

DISA LIMITED
(Registration No. 197501110N)

Condensed interim financial statements
For the six months and full year ended 30 June 2022

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 FY2022 30-Jun-22 \$'000	2H FY2021 30-Jun-21 \$'000	Increase/ (Decrease) %	FY2022 30-Jun-22 \$'000	FY2021 30-Jun-21 \$'000	Increase/ (Decrease) %
Revenue	4	11,303	13,322	(15.2)	24,266	19,401	25.1
Other income							
- Interest		2	5	(60.0)	5	13	(61.5)
- Others		144	65	N.M.	251	398	(36.9)
Total revenue		<u>11,449</u>	<u>13,392</u>	(14.5)	<u>24,522</u>	<u>19,812</u>	23.8
Expenses							
Cost of inventories		(10,418)	(12,622)	(17.5)	(22,738)	(18,097)	25.6
Subcontractor expenses		(16)	(129)	(87.6)	(38)	(139)	(72.7)
Depreciation expenses		(149)	(163)	(8.6)	(309)	(420)	(26.4)
Staff costs		(1,046)	(1,392)	(24.9)	(2,223)	(3,177)	(30.0)
Legal and professional expenses		(133)	(154)	(13.6)	(243)	(245)	(0.8)
Write-off of property, plant and equipment		-	-	N.M.	-	(205)	N.M.
Other expenses		(244)	(166)	47.0	(540)	(651)	(17.1)
Finance costs		(11)	(19)	(42.1)	(28)	(43)	(34.9)
Total expenses		<u>(12,017)</u>	<u>(14,645)</u>	(17.9)	<u>(26,119)</u>	<u>(22,977)</u>	13.7
Share of results of an associate		(375)	-	N.M.	(375)	-	N.M.
Loss before tax	7	(943)	(1,253)	(24.7)	(1,972)	(3,165)	(37.7)
Tax expense		(30)	-	N.M.	(30)	-	N.M.
Loss for the financial period/year		<u>(973)</u>	<u>(1,253)</u>	(22.3)	<u>(2,002)</u>	<u>(3,165)</u>	(36.7)
Other comprehensive loss:							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising on consolidation		2	4	(50.0)	5	1	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	N.M.	-	-	N.M.
Other comprehensive loss for the financial period/year, net of tax		<u>2</u>	<u>(144)</u>	N.M.	<u>5</u>	<u>(149)</u>	N.M.
Total comprehensive loss for the financial period/year		<u>(971)</u>	<u>(1,397)</u>	(30.5)	<u>(1,997)</u>	<u>(3,314)</u>	(39.7)
Loss attributable to:							
Equity holders of the Company		(973)	(1,253)	(22.3)	(1,998)	(3,165)	(36.9)
Non-controlling interests		-	-	N.M.	(4)	-	N.M.
Loss for the financial period/year		<u>(973)</u>	<u>(1,253)</u>	(22.3)	<u>(2,002)</u>	<u>(3,165)</u>	(36.7)
Total comprehensive (loss)/ income attributable to:							
Equity holders of the Company		(971)	(1,399)	(30.6)	(1,993)	(3,314)	(39.9)
Non-controlling interests		-	2	N.M.	(4)	-	N.M.
Total comprehensive loss for the financial period/year		<u>(971)</u>	<u>(1,397)</u>	(30.5)	<u>(1,997)</u>	<u>(3,314)</u>	(39.7)
Loss per share attributable to equity holders of the Company <i>(expressed in cents per share)</i>							
Basic and diluted		<u>(0.01)</u>	<u>(0.01)</u>		<u>(0.02)</u>	<u>(0.03)</u>	

