DiSa

BUILDING ON
Our Strength

Annual Report **2022**

Content

All figures in this annual report are in Singapore dollars unless otherwise indicated.

This annual report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinion made or reports contained in this annual report.

The contact person for the Company's Sponsor is Mr. Ong Hwee Li (Registered Professional, SAC Capital Private Limited). Address: 1 Robinson Road, #21-00 AIA Tower, Singapore 048542. Tel : +65 6232 3210

Corporate Structure

As at 30 June 2022

Corporate Profile

DISA LIMITED

DISA LIMITED ("**DISA**", and together with its subsidiaries, the "**Group**"), is an investment holding company listed on the SGX Catalist since 1992.

The Group is focusing on high-value services with long term economic resilience through globalisation initiatives.

The primary businesses of the Group will be to strengthen the Group's reliability and sustainability by way of leveraging in-house eco system research and development capability to innovate new product development with cloud-based platforms and digitalisation of product and services.

Advancing towards disruptive technology will be actively pursued in all industry segments as the Group continues to evolve its competitive edge to thrive in the digital era.

The Group has been continuously reviewing its businesses to focus on high-value services with long term potential while divesting non-core segments to complement its growth.

TECHNOLOGY

Disa Digital Safety Pte. Ltd. ("**DDSPL**") is a wholly owned subsidiary of DISA that specializes in research and development of cutting-edge security solution. DDSPL was one of the winners of The Peak Tech Laureates 2020. The Peak Tech Laureates seeks to honour technology partners who empower corporations with their most innovative and compelling services and solutions.

Disa Digital Safety (USA), a wholly owned subsidiary of DDSPL was named first place winner for the 2017 (R) Tech Asset Protection: Innovation Award by the Retail Industry Leaders Association, USA for its Point-of-Sale Activation ("**PoSA Smart Lock**") technology on 24 April 2017. PoSA Smart Lock is the world's first digital asset-protection solution that removes the benefit of stealing by making the consumer electronic products non-functional until the point of payment by the consumer at retail stores.

DDSPL launched its Single-Scan Serialization ("**3S Smart Barcode**") to prevent return fraud within the same retailer in 2017.

3S Smart Barcode, effectively stops invalid returns, offers product visibility with real-time analytics from Product ID Live, and provides more accurate inventory calculations by rejecting invalid returns and giving more precise store and item sales and returns data. DDSPL and Apriss Retail, an industry leader in retail performance improvement solutions are partnering on product serialization to assist retailers in fighting return fraud and abuse.

Corporate Profile

FreshCounts, combines individual tracking ability of our 3S Smart Barcode with expiration date, batch numbers and manufacturing data to provide unprecedented individual item tracking capabilities. Keeping consumables safer, consumers and retailers more informed and reducing waste. It protects consumers by ensuring freshness of the products by preventing the sales of recalled, returned and expired items to the consumers at point-of-sales.

PRODUCT ID LIVE

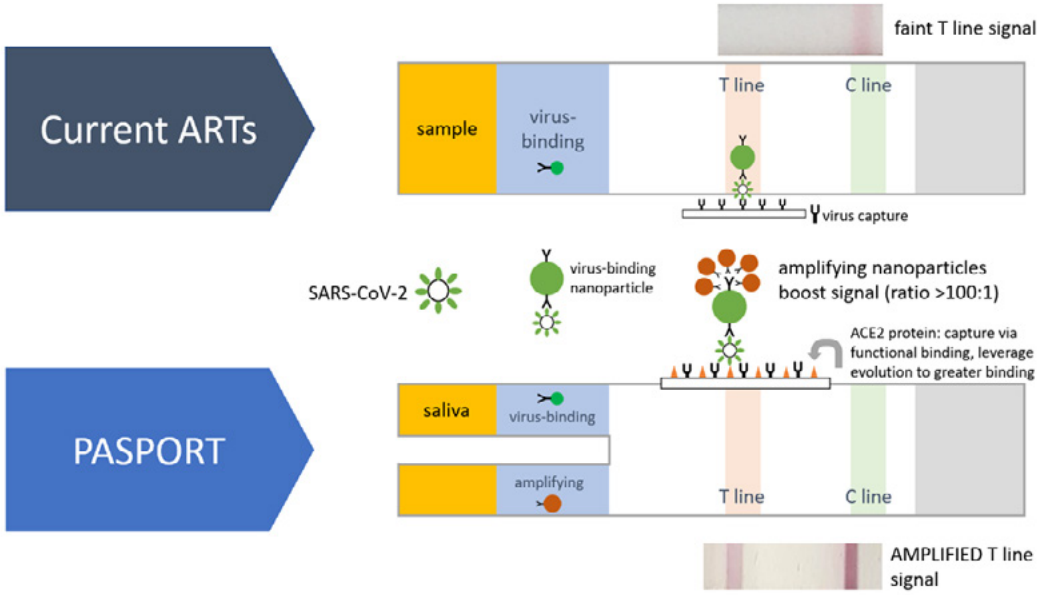
Individual Item Tracking

Product ID Live, the first smart Asset Protection technology tool that proactively combats shrink and eliminates return fraud. Retailers and suppliers receive live 24/7 user access to individual item tracking, predictive algorithms, preventative warning notifications, merchandising tools, shrink and fraud alerts, and live inventory analytics.

HEALTHCARE

Digital Life Line Pte. Ltd. ("**DLL**"), an associate company of DDSPL, is a healthcare digitalization company that aims to transform point-of-care testing by leveraging its proprietary on-kit signal amplification platform to enhance the detection sensitivity of rapid diagnostic kits with nearly comparable sensitivity to gold standard of PCR tests.

The PASPORT™ (Parallel Amplified Saliva rapid POint-of-caRe Test) Gold technology was developed by a team of infectious diseases and engineering professors in Singapore, and has been validated in a clinical study at the Singapore General Hospital.



To complement this technology, DLL has also developed an ecosystem of scalable, serialized diagnostics to facilitate result tracing and reporting. We are focusing on the manufacturing and distribution of reader-free, low-cost signal amplification tools that can be seamlessly adapted to existing and future antigen rapid test (ART) kits for the healthcare industry and at-home testing.

Beyond COVID-19, DLL has developed the signal amplification platform to be easily adapted into existing ARTs to enhance detection sensitivity. Requiring minimal development work and no change to existing manufacturing workflow, this will enable existing ART manufacturers to achieve the same level of superior detection sensitivity in other infectious diseases, cardiac conditions, drug testing, and cancer.

Letter to Shareholders

DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the "**Board**") of DISA Limited ("**DISA**", together with its subsidiaries, the "**Group**"), we are pleased to present to you the annual report of the Group for the financial year ended 30 June 2022 ("**FY2022**").

FY2022 – YEAR IN REVIEW

The Group continues to register an increase in revenue in FY2022. Revenue achieved in FY2022 was $24.3 million, an increase of $4.9 million or 25.1%, from $19.4 million in FY2021 as the Group continues to expand its technology business during FY2022.

The Group's losses for FY2022 narrowed to $1.6 million (excluding share of losses from associate of $0.4 million), a decrease of $1.4 million from $3.0 million (excluding one-off expense of $0.2 million) in FY2021. The reduction in losses was achieved through higher revenue and lower operating expenses as the Group continues its effort to strategically contain its operating expenses while ensuring improved business performance.

The Group continues to make good progress in its effort to increase the list of products adopting our asset protection technology to prevent return fraud in FY2022. The number of DiSa-enabled products continue to increase during FY2022 and accordingly, the number of SKUs has increased from 1,125 as of 30 June 2021 to 2,053 as of 30 June 2022.

The onboarding process of new retailers in the United States continues to remain slow during FY2022 as the COVID-19 situation continues to impose uncertainties in retail environment in the US despite COVID-19 entering an endemic stage. The retailers in the US were monitoring the supply chain disruptions due to the COVID-19 and the Russia-Ukraine war over the past year. They have been stocking up on inventories to keep pace with the demand while coping with the supply chain bottlenecks. However, the soaring inflation in the US, a record high since November 1981, has caused the consumers to have more conservative spending, where they are inclined to buying only the essential goods. This has led to stockpiles and retailers are now cutting down on new orders and slashing prices to get rid of the excessive inventory.

Letter to Shareholders

On 29 November 2021, the Group, through its wholly-owned subsidiary, DiSa Digital Safety Pte. Ltd. ("**DiSa**") incorporated a 93% owned subsidiary company named Digital Life Line Pte. Ltd. ("**DLL**"). DiSa has subsequently, transferred a total of 11% and 42% of the total issued and paid-up capital of DLL to the directors and founders of DLL on 29 December 2021 and 12 January 2022 respectively. After the said transfers, DiSa holds 40% of the total issued and paid-up capital of DLL with effect from 12 January 2022.

On 8 December 2021, DiSa, through its associate company, DLL signed a tri-party licensing agreement with the National University of Singapore ("**NUS**") and Singapore Health Services Pte. Ltd. for the use of their new saliva-based COVID-19 antigen rapid test ("**ART**") technology. This technology was co-developed by inventors from Singapore General Hospital, National Cancer Centre Singapore, Duke-NUS Medical School and NUS.

DLL has also been developing the ART kits known as PASPORT™ (Parallel Amplified Saliva rapid POint-of-caRe Test) GOLD and building the on-kit signal amplification feature into a platform, which can be adapted by the existing ART tests in the market for enhanced sensitivity. The clinical validation study for PASPORT™ GOLD is underway, with ongoing applications for regulatory approvals, in addition to the CE-IVD (In-Vitro Diagnostic) mark under the IVD Directive (98/79/EC) that was obtained on 19 May 2022.

GOING FORWARD

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 through its associated company, DLL.

As in FY2022, DLL will continue to focus on the product development and clinical validation study for its ART kit known as PASPORT™ GOLD in FY2023 and will work towards obtaining relevant regulatory approvals for its ART kits.

SUSTAINABILITY MATTERS

We reaffirm our commitment to sustainability by publishing the sustainability report guided by the Global Reporting Initiative Standards: Core Option. We seek to provide insights into the way we do business, while focusing on our environmental, social, governance and economic performance.

OUR APPRECIATION

On behalf of the Board, we would like to extend our appreciation to the management and staff of the Group for their hard work and contribution during the year. We would also like to express our sincere gratitude to our fellow Directors, shareholders, valued customers and business associates for their unwavering and continuing support.

We look forward to your continued support as we continue to explore and seize new business opportunities and remain committed towards delivering sustainable returns for our shareholders.

TOH HOCK GHIM
Chairman

CHNG WENG WAH
Managing Director and Chief Executive Officer

Board of Directors

TOH HOCK GHIM

- **Non-Executive and Independent Director**
- **Chairman, Board of Directors**
- **Chairman, Remuneration Committee**
- **Member, Audit and Risks Management Committee and Nominating Committee**

First appointed on 11 January 2008
Last re-elected on 28 October 2021

Mr. Toh joined the Ministry of Foreign Affairs in October 1966 and had served in Singapore's diplomatic posts in Malaysia, the Philippines, Thailand, Vietnam and the Hong Kong & Macau Special Administrative Regions ("**SARs**"). He was Ambassador to Vietnam from January 1994 to January 2002 and Consul-General to the Hong Kong and Macau SARs from February 2002 to December 2007. He was appointed as Senior Adviser to the Ministry of Foreign Affairs upon his retirement from the Foreign Service at the end of 2007 till 2014. Mr. Toh obtained his Bachelor of Arts (Political Science) degree from the University of Singapore.

CHNG WENG WAH

- **Managing Director and Chief Executive Officer, Non-Independent**

First appointed on 3 February 2005
Last re-elected on 30 October 2019

Mr. Chng oversees DISA Limited's growth and executes strategies by developing infrastructure, processes and applications through the deployment of new digital solutions. He has been seeking development opportunities proactively to capitalise the benefits of digitalisation.

Prior to joining DISA Limited, Mr. Chng held leadership roles in diverse fields on product research and development, innovation, marketing and sales. He was with Metech International Limited as its Director and Interim/Acting CEO, was an Executive Director of LifeBrandz Ltd. and an Independent Director of AGV Group Limited. Mr. Chng was awarded Asia Europe Entrepreneurs Award at the Berlin Asia Europe Young Entrepreneurs Forum.

LAU KAY HENG

- **Non-Executive and Independent Director**
- **Chairman, Audit and Risks Management Committee**
- **Member, Remuneration Committee and Nominating Committee**

First appointed on 1 September 2011
Last re-elected on 30 October 2019

Mr. Lau has over 20 years of corporate management and corporate advisory experience spanning the Asia Pacific region for various multinational and Singapore-listed companies in the medical, chemical, pharmaceutical, interior floor covering and environmental industries. Mr. Lau is currently an independent Corporate Advisor. Prior to that, he was the Chief Investment Officer of Kitchen Culture Holdings Ltd. and Managing Director of a boutique corporate advisory firm specializing in corporate advisory, private equity, merger & acquisition, IPO transactions in Singapore, China, Korea, Australia and other countries in the region. Mr. Lau was awarded the prestigious Public Service Commission Scholarship and graduated from the National University of Singapore with a Bachelor of Science degree.

Board of Directors

LIM SOON HOCK

- **Non-Executive and Independent Director**
- **Chairman, Nominating Committee**
- **Member, Audit and Risks Management Committee and Remuneration Committee**

First appointed on 11 May 2017
Last re-elected on 30 October 2020

Mr. Lim has more than 30 years of experience as a board member, CEO, technopreneur and private investor, across various highly competitive industries in a global environment.

After stepping down from Compaq Computer Asia Pacific, where he was the first Asian appointed to the position of Vice President and Managing Director for Asia Pacific, he had been involved in taking companies public, M&As and consulting for several global MNCs and promising SMEs.

Mr. Lim is a Board Member and/or Senior Advisor of several public listed and private companies.

He received numerous accolades in recognition of his work and public service including the Supercomputing Asia 2019 – Singapore HPC-Pioneer & Achievement Award, 2014 National Day Public Service Star, 2009 National Day Public Service medal, 2012 President's Award for Volunteerism (Individual), 2016 Outstanding Volunteer Award (Open Category) from State Courts Singapore as a Volunteer Mediator, 2012 IES Outstanding Volunteer Award, 2011 MCYS Outstanding Volunteer Award, 2010 IES-IEEE Joint Medal of Excellence Award, 2010 Honorary Fellow of ASEAN Federation of Engineering Organisations, 2009 NUS Distinguished Alumni Service Award and 1992 NUS Distinguished Engineering Alumni Award.

Mr. Lim is a Fellow of the Institution of Engineers Singapore, Academy of Engineering Singapore, Institution of Engineering & Technology, UK, Singapore Computer Society, Singapore Institute of Directors, Singapore Institute of Arbitrators, and Honorary Fellow of ASEAN Federation of Engineering Organisations.

He is also a Justice of the Peace, a Mediator at our State Courts Singapore, Singapore Mediation Centre and Singapore International Mediation Institute, an Adjunct Professor at the National University of Singapore, author and speaker.

Board of Directors

Information on the Directors' chairmanships and directorships both present and those held over the preceding five years in other listed companies, and other principal commitments are summarised below:

Director	Directorships/ Chairmanships In Other Listed Companies (Present & Held Over Preceding 5 Years)		Other Principal Commitments
	Over preceding 5 years	Present	
TOH HOCK GHIM	• Fourth Link Inc. (listed on KOSDAQ) • AGV Group Limited • Auralite Investments Inc. (listed on TSX Venture Exchange) • FDG Kinetic Limited (listed on SEHK) • Hon Corporation Limited (listed on SEHK)	• AnAn International Limited	None
CHNG WENG WAH	• LifeBrandz Ltd.	None	• Circle Globe Limited • Airvert Technology Pte. Ltd. • ECSX Pte. Ltd. • Jobforesight Pte. Ltd. • FA Systems Automation (S) Pte. Ltd. • FA Systems Automation (Thailand) Company Limited • Tigermar Holdings Pte. Limited • Treasure 8 Pte. Ltd. • Treasure 888 Pte. Ltd.
LAU KAY HENG	• iBosses Corporation Limited (listed on ASX) • Kitchen Culture Holdings Ltd.	• Regal International Group Ltd. • Kitchen Culture Holdings Ltd.	• Ello Fintech Pte. Ltd. • SOEN International Assets Sdn. Bhd. • Platinum Mountain Pte. Ltd. • Westplan Real Estates Sdn. Bhd. • Trizon Global Trading Pte. Ltd. Mr. Lau is also a founder of BlueStar Charity Asia, a Not-for-Profit Charitable Movement
LIM SOON HOCK	None	• China Fishery Group Limited • Heatec Jietong Holdings Ltd.	• Plan-B ICAG Pte. Ltd. • REDA Industrial Materials (Holding) Ltd. • Tru-Marine Pte. Ltd. • REDA Pte. Ltd. • Archer (S) Pte. Ltd. • Verita Healthcare Group Limited • Raffles Girls' Secondary School • Singapore Heart Foundation • Centre for Fathering Limited • Singapore Prison Service, Ministry of Home Affairs • Honour Singapore • National University of Singapore • State Courts Singapore • Singapore Mediation Centre • Singapore International Mediation Institute • Institution of Engineers (Singapore) Fund Ltd. • Mundipharma Singapore Holding Pte. Limited • Registrar of Marriages

Group Key Executives

WONG AH KIOW

Chief Financial Officer

Ms. Wong joined Disa Digital Safety Pte. Ltd. ("**DDSPL**") in August 2010 as financial controller and was appointed to the current position in April 2020. She is a Chartered Accountant of the Institute of Singapore Chartered Accountants. Her main responsibilities include finance, compliance and reporting functions of the Group. She has many years of working experience in the manufacturing industry, both local companies listed in Malaysia and multinational company listed in Singapore. Prior to this, she was an external auditor.

HAN YANG KWANG

Chief Executive Officer of Disa Digital Safety (Shenzhen) Limited

Mr. Han has been engaged in the manufacturing industry for more than 20 years. Mr. Han is responsible for the overall operations of Disa Digital Safety (Shenzhen) Limited, managing the DiSa PoSA integration processes globally as well as overseeing the sales and marketing activities in USA. He started his career with Hewlett Packard and Texas Instruments. Mr. Han holds a Bachelor of Electrical and Electronics Engineering from National University of Singapore.

NG KAY CHOONG

Senior Vice President of Global Solution of DDSPL

Mr. Ng joined DDSPL in March 2017. He is responsible for the integration of the DiSa solution into retail products. He has over 20 years of factory experience with different major production organizations. He holds a Bachelor of Engineering from Nanyang Technological University, Singapore.

