

2.4 Requirements of the Catalyst Rules

Chapter 10 of the Catalyst Rules regulates transactions which are not in the ordinary course of business of a company and which are material, as determined based on certain relative figures computed with respect to the transaction and the company, including net asset value, net profits, the aggregate value of the consideration vis-à-vis market capitalisation of the company and equity securities. Specifically, a material transaction which is not in the ordinary course of business of a company is required to be approved by shareholders of a company. In addition, a material transaction which is in the ordinary course of business of a company and which changes the risk profile of the company is, notwithstanding that it is in the ordinary course of business of such company, required to be approved by shareholders of a company.

As the Proposed Diversification involves a new business area which is materially different from the Current Core Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group materially. Accordingly, the Company is convening the EGM to seek Shareholders' approval to approve the Proposed Diversification.

Upon approval by Shareholders of the Proposed Diversification, any acquisition which is in, or is in connection with, the Proposed New Business, would be in the Group's ordinary course of business and therefore not fall under the definition of a "**transaction**" under Chapter 10 of the Catalyst Rules even if the relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules exceed the thresholds set out in Rule 1014 of the Catalyst Rules, unless such transaction changes the risk profile of the Group. This will reduce

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substantially the administrative time and expenses in convening Shareholder meetings for any transactions in the Proposed New Business, as well as provide the Group with greater flexibility to pursue business opportunities in the Proposed New Business which may be time-sensitive in nature.

Nevertheless, as the Proposed New Business is a new business area for the Group, the Company is also seeking Shareholders' approval for the first transaction that it enters into relating to the Proposed New Business (being the Proposed Acquisition).

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification is being sought:

- (a) where an acquisition of assets (whether or not the acquisition is deemed to be in the ordinary course of business of the Company) is one where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the Company, the transaction is classified as a very substantial acquisition or reverse takeover and would be subject to Rule 1015 of the Catalist Rules, and such transaction will be made conditional upon approval by Shareholders at a general meeting;
- (b) Practice Note 10A of the Catalist Rules will apply and Shareholders' approval would be required for any transaction (which falls within the definition as set out in Rule 1002(1) of the Catalist Rules) which changes the risk profile of the Company; and
- (c) where any transaction constitutes an "interested person transaction" as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such transactions and the Company will comply with the provisions of Chapter 9 of the Catalist Rules. In particular, pursuant to Rule 905 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 3% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 3% of the Group's latest audited NTA, the Group must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Pursuant to Rule 906 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 5% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 5% of the Group's latest audited NTA, the Group must obtain shareholders' approval for the interested person transaction.

In addition, the Company will be required to comply with any applicable and prevailing Catalist Rules as may be amended or modified from time to time.

2.5 Risk Factors

Having explained the Board's rationale for the Proposed Diversification, the Board acknowledges that there may be risks for the entry into the Proposed New Business. This Section sets out the risk factors which, to the best of the Directors' knowledge and belief, are material to Shareholders in making an informed judgment on the Proposed Diversification. The Proposed New Business involves a number of risks, including risks associated with the Proposed New Business, risks associated with the entry into new businesses and the transition and amalgamation of two management teams and general

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competition and macro-economic risks. Some risks are not yet known to the Group and there may be risks which the Group currently believes are not material at present but may subsequently turn out to be substantial. The risk factors set out in this paragraph 2.5 should not be construed as a comprehensive list of all risk factors relating to the Proposed New Business.

Shareholders should carefully consider and evaluate the risk factors and all other information contained in this Circular and consider the risk factors in light of your own investment objectives and financial circumstances before deciding whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from your accountants, stockbrokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

2.5.1 Risks associated with real estate sector

The Group's real estate projects may be adversely affected by poor consumer demand or a loss or downturn of tenants

The Group's performance in the real estate sector may be largely dependent on its ability to secure tenants for its available properties for lease – especially key and regular tenants. There is no assurance that all or any of the Group's tenants, especially its key and regular tenants, will renew or continue to renew their lease agreements with the Group, or that the new or renewed lease terms will be as favourable to the Group as the existing lease.

The Group may not be able to generate adequate returns on its properties held for long term investment purposes

Property investment is subject to varying degrees of risks. The investment returns available from investments in real estate depend primarily on the amount of capital appreciation generated, the income earned from the rental of the relevant properties and expenses incurred. The revenue derived from the disposal of such investment properties will depend on market conditions and levels of liquidity, which may be subject to significant fluctuation.

In the case of the Proposed Acquisition, the revenue derived from the rental of the Property may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure renewal of tenancies from tenants, the inability to collect rent due to bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. In the event that the Group acquires properties for investment and if the Group is unable to generate adequate returns from such investment properties that it acquires, its financial condition and results of operations may be adversely affected.

Further, in relation to the Group's plan to manage and hold investments in Property-Related Assets, invested properties are relatively illiquid, and the Group may be unable to convert real estate asset portfolio into cash on short notice. To facilitate a sale of illiquid property assets on short notice, the Group may have to lower the selling price substantially. Illiquidity of property assets also limits the Group's ability to vary its portfolio in response to changes in economic or other conditions in a timely manner. In the event of any adverse change in market conditions or in the event of a need to lower the prices of properties to effect the sale of properties, the Group may not be able to sell its property projects or property investments at above its costs, resulting in the Group suffering losses on the project or property and adversely affecting the Group's financial position.

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The Group may not be able to provide the capital investments needed to undertake further property investment projects

The Proposed New Business may require substantial capital investments or cash outlay. There is no assurance that financing, either on a short term or a long term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

Additional debt funding is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising, requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions.

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

The real estate sector is cyclical in nature

The property development industry is cyclical and is significantly affected by changes in general and local economic conditions, including employment levels, availability of financing, interest rates, consumer confidence and demand for developed residential and commercial properties.

The process of development of a project begins, and financial and other resources are committed, before a property development project comes to market, which could occur at a time when the property market is depressed. Such a depression in the real estate market could adversely affect the Group's business, financial condition and results of operations.

2.5.2 Risks associated with the information technology industry

The Group may be affected by risks associated with information technology in the administration of the Proposed New Business

The Proposed New Business would include exposure to digital applications, digital media, e-commerce, and data centres which inherently requires a high dependency on information technology in their operations. Any damage, malfunction, breakdowns or interruption of the information technology systems, software, or networks either as a one-off event or repeatedly could result in delays in service delivery or project timelines and consequently may result in reputational damage to the Group or material breach of contracts with suppliers and clients. The Group may also have to incur additional costs and expend resources in repairing such damage, malfunction, breakdown, or interruption which will directly impact the Group's profits.

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2.5.3 Risks associated with commodities and trading sector

The Proposed New Business may be adversely affected by various laws and government and subsequent changes thereto

The Proposed New Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group operates and the countries or industries its clients operate. There is no assurance that any changes in the applicable laws and regulations will not have an adverse effect on the financial performance of the Group.

The Group is subject to various government regulations in operating the Proposed New Business in Papua New Guinea

The proposed activities of timber trading, gold trading and fisheries operation will take place primarily in Papua New Guinea, a territory where the Group currently has no operations in. Accordingly, this presents operating risk associated with venturing into an unknown jurisdiction.

Furthermore, these industries of timber trading, gold trading and fisheries are subject to various laws and government regulations, Licences, permits, certificates, consents and/or regulatory approvals may be required for, among other things, harvesting and processing of timber, processing of raw gold, or the sale of refined gold projects. These licences, permits, certificates, consents and/or regulatory approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. In addition, the relevant authorities in Papua New Guinea may impose conditions and the Group cannot give assurance that it is able to fulfil the conditions required for obtaining the licences, permits, certificates, consents and/or regulatory approvals. Furthermore, there can be no assurance that the relevant authorities will issue any such licences, permits, certificates, consents or regulatory approvals. If the Group fails to obtain the requisite approvals, it will be unable to undertake the relevant segment of the Proposed New Businesses.

The Group must also comply with the laws and regulations applicable to the Proposed New Businesses, for example in relation to workplace health and safety, environmental public health and environmental pollution control, failing which the Group may be subject to fines, penalties, have its licences or approvals revoked, or lose its right to operate the relevant Proposed New Businesses including rights of ownership, and in more serious cases, criminal proceedings against the Group and in turn may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group's performance may be affected by product price fluctuations in the commodities sector

The prices of commodities are affected by several factors including local and global economic factors such as changes in currency exchange rates, economic growth rates, foreign and domestic interest rates and trade policies, prevailing fuel, and transportation costs. Decreased demand for commodities would also generally reduce the revenue, profits and cash flows derived from these products.

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2.5.4 Risks associated with the aviation industry

Aviation businesses are dependent on the market demand for travel

The aviation industry is dependent on the market's overall demand for travel, which may be affected by a variety of factors, such as economic conditions, personal disposable income of travellers and measures taken by the governments of departure and destination countries. Uncertainties regarding future economic prospects could also affect consumer spending habits in relation to aviation. Accordingly, market demand for travel tend to decline during periods of economic recession.

The operations of the aviation industry may be adversely affected by natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Company, The conflict in Ukraine arising from the Russian invasion of Ukraine has resulted in consequent airspace restrictions. This is another blow to the global aviation industry, which was just beginning to recover from the effects of the COVID-19 pandemic, with countries just starting to ease strict travel restrictions. Such events could adversely affect the economies and financial markets of many countries and may have a material adverse effect on the aviation industry as a whole. These could include disruptions to air travel as well as weakening demand for travel. Such developments would severely disrupt operations and adversely affect the Company's ventures in the aviation industry.

2.5.5 Risks associated with sustainability sector

Trading of carbon credits is subject to various government regulations

The trading of carbon credits via exchange listings or secondary platforms may be exposed to the risks posed by current and potential future regulations and legislation that apply to the sustainability sector. While many countries have favoured and called for greater embrace of sustainability by companies, it is by no means a guarantee that a change in the government of the day in any of these countries would not bring about or reverse legislation put in place that were conducive and favourable to such sustainability initiatives. Changes in the regulatory environment in countries in which the Group operates may have consequences for the Group, such as limiting the Group's ability to do business in a jurisdiction because of a change in laws or an imposition of trade barriers.

The Group may be affected by revised or new legislation and guidelines by the relevant governments in response to market conditions. Such regulatory changes may impact the Group and its business in the sustainability sector.

2.5.6 General risks

The Proposed New Business will be subject to exposure to macro-economic risks

The markets in which the Group will operate the Proposed New Business are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates:

- (i) legal and regulatory changes;
- (ii) economic and political conditions;

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- (iii) the level and volatility of liquidity and risk aversion;
- (iv) concerns about natural disasters, terrorism and war;
- (v) the level and volatility of equity, debt, property, commodity and other financial markets;
- (vi) the level and volatility of interest rates and foreign currency exchange rates;
- (vii) concerns over inflation; and
- (viii) changes in investor confidence levels.

Any of the above-mentioned factors could adversely impact the performance of the Group.

The Proposed New Business may face disruptions, including health epidemics and other outbreaks of contagious diseases

The Proposed New Business could be adversely affected by unforeseen external factors such as natural disasters, acts of God, fire, flooding, civil commotion, other calamities or events beyond the Group's control, and health epidemics or outbreaks of communicable diseases, such as COVID-19, avian flu, H1N1 influenza, SARS or other diseases. An outbreak of contagious diseases, and other adverse public health developments in the countries where the Group operates, could have a material adverse effect on its business operations. Any disruptions in the business operations in the respective countries, such as the temporary closure of workplaces or facilities, could disrupt the operations of the Proposed New Business. This would result in longer lead-time for production and delayed delivery to customers. Notwithstanding any measures and steps taken by the Group, there is no assurance that emergency crises would not cause disruptions in our operations. As a result of such disruptions, failure to meet customers' expectations as required by the Group's agreements with customers could damage the Group's reputation and/or expose it to legal claims and may, as a result, lead to loss of business and affect its ability to attract new business. In such events, the Group's business and financial performance may be adversely affected.

The commodities trading industry, which the Ancillary Business are part of, have been affected and may continue to be affected by the trade disruptions arising out of the travel and import-export restrictions imposed due to the ongoing COVID-19 pandemic. As per the information received from the Vendor by the Company, there is no certainty as to whether the COVID-19 pandemic will continue to impact the operations of the Ancillary Business.

The Group has no prior track record in the Proposed New Business

As the Group does not have a prior track record in the Proposed New Business, it will face the usual risks, uncertainties and problems associated with the entry into any new business which it has no prior track record in. In particular, given that HYLIF is a start-up, there is no assurance that its proposed businesses, including the development of digital applications, will be commercially successful and that the investments carried out pursuant to the Proposed New Business will be able to derive sufficient revenue to offset the capital, start-up and financing costs as well as operating costs arising from the new business initiatives.

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If the Group or its partners fail to manage costs effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group's future plans with regard to the Proposed New Business may not be profitable in the near term.

The Proposed New Business may require substantial capital expenditure and investment cost

The future plans and new initiatives pertaining to the Proposed New Business could be capital intensive and could also result in potentially dilutive issuances of equity securities, incurrence of capital commitments, debts and contingent liabilities as well as increase operating expenses, all of which may materially and adversely affect the financial performance of the Group. The Group is currently loss-making, and the Proposed Diversification may contribute to further losses in the short-term. Accordingly, the Group may face significant financial risks before it can realise any benefits from its investment in the Proposed New Business.

The Group may not have the ability or sufficient expertise to execute and grow the Proposed New Business.

The Group's ability to successfully diversify into the Proposed New Businesses is dependent upon its ability to understand and navigate the Proposed New Businesses. There is no assurance that the existing management team of the Group has the relevant experience and expertise sufficient for the Proposed New Businesses, or that Group will be able to hire the necessary professionals with the relevant experience and knowledge. The Group will work with the existing directors of Stradbroke, in particular Mr. Xiwen Zhao who is the Chief Executive Officer, to run the Proposed New Business. The Group may not be able to successfully implement the Proposed New Businesses and this may adversely affect the Group's financial performance and profitability.

The Group's ability to successfully expand into the Proposed New Business is dependent upon its ability to integrate its existing skills base and knowledge base with the skills and expertise of the acquired companies' teams, to retain the manpower in the acquired companies and to understand and navigate the Proposed New Business with the joint management team. The Group may also appoint third party professionals and/or foster partnerships with various third parties to assist in undertaking the Proposed New Business more effectively and efficiently.

2.6 Risk Management Measures and Safeguards

The Board does not have a separate risk committee as the Board is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the Proposed New Business following the Proposed Diversification. The Audit Committee will be required to approve appropriate risk management procedures and measurement methodologies, and be involved in identifying and managing the various business risks for the Proposed New Business.

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The Company will endeavour to ensure that the risk management systems implemented commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the Proposed New Business, and will review such risk management systems periodically to assess its adequacy.

The Board and the Audit Committee will adopt internal policies before tabling proposals for any new projects or investments under the Proposed New Business. In addition, the Board and the Audit Committee, which review the risk exposure of the Proposed New Business of the Company at regular intervals, will review the risk exposure of the Proposed New Business at intervals of not less than annually.

The risk management and internal control systems, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

2.7 Management of the Proposed New Business

Mr. Xiwen Zhao, currently the director and chief executive officer of Stradbroke, will operate the Proposed New Business and continue to manage the operations of Stradbroke post the Proposed Acquisition. Mr. Xiwen Zhao's management of the Proposed New Business will be overseen by a management committee to be appointed by the Board ("the **Management Committee**") which may constitute various sub committees (for example: transition committee, strategy and growth committee, integration committee). Mr. Xiwen Zhao will continue as a director and Chief Executive Officer of Stradbroke post the Proposed Acquisition.