N.M. – not meaningful

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

	Note	Group		Company	
		As at 30 Jun 2022 \$'000	As at 30 Jun 2021 \$'000	As at 30 Jun 2022 \$'000	As at 30 Jun 2021 \$'000
Non-current assets					
Property, plant and equipment	13	483	621	247	152
Intangible assets	12	-	-	-	-
Investment in subsidiaries		-	-	-	-
Investment in associate		627	-	-	-
Financial assets at fair value through other comprehensive income	11	-	-	-	-
Total non-current assets		1,110	621	247	152
Current assets					
Inventories		65	118	-	-
Trade and other receivables		1,373	1,909	895	232
Cash and bank balances		3,049	5,111	927	3,104
Total current assets		4,487	7,138	1,822	3,336
Total assets		5,597	7,759	2,069	3,488
Non-current liabilities					
Borrowings	14	66	285	41	87
Total non-current liabilities		66	285	41	87
Current liabilities					
Trade and other payables		105	187	40	67
Contract liabilities		46	69	-	-
Accruals		588	687	361	377
Borrowings	14	186	277	14	32
Provision for income tax		30	-	-	-
Total current liabilities		955	1,220	415	476
Total liabilities		1,021	1,505	456	563
Net assets		4,576	6,254	1,613	2,925
Equity					
Share capital	15	58,816	58,680	58,816	58,680
Other reserves		5,371	5,183	5,514	5,331
Accumulated losses		(59,611)	(57,609)	(62,717)	(61,086)
Total equity		4,576	6,254	1,613	2,925

DISA LIMITED

(Company Registration No. 197501110N)

Condensed consolidated statements of changes in equity

Group

	Share capital \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Capital reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
FY2022									
Balance as at 1 July 2021	58,680	2	5,090	241	(150)	(57,609)	6,254	-	6,254
Loss for the financial year	-	-	-	-	-	(1,998)	(1,998)	(4)	(2,002)
Other comprehensive loss									
Currency translation differences arising on consolidation	-	5	-	-	-	-	5	-	5
Total comprehensive loss for the financial year	-	5	-	-	-	(1,998)	(1,993)	(4)	(1,997)
Loss in control over subsidiary	-	-	-	-	-	(4)	(4)	4	-
Employee share option	-	-	183	-	-	-	183	-	183
Employee share option exercised	136	-	-	-	-	-	136	-	136
Balance as at 30 June 2022	58,816	7	5,273	241	(150)	(59,611)	4,576	-	4,576
FY2021									
Balance as at 1 July 2020	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									
Fair value loss on financial assets at fair value through other comprehensive income	-	-	-	-	(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)
Strike-off of a subsidiary	-	-	-	-	-	-	-	(69)	(69)
Employee share option	-	-	818	-	-	-	818	-	818
Balance as at 30 June 2021	58,680	2	5,090	241	(150)	(57,609)	6,254	-	6,254

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

FY2022	Note	Share capital \$'000	Share option reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance as at 1 July 2021	15	58,680	5,090	241	(61,086)	2,925
Loss and total comprehensive loss for the financial year		-	-	-	(1,631)	(1,631)
Employee share option		-	183	-	-	183
Employee share option exercised		136	-	-	-	136
Balance as at 30 June 2022		58,816	5,273	241	(62,717)	1,613
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 year		-	-	-	(2,328)	(2,328)
Employee share option		-	818	-	-	818
Balance as at 30 June 2021		58,680	5,090	241	(61,086)	2,925

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

	Note	FY2022 \$'000	FY2021 \$'000
Cash flows from operating activities			
Loss before tax		(1,972)	(3,165)
Adjustments for:			
Depreciation of property, plant and equipment		309	420
Employee share-based payment expenses		183	818
Gain on lease modifications		(3)	(85)
Interest expenses		28	43
Interest income		(5)	(13)
Share of results of an associate		375	-
Gain on disposal of property, plant and equipment		(92)	(9)
Gain on loss in control over subsidiary		(24)	-
Gain on disposal of club membership		-	(40)
Write-off of property, plant and equipment	7	-	205
Operating cash flows before movements in working capital		(1,201)	(1,826)
Inventories		53	1,189
Trade and other receivables		461	(81)
Trade and other payables		(150)	108
Contract liabilities		(23)	69
Currency translation adjustments		131	37
Net cash used in operating activities		(729)	(504)
Cash flows from investing activities			
Interest received		5	13
Purchase of property, plant and equipment		(224)	(82)
Proceeds from disposal of property, plant and equipment		148	38
Proceeds from disposal of club membership		-	160
Investment in an associate		(1,000)	-
Proceeds from loss in control over subsidiary net of cash paid		3	(69)
Net cash (used in)/generated from investing activities		(1,068)	60
Cash flows from financing activities			
Interest paid		(28)	(43)
Proceeds from exercise of share options		136	-
Release of pledged fixed deposit		-	2,354
Repayment of lease liabilities		(293)	(360)
Net cash (used in)/generated from financing activities		(185)	1,951
Net (decrease)/increase in cash and cash equivalents		(1,982)	1,507
Cash and cash equivalents at beginning of the financial year		5,111	3,656
Effects of exchange rate changes on cash and cash equivalents		(80)	(52)
Cash and cash equivalents at end of the financial year		3,049	5,111

