

DISA LIMITED

(Registration No. 197501110N)

Condensed interim financial statements
For the six months and full year ended 30 June 2021

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

Group

	Note	2H FY2021 30-Jun-21 \$'000	2H FY2020 30-Jun-20 \$'000	Increase/ (Decrease) %	FY2021 30-Jun-21 \$'000	FY2020 30-Jun-20 \$'000	Increase/ (Decrease) %
Revenue	4	13,322	4,286	N.M.	19,401	6,637	N.M.
Other income							
- Interest		5	32	(84.4)	13	137	(90.5)
- Others		65	141	(53.9)	398	184	N.M.
Total revenue		13,392	4,459	N.M.	19,812	6,958	N.M.
Expenses							
Cost of inventories		(12,622)	(3,720)	N.M.	(18,097)	(5,204)	N.M.
Subcontractor expenses		(129)	(87)	48.3	(139)	(587)	(76.3)
Depreciation expenses		(163)	(280)	(41.8)	(420)	(619)	(32.1)
Staff costs		(1,392)	(2,143)	(35.0)	(3,177)	(4,666)	(31.9)
Legal and professional expenses		(154)	(221)	(30.3)	(245)	(335)	(26.9)
Write-off of property, plant and equipment		-	-	N.M.	(205)	-	N.M.
Net impairment gain on financial assets		-	126	N.M.	-	126	N.M.
Loss on disposal of subsidiaries		-	(767)	N.M.	-	(8,283)	N.M.
Other expenses		(166)	(397)	(58.2)	(651)	(975)	(33.2)
Finance costs		(19)	(37)	(48.6)	(43)	(83)	(48.2)
Total expenses		(14,645)	(7,526)	96.6	(22,977)	(20,626)	12.1
Loss before tax	7	(1,253)	(3,067)	(59.1)	(3,165)	(13,668)	(76.8)
Tax expense		-	-		-	-	
Loss for the financial period/year		(1,253)	(3,067)	(59.1)	(3,165)	(13,668)	(76.8)
Other comprehensive loss:							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising on consolidation		4	3	33.3	1	(8)	N.M.
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Financial assets at fair value through other comprehensive income-equity instrument		(150)	-	N.M.	(150)	-	N.M.
Currency translation differences arising on consolidation		2	2	N.M.	-	(1)	N.M.
Other comprehensive loss for the financial period/year, net of tax		(144)	5	N.M.	(149)	(9)	N.M.
Total comprehensive loss for the financial period/year		(1,397)	(3,062)	(54.4)	(3,314)	(13,677)	(75.8)
(Loss)/profit attributable to:							
Equity holders of the Company		(1,253)	(3,099)	(59.6)	(3,165)	(13,776)	(77.0)
Non-controlling interests		-	32	N.M.	-	108	N.M.
Loss for the financial period/year		(1,253)	(3,067)	(59.1)	(3,165)	(13,668)	(76.8)
Total comprehensive (loss)/ income attributable to:							
Equity holders of the Company		(1,399)	(3,096)	(54.8)	(3,314)	(13,784)	(76.0)
Non-controlling interests		2	34	(94.1)	-	107	N.M.
Total comprehensive loss for the financial period/year		(1,397)	(3,062)	(54.4)	(3,314)	(13,677)	(75.8)
Loss per share attributable to equity holders of the Company <i>(expressed in cents per share)</i>							
Basic and diluted		(0.01)	(0.03)		(0.03)	(0.14)	

N.M. – not meaningful

DISA LIMITED*(Company Registration No. 197501110N)***Condensed interim consolidated statements of financial position**