It is currently envisaged that the Management Committee will comprise the members of the Board who will provide the strategic vision and policy on the Proposed New Business and may also comprise key management personnel of the Group including the Chief Executive Officer and Chief Financial Officer of the Company. The Management Committee will have primary oversight of the Proposed New Business.

Mr. Xiwen Zhao will continue to manage and operate the operations of Stradbroke with the assistance of the existing board of Stradbroke. The Management Committee will also be able to leverage and tap on the skills, resources and manpower of the existing board members and management of Stradbroke. The existing board of Stradbroke is led and chaired by Dr. Modi, who is also the chairman of the Company. Dr. Modi will continue to work with the Management Committee to transfer the required skills to operate and grow Stradbroke and the Proposed New Business.

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The details of the existing board members and management of Stradbroke are as set out below:

1. **Dr. Bhupendra Kumar Modi:** Dr. Modi is a shareholder and the chairman of the board of Stradbroke. He provides strategic direction and guidance to the board of Stradbroke regarding Stradbroke's business operations. He is also the controlling shareholder of the Company, who holds approximately 52.38% of the Company's total issued and paid-up shares as at the Latest Practicable Date.

Dr. Modi is a thought leader, technopreneur and wellness Leader, he is also the founder and chairman of the Smart Group – a diversified business conglomerate with business interests in the mobility, finance, healthcare, real estate, education, entertainment, clean energy and life sciences. While the Smart Group is headquartered in Singapore, it has a global footprint.

With nearly four decades of business experience, Dr. Modi is known for bringing the latest technologies into India through partnerships with industry leaders like Xerox, Alcatel, Telstra, Olivetti, Axiata, and Singapore Technologies Telemedia, amongst others. He is credited with revolutionising the face of office automation in India and laying the foundation of a digital India, creating immense value for all stakeholders in the process.

2. **Mr. Xiwen Zhao:** Mr. Xiwen Zhao is a director and the Chief Executive Officer of Stradbroke. He is also the indirect majority shareholder of Stradbroke as he holds 100% of the issued and paid-up capital of the Vendor, which is in turn a 71% shareholder of Stradbroke, as set out in Section 3.3 of this Circular.

Mr. Xiwen Zhao graduated from Maoming Radio and Television University (Guangdong Radio and TV University) in 2010. Upon his graduation, he was involved in the management of a large construction engineering firm based in the city of Shenzhen of the People's Republic of China, with numerous operations in South East Asia.

Mr. Xiwen Zhao has been managing and operating the Stradbroke Group and the Ancillary Business alongside his management team.

Apart from managing Stradbroke as its director and Chief Executive Officer, Mr. Xiwen Zhao, together with his partners, are also operating CapaJet Limited, a company specialising in private jet business operating out of the Hong Kong Special Administrative Region of the People's Republic of China. Mr. Xiwen Zhao has been instrumental in developing a new operating and sales platform that revolutionises the aircraft charter and empty leg flight market (i.e. aircraft flights that take place between two charter flight bookings).

3. **Mr. Huang Zixiang:** Mr. Huang Zixiang is a director of Stradbroke who is responsible for overseeing Stradbroke's group strategy and business. He has previously worked with VFS Global as Business Development- APAC and Senior Manager, KPMG Regulatory Compliance. He is also assistant secretary at the People's Action Party, Taman Jurong Branch.

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4. **Mr. Mukesh Khetan:** Mr. Mukesh Khetan is a member of the board of Stradbroke. He is the Chief Executive Officer of Smart Global Corporate Holding Private Limited, which is also the controlling shareholder of the Company based in India. He is also a director on the boards of the Company's Indonesian subsidiaries.

2.8 Financial impact of the Proposed New Business

As at the Latest Practicable Date, save for the Proposed Acquisition, the Group has not made any substantial affirmative and binding investments in relation to the Proposed New Business that are expected to materially impact the EPS or NTA per Share of the Group for the financial period from 1 January 2021 to 31 December 2021 and from 1 January 2020 to 31 December 2020. Please refer to Sections 8.3 and 8.4 for the impact on NTA and EPS in relation to the Proposed Transactions which includes, inter alia, the Proposed Acquisition.

The Company would make the necessary announcements as and when appropriate in the event that any further developments relating to the Proposed Diversification would have any material impact on the EPS or NTA per Share of the Group.

2.9 Impact on the financial reporting of the Proposed New Business

For the purposes of reporting the financial performance of the Group, in accordance with the applicable accounting standards and the Catalist Rules, where the financial results of the Proposed New Business is material, it will be accounted for and disclosed as a separate business segment in the Group's financial statements. The Group's financial statements, which would include the financial results of the Proposed New Business, will be periodically announced in accordance with the requirements set out in Chapter 7 of the Catalist Rules.

3. THE PROPOSED ACQUISITION

3.1 Overview

- 3.1.1 On 29 December 2021, the Board announced that on 28 December 2021, the Company has entered into the Stradbroke Agreement with the Vendor, for the acquisition by the Company of an aggregate of 11,131,000 issued shares in the capital of Stradbroke Investments Pte. Ltd. ("**Stradbroke**") ("**Stradbroke Shares**"), which represents 71% of the total issued and paid-up share capital of Stradbroke (the "**Stradbroke Sale Shares**") on the terms and subject to the conditions of the Stradbroke Agreement (the "**Proposed Acquisition**"). The Company had negotiated to acquire a 71% shareholding interest so as to obtain the majority interest and control over Stradbroke. Subject to all necessary regulatory approvals and compliances including Shareholders' approval being obtained, the Company may consider acquiring the remaining 29% shareholding interest in Stradbroke as and when the Company considers it in the best interest of the Shareholders and the Company. As mentioned in Section 3.3 of this Circular, the remaining 4,546,465 Stradbroke Shares representing an aggregate of 29% of the Stradbroke Share is legally and beneficially-owned by Smart Co, which is wholly-owned by Dr. Modi, who is the Chairman and Non-Independent Non-Executive Director and controlling shareholder of the Company. Accordingly, if the Company decides to proceed with the acquisition of the remaining 29% shareholding interest in Stradbroke, such acquisition will be deemed as an "interested person transaction" as defined under the Catalist Rules, for which Shareholders' approval is required.

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3.1.2 The Proposed Acquisition constitutes a major transaction under Chapter 10 of the Catalist Rules and is subject to the approval of Shareholders. Accordingly, the Proposed Acquisition will be subject to, amongst others, the approval of the Shareholders for the Proposed Acquisition at an extraordinary general meeting to be convened. Please refer to Section 3.7 of this Circular for further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules.

3.2 Details of the Vendor

Shareholders should note that information relating to the Vendor in this paragraph and elsewhere in this Circular has been provided by the Vendor. The Company and the Directors have not independently verified the accuracy and correctness of such information herein. The sole responsibility of the Directors and the Company for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.

The Vendor is a corporation duly incorporated under the laws of Hong Kong on 14 November 2018, and is an investment holding company. Mr. Xiwen Zhao owns 100% of the shares of the Vendor and is the sole director of the Vendor.

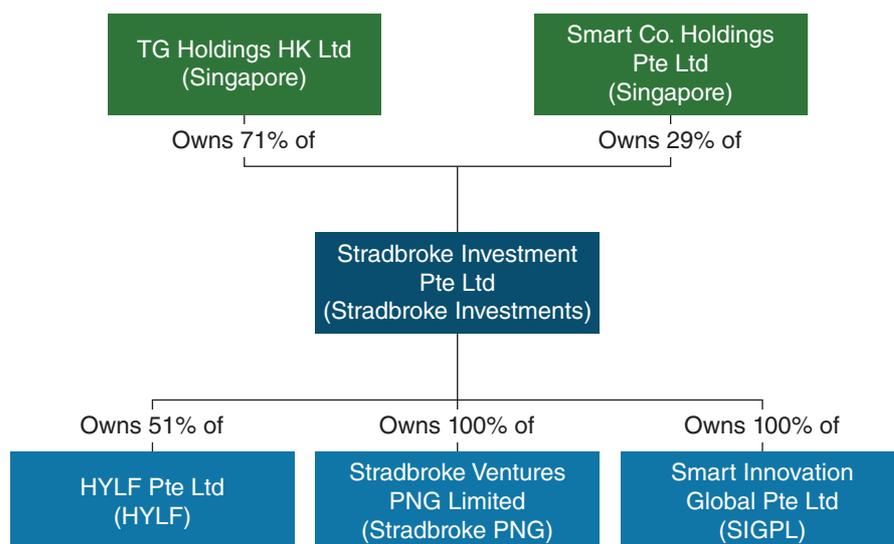
Mr. Xiwen Zhao graduated from Maoming Radio and Television University (Guangdong Radio and TV University) in 2010. Upon his graduation, he was involved in the management of a large construction engineering firm based in Shenzhen with numerous operations in South East Asia.

The Vendor does not have any relationship, including business relationships or shareholding interest, direct or indirect, in the Company, and the directors and/or substantial shareholders of the Vendor are not related to any of the directors, the chief executive officer, or substantial shareholders of the Company, or their respective associates. Mr. Xiwen Zhao will continue as a director and Chief Executive Officer of Stradbroke and will continue to operate Stradbroke's business and oversee the operations of the Ancillary Business after the Proposed Acquisition.

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3.3 Information on Stradbroke

Stradbroke is a company incorporated in Singapore on 31 October 2019 bearing the Unique Entity Number 201936544R. Stradbroke's subsidiaries comprise Smart Innovation Global Pte. Ltd. ("**SIGPL**"), HYL F Pte Ltd ("**HYLF**") and Stradbroke Ventures PNG Limited ("**Stradbroke Ventures**") (collectively, the "**Stradbroke Group**"). The group structure of the Stradbroke Group as at the date of this Circular is as follows:



As at 7 March 2022, the Vendor is the legal and beneficial owner of 11,131,000 Stradbroke Shares, representing in aggregate 71% of the total issued and paid-up share capital of Stradbroke. As mentioned in Section 3.2 above, the Vendor is wholly-owned by Mr. Xiwen Zhao.

The remaining 4,546,465 Stradbroke Shares representing an aggregate of 29% of the total issued and paid-up share capital of Stradbroke is legally and beneficially owned by Smart Co. Holding Pte. Ltd. ("**Smart Co**"). Smart Co is wholly owned by Dr. Modi who is the Chairman and Non-Independent Non-Executive Director and controlling shareholder of the Company.

SIGPL

SIGPL is a private company limited by shares duly incorporated under the laws of Singapore. It is a wholly-owned subsidiary of Stradbroke, and its principal asset is a building in Singapore at 152, Ubi Ave 4. It is a 5-storey, multi-purpose detached building with a basement car park, rooftop landscaped garden and swimming pool with jacuzzi. The first floor comprises of a showroom and service center, auditorium and ancillary office, and the 2nd and 5th floors comprise ancillary offices and meeting rooms. The building has been recently renovated and the final renovation work is in completion stage. Based on the information available to the Company, an amount of approximately S\$2.1 million has already been expended by Stradbroke on renovation work in the past year. Other site improvements include a rooftop swimming pool, rooftop open terrace, guard house, 4 loading bays and surface/basement car parking lots with charging points for electric vehicles ("**Property**").

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The tenure of the Property is for 30 years with effect from 1 February 1997, with an option to renew for a further term of 30 years. The Master Plan Zoning (2019) for the building is "Business 1 with Gross Plot Ratio of up to 2.0". The total site area is 49,187 square feet and the total gross floor area is 98,242 square feet. As at Latest Practicable Date, the Property is partially tenanted and partially owned-occupied.

HYLF

HYLF is a private company limited by shares duly incorporated under the laws of Singapore. It is a digital application product company focused on the development of digital applications. HYLF is a start-up entity and has not commenced operations as at the Latest Practicable Date. As at the Latest Practicable Date, Stradbroke holds 51% of the total issued and paid-up share capital of HYLF. The remaining 49% of the issued and paid-up share capital of HYLF is held by (i) Innovative Management Pte. Ltd. which holds 44% of the issued and paid-up share capital of HYLF; (ii) Mr. Daniel Oliver Rowlands who holds 3% of the issued and paid-up share capital of HYLF; and (iii) Ms. Shetall Siingh who holds 2% of the issued and paid-up share capital of HYLF. Innovative Management Pte. Ltd. is currently indirectly and wholly owned by Dr. Modi.

Stradbroke Ventures

Stradbroke Ventures is duly incorporated under the laws of Papua New Guinea. It is a wholly-owned subsidiary of Stradbroke, which is engaged in the timber trading, gold trading and fisheries in Papua New Guinea. Further details of these business activities are as follows:

Timber trading

Stradbroke Ventures leases two timber authorities awarded by the Papua New Guinea Forest Authority from Stradbroke.

This business relates to a project area at the the Katagain Forest Area at Transgogol LLG of Madang District, and also a project area at the Gomuru Paira Forest Area at Transgogol LLG of Madang District. Each timber authority allows for the harvest, processing and trading of merchantable timber based on an allocated quota per year.

Fisheries

The fisheries division of Stradbroke Ventures comprises of export trading which specialises in the sourcing and export of fresh seafood products from Papua New Guinea to Asia. The seafood products may include crabs, crayfish, lobsters, prawns, sea cucumber and blue fin tuna.

Gold trading

The main activities of the gold trading division are the purchase and processing of raw gold from identified mining sites throughout Papua New Guinea, followed by the sale of the final refined gold products.

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Ancillary Business

There has not been any significant business transacted in the Ancillary Business in the last nine (9) to twelve (12) months as a result of the restrictions and lock-downs arising from the COVID-19 pandemic and there is a lack of visibility on when the Ancillary Business may resume normal business operations. In the meantime, Stradbroke has undertaken other ad-hoc and non-recurring activities which are not directly related to the Ancillary Business.

Based on the Valuation Reports, the Company notes that RSM has ascribed no value to the Ancillary Business, and has accordingly recognised that the Ancillary Business may be of limited value presently, in considering the merits of the Proposed Acquisition. Based on the information made available by the Vendor to the Company, the Ancillary Businesses are affected by COVID-19 related issues in the recent periods and there is little to no operations from the Ancillary Businesses. Based on this, the Company has not taken cognizance to the value of the Ancillary Business in considering the Proposed Acquisition, including Stradbroke Ventures.

Accordingly, the Proposed Acquisition will be undertaken primarily on the basis of the valuation of the Property owned by Stradbroke in Singapore. Please refer to Section 3.5 of this Circular for further details on the rationale and benefit of the Proposed Acquisition to the Company. Further details on the valuation of the Stradbroke Sale Shares are set out in Section 6 of this Circular.

3.4 Salient Terms of the Proposed Acquisition

A summary of the material terms and conditions of the Proposed Acquisition as set out in the Stradbroke Agreement is as follows:

3.4.1 Acquisition of the Stradbroke Sale Shares

The Vendor shall sell and deliver the legal and beneficial interest in the Stradbroke Sale Shares, and the Company shall purchase the Stradbroke Sale Shares, free from all encumbrances and together with all rights attaching to them subject to the terms and conditions of the Stradbroke Agreement.

The consideration for the sale of the Stradbroke Sale Shares shall be an aggregate amount of S\$7,645,000 (the “**Stradbroke Consideration**”), to be paid by way of issuance of 5,500,000 ordinary shares in the capital of the Company (“**Consideration Shares**”) to the Vendor, based on an issue price of S\$1.39 per Consideration Share, which is determined with reference to the volume weighted average price per Share trading on the SGX-ST for the full market day preceding the date on which the Stradbroke Agreement was signed, being 27 December 2021.