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 2022 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, trading of semiconductor devices.

2. Basis of preparation

2.1. Statement of compliance

The condensed interim financial statements for the year ended 30 June 2022 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 2021.

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 2021.

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.

DISA LIMITED

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Notes to the condensed interim consolidated financial statements (cont'd)**4. Revenue**

	Group			
	2H FY2022	2H FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Sales of goods	11,239	13,322	24,202	19,401
Service income	64	-	64	-
	11,303	13,322	24,266	19,401

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 FY2022	2H FY2021	2H FY2022	2H FY2021	2H FY2022	2H FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical market						
Singapore	4,577	86	-	-	4,577	86
United States	207	232	-	-	207	232
Hong Kong	6,354	12,904	-	-	6,354	12,904
People's Republic of China	101	100	64	-	165	100
	11,239	13,322	64	-	11,303	13,322
Timing of revenue recognition						
At a point in time	11,239	13,322	64	-	11,303	13,322
Over time	-	-	-	-	-	-
	11,239	13,322	64	-	11,303	13,322

	Sales of goods		Service income		Total	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical market						
Singapore	4,722	277	-	-	4,722	277
United States	444	561	-	-	444	561
Hong Kong	18,847	18,253	-	-	18,847	18,253
People's Republic of China	189	310	64	-	253	310
	24,202	19,401	64	-	24,266	19,401
Timing of revenue recognition						
At a point in time	24,202	19,401	64	-	24,266	19,401
Over time	-	-	-	-	-	-
	24,202	19,401	64	-	24,266	19,401

Breakdown of revenue as follows:-

	FY2022 \$'000	FY2021 \$'000	Increase/ (Decrease) %
Revenue reported for first half year	12,963	6,079	N.M.
Loss after tax but before deducting non-controlling interests reported for first half year	(1,029)	(1,912)	(46.2)
Revenue reported for second half year	11,303	13,322	(15.2)
Loss after tax but before deducting non-controlling interests reported for second half year	(973)	(1,253)	(22.3)

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>Total</u>	
	2H FY2022	2H FY2021	2H FY2022	2H FY2021	2H FY2022	2H FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:						
Sales to external customers, representing total revenue	11,303	13,322	-	-	11,303	13,322
Segment results, net of tax	(80)	(254)	(893)	(999)	(973)	(1,253)
- Interest expense	(10)	(17)	(1)	(2)	(11)	(19)
- Depreciation and amortisation	(110)	(107)	(39)	(56)	(149)	(163)
Other significant non-cash expenses:						
Share-based payment expenses	-	-	(155)	(198)	(155)	(198)
Segment assets	4,416	4,483	1,181	3,276	5,597	7,759
Additions to non-current assets	-	379	-	3	-	382
Segment liabilities	(565)	(943)	(456)	(562)	(1,021)	(1,505)

	<u>Technology</u>		<u>Investment holding</u>		<u>Total</u>	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:						
Sales to external customers, representing total revenue	24,266	19,401	-	-	24,266	19,401
Segment results, net of tax	(382)	(816)	(1,620)	(2,349)	(2,002)	(3,165)
- Interest expense	(25)	(25)	(3)	(18)	(28)	(43)
- Depreciation and amortisation	(222)	(228)	(87)	(192)	(309)	(420)
Other significant non-cash expenses:						
- Write-off of property, plant and equipment	-	(205)	-	-	-	(205)
- Share-based payment expenses	-	-	(183)	(818)	(183)	(818)
Segment assets	4,416	4,483	1,181	3,276	5,597	7,759
Additions to non-current assets	3	546	221	3	224	549
Segment liabilities	(565)	(943)	(456)	(562)	(1,021)	(1,505)

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 2022 and 30 June 2021.