JACOB GULBRANSEN

Account Director of Disa Digital Safety (USA)

Mr. Gulbransen has nearly 20 years of retail sales and account management experience calling on major US retailers. Mr. Gulbransen is responsible for the onboarding of the product brand owners in the adoption of the Group's technology into their products. He has extensive experience within the entertainment and electronics categories earning the "Supplier of the Year" award for electronics and the "People" award for putting the customer first.

Corporate Information

BOARD OF DIRECTORS

Independent Non-Executive Chairman
Toh Hock Ghim

Independent Non-Executive Directors
Lau Kay Heng
Lim Soon Hock

Managing Director and Chief Executive Officer
Chng Weng Wah

AUDIT AND RISKS MANAGEMENT COMMITTEE

Lau Kay Heng (Chairman)
Toh Hock Ghim
Lim Soon Hock

NOMINATING COMMITTEE

Lim Soon Hock (Chairman)
Toh Hock Ghim
Lau Kay Heng

REMUNERATION COMMITTEE

Toh Hock Ghim (Chairman)
Lau Kay Heng
Lim Soon Hock

DATE OF INCORPORATION

26 June 1975

LISTING

Listed on 24 March 1992 on Catalist

REGISTERED OFFICE

120 Lower Delta Road
#03-15, Cendex Centre
Singapore 169208
Tel: +65 6255 4905
Website: http://disa.sg

COMPANY SECRETARY

Noraini Binte Noor Mohamed Abdul Latiff

AUDITORS

Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Tel: +65 6336 2828
Fax: +65 6339 0438
Partner-In-Charge: Guo Shuqi
(A member of the Institute of Singapore Chartered Accountants)
(Appointed with effect from financial year ended 30 June 2020)

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712
Tel: +65 6812 1611
Fax: +65 6812 1601

PRINCIPAL LEGAL ADVISER

Bih Li & Lee, Singapore

PRINCIPAL BANKERS

Bank of China Limited, Singapore Branch
China Merchants Bank (Shenzhen), People's Republic of China
First National Bank, USA
The Development Bank of Singapore
United Overseas Bank Limited, Hong Kong Branch
United Overseas Bank Limited, Singapore

Financial Contents

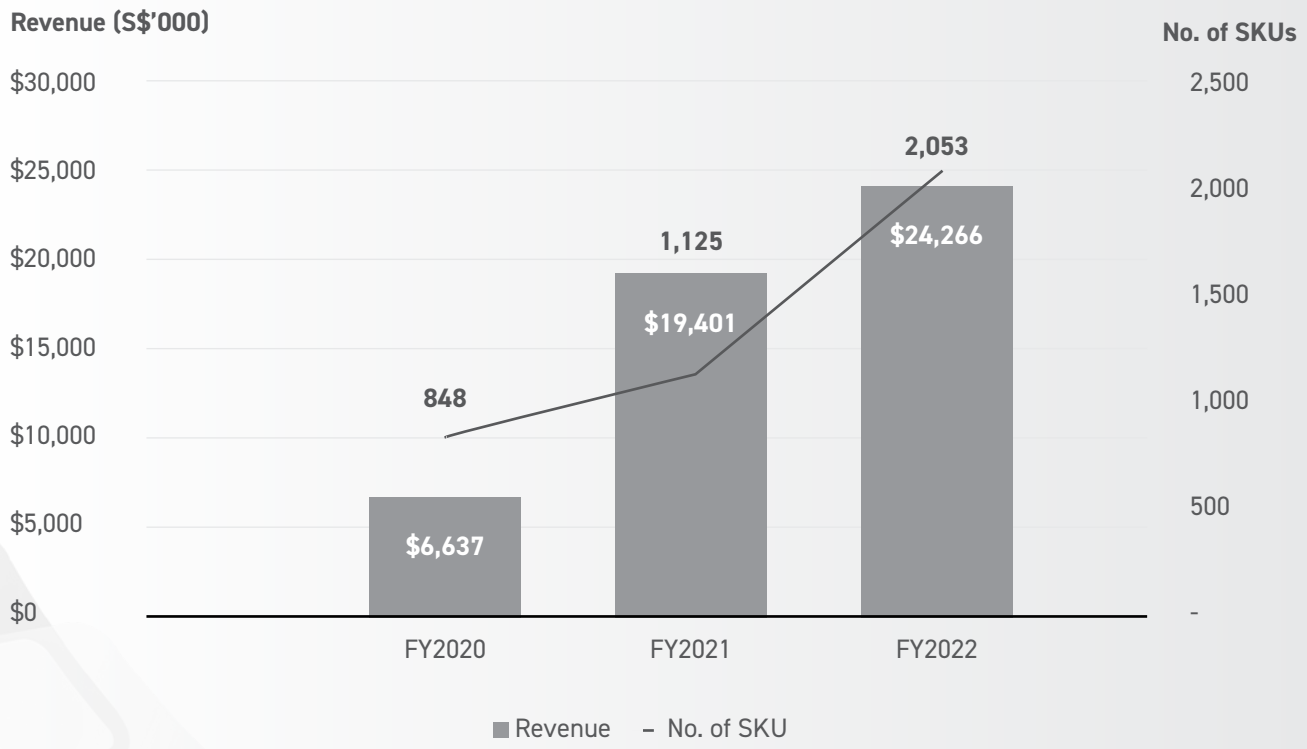
Operating and Financial Review

FINANCIAL PERFORMANCE

Revenue

The Group generated a record revenue of $24,266,000 in FY2022, an increase of 25.1%, or $4,865,000, as compared to $19,401,000 achieved in FY2021 as the Group continues to expand its technology business during FY2022.

The number of DiSa-enabled products continue to expand during FY2022 and accordingly, the number of SKUs has increased from 1,125 as of 30 June 2021 to 2,053 as of 30 June 2022.



* A stock-keeping unit (SKU) is a scannable bar code, most often seen printed on product labels in a retail store. The label allows vendors to automatically track the movement of inventory.

Other income

Other income decreased by $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 the gain on foreign currency exchange as USD strengthen against SGD in FY2022.

Costs and expenses

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

Operating and Financial Review

Other costs and expenses for FY2022, decreased by $1,178,000 or 26.2% from $4,493,000, excluding one-off expenses of $205,000 in FY2021 to $3,315,000. The decrease was attributed 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 attributed mainly from repayment of hire purchase loan and lower interest on lease liabilities.

FINANCIAL POSITION

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, attributed to:

Non-current assets

Non-current assets increased by $489,000 from $621,000 as at the end of FY2021 to $1,110,000 as at the end of FY2022 derived mainly from investment of $1,002,000 in an associate company, Digital Life Line Pte. Ltd. ("**DLL**"), 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.

Current assets

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 section titled "CASH FLOWS" below.

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

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 $728,000, attributed to:

(i) operating cash outflow before movements in working capital of $1,201,000;
(ii) net positive working capital movement of $342,000; and
(iii) net currency translation gain of $131,000.

Net cash used in investing and financing activities was $1,069,000 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.

Operating and Financial Review

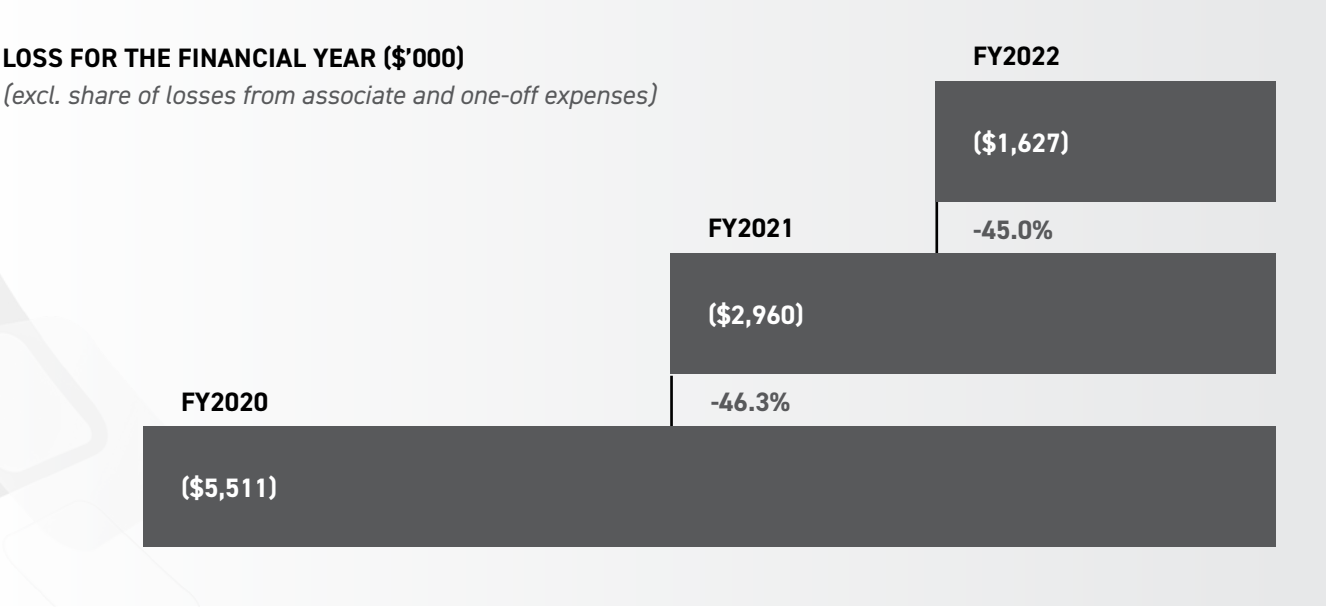
OVERALL PERFORMANCE

The Group's losses (excluding share of losses from DLL of $375,000) for FY2022 narrowed to $1,627,000, a decrease of 45.0%, from $2,960,000 (excluding one-off expenses of $205,000) in FY2021, achieving mainly from the higher revenue and lower operating costs.

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 ("**NUS**") and Singapore Health Services Pte. Ltd. ("**SingHealth**") on 8 December 2021 for the use of their new saliva-based COVID-19 ART technology. This technology was co-developed by inventors from Singapore General Hospital, National Cancer Centre Singapore, Duke-NUS Medical School and NUS.

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



Corporate Governance Report

DISA Limited ("**DISA**" or the "**Company**") is fully committed to maintaining high standards of corporate governance within the Company and its subsidiaries (collectively, the "**Group**"). The Board recognises the importance of good corporate governance and the offering of high standards of accountability to the shareholders.

This annual report describes the Company's corporate governance processes and activities for the financial year ended 30 June 2022 ("**FY2022**"), with specific references made to the Principles and Provisions of the revised Code of Corporate Governance 2018 (the "**Code**") and the accompanying Practice Guidance issued on 6 August 2018. The Board confirms that for FY2022, the Company has adhered to the Principles and Provisions as set out in the Code, where applicable, and has specified and explained deviations from the Code, if any, in this annual report in accordance to Rule 710 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). This report should be read in totality, instead of being read separately under each Principle of the Code.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provisions of the Code	DISA's Corporate Governance Practices
1.1 Directors are fiduciaries who act objectively in the best interests of the Company	The Board is accountable to the shareholders of the Company and oversees the overall management of the business and affairs of the Group, including providing leadership and supervision to the management (the "**Management**") of the Group so as to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board's principal responsibilities include: (1) guide the formulation of strategic directions, financial plans and major corporate policies; (2) monitor and review the Group's financial and operating performance; (3) review Management performance; (4) oversee the adequacy and integrity of the Group's internal controls, risk management, financial reporting and compliance; (5) identify principal risks of the Group's business, ensuring that such risks are assessed and managed, including safeguarding of shareholders' interests and the Company's assets; (6) approve major investment and divestment proposals, material acquisitions and disposals of assets; (7) assume responsibilities for good corporate governance practices; (8) approve the release of the financial results and annual report of the Group to shareholders; and (9) consider sustainability issues such as environmental and social factors as part of its strategic formulation.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	Each director (each a "**Director**" and collectively the "**Directors**") is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to a transaction contemplated by the Group. Where an actual or potential conflict of interest arises, the Director concerned does not participate in discussion, refrains from exercising any influence over other members of the Board and abstains from voting on resolutions regarding the relevant matter. The Board exercises due diligence and independent judgement, and are obliged to act in good faith and objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company. The Board instils an ethical corporate culture and sets the Company's values and standards of doing business (including ethical standards and code of conduct) and ensures proper accountability within the Company.
1.2 Directors' induction, training and development	The Chief Executive Officer ("**CEO**") ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognisant of the affairs of the Group. New Directors, upon appointment, are briefed on the Group's structure, businesses, governance policies and regulatory issues. Newly appointed Directors will also be provided with a formal letter setting out their duties and obligations. In accordance with Rule 406(3)(a) of the Catalist Rules (which was revised to be consistent with the Code with effect from 1 January 2019), newly-appointed Directors who do not have prior experience as a director of a public listed company in Singapore will undergo mandatory training courses organised by the Singapore Institute of Directors on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties. From time to time, the Company Secretary and the Company's auditors will advise the Directors or if necessary, conduct briefings to the Directors on the new accounting standards and corporate governance practices as well as updates on any changes in the Companies Act 1967, of Singapore (the "**Companies Act**") and the Catalist Rules. Directors may also request to visit the Group's operation facilities and meet with the Management in order to have a better understanding of the Group's business operations. The Directors are fully aware of the requirements in respect of their duties and obligations as a director and how to discharge those duties and obligations. The Company has available budget and will arrange for Directors to receive further relevant trainings in connection with their duties. Relevant courses include programs conducted by the Singapore Institute of Directors or other training institutions. The CEO also updates the Board at each Board meeting on business and strategic developments relating to the industry that the Group operates in. During FY2022, the Directors were provided with briefings and/or updates on: (i) the developments in financial reporting and governance standards by the external auditors of the Company, Baker Tilly TFW LLP; (ii) business and strategic developments of the Group by the Management during the Board and/or Board Committee meetings; and (iii) updates to the Catalist Rules by the Company's continuing sponsor, SAC Capital Private Limited.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
1.3 Matters requiring Board's approval	Matters which are specifically reserved for decision by the Board include, amongst others, those involving material acquisitions and disposals of assets, corporate or financial restructuring and share issuance, dividends and other returns to shareholders. The Board also meets physically or by way of tele-conference, video- conferencing or other electronic communication facilities to review and consider, amongst others, the following corporate matters: - approval of half yearly and year-end results announcements; - approval of the annual report and financial statements; - convening of shareholders' meetings; - material acquisition and disposal of assets; - major corporate actions; - major investments and funding decisions; - financial performance and key operational initiatives; - interested person transactions; and - overseeing the implementation of appropriate systems to manage the Group's business risk.
1.4 Board Committees	To facilitate effective management, certain functions have been delegated to various board committees, namely the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit and Risks Management Committee ("**ARMC**") (collectively the "**Board Committees**"), each of which has its own defined scope of duties and written terms of reference setting out the manner in which it is to operate and the functions for achieving its stated objectives. The Chairman of the respective Board Committees will report to the Board the outcome of the respective Board Committees' meetings. Minutes of the Board Committee meetings are made available to all Board members. The key terms of reference and composition of each Board Committee can be found in this report.
1.5 Board Meetings and Attendance	The Board will convene its regular scheduled meetings on a half-yearly basis to review and evaluate the Group's operations and performance and to address key policy matters of the Group, where necessary. Additional ad-hoc meetings are convened when circumstances require. The Board may also meet informally where necessary. All Directors are required to declare their board appointments. When a Director has multiple listed company board representations, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding their multiple board appointments, Mr. Toh Hock Ghim, Mr. Lau Kay Heng and Mr. Lim Soon Hock who sit on multiple boards, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices

The Board conducts regular scheduled meetings and additional or ad-hoc meetings are convened when circumstances require. The Company's Constitution allows for a Board meeting to be conducted by way of tele-conference, video-conference or other electronic communication facilities through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.

At Board and Board Committee meetings, the Directors are free to discuss and openly challenge the views presented by the Management and the other Directors.

In lieu of physical meetings, written resolutions are also circulated for approval by members of the Board.

The frequency of meetings and attendance of each Director at every Board and Board Committee meeting, are disclosed below:

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

	Board		ARMC		NC		RC	
Directors	No. of Meetings Held	Attendance	No. of Meetings Held	Attendance	No. of Meetings Held	Attendance	No. of Meetings Held	Attendance
Toh Hock Ghim (Chairman)	2	2	2	2	1	1	1	1
Chng Weng Wah (Managing Director/ CEO)	2	2	NA	NA	NA	NA	NA	NA
Lau Kay Heng	2	2	2	2	1	1	1	1
Lim Soon Hock	2	2	2	2	1	1	1	1

NA – Not Applicable

1.6 Access to information

Board members are provided with adequate and timely information prior to Board and Board Committee meetings, and on an on-going basis.

Board papers incorporating sufficient information from Management are forwarded to the Board members in advance of each Board meeting to enable each Board member sufficient time to prepare for the meetings. As a general rule, notices are sent to the Directors one week in advance of Board meetings, followed by Board papers, in order for the Directors to be adequately prepared for the meetings.

Requests for information from the Board are dealt with promptly by the Management as needed for the Directors to make informed decisions. Board interaction with, and independent access to, the Management is encouraged.

The Board is informed of all material events and transactions as and when they occur. The Board is provided with Management reports, and papers containing relevant background or explanatory information required to support the decision-making process on an on-going basis.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	Proposals to the Board for decision or mandate sought by Management are in the form of memorandums or Board papers that give the facts, analysis, resources needed, expected outcome, conclusions and recommendations. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed.
1.7 Access to Management, Company Secretary and external advisers	The Directors have separate and independent access to the Management, the Company Secretary, the Company's sponsor, external and internal auditors, and other external advisers (where necessary). Management provides the Executive Director with a monthly financial report. Monthly meetings are conducted involving the Management and the respective business unit heads. Additional or ad-hoc meetings are conducted, when required. Management make presentations to the Board on a half-yearly basis on the financial performance of the Group, or as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. The Company Secretary administers and prepares minutes of Board Committees' meetings and Board meetings attended. Such minutes of meetings are circulated to the Board. The Company Secretary also assists the Board to ensure that Board procedures are followed and that applicable rules and regulations (in particular the Code, the Companies Act and the Catalist Rules) are complied with. The agenda for Board and Board Committee meetings are prepared in consultation with the Chairman, the Chairman of the respective committees, and the CEO to ensure good information flow within the Board and Board Committees, as well as between the Management and the Non-Executive Directors. The Company Secretary advises the Board on all governance matters and attends all Board and Board Committee meetings. The Board, as a whole, is involved in the appointment and removal of the Company Secretary. The Directors, whether as a group or individually, may seek or obtain legal and other independent professional advice, concerning any aspect of the Group's operations or undertakings in order to fulfil their roles and responsibilities as directors. Any cost of obtaining such professional advice will be borne by the Company.