The Consideration Shares shall be allotted and transferred as fully paid and will rank *pari passu* in all respects with the existing Company Shares at the date of transfer and shall be free from all encumbrances.

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3.4.2 Stradbroke Consideration

The aggregate Stradbroke Consideration was arrived at after arms' length negotiations and on a willing-buyer willing-seller basis, after taking into consideration the valuation of the Stradbroke Sale Shares and the Stradbroke Group conducted by RSM, the valuation of the Property, conducted by Savills Valuation and Professional Services (S) Pte. Ltd., discussions between the Company and the Vendor, and other commercial factors including, *inter alia*, the value of the assets of Stradbroke and business prospects of Stradbroke, prevailing market conditions, and the rationale for and benefits to the Group arising from the Proposed Acquisition as further described in Section 3.5 of this Circular. Please refer to Section 6 of this Circular for more information regarding the valuation.

3.4.3 Stradbroke Conditions Precedent

Completion of the Proposed Acquisition shall be conditional on the following events:

- (a) the results of due diligence investigations on Stradbroke conducted by the Company being reasonably satisfactory to the Company;
- (b) all relevant regulatory consent or approvals being obtained by the Company in respect of the transfer of the Stradbroke Sale Shares and the issue of the Consideration Shares, including the Board, in-principle approval from the SGX-ST, including for the listing and quotation for all the Consideration Shares on the Catalist Board of the SGX-ST and (if required by the SGX-ST) its shareholders, and if such approval is obtained subject to any conditions, subject to such conditions being acceptable to the Company and, if such conditions are required to be fulfilled before Completion, the fulfilment of such conditions before Completion;
- (c) the warranties being materially true and accurate and not misleading at Completion as if they had been repeated at Completion with references to circumstances then existing;
- (d) no event, change or effect having occurred which has resulted or is likely to result in a material adverse change or material adverse deterioration in the position or prospects of the Stradbroke (or no material contingent liability having arisen which if incurred would result in such a material adverse change or deterioration);
- (e) prior written consents and approvals, if required, having been obtained from JTC pursuant to the lease agreement entered into between JTC and Stradbroke in respect of the property located at 152 Ubi Avenue 4 Singapore 408826;
- (f) the full satisfaction and discharge of all outstanding loans, including intercompany loans and balances or other financing liabilities or obligations owing by Directors or shareholders of the Company to the Company; and
- (g) prior written consents and approvals, if required, from DBS Bank, lender to the Company.

(collectively, the "**Stradbroke Conditions Precedent**").

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3.4.4 Completion Date and Long-Stop Date

Under the Stradbroke Agreement, Completion shall take place on the fifth (5) business day from the date all Condition Precedents are satisfied or waived (as the case may be).

Under the Stradbroke Agreement, the “Long-Stop Date” will be the date falling 90 days from the date of the SPA, or such later date as the parties may agree. In the event that any of the Stradbroke Conditions Precedent are not fulfilled or waived in accordance with the terms under the Stradbroke Agreement by the Long-Stop Date, then the Stradbroke Agreement shall automatically terminate and none of the parties shall have any further liability to the other parties except for any liability accrued as at such date.

3.4.5 Indemnity

The Vendor undertakes to indemnify and to keep the Company fully indemnified against any and all losses, liabilities, costs, charges, expenses, actions, proceedings, claims and demands which the Company or Stradbroke may at any time and from time to time sustain, incur or suffer based upon, or attributable to, resulting from or in connection with any liabilities of Stradbroke, including any claims from any Regulatory Authority incurred before Completion, or any loans or debts owing by Stradbroke, until those are fully satisfied.

3.4.6 Further undertaking from the Vendor

The Consideration Shares to be received by the Vendor shall be subject to a sale moratorium of six (6) months commencing from the date of Completion. A written confirmation to this effect shall be obtained from the Vendor prior to the Completion.

3.5 **Rationale and Benefit to the Company**

The Board is of the view that the Proposed Acquisition is in the best interests of the Company and Shareholders as it will allow the Group to enter into the real estate industry through acquisition of the Property at a significant discount to its valuation in the relevant Valuation Reports. The Proposed Acquisition will also provide the Company a foothold into the development of digital applications, trading of commodities and the sustainability industry.

In particular, the Property is located in a key industrial district in Singapore and is a strategic commercial real estate asset with high and steady revenue potential. The building is built in accordance with international standards and can therefore house the headquarters of various small and/or medium digital companies. As at the Latest Practicable Date, the building is partially tenanted and partially owner occupied. Letters of intent have been signed for two other units, and the rental for one additional unit has commenced in February 2022. The Stradbroke Consideration, being the aggregate amount of S\$7,645,000, to be paid by way of issuance of the Consideration Shares to the Vendor is approximately at a discount of 45% to the valuation of S\$14,041,000 ascribed to the Stradbroke Sale Shares per the Valuation Report issued by RSM.

As mentioned in Section 3.3 of this Circular, Stradbroke is primarily engaged in the Ancillary Business. However, due to restrictions on travel and other business challenges emerging in Papua New Guinea arising from the COVID-19 pandemic in the last nine (9) to twelve (12) months which hampered trade and business activities, there has not been any significant business transacted by the Stradbroke Group in respect to the Ancillary

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Business in the last nine (9) to twelve (12) months. Due to the foregoing, RSM has ascribed no value to Stradbroke Ventures, HYLFF and the Ancillary Business in its valuation of the Stradbroke Sale Shares.

Notwithstanding the foregoing, the Vendor intends to sell the Stradbroke Group as a whole, without carving out any of Stradbroke's subsidiaries from the sale as all the entities in the Stradbroke Group operate seamlessly as a single unit. The Board recognises that the Ancillary Business may be of limited value presently, primarily due to the impact of COVID-19 on the business and the market, but still sees value in acquiring Stradbroke Ventures in view of the possibility of its future prospects, arising from the Ancillary Business, and potential foray into the carbon credits trading business. The acquisition of HYLFF also provides the Group with a potential point of entry into digital application development industry.

The Board has also noted that there are certain clauses in the Stradbroke Agreement which limits the Company's exposure to liability. As set out in Section 3.4.5 of this Circular, the Stradbroke Agreement imposes an indemnification obligation on the Vendor, to indemnify the Company from past liabilities, if any, sustained or incurred by Stradbroke. Additionally, the Company's Chairman, Dr. Modi, is also the Chairman of Stradbroke and he is very familiar with the operations and business of Stradbroke Group, and he will remain as a minority shareholder of Stradbroke.

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

- (a) the Proposed Acquisition will result in indirect acquisition of the Property which creates a positive impact on the NTA of the Company. The Proposed Acquisition may provide the Group with increased revenue streams and increased business opportunities and improve the growth and prospects of the Group, so as to enhance Shareholders' value for the Company.
- (b) the Proposed Acquisition presents the Group with an opportunity to explore the digital application industry, the commodities trading industry, the trading of carbon credits and the sustainability industry; and such opportunities allow the Group to flexibility in venturing into new industries in the future.
- (c) the Proposed Acquisition is a no-cash deal and therefore the Proposed Acquisition will not involve any cash outflow for the Company. The existing cash may be re-deployed to other projects by the Company as needed.

3.6 Source of Funds for the Proposed Acquisition

The Stradbroke Consideration will be fully funded by the allotment and issue of the Consideration Shares.

3.7 The Proposed Acquisition as a Major Transaction

Rule 1014(1) of the Catalist Rules states that where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% for an acquisition, a transaction is classified as a "major transaction". Rule 1014(2) of the Catalist Rules further states that such a "major transaction" must be made conditional upon approval by Shareholders at a general meeting to be convened.

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Based on the Group's FY2021 Financial Statements, the relative figures in relation to the Proposed Acquisition computed on the applicable bases set out in Rule 1006 of the Catalist Rules are as follows:

Relative Figures

Rule	Bases of computation	Relative figures
Rule 1006(a)	NAV ⁽¹⁾ of the assets to be disposed compared with the Group's NAV.	Not applicable as the Proposed Acquisition is an acquisition.
Rule 1006(b)	Net loss ⁽²⁾ attributable to the Stradbroke Sale Shares to be acquired of S\$471,615 ⁽³⁾ , compared with the Group's net loss of S\$4,508,331.	10.46%
Rule 1006(c)	Aggregate value of the consideration of S\$7,645,000, compared with the Company's market capitalisation ⁽⁴⁾ of approximately S\$18,792,540.	40.68%
Rule 1006(d)	5,500,000 shares issued by the Company as consideration for the acquisition, compared with the 13,519,813 shares previously in issue.	40.68%
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 an acquisition of mineral, oil and gas assets.

Stradbroke has net losses of S\$471,615 as of 30 November 2021 (negative figures) and the Company has net losses of S\$4,508,331 as of 31 December 2021 (negative figures). The board of Stradbroke and the Vendor has confirmed that the figures as of 30 November 2021 are the latest figures available as Stradbroke only prepares management accounts on a quarterly basis. Notwithstanding the foregoing, the board of Stradbroke and the Vendor has confirmed that, between 30 November 2021 and 31 December 2021, (i) there are no material operations arising from the Ancillary Business; (ii) there are no material acquisitions or disposals of assets by the Stradbroke Group; (iii) there are no matters which would have material impact on the NAV of the Stradbroke Group as at 31 December 2021 and (iv) there are no litigation, claims or proceedings pending or threatened against the Stradbroke Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Stradbroke Group as at 31 December 2021.

Notes:

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

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- (2) Under Rule 1002(3)(b) of the Catalist Rules, “net loss” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Net loss is for the financial period from 1 April 2021 to 30 November 2021 as per the unaudited management accounts provided by Stradbroke.
- (4) Under Rule 1002(5) of the Catalist Rule, “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 27 December 2021, being the market day immediately preceding the date of the Stradbroke Agreement, of S\$1.39 per share.

The Proposed Acquisition involves the acquisition of a loss-making asset by an issuer (being the Company). Accordingly, based on the guidance provided in paragraph 4.4(a) of Practice Note 10A, as (i) the absolute relative figures computed on the bases of Rules 1006(c) and 1006(d) do not exceed 75%; and (ii) the absolute value of the net loss attributable to Stradbroke exceeds 10% of the Company’s net loss, the Proposed Acquisition 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 convened.

3.8 Requirements of the Catalist Rules

Notwithstanding that approval for the Proposed Diversification may have been obtained from the Shareholders (if any), (i) Rule 1015 of the Catalist Rules will continue to apply to acquisitions of assets (including options to acquire assets) whether or not in the Company’s ordinary course of business and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company; or (ii) acquisitions or disposals of assets (including options to acquire or dispose assets) which, in accordance to Practice Note 10A of the Catalist Rules will change the risk profile of the Company. Such acquisitions must be, amongst others, made conditional upon approval by shareholders at a general meeting.

In addition, as set out in Section 2.4 above, upon approval by Shareholders of the Proposed Diversification under Ordinary Resolution 1, any acquisition which is in, or is in connection with, the Proposed New Business, would be in the Group’s ordinary course of business and therefore not fall under the definition of a “transaction” under Chapter 10 of the Catalist Rules. Nevertheless, as the Proposed New Business is a new business area for the Group, the Company will still seek Shareholders’ approval for the Proposed Acquisition at the EGM as it is the first transaction that the Company enters into relating to the Proposed New Business.

Notwithstanding the above requirements as prescribed under the Catalist Rules, when the Group enters into its first major transaction as defined under Rule 1014 of the Catalist Rules (the “**First Major Transaction**”) involving the Proposed New Business, or where any of the Catalist Rule 1006 figures in respect of several transactions are aggregated (the “**Aggregated Transactions**”) over the course of a financial year exceeds 75.0%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon approval of the Shareholders at a general meeting. As such, for purposes of good corporate governance, the Company is seeking Shareholders’ approval for the Proposed Acquisition.

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3.9 Prospects and Future Plans for the Proposed New Business

3.9.1 Prospects

The Proposed New Business may provide the Group with an opportunity to explore new industries while helping the Company leverage its existing footholds in countries like India and Indonesia. The Company is able to acquire the Property through the Proposed Acquisition at a significant discount to its stated valuation in the Valuation Reports, which will increase the Company's asset value without cash outflow.

The Group believes the Proposed New Business will have room for growth, which will be driven by the general economic conditions in the markets that the Group intends to operate in.

(a) Growth in real estate sector

In Singapore, 2021 has been a prosperous year for the Singapore property market, which has displayed resilience in the face of the COVID-19 pandemic, as property prices and transactions rose for six consecutive quarters¹. Singapore's commercial real estate investment volume saw a turnaround in 2021 to US\$9 billion in total for the year, which was a triple digit increase from 2020's muted activity².

(b) Growth in commodities and trading sector

The COVID-19 pandemic and the associated economic fallout has had major impacts on the tropical timber trade in all the major trading regions, with potentially long-term ramifications, according to speakers at the 2021 Annual Market Discussion³. However, the Company notes that Papua New Guinea has been the number one source for tropical hardwood log imports for China for many years. In the first quarter of 2021, a total of 450 000 cubic meter of tropical logs were exported from Papua New Guinea to China, which accounts for 23% of China's tropical log imports for the first quarter of 2021⁴.

¹ This information was extracted from the internet website of CNA Luxury (<https://cnaluxury.channelnewsasia.com/exceptional-homes/singapore-property-market-outlook-2022-194086>).

² This information was extracted from the internet website of Business Times (<https://www.businesstimes.com.sg/real-estate/singapore-commercial-real-estate-investment-volume-bounces-back-in-2021-sees-triple?amp>).

³ This information was extracted from the internet website of International Tropical Timber Organization (<https://www.itto.int/ittc-57/day2/>)

⁴ This information was extracted from the tropical timber market report, published by the International Tropical Timber Organization on, 30 Jun 2021. (https://www.fiapng.com/PDF_files/MIS_16-30_Jun2021.pdf)

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The COVID-19 pandemic will continue to inflict heavy damage on seafood markets, particularly for fresh products and popular restaurant species. On the supply side, fishing fleets are laying idle, and the deteriorating outlook has seen aquaculture producers drastically reduce stocking targets⁵. However, the Company notes that the demand for seafood is outstripping supply in major markets like the People's Republic of China⁶ and the United States of America⁷. The global market for seafood estimated at US\$113,200,000,000 in the year 2020, is projected to reach a revised size of US\$138,700,000,000 by 2027, growing at a compound annual growth rate of 2.9% over the analysis period 2020-2027⁸.

Although COVID-19 represents a threat for many mining companies and their employees, and travel restrictions have prevented access to mines: lockdowns in countries such as Canada, Mexico, Peru, and South Africa have forced operations to be scaled back or to cease completely for a while⁹, total gold demand for the full year 2021, which includes investment, jewellery, technology and central-bank demand, rose by 10% to 4,021 metric tons, as fourth-quarter gold demand climbed by almost 50% to a 10-quarter high¹⁰. To capitalise on the growing global demand and to leverage Singapore's strengths, the Singapore government's trade promotion agency began consulting the bullion industry in 2010 about transforming the country into a hub for bullion activities in Asia. The initiative would build up Singapore's bullion refining, trading, clearing, storage and logistics capabilities to service nearby countries, which include two key demand centres – the People's Republic of China and the Republic of India – and the ASEAN region¹¹.

3.9.2 Future Plans

While the Company is committed to manage its Current Core Business and keep the cost optimised, the Company is simultaneously exploring new areas of opportunities and alternate businesses through the Proposed Acquisition to increase the revenue streams of the Group for value creation.

