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

NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF A RHEUMATISM AND ARTHRITIS MEDICAL COMPANY

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of DISA Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 13 January 2025 entered into a non-binding term sheet (the "**Term Sheet**") with a rheumatism and arthritis medical company (the "**Target**") and its sole shareholder (the "**Seller**") in respect of the proposed acquisition by the Company of 50% of the total issued share capital of the Target ("**Proposed Acquisition**").

2. INFORMATION ON THE TARGET AND THE SELLER

All information in respect of the Target and the Seller is based solely on information and representations made and provided by the Target and the Seller to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

The Target was incorporated in Singapore in 2003 and operates a specialist medical centre for rheumatism and arthritis, integrated with therapeutic treatment in the heartland of Singapore. The Seller is a medical doctor and is not related to the Company and the Group, any of the Directors and substantial shareholders of the Company, as well as their respective associates.

The Target is, in so far, the only heartland-based integrated medical and therapy centre in Singapore that focus on arthritis and rheumatism. Based on the financial information provided by the Target, the revenue and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) achieved for the past 5 years were as follows:

	1 July to 30 June ("FY")				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
	S$'Mil	**S$'Mil**	**S$'Mil**	**S$'Mil**	**S$'Mil**
Revenue	4.98	6.06	6.66	7.51	7.64
EBITDA	1.71	1.23	1.00	2.42	2.12

3. KEY TERMS OF THE TERM SHEET

3.1. Subject to the results of due diligence process, the purchase consideration for the Proposed Acquisition will be S$5.5 million, to be satisfied in the following manner:

(i) payment of S$3 million by way of cash; and

(ii) remaining payment of S$2.5 million through the issuance of new ordinary shares in the Company at an issue price, to be based on the higher of: (a) the last dealt price, on the completion date of the Proposed Acquisition, for a share of the Company, as determined by reference to the daily Official List published by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); or (b) the minimum price to be determined and defined in the binding sale and purchase agreement ("**SPA**") later (the "**Issue Price**"),

on the completion date of the Proposed Acquisition.

3.2. The Proposed Acquisition will be conditional upon, among others, the following:

(i) due diligence being completed to the satisfaction of the Company;

(ii) the Company obtaining all necessary director and shareholder resolutions, waivers and consents for the Proposed Acquisition;

(iii) the Company being able to raise fund for the Proposed Acquisition; and

(iv) any other conditions precedent arising out of due diligence.

3.3. The Seller shall provide an undertaking to continue to remain as a practitioner in the clinic(s) and the shareholder, with shareholding of at least 50%, of the Target for at least 10 years from the completion date of the Proposed Acquisition.

3.4. For a period of 60 days from the date of signing the Term Sheet, none of the Target, its shareholders, its directors, or its officers, shall conduct or solicit any discussions or negotiations with any third-party regarding any sale of the shares in the Target or any sale of any part of the business and assets of the Target, unless approved in advance by the Company in writing.

3.5. This Term Sheet is not legally binding and there will be no obligation to sell or purchase the shares of the Target until the SPA is signed by the parties.

4. RATIONALE

The Group has been actively seeking new business opportunities and believes that the Proposed Acquisition, if entered into, would be beneficial to the Group as it enables the Group to widen its revenue stream and potentially strengthen its prospects and enhance shareholders' value for the Company.

By 2030, one in four Singaporeans will be aged 65 and above[1], driving higher demand for aged care services, particularly for conditions like rheumatism and arthritis. These chronic disorders are common among older adults, often causing pain, reducing mobility, and requiring continuous medical care and therapy.

The Group has chosen to invest in ophthalmology and rheumatology sectors, as mobility and vision are the two basic human functions that have a significant impact on the quality of life for the elderly.

[1] https://www.moh.gov.sg/others/resources-and-statistics/action-plan-for-successful-ageing

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Term Sheet, other than through their respective shareholdings (if any) in the Company.

6. FURTHER ANNOUNCEMENTS

The Company will keep shareholders updated on any material developments in relation to the Proposed Acquisition by way of announcements as and when appropriate.

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in trading the shares of the Company as there is no certainty or assurance as at the date of this announcement that definitive agreement in relation to the Proposed Acquisition will be entered into or that the transaction contemplated in the Term Sheet will be completed. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt as to the actions they should take.

BY ORDER OF THE BOARD

Chng Weng Wah
Managing Director and Chief Executive Officer
13 January 2025

*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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