

DISA LIMITED

(Registration No. 197501110N)

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

Group

	Note	2H FY2023 30-Jun-23 \$'000	2H FY2022 30-Jun-22 \$'000	Increase/ (Decrease) %	FY2023 30-Jun-23 \$'000	FY2022 30-Jun-22 \$'000	Increase/ (Decrease) %
Revenue	4	3,627	11,303	(67.9)	10,917	24,266	(55.0)
Other income							
- Interest		21	2	N.M.	30	5	N.M.
- Others		35	144	(75.7)	905	251	N.M.
Total revenue		<u>3,683</u>	<u>11,449</u>	(67.8)	<u>11,852</u>	<u>24,522</u>	(51.7)
Expenses							
Cost of inventories		(3,269)	(10,418)	(68.6)	(10,175)	(22,738)	(55.3)
Subcontractor expenses		(17)	(16)	6.3	(27)	(38)	(28.9)
Depreciation expenses		(140)	(149)	(6.0)	(284)	(309)	(8.1)
Staff costs		(955)	(1,046)	(8.7)	(1,900)	(2,223)	(14.5)
Legal and professional expenses		(117)	(133)	(12.0)	(215)	(243)	(11.5)
Other expenses		(318)	(244)	30.3	(654)	(540)	21.1
Finance costs		(10)	(11)	(9.1)	(17)	(28)	(39.3)
Total expenses		<u>(4,826)</u>	<u>(12,017)</u>	(59.8)	<u>(13,272)</u>	<u>(26,119)</u>	(49.2)
Share of results of an associate		(204)	(375)	(45.6)	(439)	(375)	17.1
Loss before tax	7	(1,347)	(943)	42.8	(1,859)	(1,972)	(5.7)
Tax credit/(expense)		1	(30)	N.M.	-*	(30)	N.M.
Loss for the financial period/year		<u>(1,346)</u>	<u>(973)</u>	38.3	<u>(1,859)</u>	<u>(2,002)</u>	(7.1)
Other comprehensive income/(loss):							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising on consolidation		3	2	50.0	(26)	5	N.M.
Total comprehensive loss for the financial period/year		<u>(1,343)</u>	<u>(971)</u>	38.3	<u>(1,885)</u>	<u>(1,997)</u>	(5.6)
Loss attributable to:							
Equity holders of the Company		(1,346)	(973)	38.3	(1,859)	(1,998)	(7.0)
Non-controlling interests		-	-	N.M.	-	(4)	N.M.
Loss for the financial period/year		<u>(1,346)</u>	<u>(973)</u>	38.3	<u>(1,859)</u>	<u>(2,002)</u>	(7.1)
Total comprehensive loss attributable to:							
Equity holders of the Company		(1,343)	(971)	38.3	(1,885)	(1,993)	(5.4)
Non-controlling interests		-	-	N.M.	-	(4)	N.M.
Total comprehensive loss for the financial period/year		<u>(1,343)</u>	<u>(971)</u>	38.3	<u>(1,885)</u>	<u>(1,997)</u>	(5.6)
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>(0.02)</u>	

