



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

A. OUTCOME OF APPLICATION FOR WAIVER IN RELATION TO COMPLIANCE WITH RULE 705(2) OF THE LISTING MANUAL – SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) (THE “CATALIST RULES”)
B. CESSATION OF QUARTERLY REPORTING

A. Outcome of application for waiver in relation to compliance with Rule 705(2) of the Catalist Rules

Introduction

The Board of Directors (the “**Board**”) of DISA Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company (“**Shareholders**”) that the Company had on 13 November 2020 sought a waiver from the Singapore Exchange Regulatory Pte Ltd (the “**SGX Regco**”) in respect of compliance with Rule 705(2) of the Catalist Rules (the “**Waiver Application**”).

Qualified opinion and modified opinion for the financial year ended 30 June (“FY”) 2020

In view of the disclaimer of opinion issued by the former auditors of the Group, Crowe Horwath First Trust LLP (“**Crowe Horwath**”) for FY2019, the current auditors of the Group, Baker Tilly TFW LLP (“**Baker Tilly**”), has issued a qualified opinion on the non-consolidation of the EIKA (Singapore) Pte. Ltd. (“**EIKA**”) and its subsidiary, PT. Engineering Indonesia Karya (“**PT Karya**”) (collectively, the “**EIKA Group**”) for FY2020 as explained in the Company’s announcement dated 14 October 2020.

Reasons for the Waiver Application

The Company’s grounds for the Waiver Application are as follows:

a. Audit issue addressed

The Group had, on 1 June 2020, entered into a conditional sale and purchase agreement in relation to the disposal of the Group’s entire shareholding interest of 55% interest in EIKA (the “**Disposal of EIKA**”). The Disposal of EIKA was completed on 15 June 2020.

According to the Response Paper on Review of the Quarterly Reporting Framework dated 9 January 2020 issued by the Singapore Exchange, the intention of quarterly reporting is for the issuer to provide (a) updates on their efforts to resolve their audit issues and (b) a confirmation from their board that the impact of the audit issues on the financial statements have been adequately disclosed. In addition, the SGX RegCo will generally require companies to perform quarterly reporting until such time that their regulatory/audit issues are resolved.

Following the Disposal of EIKA, the sole audit issue resulting in the issuance of a qualified opinion by Baker Tilly for FY2020 has been resolved.

b. Confirmation from Baker Tilly

Baker Tilly had confirmed that the basis for its qualified opinion on the non-consolidation of EIKA Group is no longer applicable for the Group's consolidated financial statements for FY2021 as the Group had completed the Disposal of EIKA during FY2020.

Notwithstanding the above, Baker Tilly will be issuing a modified opinion on the financial statements of the Group for FY2021 due to the possible effects of the non-consolidation of the EIKA Group on the comparability of current period's figures and the corresponding figures.

Approval from SGX RegCo

The SGX RegCo has on 25 November 2020 informed the Company that the SGX RegCo has no objection to the Waiver Application (the "**Waiver**"), subject to the following conditions:

- (i) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 106 of the Catalist Rules and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (ii) the Company announcing that the Waiver is specifically with respect to the impact of the EIKA Group being the basis of a modified opinion for FY2020 and FY2021. For the avoidance of doubt, in the event the Company again meets any of the conditions in Rule 705(2) of the Catalist Rules in its audited financial statements for FY2021 for reasons other than the impact of the EIKA Group, it shall be subject to quarterly reporting requirements pursuant to Rule 705(2) of the Catalist Rules.

The Board and the Company confirm that the aforementioned conditions have been met.

B. Cessation of Quarterly Reporting

Accordingly, the Company will cease quarterly reporting with immediate effect, and its next financial results announcement will be for the 6-month financial period ending 31 December 2020.

Notwithstanding the foregoing, the Board would like to assure Shareholders that the Company will comply with its continuing disclosure obligations to keep Shareholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to the Company or the Group.

BY ORDER OF THE BOARD

Chng Weng Wah
Managing Director and Chief Executive Officer
26 November 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*