The Group may explore new areas of opportunities, including joint ventures, partnerships and/or strategic alliances to carry out the Proposed New Business, and expand into overseas markets should appropriate opportunities arise in future.

⁵ This information was extracted from the internet website of Food and Agriculture Organization of the United Nations (<https://www.fao.org/in-action/globefish/covid-19/market-outlook/en/>)

⁶ This information was extracted from the internet website of SeafoodSource(<https://www.seafoodsource.com/news/supply-trade/chinas-seafood-demand-could-triple-researchers-predict>)

⁷ This information was extracted from the internet website of Supermarket News (<https://www.supermarketnews.com/seafood/growing-demand-brings-seafood-supply-issues-forefront>)

⁸ This information was extracted from the internet website of Businesswire (<https://www.businesswire.com/news/home/20210719005374/en/Global-Seafood-Market-Trajectory-Analytics-Report-2021-Market-to-Reach-138.7-Billion-by-2027-U.S.-Market-is-Estimated-at-6.3-Billion-While-China-is-Forecast-to-Grow-at-3.7-CAGR-ResearchAndMarkets.com>)

⁹ This information was extracted from the internet website of McKinsey & Company (<https://www.mckinsey.com/industries/metals-and-mining/our-insights/covid-19s-impact-on-the-global-gold-industry-implications-for-the-next-normal-and-beyond>)

¹⁰ This information was extracted from the internet website of Marketwatch (<https://www.marketwatch.com/story/gold-investment-demand-down-over-40-in-2021-new-report-finds-11643331635>)

¹¹ This information was extracted from the internet website of the Singapore Bullion Market Association (<https://www.sbma.org.sg/singapore-bullion-market/singapore/>)

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4. THE PROPOSED ISSUANCE OF CONSIDERATION SHARES

4.1 Rule 805(1) of the Catalist Rules

4.1.1 Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules provide, among others, that an issuer must obtain prior approval of shareholders in general meeting for the issue of shares unless such issuance of shares is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting.

4.1.2 The Consideration Shares will be issued pursuant to the general mandate approved by the Shareholders at the Extraordinary General Meeting of the Company held on 19 February 2021 (the “**2021 Share Issue Mandate**”).

4.1.3 The 2021 Share Issue Mandate authorises the Board to allot and issue new shares of not more than 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2021 Share Issue Mandate (being 12,655,859 Shares), of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders shall not be more than 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2021 Share Issue Mandate (being 12,655,859 Shares).

4.1.4 Under the 2021 Share Issue Mandate, 863,954 Shares were issued prior to the date of the Stradbroke Agreement and as such, the total number of Shares that may be issued pursuant to the 2021 Share Issue Mandate is 11,791,905 Shares, of which the number of shares to be issued other than on a pro rata basis is 11,791,905 Shares.

4.1.5 Assuming that there are no adjustments to the Consideration made, 5,500,000 Shares will be issued and allotted as Consideration Shares. Accordingly, the proposed issuance and allotment of the Consideration Shares will be within the limits of the 2021 Share Issue Mandate (being 11,791,905 Shares). Accordingly, specific shareholder approval from Shareholders for the issuance and allotment of the Consideration Shares is not required.

4.2 Rule 803 of the Catalist Rules

4.2.1 Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

4.2.2 As at the date of this announcement, the Company has an issued and paid-up share capital of S\$549,704,234 comprising 13,519,813 Shares. As satisfaction of the Consideration for the Proposed Acquisition, 5,500,000 Consideration Shares will be issued to the Vendor at S\$1.39 per Consideration Share, representing approximately 40.68% of the existing share capital of the Company as at the Latest Practicable Date. After the completion of the Proposed Transactions, the Consideration Shares will represent approximately 28.92% of the enlarged issued and paid-up share capital of the Company.

4.2.3 The Vendor will hold approximately 28.92% of the enlarged share capital upon the allotment and issuance of the Consideration Shares pursuant to the Proposed Acquisition, resulting in the Vendor becoming a Controlling Shareholder upon completion of the Proposed Acquisition. Dr. Modi, which is the Group’s controlling shareholder who holds approximately 52.38% of the Company’s total issued and paid-up shares as at the Latest Practicable Date, will hold approximately 37.24% of the enlarged share capital upon the allotment and issuance of the Consideration Shares pursuant to the Proposed Acquisition.

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4.2.4 Accordingly, as Dr. Modi remains the single largest Shareholder of the Group upon completion of the Proposed Acquisition, the Proposed Acquisition will **not** result in the transfer of a controlling interest in the Company, and specific approval of the Shareholders for is not required under Rule 803 of the Catalyst Rules.

5. LISTING AND QUOTATION NOTICE

The Company will in due course make an application to SGX-ST for the listing of and quotation for the Consideration Shares on Catalyst through the Sponsor.. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST.

It should be noted that the listing and quotation notice that may be issued by the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition, the Proposed Consideration Shares Issue, the Stradbroke Agreement, the Company, its subsidiaries, and their securities.

6. VALUATION REPORT

For the purposes of the Proposed Acquisition, the Company has appointed RSM Corporate Advisory Pte. Ltd. (“**RSM**”) to assess and determine the value of the Stradbroke Sale Shares and Savills Valuation and Professional Services (S) Pte. Ltd. to assess and determine the value of the Property.

Based on the Valuation Report issued by RSM, the market valuation of the 100% of Stradbroke as at 30 November 2021 is approximately S\$19.776 million, and the market valuation of the Stradbroke Sale Shares as at November 2021 is approximately S\$14.041 million.

Selection of Valuation Approach

RSM has derived the market value of the Stradbroke Sale Shares from the sum of parts, adjusted for the equity interest held by Stradbroke in the respective business and entities, as follows:

*Stradbroke and Stradbroke Ventures (the “**Stradbroke Business**”)*

There were no financial projections available for the Stradbroke Business as at the Valuation Date. As such, RSM did not adopt the income approach to estimate the value of the Stradbroke Business as the income approach is a valuation approach which measures the value of the subject business by its ability to generate future cash flows. The financial projections were not available due to a lack of trade and business activities arising from the restrictions put in place to combat the COVID-19 pandemic in the last nine (9) to twelve (12) months.

Based on the profit and loss statement of Stradbroke Business from 1 April 2021 to 30 November 2021, RSM noted that Stradbroke Business recorded revenue of S\$1,100,000 and loss before tax of S\$472,000.

RSM were provided the management accounts of the Stradbroke Business as at the Valuation Date As at the Valuation Date, the adjusted net asset value of the Stradbroke Business is S\$16,400,000. RSM noted that the adjusted net asset value primarily

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comprised of the intangible assets relating to the timber authorities issued by the Papua New Guinea Forest Authority (amounting to S\$10,400,000), machinery and equipment (amounting to S\$3,500,000) and inventories (amounting to S\$3,100,000) as at the Valuation Date. However, as further details were not made available to RSM relating to the aforementioned assets due to a lack of trade and business activities arising from the restrictions put in place to combat the COVID-19 pandemic in the last nine to twelve months, RSM was unable to sufficiently evaluate the inputs and assumptions in order to estimate the value of the Stradbroke Business as at the Valuation Date reliably. Consequently, RSM attributed no value to the Stradbroke Business in arriving at its valuation of the Stradbroke Sale Shares.

SIGPL

The income approach was considered but not applied as the value of SIGPL is largely dependent on the value of the Property for which the market value as at 30 November 2021 is provided in the Valuation Report issued by Savills Valuation and Professional Services (S) Pte. Ltd. RSM adopted the net asset value approach to estimate the market value of SIGPL, as its value lies within its underlying assets.

Savills Valuation and Professional Services (S) Pte. Ltd. assessed the market value of the Property on an as is basis, assuming satisfactory completion of the ongoing renovation work. Savills Valuation and Professional Services (S) Pte. Ltd. adopted the income approach and market approach in determining that the market value of the Property is S\$38,000,000 as at 30 November 2021.

HYLF

As HYLF is dormant and has no substantial business operations as at the Valuation Date, the income approach was not considered. As RSM did not receive the audited financial information relating to HYLF due to its status as a dormant company, it was unable to estimate the value for HYLF reliably. Consequently, RSM attributed a no value to HYLF in arriving at its valuation of the Stradbroke Sale Shares.

Summaries of the Valuation Reports are set out in Appendix A of this Circular. Shareholders are advised to read and consider the Valuation Reports carefully, in particular the terms of reference, key assumptions and critical factors.

7. THE PROPOSED DISPOSAL

7.1 Overview

- 7.1.1 On 3 December 2021, the Board announced that on 3 December 2021, the Company has entered into the SEV Agreement with 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. (“SEV”) (“SEV Shares”), which represents 90% of the total issued and paid-up share capital of SEV (the “SEV Sale Shares”) on the terms and subject to the conditions of the SEV Agreement (the “Proposed Disposal”). Upon completion of the Proposed Disposal, the Company will retain a 10% shareholding interest in SEV to gain any upside on the valuation of SEV which may be created by the Purchaser in the future.

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7.1.2 The Proposed Disposal constitutes a major transaction under Chapter 10 of the Catalist Rules and is subject to the approval of Shareholders. Accordingly, the Proposed Disposal will be subject to, amongst others, the approval of the Shareholders for the Proposed Disposal at an extraordinary general meeting to be convened. Please refer to Section 7.7 of this Circular for further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules.

7.2 Details of the Purchaser

Shareholders should note that information relating to the Purchaser in this paragraph and elsewhere in this Circular has been provided by the Purchaser. The Company and the Directors have not independently verified the accuracy and correctness of such information herein. The sole responsibility of the Directors and the Company for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.

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 Ms. Kwek Yan Ping, who has invested in several start-ups. She intends to diversify into the EV business through the Proposed Disposal. Post-acquisition, she intends to induct new Directors and management into the business of SEV.

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.

7.3 Information on SEV

SEV is a company incorporated in the Republic of Singapore on 25 June 1998. SEV's principal business activity includes passenger land transport, motor vehicles dealership and retail of spare parts and accessories for vehicles.

As at the Latest Practicable Date, the Company is the legal and beneficial owner of 8,167,422 SEV Shares, representing in aggregate 100% of the total issued and paid-up share capital of SEV.

7.4 Salient Terms of the Proposed Disposal

A summary of the material terms and conditions of the Proposed Disposal as set out in the SEV Agreement is as follows:

7.4.1 Disposal of the SEV Sale Shares

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

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The consideration for the SEV Sale Shares shall be an aggregate of S\$2,500,000 (the “**SEV Consideration**”) to be payable by the Purchaser to the Company in two separate tranches as follows:

- (a) the first tranche of S\$1,000,000 (the “**First Closing Consideration**”) in return for the transfer of such portion of SEV Sale Shares representing 36% of the SEV Shares (the “**First Closing**”); and
- (b) the second tranche of S\$1,500,000 (“**Final Closing Consideration**”) in return for the transfer of the remaining SEV Sale Shares representing 54% of the SEV Shares (the “**Final Closing**”).

Unless extended by mutual consent of both parties to the SEV Agreement (the “**SEV Parties**”), the First Closing shall take place within 30 days from the date of the SEV Announcement subject to the First Closing Conditions being fulfilled within 25 days from the date of the SEV Announcement. The aforesaid time period may be extended by another 60 days in the event that the First Closing Conditions have not been fulfilled. As at the Latest Practicable Date, the First Closing Conditions have not been fulfilled, and the SEV Parties have mutually agreed to extend the First Closing.

The Final Closing shall take place on or before 30 days from the date of the First Closing subject to the Final Closing Conditions 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.

7.4.2 SEV Consideration

The aggregate SEV Consideration was arrived at after arms’ length negotiations and on a willing-buyer willing-seller basis, after taking into consideration that SEV 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 SEV, prevailing market conditions, the valuation of the SEV Sale Shares pursuant to the respective Valuation Reports, and the rationale for and benefits to the Group arising from the Proposed Disposal as further described in Section 7.5 of this Circular.

7.4.3 SEV Conditions Precedent

The First Closing shall be conditional on the following events (collectively, the “**First Closing Conditions**”):

- (a) 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;
- (b) the obtaining of all such approvals, waivers, notifications, authorization consents from Directors and shareholders as applicable to each party;
- (c) the audited accounts as at 31 December 2020 of SEV (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 SEV Agreement to the Purchaser for purposes of due diligence review;

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- (d) SEV having no liabilities other than those stated in its Audited Accounts and Management Accounts;
- (e) SEV having discharged and terminated all inter-company balances and contracts between the Company and SEV and between SEV 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;
- (f) 50 EVs along with 50 chargers (as agreed by the SEV Parties) shall have been transferred to SEV free from all encumbrance and deemed fully paid for prior to the date of the First Closing;
- (g) the web domain and Facebook page of SEV – “SingaporeElectricVehicles.com” – shall have been transferred to SEV free from all encumbrance and deemed fully paid for prior to the date of the First Closing;
- (h) discharge of all guarantees, if any, given by SEV to any other party;
- (i) the rental agreement for the use of carpark lots and charger space shall have been agreed upon and signed between SEV and all relevant parties;
- (j) assignment by the Company of all relevant insurance for the 50 EVs in favor of SEV; and
- (k) transfer of all EV-related assets owned by the Company (and its related entities) to SEV free from encumbrance and deemed fully paid for.

The Final Closing shall be conditional on the following events (collectively, the “**Final Closing Conditions**”):

- (a) the First Closing having taken place; and
- (b) all necessary regulatory approvals in Singapore having been obtained by the Company for the transactions contemplated under the SEV Agreement 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 “**SEV Conditions Precedent**”).

7.4.4 Salient Warranties and Indemnities

In addition to warranties to be provided by the Company in relation to the Audited Accounts and Management Accounts, SEV’s cash balance, legal proceedings by or against SEV 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 SEV against any tax liabilities resulting from inter-company balances written back by SEV in the event the intercompany balances written back is deemed taxable by the Inland Revenue Authority of Singapore.

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7.4.5 *Company's Rights as a Shareholder of SEV*

So long as the Company is a shareholder of SEV, the Company shall be entitled to the following in respect of SEV:

- (c) the Company shall at all times have the right to appoint one (1) person to the board of SEV; and
- (d) the Purchaser shall submit to the Company quarterly information about the financials, operations and business of SEV within 30 days from the last day of each quarter.

7.5 **Rationale and Benefit to the Company**

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 travel restrictions. Despite the limited opening of activities and transport in Singapore, it has experienced fluctuations in revenue during FY2020 to FY2021. 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) SEV 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 SEV amounts to S\$1,085,000 for FY2021, which represents 0.45% of the total revenue (both continuing and discontinued operations as announced by the Company on 28 February 2022) generated by the Group, being S\$242,831,000 for FY2021.

7.6 **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.

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7.7 The Proposed Disposal as a Major Transaction

Rule 1014(1) of the Catalist Rules states that where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 50% for a disposal, a transaction is classified as a “major transaction”. Rule 1014(2) of the Catalist Rules further states that such a “major transaction” must be made conditional upon approval by Shareholders at a general meeting to be convened.

Based on the FY2021 Financial Statements, 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 FY2021 Financial Statements:

Rule	Bases of computation	Relative figures
Rule 1006(a)	NAV ⁽¹⁾ of the assets to be disposed of S\$4,778,551 compared with the Group’s NAV of S\$35,215,128.	13.57%
Rule 1006(b)	Net loss ⁽²⁾ attributable to the SEV Sale Shares to be disposed of S\$634,250, compared with the Group’s net loss of S\$4,508,331.	14.07%
Rule 1006(c)	Aggregate value of the consideration received of S\$2,500,000, compared with the Company’s market capitalisation ⁽³⁾ 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.