	Note	Group		Company	
		As at 30 Jun 2021 \$'000	As at 30 Jun 2020 \$'000	As at 30 Jun 2021 \$'000	As at 30 Jun 2020 \$'000
Non-current assets					
Property, plant and equipment	13	621	1,121	152	737
Financial assets at fair value through other comprehensive income	11	-	150	-	-
Other non-current assets		-	164	-	-
Total non-current assets		621	1,435	152	737
Current assets					
Inventories		118	1,307	-	-
Trade and other receivables		1,669	1,423	-	217
Other current assets		240	360	232	287
Cash and bank balances		5,111	6,010	3,104	4,393
Total current assets		7,138	9,100	3,336	4,897
Total assets		7,759	10,535	3,488	5,634
Non-current liabilities					
Borrowings	14	285	440	87	388
Total non-current liabilities		285	440	87	388
Current liabilities					
Trade and other payables		187	259	67	136
Contract liabilities		69	-	-	-
Accruals		687	508	377	358
Borrowings	14	277	372	32	180
Provisions		-	137	-	137
Total current liabilities		1,220	1,276	476	811
Total liabilities		1,505	1,716	563	1,199
Net assets		6,254	8,819	2,925	4,435
Equity					
Share capital	15	58,680	58,680	58,680	58,680
Other reserves		5,183	4,514	5,331	4,513
Accumulated losses		(57,609)	(54,444)	(61,086)	(58,758)
Equity attributable to equity holders of the Company, total		6,254	8,750	2,925	4,435
Non-controlling interests		-	69	-	-
Total equity		6,254	8,819	2,925	4,435

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	Fair value and other reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
FY2021									
Balance as at 1 July 2020	15	58,680	1	4,272	241	(54,444)	8,750	69	8,819
Loss for the financial year		-	-	-	-	(3,165)	(3,165)	-	(3,165)
Other comprehensive loss									
Impairment loss on financial assets (FVOCI)		-	-	-	(150)	-	(150)	-	(150)
Currency translation differences arising on consolidation		-	1	-	-	-	1	-	1
Total comprehensive loss for the financial year		-	1	-	(150)	(3,165)	(3,314)	-	(3,314)
Employee share option		-	-	818	-	-	818	-	818
Strike-off of a subsidiary		-	-	-	-	-	-	(69)	(69)
Balance as at 30 June 2021		58,680	2	5,090	91	(57,609)	6,254	-	6,254
FY2020									
Balance as at 1 July 2019	15	58,680	9	3,530	977	(41,404)	21,792	(9,659)	12,133
(Loss)/profit for the financial year		-	-	-	-	(13,776)	(13,776)	108	(13,668)
Other comprehensive loss									
Currency translation differences arising on consolidation		-	(8)	-	-	-	(8)	(1)	(9)
Total comprehensive (loss)/income for the financial year		-	(8)	-	-	(13,776)	(13,784)	107	(13,677)
Employee share option		-	-	742	-	-	742	-	742
Disposal of subsidiaries		-	-	-	(736)	736	-	9,639	9,639
Waiver of amount due from non-controlling interest		-	-	-	-	-	-	(18)	(18)
Balance as at 30 June 2020		58,680	1	4,272	241	(54,444)	8,750	69	8,819

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
FY2021						
Balance as at 1 July 2020	15	58,680	4,272	241	(58,758)	4,435
Loss and total comprehensive loss for the financial period		-	-	-	(2,328)	(2,328)
Employee share option		-	818	-	-	818
Balance as at 30 June 2021		58,680	5,090	241	(61,086)	2,925
FY2020						
Balance as at 1 July 2019	15	58,680	3,530	241	(53,792)	8,659
Loss and total comprehensive loss for the financial period		-	-	-	(4,966)	(4,966)
Employee share option		-	742	-	-	742
Balance as at 30 June 2020		58,680	4,272	241	(58,758)	4,435

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

	Note	FY2021 \$'000	FY2020 \$'000
Cash flows from operating activities			
Loss before tax		(3,165)	(13,668)
Adjustments for:			
Depreciation of property, plant and equipment		420	619
Employee share-based payment expenses		818	742
Gain on lease modifications		(85)	(3)
Interest expenses		43	83
Interest income		(13)	(137)
(Gain)/Loss on disposal of property, plant and equipment		(9)	3
Loss on derecognition of right-of-use assets		-	29
Loss on disposal of subsidiaries		-	8,283
Gain on disposal of club membership		(40)	-
Write-off of property, plant and equipment	7	205	-
Net impairment gain on financial assets	7	-	(126)
Operating cash flows before movements in working capital		(1,826)	(4,175)
Inventories		1,189	(1,307)
Trade and other receivables		(245)	(1,132)
Other current assets		164	(160)
Trade and other payables		108	584
Contract liabilities		69	-
Currency translation adjustments		37	(8)
Net cash used in operating activities		(504)	(6,198)
Cash flows from investing activities			
Interest received		13	137
Purchase of property, plant and equipment		(82)	-
Proceeds from disposal of property, plant and equipment		38	5
Proceeds from disposal of club membership		160	-
Return of capital upon disposal of a subsidiary, net of cash paid		(68)	(442)
Net cash generated from/(used in) investing activities		61	(300)
Cash flows from financing activities			
Interest paid		(43)	(83)
Release/(Increase) in pledged fixed deposit		2,354	(2,304)
Repayment of lease liabilities		(360)	(442)
Net cash generated from/(used in) financing activities		1,951	(2,829)
Net increase/(decrease) in cash and cash equivalents		1,508	(9,327)
Cash and cash equivalents at beginning of the financial year		3,656	12,975
Effects of exchange rate changes on cash and cash equivalents		(53)	8
Cash and cash equivalents at end of the financial year		5,111	3,656