	Group		Company	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Trade and other receivables	1,306	1,762	889	213
Cash and bank balance	3,049	5,111	927	3,104
	<u>4,355</u>	<u>6,873</u>	<u>1,816</u>	<u>3,317</u>

	Group		Company	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities				
Trade and other payables	144	154	38	58
Accruals	414	483	203	222
Borrowings	256	598	59	128
	<u>814</u>	<u>1,235</u>	<u>300</u>	<u>408</u>

7. Loss before tax

	Group			
	2H FY2022	2H FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Loss before tax is arrived at after charging/(crediting):				
Audit fees paid to:				
- auditors of the Company	44	30	75	60
- other auditors	2	5	6	8
Directors' fee	70	70	139	139
Government grant income	(13)	(53)	(18)	(194)
Gain on lease modification	-	(1)	(3)	(85)
Gain on loss in control over subsidiary	(24)	-	(24)	-
Gain on disposal of club membership	-	-	-	(40)
Gain on disposal of property, plant and equipment	-	(14)	(92)	(9)
Write-off of property, plant and equipment	-	-	-	205
Research and development expense	33	28	106	71
Foreign currency exchange (gain)/loss, net	(106)	(31)	(100)	114
Upkeep of computer	76	51	134	95

No non-audit fees were paid to the auditors of the Company for FY2022 and FY2021 and \$2,000 (FY2021: Nil) non-audit fees were paid to other auditors.

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 FY2022	2H FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Transactions with related parties				
An associate				
Sales of goods and/or services	119	-	119	-
Other related party				
Rental paid - leasehold properties	79	77	159	154
With a director of the Company				
Rental paid - leasehold properties	-	-	-	2
Royalties	20	129	42	139

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

	Group			
	2H FY2022	2H FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Salaries and bonuses	596	723	1,327	1,455
Employer's contribution to defined contribution plans	(14)	(7)	55	63
Fees and other benefits	106	105	139	139
Share-based payments	136	238	364	721
	<u>824</u>	<u>1,059</u>	<u>1,885</u>	<u>2,378</u>

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	
	FY2022	FY2021	FY2022	FY2021
Net asset value per ordinary share (cents per share)	<u>0.05</u>	<u>0.06</u>	<u>0.02</u>	<u>0.03</u>

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	
	FY2022 \$'000	FY2021 \$'000
<i>Financial asset designated at FVOCI</i>	-	-

12. Intangible assets

	Group			
	Core technology \$'000	Development costs \$'000	Goodwill \$'000	Total \$'000
Cost				
Balance as at 1 July 2020	31,624	609	17	32,250
Strike-off of a subsidiary	-	-	(17)	(17)
Balance as at 30 June 2021 and 30 June 2022	31,624	609	-	32,233
Accumulated amortisation and impairment losses				
Balance as at 1 July 2020	31,624	609	17	32,250
Strike-off of a subsidiary	-	-	(17)	(17)
Balance as at 30 June 2021 and 30 June 2022	31,624	609	-	32,233
Representing:				
Accumulated amortisation	22,493	609	-	23,102
Accumulated impairment loss	9,131	-	-	9,131
	31,624	609	-	32,233
Net carrying value				
Balance as at 30 June 2021 and 30 June 2022	-	-	-	-

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 tangible assets have been fully impaired during the financial year ended 30 June 2019.

At 30 June 2021 and 30 June 2022, management has assessed that there is no indication that the impairment loss recognized in prior years for intangible assets may no longer exists or may have decreased, hence no reversal of the previously impaired amount was made.