* Amount below \$1,000

N.M. – not meaningful

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

	Note	Group		Company	
		As at 30 Jun 2023 \$'000	As at 30 Jun 2022 \$'000	As at 30 Jun 2023 \$'000	As at 30 Jun 2022 \$'000
Non-current assets					
Property, plant and equipment	13	574	483	169	247
Intangible assets	12	-	-	-	-
Investment in subsidiaries		-	-	-	-
Investment in associate		1,010	627	-	-
Financial assets at fair value through other comprehensive income	11	-	-	-	-
Total non-current assets		1,584	1,110	169	247
Current assets					
Inventories		14	65	-	-
Trade and other receivables		813	1,373	7	895
Cash and cash equivalents		1,667	3,049	390	927
Total current assets		2,494	4,487	397	1,822
Total assets		4,078	5,597	566	2,069
Non-current liabilities					
Borrowings	14	235	66	26	41
Total non-current liabilities		235	66	26	41
Current liabilities					
Trade and other payables		236	105	78	40
Contract liabilities		29	46	-	-
Accruals		527	588	299	361
Borrowings	14	179	186	15	14
Provision for income tax		-	30	-	-
Total current liabilities		971	955	392	415
Total liabilities		1,206	1,021	418	456
Net assets		2,872	4,576	148	1,613
Equity					
Share capital	15	58,884	58,884	58,884	58,884
Other reserves		5,458	5,303	5,627	5,446
Accumulated losses		(61,470)	(59,611)	(64,363)	(62,717)
Total equity		2,872	4,576	148	1,613

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
FY2023									
Balance as at 1 July 2022	58,884	7	5,205	241	(150)	(59,611)	4,576	-	4,576
Loss for the financial year	-	-	-	-	-	(1,859)	(1,859)	-	(1,859)
Other comprehensive loss									
Currency translation differences arising on consolidation	-	(26)	-	-	-	-	(26)	-	(26)
Total comprehensive loss for the financial year	-	(26)	-	-	-	(1,859)	(1,885)	-	(1,885)
Employee share option scheme	-	-	181	-	-	-	181	-	181
Balance as at 30 June 2023	58,884	(19)	5,386	241	(150)	(61,470)	2,872	-	2,872
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 income									
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 scheme	-	-	183	-	-	-	183	-	183
Employee share option exercised	204	-	(68)	-	-	-	136	-	136
Balance as at 30 June 2022	58,884	7	5,205	241	(150)	(59,611)	4,576	-	4,576

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

FY2023	Note	Share capital \$'000	Share option reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance as at 1 July 2022	15	58,884	5,205	241	(62,717)	1,613
Loss and total comprehensive loss for the financial year		-	-	-	(1,646)	(1,646)
Employee share option scheme		-	181	-	-	181
Balance as at 30 June 2023		58,884	5,386	241	(64,363)	148
FY2022						
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 scheme		-	183	-	-	183
Employee share option exercised		204	(68)	-	-	136
Balance as at 30 June 2022		58,884	5,205	241	(62,717)	1,613

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

	Note	FY2023 \$'000	FY2022 \$'000
Cash flows from operating activities			
Loss before tax		(1,859)	(1,972)
Adjustments for:			
Depreciation of property, plant and equipment		284	309
Employee share-based payment expenses		181	183
Gain on lease modifications		-	(3)
Interest expenses		17	28
Interest income		(30)	(5)
Share of results of an associate		439	375
Gain on dilution of interest in associated company		(822)	-
Gain on disposal of property, plant and equipment		-	(92)
Gain on loss in control over subsidiary		-	(24)
Operating cash flows before movements in working capital		(1,790)	(1,201)
Income tax paid		(30)	-
Inventories		51	53
Trade and other receivables		525	462
Trade and other payables		95	(150)
Contract liabilities		(17)	(23)
Currency translation adjustments		55	131
Net cash used in operating activities		(1,111)	(728)
Cash flows from investing activities			
Interest received		28	5
Purchase of property, plant and equipment		-	(224)
Proceeds from disposal of property, plant and equipment		-	147
Investment in an associate		-	(1,000)
Disposal of a subsidiary, net of cash disposed of		-	3
Net cash generated from/(used in) investing activities		28	(1,069)
Cash flows from financing activities			
Interest paid		(17)	(28)
Proceeds from exercise of share options		-	136
Repayment of lease liabilities		(206)	(293)
Net cash used in financing activities		(223)	(185)
Net decrease in cash and cash equivalents		(1,306)	(1,982)
Cash and cash equivalents at beginning of the financial year		3,049	5,111
Effects of exchange rate changes on cash and cash equivalents		(76)	(80)
Cash and cash equivalents at end of the financial year		1,667	3,049

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 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 year ended 30 June 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 2022.