DISA LIMITED

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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 and year ended 30 June 2021 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 year ended 30 June 2021 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 2020.

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 2020.

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 year.

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

4. Revenue

	Group			
	2H FY2021 \$'000	2H FY2020 \$'000	FY2021 \$'000	FY2020 \$'000
Sales of goods	13,322	4,215	19,401	6,073
Service income	-	71	-	564
	13,322	4,286	19,401	6,637

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	
	2H FY2021 \$'000	2H FY2020 \$'000	2H FY2021 \$'000	2H FY2020 \$'000	2H FY2021 \$'000	2H FY2020 \$'000
Primary geographical market						
Singapore	86	125	-	71	86	196
United States	232	249	-	-	232	249
Hong Kong	12,904	3,767	-	-	12,904	3,767
People's Republic of China	100	74	-	-	100	74
	13,322	4,215	-	71	13,322	4,286
Timing of revenue recognition						
At a point in time	13,322	4,215	-	-	13,322	4,215
Over time	-	-	-	71	-	71
	13,322	4,215	-	71	13,322	4,286

	Sales of goods		Service income		Total	
	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000
Primary geographical market						
Singapore	271	125	-	564	271	689
United States	561	548	-	-	561	548
Hong Kong	18,289	5,258	-	-	18,289	5,258
People's Republic of China	280	142	-	-	280	142
	19,401	6,073	-	564	19,401	6,637
Timing of revenue recognition						
At a point in time	19,401	6,073	-	-	19,401	6,073
Over time	-	-	-	564	-	564
	19,401	6,073	-	564	19,401	6,637

Breakdown of revenue as follows:-

	FY2021 \$'000	FY2020 \$'000	Increase/ (Decrease) %
Revenue reported for first half year	6,079	2,351	N.M.
Loss after tax but before deducting non-controlling interests reported for first half year	(1,912)	(10,601)	(82.0)
Revenue reported for second half year	13,322	4,286	N.M.
Loss after tax but before deducting non-controlling interests reported for second half year	(1,403)	(3,067)	(54.3)

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

The Group is organised into business units based on its products and services for management purposes. The reportable segments are technology, investment holding and others. 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.

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

	<u>Technology</u>		<u>Investment holding</u>		<u>Others</u>		<u>Consolidated</u>	
	2H FY2021	2H FY2020	2H FY2021	2H FY2020	2H FY2021	2H FY2020	2H FY2021	2H FY2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:								
Sales to external customers, representing total revenue	13,322	4,215	-	-	-	71	13,322	4,286
Segment results, net of tax	(409)	(818)	(994)	(2,377)	-	128	(1,403)	(3,067)
- Interest expense	(17)	(17)	(2)	(20)	-	-	(19)	(37)
- Depreciation and amortisation	(107)	(130)	(56)	(150)	-	-	(163)	(280)
Other significant non-cash expenses:								
- Loss on disposal of subsidiaries	-	-	-	-	-	(767)	-	(767)
- Net impairment (losses)/gains on financial assets	-	(2)	-	-	-	128	-	126
- Share-based payment expenses	-	-	(209)	(339)	-	-	(209)	(339)
Segment assets	4,483	5,101	3,276	5,434	-	-	7,759	10,535
Additions to non-current assets	379	-	3	-	-	-	382	-
Segment liabilities	(943)	(517)	(562)	(1,199)	-	-	(1,505)	(1,716)