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PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provisions of the Code	DISA's Corporate Governance Practices
2.1 Directors independence	The independence of each Director is reviewed annually by the NC. Each Independent Director is required to complete a checklist annually to confirm his independence based on the Provision 2.1 as set out in the Code and the relevant Catalist Rules. The NC adopts the definition of what constitutes an Independent Director from the Code and the Catalist Rules in its review. The Board, after taking into account the views of the NC, is of the view that the Independent Directors are independent in character and judgement and there are no relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. Under Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules, it stipulates that a Director will not be considered as independent if he is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporation for the past three (3) financial years, and whose remuneration is determined by the remuneration committee of the issuer. In this regard, the Independent Directors have confirmed that they and their respective associates do not have any employment relationships with the Company or any of its related corporations for the current or any of the past three (3) financial years. The Directors who are considered to be independent are Toh Hock Ghim ("**Mr. Toh**"), Lau Kay Heng ("**Mr. Lau**") and Lim Soon Hock ("**Mr. Lim**"). The effectiveness and independence of Mr. Toh and Mr. Lau who had each served on the Board beyond nine (9) years was subject to particularly rigorous scrutiny. Despite their long period of service, the NC found and recommended to the Board that Mr. Toh and Mr. Lau have, at all times, expressed their individual viewpoints, objectively debated issues brought up at meetings of the Board and/or Board Committees and closely scrutinized Board matters and Board Committee matters. Mr. Toh and Mr. Lau sought clarification and advice, as and when they considered necessary, from Management, other employees and external advisors, and exercised strong independence in character and impartial judgment whilst discharging their duties as members of the Board and Board Committees. Both the Board and NC noted that Mr. Toh and Mr. Lau have made decisions objectively in the best interests of the Group and its stakeholders. The Board, having considered the NC recommendation and weighting the need for the Board's refreshment against tenure and familiarity with the Group's businesses and operations, deems Mr. Toh and Mr. Lau as independent and agrees that their years of service have not compromised their independence or ability to discharge their duties as the members to the Board and Board Committees.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	Notwithstanding that Mr. Toh and Mr. Lau had served as independent directors of the Company beyond nine (9) years since the date of their first appointment, the Board is of the view that Mr. Toh and Mr. Lau are independent as: • neither they and nor their immediate family members have any relationship or business dealings with the Group and the Company's substantial shareholders in the current or immediate past financial year; • neither they and nor their immediate family members have been employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; • they have, over the years, actively participated in the proceedings and decision-making process of Board meetings. The Board considers both Mr. Toh and Mr. Lau to have made impartial advice and insights and have exercised independent judgement in doing so without dominating the Board discussions in these proceedings and/or meetings; • they have constructively challenged and helped develop proposals on strategy and reviewed the performance of Management in achieving agreed goals; and • they have provided overall guidance to Management and in protecting the Company's assets and shareholders' best interests. Both Mr. Toh and Mr. Lau had abstained from the Board's and NC's review on their independence status. Both Mr. Toh and Mr. Lau had also sought for shareholders' approval in the last Annual General Meeting ("**AGM**") convened on 28 October 2021 for their continued appointment as independent directors of the Company under the two-tier voting process in accordance with Rule 406(3)(d)(iii) of the Catalist Rules and such resolutions were approved in the last AGM and will remain in force until the conclusion of the third AGM from such approvals or the retirement or resignation of the Director, whichever is earlier.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
2.2 Independent directors make up a majority of the Board 2.3 Non-executive directors make up a majority of the Board	As at the date of this annual report, the Board has four (4) Directors, which comprises one (1) Executive Director and three (3) Non-Executive and Independent Directors. As a cornerstone to achieving high standards of corporate governance, there is a strong and independent element on the Board, with Independent Directors making up three (3) out of four (4) members of the Board, including the Chairman of the Board. The composition of the Board complies with the Provisions of the Code that Independent Directors and Non-Executive Directors make up the majority of the Board. This enables the Board to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues and no individual or small group of individuals dominates the Board's decision-making process. The Non-Executive Directors constructively challenge and help develop proposals and strategies and review Management's performance and monitor the reporting of performance. The composition of the Company's Board and Board Committees is set out below:

	Board Appointments • Executive or Non-Executive Director Independent or Non-Independent Director	Board Committees As Chairman or Member		
		ARMC	NC	RC
Toh Hock Ghim (Chairman)	Non-Executive/ Independent	Member	Member	Chairman
Chng Weng Wah (Managing Director/CEO)	Executive/ Non-Independent	–	–	–
Lau Kay Heng	Non-Executive/ Independent	Chairman	Member	Member
Lim Soon Hock	Non-Executive/ Independent	Member	Chairman	Member

2.4 Board composition

The Board comprises respected individuals from different backgrounds and whom as a group provides core competencies, such as business management experience, industry knowledge, financial and strategic planning experience and customer-based knowledge that are extensive and critical to meet the Group's objectives. Together, the Directors bring a wide and diverse range of business, finance and management experience that will provide effective governance and stewardship for the Group. Please refer to the "Board of Directors" section of this annual report for the Directors' profile.

The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is conducive for effective discussion and decision-making and that the Board has an appropriate balance of Independent Directors. The Board is of the view that the current Board size and composition is appropriate, taking into account the scope and nature of the Group's operations.

The Company believes that diversity is an important attribute of a well- functioning and effective Board. While its currently does not have a formal Board Diversity Policy, the Company has embraced diversity on the Board and Board Committees and as evidenced by the diversity of its members who hail from different professional and business backgrounds, as well as age and length of service on the Board and recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In reviewing

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including functional and domain skills, knowledge, experience, cultural and educational background, gender, age, tenure and other relevant aspects of diversity of perspectives appropriate to its business, so as to avoid group think, foster constructive debate, and enable the Board to make decisions in the best interests of the Company. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments will be based on merit, in the context of the skills, knowledge, experience and independence which the Board as a whole requires to be effective, having due regard for the benefits of diversity on the Board.
2.5 Meetings of Non-Executive Directors without the presence of Management	Where warranted, the Non-Executive Directors meet without the presence of Management or Executive Director(s) to review any matter that may be raised privately. During the year, the Non-Executive Directors communicated among themselves and met without the presence of the Management as and when warranted. The Non-Executive Directors subsequently provides material feedback received to the Board.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions of the Code	DISA's Corporate Governance Practices
3.1 Separation of the roles of the Chairman and the CEO	The Chairman and CEO are separate persons. Their responsibilities are clearly defined and separated to ensure a balance of power and authority within the Company.
3.2 Division of responsibilities between the Chairman and CEO	The Chairman of the Board, Mr. Toh is an Independent Non-Executive Director. As Chairman of the Board, Mr. Toh is responsible for leading the Board and facilitating its effectiveness and his duties include promoting high standards of corporate governance. As part of his duties, the Chairman also ensures that Board meetings are held when necessary and sets the Board meeting agenda in consultation with the CEO, acting as facilitator at Board meetings and maintaining regular dialogue with the Management on all operational matters. In addition, the Chairman ensures that Board members are provided with complete, adequate and timely information, facilitates the effective contribution of Non-Executive Directors, ensures there is effective communication with shareholders and promotes high standards of corporate governance. The CEO, Mr. Chng Weng Wah, has full executive responsibilities of the overall business and operational decisions of the Company.
3.3 Lead Independent Director	There is no lead independent director appointed as the Chairman is not conflicted.

Corporate Governance Report

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions of the Code	DISA's Corporate Governance Practices
4.1 Role of the NC 4.2 Composition of NC	The NC comprises three (3) Independent Non-Executive Directors. The composition of the NC is set out under Provisions 2.2 and 2.3 of this report. The responsibilities of the NC are described in its written terms of reference. The NC's principal responsibilities include the following: (1) make recommendations to the Board on all Board appointments; (2) propose to re-nominate existing Directors, having regard to the Directors' contribution and performance (e.g. attendance, preparedness, participation and candor) including, if applicable, as an Independent Director; (3) assess annually whether or not a Director is independent; (4) assess whether or not a Director is able to and has been adequately carrying out his duties as a Director; (5) propose an objective performance criteria to evaluate the Board's performance, subject to the approval of the Board; (6) review training and professional development programs for the Board; and (7) assess the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board, and to decide how the Board may be evaluated.
4.3 Board renewal and succession planning	The search and nomination process for new Directors, if any, will be through search companies, contacts and recommendations to cast its net as wide as possible for the right candidate. In identifying and evaluating nominees for appointment as Directors, the NC assesses the candidates based on their background, qualification, work experience and integrity. In the case of candidates for Independent Directors, the NC will also consider the independence of such candidates. The NC reports the results of such assessments and makes recommendations to the Board for the Board to decide on the appointment. The NC assesses and recommends re-appointments of Directors to the Board. Each member of the NC shall abstain from recommending his own re-election. In accordance with Regulations 92 and 93 of the Company's Constitution, all Directors shall retire from office once at least in each three (3) years by rotation and all newly appointed directors will have to retire at the next AGM following their appointments. The retiring directors are eligible to offer themselves for re-election.

Corporate Governance Report

Provisions of the Code		DISA's Corporate Governance Practices
		Pursuant to Regulation 92 of the Company's Constitution, the NC has recommended Mr. Chng Weng Wah and Mr. Lau Kay Heng be nominated for re-election at the forthcoming AGM of the Company (the "**Nominations**"). Upon re-appointment as a Director of the Company in the forthcoming AGM, Mr. Chng Weng Wah will remain as an Executive and Non-Independent Director and CEO of the Company. Upon re-appointment as a Director of the Company at the forthcoming AGM, Mr. Lau Kay Heng will remain as a Non-Executive and Independent Director, Chairman of the ARMC and a member of RC and NC. In considering the Nominations, the NC took into account the contribution of the Directors with reference to their attendance and participation at Board and other Board Committee meetings as well as the proficiency with which they have discharged their responsibilities. In addition, the NC has also considered the independence of Mr. Lau and is of the view that he is independent in character and judgement. The key information for each Director is disclosed in their profile as set out in the "Board of Directors" section of this annual report. In addition, pursuant to Rule 720(5) of the Catalist Rules, the additional information as set out in Appendix 7F of the Catalist Rules relating to the retiring Directors who are submitting themselves for re-election is disclosed in the "Additional Information on Directors Seeking Re-election" section of this annual report.
4.4	Circumstances affecting Director's independence	The NC has reviewed the independence of each Director for FY2022 in accordance with the definition of independence under the Code and Catalist Rules and is satisfied that the majority of the Board comprised of Independent Directors. The NC carries out the review of independence of each Director on an annual basis. The key information in respect of the Directors' academic and professional qualifications, date of first appointment as a Director, date of last re- appointment as a Director, present directorships or chairmanship and those held over the preceding five (5) years in other listed companies and other principal commitments are set out in the "Board of Directors" section of this annual report. In addition, information on shareholdings in the Company held by each Director is set out in the Directors' Statement in the "Financial Statements" section of this annual report. In respect of the nomination of Mr. Lau to continue to be appointed as a Non-Executive and Independent Director, there are no relationships, including family relationships, between Mr. Lau and the other Directors of the Company, the Company or its 5% shareholders.
4.5	Multiple listed company directorships and other principal commitments	Notwithstanding that some of the Directors have multiple listed company board representations, the NC is satisfied that each Director is able to and has been adequately carrying out his duties as Director of the Company. The Board is of the view that it may not be necessary at this juncture to set a maximum number of listed company board representations which any Director may hold as the contribution of each Director would depend on their individual circumstances. The Board will take into consideration the same criteria for selection of Directors such as his qualifications, competencies and independence. Currently, there is no alternate Director on the Board.

Corporate Governance Report

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of its board committees and individual directors.

Provisions of the Code	DISA's Corporate Governance Practices
5.1 and 5.2 Assessment of effectiveness of the Board and Board Committees and assessing the contribution by individual director	The NC has established review processes to assess the performance and effectiveness of the Board as a whole and its Board Committees and the assessment of the contribution by the Chairman and each individual Director to the effectiveness of the Board. The NC will evaluate the Board's performance on a collective basis by means of a questionnaire that deals with matters on Board composition, information to the Board, Board procedures, Board and CEO/top Management accountability and the standards of conduct. The objective of the performance evaluation exercise is to uncover strengths and challenges so that the Board is in a better position to provide the required expertise and oversight. The NC has conducted a formal assessment of the effectiveness of the individual Board members, the Board Committees and the Board on a collective basis for FY2022 by means of questionnaires. During the financial year, all Directors were requested to complete questionnaires to assess the overall effectiveness of the individual Board members, including the Chairman, the Board and the Board Committees. Factors evaluated include, among other matters, Board structure, meetings and accountability, access to information, risk management and internal control, Management performance, succession planning, remuneration and communication with shareholders. The results of the questionnaires are first reviewed by the NC, and then tabled as an agenda for Board's discussion to determine areas for improvement and enhancement. After the NC's review of the contribution by each Director to the effectiveness of the Board as a whole and its Board Committees for FY2022, the NC is satisfied with the effectiveness of the Board as a whole and the Board Committees, as well as the contribution by each Director to the effectiveness of the Board. The NC is of the view that the Board, as a group, also possesses the necessary core competencies to direct the Company and Management to perform efficiently and effectively. The NC, on an annual basis and in considering the re-appointment of any Director, will evaluate the performance of the Director. The assessment of each Director's performance is undertaken by the Chairman of the NC. The criteria for assessment include but not limited to attendance record at meetings of the Board and Board committees, intensity of participation at meetings and the quality of contributions. The NC, in concurrence with the Chairman of the Board, is satisfied that each Director is contributing to overall effectiveness of the Board. There is no external facilitator engaged for the Board's assessment process for FY2022.

Corporate Governance Report

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions of the Code	DISA's Corporate Governance Practices
6.1 RC to recommend remuneration framework and packages 6.2 Composition of RC	The RC comprises three (3) members, all of whom are Non-Executive and Independent Directors. The composition of the RC is set out under Provisions 2.2 and 2.3 of this report. The RC is regulated by its terms of reference. The duties of the RC include the following: (1) recommending to the Board a framework of remuneration for the Board, key management personnel of the Group and those employees related to the Directors and substantial shareholders of the Group, covering all aspects of remuneration such as Directors' fees, salaries, allowances, bonuses, options and benefits in kind; (2) reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities; (3) reviewing the Company's obligations arising in the event of termination of service contracts entered into between the Group and its Executive Director(s) or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly onerous to the Group; (4) if necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; (5) reviewing annually the remuneration package in order to maintain their attractiveness to retain and motivate the Directors and Executive Officers and to align the interests of the Directors and Executive Officers with the long-term interests of the Company; and (6) overseeing the administration of the DISA Employee Share Option Scheme 2010 and 2021 ("**DISA ESOS**") and the DISA Performance Shares Scheme ("**DISA PS Scheme**") (refer to Provisions 7.1 and 7.3 of this report for further details of both schemes) or any other similar share plans as may be implemented by the Company from time to time and decide on the allocations and grants of such options or shares to eligible participants.

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Provisions of the Code	DISA's Corporate Governance Practices
6.3 RC to consider and ensure all aspects of remuneration are fair	The Company sets remuneration packages to ensure it is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise to run the Group successfully. The RC recommends for Board's endorsement, a framework of remuneration which covers all aspects of remuneration, including but not limited to Directors' fees (where applicable), salaries, allowances, bonuses, share options, and benefits in kind and specific remuneration packages for each Director and key executive. The RC's recommendations will be submitted for endorsement by the Board. No Director is involved in deciding his own remuneration, compensation or any form of benefit to be granted to himself, his associates or employees who are related to him. The RC will also review the Company's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses, which are not overly generous.
6.4 Expert advice on remuneration	Where necessary, the RC shall seek expert advice inside and/or outside the Company on the remuneration of all directors. The RC shall ensure that any relationship between the appointed consultant and any of its Director or the Company will not affect the independence and objectivity of the remuneration consultant. There was no remuneration consultant engaged for FY2022.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

Provisions of the Code	DISA's Corporate Governance Practices
7.1 and 7.3 Remuneration of Executive Directors and key management personnel are appropriately structured to link rewards to performance.	In determining the level of remuneration, the RC shall: • give due consideration to the Code's Principles and Provisions notes on the level and mix of remuneration so as to ensure that the level of remuneration is appropriate to attract, retain and motivate directors needed to run the Company successfully, taking into account the risk policies of the Company and be symmetric with risks outcomes and be sensitive to the time horizon of risks; • ensure that a proportion of the remuneration is linked to corporate and individual's performance; and • design remuneration packages in such manner to align the interests of the Executive Director(s) and key management personnel with those of shareholders.

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Provisions of the Code	DISA's Corporate Governance Practices
	Annual review is carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel commensurate with the Company's and their performance, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO is reviewed periodically by the RC and the Board. The Company's remuneration system is flexible and responsive to the market and the performance of the Company and the individual Executive Director or key management personnel. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The annual performance incentive is tied to the performance of the Company and the individual Executive Director or key management personnel. Taking into consideration the nature of the Company's business activities, certain performance measurements include key financial targets and operational efficiency indicators. The Company does not have contractual provisions to allow the reclaim of incentive components of remuneration from Executive Directors and key management personnel. In exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group, the Company believes that there are alternative legal avenues that will enable the Company to recover financial losses arising from such exceptional events from the Executive Director and key management personnel. The RC, together with the Board, will monitor and re-assess at the appropriate juncture again on whether such contractual provisions are necessary. The Company has a share option scheme, DISA ESOS, which serves as a long- term incentive scheme for the Directors and employees of the Company. DISA ESOS (the "**ESOS 2010**") was approved and adopted by the shareholders of the Company at an Extraordinary General Meeting ("**EGM**") held on 28 October 2010 ("**Date of 2010 Adoption**"). The ESOS 2010 shall continue to be in force at the discretion of the Company subject to a maximum period of ten (10) years commencing from the Date of 2010 Adoption till 27 October 2020. Controlling shareholders of the Company or associates of controlling shareholders shall not participate in the ESOS 2010, unless it has been approved by the independent shareholders in general meeting under separate resolutions for each such person and, in respect of each such person, under separate resolutions for each of (i) his participation and (ii) the actual number of shares and terms of any option to be granted to him. The ESOS 2010 is administered by a committee comprising Mr. Lau Kay Heng (Chairman), Mr. Chng Weng Wah and Mr. Toh Hock Ghim. However, no member of the committee shall be involved in any deliberation in respect of options to be granted to him. Details of the ESOS 2010 are disclosed in the "Directors' Statement" section of the Annual Report. The ESOS 2010 had expired on 28 October 2020.