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 Catalist 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 Catalist 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 SEV Agreement, of S\$1.33 per share.

SEV and the Group have net losses of S\$634,250 and S\$4,508,331 respectively as of 31 December 2021 (negative figures).

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As the relative figure computed pursuant to the tests for Rule 1006(b) involves a negative figure, it may not give a meaningful indication of the significance of the transaction to the Company. Notwithstanding the foregoing, 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. 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.

7.8 Valuation Report

For the purposes of the Proposed Disposal, the Company has appointed Chay Corporate Advisory Pte. Ltd. to assess and determine the value of the SEV Sale Shares, and Robert Khan & Co Pte. Ltd. to assess and determine the value of the 50 EVs along with 50 chargers as referred to in Section 7.4.3(f) of this Circular.

Based on its respective Valuation Reports, the valuation of the 100% of SEV Sale Shares as at 30 November 2021 is approximately S\$2,900,000. In arriving at these figures, Chay Corporate Advisory Pte. Ltd. has adopted the asset based approach.

Summaries of the Valuation Reports are set out in Appendix A of this Circular. Shareholders are advised to read and consider the Valuation Report carefully, in particular the terms of reference, key assumptions and critical factors.

8. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

8.1 NTA, Book Value and Net Profit Figures

Based on unaudited standalone financial statements for period ended 30 November 2021, the NTA and the book value of Stradbroke as on 30th November 2021 is S\$32,555,646 and S\$42,953,346 respectively.

Based on the FY2021 Financial Statements, the NTA value and book value of SEV as at 31 December 2021, is S\$4,775,043 and S\$4,778,551 respectively.

Based on the FY2021 Financial Statements and the Net Proceeds, the Group would expect to realise an attributable net disposal loss of S\$1,797,539 over NTA and an excess of the Net Proceeds over the book value of approximately S\$1,800,696 from the Proposed Disposal.

8.2 Bases and Assumptions

The *pro forma* financial effects of the Proposed Transactions 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 Transactions. The *pro forma* financial effects have been prepared based the FY2021 Financial Statements, subject to the following assumptions:

- (a) the financial effects of the Proposed Transactions on the NTA per share of the Company are computed assuming that the Proposed Transactions had been completed on 31 December 2021 and

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- (b) the financial effects of the Proposed Transactions on the EPS of the Company are computed assuming that the Proposed Transactions had been completed on 1 January 2021.

8.3 Effects on NTA per share

	Before the Proposed Transactions	After the Proposed Disposal but before the Proposed Acquisition	After the Proposed Disposal and Proposed Acquisition
NTA (S\$'000) ⁽¹⁾⁽²⁾⁽³⁾	33,788	31,991	64,547
Number of issued ordinary shares, excluding treasury shares	13,519,813	13,519,813	19,019,813
NTA per share ⁽⁴⁾⁽⁵⁾ excluding treasury shares (S\$ cents)	2.50	2.37	3.39

Notes:-

- (1) NTA of Stradbroke used in proposed acquisition is as on 30 November 2021 as per the management accounts shared by Stradbroke and does not include bank loan in its subsidiary as provided in the RSM valuation report.
- (2) NTA of SEV used in proposed disposal is as on 31 December 2021.
- (3) NTA calculation after the proposed disposal but before the proposed acquisition includes the Consideration from the Proposed Disposal and excludes the NTA of SEV.
- (4) NTA per share after the proposed disposal but before the proposed acquisition has been calculated based on the no. of ordinary shares in issue as at the 31 December 2021.
- (5) NTA per share after the proposed disposal and the proposed acquisition has been calculated based on the no. of ordinary shares in issue as at the 31 December 2021 and the Consideration Shares.

8.4 Effects on EPS

	Before the Proposed Transactions	After the Proposed Disposal but before the Proposed Acquisition	After the Proposed Disposal and Proposed Acquisition
Net profit ⁽¹⁾⁽²⁾⁽³⁾ attributable to equity holders of the Company (S\$'000)	(4,508)	(5,675)	(6,146)
Weighted average no. of ordinary shares, excluding treasury shares	12,944,753	12,944,753	18,444,753
EPS, excluding ⁽⁴⁾⁽⁵⁾ treasury shares (S\$ cents)	(0.35)	(0.44)	(0.33)

Notes:

- (1) Net profit means profit or loss including discontinued operations that have not been disposed and before non-controlling interest.
- (2) Net profit of Stradbroke is based upon unaudited standalone financial statement from 1 April 2021 to 30 November 2021.

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- (3) Net profit after the proposed disposal but before the proposed acquisition has been calculated based upon unaudited consolidated financial statement from 1 January 2021 to 31 December 2021.
- (4) EPS after the proposed disposal but before the proposed acquisition has been calculated based on the no. of ordinary shares in issue as at the 31 December 2021.
- (5) EPS after the proposed disposal and the proposed acquisition has been calculated based on the no. of ordinary shares in issue as at the 31 December 2021 and the Consideration Shares.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date, as recorded in the register of director's shareholdings and the register of substantial shareholders kept by the Company, were as follows:

	No. of Shares			% ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Directors				
Doraraj S	29,323	–	29,323	0.22
Dr Bhupendra Kumar Modi (“BKM”) ⁽²⁾	804,634	6,277,438	7,082,072	52.38
Maneesh Tripathi	217,105	–	217,105	1.61
Tushar s/o Pritamlal Doshi	30,175	–	30,175	0.22
Substantial Shareholders (other than Directors)				
Dilip Modi (“DLM”) ⁽³⁾	–	5,121,308	5,121,308	37.88
Divya Modi (“DYT”) ⁽⁴⁾	–	5,121,308	5,121,308	37.88
Veena Modi (“VM”) ⁽⁵⁾	–	1,482,387	1,482,387	10.96
S Global Innovation Centre Pte. Ltd. ^(2a)	3,638,921	–	3,638,921	26.92
Smart Co. Holding Pte. Ltd. ^{(2b)(2c)(6)}	410,660	5,823,778	6,234,438	46.11
S Global Holdings Limited ⁽⁷⁾	–	5,121,308	5,121,308	37.88
Smart Bharat Private Limited ^{(2e)(8)} (formerly known as Smart Entertainment Private Limited)	1,482,387	–	1,482,387	10.96
Spice Bulls Pte. Ltd. ^{(2c)(8)}	702,470	1,482,387	2,184,857	16.16
Global Tech Innovations Ltd. ⁽⁹⁾	–	5,121,308	5,121,308	37.88
Smart Global Corporate Holding Private Limited ⁽¹⁰⁾	–	5,121,308	5,121,308	37.88
Paramount Assets Investments Pte. Ltd. ⁽¹¹⁾⁽¹²⁾	1,414,492	–	1,414,492	10.46
Lee Foundation ⁽¹¹⁾	–	1,414,492	1,414,492	10.46
Lee Pineapple Company (Pte.) Limited ⁽¹²⁾	–	1,414,492	1,414,492	10.46

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Notes:

- (1) The above percentages are calculated based on the Company's share capital comprising of 13,519,813 issued and paid-up Shares as at Latest Practicable Date, excluding treasury shares.
- (2) BKM is deemed to be interested in 6,192,138 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 and DYT. By virtue of Section 7 of the Companies Act, Smart Global Corporate Holding Private Limited (formerly known as Spice Global Investments Pvt. Ltd.), Global Tech Innovations Ltd. (formed by amalgamation of Orion Telecoms Ltd., Dai (Mauritius) Company Ltd., Falcon Securities Ltd., Guiding Star Ltd. and Christchurch Investments Ltd.), S Global Holdings Limited, Prospective Infrastructure Pvt. Ltd. (now merged with Smart Global Corporate Holding Private Limited) and Spice Connect Private Ltd. (formerly known as Smart Ventures 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. (formerly known as S Global Holdings Pte. Ltd.) as Smart Co. Holding Pte. Ltd. is wholly-owned by BKM;
 - (c) 702,470 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;
 - (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 (formerly known as Smart Entertainment Private Limited) are beneficially owned and controlled by BKM, investment vehicles controlled by BKM and his family members.
- (3) DLM 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 DYT and 1,482,387 Shares held directly by Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited, as Smart Bharat Private Limited (formerly known as Smart Entertainment 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.
- (4) DYT 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 DYT and 1,482,387 Shares held directly by Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited, as Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited) is a subsidiary of Smart Global Corporate Holding Private Limited and DYT holds no less than 20% of the shares in Smart Global Corporate Holding Private Limited.
- (5) VM is deemed to be interested in 1,482,387 Shares held through Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited) by virtue of her holding of no less than 20% of the shares in Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited).
- (6) Smart Co. Holding Pte. Ltd. is deemed to be interested in 5,823,778 Shares comprising the following:
 - (a) 3,638,921 Shares indirectly held through S Global Innovation Centre Pte. Ltd.;
 - (b) 702,470 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 (formerly known as Smart Entertainment Private Limited, as Smart Bharat Private Limited (formerly known as Smart Entertainment 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.
- (7) 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 (formerly known as Smart Entertainment Private Limited, as the Smart Bharat Private Limited (formerly known as Smart Entertainment 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.

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- (8) Pursuant to a sale and purchase agreement dated 23 November 2021 (“SPA”) executed between Smart Bharat Private Limited (formerly known as Smart Entertainment 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.
- (9) 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 (formerly known as Smart Entertainment Private Limited, as Smart Bharat Private Limited (formerly known as Smart Entertainment 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.
- (10) 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 (formerly known as Smart Entertainment Private Limited, as Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited is a subsidiary of Smart Global Corporate Holding Private Limited.
- (11) 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.
- (12) 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.

Save as disclosed above and in this Circular, none of the Directors, Controlling Shareholders or Substantial Shareholders or their respective associates has any interests, direct or indirect, in the Proposed Transactions (other than in their capacity as Directors or Shareholders, where applicable).

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Based on the shareholdings in the Company as at the Latest Practicable Date, the effects of the proposed issuance of Consideration Shares on the shareholdings of the Directors and Substantial Shareholders in the issued share capital of the Company are as follows:

	As at the Latest Practicable Date				After the Proposed Acquisition and the Proposed Issue of Consideration Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
Directors								
Doraraj S	29,323	0.22	–	–	29,323	0.15	–	–
Dr Bhupendra Kumar Modi (“BKM”)	804,634	5.95	6,277,438	46.43	804,634	4.23	6,277,438	33
Maneesh Tripathi	217,105	1.61	–	–	217,105	1.14	–	–
Tushar s/o Pritamlal Doshi	30,175	0.22	–	–	30,175	0.16	–	–
Substantial Shareholders (other than Directors)								
Dilip Modi (“DLM”)	–	–	5,121,308	37.88	–	–	5,121,308	26.93
Divya Modi (“DYT”)	–	–	5,121,308	37.88	–	–	5,121,308	26.93
Veena Modi (“VM”)	–	–	1,482,387	10.96	–	–	1,482,387	7.79
S Global Innovation Centre Pte. Ltd.	3,638,921	26.92	–	–	3,638,921	19.13	–	–
Smart Co. Holding Pte. Ltd.	410,660	3.04	5,823,778	43.08	410,660	2.16	5,823,778	30.62
S Global Holdings Limited	–	–	5,121,308	37.88	–	–	5,121,308	26.93
Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited)	1,482,387	10.96	–	–	1,482,387	7.79	–	–
Spice Bulls Pte. Ltd.	702,470	5.20	1,482,387	10.96	702,470	3.69	1,482,387	7.79
Global Tech Innovations Ltd.	–	–	5,121,308	37.88	–	–	5,121,308	26.93

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	As at the Latest Practicable Date				After the Proposed Acquisition and the Proposed Issue of Consideration Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
Smart Global Corporate Holding Private Limited	–	–	5,121,308	37.88	–	–	5,121,308	26.93
Paramount Assets Investments Pte. Ltd.	1,414,492	10.46	–	–	1,414,492	7.44	–	–
Lee Foundation	–	–	1,414,492	10.46	–	–	1,414,492	7.44
Lee Pineapple Company (Pte.) Limited	–	–	-1,414,492	10.46	–	–	1,414,492	7.44
TG Holdings HK Limited	–	–	–	–	5,500,000	28.92	–	–

Note:

The above percentages for “after Proposed Acquisition and the Proposed Issue of Consideration Shares” are calculated based on the Company’s new share capital comprising of 19,019,813 issued and paid-up Shares as at after the completion of issuance of 5,500,000 consideration shares, excluding treasury shares.

As mentioned in Section 3.2 above, Mr. Xiwen Zhao owns 100% of the shares of the TG Holdings HK Limited and is the sole director of TG Holdings HK Limited.

10. DIRECTORS’ SERVICE CONTRACTS

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

11. DIRECTORS’ RECOMMENDATIONS

Save for Dr. Modi who has deemed interest in Stradbroke and its subsidiaries, the Directors, having considered and reviewed, *inter alia*, the terms of and the rationale of the Proposed Acquisition, are of the opinion that the Proposed Transactions is in the best interests of the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Transactions set out in the Notice of EGM.

12. ABSTENTION FROM VOTING

Dr. Modi will abstain from voting in respect of the ordinary resolutions relating to the Proposed Diversification, Proposed Acquisition and Proposed Consideration Shares Issue, in view of his deemed interest in Stradbroke and its subsidiaries.

LETTER TO SHAREHOLDERS

13. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is given on page 77 of this Circular, will be held by way of electronic means on 4 April 2022 at 11 AM for the purpose of considering and, if thought fit, passing with or without any modifications, the Proposed Transactions as set out in the Notice of EGM.

14. ACTIONS TO BE TAKEN BY SHAREHOLDERS

In light of the current COVID-19 measures in Singapore, the EGM will be held by way of electronic means. Shareholders will not be able to attend the EGM in person and can only participate in the EGM via electronic means. Alternative arrangements relating to the attendance at the EGM have been put in place to allow Shareholders to electronically access the EGM by (a) observing and/or listening to the EGM proceedings via “live” audio-and-visual webcast or via “live” audio-only stream, (b) submitting questions in advance of the EGM or during the EGM via an online chat box, and/or (c) voting at the EGM (i) “live” by the Shareholders themselves via electronic means or (ii) by appointing the Chairman of the Meeting as his/her/its proxy to attend and vote electronically (in real time) on their behalf at the EGM. Please refer to the Notice of EGM for further details.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM to speak and vote thereat unless he/her/its is shown to have Shares entered against his name in the Depository Register, as certified by the CDP at least seventy-two (72) hours before the time appointed for the EGM.

Shareholders and other investors are reminded to exercise caution when dealing in the Shares. In the event that Shareholders and other investors are in doubt about the actions they should take, they should consult their stockbrokers, bank managers, solicitors, accountants, financial, tax or other professional advisers.

15. CONSENTS

15.1 Valuers

RSM and Savills Valuation and Professional Services (S) Pte. Ltd., named as the valuers in respect of Stradbroke Sale Shares, have given and have not withdrawn their written consent to the issue of this Circular with the inclusion of their names, a summary of their respective Valuation Reports as set out in Appendix A of this Circular and all references thereto, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular.

Chay Corporate Advisory Pte. Ltd., named as the valuer in respect of the SEV Sale Shares, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, a summary of its respective Valuation Reports as set out in Appendix A of this Circular and all references thereto, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular.

Robert Khan & Co Pte. Ltd., named as the valuer in respect of the 50 EVs along with 50 chargers as referred to in Section 7.4.3(f) of this Circular, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, a summary of its respective Valuation Reports as set out in Appendix A of this Circular and all references thereto, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular.