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

	<u>Technology</u>		<u>Investment holding</u>		<u>Others</u>		<u>Total</u>	
	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000
Segment revenue:								
Sales to external customers, representing total revenue	19,401	6,076	-	-	-	561	19,401	6,637
Segment results, net of tax	(966)	(2,254)	(2,349)	(11,543)	-	129	(3,315)	(13,668)
- Interest expense	(25)	(38)	(18)	(45)	-	-	(43)	(83)
- Depreciation and amortisation	(228)	(319)	(192)	(300)	-	-	(420)	(619)
Other significant non-cash expenses:								
- Loss on disposal of subsidiaries	-	-	-	-	-	(8,283)	-	(8,283)
- Net impairment (losses)/gains on financial assets	-	(2)	-	-	-	128	-	126
- Write-off of property, plant and equipment	(205)	-	-	-	-	-	(205)	-
- Share-based payment expenses	-	-	(818)	(742)	-	-	(818)	(742)
Segment assets	4,483	5,101	3,276	5,434			7,759	10,535
Additions to non-current assets	546	-	3	-	-	-	549	-
Segment liabilities	(943)	(517)	(562)	(1,199)	-	-	(1,505)	(1,716)

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements (cont'd)****6. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 June 2020.

	Group		Company	
	FY2021	FY2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	-	150	-	-
Trade and other receivables	1,669	1,423	-	217
Other non-current/ current assets	93	292	213	239
Cash and bank balance	5,111	6,010	3,104	4,393
	16,873	7,875	3,317	4,849

	Group		Company	
	FY2021	FY2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities				
Trade and other payables	256	259	67	136
Accruals	483	363	220	262
Provisions	-	137	-	137
Borrowings	562	812	119	568
	1,301	1,571	406	1,103

7. Loss before tax

	Group			
	2H FY2021	2H FY2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
Loss before tax is arrived at after charging/ (crediting):				
Audit fees paid to:				
- auditors of the Company	30	33	60	65
- other auditors*	4	2	8	5
Directors' fee	70	85	139	170
(Gain)/Loss on disposal of property, plant and equipment	(5)	2	(9)	2
Foreign currency exchange (gain)/loss, net	(32)	(12)	113	-
Net Impairment (gain) on financial asset	-	(126)	-	(126)
Loss on derecognition of right-of-use assets	-	-	-	29
Research and development expense	28	118	71	219
Write-off of property, plant and equipment	-	-	205	-
Upkeep of computer	51	51	95	100

* Includes independent member firms of the Baker Tilly International network

No non-audit fees was paid to the auditors of the Company and other auditors for FY2021 and FY2020.

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements** *(cont'd)***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 year on terms agreed by the parties concerned:

	Group			
	2H FY2021	2H FY2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
<i>With a related party</i>				
Rental paid - leasehold properties	77	74	154	148
<i>With a director of the Company</i>				
Rental paid- leasehold properties	-	11	2	22
Royalties	129	-	139	-

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

	Group			
	2H FY2021	2H FY2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
Salaries and bonuses	723	873	1,455	1,922
Employer's contribution to defined contribution plans	29	37	63	82
Fees and other benefits	139	170	139	170
Share-based payments	238	232	721	772
Termination benefits	-	113	-	113
	1,129	1,425	2,378	3,059

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	
	FY2021	FY2020	FY2021	FY2020
Net asset value per ordinary share (cents per share)	0.06	0.09	0.03	0.04

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements** *(cont'd)***11. Financial assets at fair value through other comprehensive income**

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

	Group	
	FY2021 \$'000	FY2020 \$'000
<i>Financial asset designated at FVOCI</i>		
Unquoted equity shares		
Balance at 1 July	150	150
Impairment	(150)	-
Balance at 30 June	-	150

Fair value measurement

The Group analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- a) Level 1 – quoted price (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2 – inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly (i.e. derived from prices); and
- c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

Group	Level 1	Level 2	Level 3	Total
FY2021	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at fair value through other comprehensive income				
-unquoted equity shares	-	-	-	-
FY2020				
Financial assets				
Financial assets at fair value through other comprehensive income				
-unquoted equity shares	-	-	150	150

