



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

PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE SHAREHOLDING INTERESTS IN THREE (3) ENTITIES TO BRONZE HOLDINGS LIMITED

1. INTRODUCTION

The board of directors (the "**Board**") of Disa Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement on 27 December 2016 in relation to the execution of non-binding Letter of Intent in relation to the proposed sale of four (4) entities by the Company to Bronze Holdings Limited ("**BHL**") (the "**Announcement**"). Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Announcement.

The Board is pleased to announce that the Company had, on 31 May 2017, entered into a conditional sale and purchase agreement ("**SPA**") with BHL, pursuant to which the Company has agreed to dispose of its entire shareholding interests in Equation Recycling Pte Ltd ("**ERC**"), Citrine System (S) Pte Ltd ("**CSSPL**") and Citrine Solution Pte Ltd. ("**CSPL**") (collectively, the "**Entities**") to BHL:

- (a) 3,000 shares in ERC, representing 60% of its entire issued and paid-up share capital;
- (b) 165,000 shares in CSSPL, representing 50% of its entire issued and paid-up share capital; and
- (c) 100,000 shares of CSPL, representing 50% of its entire issued and paid-up share capital,

(the "**Sale Shares**"), for an aggregate cash consideration of S\$39,001 (the "**Purchase Consideration**"), on the terms and subject to the conditions of the SPA (the "**Proposed Disposal**").

Upon the completion of the Proposed Disposal, (i) ERC will cease to be a subsidiary of the Company, and (ii) CSSPL and CSPL will cease to be joint venture companies of the Company. The Group's remaining core businesses will be its existing businesses, namely technology, supplying and trading of construction materials and energy management services, with a predominant focus on the technology business.

2. INFORMATION ON BHL AND THE ENTITIES

2.1 BHL

BHL is an investment holding company incorporated in Samoa and has an existing direct interest in CSSPL representing an aggregate of 47.5% of the issued and paid-up share capital of CSSPL.

Prior to the SPA and save as disclosed in the foregoing, BHL is an independent and unrelated party to the Company, and has had no previous business, commercial or trade dealings with the Company.

2.2 The Entities

(a) ERC

ERC was incorporated in Singapore on 7 March 2005 as a private company limited by shares and its principal business is in recycling and trading of scrap metals and electronic waste products.

(b) CSSPL

CSSPL was incorporated in Singapore on 8 May 2014 as a private company limited by shares and it is involved in the research and development of computer software and hardware as well as wireless technology and electronic products.

(c) CSPL

CSPL was incorporated in Singapore on 13 August 2014 as a private company limited by shares and is involved in the research and development of computer software and hardware.

3. PURCHASE CONSIDERATION

Pursuant to the terms and subject to the conditions of the SPA, the Company shall sell to BHL and BHL 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 the aggregate purchase consideration of S\$39,001.

The Purchase Consideration shall be paid by BHL in cash, in cleared and freely available funds by way of cashiers' order or telegraphic transfer to the credit of the Company's account as shall be notified by the Company to BHL in writing, for value on the date of completion of the sale and purchase of the Sale Shares ("**Closing Date**"), in the amount of S\$39,001.

The Purchase Consideration was arrived at after arm's length negotiation between BHL and the Company, and on a 'willing-buyer and willing-seller' basis after taking into consideration (a) the aggregate net assets attributable to the equity holders of the Entities of approximately S\$167,556 as at 31 March 2017, after taking into consideration, amongst others, the waiver of intercompany loans; (b) the nature and future prospects of the Entities' businesses; and (c) the valuation of the Entities and their business, assets, liabilities and subsidiaries, being S\$39,000 in aggregate, as appraised and reported by Roma Appraisals Limited in its valuation reports dated 23 May 2017 ("**Valuation Reports**"), using an asset-based approach to determine the market value of the Entities ("**Appraised Value**").

Based on the Valuation Reports, the market value of each Entity is as follows:

Name of Entity	Market Value (S\$)
Equation Recycling Pte Ltd	-
Citrine System (S) Pte Ltd	67,000 ⁽¹⁾
Citrine Solution Pte Ltd.	11,000 ⁽²⁾
Total	78,000

Notes:

- (1) As at the date of this announcement, the Company holds 50% of the equity interest in CSSPL.
- (2) As at the date of this announcement, the Company holds 50% of the equity interest in CSPL.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Group believes that the Proposed Disposal will improve the future operational performance and financial prospects of the Group. The Proposed Disposal is intended to streamline the Group's businesses for better utilisation of available resources, as carried out through its remaining subsidiaries, Disa Digital Safety Pte Ltd ("**Disa Digital Safety**"), Equation Resources Pte Ltd and Equation Energy Pte Ltd.

In particular, the Company is cautiously optimistic of Disa Digital Safety's prospects as it is working towards entering into commercial agreements with USA retailers in the later part of this year and expects revenue to be forthcoming thereafter. Further announcements will be made by the Company as and when appropriate.

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 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 2017 do not exceed 5%, the Proposed Disposal is considered a non-discloseable transaction under Rule 1008 of the Catalist Rules. Accordingly, this announcement is made pursuant to Rule 704(17)(c) 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 2017.

7. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

Mr. Lim Soon Hock, being a non-executive, non-independent Director of the Company, has an existing direct interest of 2.5% in both CSSPL and CSPL. Accordingly, Mr. Lim Soon Hock will abstain from voting on the board resolution and/or making any recommendations pertaining to the Proposed Disposal.

Save as disclosed above, and 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 and the Valuation Reports is available for inspection during normal business hours at the Company's registered office at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

CHNG WENG WAH

Executive Director

1 June 2017

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by 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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SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.