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 2022.

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 FY2023 \$'000	2H FY2022 \$'000	FY2023 \$'000	FY2022 \$'000
Sales of goods	3,568	11,239	10,798	24,202
Service income	59	64	119	64
	<u>3,627</u>	<u>11,303</u>	<u>10,917</u>	<u>24,266</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	
	2H FY2023 \$'000	2H FY2022 \$'000	2H FY2023 \$'000	2H FY2022 \$'000	2H FY2023 \$'000	2H FY2022 \$'000
Primary geographical market						
Singapore	1,012	4,577	59	64	1,071	4,641
United States	184	207	-	-	184	207
Hong Kong	2,275	6,354	-	-	2,275	6,354
People's Republic of China	97	101	-	-	97	101
	<u>3,568</u>	<u>11,239</u>	<u>59</u>	<u>64</u>	<u>3,627</u>	<u>11,303</u>

Timing of revenue recognition

At a point in time	3,568	11,239	59	64	3,627	11,303
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	Sales of goods		Service income		Total	
	FY2023 \$'000	FY2022 \$'000	FY2023 \$'000	FY2022 \$'000	FY2023 \$'000	FY2022 \$'000
Primary geographical market						
Singapore	3,572	4,722	119	64	3,691	4,786
United States	298	444	-	-	298	444
Hong Kong	6,692	18,847	-	-	6,692	18,847
People's Republic of China	236	189	-	-	236	189
	<u>10,798</u>	<u>24,202</u>	<u>119</u>	<u>64</u>	<u>10,917</u>	<u>24,266</u>

Timing of revenue recognition

At a point in time	10,798	24,202	119	64	10,917	24,266
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Breakdown of revenue as follows:

	FY2023 \$'000	FY2022 \$'000	Increase/ (Decrease) %
Revenue reported for first half year	7,290	12,963	(43.8)
Loss after tax but before deducting non-controlling interests reported for first half year	(513)	(1,029)	(50.1)
Revenue reported for second half year	3,627	11,303	(67.9)
Loss after tax but before deducting non-controlling interests reported for second half year	(1,346)	(973)	38.3

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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 FY2023	2H FY2022	2H FY2023	2H FY2022	2H FY2023	2H FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:						
Sales to external customers, representing total revenue	3,627	11,303	-	-	3,627	11,303
Segment results, net of tax	(547)	(80)	(799)	(893)	(1,346)	(973)
- Interest expense	(9)	(10)	(1)	(1)	(10)	(11)
- Depreciation and amortisation	(101)	(110)	(39)	(39)	(140)	(149)
Other significant non-cash expenses:						
- Share-based payment expenses	-	-	(119)	(155)	(119)	(155)
Segment assets	3,512	4,416	566	1,181	4,078	5,597
Additions to non-current assets	389	-	-	-	389	-
Segment liabilities	(825)	(565)	(381)	(456)	(1,206)	(1,021)

	<u>Technology</u>		<u>Investment holding</u>		<u>Total</u>	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:						
Sales to external customers, representing total revenue	10,917	24,266	-	-	10,917	24,266
Segment results, net of tax	(227)	(382)	(1,632)	(1,620)	(1,859)	(2,002)
- Interest expense	(15)	(25)	(2)	(3)	(17)	(28)
- Depreciation and amortisation	(206)	(222)	(78)	(87)	(284)	(309)
Other significant non-cash expenses:						
- Gain on dilution of interest in associated company	822	-	-	-	822	-
- Gain on loss in control over subsidiary	-	24	-	-	-	24
- Share-based payment expenses	-	-	(181)	(183)	(181)	(183)
Segment assets	3,512	4,416	566	1,181	4,078	5,597
Additions to non-current assets	389	3	-	221	389	224
Segment liabilities	(825)	(565)	(381)	(456)	(1,206)	(1,021)

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 2023 and 30 June 2022.

