

DISA LIMITED
(Registration No. 197501110N)

Condensed interim financial statements
For the six months ended 31 December 2023

DISA LIMITED

(Company Registration No. 197501110N)

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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.

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DISA LIMITED*(Company Registration No. 197501110N)***Condensed interim consolidated statement of comprehensive income**

	Note	Group		Increase/ (Decrease) %
		1H FY2024 31 Dec 2023 \$'000	1H FY2023 31 Dec 2022 \$'000	
Revenue	4	3,600	7,290	(50.6)
Other income				
- Interest		24	9	N.M.
- Others		586	273	N.M.
Total revenue		<u>4,210</u>	<u>7,572</u>	(44.4)
Expenses				
Cost of inventories		(3,180)	(6,906)	(54.0)
Subcontractor expenses		(23)	(10)	N.M.
Depreciation expenses		(136)	(144)	(5.6)
Staff costs		(870)	(945)	(7.9)
Legal and professional expenses		(110)	(98)	12.2
Other expenses		(323)	(336)	(3.9)
Finance costs		(15)	(7)	N.M.
Total expenses		<u>(4,657)</u>	<u>(8,446)</u>	(44.9)
Share of results of an associated company		(237)	(235)	0.9
Loss before tax	7	(684)	(1,109)	(38.3)
Tax expense		(2)	(1)	N.M.
Loss for the financial period		<u>(686)</u>	<u>(1,110)</u>	(38.2)
Other comprehensive loss				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation		(2)	(29)	(93.1)
Total comprehensive loss for the financial period		<u>(688)</u>	<u>(1,139)</u>	(39.6)
Loss attributable to:				
Equity holders of the Company		(686)	(1,110)	(38.2)
Non-controlling interests		-	-	N.M.
Loss for the financial period		<u>(686)</u>	<u>(1,110)</u>	(38.2)
Total comprehensive loss attributable to:				
Equity holders of the Company		(688)	(1,139)	(39.6)
Non-controlling interests		-	-	N.M.
Total comprehensive loss for the financial period		<u>(688)</u>	<u>(1,139)</u>	(39.6)
Loss per share for the period attributable to equity holders of the Company				
(Cent per share)				
Basic and diluted		<u>(0.01)</u>	<u>(0.01)</u>	-

N.M. – not meaningful

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Condensed interim consolidated statements of financial position

	Note	Group		Company	
		As at	As at	As at	As at
		31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	11	613	574	130	169
Intangible assets	12	-	-	-	-
Investment in an associated company		160	413	-	-
Financial assets at fair value through other comprehensive income	13	-	-	-	-
Total non-current assets		773	987	130	169
Current assets					
Inventories		14	14	-	-
Trade receivables		750	725	-	-
Other current assets		86	88	15	7
Cash and cash equivalents		1,575	1,667	293	390
Total current assets		2,425	2,494	308	397
Total assets		3,198	3,481	438	566
Non-current liabilities					
Borrowings	14	301	235	18	26
Total non-current liabilities		301	235	18	26
Current liabilities					
Trade and other payables		248	236	69	78
Contract liabilities		29	29	-	-
Accruals		811	527	561	299
Borrowings	14	191	179	15	15
Total current liabilities		1,279	971	645	392
Total liabilities		1,580	1,206	663	418
Net assets/(liabilities)		1,618	2,275	(225)	148
Equity					
Share capital	15	58,884	58,884	58,884	58,884
Other reserves		5,487	5,458	5,658	5,627
Accumulated losses		(62,753)	(62,067)	(64,767)	(64,363)
Total equity		1,618	2,275	(225)	148

DISA LIMITED*(Company Registration No. 197501110N)***Condensed consolidated statements of changes in equity****Group**

