



DISA Limited
(Company Registration No. 197501110N)
(Incorporated in the Republic of Singapore)
("Company" and together with its subsidiaries, the "Group")

THE PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE SHAREHOLDING INTEREST IN EIKA (SINGAPORE) PTE. LTD.

1. INTRODUCTION

The Board of Directors (the "Board" or the "Directors") of DISA Limited (the "Company" and together with its subsidiaries, the "Group") is pleased to announce that the Company had, on 1 June 2020, entered into a conditional sale and purchase agreement ("SPA") with Mr Tan Hsien Yoong ("Mr Tan", and together with the Company, the "Parties"), in relation to the Company's proposed disposal of its entire shareholding interest of 440,000 shares in EIKA (Singapore) Pte. Ltd. ("EIKA") to Mr Tan, (the "Sale Shares"), for an aggregate cash consideration of S\$1 (the "Purchase Consideration"), on the terms and subject to the conditions of the SPA (the "Proposed Disposal").

Upon the completion of the Proposed Disposal, EIKA will cease to be a subsidiary of the Company. The Group's core business has been that of the technology business, since the Group diversified into in 2010.

2. INFORMATION ON MR TAN AND EIKA

2.1 MR TAN

Mr Tan is an acquaintance of Mr Chng Weng Wah (Managing Director and Chief Executive Officer of the Company), and was introduced to the Company by Mr Chng Weng Wah. The Company confirms that none of the Directors or substantial shareholders of the Company has any connection (including business relationship) with Mr Tan.

2.2 EIKA

EIKA was incorporated in Singapore on 27 October 2011 as a private company limited by shares, and is primarily involved in the business of trading of machinery and equipment including general importer and exporter. EIKA's business has been discontinued since 30 June 2013. As at the date of this announcement, EIKA has an issued and paid-up share capital of S\$800,000 comprising 800,000 ordinary shares. The Group has an equity interest of 55% in the issued and paid-up share capital of EIKA.

Based on the unaudited financial statements of EIKA as at 31 December 2019, both the net tangible liabilities and net liability value of EIKA amounted to S\$52. The book value of EIKA as at 31 December 2019 is S\$0 as the cost of investment in EIKA has been fully impaired since 30 June 2013. There is no market value of EIKA as the shares of EIKA are not publicly traded and no valuation was undertaken on EIKA.

3. PURCHASE CONSIDERATION

Pursuant to the terms and subject to the conditions of the SPA, the Company shall sell to Mr Tan and Mr Tan shall purchase from the Company all the Sale Shares free from all encumbrances and together with all rights, benefits and entitlements attaching or accruing thereto, in exchange for a nominal purchase consideration of S\$1. The Purchase Consideration shall be satisfied wholly in cash on the date of completion of the Proposed Disposal of the Sale Shares ("Closing Date").

The Purchase Consideration was arrived at based on arm's length negotiation and on a 'willing-buyer and willing-seller' basis, after taking into consideration (a) the aggregate net liabilities attributable to the equity holders of EIKA of approximately S\$52 as at 31 December 2019; and (b) the nature and future prospects of EIKA's business.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is intended to streamline the Group's businesses for better utilisation of available resources in the technology segment, as carried out through its subsidiary, Disa Digital Safety Pte. Ltd.

The Board believes that the Proposed Disposal will improve the future operational performance and financial prospects of the Group as EIKA is dormant and in a net liabilities position. The Proposed Disposal will save some administrative expenses for the Group, as the annual cost of keeping EIKA as a dormant company is approximately S\$1,221 and the current expenses for EIKA amounts to approximately S\$972 for the financial year ended 31 December 2019.

The Proposed Disposal is in relation to the disposal of a non-core asset of the Group, and is not expected to have any material impact on the Group's risk profile and core business of technology.

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

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Catalist Rules") in respect of the Proposed Disposal based on the latest announced unaudited consolidated financial statements of the Group for the period ended 31 March 2020 do not exceed 5%, the Proposed Disposal is considered a non-discloseable transaction under Rule 1008 of the Catalist Rules.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The Proposed Disposal is not expected to have a material impact on the Company's consolidated net tangible assets or earnings per share for the financial year ending 30 June 2020.

7. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests in the issued Shares in the capital of the Company (as the case may be), none of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct, or indirect in the Proposed Disposal.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the Company's registered office at 438A Alexandra Road #08-12, Block A, Lobby 3, Alexandra Technopark, Singapore 119967 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

CHNG WENG WAH

Managing Director and Chief Executive Officer
1 June 2020

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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