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Provisions of the Code	DISA's Corporate Governance Practices
	DISA ESOS (the "**ESOS 2021**") was approved and adopted by the shareholders of the Company at an **EGM** held on 28 October 2021 ("**Date of 2021 Adoption**"). The ESOS 2021 shall continue to be in force at the discretion of the Company subject to a maximum period of ten (10) years commencing from the Date of 2021 Adoption till 27 October 2031. Controlling shareholders of the Company or associates of controlling shareholders shall not participate in the ESOS 2021, unless it has been approved by the independent shareholders in general meeting under separate resolutions for each such person and, in respect of each such person, under separate resolutions for each of (i) his participation and (ii) the actual number of shares and terms of any option to be granted to him. The ESOS 2021 is administered by RC and Mr. Chng Weng Wah, the Managing Director and CEO of the Group. However, no member of the committee or Mr. Chng Weng Wah shall be involved in any deliberation in respect of options to be granted to each of them. Details of the ESOS 2021 are disclosed in the "Directors' Statement" section of the Annual Report. The Company also has a performance shares scheme, DISA PS Scheme, which serves to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance. Shareholders have approved the renewal of DISA PS Scheme on 26 October 2018. Controlling shareholders of the Company and their associates are eligible to participate in the DISA PS Scheme. No awards were granted under the DISA PS Scheme during FY2022. The DISA PS Scheme is administered by a committee comprising Mr. Toh Hock Ghim (Chairman), Mr. Chng Weng Wah and Mr. Lau Kay Heng.
7.2 Remuneration for Non- Executive Directors dependent on contribution, effort, time spent and responsibilities	The Non-Executive Directors do not have any service contracts. Each of them is paid a basic fee, determined by the Board based on their level of contribution and scope of responsibilities. The Chairman of the Board also receives a minimal fee for chairing the Board meetings. These fees are subject to approval by shareholders as a lump sum payment at the AGM of the Company. The Board, together with the NC, ensures that the Independent Non-Executive Directors are not compensated to the extent that their independence is compromised.

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PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Company is transparent on its remuneration polices, level and mix of remuneration, the procedure for setting remuneration, and this relationships between remuneration, performance and value creation.

Provisions of the Code	DISA's Corporate Governance Practices
8.1 and 8.3 Remuneration disclosure of Directors and key management personnel as well as the details of employee share option schemes	Directors' Remuneration There are both fixed and variable components to the Executive Director's remuneration. The variable components are tied to the Group's performance.
8.2 Remuneration disclosures of related employees	Given the highly competitive conditions of the Company's industry and that the total Directors' fees payable to Directors are subject to shareholders approval, the Company believes that the full disclosure of each Director's remuneration as recommended by the Code may not be in the best interest of the Company. A breakdown showing the level and percentage mix of each individual Director's remuneration paid/payable for FY2022 are as follows:

	Remuneration Band $	Salary or Fees %	Performance Related Income/ Bonuses %	Other Benefits* %	Total Remuneration %
Executive Director					
Chng Weng Wah	Between 750,000 and 1,000,000	97	–	3	100
Non-Executive Directors					
Toh Hock Ghim	<250,000	99	–	1	100
Lau Kay Heng	<250,000	100	–	–	100
Lim Soon Hock	<250,000	100	–	–	100

* Other Benefits include Company's contribution to provident fund, allowances for transport and insurance.

Top 5 Key Management Personnel's Remuneration

For FY2022, the Group has four (4) key management personnel. The remuneration of the four (4) key management personnel (who are not Directors or the CEO of the Company) are set out below in bands of $250,000. The aggregate remuneration of the four (4) key management personnel for FY2022 is $702,738. Given the highly competitive conditions of the Company's industry, the Company believes that the full disclosure and breakdown of each key management personnel's remuneration as recommended by the Code may not be in the best interest of the Company. The names of the key management personnel are not disclosed to maintain the confidentiality of the remuneration packages of these key executives.

Remuneration Bands $	No. of Executives
< 250,000	4

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	No termination, retirement and post-employment benefits was granted to our Directors, CEO and the four (4) key management personnel of the Group during FY2022. Mr. Chng Weng Huat, is the sibling of the CEO, Mr. Chng Weng Wah. Mr. Chng Weng Huat is employed by the Group as a Solutions Director of the Company with effect from 1 May 2017, and received remuneration in that respective capacity. A breakdown showing the percentage mix of Mr. Chng Weng Huat's remuneration paid/payable for FY2022 are as follows:

Remuneration Band $	Salary %	Bonuses %	Other Benefits* %	Total Remuneration %
Between 50,000 and 100,000	90	–	10	100

* Other Benefits include Company's contribution to provident fund and allowances for transport.

Details of DISA ESOS 2010 and 2021 and DISA PS Scheme are set out under Provisions 7.1 and 7.3 of this report, as well as the Directors' Statement in the "Financial Statements" section of this annual report.

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provisions of the Code	DISA's Corporate Governance Practices
9.1 Board determines the nature and extent of risks 9.2 Assurance from CEO, CFO and other key management personnel	The Board oversees the Management in the area of risk management and internal control system. The Board regularly reviews and improves the Company's business and operational activities to identify areas of significant risks as well as take appropriate measures to control and mitigate these risks. Management highlights and discusses (if any) salient risk management matters to the Board on a half-yearly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. The Board reviews the adequacy and effectiveness of the Company's risk management framework and internal control system annually. For FY2022, the internal audit of the Group was outsourced to a third-party professional firm. The ARMC evaluates the findings of the external and internal auditors on the Group's internal controls annually. Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost-effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	Based on the internal control policies and procedures established and maintained by the Group, and the continuous effort at enhancing such controls and procedures, and the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the ARMC, is of the opinion that the Group has a robust and effective internal control system addressing financial, operational, compliance and information technology controls and risk management systems that is adequate and effective to meet the needs of the Group in its current business environment. The Board has also received assurance from the CEO and CFO: (a) that the financial records have been properly maintained and the financial statements for the financial year ended 30 June 2022 give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective. The ARMC of the Company has been assisting the Board in carrying out, among other things, its responsibility of overseeing the Group's risk management framework and policies.

PRINCIPLE 10: AUDIT AND RISKS MANAGEMENT COMMITTEE

The Board has an Audit Committee ("**AC**") which discharges its duties objectively.

Provisions of the Code	DISA's Corporate Governance Practices
10.1 Duties of AC 10.2 Composition of AC	The ARMC comprises three (3) members, all of whom are Non-Executive and Independent Directors. The composition of the ARMC is set out under Provisions 2.2 and 2.3 of this report. The profiles of the ARMC members are set out in the "Board of Directors" section of this annual report. The Board considers the members of the ARMC to be qualified to discharge the responsibilities of the ARMC as three (3) members of the ARMC, including the Chairman of the ARMC, have accounting or related financial management expertise or experience. The ARMC is authorised by the Board to investigate into any activity within its terms of reference. It has unrestricted access to information relating to the Group, to both internal and external auditors and has full discretion to invite any Director or Executive Officer to attend its meetings. The ARMC has expressed power to commission investigations into any matters, which has or is likely to have material impact on the Group's operating results and/or financial position. The ARMC has adequate resources to enable it to discharge its responsibilities properly.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	The ARMC is regulated by its terms of reference and meets at least twice a year and as warranted by circumstances, to perform the following functions: (1) review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance; (2) review of the external auditors' audit plan, audit report and their evaluation of the Group's systems of internal accounting controls; (3) review the scope and results of the external audit and its cost effectiveness; (4) review the co-operation given by the Management to the external auditors; (5) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Company or the Group's results or financial position; (6) review the Group's financial results, external auditors' reports and the results announcements before submission to the Board for approval; (7) make recommendations and nominate external auditors for appointment and re-appointment and review their independence and objectivity; (8) approve the appointment, remuneration and terms of engagement of the external auditors and internal auditors; (9) review interested person transactions, if any, and potential conflict of interests; (10) review the adequacy of the Group's material internal controls (including financial, operational, compliance and information technology controls) and risk management policies as well as the effectiveness of the Group's internal audit function; (11) review the scope and results of the internal audit procedures; (12) review arrangements by which staff of the Group may, in confidence raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action; and (13) assist the Board in ensuring that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the Company's assets, and to determine the nature and extend of significant risk which the Board is willing to take in achieving its strategic objectives.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	Minutes of the ARMC meetings are regularly submitted to the Board for its information and review. During the financial year under review, the fees paid to the external auditor of the Company amounted to $80,000. No non-audit service fee was paid to the external auditor of Company. The ARMC has conducted a review and noted that there are no non-audit services provided by the external auditor of the Company during FY2022 and is satisfied with the independence and objectivity of the external auditor of the Company. The ARMC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditor of the Company and the work carried out by the external auditor of the Company based on value-for-money considerations. The external auditor of the Company has unrestricted access to the ARMC. In addition, the ARMC has reviewed the adequacy of the resources, experience of the external auditor of the Company and of the audit engagement partner assigned to the audit. The ARMC is satisfied that the external auditors are able to meet their audit obligations. Accordingly, the Company has complied with Rule 712 of the Catalist Rules. Both the ARMC and the Board have noted that there is no appointment of different auditing firms for its subsidiaries. Accordingly, the Company has complied with Rule 715 of the Catalist Rules. The ARMC had recommended and the Board had approved the nomination to re-appoint Messrs Baker Tilly TFW LLP as the Company's external auditor for the next financial year ending 30 June 2023. The Group has in place, a whistle-blowing policy where employees of the Group and the public can raise, in confidence, concerns about possible improprieties. Such a policy serves to encourage and provide a channel for staff to report in good faith and without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to any member of the ARMC. The Group treats all information received confidentially and commits to protect the identity and the interests of all whistle-blowers, and is committed to ensuring that whistle-blowers will be treated fairly and protected against detrimental or unfair treatment from whistle-blowing in good faith. The ARMC is responsible for oversight and monitoring of the whistle-blowing policy. Details of the whistle-blowing policies and arrangements have been made available to all employees. Members of the public can also refer to the Company's website at http://disa.sg/investors.html for whistle-blowing arrangements. During the financial year under review, there was no report of any whistle-blowing incidents being made to the ARMC.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	In FY2022, the ARMC has reviewed, with the Management and the external auditor, the results of the Group before submitting them to the Board for its approval and announcement of the financial results. The ARMC also reviewed and monitored the Group's financial condition, internal and external audit reports, exposure to risks and the effectiveness of the Group's system of accounting and internal controls. The ARMC also monitors proposed changes in accounting policies, reviews the internal audit functions and discusses accounting implications of major transactions including significant financial reporting issues. In its review of the financial statements for FY2022, the ARMC is of the view that the financial statements are fairly presented in conformity with the relevant Singapore Financial Reporting Standards (International) ("**SFRS(I)**") in all material aspects. In the review of the financial statements for FY2022, the ARMC had discussed with Management and the external auditors on significant issues and assumptions that impact the financial statements. In line with the recommendations by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and SGX-ST, the ARMC helped to improve transparency and enhance the quality of corporate reporting by providing a commentary on Key Audit Matters ("**KAM**"). The ARMC reviewed the KAM and concurred and agreed with the external auditor and Management on their assessment, judgements and estimates on the significant matter reported by the external auditor. Upon request by any ARMC member, the Company will sponsor him for any relevant regulatory update courses. The ARMC members also receive and discuss any accounting standards update from its external auditors, whenever material changes in accounting standards affecting the Group arise. For FY2022, the external auditor of the Company presented to the ARMC the audit plan and updates relating to change of accounting standards which have a direct impact on the financial statements during the ARMC meetings. The adoption of new and/or revised accounting standards did not result in any substantial changes or significant impact on the Group's financial statements.
10.3 AC does not comprise former partners or directors of the Company's auditing firm	No ARMC member is a former partner or Director of the Company's external auditor.
10.4 Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel	The size of the existing operations of the Group does not warrant the Group to have an in-house internal audit team. The Group has outsourced its internal audit function to NLA Risk Consulting Pte. Ltd. ("**NLA**") ("**Internal Auditors**") to carry out internal audit review using a risk-based approach. The ARMC approves the hiring, removal, evaluation and compensation of the internal audit function. The Internal Auditors has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
	NLA is part of NLA DFK, a group of accounting and corporate advisory firms, providing various professional services for many years. NLA DFK is a member of one of the top 10 international association of independent accounting firms and business advisers. NLA is a suitably appointed firm of risk consultants (including Certified Internal Auditors), with its processes guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. NLA is a corporate member of the Institute of Internal Auditors, Singapore and are the current internal auditors for more than 10 listed companies in Singapore. The Head of Internal Audit, Gary Ng is a Certified Internal Auditor and Chartered Accountant of Singapore. He has close to 20 years of external and internal audit experience after graduating from Nanyang Technological University with a Bachelor of Accountancy degree. The engagement team also includes a manager, supported by two (2) internal auditors. The internal audit has been carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Internal Auditors plans its internal audit plan annually, following a risk assessment exercise, in consultation with, but independent of Management. The internal audit plan is submitted to the ARMC for approval prior to the commencement of the internal audit. Internal audit reports are distributed to and discussed with the ARMC. The ARMC oversees and monitors the implementation of the improvements required for internal control weaknesses identified. The ARMC has full access to and the co-operation of the Management and Internal Auditors, ensuring that the internal audit function is adequately and effectively resourced to perform its function. The ARMC is satisfied that for the financial year under review, the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group.
10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	For FY2022, the ARMC met with the external and internal auditors without the presence of the Management for the purpose of facilitating discussion of the responses by Management on audit matters. The ARMC has reviewed the findings of the auditors and the assistance given to the auditors by the Management.

Corporate Governance Report

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of the performance, position and prospects.

Provisions of the Code	DISA's Corporate Governance Practices
11.1 Company provides shareholders with the opportunity to participate effectively and vote at general meetings 11.2 Separate resolution on each substantially separate issue	The Group's corporate governance culture and awareness promotes fair and equitable treatment for all shareholders. All shareholders enjoy specific rights under the Companies Act and the Company's Constitution. All shareholders are treated fairly and equitably. The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure pertaining to changes in the Group or its business which would be likely to materially affect the price or trading of the Company's shares.
11.3 All Directors and external auditors attend general meetings	Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company. At general meetings, shareholders will be informed of the rules and voting procedures relating to the general meetings. Participation of shareholders is encouraged at the Company's general meetings. The Board (including the chairpersons of the respective committees), Management, as well as the external auditors, where applicable, are invited to attend the Company's general meetings to address any questions that shareholders may have. All Directors had attended the last AGM and the last extraordinary general meeting of the Company held on 28 October 2021. All resolutions tabled in the general meetings are voted by poll, counted and validated by independent scrutineer and announcement of the detailed results of the general meetings will be released on the SGXNet after the general meetings. Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each separate issue at the meeting. Due to the ongoing Covid-19 situation in Singapore, the general meetings in FY2020 and FY2021 were convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements were put in place to allow shareholders to participate in the general meetings by (a) observing and listening to the general meeting proceedings via a live streaming; (b) voting by appointing the Chairman of the general meetings as proxy; and (c) submitting questions prior to the date of the general meetings.

Corporate Governance Report

Provisions of the Code	DISA's Corporate Governance Practices
11.4 Company's Constitution allows for absentia voting of shareholders	The Company's Constitution does allow a shareholder (who is not the Central Depository (Pte) Limited; and who is also not a relevant intermediary, as defined in Section 181 of the Companies Act) to vote either in person or appoint not more than two (2) proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder. A shareholder of the Company who is a relevant intermediary (as defined in Section 181 of the Companies Act), may appoint more than two (2) proxies to attend, speak and vote at the general meetings of the Company. As the authentication of Shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means. In this connection, the Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic means may only be possible following careful study to ensure that integrity of the information and authentication of the identity of the shareholders through the electronic means is not compromised.
11.5 Minutes of general meetings are published on the Company's corporate website	All minutes of general meetings, and a summary of the relevant questions and answers raised at general meetings are made available to shareholders on SGXNet The Company has published minutes of the last AGM held on 28 October 2021 to SGXNet within one (1) month after the date of AGM.
11.6 Dividend policy	The Company does not have a formalised dividend policy. The Board will need to further assess its on-going financial and operational requirements before arriving at any decision relating to the payment of dividends. No dividend was declared for FY2022 as the Company has incurred a loss in FY2022. Any dividend payouts will be clearly communicated to shareholders in public announcements and via announcements on the SGXNet when the Company discloses its financial results. Further, the Company will, in line with Rule 704(23) of the Catalist Rules, expressly disclose the reason(s) in the event that the Board decides not to declare or recommend a dividend, in its financial statement announcements.

Corporate Governance Report

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provisions of the Code	DISA's Corporate Governance Practices
12.1 Company provides avenues for communication between the Board and shareholders	The Board is mindful of the obligation to keep shareholders informed of all major developments that affect the Group in accordance with the Catalist Rules. Trade and price sensitive information is publicly released via the SGXNet.
12.2 and 12.3 Company has in place an investor relations policy and the policy sets out mechanism of communication between the shareholders and the Company	Information is communicated to shareholders on a timely and non-selective basis through: • annual reports that are prepared and issued to all shareholders within the mandatory period; • public announcements via the SGXNet and the Company's corporate website; and • notices of shareholders' meetings on SGXNet and advertised in a newspaper in Singapore. Shareholders are encouraged to attend and raise questions to the Directors at the Company's general meetings. At these meetings, shareholders are given the opportunity to voice their views and raise issues either formally or informally. These meetings provide excellent opportunities for the Board to engage with shareholders to solicit their feedback. The Company's website at http://disa.sg is another channel to solicit and understand the views of the shareholders. The Board provides shareholders with half-yearly and annual financial reports within the legally prescribed periods. Results for the first 6 months is released to shareholders within 45 days of the financial period end. Annual results are released within 60 days of the financial year-end. In our financial result announcements to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. To ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, the Board, through the Management, reviews the relevant compliance reports and ensure that the Management seeks the Board's approval of such reports or requirements. The Company has in place an investor relations policy to promote effective communications with shareholders, investors and the investment community in large. Shareholders and investors can reach the Company's investor relations team via investors@disa.sg.