	Note	Share capital \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Capital reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total equity \$'000
1H FY2024								
Balance as at 1 July 2023	15	58,884	(19)	5,386	241	(150)	(62,067)	2,275
Loss for the financial period		-	-	-	-	-	(686)	(686)
Other comprehensive loss								
Currency translation differences arising on consolidation		-	(2)	-	-	-	-	(2)
Total comprehensive loss for the financial period		-	(2)	-	-	-	(686)	(688)
Employee share-based payment expenses		-	-	31	-	-	-	31
Balance as at 31 December 2023		58,884	(21)	5,417	241	(150)	(62,753)	1,618
1H FY2023								
Balance as at 1 July 2022	15	58,884	7	5,205	241	(150)	(59,611)	4,576
Loss for the financial period		-	-	-	-	-	(1,110)	(1,110)
Other comprehensive loss								
Currency translation differences arising on consolidation		-	(29)	-	-	-	-	(29)
Total comprehensive loss for the financial period		-	(29)	-	-	-	(1,110)	(1,139)
Employee share-based payment expenses		-	-	62	-	-	-	62
Balance as at 31 December 2022		58,884	(22)	5,267	241	(150)	(60,721)	3,499

DISA LIMITED*(Company Registration No. 197501110N)***Condensed consolidated statements of changes in equity (cont'd)****Company**

	Note	Share capital \$'000	Share option reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<u>1H FY2024</u>						
Balance as at 1 July 2023	15	58,884	5,386	241	(64,363)	148
Loss and total comprehensive loss for the financial period		-	-	-	(404)	(404)
Employee share-based payment expenses		-	31	-	-	31
Balance as at 31 December 2023		58,884	5,417	241	(64,767)	(225)
<u>1H FY2023</u>						
Balance as at 1 July 2022	15	58,884	5,205	241	(62,717)	1,613
Loss and total comprehensive loss for the financial period		-	-	-	(836)	(836)
Employee share-based payment expenses		-	62	-	-	62
Balance as at 31 December 2022		58,884	5,267	241	(63,553)	839

DISA LIMITED*(Company Registration No. 197501110N)***Condensed interim consolidated statement of cash flows**

	Note	Group	
		1H FY2024 \$'000	1H FY2023 \$'000
Cash flows from operating activities			
Loss before tax		(684)	(1,109)
Adjustments for:			
Depreciation of property, plant and equipment		136	144
Employee share-based payment expenses		31	62
Interest expenses		15	7
Interest income		(24)	(9)
Share of results of an associated company		237	235
Loss/(gain) on dilution of interest in associated company		16	(225)
Operating cash flows before movements in working capital		(273)	(895)
Inventories		-	(24)
Trade and other receivables		(43)	(435)
Trade and other payables		302	457
Contract liabilities		-	(4)
Currency translation adjustments		51	(72)
Cash generated from/(used in) operations		37	(973)
Income tax paid		(2)	(30)
Net cash generated from/(used in) operating activities		35	(1,003)
Cash flows from investing activities			
Interest received		23	6
Purchase of property, plant and equipment		(1)	-
Net cash generated from investing activities		22	6
Cash flows from financing activities			
Interest paid		(15)	(7)
Repayment of lease liabilities		(94)	(105)
Net cash used in financing activities		(109)	(112)
Net decrease in cash and cash equivalents		(52)	(1,109)
Cash and cash equivalents at beginning of the financial period		1,667	3,049
Effects of exchange rate changes on cash and cash equivalents		(40)	102
Cash and cash equivalents at end of the financial period		1,575	2,042

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Notes to the condensed interim consolidated financial statements

1. Corporate information

DISA Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). These condensed interim consolidated financial statements for the six months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the "Group").

The primary activities of the Company are those relating to an investment holding company.

The principal activities of the Group are those of provision of digital security, anti-theft and anti-counterfeiting solutions and trading of semiconductor devices.

2. Basis of preparation

2.1. Statement of compliance

The condensed interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last financial statements for the year ended 30 June 2023.

The accounting policies adopted and methods of computation applied are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.3.

2.2. Functional and presentation currencies

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.3. New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.4. Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there were no significant judgements made in applying the accounting policies in this set of interim financial statements.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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Notes to the condensed interim consolidated financial statements (cont'd)

4. Revenue

The Group derives revenue from the sale of goods and services at a point in time. The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market.