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

	Group			
	Core technology \$'000	Development costs \$'000	Goodwill \$'000	Total \$'000
Cost				
Balance as at 1 July 2019 and 30 June 2020	31,624	609	17	32,250
Strike-off of a subsidiary	-	-	(17)	(17)
Balance as at 30 June 2021	31,624	609	-	32,233
Accumulated amortisation and impairment losses				
Balance as at 1 July 2019 and 30 June 2020	31,624	609	17	32,250
Strike-off of a subsidiary	-	-	(17)	(17)
Balance as at 30 June 2021	31,624	609	-	32,233
Net carrying value				
Balance as at 1 July 2019, 30 June 2020 and 30 June 2021	-	-	-	-

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). In the financial year ended 30 June 2019, the recoverable amount of the CGU was computed based on its value in use ("VIU"), which is the net present value of expected future cash flows over the remaining life of the patent of the core technology up to the financial year ending 30 June 2026 ("FY2026") with a pre-tax discount rate applied to the pre-tax cash flow projection is 20%.

The carrying amount of the intangible assets was fully impaired in the financial year ended 30 June 2019 and as at 30 June 2021, the management assessed that there is no indication that impairment loss recognized may no longer needed or decreased, hence no reversal of impairment was made.

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Notes to the condensed interim consolidated financial statements (cont'd)**13. Property, plant and equipment**

<u>Group</u>	Furniture and fittings and renovation \$'000	Other equipment \$'000	Motor vehicles \$'000	Leasehold properties \$'000	Total \$'000
2021					
Cost					
Balance at 1 July 2020	542	103	562	895	2,102
Additions	19	5	58	467	549
Disposals	(69)	(13)	-	(919)	(1,001)
Written off	(440)	(3)	-	-	(443)
Currency translation differences	-*	-*	-	13	13
Balance at 30 June 2021	52	92	620	456	1,220
Accumulated depreciation					
Balance at 1 July 2020	254	102	300	325	981
Depreciation charge	48	2	115	255	420
Disposals	(40)	(13)	-	(522)	(575)
Written off	(235)	(3)	-	-	(238)
Currency translation differences	-*	-*	-	11	11
Balance at 30 June 2021	27	88	415	69	599
Net carrying value					
Balance at 30 June 2021	25	4	205	387	621

<u>Group</u>	Furniture and fittings and renovation \$'000	Other equipment \$'000	Motor vehicles \$'000	Leasehold properties \$'000	Total \$'000
2020					
Cost					
Balance at 1 July 2019	560	112	562	1,035	2,269
Disposals	(18)	(9)	-	-	(27)
Lease modification	-	-	-	(140)	(140)
Currency translation differences	-	-*	-	-*	-*
Balance at 30 June 2020	542	103	562	895	2,102
Accumulated depreciation					
Balance at 1 July 2019	155	94	188	-	437
Depreciation charge	110	16	112	381	619
Disposals	(11)	(8)	-	-	(19)
Lease modification	-	-	-	(56)	(56)
Currency translation differences	-	-*	-	-*	-*
Balance at 30 June 2020	254	102	300	325	981
Net carrying value					
Balance at 30 June 2020	288	1	262	570	1,121

* Amount below \$1,000

DISA LIMITED*(Company Registration No. 197501110N)***Notes to the condensed interim consolidated financial statements (cont'd)****14. Borrowings**

	Group		Company	
	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	32	29	32	29
Unsecured	245	343	-	151
	<u>277</u>	<u>372</u>	<u>32</u>	<u>180</u>
 <u>Amount repayable after one year</u>				
Secured	87	149	87	149
Unsecured	198	291	-	239
	<u>285</u>	<u>440</u>	<u>87</u>	<u>388</u>

Secured borrowings are secured over the lease of motor vehicles.

15. Share Capital

	Group and Company			
	FY2021		FY2020	
	Number of issued shares (<i>'000</i>)	Total share capital \$'000	Number of issued shares (<i>'000</i>)	Total share capital \$'000
Beginning and end of year	10,038,683	58,680	10,038,683	58,680

The Company did not hold any treasure shares as at 30 June 2021 and 30 June 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 30 June 2020.