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

Group	Furniture and fittings and renovation	Other equipment	Motor vehicles	Leasehold properties	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Cost					
Balance at 1 July 2021	52	63	620	456	1,191
Additions	-	3	221	-	224
Disposals	(19)	(6)	(400)	-	(425)
Written off	-*	(4)	-	-	(4)
Currency translation differences	-*	-*	-	(1)	(1)
Balance at 30 June 2022	33	56	441	455	985
Accumulated depreciation					
Balance at 1 July 2021	27	59	415	69	570
Depreciation charge	7	2	98	202	309
Disposals	(3)	(6)	(360)	-	(369)
Written off	-*	(4)	-	-	(4)
Currency translation differences	-*	-*	-	(4)	(4)
Balance at 30 June 2022	31	51	153	267	502
Net carrying value					
Balance at 30 June 2022	2	5	288	188	483

Group	Furniture and fittings and renovation	Other equipment	Motor vehicles	Leasehold properties	Total
	\$'000	\$'000	\$'000	\$'000	\$'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)	(32)	-	-	(472)
Currency translation differences	-*	-*	-	13	13
Balance at 30 June 2021	52	63	620	456	1,191
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)	(32)	-	-	(267)
Currency translation differences	-*	-*	-	11	11
Balance at 30 June 2021	27	59	415	69	570
Net carrying value					
Balance at 30 June 2021	25	4	205	387	621

* Amount below \$1,000

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

	Group		Company	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	14	32	14	32
Unsecured	172	245	-	-
	<u>186</u>	<u>277</u>	<u>14</u>	<u>32</u>
<u>Amount repayable after one year</u>				
Secured	41	87	41	87
Unsecured	25	198	-	-
	<u>66</u>	<u>285</u>	<u>41</u>	<u>87</u>

Secured borrowings are secured over the lease of motor vehicles.

15. Share Capital

	Group and Company			
	FY2022		FY2021	
	Number of issued shares (<i>'000</i>)	Total share capital \$'000	Number of issued shares (<i>'000</i>)	Total share capital \$'000
Balance at 1 July 2021	10,038,683	58,680	10,038,683	58,680
Issue of ordinary shares by virtue of exercise of share options	68,000	136	-	-
Balance at 30 June 2022	<u>10,106,683</u>	<u>58,816</u>	<u>10,038,683</u>	<u>58,680</u>

The Company did not hold any treasure shares as at 30 June 2022 and 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 30 June 2021.

Weighted average number of ordinary shares and adjusted weighted average number of ordinary shares in issue for diluted earnings per share for 2H FY2022 was 10,106,683,403 (2H FY2021: 10,038,683,403) and 10,452,616,915 (2H FY2021: 10,038,683,403). Weighted average number of ordinary shares and adjusted weighted average number of ordinary shares in issue for diluted earnings per share for FY2022 was 10,094,201,211 (FY2021: 10,038,683,403) and 10,270,207,315 (FY2021: 10,038,683,403) respectively.

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

DISA Employee Share Option Scheme 2010 and 2021 ("DISA ESOS")

Movement in the number of DISA ESOS is as follows:

DISA ESOS 2010	Company			
	2H FY2022	2H FY2021	FY2022	FY2021
Beginning of the period/year	1,172,500,000	1,342,000,000	1,292,500,000	1,342,000,000
Add: Options granted	-	-	-	-
Less: Options exercised	-	-	(68,000,000)	-
Less: Options forfeited	(5,000,000)	(49,500,000)	(57,000,000)	(49,500,000)
End of the period/year	1,167,500,000	1,292,500,000	1,167,500,000	1,292,500,000

DISA ESOS 2021	Company			
	2H FY2022	2H FY2021	FY2022	FY2021
Beginning of the period/as at date of adoption	210,500,000	-	-	-
Add: Options granted	10,000,000	-	220,500,000	-
Less: Options forfeited	(31,000,000)	-	(31,000,000)	-
End of the period/year	189,500,000	-	189,500,000	-

DISA ESOS 2021 was approved and adopted by members of the Company at an extraordinary general meeting held on 28 October 2021.

Saved as disclosed the Company does not hold any other convertible instruments as at 30 June 2022 and 30 June 2021.