Group

	Sales of goods and services	
	1H FY2024	1H FY2023
	\$'000	\$'000
Sales of goods	3,540	7,230
Services income	60	60
	<u>3,600</u>	<u>7,290</u>

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market and timing of revenue recognition.

Group

	Sales of goods		Service income		Total	
	1H FY2024	1H FY2023	1H FY2024	1H FY2023	1H FY2024	1H FY2023
Primary geographical market	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	479	2,559	60	60	539	2,619
United States	244	115	-	-	244	115
Hong Kong	2,741	4,223	-	-	2,741	4,223
People's Republic of China	76	333	-	-	76	333
	<u>3,540</u>	<u>7,230</u>	<u>60</u>	<u>60</u>	<u>3,600</u>	<u>7,290</u>
Timing of revenue recognition						
At a point in time	3,540	7,230	-	-	3,540	7,230
Over time	-	-	60	60	60	60
	<u>3,540</u>	<u>7,230</u>	<u>60</u>	<u>60</u>	<u>3,600</u>	<u>7,290</u>

5. Segment information

The Group is organised into business units based on its products and services for management purposes. The reportable segments are technology and investment holding. Management monitors the operating results of its business units separately for making decisions the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements** *(cont'd)***5. Segment information** *(cont'd)*

The segment information provided to management for the reportable segments are as follows:

	Technology		Investment holdings		Total	
	1H FY2024	1H FY2023	1H FY2024	1H FY2023	1H FY2024	1H FY2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:						
Sales to external customers, representing total revenue	3,600	7,290	-	-	3,600	7,290
Segment results, net of tax	(295)	(277)	(391)	(833)	(686)	(1,110)
- Interest expense	(14)	(6)	(1)	(1)	(15)	(7)
- Depreciation and amortisation	(97)	(105)	(39)	(39)	(136)	(144)
<u>Other significant non-cash expenses:</u>						
- (Loss)/gain on dilution of interest in an associated company	(16)	225	-	-	(16)	225
- Share-based payment expenses	-	-	(31)	(62)	(31)	(62)
Segment assets	2,760	3,592	438	1,190	3,198	4,782
Additions to non-current assets	177	-	-	-	177	-
Segment liabilities	936	736	644	547	1,580	1,283

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 30 June 2023.

	Group		Company	
	31 Dec 23	30 Jun 23	31 Dec 23	30 Jun 23
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at amortised costs	2,348	2,414	293	391
	2,348	2,414	293	391
<i>Financial liabilities</i>				
At amortised costs	1,447	1,049	577	331

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements** *(cont'd)***7. Loss before tax**

	Group	
	1H FY2024	1H FY2023
	\$'000	\$'000
Loss before tax is arrived at after charging/(crediting):		
Audit fees		
- Auditors of the Company	33	36
Bad debts recovered	(171)	-
Recovery of deposit paid previously written off	(384)	-
Directors' fees	69	69
Loss/(gain) on dilution of interest in associated company	16	(225)
Research and development expense	55	66
Foreign currency exchange losses, net	41	76
Upkeep of computer	50	53

No non-audit fee was paid to the auditors of the Company and other auditors during 1H FY2024 and 1H FY2023.

8. Related party transactions

- (a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not member of the Group during the financial period on terms agreed by the parties concerned:

	Group	
	1H FY2024	1H FY2023
	\$'000	S\$'000
<i>With an associated company</i>		
Sales of goods and services	90	91
<i>With other related party</i>		
Rental paid – leasehold properties	70	75
<i>With a director of the Company</i>		
Royalties	23	10

- (b) Key management personnel compensation is analysed as follows:

	Group	
	1H FY2024	1H FY2023
	\$'000	S\$'000
Salaries and bonuses	602	606
Fees and other benefits	69	69
Employer's contribution to defined contribution plans	22	23
Share-based payments	21	117
	<u>714</u>	<u>815</u>

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements** *(cont'd)***9. Dividends**

No dividend has been paid in both financial years in view that the Company was loss making and the Board will re-assess the Company's dividend policy as part of its capital allocation decision when it is profitable.