Corporate Governance Report

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions of the Code	DISA's Corporate Governance Practices
13.1 and 13.2 Engagement with material stakeholder groups 13.3 Corporate website to engage stakeholders	The Company's approach towards its engagement with stakeholders, including arrangements to identify and engage with its material stakeholder groups and to manage its relationship with such groups, and its strategy and key areas of focus in relation to the management of stakeholder relationships, is set out under the "Stakeholder Engagement" heading in the "Sustainability Report" section of this annual report.

INTERNAL CODE ON DEALING IN SECURITIES

Rules of Catalist	DISA's Corporate Governance Practices
Rule 1204(19) of the Catalist Rules	In line with Rule 1204(19) of the Catalist Rules, the Company has adopted an internal code on dealing in the Company's securities. All Directors and officers of the Company are not allowed to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one (1) month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements). In addition, all Directors and employees are required to observe insider trading laws at all times and are prohibited from trading whilst in possession of unpublished price- or trade-sensitive information of the Group. They are also discouraged from dealing in the Company's shares on short-term considerations.

MATERIAL CONTRACTS

Rules of Catalist	DISA's Corporate Governance Practices
Rule 1204(8) of the Catalist Rules	Save for the service agreement entered into between the CEO and the Company, there were no other material contracts entered into by the Company and subsidiaries involving the interests of the CEO, each Director or controlling shareholder which were either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Corporate Governance Report

INTERESTED PERSON TRANSACTION ("IPT") POLICY

Rules of Catalist	DISA's Corporate Governance Practices
Rules 907 and 920 of the Catalist Rules	The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARMC and that transactions are conducted at arm's length and not prejudicial to the interests of the Company and minority shareholders. Details of IPTs for FY2022 as required under Rule 907 of the Catalist Rules are set out as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Circle Globe Limited*		
- Leasing of office space	159	–
Digital Life Line Pte. Ltd.**		
- Purchase of goods and services	119	–

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

** An associate company of the Group

The ARMC has reviewed, and is satisfied that the above IPTs are conducted at arm's length and on terms that are fair and reasonable. The ARMC and the Board of Directors are satisfied that the terms of the above IPTs are not prejudicial to the interests of the Company or its minority shareholders.

RISK MANAGEMENT

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant controls, policies and procedures and highlights all significant matters to the ARMC and the Board. The risk issues are outlined in Note 28 of the financial statements.

CATALIST SPONSOR

The Continuing Sponsor of the Company is SAC Capital Private Limited ("**Sponsor**"). There were no non-sponsor fees paid to the Sponsor by the Company during FY2022.

Additional Information on Directors Seeking Re-Election

Mr. Chng Weng Wah and Mr. Lau Kay Heng are seeking re-election at the forthcoming annual general meeting of the Company to be convened on 28 October 2022 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to the Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules is set out below:

NAME	CHNG WENG WAH	LAU KAY HENG
Date of Appointment	3 February 2005	1 September 2011
Date of last re-appointment (if applicable)	30 October 2019	30 October 2019
Age	60	56
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company having considered among others, the recommendation of the Nominating Committee and has reviewed and considered Mr. Chng's experience in various industries which covers the fields of product development, innovation and marketing and sales, developing infrastructure, processes and applications through the deployment of new digital solutions, is of the view that he has the requisite experiences and capabilities to assume the responsibility of Managing Director and Chief Executive Officer of the Company.	The Board of Directors of the Company having considered, among others, the recommendation of the Nominating Committee and assessed Mr. Lau's overall contributions and performance, is of the view that he is suitable for re-appointment as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Chng is responsible for setting the strategic direction of the Group together with the Board and spearheading the entire overall management in achieving the strategic goals.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director and Chief Executive Officer	1. Non-Executive and Independent Director 2. Chairman of the Audit and Risks Management Committee 3. Member of the Nominating Committee 4. Member of the Remuneration Committee
Professional qualifications	1985 Full Technological Certificate in Electrical Engineering Technicians, City & Guilds of London Institute 1988 Diploma in Business Efficiency & Productivity (Marketing & Sales Management), National Productivity Board	Bachelor of Science, National University of Singapore

Additional Information on Directors Seeking Re-Election

NAME	CHNG WENG WAH	LAU KAY HENG
Working experience and occupation(s) during the past 10 years	2005 to present Group CEO and Managing Director, DISA Limited 2015 to 2017 Group CEO/Managing Director, LifeBrandz Ltd. 2006 to 2011 Director, Metech International Limited	2022 to present Non-Executive Director/Vice Chairman, Kitchen Culture Holdings Ltd. 2021 to present Chief Executive Officer, Ello Fintech Pte. Ltd. 2020 to 2021 Executive Director and Chief Investment Officer, Kitchen Culture Holdings Ltd. 2011 to 2020 Managing Director, Stirling Coleman Capital Limited
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 658,970,850 ordinary shares Deemed interest: 463,050,000 ordinary shares	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code.	**Past (for the last 5 years)** Directorships: 1. Allegro Technology Pte Ltd (struck off) 2. Disa Digital Safety Ltd (BVI) (struck off) 3. Disa Insurance Company Limited (struck off) 4. Equation Recycling Pte. Ltd. 5. FA Systems Automation (S) Pte. Ltd. 6. Legami Holdings Limited Partnership (struck off) 7. Lifebrandz Ltd. 8. Nexus Limited (struck off) 9. Starbids Ventures Inc.(struck off) 10. Tigermar Holdings Pte. Limited Other Principal Commitments: Nil	**Past (for the last 5 years)** Directorships: 1. Kitchen Culture Holdings Ltd. 2. iBosses Corporation Limited 3. Asia M&A Group Pte. Ltd. 4. A3 International Investments Limited 5. 3L Asia Capital Pte. Ltd. Other Principal Commitments: Nil

Additional Information on Directors Seeking Re-Election

NAME	CHNG WENG WAH	LAU KAY HENG
	Present Directorships: 1. Airvert Technology Pte. Ltd. 2. Circle Globe Limited 3. Disa Digital Safety Pte. Ltd. 4. Digital Life Line Pte. Ltd. 5. ECSX Pte. Ltd. 6. Tigermar Holdings Pte. Limited 7. Jobforesight Pte. Ltd. 8. Treasure 8 Pte. Ltd. 9. Treasure 888 Pte. Ltd. 10. FA Systems Automation (Thailand) Company Limited Other Principal Commitments: Nil	**Present** Directorship: 1. Kitchen Culture Holdings Ltd. 2. Regal International Group Ltd. 3. Disa Digital Safety Pte. Ltd. 4. Ello Fintech Pte. Ltd. 5. SOEN International Assets Sdn. Bhd. 6. Platinum Mountain Pte. Ltd. 7. Westplan Real Estates Sdn. Bhd. 8. Trizon Global Trading Pte. Ltd. Other Principal Commitments: Mr Lau is also a founder of BlueStar Charity Asia, a Not-for-Profit Charitable Movement
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

Additional Information on Directors Seeking Re-Election

NAME	CHNG WENG WAH	LAU KAY HENG
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	Yes Mr. Chng was previously found guilty by the Securities Industry Council ("**SIC**") for breaching the then Rule 33 of the Take-over Code for failing to make a mandatory general offer for the shares in the share capital of Serial System Ltd after acquiring more than 25% of the issued share capital of Serial System Ltd on 26 February 2001. This information was disclosed in the announcement released to SGX-ST on 3 February 2005 in relation to Announcement of Appointment of Executive Director.	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

Additional Information on Directors Seeking Re-Election

NAME	CHNG WENG WAH	LAU KAY HENG
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	Yes Mr. Chng was previously found guilty by the SIC for breaching the then Rule 33 of the Take-over Code for failing to make a mandatory general offer for the shares in the share capital of Serial System Ltd after acquiring more than 25% of the issued share capital of Serial System Ltd on 26 February 2001. As a result, the SIC disqualified Mr. Chng from being a director of any listed company on the SGX-ST for 2 years until after 22 May 2003. Further, he and his concert parties cannot make a takeover offer (whether pursuant to Rule 14 of the revised Take-over Code or otherwise) or incur a bid obligation for any public company in Singapore until after 22 May 2003. In this connection, the Commercial Affairs Department ("**CAD**") also issued a warning letter in November 2001 to Mr. Chng in relation to an alleged contravention by Mr. Chng under Sections 83, 165 and 166 of the Companies Act, Chapter 50. This information was disclosed in the announcement released to SGX-ST on 3 February 2005 in relation to Announcement of Appointment of Executive Director.	No

Additional Information on Directors Seeking Re-Election

NAME	CHNG WENG WAH	LAU KAY HENG
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes Regal International Group Ltd. ("**Regal**") Mr. Lau is currently the Lead Independent Director of Regal (appointed since August 2019). On 31 December 2019, Regal announced the disposal of Upright Strategy Sdn Bhd ("**Upright Strategy**") to Twin Revenue Sdn. Bhd. ("**Twin Revenue**") (the "**Disposal**"). Regal's external auditor, RSM Chio Lim LLP ("**RSM**") had on 8 February 2021, expressed a material uncertainty related to going concern and issued a disclaimer of opinion on the basis of, *inter alia*, insufficient appropriate audit evidence on the business rationale and commercial substance for (i) Twin Revenue's acquisition of Upright Strategy; (ii) payments made to a director of Twin Revenue; and (iii) other transactions with Twin Revenue. On 29 March 2021, Singapore Exchange Regulation ("**SGX RegCo**") issued a notice of compliance ("**NOC**") and highlighted that the Company did not submit any consultation or waiver application to SGX RegCo with regard to the Disposal prior to the completion of the Disposal on 31 December 2019 and only submitted a consultation application after the completion of the Disposal.

Additional Information on Directors Seeking Re-Election

NAME	CHNG WENG WAH	LAU KAY HENG
		On 18 February 2021, in its response to SGX RegCo's queries, the Company disclosed that it would be making arrangements to convene an extraordinary general meeting to seek shareholders' approval for the ratification of the Disposal. In its NOC, SGX RegCo directs Regal to, *inter alia*, appoint a special auditor to investigate into the Disposal as well as all transactions involving Regal and Twin Revenue as highlighted by RSM and continue suspension of share trading until the SGX RegCo is satisfied that, *inter alia*, the special audit is completed and comments arising from the special audit have been adequately addressed and any outstanding financial statements announcements being released. On 28 July 2021, Regal appointed Deloitte & Touche Financial Advisory Services Pte Ltd ("**DTFAS**") as its special auditors. DTFAS will report its findings to the Audit Committee of Regal and SGX RegCo directly. To the best of Mr. Lau's knowledge, he is not a subject of the special audit and certain transactions with Twin Revenue occurred before his appointment to the board of Regal. Mr. Lau is overseeing the special audit together with his fellow members of the audit committee.
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

Additional Information on Directors Seeking Re-Election

NAME	CHNG WENG WAH	LAU KAY HENG
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes. Please refer to (h).	No
Disclosure applicable to the proposed appointment of Director only:		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This relates to re-appointment of Director.	Not applicable. This relates to re-appointment of Director.

Sustainability Report

1 BOARD STATEMENT

The Group affirms our commitment to sustainability with the publication of our sustainability report ("**Report**"). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance ("**ESG**") factors and economic performance.

Whilst mindful of our profit-oriented objective, we are committed to strike a balance between sustainable growth, profit, governance, environment, the development of our people and well-being of our communities to secure the long-term future of our Group. This commitment is reflected in our sustainable business strategy and the material ESG factors which are shown in this Report.

A sustainability policy ("**SR Policy**") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material ESG factors has been established and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material ESG factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

2 REPORTING FRAMEWORK

This Report has been prepared in accordance with the GRI Standards: Core option and in accordance with Rules 711(A) and 711(B) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**"). We have chosen to report using GRI Standards: Core option as it is an internationally recognised reporting framework. We have not sought external assurance for this Report.

3 REPORTING PERIOD AND SCOPE

This Report focuses on the Group's sustainability efforts and strategies for our financial year from 1 July 2021 to 30 June 2022 ("**FY2022**" or "**Reporting Period**"). A sustainability report will be published annually in accordance with our SR Policy.

As the Group is mainly focused on the Technology business segment, this Report covers the sustainability practices and performances for the key operating entities within the Group under the Technology business segment which contributed 100% (FY2021: 100%) of the Group's total revenue for the reporting period.

4 FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: investors@disa.sg

5 STAKEHOLDER ENGAGEMENT

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise customers, employees, partners, regulators and shareholders. Key stakeholders are determined for each material factor identified, based on the extent of which they can affect or are affected by our operations. It is crucial to include and align the needs of these stakeholders in our business decisions so that we can better strengthen our relationships with them.

Sustainability Report

We actively engage our key stakeholders through the following channels:

S/N	Key stakeholders	Engagement channel
1	Customers	Communication channels, both formal and informal, are established between our customers and the Group across all key departments and staff levels.
2	Employees	Senior management holds regular communication sessions with employees to obtain feedback and alignment of business goals across all levels of workforce. Such communication channels include emails and staff evaluation sessions where employees can pose questions in person.
3	Partners	Our solutions are deployed on consumer products sold at retail stores to protect the retailers from theft and return fraud. As such, we work closely with retailers, as our partners, to ensure effectiveness of our solutions. Communication channels, both formal and informal, are established between our partners and the Group across all key departments and staff levels.
4	Regulators	We participate in consultations and briefing organised by key regulatory bodies such as SGX-ST so as to furnish feedback on proposed regulatory changes that impact our business.
5	Shareholders	We convey timely, full and credible information to shareholders through announcements on SGXNET, investor relations email account investors@disa.sg, annual general meetings, annual reports, and other channels such as business publications and investors' relation events.

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

6 POLICY, PRACTICE AND PERFORMANCE REPORTING

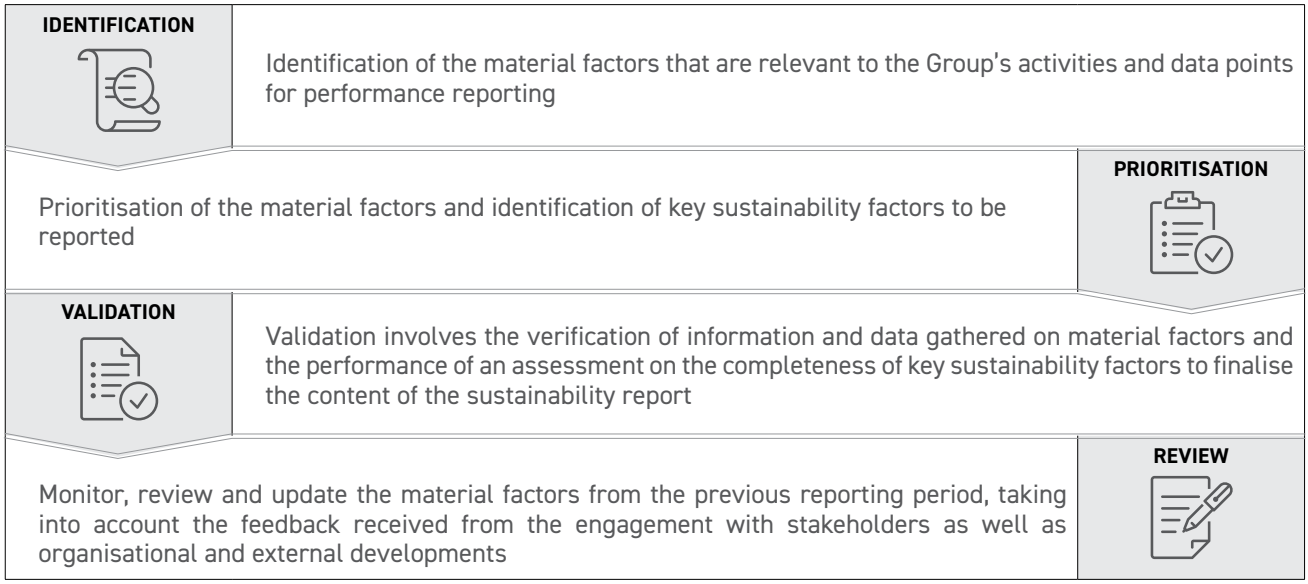
6.1 Reporting Structure

Our sustainability strategy is developed and directed by the Group's senior management in consultation with the Board of Directors. The Group's Sustainability Committee, which includes senior management executives, is led by our Chief Executive Officer, and is tasked to develop the sustainability strategy, review our material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report.

Sustainability Report

6.2 Sustainability Reporting Processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material factors which are then validated with data. The end result of this process is a list of material factors disclosed in this Report. Processes involved are as shown in the chart below:



6.3 Materiality Assessment

Under our SR Policy, the materiality assessment is reviewed annually and each sustainability factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
I	High	Factors with high reporting priority are reported on in detail.
II	Medium	Factors with medium reporting priority are considered for inclusion in the Report. If it is decided that such factors are not material, they may be excluded from the Report.
III	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

The reporting priority is supported by a material factor matrix. Under this matrix, each factor identified is ranked by assigning scores based on low, medium and high for the level of concern to external stakeholders and the potential impact on business.