LETTER TO SHAREHOLDERS

15.2 Legal adviser to the Company, Shook Lin & Bok LLP

Shook Lin & Bok LLP, as the legal adviser to the Company for the Circular, has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name and to act in such capacity in relation to this Circular.

16. RESPONSIBILITY STATEMENT BY THE DIRECTORS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, as at the Latest Practicable Date, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

17. DOCUMENTS FOR INSPECTION

Copies of the following documents are 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 commencing from the date of this Circular up to and including the date of the EGM:

- (a) the constitution of the Company;
- (b) the Annual Report of the Company for FY2020;
- (c) the Stradbroke Agreement;
- (d) the SEV agreement; and
- (e) the Valuation Reports.

In view of the movement restrictions pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, access to the registered office of the Company may not be possible during this period. Shareholders who wish to inspect the above documents should contact the Company so that arrangements can be made.

Yours faithfully

For and on behalf of the Board of Directors of
DIGILIFE TECHNOLOGIES LIMITED

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

19 March 2022

APPENDIX A – SUMMARY VALUATION REPORTS



RSM Corporate Advisory Pte Ltd

8 Wilkie Road, #03-08
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Advisory@RSMSingapore.sg
www.RSMSingapore.sg

INDEPENDENT VALUATION SUMMARY LETTER

17 March 2022

The Board of Directors
Digilife Technologies Limited
1 North Bridge Road
#19-04/5 High Street Centre
Singapore 409030

Dear Sirs

1. INTRODUCTION

RSM Corporate Advisory Pte Ltd (“**RSMCA**”) has been engaged by Digilife Technologies Limited (“**Digilife**” or the “**Company**”) to provide assistance in estimating the Market Value (“**Market Value**” or “**MV**”) range of 71% of the share capital of Stradbroke Investments Pte Ltd (“**Stradbroke Investments**” or the “**Target**”) as at 30 November 2021 (the “**Valuation Date**”).

This letter has been prepared for the purpose of inclusion in a circular (“**Circular**”) to be issued in relation to the proposed acquisition by Digilife to acquire 11,131,000 issued shares in the capital of Stradbroke Investments, representing 71% of the total issued and paid up share capital of the Target (the “**Proposed Acquisition**”).

This letter sets out a summary of the information contained in our valuation report (the “**Valuation Report**”) dated 7 March 2022. Accordingly, this letter should be read in conjunction with the full text of the Valuation Report.

Unless otherwise stated, words and expressions defined in the Circular for the purpose of obtaining shareholders’ approval for the Proposed Acquisition have the same meaning in this letter.

2. TERMS OF REFERENCE

Scope of Work and Basis of Value

RSMCA has been appointed by Digilife to conduct a valuation to estimate the Market Value range of 71% of the share capital of the Target as at the Valuation Date. The Target is engaged in multiple industries including gold trading, fisheries, timber trading and property. The entities within the Target are as follows:

APPENDIX A – SUMMARY VALUATION REPORTS

- 1) Stradbroke Ventures PNG Limited (“**Stradbroke PNG**”), together with Stradbroke Investments (collectively known as “**Stradbroke Business**”) is primarily engaged in the trading of timber, fisheries and raw gold;
- 2) Smart Innovation Global Pte Ltd (“**SIGPL**”) owns a light industrial building (the “**Investment Property**”) in Singapore; and
- 3) HYL F Pte Ltd (“**HYLF**”) is 51% owned by the Target. It is currently dormant and has no business operations at the moment.

For the purpose of this valuation, Market Value is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”, as set out in International Valuation Standards.

We estimated the Market Value range of 71% of the Target via the sum of the parts, adjusted for the equity interest held by the Target in the respective segments as follows:

1) **Stradbroke Business**

We understand from Management that there were no financial projections available for the Stradbroke Business as at the Valuation Date. This is due to the impact from COVID-19, which resulted in insignificant operations in the last 12 months and hampered Management’s ability to perform a reliable forecast of the Stradbroke Business. As such, we did not adopt the Income Approach to estimate the Market Value range of 100% of the Stradbroke Business.

Based on the profit and loss statement of Stradbroke Business from 1 April 2021 to 30 November 2021, we noted that Stradbroke Business recorded revenue of S\$1.1 million and loss before tax of S\$472,000. Whilst we understand Stradbroke Business has ancillary businesses such as timber trading, fisheries and gold trading, these business are primarily located in Papua New Guinea and revenues generated from these businesses in the last 12 months were minimal due to COVID-19. The revenue generated by Stradbroke Business was due to other ad-hoc work undertaken which is non-recurring and does not pertain to the principal business of Stradbroke Business. As such, we did not adopt the Market Approach to estimate the value of the Stradbroke Business.

We received the management accounts of the Stradbroke Business as at the Valuation Date. As at the Valuation Date, the adjusted Net Asset Value is S\$16.4 million. We noted that the adjusted Net Asset Value primarily comprised of intangible assets relating to the Timber Authorities (namely TA12-189 and TA12-190, amounting to S\$10.4 million), machinery and equipment (amounting to S\$3.5 million) and inventories (amounting to S\$3.1 million) as at the Valuation Date.

We understand that the carrying amount of the Timber Authorities of S\$10.4 million as at the Valuation Date was referenced to a valuation report dated 28 February 2020 performed by Kana Taberia Kiruwi Accountants Advisors (“**KTK Valuation Report**”). However, there were material uncertainties surrounding the KTK Valuation Report due to the following reasons:

- a) The KTK Valuation Report was dated 20 months prior to the Valuation Date; and
- b) The basis of value, rationale of underlying methodology and assumptions in arriving at the valuation as well as date of the valuation were not stated in the report.

In addition, there were no further details made available to us relating to the machinery and equipment as well as inventories. In this regard, we were unable to sufficiently evaluate the inputs and assumptions to estimate the value for the Stradbroke Business as at the Valuation Date reliably.

Consequently, we attributed a nil value to the Stradbroke Business in arriving at the Market Value of the Target.

APPENDIX A – SUMMARY VALUATION REPORTS

2) Smart Innovation Global Pte Ltd

We applied the net asset value (“NAV”) Approach to estimate the Market Value of 100% of SIGPL as at the Valuation Date as SIGPL is a property holding company where its value lies in the underlying asset (i.e. Investment Property). As such, the NAV approach which considers the MV of the net assets as at Valuation Date is deemed to be the most appropriate to estimate the MV of SIGPL.

We relied on a property valuation report dated 18 February 2022 performed by Savills Valuation and Professional Services (S) Pte Ltd (“Savills”) (“2022 Savills Report”) on the Investment Property as at the Valuation Date. In the 2022 Savills Report, Savills assessed the Market Value of the Investment Property as at the Valuation Date on an as-is basis, assuming satisfactory completion of the on-going renovation work. Savills adopted the Income Approach (i.e. Income Capitalisation Method) and Market Approach (i.e. Direct Comparison Method) in deriving the Market Value of the Investment Property. Based on 2022 Savills Report, the Market Value of the Investment Property is S\$38.0 million.

With adjustments to the NBV to reflect the MV of assets and liabilities, the MV of 100% of SIGPL is estimated to be S\$19.8 million based on the NAV Approach.

3) HYLF Pte Ltd

HYLF is a start-up entity and has not commenced operations as at the Valuation Date. As such, HYLF is dormant as at the Valuation Date. As HYLF has yet to commence operations, there are no financial statements available, hence we were unable to estimate the value for HYLF as at the Valuation Date reliably. Consequently, we attributed a nil value to HYLF in arriving at the Market Value of the Target.

RSMCA’s compensation is not contingent upon the reporting of a pre-determined value or direction in value that favours anyone, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a particular subsequent event.

Limitations of our Valuation Report and this letter

This letter and the Valuation Report are addressed strictly to the Board of Directors (the “Board”) and for the intended purpose as set out above and accordingly neither the Valuation Report nor this letter may be used or relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the shareholders of Digilife).

Our terms of reference do not require us to evaluate or comment on the rationale, or the strategic or long term perspective of the Proposed Acquisition or future financial performance of the Target. We are not required to express any view on the growth prospects or potential of the Target.

The Valuation Report is also not intended to be and is not included in the Circular, and does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Acquisition.

We are not required and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the Target and accordingly make no representation or warranty, expressed or implied, in this regard. We do not express any opinion on the commercial merits and structure of the Proposed Acquisition, nor are we providing any opinion, expressed or implied, as to the price of the shares or the financial condition or performance of Digilife upon the completion of the Proposed Acquisition.

We do not provide assurance on the achievability of the future free cash flows results because events and circumstances may differ from the assumptions and expectations of the management of Digilife and/or management of Stradbroke (“Management”); and achievement of the forecast results is dependent on the subsequent actions, plans and execution, as well as other external factors.

APPENDIX A – SUMMARY VALUATION REPORTS

Our estimates of the Market Value range of the Target are based upon prevailing market, economic, industry, monetary and other conditions and on the information available as at the Valuation Date. Such conditions may change significantly over a relative short period of time and we assume no responsibility and are not required to update, revise or reaffirm our valuation conclusion to reflect events or developments subsequent to the Valuation Date.

Reliance on Information

In conducting our review and for the purpose of preparing our valuation range and the Valuation Report, we have held discussions with Management and we have read the information provided by them and other publicly available information, upon which our valuation analysis is based. Management have confirmed to us, that all material information available to them with respect to the Target that is relevant for the purpose of our terms of reference, has been disclosed to us and that such information is fair and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us to be inaccurate or misleading in any material respect on the Target.

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of all such information provided or otherwise made available to us or relied upon by us as described above, whether written or verbal, and no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

Management is solely responsible for the accuracy and fair statement of the information provided to us for use in performing the valuation exercise. The basis and assumptions of the accuracy and completeness of the financial information of the Target are solely the responsibility of Management and the Board of Directors.

For the avoidance of doubt, our scope did not include the valuation of property, plant and equipment (“PP&E”) and/or investment property which has to be conducted by an independent PP&E valuer. Management engaged Savills to estimate the market value of the Investment Property as at 30 November 2021. As such, we have not made any independent evaluation or appraisal of the PP&E and/or Investment Property, but relied on the market value as estimated by Savills.

3. KEY ASSUMPTIONS

The Market Value range of 71% of the share capital of the Target is based on the information provided by and representations made by Management. The assumptions used reflect the expectations and views regarding future events as at the Valuation Date and therefore, necessarily involve known and unknown risks and uncertainties affecting the Target.

We relied on the following general assumptions in arriving at the Market Value range of 71% of the share capital of the Target as at the Valuation Date:

- 1) Information up to the Valuation Date provided by Management fairly reflects The Target’s financial and operating position;
- 2) There is no corporate guarantee at Stradbroke Investments level on the losses of its subsidiaries (which includes HYL F and Stradbroke PNG), in which Stradbroke Investments is liable for any losses incurred by its subsidiaries beyond its cost of investment;
- 3) The accuracy of the property valuation reports dated 21 July 2021 and 18 February 2022 prepared by Savills and provided to us by Management, including the assumption that the Market Value of the Investment Property as assessed by Savills is reflective of the actual Market Value of the Investment Property;
- 4) The accuracy and completeness of the information provided to us during the course of our work; and
- 5) Other information and representations made to us by Management during our discussions.

4

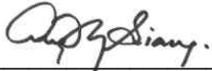
APPENDIX A – SUMMARY VALUATION REPORTS

4. CONCLUSION

In accordance with the terms of reference, limitations, key assumptions and factors set out herein, RSMCA has arrived at the Market Value of 71% of the share capital of the Target to be **S\$14.0 million** as at the Valuation Date.

Yours faithfully,

For and on behalf of RSM Corporate Advisory Pte Ltd



Terence Ang
CA (Singapore), CVA (#100034)
Executive Director

APPENDIX A – SUMMARY VALUATION REPORTS



Our Ref: 2018/995/CORP/DE

18 March 2022

Digilife Technologies Limited
1 North Bridge Road #19-04/05
High Street Centre
Singapore 179094

Savills Valuation and
Professional Services (S) Pte Ltd
Reg No.: 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T: (65) 6836 6888
F: (65) 6536 8611

savills.com

Dear Sirs

Valuation of 152 Ubi Avenue 4, Singapore 408826 (“Property”)

We refer to the instructions of Digilife Technologies Limited (the “Client”) to carry out a desktop valuation of the Property to advise on its market value as at 30 November 2021 for proposed transaction purpose.

This valuation is premised on the information as contained in our valuation report dated 21 July 2021 (Ref: 2021/2758/PTE). Accordingly, this desktop valuation is carried out without the benefit of site inspection and we have assumed that there is no material change in the subject property and the surroundings since our last inspection on 14 July 2021. No title searches, structural survey and legal requisitions have been carried out.

Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards.

The valuation method that we have adopted is Direct Comparison Method. In this method, a comparison is made with sales of similar properties in the subject or comparable localities. Adjustments are made for differences in location, size, tenure, age/condition, building specifications and date of sale, etc., before arriving at the value of the Property.

Savills Valuation and Professional Services (S) Pte Ltd (“Savills”) have relied upon the property data supplied by the Client which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by the client and subsequent conclusions related to such data.

APPENDIX A – SUMMARY VALUATION REPORTS



The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions as set out in the valuation report for the Property and are our personal, unbiased professional analysis, opinions and conclusions. We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the Client, the advisers or other party/parties with whom the Client are contracting. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

This letter and the Valuation Certificate are strictly limited to the matters contained within the documents and are not to be read as extending, by implication or otherwise, to any other matter in the Circular. Savills does not give any warranty or representation as to the accuracy of the information in any other part of the Circular

We hereby certify that our valuers undertaking this valuation are authorised to practice as valuers. They have the necessary expertise in real estate valuation and more than 20 years' experience in valuing similar types of properties.

Yours faithfully

Savills Valuation And Professional Services (S) Pte Ltd

Goh Seow Leng
Executive Consultant
MSISV
Licensed Appraiser No. AD041-2003809B

encl. Valuation Certificate

APPENDIX A – SUMMARY VALUATION REPORTS



LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX A – SUMMARY VALUATION REPORTS



Summary Valuation Letter

6 January 2022

Digilife Technologies Limited
1 North Bridge Road
#19-04/05 High Street Centre
Singapore 179094

Indicative Corporate Valuation of Singapore Electric Vehicles Pte. Ltd.

Dear Sirs,

1. Introduction

Chay Corporate Advisory Pte Ltd (“Chay”) has been appointed by the Board of Directors (“Directors”) of Digilife Technologies Limited (“Digilife”) to perform an indicative valuation of its subsidiary, Singapore Electric Vehicles Pte. Ltd. (“SEV” or the “Company”) as at 30 November 2021 (“Valuation Date”) for the purpose of a proposed divestment by Digilife of its 90% shareholding stake in SEV (the “Proposed Divestment”).

This letter has been prepared for the purpose of disclosure as an appendix to the Company’s Circular to be issued in relation to, inter alia, the Proposed Divestment.

The letter is a summary containing information from our valuation report dated 6 January 2022 (the “Valuation Report”). Accordingly, this letter and its contents should be read in conjunction with the full text in the full Valuation Report.

2. Terms of reference

- i) The objective of the Valuation Report is to provide an independent view of the fair value of SEV as at 30 November 2021 in accordance with the International Valuation Standards (“IVS”) as prescribed by the International Valuation Standards Council (“IVSC”).
- ii) We have not undertaken any due diligence or audit of the financial information provided to us. The accuracy of such information is the sole responsibility of the management of the Company (“Management”).