10. Net assets value

	Group		Company	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
Net asset value per ordinary share (cents per share)	0.016	0.023	(0.002)	0.001

11. Property, plant and equipment

	Furniture and fittings and renovation	Other equipment	Motor vehicles	Leasehold properties	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000
1H FY2024					
Cost					
Balance at 1 July 2023	33	49	441	526	1,049
Additions	-	1	-	176	177
Written off	-	-	-	(167)	(167)
Currency translation differences	-*	-*	-	(2)	(2)
Balance at 31 December 2023	33	50	441	533	1,057
Accumulated depreciation					
Balance at 1 July 2023	32	47	241	155	475
Depreciation charge	-*	1	44	91	136
Written off	-	-	-	(167)	(167)
Currency translation differences	-*	-*	-	-*	-*
Balance at 31 December 2023	32	48	285	79	444
Net carrying value					
Balance at 31 December 2023	1	2	156	454	613

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Notes to the condensed interim consolidated financial statements (cont'd)**11. Property, plant and equipment (cont'd)**

Group	Furniture and fittings and renovation	Other equipment	Motor vehicles	Leasehold properties	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
1H FY2023					
Cost					
Balance at 1 July 2022	33	58	441	455	987
Currency translation differences	-*	-*	-	(14)	(14)
Balance at 31 December 2022	33	58	441	441	973
Accumulated depreciation					
Balance at 1 July 2022	31	52	153	268	504
Depreciation charge	1	2	44	97	144
Currency translation differences	-*	-*	-	(9)	(9)
Balance at 31 December 2022	32	54	197	356	639
Net carrying value					
Balance at 31 December 2022	1	4	244	85	334

* Amount below \$1,000

	Group	
	1H FY2024	1H FY2023
	\$'000	S\$'000
Aggregate cost of property, plant and equipment acquired	177	-
Less: Addition of right-of-use assets	(176)	-
	1	-

12. Intangible assets

	Group		
	Core technology	Development costs	Total
	\$'000	\$'000	\$'000
Cost			
Balance as at 1 July 2022, 30 June 2023 and 31 December 2023	31,624	609	32,233
Accumulated amortisation and impairment losses			
Balance as at 1 July 2022, 30 June 2023 and 31 December 2023	31,624	609	32,233
Net carrying value			
Balance as at 1 July 2022, 30 June 2023 and 31 December 2023	-	-	-

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements (cont'd)****12. Intangible assets (cont'd)****Core technology and development costs**

The intangible assets are in respect of core technology (including asset protection technology) and development cost acquired via acquisition of a subsidiary which have collectively been determined as a cash-generating unit ("CGU") (under the Technology segment). The intangible assets have been fully impaired during the financial year ended 30 June 2019.

As at 31 December 2023, the management has assessed that there is no indication that impairment loss recognised in prior years for intangible assets may no longer exist or may have decreased, hence no reversal of the previously impaired amount was made.

13. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

	Group	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
<i>Financial asset designated at FVOCI</i>	-	-

14. Borrowings

	Group		Company	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
<i>Amount repayable within one year or on demand</i>				
Secured	15	15	15	15
Unsecured	176	164	-	-
	<u>191</u>	<u>179</u>	<u>15</u>	<u>15</u>
<i>Amount repayable after one year</i>				
Secured	18	26	18	26
Unsecured	283	209	-	-
	<u>301</u>	<u>235</u>	<u>18</u>	<u>26</u>

Secured borrowings are secured over the lease of motor vehicles.

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements** *(cont'd)***15. Share Capital**

	Group and Company			
	<u>1H FY2024</u>		<u>1H FY2023</u>	
	Number of issued shares (‘000)	Total share capital \$’000	Number of issued shares (‘000)	Total share capital \$’000
Beginning and end of reporting period	10,106,683	58,884	10,106,683	58,884

The Company did not hold any treasury shares as at 31 December 2022, 30 June 2023 and 31 December 2023.