DISA Employee Share Option Scheme 2010 (the "DISA ESOS")

Movement in the number of DISA ESOS is as follows:

	Company			
	2H FY2021	2H FY2020	FY2021	FY2020
Beginning of the year	1,342,000,000	1,416,000,000	1,342,000,000	764,500,000
Add: Share options granted	-	-	-	756,000,000
Less: Share options forfeited	(49,500,000)	(74,000,000)	(49,500,000)	(178,500,000)
End of the year	<u>1,292,500,000</u>	<u>1,342,000,000</u>	<u>1,292,500,000</u>	<u>1,342,000,000</u>

Saved as disclosed the company does not hold any other convertible instruments as at 30 June 2021 and 30 June 2020.

16. Subsequent events

There are 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 30 June 2021 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 month and 12 month periods 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 30 June 2021 ("2H FY2021") versus 6 months ended 30 June 2020 ("2H FY2020") and 12 months ended 30 June 2021 ("FY2021") versus 12 months ended 30 June 2020 ("FY2020"))

Revenue

The Group's revenue for 2H FY2021 was \$13,322,000, an increase of \$9,036,000 or more than 2-fold as compared to \$4,286,000 in 2H FY2020.

On the year-on-year basis, the Group achieved a record-high revenue of \$19,401,000 in FY2021, an increase of \$12,764,000 or 2-fold as compared to \$6,637,000 achieved in FY2020 as the Group continues to expand its technology business during FY2021.

Interest income

Interest income decreased by \$27,000 or 84.4% from \$32,000 in 2H FY2020 to \$5,000 in 2H FY2021 and \$124,000 or 90.5% from \$137,000 in FY2020 to \$13,000 in FY2021 as the Group continues to utilize its fixed deposit to expand its technology business and fund its operating costs.

Other income

Other income decreased by \$76,000 from \$141,000 in 2H FY2020 to \$65,000 in 2H FY2021. The decrease was mainly due to the absence of gain on foreign currency exchange as USD weaken against SGD in 2H FY2021.

On the year-on-year basis, there was an increase of \$214,000, or 116.3% from \$184,000 in FY2020 to \$398,000 in FY2021. This was mainly attributable to the receipt of government grant on Job Support Scheme, gain on disposal of a club membership and the gain on lease modification resulting from an early termination of operating lease during FY2021. The increase was, however, partially offset by absence of gain on foreign currency exchange by the same factor as mentioned above.

Costs and expenses

The increase in cost of inventories was in line with the increase in revenue for 2H FY2021. The decrease in subcontractor expenses in FY2021 was mainly due to the disposal of the Group's energy management business in FY2020.

Other costs and expenses for 2H FY2021 was \$1,875,000, a reduction of \$1,166,000 or 38.3% as compared to \$3,041,000 (excluding one-off loss of \$641,000 from loss on disposal of subsidiaries and net impairment gain on financial assets) in 2H FY2020. This was mainly attributable to (i) lower staff costs of \$1,392,000 in 2H FY2021 against \$2,143,000 in 2H FY2020, achieved through the reduced headcounts; (ii) Lower depreciation charges as the Group derecognized the right-of-use asset from an early termination of operating lease; (iii) Lower legal and professional fee of \$154,000 in 2H FY2021 against \$221,000 in 2H FY2020 arising from closure of a legal case and fewer corporate activities; and (iv) decrease in other expenses from \$397,000 in 2H FY2020 to \$166,000 in 2H FY2021, contributed mainly from lower research and development expenses, directors' fee and the absence of insurance management fee from liquidation of DiSa Insurance Company in 1H FY2021.

Finance cost for 2H FY2021 was \$19,000, or a decrease of 48.6% against \$37,000 for 2H FY2020, attributed to the lower interest on lease liability from an early termination of an operating lease.

On the year-on-year basis, other costs and expenses for FY2021, excluding one-off loss of \$205,000 from write-off of office renovation cost (FY2020: \$8,157,000 from loss on disposal of subsidiaries and net impairment gain on financial assets) decreased by \$2,102,000 or 31.9% from \$6,595,000 in FY2020 to \$4,493,000 in FY2021.

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

This decreased was driven by the same factors as explained above.

