



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

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**RESPONSE TO SGX'S QUERY RECEIVED ON 13 DECEMBER 2021 IN RELATION TO (I) THE COMPANY'S ANNOUNCEMENT ON INCORPORATION OF DIGITAL LIFE LINE PTE. LTD. AND (II) THE NEWS RELEASE ON SIGNING OF LICENSING AGREEMENT WITH NATIONAL UNIVERSITY OF SINGAPORE AND SINGAPORE HEALTH SERVICES PTE. LTD. TO COMMERCIALISE NEW SALIVA-BASED COVID-19 ANTIGEN RAPID TEST ("ART") KITS**

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The board of directors (the "**Board**") of DISA Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 13 December 2021 and would like to provide further information in relation to (i) the Company's announcement on the incorporation of Digital Life Line Pte. Ltd. and (ii) the news release on the signing of licensing agreement between Digital Life Line Pte. Ltd. ("**DLL**"), National University of Singapore ("**NUS**") and Singapore Health Services Pte. Ltd. ("**SingHealth**") to commercialise new saliva-based COVID-19 ART kits released on 8 December 2021.

**SGX's query:**

- (1) **What is DLL's role in the licensing agreement? For instance, is DLL providing the system/capability to read, authenticate and automate the delivery of the test results, or is DLL involved in the production and distribution of the ART kits? Is this expected to have a material financial impact on the Group?**

**Company's response:**

DLL's roles in the licensing agreement include develop, make, manufacture, market, distribute and/or sell the licensed product and the licensed service. DLL may outsource the manufacturing of the ART kits to third party manufacturers.

Leveraging on DiSa Serialization technology, DLL has developed a system that is capable of reading the results of ART cassette and accordingly, authenticate and automate the delivery of tampered-free test results to the intended recipients or authorities. The sales of ART kits will be bundled with this system making it a complete ART solution that would ease the administrative burden of the business owners who are required to do mandatory regular ART tests for their workers.

We do not expect any material financial impact on the Group for at least the current financial year ending 30 June 2022 as the commercialisation of the ART kits will only commence in 4 to 6 months' time from now and it is subject to DLL's ability to obtain approval from the relevant regulatory authority.

The Group plans to raise fund at DLL level for the commercialisation of the ART kits.

**SGX's query:**

- (2) **It is stated that DLL plans to commercialise the new saliva-based ART kits, subject to DLL obtaining approval from the relevant regulatory authorities.**
- (a) **What are the relevant approvals required?**
  - (b) **What is the expected timeline to commercialisation?**
  - (c) **What would be the expected revenue stream for DLL upon successful commercialisation?**
  - (d) **Will separate agreements/contracts be signed in relation to commercialisation of the kits?**

Company's response:

- (a) Approval from Health Sciences Authority of Singapore (“HSA”) will be needed before we could commercialise the ART kits in Singapore. Likewise, similar approval will be required from local authorities in the overseas markets.
- (b) We expect to commercialise the ART kits in 4 to 6 months' time from now.
- (c) Upon successful commercialisation, the expected revenue stream for DLL would be from the sales of ART kits and sub-license fees.
- (d) Other than those with the customers and the service providers, we do not expect any other agreements or contracts to be signed in relation to the commercialisation of the ART kits.

SGX's query:

- (3) The Group's core business is in provision of technology solution, specialising in research and development of digital security solution. Please explain if the above licensing agreement, particularly if it involves the production and distribution of ART kits, would be considered a diversification of into a new business. If so, how material is the new business and will shareholders' approval be sought?**

Company's response:

The Company is of the view that the license agreement will not result in a material change in the risk profile of the Group, and accordingly, no shareholders' approval is required, after taking into consideration the following factors:

- (a) The Company does not expect any material financial impact on the Group for at least the current financial year ending 30 June 2022 as the commercialisation of the ART kits will only commence in 4 to 6 months' time from now and it is subject to DLL's ability to obtain approval from the relevant regulatory authority.
- (b) The Company's direct investment in DLL for commercialisation of the ART kits is not expected to be material (i.e. less than 20% of the net asset value of the Group taking guidance from Practice Note 10A of the Catalist Rules).
- (c) The license agreement helps in the Group's organic expansion of its core business by expanding the use of DiSa Serialization technology in the ART kits and the Group's relevant experience in sale of technology services and products can be applied to the sale of ART kits.
- (d) The license agreement does not currently involve any acquisition of asset.

**BY ORDER OF THE BOARD**

Chng Weng Wah  
Managing Director and Chief Executive Officer  
15 December 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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