	Group		Company	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Trade and other receivables	747	1,306	1	889
Cash and cash equivalents	1,667	3,049	390	927
	2,414	4,355	391	1,816

	Group		Company	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities				
Trade and other payables	212	100	78	40
Accruals	423	414	212	203
Borrowings	414	252	41	59
	1,049	766	331	302

7. Loss before tax

	Group			
	2H FY2023	2H FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Loss before tax is arrived at after charging/(crediting):				
Audit fees paid to:				
- auditors of the Company	30	44	66	66
- other auditors	2	2	2	6
Directors' fee	70	70	139	139
Gain on dilution of interest in associated company	-	-	(822)	-
Gain on loss in control over subsidiary	-	(24)	-	(24)
Gain on disposal of property, plant and equipment	-	-	-	(92)
Research and development expense	106	48	172	121
Foreign currency exchange (gain)/loss, net	(15)	(106)	61	(100)
Upkeep of computer	46	61	99	119

No non-audit fees were paid to the auditors of the Company for FY2023 and FY2022 and \$1,000 (FY2022: \$2,000) 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 FY2023	2H FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Transactions with related parties				
An associate				
Sales of goods and/or services	149	119	240	119
Other related party				
Rental paid - leasehold properties	73	79	148	159
With a director of the Company				
Royalties for use of patent	17	20	27	42

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

	Group			
	2H FY2023	2H FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Salaries and bonuses	610	612	1,216	1,343
Employer's contribution to defined contribution plans	20	22	43	55
Fees and other benefits	70	70	139	139
Share-based payments	29	136	146	364
	729	840	1,544	1,901

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	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Net asset value per ordinary share (cents per share)	0.028	0.045	0.001	0.016

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	
	30 Jun 2023 \$'000	30 Jun 2022 \$'000
<i>Financial asset designated at FVOCI</i>	-	-

12. Intangible assets

	Group		
	Core technology \$'000	Development costs \$'000	Total \$'000
Cost			
Balance as at 1 July 2021, 30 June 2022 and 30 June 2023	31,624	609	32,233
Accumulated amortisation and impairment losses			
Balance as at 1 July 2021, 30 June 2022 and 30 June 2023	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 2022 and 30 June 2023	-	-	-

Core technology and development costs

The intangible assets are in respect of core technology (including asset protection technology) and development costs 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 2022 and 30 June 2023, 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
2023					
Cost					
Balance at 1 July 2022	33	58	441	455	987
Additions	-	-	-	389	389
Written off	-	(9)	-	(288)	(297)
Currency translation differences	-*	-*	-	(30)	(30)
Balance at 30 June 2023	33	49	441	526	1,049
Accumulated depreciation					
Balance at 1 July 2022	31	52	153	268	504
Depreciation charge	2	3	88	191	284
Written off	-	(9)	-	(288)	(297)
Currency translation differences	(1)	1	-	(16)	(16)
Balance at 30 June 2023	32	47	241	155	475
Net carrying value					
Balance at 30 June 2023	1	2	200	371	574

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)	(4)	(400)	-	(423)
Written off	-*	(4)	-	-	(4)
Currency translation differences	-*	-*	-	(1)	(1)
Balance at 30 June 2022	33	58	441	455	987
Accumulated depreciation					
Balance at 1 July 2021	27	59	415	69	570
Depreciation charge	7	2	98	202	309
Disposals	(3)	(5)	(360)	-	(368)
Written off	-*	(4)	-	-	(4)
Currency translation differences	-*	-*	-	(3)	(3)
Balance at 30 June 2022	31	52	153	268	504
Net carrying value					
Balance at 30 June 2022	2	6	288	187	483

* 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 2023 \$'000	30 Jun 2022 \$'000	30 Jun 2023 \$'000	30 Jun 2022 \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	15	14	15	14
Unsecured	164	172	-	-
	<u>179</u>	<u>186</u>	<u>15</u>	<u>14</u>
<u>Amount repayable after one year</u>				
Secured	26	41	26	41
Unsecured	209	25	-	-
	<u>235</u>	<u>66</u>	<u>26</u>	<u>41</u>

Secured borrowings are secured over the lease of motor vehicles.