APPENDIX A – SUMMARY VALUATION REPORTS



- iii) Our estimation of the indicative valuation of the Company is based on its existing operations and likely future expansion plans only, and does not take into account of any fundamentally different business that Management may pursue in the foreseeable future.
- iv) We are not expressing an opinion on the commercial merits and structure on the transaction of the Company and accordingly, this valuation report does not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merits of the transaction of the Company. The assessment of the commercial and investment merits of this transaction is solely the responsibility of the Management. In addition, our work should not be constructed as an investment advice to the current or prospective shareholders / investors of Digilife and the Company.
- v) We have not conducted a comprehensive review of the business, operation or financial conditions of the Company nor any work in relation to the feasibility or tax efficiency of the Company's business operation, and accordingly our Valuation Report will not make any representation or warranty, expressed or implied in this regard.
- vi) Our scope in this engagement does not require us to express, and we do not express a view on the future prospects of the Company, or any views on the future trading process of the shares or the financial condition of the Company.
- vii) Our terms of reference do not require us to provide advice on legal, regulatory, accounting or taxation matters made available to us if the Company has obtained specialist advice, and where we will consider, and where appropriate, relied upon such advice.
- viii) The information used by us in preparing the Valuation Report has been obtained from a variety of sources as indicated within the Valuation Report. While our work has involved an analysis of the financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided to us by and on behalf of Digilife and the Company.
- ix) Budgets/forecasts/projections relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons, we express no opinion as to how closely the actual results achieved will correspond to those budgeted/forecasted/projected. Instead, our work is in nature of a review of the information provided to us, and discussions with the Management.

APPENDIX A – SUMMARY VALUATION REPORTS



3. Use of Valuation Report and Summary Valuation Letter

Our work will be carried out solely for the use of Digilife. This valuation report resulting from our work may not be used for any other purpose or by any other person, referred to in any document or made available to any party (other than your professional advisors acting in that capacity) without our prior written consent (including without limitation, the shareholders of Digilife), except for the purpose of any matter relating to the Proposed Divestment (including making references to and reproduction in the shareholders' circular and being made available for inspection). Any recommendation made by the Directors to the shareholders of Digilife shall remain the responsibility of such Directors.

4. Reliance on available information and representation from Management

In the course of our work, we have held discussions with the Management. We have also examined and relied on information provided by the Company, and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance, but have made such reasonable enquiries and used our judgment as we deemed necessary on the reasonable use of such information and have no reason to doubt the accuracy or reliability of the information.

However, we have a duty to exercise reasonable professional skill and care in performing our work in accordance with the terms of this engagement and have made reasonable enquires and exercised our judgment on the reasonable use of such information. Our work will, where appropriate, be conducted in accordance with applicable professional guidance.

The Management have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute full and true disclosure, in all material respects and facts relating to the Company as required for the purposes of our valuation.

In no circumstances shall we be liable, other than in the event of our bad faith, willful default for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Management and the Directors, employees or staffs of Digilife and the Company or any other person of whom we have made inquiries of during the course of our work.

APPENDIX A – SUMMARY VALUATION REPORTS



5. Valuation methodology

The basis of the valuation will be made by reference to the fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Special purchasers may be willing to pay higher prices to gain control or obtain the capacity to reduce or eliminate competition, ensure a source of material supply or sales, achieve cost savings arising on business combinations following acquisition, or any other synergies which may be enjoyed by the purchaser. Our valuation will not be premised on the existence of a special purchase.

The indicative fair valuation of the Company has taken into consideration of the value implied by the asset-based approach. The asset-based approach is applicable when the underlying asset values constitute the prime determinant of corporate worth. The application of the company's operations (such as an investment or real estate holding company) and/or if the outlook for a particular company's earnings is somewhat uncertain, or returns based on earnings are insufficient to justify the investment in assets.

This approach focuses on individual asset and liability values derived from the Company's balance sheet, which are adjusted to reflect the fair value. In addition, the asset-based approach can be applied in situations whereby liquidation is imminent.

The income approach and market approach are not appropriate for the valuation of the Company due to the following reasons:

- Culminating with the ongoing COVID-19 pandemic, the Company has continued to make losses since it commenced operations in 2016;
- As there is currently "no end in sight" in respect of the COVID-19 pandemic, Management continues to forecast losses for the next three to five years; and
- The scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Company.

Our valuation is based on various assumptions with respect to the Company, including their respective present and future financial conditions, business strategies and the environment in which they operate. These assumptions are based on the information that we have been provided and discussions with the Management, reflecting current expectations on current and future events.

APPENDIX A – SUMMARY VALUATION REPORTS



Among other assumptions that are stated in the Valuation Report, the key assumptions are as follows:

- i) The Company will continue as a going concern without any changes in its Management and shareholding structure prior to the proposed divestment by Digilife;
- ii) The future operations of the Company will not be adversely affected by changes to its key personnel, Management team and Company's shareholding prior to the proposed divestment by Digilife;
- iii) No audit or review has been carried out on the management accounts from 1 January to 30 November 2021;
- iv) The information provided to us by the Management reflects the financial positions of the Company for the respective financial period;
- v) The Company has the legal titles to all assets as mentioned in the financial information provided to us by the Management. All assets, which are physically in existence, are in good working condition;
- vi) There are no risks that any of these assets will be subject to compulsory acquisition by any third party or government body;
- vii) There will be no major changes in the corporate taxation basis or rates applicable to the Company;
- viii) Related party transactions, if any, are carried out on an arm's length basis and will continue to be so for the foreseeable future even if there are any changes in the shareholding structure; and
- ix) There are no subsequent events which will have material effect on the unaudited management accounts for the eleven months financial period then ended.

6. Conclusion

In summary and as detailed in the Valuation Report, based on the asset-based approach, the Company is in aggregated net assets of SGD 2.9 million as at 30 November 2021, having capitalised the net amounts owing to related and ultimate holding companies.

Accordingly, the fair value of the Company derived based on the asset-based approach is approximately SGD 2.9 million as at the Valuation Date.

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Correspondingly, the fair value of a 90% shareholding stake in the Company is approximately SGD 2.6 million as at the Valuation Date.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this letter and the Valuation Report. Such conditions may change significantly over a relatively short period and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this letter to reflect events or developments subsequent to the date of this letter and the Valuation Report.

Yours faithfully,

Chay Corporate Advisory Pte. Ltd.

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INTERNATIONAL BUSINESS ASSETS CONSULTANTS

- ✓ Chartered Surveyors
- ✓ Valuers of:
 - Plants & Machinery
 - Real Estate
 - Businesses
 - Fine Arts & Antiques
- ✓ Auctioneers & Agents
- ✓ Facilities & Project Managers
- ✓ Capital Allowance
Claims Consultants

P&M/4244/2112/RK/WN/SKT

5 January 2022

The Directors
Digilife Technologies Limited
1 North Bridge Road #19-04/05
High Street Centre
Singapore 179094

Attention: Mr Maneesh Tripathi / Mr Abhrajit Shaw

Dear Sirs,

**SINGAPORE ELECTRIC VEHICLES PTE LTD
VALUATION OF FIFTY (50) UNITS OF "BYD" E6H ELECTRIC VEHICLES AND FIFTY (50)
"BYD" EVA040KI/01 AC ELECTRIC VEHICLE CHARGING BOXES**

In accordance with your instruction, on 24 December 2021, we have attended at No. 152 Ubi Avenue 4, Singapore 408826, in order to inspect and value the "BYD" E6H electric vehicles and "BYD" EVA040KI/01 AC electric vehicle charging boxes, thereat which we understand the assets to be the property of Singapore Electric Vehicles Pte Ltd, or held by them under finance agreements.

We had inspected 12 electric vehicles and 45 charging boxes as at the date of inspection on 28 December 2021. We did not have the opportunity to inspect the remaining 38 electric vehicles which were deployed on roads and the remaining 5 charging boxes which were in storage as at the date of inspection. As such, we have proceeded to value these electric vehicles and charging boxes based on information provided to us by the client. We have also assumed the condition of the electric vehicles and charging boxes to be in average working order.

We understand that the purpose of the valuation is for company's asset sale purpose for SGX submission as at current date of 28 December 2021.

We have done a conflict-of-interest check and to our best knowledge, we are not conflicted to undertake the assignment for you.

Robert Khan & Co Pte Ltd (Co. Reg. No.: 199305890G)
简有為国际商业资产及机械咨询公司
261 Waterloo Street, #04-24 Waterloo Centre, Singapore 180261
T: +65 6333 5668 F: +65 6333 5670 W: robertkhanco.com E: info@robertkhanco.com



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As a result of our inspection and based on the information provided to us, we are of the opinion that the Market Value (In Continued Use with Assumed Earnings) of the assets (as detailed in the accompanying schedule) as at **28 December 2021** is as follows:

	Market Value (In Continued Use With Assumed Earnings) (S\$)
Fifty (50) "BYD" E6H electric vehicles	2,378,900
Fifty (50) "BYD" EVA040KI/01 AC electric vehicle charging boxes	230,000
TOTAL	<u>2,608,900</u>

**(*) MARKET VALUE : SINGAPORE DOLLARS TWO MILLION SIX
(IN CONTINUED USE HUNDRED EIGHT THOUSAND AND NINE
WITH ASSUMED EARNINGS) HUNDRED ONLY
AS AT 28 DECEMBER 2021**

() Our valuation is reported on the basis of current market condition as at the Date of Valuation (DOV). In view of the recent outbreak of Novel Coronavirus (Covid-19), our valuation is applicable as at the DOV only. We wish to advise our clients to exercise a higher degree of caution towards the reported valuation figure(s). Keeping in view the unforeseen circumstances of the market condition hereafter, we do not accept liability for losses arising from such subsequent change in their Market Value (In Continued Use with Assumed Earnings). Therefore, we highly recommend to keep the valuation of the abovementioned assets under frequent review.*

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Kindly note the following points in connection with our valuation:

1. Goods and Services Tax has not been taken into account.
2. In arriving at the valuation no deduction has been made in respect of any grant either available or received, neither has any adjustment been made for any outstanding amounts owing under financing agreements.
3. The valuation has been prepared in accordance with the International Valuation Standards Council ("IVSC"), the Royal Institution of Chartered Surveyors ("RICS"), the American Society of Appraisers ("ASA") and the Singapore Institute of Surveyors and Valuers ("SISV") and is in compliance with the standards issued.

We confirmed that we have acted with independence, integrity and objectivity with no pecuniary interest in the said property, past, present or prospective and the opinion is expressed free of any bias.

4. "Market Value" is defined in [30.1] of IVS 104 Bases of Value, International Valuation Standards 2020 Edition, published by the IVSC as follows:

"Market Value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"

When Market Value is established on the premise of continued use with assumed earnings, it is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

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5. Valuation Approaches

In arriving at the value of the assets, we have adopted the “Market” approach and “Cost” approach (Replacement Cost Method).

- 5.1. The “Market Approach” is defined in [20.1] of IVS 105 Valuation Approaches and Methods, International Valuation Standards 2020 Edition, published by IVSC as follows:

“The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.”

Thereafter, adjustments are made to the indicated market prices to reflect the condition and utility of the appraised assets relative to the market comparative.

- 5.2. The “Cost Approach (Replacement Cost Method)” is defined in [60.1], [70.2] and [70.3] of IVS 105 Valuation Approaches and Methods, International Valuation Standards 2020 Edition, published by IVSC as follows:

“The Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.”

“Generally, Replacement Cost is the cost that is relevant to determining the price that a participant would pay as it is based on replicating the utility of the asset, not the exact physical properties of the asset. Usually, replacement cost is adjusted for physical deterioration and all relevant forms of obsolescence. After such adjustments, this can be referred to as depreciated replacement cost.”

- 5.3. The “Depreciated Replacement Cost” (“DRC”) is defined in ‘Part 2: Glossary’ of RICS Valuation – Global Standards 2020 Edition published by RICS as follows:

“The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.”

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6. Methodology

Vehicles

To control the number of vehicles on the road, all vehicles in Singapore are restricted by the Certificate of Entitlement (“COE”) system. This means that anyone who wishes to register a new vehicle must first obtain a COE in the appropriate vehicle category. A COE represents a right to vehicle ownership and use of the road space for 10 years. At the end of the 10-year period, vehicle owners may choose to deregister their vehicle or renew their COE for a further of 5- or 10-year period by paying the Prevailing Quota Premium.

Vehicles are commonly traded in the used vehicle market with current price information readily available and the Market approach is considered an appropriate valuation methodology for this category of assets.

Generally, we have analysed the:

- (i) estimated “monthly depreciation rate” (*“monthly depreciation rate” in the vehicle dealer’s jargon, is the amount the owner loses on the value of the vehicle per month based on the assumption that the vehicle is deregistered only at the end of its 10-year COE lifespan, excluding the value of the vehicle chassis*) for each vehicle; and
- (ii) using the “monthly depreciation rate” multiply with the number of months of COE remaining, as at the dates of valuation, to arrive at the market value of the vehicles.

The current date asking prices of comparable vehicles are adopted because in the used vehicle market, the transacted prices are not available. This is unlike the property market where property transacted prices are readily available.

In the valuation, we have considered the following factors and made adjustments when arriving at the market value of the vehicles:

(a) Mileage of the vehicles

While the manufacture of electric vehicles comprises significantly fewer mechanical parts than combustion engine vehicles; for comparison electric vehicles have less than twenty moving parts whilst engined vehicles, more than 2,000 moving parts. However, electric vehicles require a large number of new electric and electronic components with a rechargeable battery, being the most important and costly part of the vehicle.

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6. Methodology (Cont'd)

Vehicles (Cont'd)

(a) Mileage of the vehicles (Cont'd)

All batteries degrade over time and with use, meaning these become less efficient as they age and, ultimately, the travel range of the car is reduced, resulting in the need for more frequent charging. Buyers of used electric vehicles will certainly be very concerned about the battery's health and the travel range of the car. They are worried about battery failing or needing replacement within a couple of years. If the battery is outside its warranty, then a replacement battery can be quite costly. Over the years with improvement in the manufacture of battery technology, the costs of batteries have been dropping. Currently, to replace a new battery for the "BYD" E6H electric vehicle will cost in the region of S\$26,000.

We understand that all the "BYD" E6H electric vehicle comes with a battery warranty of 8 years or 500,000 km. Based on the information provided to us by the client, the fifty electric vehicles are between 4 and 5 years old from original registration dates and the mileages clocked range from approximately 67,000 km to approximately 483,000 km as at the date of valuation.

(b) Fleet discount

We have allowed a discount of 15% on the monthly depreciation rate as we understand that the fifty electric vehicles will be sold as a fleet. We are given to understand that the discount level is considered reasonable by the management of Digilife Technologies Limited, the seller.

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6. Methodology (Cont'd)

AC electric vehicle charging boxes

Further, we are given the understanding that of the 45 AC electric vehicle charging boxes installed in No. 152 Ubi Avenue 4, 25 charging boxes will remain installed within the premises. The other 20 charging boxes will be dismantled from the premises and re-installed elsewhere in Singapore by the buyer. The 5 charging boxes currently in storage will also be relocated and installed elsewhere in Singapore.

The straight-line depreciation profile has been adopted for the AC electric vehicle charging boxes with zero residual value at the end of their economic useful life of 10 years.

The economic useful life is known as the estimated number of years that a new asset may be profitably used for the purpose for which it was intended. In determining the economic useful lifespan of the asset, we have considered the nature of the asset, taking into account the physical condition, standard of maintenance & workload. The useful lifespan adopted is considered as reasonable based on interviews with key personnel, our knowledge of the industry and our experience of asset of similar nature.