Sustainability Report

7 MATERIAL FACTORS

Our materiality assessment performed for FY2022 involved the Group's senior management in identifying sustainability factors deemed material to our businesses and stakeholders so as to allow the Group to channel our resources judiciously to create sustainable value for our stakeholders. Presented below are a list of material sustainability factors applicable to our Group:

S/N	Material factor	Reporting priority	Key stakeholders
Social			
1	Employee retention	I	Employees
2	Equality and diversity in the workplace	II	Employees
Economic			
3	Sustainable business performance	II	Customers, Partners, Shareholders
4	Proactive anti-corruption practices	II	Shareholders, Regulators
Governance			
5	Robust corporate governance framework	II	Regulators

We will review and update the material factors on an annual basis to reflect changes in business operations, environment, stakeholder's feedback and sustainability trends. The details of each material factor are presented as follows:

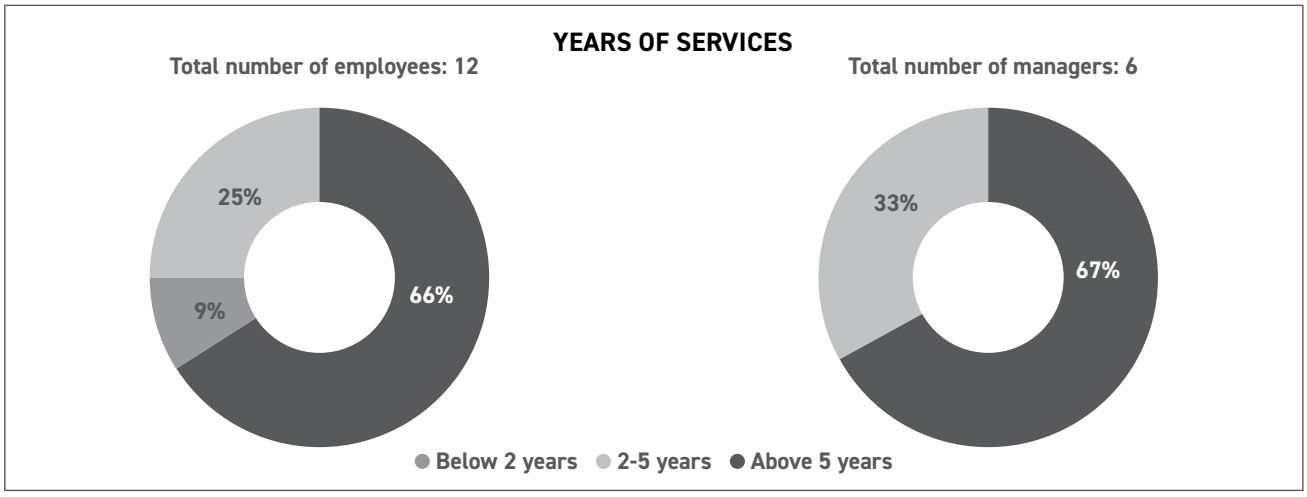
7.1 Employee Retention

The success of our business pivots on a team of skilled and experienced staff supervised by experienced and knowledgeable managers. Accordingly, we are committed to employee retention through the following efforts:

- Establishing procedures and guidance to recruit and promote employees based on merit and competency; and
- Staff assessment is performed regularly to evaluate the performance of employees and employees could express their views and provide feedback.

Sustainability Report

A low turnover improves the sustainability of our business. As at 30 June 2022, the total number of employees under the Group stands at 12 (including 6 managers) (FY2021: 14 (including 7 managers)) with approximately 66% (FY2021: 29%) of the employees and 67% (FY2021: 43%) of the managers having more than 5 years of service in the Group. Lower employees' and managers' headcounts as at 30 June 2022 as we continue to streamline our business structure without jeopardising operational efficiency. The breakdown of employees and managers by the years of service are as follows:



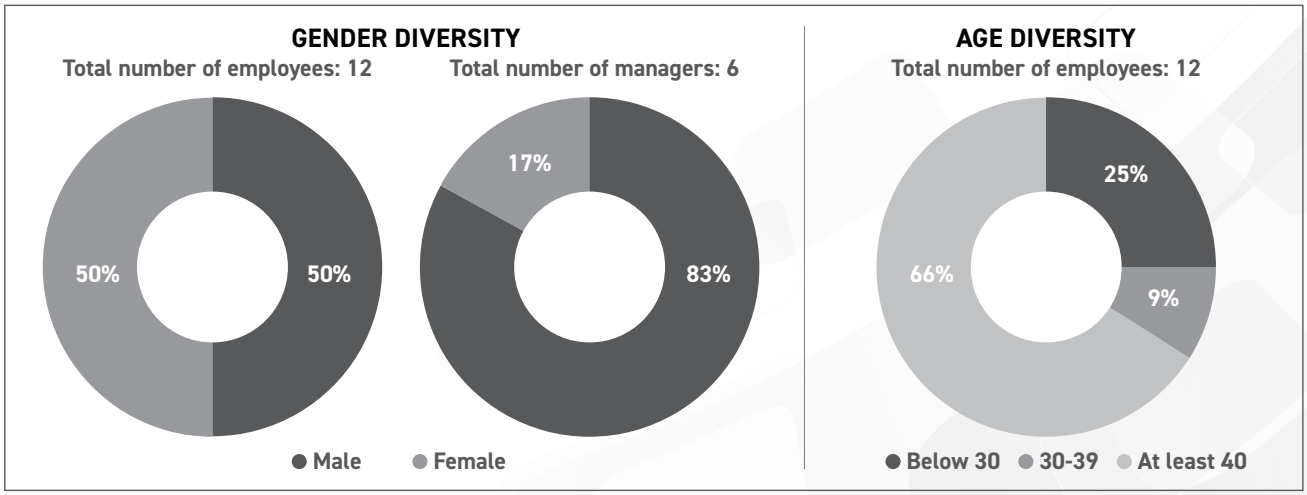
We expect the percentage of employees (including managers) with long service to increase as our business grows.

7.2 Equality and Diversity in the Workplace

We are committed to diversity and equal opportunity in employment to grow our human capital. Accordingly, we strive to provide a work environment for our employees that fosters fairness, equity and respect for social and cultural diversity, regardless of their gender, age or educational background.

On gender diversity, the percentage of female to total employees was 50% (FY2021: 43%), with about 17% (FY2021: 14%) of our managers being female as at 30 June 2022.

On age diversity, matured workers are valued for their experience knowledge and skills. As at 30 June 2022, 66% (FY2021: 64%) of our employees under the Technology business segment was at least 40 years old.



Sustainability Report

On diversity in educational background, given the technological nature of the business segment, all of our employees are tertiary educated as at 30 June 2022. The distribution of staff by educational level is as follows:

Education qualification	FY2022	FY2021
Tertiary	100%	100%
Non-tertiary	0%	0%
Total	100%	100%

To promote equal opportunity, we have put in place the following measures:

- A human resource policy is in place to recruit employees based on merit and competency.
- For staff recruitment, emphasis is placed on ensuring advertisements do not state age, race, gender or religion as a preference or requirement.

7.3 Sustainable Business Performance

We believe in creating long-term economic value for our shareholders as well as key stakeholders by adopting responsible business practices and growing business in a sustainable manner.

Our asset protection solutions are deployed on consumer products sold at retail stores to protect the retailers and their suppliers from theft and return fraud. The Group continues to expand and sell semiconductor devices as an extended service to existing and new customers during FY2022.

With our ongoing efforts to gain acceptance from retailers and their suppliers, our Technology segment registered a record-high revenue of SGD24,266,000 in FY2022, an increase of SGD4,865,000 or 25.1% as compared to SGD19,401,000 in FY2021. Excluding the share of losses from associate of SGD375,000 in FY2022 and the one-off expenses of SGD205,000 from write-off of office renovation cost in FY2021, the adjusted net loss of the Group narrowed to SGD1,627,000 in FY2022 from SGD2,960,000 in FY2021.

Details of the Group's economic performance can be found in our Annual Report.

7.4 Proactive Anti-Corruption Practices

We are committed to carrying out our business with integrity by avoiding corruption in any form, including bribery, and complying with the prevention of corruption act in Singapore and countries where we operate in.

We have in place a whistle blowing policy to provide a mechanism for employees and the public to raise concerns through an accessible confidential disclosure channel, via a dedicated email account, about possible improprieties in matters of financial reporting and others. An employee handbook is in place to provide guidance to employees on proper conducts and reflect the culture of our Group.

During the reporting period, no serious offence[1] was reported (FY2021: zero incident).

1 A serious offence is defined as one that involves fraud or dishonesty amounting to not less than SGD100,000 and punishable by imprisonment for a term of not less than 2 years which is being or has been committed against the company by officers or employees of the company.

Sustainability Report

7.5 Robust Corporate Governance Framework

We are committed to high standards of corporate governance and believe that a high standard of corporate governance is integral in ensuring sustainability of the Group's business as well as safeguarding shareholders' interests and maximising long-term shareholder's value.

The Board and the Management believe that our quest for good governance lies in putting in place an effective framework of risk management and internal controls. Refer to the Corporate Governance Report of our Annual Report for details of our corporate governance practices.

7.6 Environmental

As a technology company, we are primarily providing asset protection solutions to our customers. Accordingly, our impact on the environment, after assessing the level of concern to external stakeholders and potential impact on the business, is deemed not to be a material sustainability factor. Nonetheless, we constantly track and control our resource consumption which comprises mainly electricity and water.

8 TARGET SETTING

For our material factors identified, we have listed our achievements in FY2022 as follows:

S/N	Material factor	Target for FY2022	FY2021 Achievement
1	Employee retention	Improve or maintain employee retention rate	Total number of employees under the Technology business segment stands at 12 (including 6 managers) in FY2022 (FY2021: 14 (including 7 managers)).
2	Equality and diversity in the workplace	Move towards a more balanced gender, age and educational diversity ratio	The percentage of female employees increased by 7% from 43% in FY2021 to 50% in FY2022. As at 30 June 2022, 66% (FY2021: 64%) of the employees under the Technology business segment was at least 40 years old. All of the employees are tertiary educated as at 30 June 2022 (FY2021: 100%).
3	Sustainable business performance	Improve our financial performance	Revenue increased by SGD4,865,000 or 25.1% in FY2022 to SGD24,266,000 against SGD19,401,000 in FY2021 and net loss, excluding the share of losses from associate of SGD375,000 in FY2022 and one-off expenses of SGD205,000, narrowed from SGD2,960,000 in FY2021 to SGD1,627,000 in FY2022.
4	Proactive anti-corruption practices	Maintain zero incident of serious offence	Zero incident of serious offence reported for FY2022 (FY2021: zero incident).

We have set the same targets above for FY2023.

Sustainability Report

9 GRI CONTENT INDEX

General standard disclosure		Section reference	Page
Organisation profile			
102-1	Name of the organisation	Cover Page	–
102-2	Activities, brands, products, and services	Corporate Profile	2-3
102-3	Location of headquarters	• Corporate Information • Notes to the Financial Statements > Corporate Information	10 81
102-4	Location of operations	Corporate Profile	2-3
102-5	Ownership and legal form	• Notes to the Financial Statements > Corporate Information • Notes to the Financial Statements > Subsidiaries • Statistics of Shareholdings	10 108-109 153-154
102-6	Markets served	Corporate Profile	2-3
102-7	Scale of the organisation	• Operating and Financial Review • Sustainability Report > Material Factors > Employee Retention • Sustainability Report > Material Factors > Equality and Diversity in the Workplace • Sustainability Report > Material Factors > Sustainable Business Performance • Consolidated Statement of Comprehensive Income • Statements of Financial Position	12-14 54-55 55-56 56 74 75
102-8	Information on employees and other workers	• Sustainability Report > Material Factors > Employee Retention • Sustainability Report > Material Factors > Equality and Diversity in the Workplace	54-55 55-56
102-9	Supply chain	Corporate Profile	2-3
102-10	Significant changes to the organisation and its supply chain	There was no significant change to the organisation and its supply chain during the reporting period	–
102-11	Precautionary Principle or approach	None	–
102-12	External initiatives	None	–
102-13	Membership of associations	None	–

Sustainability Report

General standard disclosure		Section reference	Page
Strategy			
102-14	Statement from senior decision-maker	Sustainability Report > Board Statement	51
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Corporate Governance Report	15-42
Governance			
102-18	Governance structure of the organisation	• Corporate Governance Report • Sustainability Report > Material Factors > Robust Corporate Governance Framework	15-42 57
Stakeholder engagement			
102-40	List of stakeholder groups	Sustainability Report > Stakeholder Engagement	51-52
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreement	–
102-42	Identifying and selecting stakeholders	Sustainability Report > Stakeholder Engagement	51-52
102-43	Approach to stakeholder engagement	Sustainability Report > Stakeholder Engagement	51-52
102-44	Key topics and concerns raised	• Sustainability Report > Stakeholder Engagement • Sustainability Report > Material Factors	51-52 54-57
Reporting practice			
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements > Subsidiaries	108-109
102-46	Defining report content and topic boundaries	Sustainability Report > Sustainability Reporting Processes	53
102-47	List of material topics	Sustainability Report > Material Factors	54-57
102-48	Restatements of information	None	–
102-49	Changes in reporting	None	–
102-50	Reporting period	Sustainability Report > Reporting Period and Scope	51
102-51	Date of most recent report	Sustainability Report 2021 (12 October 2021)	–

Sustainability Report

General standard disclosure		Section reference	Page
102-52	Reporting cycle	Sustainability Report > Reporting Period and Scope	51
102-53	Contact point for questions regarding the report	Sustainability Report > Feedback	51
102-54	Claims of reporting in accordance with the GRI Standards and GRI content index	• Sustainability Report > Reporting Framework • Sustainability Report > GRI Content Index	51 58-60
102-55	GRI content index	Sustainability Report > GRI Content Index	58-60
102-56	External assurance	We may seek external assurance in the future.	–
Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Report > Material Factors	54-57
103-2	The management approach and its components	Sustainability Report > Material Factors	54-57
103-3	Evaluation of management approach	Sustainability Report > Material Factors	54-57
Category: Economic			
201-1	Direct economic value generated and distributed	• Operating and Financial Review • Sustainability Report > Material Factors > Employee Retention • Sustainability Report > Material Factors > Sustainable Business Performance	12-14 54-55 56
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report > Material Factors > Proactive Anti-Corruption Practices	56
Category: Social			
401-1	New employee hires and employee turnover	Sustainability Report > Material Factors > Employee Retention	54-55
405-1	Diversity of governance bodies and employees	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	55-56

Directors' Statement

The directors present their statement to the members together with the audited consolidated financial statements of DISA Limited (the "**Company**") and its subsidiaries (the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 74 to 133 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**"); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors in office at the date of this statement are:

Executive director
Chng Weng Wah

Independent Non-Executive directors
Toh Hock Ghim
Lau Kay Heng
Lim Soon Hock

ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than share options as disclosed in this statement.

Directors' Statement

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Direct interests		Deemed interests	
	At 1.7.2021	At 30.6.2022	At 1.7.2021	At 30.6.2022
The Company				
Ordinary shares				
Chng Weng Wah	590,970,850	658,970,850	463,050,000[(1)]	463,050,000[(1)]
Share options				
Chng Weng Wah	650,000,000	582,000,000	–	–
Toh Hock Ghim	40,000,000	40,000,000	–	–
Lau Kay Heng	25,000,000	25,000,000	–	–
Lim Soon Hock	22,500,000	22,500,000	–	–

	Direct interests		Deemed interests	
	At date of incorporation	At 30.6.2022	At date of incorporation	At 30.6.2022
Digital Life Line Pte Ltd				
Ordinary shares				
Chng Weng Wah	3,500	3,500,000	–	–

(1) As at 1.7.2021 and 30.6.2022, the director, Mr Chng Weng Wah is deemed to have interest in the 463,050,000 ordinary shares in the Company held through Citibank Nominees Singapore Pte. Ltd..

The directors' interests in the ordinary shares of the Company at 21 July 2022 were the same as those as at 30 June 2022.

SHARE OPTIONS

DISA Employee Share Option Scheme 2021 (the "DISA ESOS 2021")

The DISA ESOS 2021 was approved and adopted by members of the Company at an Extraordinary General Meeting ("**EGM**") held on 28 October 2021 ("**Date of Adoption**"). The DISA ESOS 2021 is administered by the DISA ESOS 2021 Committee comprising:

Toh Hock Ghim	Non-Executive Director
Lau Kay Heng	Non-Executive Director
Lim Soon Hock	Non-Executive Director
Chng Weng Wah	Executive Director

Directors' Statement

SHARE OPTIONS (CONT'D)

DISA Employee Share Option Scheme 2021 (the "DISA ESOS 2021") (cont'd)

Information regarding the DISA ESOS 2021 is set out below:

1) The exercise price of the options can be set at a discount not exceeding 20% of the weighted-average of the last-dealt price for a share for the five (5) consecutive market days immediately preceding the date of grant in respect of options granted at the time of grant.

2) The aggregate number of ordinary shares which may be allotted and issued upon the exercise of options granted pursuant to the DISA ESOS 2021 of the Company shall not exceed 15% of the total number of issued shares of the Company from time to time.

   As at 30 June 2022, outstanding options issued under the DISA ESOS 2021 represent 1.9% (2021: Nil) of the total number of issued shares of the Company.

3) Options granted to and accepted by executives, directors and employees in respect of an option granted with a subscription price at the market prices will be exercisable after the first anniversary of the offer date of that option. Options granted to and accepted by executives, directors and employees in respect of an option granted with a subscription price at a discount to the market price will only be exercisable after the second anniversary of the offer date of that option.

4) The vesting period for options granted is to be determined by the ESOS Committee in its sole and absolute discretion on the date of grant of that option.

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

The ECL ESOS ("**ECL ESOS 2010**") was approved and adopted by members of the Company at an Extraordinary General Meeting ("**EGM**") held on 28 October 2010 ("**Date of Adoption**") and subsequently renamed to the DISA ESOS 2010 with effect from 13 February 2017. The DISA ESOS 2010 is administered by the DISA ESOS 2010 Committee comprising:

Lau Kay Heng	Chairman, Non-Executive Director
Toh Hock Ghim	Non-Executive Director
Chng Weng Wah	Executive Director

Information regarding the DISA ESOS 2010 is set out below:

1) The exercise price of the options can be set at a discount not exceeding 20% of the weighted-average of the last-dealt price for a share for the three (3) consecutive market days immediately preceding the date of grant in respect of options granted at the time of grant.

Directors' Statement

SHARE OPTIONS (CONT'D)

DISA Employee Share Option Scheme (the "DISA ESOS 2010") (cont'd)

2) The aggregate number of ordinary shares which may be allotted and issued upon the exercise of options granted pursuant to the DISA ESOS 2010 of the Company shall not exceed 15% of the total number of issued shares of the Company from time to time.

   As at 30 June 2022, outstanding options issued under the DISA ESOS 2010 represent 11.6% (2021: 12.9%) of the total number of issued shares of the Company.

3) Options granted to and accepted by executives, directors and employees in respect of an option granted with a subscription price at the market prices will be exercisable after the first anniversary of the offer date of that option. Options granted to and accepted by executives, directors and employees in respect of an option granted with a subscription price at a discount to the market price will only be exercisable after the second anniversary of the offer date of that option.

4) The vesting period for options granted after October 2017 had been adjusted to create better retention of talent and knowledge according to the following vesting schedule:

	New Vesting Period		
	Vesting schedule	Percentage of options which are exercisable	
		Directors %	Employees %
Options which are exercisable at no discount to the market price	On or after the first anniversary of the date of grant	33.30	25
	On or after the second anniversary of the date of grant	33.30	25
	On or after the third anniversary of the date of grant	33.40	25
	On or after the fourth anniversary of the date of grant	Not applicable	25
Options which are exercisable at a discount to the market price	On or after the first anniversary of the date of grant	Not applicable	Not applicable
	On or after the second anniversary of the date of grant	33.30	25
	On or after the third anniversary of the date of grant	33.30	25
	On or after the fourth anniversary of the date of grant	33.40	25
	On or after the fifth anniversary of the date of grant	Not applicable	25

5) DISA ESOS 2010 expired on 27 October 2020, 10 years from the Date of Adoption and options granted will expire after 10 years from offer date of the option for executives, directors and employees of the Company and its subsidiaries.