16. Disposal of ownership in interest in subsidiary

On 29 November 2021, Disa Digital Safety Pte. Ltd. ("DiSa"), a wholly-owned subsidiary of the Company, incorporated a 93%-owned subsidiary company, namely Digital Life Line Pte. Ltd ("DLL"), with an initial investment cost of \$4,650. The remaining 7% of the total issued and paid-up capital of DLL of is held by Chng Weng Wah, the Managing Director and Chief Executive Officer and substantial shareholder of the Company.

On 29 December 2021, DiSa disposed 11% of the total issued and paid-up capital of DLL at cost to two of the directors of DLL.

On 12 January 2022, DiSa disposed another 42% of the total issued and paid-up capital of DLL at cost to the other two directors of DLL and Blade Research Pte. Ltd., a company wholly-owned by one of the directors of DLL.

The Company has re-assessed its ownership of DLL as at 30 June 2022, taking into consideration of the voting right attached to the new preference shares issued to the new shareholders on 1 July 2022 and the disposal of 42% of the total number of issued and paid-up capital of DLL on 12 January 2022, the Group is considered to loss its control over DLL and therefore equity accounted DLL from 12 January 2022.

17. Subsequent events

DLL has, on 1 July 2022, entered into a conditional share subscription agreement with Isaac Newton Corporation Ltd and SG Global Enterprise Pte. Ltd. to subscribe for new preference shares in cash, which represent 7.88% and 2.07% of the total issued and paid-up capital of DLL, post-completion of the subscriptions, for a total consideration of S\$1.75 million and S\$0.50 million respectively, based on a pre-money valuation of 100% of DLL of S\$20 million agreed to by the parties at arms' length, on a "willing-buyer, willing-seller" basis (the "Subscriptions").

Following the completion of the Subscriptions, DiSa will hold 37.36% of the total paid-up share capital of DLL. Please refer to the company's announcements dated 8 December 2021, 29 December 2021, 12 January 2022 and 4 July 2022 for further information.

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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 2022 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 2022 ("2H FY2022") versus 6 months ended 30 June 2021 ("2H FY2021") and 12 months ended 30 June 2022 ("FY2022") versus 12 months ended 30 June 2021 ("FY2021"))

Revenue

The Group's revenue for 2H FY2022 was \$11,303,000, a decrease of \$2,019,000 as compared to \$13,322,000 in 2H FY2021. This was mainly due to the partial lock down in China to curb the spread of COVID-19 since March 2022.

On the year-on-year basis, the Group achieved a revenue of \$24,266,000 in FY2022, an increase of \$4,865,000 as compared to \$19,401,000 achieved in FY2021 as the Group continues to expand its technology business during FY2022.

Other income

Other income increased by \$76,000 from \$70,000 in 2H FY2021 to \$146,000 in 2H FY2022. The increase was mainly due to foreign currency exchange gain as USD strengthen against SGD in 2H FY2022 and partially offset by reduced receipt of government grants.

On the year-on-year basis, there was a decrease of \$155,000, or 37.7% from \$411,000 in FY2021 to \$256,000 in FY2022. This was mainly due to the absence of government grant on Job Support Scheme, the gain on disposal of club membership and lease modification arising from early termination of an operating lease in FY2022. The decrease was, however, partially offset by gain on foreign currency exchange as explained above.

Costs and expenses

2H FY2022

The decrease in cost of inventories and subcontractor expenses was in line with the decrease in revenue for 2H FY2022.

Other costs and expenses for 2H FY2022 was \$1,572,000, a reduction of \$303,000 or 16.2% as compared to \$1,875,000 in 2H FY2021. This was mainly attributable to lower staff costs of \$1,046,000 in 2H FY2022 against \$1,392,000 in 2H FY2021, which was resulted from reduced headcounts and lower share option expenses. The decrease was, however partially offset by the higher computer running costs and the research and development expenses as the Group further enhanced its asset protection solutions and customers' portal in 2H FY2022.

Finance cost for 2H FY2022 was \$11,000, a decrease of \$8,000, against \$19,000 in 2H FY2021, attributed mainly from repayment of hire purchase loan and lower interest on lease liabilities.