15. Share Capital

	Group and Company			
	FY2023		FY2022	
	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	10,106,683	58,884	10,038,683	58,680
Issue of ordinary shares by virtue of exercise of share options	-	-	68,000	136
Transfer from share options reserve	-	-	-	68
Balance at 30 June	<u>10,106,683</u>	<u>58,884</u>	<u>10,106,683</u>	<u>58,884</u>

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

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 30 June 2022.

Weighted average number of ordinary shares and adjusted weighted average number of ordinary shares in issue for diluted earnings per share for 2H FY2023 was 10,106,683,403 (2H FY2022: 10,106,683,403) and 10,287,994,163 (2H FY2022: 10,452,616,915) respectively. Weighted average number of ordinary shares and adjusted weighted average number of ordinary shares in issue for diluted earnings per share for FY2023 was 10,106,683,403 (FY2022: 10,094,201,211) and 10,316,867,387 (FY2022: 10,270,207,315) respectively.

DISA LIMITED*(Company Registration No. 197501110N)***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 FY2023	2H FY2022	FY2023	FY2022
Beginning of the period/year	1,155,500,000	1,172,500,000	1,167,500,000	1,292,500,000
Less: Options exercised	-	-	-	(68,000,000)
Less: Options forfeited	-	(5,000,000)	(12,000,000)	(57,000,000)
End of the period/year	1,155,500,000	1,167,500,000	1,155,500,000	1,167,500,000

DISA ESOS 2021	Company			
	2H FY2023	2H FY2022	FY2023	FY2022
Beginning of the period/year	187,500,000	210,500,000	189,500,000	-
Add: Options granted	-	10,000,000	-	220,500,000
Less: Options forfeited	-	(31,000,000)	(2,000,000)	(31,000,000)
End of the period/year	187,500,000	189,500,000	187,500,000	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 2023 and 30 June 2022.

16. Subsequent events

Digital Life Line Pte. Ltd. (“DLL”), an associated company of DiSa Digital Safety Pte. Ltd. (“DiSa”) has, on 21 August 2023, issued 2,900,195 ordinary shares to NUS Technology Holdings Pte. Ltd., a designated nominee of National University of Singapore under amended agreement for the use of the Licensed Intellectual Property. Please refer to the Company’s announcement dated 8 December 2021 for more details on the licensing agreement. Following the completion of the said issuance of ordinary shares, DiSa holds 36.9% of the total paid-up share capital of DLL.

DISA LIMITED

(Company Registration No. 197501110N)

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 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-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 2023 (“2H FY2023”) versus 6 months ended 30 June 2022 (“2H FY2022”) and 12 months ended 30 June 2023 (“FY2023”) versus 12 months ended 30 June 2022 (“FY2022”).

Revenue

The Group’s revenue for 2H FY2023 was \$3,627,000, a decrease of \$7,676,000 as compared to \$11,303,000 in 2H FY2022. This was mainly due to the partial lock down in China to curb the spread of COVID-19 for nearly a year from March 2022.

On the year-on-year basis, the Group achieved a revenue of \$10,917,000 in FY2023, a decrease of \$13,349,000 as compared to \$24,266,000 achieved in FY2022 due to the same factor as mentioned above.

Other income

Other income decreased by \$90,000 from \$146,000 in 2H FY2022 to \$56,000 in 2H FY2023. The decrease was mainly due to the lower government grant income, the absence of gain on loss in control over Digital Life Line Pte. Ltd. (“DLL”), of \$24,000 and the decrease in foreign currency exchange gain of \$94,000 as compared to 2H FY2022. The decrease was, however, offset by the higher rental income and the higher interest earned from placement of fixed deposits with the banks.