The Company’s subsidiaries do not hold any shares in the Company as at 31 December 2022, 30 June 2023 and 31 December 2023.

Weighted average number of ordinary shares and adjusted weighted average number of ordinary shares in issue for diluted earnings per share for 1H FY2024 was 10,106,683,403 (1H FY2023: 10,106,683,403) and 10,106,683,403 (1H FY2023: 10,106,683,403).

DISA Employee Share Option Scheme 2010 and 2021 (the “DISA ESOS”)

Movement in the number of share options is follows:

	Company	
	1H FY2024	1H FY2023
DISA ESOS 2010		
As at 1 July	1,155,500,000	1,167,500,000
Less: Options forfeited	-	(12,000,000)
At as 31 December	1,155,500,000	1,155,500,000
DISA ESOS 2021		
As at 1 July	187,500,000	189,500,000
Less: Options forfeited	-	(2,000,000)
As at 31 December	187,500,000	187,500,000
Total outstanding options	1,343,000,000	1,343,000,000

Saved as disclosed the Company does not hold any other convertible instruments at 31 December 2022, 30 June 2023 and 31 December 2023.

16. Subsequent events

There were no known subsequent events which have led to adjustments to this set of interim financial statements.

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Other information required by Catalyst Rule Appendix 7C

1. Review

The condensed consolidated statement of financial position of DISA Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 6 months then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

(A) Income Statement (6 months ended 31 December 2023 ("1H FY2024") versus 6 months ended 31 December 2022 ("1H FY2023"))

Revenue

The Group's revenue for 1H FY2024 was \$3,600,000, a decrease of \$3,690,000 or 50.6% as compared to \$7,290,000 in 1H FY2023 as the retailers continue to clear excessive inventories that were built as a buffer due to massive uncertainty in supply chain following the outbreak of the COVID-19 pandemic and Russia-Ukraine war.

Other income

Other income increased by \$313,000 from \$273,000 in 1H FY2023 to \$586,000 in 1H FY2024. The increase was mainly derived from the bad debts recovered from a customer amounting to \$171,000 and the recovery of deposit paid previously written off of \$384,000. The increase was however, partially offset by the lower grant income and the absence of gain on dilution of interest in an associated company of \$225,000 in 1H FY2023.

Costs and expenses

The net decrease in cost of inventories and subcontractor expenses was in line with the decrease in revenue for 1H FY2024.

Other costs and expenses for 1H FY2024 was \$1,439,000, a reduction of \$84,000 or 5.5% as compared to \$1,523,000. This was mainly attributable to (i) lower staff costs of \$870,000 in 1H FY2024 against \$945,000 in 1H FY2023 as the cost of employee share options under ESOS Scheme 2010 have been fully amortised during 1H FY2024; and (ii) lower foreign currency exchange loss as USD weaken against SGD.

Finance cost for 1H FY2024 increased by \$8,000 from \$7,000 in 1H FY2023 to \$15,000 in 1H FY2024. The increase was due mainly to the higher interest on lease liabilities as the Group renewed its Shenzhen and Singapore office tenancy agreement in April 2023 and November 2023 respectively.

(B) Statements of Financial Position

Total assets

Total assets of the Group decreased by \$283,000 or 8.1% from \$3,481,000 as at the end of FY2023 to \$3,198,000 as at the end of 1H FY2024 attributable mainly to the decrease in the value of investment in an associated company of \$253,000 and the cash and bank balances of \$92,000 as explained in 2(C) Cash Flows below. The decrease was however, partially offset by the increase in trade receivables of \$25,000 and the increase in the net book value of properties, plant and equipment of \$39,000 arising mainly from the renewal of Singapore office tenancy agreement in November 2023.