FY2022

The increase in cost of inventories and subcontractor expenses was in line with the increase in revenue for FY2022.

On the year-on-year basis, other costs and expenses for FY2022 decreased by \$1,383,000 or 29.4% from \$4,698,000 in FY2021 to \$3,315,000 in FY2022. The decrease was mainly due to (i) lower staff costs from reduced headcounts and lower share option expenses as the Group has expensed-off most of share options issued in the earlier years; (ii) lower depreciation charges from lower right-of-use assets and the disposal of a motor vehicle in FY2022; and (iii) the absence of loss on foreign currency exchange losses of \$114,000 in FY2022.

Finance cost for FY2022 was \$28,000, a decrease of \$15,000, against \$43,000 in FY2021 driven by the same factors as explained above.

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

Share of results of an associate

Share of losses from DLL in 2H FY2022 and FY2022 was \$375,000. DLL is a new startup company that was incorporated on 29 November 2021.

(B) Statements of Financial Position

Total assets

Total assets of the Group decreased by \$2,162,000, or 27.9% from \$7,759,000 as at the end of FY2021 to \$5,597,000 as at the end of FY2022.

Current assets decreased by \$2,651,000 or 37.1% from \$7,138,000 as at the end of FY2021 to \$4,487,000 as at the end of FY2022, mainly attributed to:

- i) Lower trade and other receivables by \$536,000 despite increased sales revenue as the Group stepped up its collection effort.
- ii) Lower cash and bank balances by \$2,062,000. Refer to explanation in "2(C) Cash Flows" below.

Non-current assets increased by \$492,000 from \$627,000 as at the end of FY2021 to \$1,110,000 as at the end of FY2022 derived mainly from the investment of \$1,002,000 in an associate company, DLL, with net of share of losses of \$375,000 for FY2022. The increase was however, partially offset by the decrease in property, plant and equipment from the lower right-of-use assets and the disposal of a motor vehicle with a gain on disposal of \$92,000 in FY2022.

Total liabilities

Total liabilities of the Group decreased by \$484,000, or 32.2% from \$1,505,000 as at the end of FY2021 to \$1,021,000 as at the end of FY2022 arising mainly from the repayment of hire purchase loan and payment of lease liabilities.

(C) Cash Flows

Cash and cash equivalents decreased by \$2,062,000 or 40.3% in FY2022 as compared to FY2021 attributed mainly to the investment in DLL and the payment of operating expenses.

Net cash used in operating activities was \$729,000, attributed to (i) operating cash outflow before movements in working capital of \$1,201,000; (ii) net positive working capital movement of \$341,000; and (iii) net currency translation gain of \$131,000. Net cash used in investing and financing activities was \$1,068,000 and \$185,000 respectively, arising mainly from investment in DLL and repayment of lease liabilities including interest of \$28,000, partially offset by proceeds from exercise of share options.

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 achieved a record revenue of \$24,266,000 in FY2022, an increase of 25.1%, or \$4,865,000 as compared to \$19,401,000 in FY2021. The onboarding process of new retailers in the US continues to remain slow as the COVID-19 situation continues to pose uncertainty in the retail environment in the US despite COVID-19 entering an endemic stage.

The Group will continue to maintain its focus on the technology related business opportunities and continue its research effort to further enhance its asset protection solution to cater for a wider range of retailer needs, while diversifying into the healthcare industry, leveraging on the Group's intellectual property, through its associated company, DLL. DLL had signed a tri-party licensing agreement with the National University of Singapore and Singapore Health Services Pte. Ltd. on 8 December 2021 for the use of their new saliva-based COVID-19 antigen rapid test ("ART") technology. DLL will

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

continue to focus on the clinical validation study for its ART kit, known as PASPORT™ (Parallel Amplified Saliva rapid POint-of-caRe Test) GOLD, in the next 12 months and the applications for relevant regulatory approvals.

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 all interested person transactions during the FY2022 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	159	-
Mr. Chng Weng Wah		
Royalty paid	-	42

* 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 (in the format set out in Appendix 7H) 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	58
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 2022