



DISA Limited
(Company Registration No. 197501110N)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 30 OCTOBER 2020 AT 9.30 A.M.

The Board of Directors of DISA Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Notice of Annual General Meeting dated 14 October 2020 relating to the Annual General Meeting of the Company to be held by way of electronic means on 30 October 2020 at 9.30 a.m. The Company wishes to provide its response to the queries by the shareholders as set out below:

Question 1

Why there is a need to consolidate shares as proposed, when there is no mandatory requirement?

Company’s response

Shareholders may refer to the Circular to Shareholders in relation to the Proposed Consolidation of every ten (10) existing issued ordinary shares in the Company into one (1) ordinary share in the capital of the Company dated 5 March 2020, *Clause 2.2 Rationale for the Proposed Share Consolidation* for more details.

Shareholders may also refer to the Company’s announcement in relation to the *Update on the Proposed Share Consolidation* released via SGXNet on 27 July 2020.

Question 2

- i) Assuming consolidation of EIKA (Singapore) Pte. Ltd. and its subsidiary, how would that impact the Company’s P&L and balance sheet?**
- ii) What is the Company’s plan on its 55% stake in EIKA (Singapore) Pte. Ltd. and its subsidiary?**

Company’s response

- i) The Group has neither control nor significant influence over EIKA (Singapore) Pte. Ltd. (“**EIKA**”) and its subsidiary, PT. Engineering Indonesia Karya (“**PT Karya**”), and accordingly EIKA and its subsidiary have neither been consolidated nor equity accounted into the Group’s consolidated financial statements since its acquisition in FY2013. The Management also have no access to the financial information and accounting records relating to PT Karya and accordingly are unable to prepare financial information relating to EIKA and its subsidiary, PT Karya. Therefore, the Company could not determine the impact of consolidation on the Group’s financials.
- ii) The Company had disposed of its entire shareholding interest in EIKA in June 2020. Please refer to the Company’s announcement released via SGXNet on 1 June 2020, *The Proposed Disposal of the Company’s Entire Shareholding Interest in EIKA* for more details.

Question 3

While the revenue has grown significantly to S\$6.6 million in FY2020, mainly due to higher contribution from the technology segment and this segment continues to be in losses.

What are the Company's plans for this segment and how does it intend to scale it?

Company's response

We will continue to maintain our focus on the technology related business opportunities and exercise financial prudence as we continue our research effort to further enhance our asset protection solution to cater for a wider range of retailer needs and to remain competitive. We are working towards onboarding more retailers and hence their suppliers into DiSa platform as well as building up sales order for both bundled and non-bundled semiconductor devices.

Given the prolonged COVID-19 pandemic, we are looking at greater engagement in ultra-violet applications, including design and development, as part of adapting and mitigating of the impact and effects of the pandemic.

Question 4

What is the expected CAPEX and working capital requirement in FY2021?

Company's response

No significant CAPEX is required for FY2021 as the Company is not operating in the capital-intensive business.

The working capital for FY2020 was S\$5.8 million as the Group expanded into trading business in FY2020. We expect the working capital requirement for FY2021 to be lower as we continue to streamlining our business structure to improve operational efficiency.

Question 5

How is the business being affected by COVID-19?

Company's response

The business of the Group in FY2020 was not significantly impacted by the COVID-19. The Group recorded a revenue of S\$6.6 million in FY2020 as compared to S\$0.5 million in FY2019.

The number of SKUs increased by more than 3-fold from 182 SKUs as of 30 June 2019 to 848 SKUs as of 30 June 2020 as the number of brand owners adopting our asset protection solution increases.

However, the Company foresees a slowdown in the onboarding process of new retailers from US as the COVID-19 situation continues to deteriorate in US.

The Company will continue to assess the impact of the COVID-19 situation on its business as the situation continues to evolve.

BY ORDER OF THE BOARD

Chng Weng Wah

Managing Director and Chief Executive Officer

29 October 2020

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr. Ong Hwee Li (Registered Professional, SAC Capital Private Limited)
Address: 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.
Telephone number: +65 6232 3210*