



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 28 OCTOBER 2021 AT 10.30 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 12 October 2021 relating to the Annual General Meeting of the Company to be held by way of electronic means on 28 October 2021 at 10.30 a.m. The Company wishes to provide its response to the queries by the shareholders as set out below:

Question 1

- (i) **Why the POSA and the codes serialisation system roll out at Walmart is progressing so slowly. It has been more than 5 years since the system was announced. When can we expect at least a breakeven from them?**
- (ii) **The cost of POSA and codes seems to be rising every year. Base on revenue quantity analysis, we are able do a rough calculation of unit cost. Every time when we thought that if we can hit a certain revenue target, we will be able to achieve breakeven. But the quarterly results always shows otherwise. Whenever the revenue goes up, the cost goes up as well. Why so?"**

Company's response

- (i) The retailer was going through the merger of its online and offline operations during 2020 and this coupled with prolonged COVID-19 pandemic have led to a slowdown in the onboarding process of new retailers and their suppliers. Though we have yet to achieve a breakeven point, the Group has managed to reduce its losses (excluding one-off expenses) to \$2.96 million in FY2021 from \$5.51 million in FY2020. We are working towards achieving a breakeven in the near future by expanding the number of SKUs and onboarding new retailers.
- (ii) The increase in cost of goods sold was in line with the increase in revenue. We had managed to reduce our operating cost from \$6.60 million in FY2020 to \$4.49 million in FY2021.

Shareholders may also refer to the Company's announcement in relation to the Summary of FY2021 Financial Results released via SGXNet on 26 August, 2021.

BY ORDER OF THE BOARD

Chng Weng Wah
Managing Director and Chief Executive Officer
27 October 2021

*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.*

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