On the year-on-year basis, there was an increase of \$679,000 from \$256,000 in FY2022 to \$935,000 in FY2023. The increase was derived mainly from the gain on dilution of interest in associated company, DLL, of \$822,000, higher rental and interest income of \$90,000 in FY2023 as compared to \$20,000 in FY2022. The increase was, however, partially offset by the absence of a gain on disposal of motor vehicle of \$92,000, gain on loss in control over DLL of \$24,000 and the foreign currency exchange gain of \$100,000 as compared to FY2022.

Costs and expenses

2H FY2023

The decrease in cost of inventories and subcontractor expenses was in line with the decrease in revenue for 2H FY2023.

Other costs and expenses for 2H FY2023 was \$1,530,000, a reduction of \$42,000 or 2.7% as compared to \$1,572,000 in 2H FY2022. This was mainly attributable to lower staff costs of \$955,000 in 2H FY2023 against \$1,046,000 in 2H FY2022, which was resulted from reduced headcount as the Group outsourced its IT function during the period from April 2022 to January 2023. The decrease was partially offset by the higher cost accrued for conducting physical annual general meeting for FY2023 as well as higher research and development expenses as the Group continues its effort to enhance its asset protection solutions in 2H FY2023.

FY2023

The decrease in cost of inventories and subcontractor expenses was in line with the decrease in revenue for FY2023.

On the year-on-year basis, other costs and expenses for FY2023 decreased by \$262,000 or 7.9% from \$3,315,000 in FY2022 to \$3,053,000 in FY2023, attributed to the same factors as explained above.

DISA LIMITED

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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 decreased by \$171,000 from \$375,000 in 2H FY2022 to \$204,000 in 2H FY2023, deriving mainly from higher research and development costs in 2H FY2022.

Share of losses from DLL increased by \$64,000 from \$375,000 in FY2022 to \$439,000 in FY2023.

(B) Statements of Financial Position

Total assets

Total assets of the Group decreased by \$1,519,000 or 27.1% from \$5,597,000 as at the end of FY2022 to \$4,078,000 as at the end of FY2023.

Current assets decreased by \$1,993,000 or 44.4% from \$4,487,000 as at the end of FY2022 to \$2,494,000 as at the end of FY2023, mainly attributed to:

- i) Lower inventories by \$51,000;
- ii) Lower trade and other receivables by \$560,000 which was in line with the decrease in revenue for FY2023; and
- iii) Lower cash and bank balances by \$1,382,000. Refer to explanation in "2(C) Cash Flows" below.

Non-current assets increased by \$474,000 or 42.7% from \$1,110,000 as at the end of FY2022 to \$1,584,000 as at the end of FY2023 derived mainly from the increase in:

- (i) the cost of investment by \$383,000 in associated company, DLL, deriving from the gain on dilution of interest of \$822,000, offset by the share of losses of \$439,000 for FY2023; and
- (ii) right-of-use assets from renewal of tenancy agreement for Disa Digital Safety (Shenzhen) Limited office.

Total liabilities

Total liabilities of the Group increased by \$185,000 or 18.1% from \$1,021,000 as at the end of FY2022 to \$1,206,000 as at the end of FY2023 arising mainly from the increase in the trade and other payables and the increase in the lease liabilities from renewal of tenancy agreement as explained above.

(C) Cash Flows

Cash and cash equivalents decreased by \$1,382,000 or 45.3% in FY2023 as compared to FY2022 attributed mainly to the payment of operating expenses.