Directors' Statement

SHARE OPTIONS (CONT'D)

At the end of the financial year, details of the options granted under the DISA ESOS 2010 and DISA ESOS 2021 on the unissued ordinary shares of the Company, were as follows:

Date of grant	Balance as at 1 July 2021	Exercised	Options forfeited	Balance as at 30 June 2022	Exercise price per share ($)	Exercisable period
ESOS 2010						
8 January 2015	7,500,000	–	–	7,500,000	0.00600	8 January 2016 to 7 January 2025
8 December 2016	6,000,000	–	–	6,000,000	0.01110	8 December 2017 to 7 December 2026
16 March 2017	2,000,000	–	–	2,000,000	0.03010	16 March 2018 to 15 March 2027
3 April 2017	8,000,000	–	–	8,000,000	0.02920	3 April 2018 to 2 April 2027
3 July 2017	2,500,000	–	–	2,500,000	0.01350	3 July 2018 to 2 July 2027
1 November 2017	91,000,000	–	(9,000,000)	82,000,000	0.01420	1 November 2018 to 31 October 2027
13 November 2017	4,000,000	–	–	4,000,000	0.01360	13 November 2018 to 12 November 2027
28 November 2017	13,500,000	–	(2,000,000)	11,500,000	0.01290	28 November 2018 to 27 November 2027
11 July 2018	5,000,000	–	(5,000,000)	–	0.00900	11 July 2019 to 10 July 2028
6 August 2018 (1)	20,000,000	–	–	20,000,000	0.00720	6 August 2020 to 5 August 2028
17 October 2018	387,000,000	–	(41,000,000)	346,000,000	0.00500	17 October 2019 to 16 October 2028
11 January 2019	10,000,000	–	–	10,000,000	0.00300	11 January 2020 to 10 January 2029
1 July 2019	16,000,000	–	–	16,000,000	0.00200	1 July 2020 to 30 June 2029
19 December 2019	720,000,000	(68,000,000)	–	652,000,000	0.00200	19 December 2020 to 18 December 2029
	1,292,500,000	(68,000,000)	(57,000,000)	1,167,500,000		

(1) These share options were granted at a 10% discount.

Directors' Statement

SHARE OPTIONS (CONT'D)

At the end of the financial year, details of the options granted under the DISA ESOS 2010 and DISA ESOS 2021 on the unissued ordinary shares of the Company, were as follows: (cont'd)

Date of grant	Balance as at 1 July 2021	Additions	Options forfeited	Balance as at 30 June 2022	Exercise price per share ($)	Exercisable period
ESOS 2021						
6 December 2021	–	210,500,000	(30,000,000)	180,500,000	0.00100	6 December 2022 to 5 December 2031
13 January 2022	–	10,000,000	(1,000,000)	9,000,000	0.00840	13 January 2023 to 12 January 2032
	–	220,500,000	(31,000,000)	189,500,000		

The details of the options granted under the DISA ESOS 2010 and DISA 2021 to persons who were directors of the Company during the financial year are as follows:

Name of director	Options granted during financial year under review	Aggregate options granted since commencement of the DISA ESOS to the end of financial year under review	Aggregate options forfeited / exercised since commencement of the DISA ESOS to the end of the financial year	Aggregate options outstanding as at the end of financial year under review
Chng Weng Wah	–	650,000,000	(68,000,000)	582,000,000
Toh Hock Ghim	–	40,000,000	–	40,000,000
Lau Kay Heng	–	25,000,000	–	25,000,000
Lim Soon Hock	–	22,500,000	–	22,500,000
	–	737,500,000	(68,000,000)	669,500,000

Except as disclosed above, there were no unissued shares of the Company or its subsidiary corporations under options granted by the Company or its subsidiaries as at the end of the financial year.

There were 68,000,000 share options exercised in the current financial year (2021: Nil).

Directors' Statement

SHARE OPTIONS (CONT'D)

Apart from the following who have in aggregate received 5% or more of the total number of options available under DISA ESOS 2010, none of the other executives, directors and employees of the Group who participated in DISA ESOS 2010 and DISA ESOS 2021 has received 5% or more of the total number of options available:

	Total options outstanding	Total % of options under the DISA ESOS 2010
Chng Weng Wah	582,000,000	49.85%

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

PERFORMANCE SHARES

DISA Performance Share Scheme (the "DISA PS Scheme")

The DISA PS Scheme was approved and adopted by members of the Company at an EGM held on 31 October 2008. The DISA PS Scheme had expired on 26 October 2018 and continued with shareholders' approval at an annual general meeting held on 26 October 2018, for a further period of 10 years from 26 October 2018 ("**Date of Renewal**") to (and including) 25 October 2028. The DISA PS Scheme is administered by the DISA PS Scheme Committee. The members of the committee at the end of financial year and at the date of this statement are:

Toh Hock Ghim	Chairman, Non-Executive Director
Chng Weng Wah	Executive Director
Lau Kay Heng	Non-Executive Director

Selected employees of the Group, Executive Directors and Non-Executive Directors of the Company and Directors who are also controlling shareholders of the Company and their associates ("**Participants**") are eligible to participate in this DISA PS Scheme. However, participation of and grant of awards to controlling shareholders of the Company and/or their associates will be subject to specific shareholders' approval.

The Company has the flexibility to either issue and deliver new shares of the Company, or purchase and deliver existing shares of the Company to Participants upon the vesting of the awards.

Participants will receive fully paid shares of the Company, provided that certain prescribed performance targets are met within a prescribed period.

A Participant's award of ordinary shares in the share capital of the Company ("**Award Shares**") under the DISA PS Scheme (the "**Award**") will be determined at the sole discretion of the DISA PS Scheme Committee, which will oversee and administer the DISA PS Scheme.

During the financial year, no awards were granted under the DISA PS Scheme (2021: Nil).

Directors' Statement

PERFORMANCE SHARES (CONT'D)

DISA Performance Share Scheme (the "DISA PS Scheme") (cont'd)

Information regarding the DISA PS Scheme is set out below:

1) The aggregate number of Award Shares to be delivered to the vesting of the Awards on any date, when added to the number of shares issued and/or issuable under such other share-based incentive schemes (including the DISA ESOS) of the Company shall not exceed 15% of the issued shares of the Company on the day preceding that date.

2) The aggregate number of Award Shares available to eligible controlling shareholders and their associates under the DISA PS Scheme shall not exceed 25% of the shares available under this DISA PS Scheme. In addition, the number of Award Shares available to each such controlling shareholder or his associate shall not exceed 10% of the shares available under this DISA PS Scheme.

3) The DISA PS Scheme shall continue to be in force at the discretion of the DISA PS Scheme Committee, subject to a maximum period of 10 years commencing on the Date of Renewal (expiring on 25 October 2028) of the DISA PS Scheme, provided always that the DISA PS Scheme may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

AUDIT AND RISKS MANAGEMENT COMMITTEE

The members of the Audit and Risks Management Committee during the financial year and at the date of this statement are:

Lau Kay Heng	Chairman, Non-Executive Director
Toh Hock Ghim	Non-Executive Director
Lim Soon Hock	Non-Executive Director

The Audit and Risks Management Committee carried out its functions specified in Section 201B(5) of the Companies Act. Their functions are detailed in the Report on Corporate Governance.

In performing its functions, the Audit and Risks Management Committee met with the Company's independent and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risks Management Committee also reviewed the following:

(a) the audit plan and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the independent auditor, including the review of the extent of non-audit services provided by the independent auditor to the Group;

(b) the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

Directors' Statement

AUDIT AND RISKS MANAGEMENT COMMITTEE (CONT'D)

The Audit and Risks Management Committee also reviewed the following: (cont'd)

(c) Group's half-yearly and annual financial statements and the independent auditor's report on the annual financial statement of the Group and of the Company before their submission to the Board of Directors;

(d) the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(e) the adequacy of the Group's risk management processes;

(f) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(g) interested person transactions in accordance with SGX listing rules;

(h) nomination of independent auditor and approval of their compensation; and

(i) submission of report of actions and minutes of the audit and risks management committee to the Board of Directors with any recommendations as the audit and risks management committee deems appropriate.

The Audit and Risks Management Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of Directors that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

INDEPENDENT AUDITOR

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Chng Weng Wah
Director

Lau Kay Heng
Director

27 September 2022

Independent Auditor's Report

To the members of Disa Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of DISA Limited (the "**Company**") and its subsidiaries (the "**Group**") as set out on pages 74 to 133, which comprise the statements of financial position of the Group and of the Company as at 30 June 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment assessment of investment in subsidiaries (Company level)

At 30 June 2022, the carrying amount of the Company's investment in subsidiaries which comprise investment in Disa Digital Safety Pte. Ltd. and its subsidiaries ("**DDSPL subgroup**") is $Nil. Where there are indicators of impairment or indicators that impairment loss recognised in prior periods may no longer exist or may have decreased, the Company performs an impairment assessment to determine the recoverable amount, which is the higher of value in use and fair value less costs of disposal of the asset. Where value in use calculations are undertaken, management is required to estimate the future cash flows expected from subsidiaries and a suitable discount rate on the assumptions. These key inputs and assumptions were estimated by management based on prevailing market, economic and other conditions at the end of the reporting period. Given the significant level of judgement and estimation involved, we identified this to be a key audit matter.

The key assumptions used in the impairment assessment are disclosed in Notes 3 and 13 to the financial statements.

Independent Auditor's Report

To the members of Disa Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Our procedures to address the key audit matter

We evaluated management's assessment of the recoverable amount of investment in DDSPL subgroup based on value in use and the process by which they were developed. We assessed the reasonableness of key assumptions applied in the value in use calculations by comparing the forecasts to historical data and performance, existing contracts and other relevant documents. We also reviewed whether forecasted cash flows for prior year were achieved to assess reliability of management's forecast. We involved our valuation specialists in assessing the reasonableness of the discount rates used. We recomputed the comparison between the recoverable amount based on the higher of the fair value less costs of disposal and the value in use calculation, and the carrying amount of the investment. We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the directors' statement and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditor's Report

To the members of Disa Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

To the members of Disa Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Guo Shuqi.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

27 September 2022

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	4	24,266	19,401
Other income			
- Interest	5a	5	13
- Others	5b	251	398
Total revenue		24,522	19,812
Expenses			
Cost of inventories		(22,738)	(18,097)
Subcontractor expenses		(38)	(139)
Depreciation expenses	11	(309)	(420)
Staff costs	6	(2,223)	(3,177)
Legal and professional expenses		(243)	(245)
Write-off of property, plant and equipment		–	(205)
Other expenses		(540)	(651)
Finance costs	7	(28)	(43)
Total expenses		(26,119)	(22,977)
Share of results of an associated company		(375)	–
Loss before tax	8	(1,972)	(3,165)
Tax expense	9	(30)	–
Loss for the financial year		(2,002)	(3,165)
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation		5	1
Items that will not be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income - equity instrument	15	–	(150)
Other comprehensive income/(loss) for the financial year, net of tax		5	(149)
Total comprehensive loss for the financial year		(1,997)	(3,314)
Loss attributable to:			
Equity holders of the Company		(1,998)	(3,165)
Non-controlling interests		(4)	–
Loss for the financial year		(2,002)	(3,165)
Total comprehensive loss attributable to:			
Equity holders of the Company		(1,993)	(3,314)
Non-controlling interests		(4)	–
Total comprehensive loss for the financial year		(1,997)	(3,314)
Loss per share attributable to equity holders of the Company *(expressed in cents per share)*			
Basic and diluted	10	(0.02)	(0.03)

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

At 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Property, plant and equipment	11	483	621	247	152
Intangible assets	12	–	–	–	–
Investment in subsidiaries	13	–	–	–	–
Investment in an associated company	14	627	–	–	–
Financial assets at fair value through other comprehensive income	15	–	–	–	–
Total non-current assets		1,110	621	247	152
Current assets					
Inventories	16	65	118	–	–
Trade receivables	17	1,264	1,669	–	–
Other current assets	18	109	240	895	232
Cash and cash equivalents	19	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	20	66	285	41	87
Total non-current liabilities		66	285	41	87
Current liabilities					
Trade and other payables	22	105	187	40	67
Contract liabilities	4	46	69	–	–
Accruals	23	588	687	361	377
Borrowings	20	186	277	14	32
Provisions 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	24	58,884	58,680	58,884	58,680
Other reserves	25	5,303	5,183	5,446	5,331
Accumulated losses		(59,611)	(57,609)	(62,717)	(61,086)
Total equity		4,576	6,254	1,613	2,925

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2022

		Attributable to equity holders of the Company								
	Note	Share capital (Note 24) $'000	Currency translation reserve (Note 25) $'000	Share option reserve (Note 25) $'000	Capital reserve (Note 25) $'000	Fair value reserve (Note 25) $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group										
2022										
Balance 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/(loss)										
Currency translation differences arising on consolidation		–	5	–	–	–	–	5	–	5
Total comprehensive income/(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	6	–	–	183	–	–	–	183	–	183
Employee share option exercised	24	204	–	(68)	–	–	–	136	–	136
Balance at 30 June 2022		58,884	7	5,205	241	(150)	(59,611)	4,576	–	4,576

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2022

		Attributable to equity holders of the Company								
	Note	Share capital (Note 24) $'000	Currency translation reserve (Note 25) $'000	Share option reserve (Note 25) $'000	Capital reserve (Note 25) $'000	Fair value reserve (Note 25) $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group										
2021										
Balance 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	13(c)	–	–	–	–	–	–	–	(69)	(69)
Employee share option scheme	6	–	–	818	–	–	–	818	–	818
Balance at 30 June 2021		58,680	2	5,090	241	(150)	(57,609)	6,254	–	6,254

The accompanying notes form an integral part of these financial statements.

Statements of Change in Equity

For the financial year ended 30 June 2022

	Share capital (Note 24) $'000	Share option reserve (Note 25) $'000	Capital reserve (Note 25) $'000	Accumulated losses $'000	Total equity $'000
Company					
Balance as at 1 July 2020	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 scheme	–	818	–	–	818
Balance as at 30 June 2021	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

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from operating activities			
Loss before tax		(1,972)	(3,165)
Adjustments for:			
Depreciation of property, plant and equipment	11	309	420
Employee share-based payment expenses	6	183	818
Gain on lease modification		(3)	(85)
Interest expenses	7	28	43
Interest income	5(a)	(5)	(13)
Gain on disposal of property, plant and equipment		(92)	(9)
Share of results of an associated company		375	–
Gain on loss in control over subsidiary	14	(24)	–
Gain on disposal of club membership		–	(40)
Write-off of property, plant and equipment		–	205
Operating cash flows before movements in working capital		(1,201)	(1,826)
Inventories		53	1,189
Trade and other receivables		462	(81)
Trade and other payables		(150)	108
Contract liabilities		(23)	69
Currency translation adjustments		131	37
Net cash used in operating activities		(728)	(504)
Cash flows from investing activities			
Interest received		5	13
Purchases of property, plant and equipment	11(c)	(224)	(82)
Proceeds from disposals of property, plant and equipment		147	38
Proceeds from disposal of club membership		–	160
Investment in an associated company		(1,000)	–
Proceeds from strike-off of subsidiary, net of cash paid	13(c)	–	(69)
Disposal of a subsidiary, net of cash disposed of	14	3	–
Net cash (used in)/generated from investing activities		(1,069)	60
Cash flows from financing activities			
Interest paid		(28)	(43)
Proceeds from exercise of share options		136	–
Release of pledged fixed deposit		–	2,354
Repayments 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
Effect of exchange rate changes on cash and cash equivalents		(80)	(52)
Cash and cash equivalents at end of the financial year	19	3,049	5,111

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2022

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Lease liabilities (Notes 20 and 21) $'000
Balance at 1 July 2020	812
Changes from financing cash flows:	
- Repayment	(360)
- Interest paid	(43)
Non-cash changes:	
- Interest expenses	43
- New leases	467
- Lease termination	(357)
Balance at 30 June 2021	562
Changes from financing cash flows:	
- Repayment	(293)
- Interest paid	(28)
Non-cash changes:	
- Interest expenses	28
- Lease termination	(17)
Balance at 30 June 2022	252

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

The Company (Co. Reg. No. 197501110N) is incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The address of its registered office is at 120 Lower Delta Road, #03-15 Cendex Centre Singapore 169208.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries and associated company are disclosed in Notes 13 and 14.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are presented in Singapore Dollar ("**$**"), which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand ("**$'000**") except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company's separate statement of comprehensive income is not presented.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables, other current assets and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("**SFRS(I) INT**") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 June 2022 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Revenue recognition

Sale of goods

Sale of asset protection codes, trading of semiconductor devices, and sale of automated antigen rapid test machines and ultraviolet ("**UV**") disinfection devices are recognised at a point in time when the goods have been delivered and control of the goods has transferred to its customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Goods are sold to customers where there is no right of returns. Sales to customers are made with a credit term of cash-on-delivery to 90 days, which is consistent with market practice. No element of financing is deemed present.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Where there is advance billing to customer, a contract liability is recognised for billing in excess of revenue recognised.

Services income

Services income relates to management services provided to group entities which are recognised as a performance obligation satisfied at a point in time as management services are performed.

Interest income

Interest income is recognised using the effective interest method.

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term. Finance income from finance leases is recognised based on a constant periodic rate of return over the lease term using the net investment method.

Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(f). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position.

Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Basis of consolidation (cont'd)

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

e) Associated companies (Equity-accounted investees)

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Associated companies (Equity-accounted investees) (cont'd)

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

f) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost, which includes the purchase price and other directly attributable cost of preparing the asset for its intended use. Intangible assets acquired in a business combination are recognised separately from goodwill and are initially measured at their fair values at the date of acquisition.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Intangible assets (cont'd)

(ii) Other intangible assets

Intangible assets with a finite useful life are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible asset with a finite useful life is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs of disposal and the value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

The estimated useful lives are as follows:

	Years
Core technology	16
Development costs	5

Core technology

The core technology was acquired in a business combination and is amortised on a straight-line basis over its finite useful life.