7. We have not undertaken or commissioned a technical survey of condition. During our inspection, we generally observed that the assets appear to be in a fair condition. We have assumed that the assets can perform efficiently according to the purposes for which they were designed and built. We have also assumed that there are no hidden or unapparent conditions of the assets which would render it more or less valuable.

8. The following items have been excluded from the valuation:

- (a) buildings and leasehold improvements;
- (b) registered trademarks, patents and goodwill;
- (c) work-in-progress and finished products;
- (d) stocks inventory;
- (e) jigs, moulds and fixtures;
- (f) administration and computer records;
- (g) drawings, designs and technical records; and
- (h) office furniture & equipment

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9. In the course of our investigation, we have not verified the title or any liabilities against the assets. We did not investigate any financial data pertaining to the present or prospective earning capacity of the operation in which the appraised assets are used.
10. We did not carry out any investigations for any industrial safety environmental and health related regulations in association with this particular manufacturing process. It is assumed that all-necessary license, procedures and measures were implemented in accordance with the Government legislation and guidance.
11. Confidentiality
 - 11.1. Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. We disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
 - 11.2. Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees. These fees are exclusive of GST & expenses (including the cost of re-addressing the report). Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
 - 11.3. Where we consent to reliance on our report by another party or other parties, we do so on the basis that these limiting conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these limiting conditions.
 - 11.4. Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 11.2 and 11.3 above), you agree to indemnify us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.

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11. Confidentiality (Cont'd)

11.5. Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 11.2 and 11.3, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our maximum liability which arises from their use and/or reliance on the valuation report.

12. The Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation has been made to ourselves and we cannot accept any liability or responsibility, in any event, unless such full disclosure has been made.

13. Valuation Data

13.1. Where it is stated in the Report that information or data has been made known to the Valuer by another party, this information is believed to be reliable and he disclaims all responsibility if this should later prove not to be so.

13.2 Where information is given without reference to another party in this Report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge.

13.3 Processed data inferences therefrom shall be taken as the Valuer's opinion and shall not be freely quoted without acknowledgement.

13.4 We reserve the right to review all calculations, recommendations and valuations in the light of any information which subsequently becomes known to us during the tenure of our appointment.

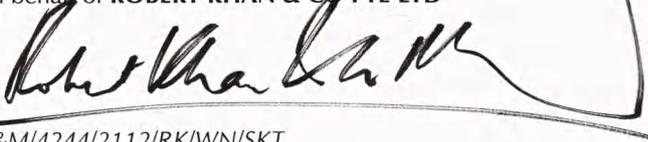
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14. **Reproduction Of The Report**
 - 14.1. Reproduction of this Valuation Report in any manner whatsoever in whole or in part without prior written prior consent from the Valuer is prohibited.
 - 14.2 Approval should be obtained formally from the Valuer before any reference to this Report can be made in any statement, published document or circular.
15. The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefor.
16. Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to the fees paid for engaging our services. Under no circumstances will we be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.
17. The opinion expressed in this report applies strictly on the terms of and for the purpose expressed in this Valuation. Hence, the value shall never be quoted out of context in connection with any other assessment.
18. The Valuer accepts no liability if his opinion is quoted without regard to the full background of the reason why this Report is written.
19. Value is reported in Singapore currency unless otherwise specified.

Yours faithfully
on behalf of **ROBERT KHAN & CO PTE LTD**

A handwritten signature in black ink, appearing to read 'Robert Khan', written over a horizontal line.

P&M/4244/2112/RK/WN/SKT

Delivering Insights since 1997

NOTICE OF EXTRAORDINARY GENERAL MEETING

DIGILIFE TECHNOLOGIES LIMITED

(formerly known as Sevak Limited)
(Company Registration Number: 199304568R)
(Incorporated in Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held by way of electronic means on 4 April 2022 at 11 AM, for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

(All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Circular to shareholders of the Company dated 19 March 2022 (“Circular”).)

ORDINARY RESOLUTIONS:

- (1) **THE PROPOSED DIVERSIFICATION OF BUSINESS TO INCLUDE THE PROVISION OF THE PROPOSED NEW BUSINESS;**
- (2) **THE PROPOSED ACQUISITION OF 71% OF THE ISSUED AND FULLY-PAID SHARES IN THE CAPITAL OF STRADBROKE INVESTMENTS PTE. LTD.;**
- (3) **THE PROPOSED ALLOTMENT AND ISSUANCE OF 5,500,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$1.39 FOR EACH SHARE TO THE VENDOR AS SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION; AND**
- (4) **THE PROPOSED DISPOSAL BY THE COMPANY OF 90% OF ITS SHAREHOLDING INTERESTS IN SINGAPORE ELECTRIC VEHICLES PTE. LTD. AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES.**

IT IS RESOLVED:

ORDINARY RESOLUTIONS

RESOLUTION 1: THE PROPOSED DIVERSIFICATION OF BUSINESS TO INCLUDE THE PROVISION OF THE PROPOSED NEW BUSINESS

THAT, contingent upon the passing of Ordinary Resolutions 2 and 3:

- (a) approval be given for the diversification by the Company and its subsidiaries of its core business to include business comprising (i) the management of Property Related Assets; (ii) holding investments in the Property Related Assets, and holding the same for long term investment for the collection of rent, capital growth potential and/or provision of property related services and facilities, where appropriate; and (iii) as part of the Proposed New Business, engaging in the trading of natural resources and/or other commodities, the trading of carbon credits (which are tradable permits or certificates which provide the holder of such credits the right to emit carbon dioxide or other greenhouse gases), providing access to digital apps and e-commerce platforms, as well as aircraft ownership, leasing and financing, particulars of which are set out in Section 2.2 of the Circular (the “**Proposed New Business**”), and any other activities related to the Proposed New Business;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Company be authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Proposed New Business on such terms and conditions as the Directors deem fit, and such Directors be authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to such to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Diversification and matters contemplated by this Ordinary Resolution 1.

RESOLUTION 2: THE PROPOSED ACQUISITION OF 71% OF THE ISSUED AND FULLY-PAID SHARES IN THE CAPITAL OF STRADBROKE INVESTMENTS PTE. LTD

THAT, contingent upon the passing of Ordinary Resolutions 1 and 3:

- (a) pursuant to Chapter 10 of the Catalist Rules, approval be and is hereby given for the Proposed Acquisition on the terms and subject to the conditions set out in the Stradbroke Agreement dated 28 December 2021 entered into between the Company and the Vendor in relation to the Proposed Acquisition, particulars of which are set out in the Circular;
- (b) the Directors and each of them be and are hereby authorised to take such steps, make such amendments to the terms and conditions of the Stradbroke Agreement (provided that the amendments are not material) and exercise such discretion as they or he may from time to time deem fit, advisable, desirable, expedient or necessary in connection with all or any of the above matters; and
- (c) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Acquisition and matters contemplated by this Ordinary Resolution 2.

RESOLUTION 3: THE PROPOSED ALLOTMENT AND ISSUANCE OF 5,500,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$1.39 FOR EACH SHARE TO THE VENDOR AS SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION

THAT, contingent upon the passing of Ordinary Resolutions 1 and 2:

- (a) approval be given to the Directors for the purposes of Rule 805 of the Catalist Rules and Section 161 of the Companies Act to allot and issue the Consideration Shares to the Vendor at the issue price of S\$1.39 per Consideration Share in satisfaction of the Stradbroke Consideration for the Proposed Acquisition; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Consideration Shares Issue and matters contemplated by this Ordinary Resolution 3.

RESOLUTION 4: THE PROPOSED DISPOSAL BY THE COMPANY OF 90% OF ITS SHAREHOLDING INTERESTS IN SINGAPORE ELECTRIC VEHICLES PTE. LTD. AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES

THAT:

- (a) approval be and is hereby given, for purposes of Chapter 10 of the Catalist Rules, for the Proposed Disposal of the SEV Sale Shares by the Company to SEV Holding Pte. Ltd., on the terms and subject to the conditions of the SEV Agreement, the principal terms of which are set out in the Circular; and
- (b) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Disposal and matters contemplated by this Ordinary Resolution 4.

By Order of the Board

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

19 March 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

As the COVID-19 situation continues to evolve, the Company is closely monitoring the situation, including any precautionary measures which may be required or recommended by government agencies to minimise the risk of community spread of COVID-19. Shareholders should note that the Company may be required (including at short notice) to make further changes to its EGM arrangements as the situation evolves, and Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNET.

1. No physical attendance at the EGM

Due to the current COVID-19 situation in Singapore, the EGM is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 released on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Members will **not** be able to attend the EGM in person.

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) observing and/or listening to the EGM 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 EGM or during the EGM via an online text box; and/or
- (c) voting at the EGM (i) “live” by the Shareholders themselves via electronic means or (ii) by appointing the Chairman of the Meeting as proxy to attend and vote on their behalf at the EGM.

Details of the steps for pre-registration, submission of questions and voting at the EGM are set out in detail below.

2. Pre-Registration to attend the EGM remotely

Shareholders and CPF/SRS investors who wish to attend, ask questions and vote at the EGM must pre-register at the pre-registration website at <https://registration.ryt-poll.com/home/index/digilife-egm> from now till 11 AM on 1 April 2022 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 EGM proceedings, via the e-mail address provided during pre-registration.

Persons who do not receive the confirmation email by 11 AM on 3 April 2022, but have registered by 11 AM on 1 April 2022 deadline should contact the Company at digilife-egm@ryt-poll.com.

Deadline to pre-register: By 11 AM on 1 April 2022.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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-egm> for the “live” broadcast of the EGM. Such investors who wish to participate in the “live” broadcast of the EGM should instead contact the relevant intermediary through which they hold such Shares as soon as possible, no later than 11 AM on 28 March 2022 (being 7 working days before the date of the EGM) in order to make the necessary arrangements for them to participate in the EGM.

3. Submission of questions

Shareholders and CPF/SRS investors will be able to ask questions at the EGM 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 EGM in the following manner:

- (a) via the pre-registration website at <https://registration.ryt-poll.com/home/index/digilife-egm>;
- (b) by email to digilife-egm@ryt-poll.com;
- (c) if submitted by post, be deposited at the office of Company’s electronic EGM service provider, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (d) during the EGM 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;
- 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 11 AM on 26 March 2022.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company will endeavour to address the substantial and relevant questions received from Shareholders relating to the agenda of the EGM prior to the EGM by publishing the responses to these questions on SGXNET and the Company's website on or before 3 April 2022. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the EGM in respect of substantial and relevant matters.

The Company will adopt real-time electronic communication facilities i.e. an online text for the Shareholders to raise questions during the EGM and get responded from the Company prior to vote casting.

The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM 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 EGM**

Shareholders and CPF/SRS investors who wish to attend and vote electronically (in real time) at the EGM must pre-register at the pre-registration website in accordance with paragraph (2) above.

"Live" voting will be conducted during the EGM 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 as Proxy**

A member (whether individual or corporate) who does not wish to attend and vote (in real time) at the EGM may submit a Proxy Form to appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.

Where a member (whether individual or corporate) appoints 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 as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint 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 EGM (i.e. by 11 AM on 28 March 2022) 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 to vote (in real time) 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 EGM as his/her/its proxy and does not intend to attend the EGM. The Chairman of the Meeting, as proxy, need not be a Member of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The instrument appointing 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://www.sevaklimited.com/news.html>, must be submitted to the Company in the following manner:

- (a) if electronically, be submitted via email atdigilife-egm@ryt-poll.com; or
- (b) if by post, be deposited at the office of Company's electronic EGM service provider, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903,

in either case, by no later than 11 AM on 1 April 2022, being seventy-two (72) hours before the time fixed for the holding of the EGM 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.

Deadline to submit Proxy Form: By 11 AM on 1 April 2022.

Where an instrument appointing 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 EGM 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 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 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 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. Completion and return of the instrument appointing the Chairman of the EGM will not prevent a shareholder from attending and voting (in real time) via electronic means at the EGM 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 the Circular, 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://www.sevaklimited.com/news.html>.

Personal data privacy:

By submitting personal data to the Company (or its agents) or an instrument appointing the Chairman of the EGM to attend, speak and vote at the EGM 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 EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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 EGM through a live audio-visual webcast or live audio-only stream.

PROXY FORM

DIGILIFE TECHNOLOGIES LIMITED

(formerly known as Sevak 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 Extraordinary General Meeting ("Meeting" or "EGM") 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. Due to the current COVID-19 restriction order, a member will not be able to physically attend the Meeting. A member (including Relevant Intermediary*) who does not wish to attend and vote (in real time) may appoint the Chairman of the Meeting as proxy to vote on his/her/it behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.
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 accompanying Company's circular dated 19 March 2022, 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 Circular 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 as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by 11 AM on 28 March 2022)

*I/We _____ (name)

of _____ (address)
being a member/members of Digilife Technologies Limited (the "Company"), hereby appoint: The Chairman of the EGM

Name	Address	NRIC/Passport Number	Proportion of Shareholding	
			No. of Shares	%
*and/or (delete as appropriate)				

as my/our proxy/proxies to attend and vote for me/us on my/our behalf, at the EGM of the Company to be held via electronic means on 4 April, 2022 at 11 AM 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 EGM as indicated hereunder.

No.	Ordinary Resolutions relating to:	Number of votes For*	Number of votes Against*	Number of votes Abstaining*
1.	To approve the Proposed Diversification			
2.	To approve the Proposed Acquisition as a Major Transaction			
3.	To approve the Proposed Allotment and Issuance of Consideration Shares			
4.	To approve the Proposed Disposal as a Major Transaction			

*Voting will be conducted by poll. If you wish 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 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 as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2022

Signature(s) of Member(s)
or Common Seal of Corporate Member

Total number of Shares held in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

* Delete where applicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

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, Chapter 289), 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 EGM in person and can only participate in the EGM via electronic means. Alternative arrangements relating to the attendance at the EGM have been put in place to allow Shareholders to electronically access the EGM by (a) observing and/or listening to the EGM proceedings via "live" audio-and-visual webcast (via their mobile phones, tablets or computers) or "live" audio-only stream (via telephone), (b) submitting questions in advance of the EGM or during the EGM via an online text box and/or (c) voting at the EGM (i) "live" by the members themselves via electronic means or (ii) by appointing the Chairman of the Company as proxy to attend and vote on their behalf at the EGM. A member (whether individual or corporate) who does not wish to attend and vote (in real time) at the EGM must submit this Proxy Form to appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. This Proxy Form may be accessed at the Company's website at <https://www.sevaklimited.com/news.html> 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 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 as proxy for that resolution will be treated as invalid.

CPF/SRS investors who wish to appoint 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 EGM (i.e. by 11 AM on 28 March 2022) 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 to vote (in real time) on their behalf by the cut-off date.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman 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://www.sevaklimited.com/news.html>, must be submitted to the Company in the following manner:
 - a. If electronically, be submitted via email at digilife-egm@ryt-poll.com or
 - b. if submitted by post, be deposited at the office of Company's electronic EGM service provider, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903

in either case, by no later than 11 AM. on 1 April 2022, being seventy-two (72) hours before the time fixed for the holding of the EGM 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 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 EGM 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 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 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 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.
7. Completion and return of the instrument appointing the Chairman of the EGM will not prevent a member from attending and voting (in real time) via electronic means at the EGM 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 (Cap. 19) of Singapore 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 (Cap. 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, 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 EGM dated 19 March 2022.