Net cash used in operating activities was \$1,111,000, attributed to (i) operating cash outflow before movements in working capital of \$1,790,000; (ii) net positive working capital movement of \$654,000; (iii) income tax paid of \$30,000; and (iv) net currency translation loss of \$55,000. Net cash generated from investing activities was \$28,000, deriving mainly from the interest received from placement of fixed deposits with the banks. The net cash used in financing activities was \$223,000, arising from repayment of lease liabilities and 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 achieved a sales revenue of \$10,917,000 in FY2023, a reduction of 55.0% or \$13,349,000 as compared to \$24,266,000 in FY2022. The onboarding process of new retailers and brand owners in the US remains challenging as the global economy continues to be fraught with uncertainties. Nevertheless, the Group will continue to focus on increasing the number of DiSa-Enabled product category in the next 12 months.

DISA LIMITED

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

According to the National Retail Federation's 2022 Retail Security Survey, inventory loss is a nearly US\$100 billion problem every year for the retail industry in the United States of America¹. To seize this business opportunity, the Group has, within a period of 4 months, developed remote lockable and unlockable smart shelf ("DiSa Smart Shelf") and smart case ("DiSa Smart Case") that aim to deter "Rob-and-Run" theft. In addition to showcasing the Disa Smart Case at the American Petroleum and Convenience Store Association (APCA) Trade Show in April 2023, the Group will do a live demo of DiSa Smart Case to retailers at the Loss Prevention Research Council (LPRC) Impact Conference in Florida, USA in October 2023.

DiSa Smart Shelf provides a full placement capability of a 4-foot section of retail shelf space while remotely protecting high value items and removing the danger and time of directly engaging employees of the retailers with consumers or thieves. DiSa Smart Case is a retail-ready remote lockable and unlockable retail case. The smaller 2-foot size allows the case to be easily assembled, moved, and placed in the store to protect valuable items anywhere in the store.

DLL has signed a tri-party licensing agreement with the National University Hospital ("NUH") and National University of Singapore ("NUS") on 19 June 2023 to commercialize the Automated Visual Acuity Test device ("AVAT"), which measures eyes' ability to distinguish shapes at a distance and Smart, User-friendly Portable Reliable Automated perimetry device ("SUPRA"), which tests visual fields. DLL has been working closely with NUH and NUS since then to develop AVAT, the development of which has been completed in the 3rd week of August 2023. In addition, DLL has successfully received Class A Medical Device Registration from Health Science Authority of Singapore on 23 August 2023 and is planning a pilot clinical deployment in a public hospital ophthalmology clinic in September 2023.

The Group will continue to maintain its focus on technology-related business opportunities as the retail industry continues to grow.

¹ <https://nrf.com/research/national-retail-security-survey-2022#:~:text=This%20year%E2%80%99s%20report%20found%20that%20retail%20shrink%20is,Research%20Council%20and%20is%20sponsored%20by%20Appriss%20Retail.>

2022#:~:text=This%20year%E2%80%99s%20report%20found%20that%20retail%20shrink%20is,Research%20Council%20and%20is%20sponsored%20by%20Appriss%20Retail.

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

DISA LIMITED*(Company Registration No. 197501110N)***Other information required by Catalist Rule Appendix 7C** *(cont'd)***6. Interested person transactions**

The aggregate value of all interested person transactions during the FY2023 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	148	-
Digital Life Line Pte. Ltd. ("DLL")**		
Technical support fee	119	-

* Wholly-owned by Mr. Chng Weng Wah (Managing Director and Chief Executive Officer) as at 30 June 2023.

** Mr. Chng Weng Wah (Managing Director and Chief Executive Officer) has 7.11% equity interest in DLL as at 30 June 2023.

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	59
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

9. Additional information required pursuant to Rule 706A of the Catalist Rules

There was no acquisition or sale of shares in any of the Group's subsidiary or associated company nor incorporation or winding up or striking off of any subsidiary or associated company by the Company or any of the Group's entities during 2H FY2023.

BY ORDER OF THE BOARD
CHNG WENG WAH
Managing Director and Chief Executive Officer
25 August 2023