Finance cost for FY2021 decreased by \$40,000 or 48.2% from \$83,000 in FY2020 to \$43,000 in FY2021, attributed to the same factor as explained above.

(B) Statements of Financial Position

Total assets of the Group decreased by \$2,776,000 or 26.4% from \$10,535,000 in FY2020 to \$7,759,000 in FY2021, attributable to:

Non-current assets

- i) Write-off of office renovation cost of \$205,000, depreciation charges of \$420,000 and disposal of office furniture of \$29,000, offset by the net increase of in right-of-use asset of \$73,000 from renewal of existing operating lease and recognition of a new operating leases in 2H FY2021 and the derecognition of right-of-use asset from an early termination of operating lease in 1H FY2021 as well as the purchase of other plant and equipment amounting to \$82,000;
- ii) Full impairment of investment in SCash Technologies Pte. Ltd.;
- iii) Disposal of club membership of \$120,000; and
- iv) Reclassification of lease receivable of \$44,000 to current asset as it falls due within 1 year.

Current assets

- i) Inventory level decreased as the Group sold all semiconductor devices stock during 2H FY2021.
- ii) Lower current assets from the receipts of lease and grant receivables as well as the net decreased in the refundable deposits from an early termination and the additional deposit paid for the new operating lease.
- iii) Cash and bank balances decreased by \$899,000. Refer to explanation in "2(C) Cash Flows" below.

The decrease was however offset by the increase in trade receivables of \$461,000, which was in line with the increase in sales revenue in FY2021.

Total liabilities

Total liabilities of the Group decreased by \$211,000 or 12.3% from \$1,716,000 in FY2020 to \$1,505,000 in FY2021 arising mainly from (i) repayment of hire purchase loan and lease liabilities of \$360,000 and the reversal of office restoration cost of \$137,000 as no restoration was required upon termination of the operating lease. These were, however, offset by the higher sales rebate and royalties accrued as at the end of FY2021.

(C) Cash Flows

Cash and cash equivalents, excluding the effects of exchange rate changes of \$53,000, decreased by \$846,000 or 14.1% in FY2021 as compared to FY2020 attributed mainly to the payment of operating expenses. Net cash used in operating activities was \$504,000. This was mainly due to (i) operating cash outflow before movements in working capital of \$1,826,000; (ii) net positive working capital movement of \$1,285,000; and (iii) net currency translation gain of \$37,000. Net cash generated from investing activities was \$61,000. Net cash generated from financing activities was \$1,951,000 mainly arising from the release in pledged fixed deposit of \$2,354,000 and partially offset by repayment of lease liabilities of \$360,000.

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 sets a new-high revenue of \$19,401,000 in FY2021, an increase of 192.3%, or \$12,764,000 as compared to FY2020. The onboarding process of new retailers in the United States continues to remain slow despite the gradual recovery of the global economy in this prolonged COVID-19 pandemic.

DISA LIMITED

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

The Group will continue to maintain its focus on the technology related business opportunities and exercise financial prudence as it continues its research effort to further enhanced its asset protection solution to cater for wider range of retailer need and to further strengthen the competitiveness of its solution.

Leveraging on its core technology, the Group will continue to actively seeking for new business opportunities to further improve its business performance.

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) Book closure date

Not applicable

6. Interested person transactions

The aggregate value of all interested person transactions during the FY2021 were follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	\$'000	\$'000
Circle Globe Limited*		
Leasing of office space	154	-
Mr. Chng Weng Wah		
Royalty paid	-	139

* Wholly owned by Mr. Chng Weng Wah (Managing Director and Chief Executive Officer)

DISA LIMITED

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Other information required by Catalist Rule Appendix 7C (cont'd)**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. Disclosure of persons occupying managerial positions who are related to director, CEO or substantial shareholder.

Name	Chng Weng Huat
Age	57
Family relationship with any director and/or substantial shareholder	Sibling of Mr Chng Weng Wah
Current position and duties, and the year the position was held	Solutions Director from 1 May 2017. Duties: To assist Senior Vice President of Global Solution to provide support/ assistance to suppliers to DiSa-Enabled their products.
Details of changes in duties and position held, if any, during the year	No change

BY ORDER OF THE BOARD
CHNG WENG WAH
Managing Director/ Chief Executive Officer
26 August 2021