Total liabilities

Total liabilities of the Group increased by \$374,000 or 31.0% from \$1,206,000 as at the end of FY2023 to \$1,580,000 as at the end of 1H FY2024, arising mainly from:

- (i) higher accrued directors' fee of \$69,000;
- (ii) higher accrued salaries of \$223,000 as the Managing Director and CEO of the Group chose to receive only 50% of his total paid salary and accrue the remaining 50% until the financial position of the Group had improved; and
- (iii) higher borrowings as the Group renewed its Shenzhen and Singapore office tenancy agreement in April 2023 and November 2023 respectively.

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Other information required by Catalyst Rule Appendix 7C (cont'd)

(C) Cash Flows

Cash and cash equivalents decreased by \$92,000 or 5.5% in 1H FY2024 as compared to FY2023 attributed mainly to the payment of operating expenses.

Net cash generated from operating activities was \$35,000, attributed to (i) operating cash outflow before movements in working capital of \$273,000; (ii) net positive working capital movement of \$259,000; (iii) payment of income taxes of \$2,000; and (iv) net currency translation gain of \$51,000. Net cash generated from investing activities and used in financing activities was \$22,000 and \$109,000 respectively, arising mainly from the interest received from placement of fixed deposits and the repayment of lease liabilities and payment of hire purchase interest.

3. Where a forecast, or prospect statement, has been previously disclosed to shareholder, any variance between it and the actual results.

No forecast or prospect statement was disclosed to shareholders previously.

4. A commentary at the date of the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.

The Group recorded a revenue of \$3,600,000 from the sales of goods and services in 1H FY2024, a decrease of 50.6%, or \$3,690,000, as compared to \$7,290,000 in 1H FY2023. The onboarding process of new retailers and brand owners in the US remains challenging as the global economy continues to be fraught with uncertainties and this situation is expected to remain throughout 2024, according to the World Economic Forum's January 2024 Chief Economists Outlook¹. Nevertheless, the Group will continue to focus on increasing the number of DiSa-Enabled product category while continuing its marketing effort to promote its remote lockable and unlockable smart shelf ("DiSa Smart Shelf") and smart case ("DiSa Smart Case") that aim to deter "Rob-and-Run" theft. DiSa Smart Cases are currently on trial in various retail stores in the US with positive feedback. Patent has been filed for both DiSa Smart Shelf and DiSa Smart Case in the US in March 2023 and the Group has received notice of allowance from the United States Patent and Trademark Office stating that the said patent application has been examined and is allowed for issuance as a patent in December 2023.

After being awarded ISO 13485 certification and receiving Class A Medical Device Registration from Health Science Authority of Singapore for the Automated Visual Acuity Test ("AVAT") device, Digital Life Line Pte. Ltd. ("DLL"), an associate company of DiSa Digital Safety Pte. Ltd., has completed over 1,000 visual acuity tests using AVAT with patients at a public hospital eye clinic and community screening sites across Singapore as of January 2024. A final evaluation meeting with the public hospital was conducted that demonstrated excellent correlation with the existing manual VA process, especially in identifying patients that require additional testing (97% sensitivity, 93% specificity). AVAT also achieved excellent patient satisfaction, with over 98% indicating their preference to use AVAT for visual acuity test in future. DLL expects official deployment in a public hospital ophthalmology clinic by Q3 FY2024 that manages over 100,000 patient visits per year.

¹ <https://www.weforum.org/agenda/2024/01/economic-outlook-2024-recession-inflation/>

DISA LIMITED

(Company Registration No. 197501110N)

Other information required by Catalist Rule Appendix 7C (cont'd)

5. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

None

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Record date

Not applicable

6. Interested person transactions

The aggregate value of interested person transactions with respective interested persons during the 1H FY2024 (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) and transactions conducted under shareholders' mandate pursuant to Rule 920 were both below \$100,000 each.

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

8. Confirmation pursuant to Rule 705(5) of the Catalist Rules.

The Board of Directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 31 December 2023 to be false or misleading in any material aspect.

9. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A.

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during 1H FY2024.

BY ORDER OF THE BOARD

CHNG WENG WAH

Managing Director and Chief Executive Officer

7 February 2024