Development costs

Research costs are recognised as expenses when incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development. Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation of right-of-use assets is calculated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Depreciation for other items of property, plant and equipment is calculated on a straight-line basis to allocate the depreciable amount of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Furniture and fittings and renovation	5
Other equipment	3
Motor vehicles	5
Leasehold properties	Over the lease term of 1 to 3 years

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Property, plant and equipment (cont'd)

The residual values, estimated depreciation rates and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

h) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Leases

When a Group entity is the lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. small items of office equipment). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented within "borrowings" in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Leases (cont'd)

Right-of-use assets (cont'd)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "property, plant and equipment" in the statements of financial position. The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(h).

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has not used this practical expedient.

When a Group entity is the lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

<u>When the Group is an intermediate lessor</u>

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance income is allocated to accounting period so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

l) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Financial assets (cont'd)

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("**FVOCI**").

The classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("**SPPI**")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

(i) Debt instruments

Debt instruments include cash and cash equivalents, trade and other receivables (excluding GST recoverable) and other current and non-current assets (excluding prepayments). The Group's debt instruments are measured at amortised cost.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("**EIR**") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Financial assets (cont'd)

Subsequent measurement (cont'd)

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as fair value through profit and loss ("**FVTPL**") with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other income". For equity investments which are not held for trading or not a contingent consideration recognised by an acquirer in a business combination, the Group may make an irrevocable election (on an investment by investment basis) to designate equity investments as at FVOCI.

The Group has designated all of its equity investments that are not held for trading as at FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss except for equity investment designated at FVOCI which would be recognised in other comprehensive income. Fair value reserve relating to the disposed asset would be transferred to retained earnings upon disposal. Dividends from equity investments are recognised in profit or loss and presented in "other income". Equity investments classified as FVOCI are not subject to impairment assessment.

Impairment

The Group recognises an allowance for expected credit losses ("**ECLs**") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "**12-month ECL**"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "**lifetime ECL**").

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Financial assets (cont'd)

Impairment (cont'd)

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

m) Cash and cash equivalents in the consolidated statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of changes in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits.

n) Financial liabilities

Financial liabilities include trade and other payables (excluding provision for unutilised leave and deferred grant income), accruals and borrowings. Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

o) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

p) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p) Provisions for other liabilities (cont'd)

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

The Group recognises the estimated costs of dismantlement, removal or restoration items of assets arising from the acquisition or use of assets (Note 2(g) and 2(j)). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value. Changes in the estimated timing or amount of the expenditure or discount rate is adjusted against the cost of the related asset unless the decrease in liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

q) Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

r) Employee benefits

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Certain overseas subsidiaries have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

r) Employee benefits (cont'd)

Share-based compensation

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options granted on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the share options reserve, over the vesting period. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share options reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share options reserve are credited to share capital account if new ordinary shares are issued, or credited to the "treasury shares" account if treasury shares are re-issued to the employees. Upon expiry of the options, the balance in the share options reserve is transferred within equity, i.e. a transfer from one component of equity to another.

s) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates ("**the functional currency**"). The financial statements of the Group and the Company are presented in Singapore Dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

s) Foreign currencies (cont'd)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

t) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the grant is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset and is recognised in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

Notes to the Financial Statements

For the financial year ended 30 June 2022

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with in the subsequent paragraphs).

Going concern

The Group incurred a net loss of $2,002,000 (2021: $3,165,000) during the financial year ended 30 June 2022 and cash flows used in operating activities amounted to $728,000 (2021: $504,000).

Operational cash outflow of the Group has increased during the financial year as the Group is working to increase businesses from existing customer base as well as source for new customers to increase the Group's customer base in the next financial year. The Group has also assessed that cash and cash equivalents held of $3,049,000 (2021: $5,111,000) as at 30 June 2022 is sufficient to ensure timely settlement of all required obligations for the 12 months from the reporting date. As such, the directors have determined that it is appropriate for the Group to adopt the going concern assumption in preparing the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment review of investment in subsidiaries

At the end of each reporting period, the Company assesses whether there are any indicators of impairment for investment in subsidiaries. The Company also assesses whether there is any indication that an impairment loss recognised in prior periods for investment in subsidiaries may no longer exist or may have decreased. Where indicators exist, the recoverable amounts of investments in subsidiaries are determined. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Where value in use calculations are undertaken, management is required to estimate the future cash flows expected from the investment in subsidiaries, a suitable discount rate and consider implications of the assumptions, in order to determine the present value of the cash flows. Further details of the key assumptions applied in the impairment assessment of investment in subsidiaries and the carrying amount of investment in subsidiaries are given in Note 13.

Notes to the Financial Statements

For the financial year ended 30 June 2022

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions on the assumptions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying value of trade receivables at reporting date are disclosed in Notes 28 and 17.

4 REVENUE

	Group	
	2022 $'000	2021 $'000
Sale of goods	24,202	19,401
Services income	64	–
	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					
	Sale of goods		Group Services income		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Primary geographical market						
Singapore	4,722	277	–	–	4,722	277
United States of America	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

Notes to the Financial Statements

For the financial year ended 30 June 2022

4 REVENUE (CONT'D)

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation if the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

The Group receives payments from customers as established in contracts. Contract liabilities relate to advance consideration received from customers and billings in excess of revenue recognised to-date. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities from contracts with customers.

	2022 $'000	2021 $'000	1.7.2020 $'000
Group			
Trade receivable from contracts with customers	1,264	1,669	1,208
Contract liabilities	46	69	–

Significant change in the contract liabilities balance during the financial year is due to amounts recognised as revenue during the financial year of $23,000 (2021: $Nil).

5a INTEREST INCOME

	Group	
	2022 $'000	2021 $'000
Interest income		
- Fixed deposits	5	6
- Lease receivable [Note 21(b)]	–	7
	5	13

Notes to the Financial Statements

For the financial year ended 30 June 2022

5b OTHER INCOME

	Group	
	2022 $'000	2021 $'000
Government grants	17	194
Gain on lease modification	3	85
Foreign currency exchange gains, net	100	–
Gain on loss in control over subsidiary	24	–
Gain on disposal of property, plant and equipment	92	–
Sundry income	15	119
	251	398

Within the government grant income is an amount of $Nil (2021: $165,000) recognised during the financial year under the Jobs Support Scheme (the "**JSS**"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees. The JSS is a temporary scheme introduced in the Singapore Budget 2020 and had been extended up to 2021 by the Government.

6 STAFF COSTS

	Group	
	2022 $'000	2021 $'000
Salaries and bonuses and other benefits	1,777	1,983
Employer's contribution to defined contribution plans	90	135
Share-based payments (Note 26)	183	818
Other benefits	173	241
	2,223	3,177

7 FINANCE COSTS

	Group	
	2022 $'000	2021 $'000
Interest expenses		
- Lease liabilities [Note 21(a)]	28	43

Notes to the Financial Statements

For the financial year ended 30 June 2022

8 LOSS BEFORE TAX

In addition to the profit or loss line items disclosed elsewhere in notes to the financial statements, the loss before tax is arrived at after charging/(crediting):

	Group	
	2022 $'000	2021 $'000
Audit fees paid to:		
- Auditors of the Company	66	60
- Other auditor	6	8
Directors' fees (Note 27(b))	139	139
Gain on disposal of club membership	–	(40)
Gain on disposal of property, plant and equipment	(92)	(9)
Write-off of property, plant and equipment	–	205
Research and development expense	121	71
Foreign currency exchange (gains)/losses, net	(100)	114
Upkeep of computer	119	95

In 2022 and 2021, there are no non-audit fees paid to the auditors of the Company and other auditors.

9 TAX EXPENSE

Tax expense attributable to profits is made up of:

	Group	
	2022 $'000	2021 $'000
Under provision in respect of previous financial year		
- current income tax	30	–

Notes to the Financial Statements

For the financial year ended 30 June 2022

9 TAX EXPENSE (CONT'D)

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable in the countries where the Group entities operates due to the following factors:

	Group	
	2022	2021
	$'000	$'000
Loss before tax	(1,972)	(3,165)
Share of results of an associated company, net of tax	375	–
Loss before tax and share of results of an associated company	(1,597)	(3,165)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(335)	(547)
Income not subject to tax	(16)	(2,766)
Expenses not deductible for tax purposes	25	3,140
Deferred tax assets not recognised	326	157
Under provision in respect of previous financial year	30	–
Others	–	16
	30	–

The income tax applicable to the Company is 17% (2021: 17%). The corporate income tax rate applicable to the subsidiaries in Singapore, People's Republic of China, United States and Hong Kong are 17% (2021: 17%), 25% (2021: 25%), 21% (2021: 21%) and 16.5% (2021: 16.5%) respectively.

As at 30 June 2022, the Group has deferred tax assets in respect of tax losses of $31,470,000 (2021: $29,493,000), unabsorbed capital allowance of $165,000 (2021: $165,000) and unutilised donations of $Nil (2021: $60,000) available for carry-forward to set-off against future taxable income arising from trade source subject to the agreement of the tax authorities and compliance with relevant provisions of the tax legislation of the respective countries in which the Group operate. The potential deferred tax assets have not been recognised in the financial statements as it is not probable that future taxable profit will be sufficient to allow the related tax benefits to be utilised. The tax losses have no expiry date except for an amount of $9,000 (2021: $9,000) that can be carried forward up to five years from the year of loss against future taxable profits/income of the PRC subsidiary in which the tax losses arose, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation in the PRC. Other losses do not expire under current tax legislation.

Notes to the Financial Statements

For the financial year ended 30 June 2022

10 LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2022	2021
Net loss attributable to equity holders of the Company ($'000)	(1,998)	(3,165)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	10,094,201	10,038,683
Basic and diluted loss per share (cents per share)	(0.02)	(0.03)

For the financial years ended 30 June 2022 and 30 June 2021, the computation of diluted loss per share does not adjust for the effects of the potential ordinary shares from employee share options as they have an anti-dilutive effect on the loss per share calculation.

Notes to the Financial Statements

For the financial year ended 30 June 2022

11 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings and renovation $'000	Other equipment $'000	Motor vehicles $'000	Leasehold properties $'000	Total $'000
Group					
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
Group					
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

Notes to the Financial Statements

For the financial year ended 30 June 2022

11 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture and fittings $'000	Other equipment $'000	Motor vehicles $'000	Leasehold properties $'000	Total $'000
Company					
2022					
Cost					
Balance at 1 July 2021	12	10	562	–	584
Additions	–	–	221	–	221
Disposals	–	–	(400)	–	(400)
Written off	–*	(4)	–	–	(4)
Balance at 30 June 2022	12	6	383	–	401
Accumulated depreciation					
Balance at 1 July 2021	12	7	413	–	432
Depreciation charge	–	1	86	–	87
Disposals	–	–	(359)	–	(359)
Written off	–*	(4)	–	–	(4)
Balance at 30 June 2022	12	4	140	–	154
Net carrying value					
Balance at 30 June 2022	–	4	243	–	247
2021					
Cost					
Balance at 1 July 2020	18	20	562	663	1,263
Additions	–	3	–	–	3
Disposals	(6)	(13)	–	(663)	(682)
Balance at 30 June 2021	12	10	562	–	584
Accumulated depreciation					
Balance at 1 July 2020	18	20	300	188	526
Depreciation charge	–	–*	113	79	192
Disposals	(6)	(13)	–	(267)	(286)
Balance at 30 June 2021	12	7	413	–	432
Net carrying value					
Balance at 30 June 2021	–	3	149	–	152

* Amount below $1,000

Notes to the Financial Statements

For the financial year ended 30 June 2022

11 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) As at 30 June 2022, the net carrying value of the Group's property, plant and equipment under right-of-use assets were $244,000 (2021: $536,000). There were no right-of-use assets under the Company level as at 30 June 2022 and 30 June 2021 (Note 21).

(b) A motor vehicle with carrying amount of $187,000 (2021: $60,000) is held in trust by a director of the Company. A motor vehicle with carrying amount of $44,000 (2021: $54,000) is held in trust by an employee of the Group.

(c) Net cash outflow for purchase of property, plant and equipment

	Group	
	2022 $'000	2021 $'000
Aggregate cost of property, plant and equipment acquired	224	549
Less: Addition of right-of-use assets (Note 21)	–	(467)
Net cash outflow for purchase of property, plant and equipment	224	82

12 INTANGIBLE ASSETS

	Core technology $'000	Development costs $'000	Goodwill $'000	Total $'000
Group				
Cost				
Balance at 1 July 2020	31,624	609	17	32,250
Strike-off of a subsidiary	–	–	(17)	(17)
Balance at 1 July 2021 and 30 June 2022	31,624	609	–	32,233
Accumulated amortisation and impairment losses				
Balance at 1 July 2020	31,624	609	17	32,250
Strike-off of a subsidiary	–	–	(17)	(17)
Balance at 1 July 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
Balance at 30 June 2021 and 30 June 2022	31,624	609	–	32,233
Net carrying value				
Balance at 30 June 2021 and 30 June 2022	–	–	–	–

Notes to the Financial Statements

For the financial year ended 30 June 2022

12 INTANGIBLE ASSETS (CONT'D)

Impairment test for 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 intangible assets have been fully impaired during the financial year ended 30 June 2019.

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

13 INVESTMENT IN SUBSIDIARIES

	Company	
	2022 $'000	2021 $'000
Unquoted equity shares, at cost		
Balance at beginning and end of financial year	47,824	47,824
Impairment allowances:		
Balance at beginning and end of financial year	47,824	47,824
Net carrying amount	–	–

a) Details of subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ country of incorporation	Principal activities	Group's effective equity interest 2022 %	Group's effective equity interest 2021 %
Held by the Company				
Disa Digital Safety Pte. Ltd.[1] ("**DDSPL**")	Singapore	Provision of digital security, anti-theft solutions and anti-counterfeiting solutions.	100	100
Held by Disa Digital Safety Pte. Ltd.				
Disa Digital Safety (Shenzhen) Limited[3] [4]	People's Republic of China	Research, development and provision of technical support.	100	100
Disa Digital Safety (USA)[3] [4]	United States	Provision of marketing services.	100	100
Held by Disa Digital Safety (Shenzhen) Limited				
Disa Digital Safety Limited[2]	Hong Kong	Dormant	100	100

Notes to the Financial Statements

For the financial year ended 30 June 2022

13 INVESTMENT IN SUBSIDIARIES (CONT'D)

a) Details of subsidiaries are as follows: (cont'd)

(1) Audited by Baker Tilly TFW LLP.
(2) Audited by Conpak CPA Limited
(3) Statutory audit is not required in the country of incorporation.
(4) Subsidiaries are not material to the Group.

b) Significant restrictions

Cash and bank balances of $25,000 (2021: $37,000) are held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends.

c) Strike-off of subsidiary

In the previous financial year, the Group struck off a subsidiary, DISA Insurance Company Limited and made a return of $69,000 to the non-controlling interest.

d) Company level - Impairment review of investment in subsidiaries

*Disa Digital Safety Pte. Ltd. and its subsidiaries ("**DDSPL subgroup**")*

During the current financial year, management performed an impairment test on the investment in DDSPL subgroup as there was an increase in revenue contributed by the subgroup. The recoverable amount was determined based on the higher of value in use or fair value less cost of disposal. The value in use is determined using cash flow projections from forecasts approved by management covering a five-year period. The discount rate applied to the cash flow projection and the forecasted growth rate used to extrapolate cash flow projections beyond the five-year period are 12.5% and 2% (2021: 8% and 2%) respectively, and the budgeted revenue growth rate ranges between 2% to 3.7% (2021: -21% to 2%).

These key inputs and assumptions were estimated by management based on prevailing market, economic and other conditions at the end of the reporting period, and based on management's estimations of the expected revenue growth and recovery in business conditions.

With regards to the assessment of value in use, management believes that any reasonably possible changes in any of the above key assumptions would not cause the recoverable amount to be materially different from the carrying amount of the investment in subsidiaries.

Notes to the Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN AN ASSOCIATED COMPANY

The Group's investment in an associated company is summarised below:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Digital Life Line Pte. Ltd.	627	–	–	–

Name of company	Country of incorporation	Principal activities	Group's effective equity interest 2022 %	Group's effective equity interest 2021 %
Digital Life Line Pte. Ltd.*	Singapore	Manufacturing and distribution of saliva-based antigen rapid tests.	40	–

(*) Audited by Baker Tilly TFW LLP.

The following summarises the financial information of Digital Life Line Pte. Ltd. based on its financial statements prepared in accordance with FRS and a reconciliation to the carrying amounts of the investments in the consolidated financial statements.

	2022 $'000
Results	
Revenue	28
Loss after tax and total comprehensive loss for the financial year	(937)
Assets and liabilities	
Non-current assets	26
Current assets	965
Current liabilities	(922)
Net assets	69
Group's share of net assets based on proportion of ownership interest	28
Long-term interest in associated company	599
Interest in Digital Life Line Pte. Ltd.	627

The Group's interest in Digital Life Line Pte. Ltd. is the carrying amount of the investment in associated company using the equity method together with the long-term interests that, in substance, form part of the Group's net investment in the associate.

On 29 November 2021, the Group has, through its wholly-owned subsidiary, Disa Digital Safety Pte. Ltd., incorporated a subsidiary in Singapore named Digital Life Line Pte Ltd ("**DLL**") for total issued and paid-up capital of $5,000. The Group's equity interest in DLL was 93% of the total issued and paid-up capital of DLL at that date.

Notes to the Financial Statements

For the financial year ended 30 June 2022

14 INVESTMENT IN AN ASSOCIATED COMPANY (CONT'D)

On 29 December 2021, the Group transferred 11% of its shares, at cost, to two of the directors of DLL, for total cash consideration of $550 and accordingly, the equity interest of the Group in DLL decreased from 93% to 82% of the total issued and paid-up capital of DLL.

On 12 January 2022, the Group transferred a further 42% of its shares at cost to two other directors of DLL and Blade Research Pte. Ltd., a company wholly owned by a director of DLL, for total cash consideration of $2,100.

DLL was accounted as a subsidiary of the Group from the date of incorporation to 11 January 2022.

After the share transfer on 12 January 2022, DLL was accounted as an associated company to the Group using the equity method.

The following summarises the effect of the change in the Group ownership interest in DLL on the equity attributable to equity holders of the Company.

	2022 $'000
Proceeds from disposal of subsidiary	3
Carrying amount of DLL at the date of loss of control	(27)
Gain on loss in control over subsidiary	(24)

During the financial year, the Group has provided a loan of $1,000,000 to DLL, to be repaid through the allotment and issuance of new DLL shares at the issue price of $0.40 each at a date to be determined and agreed between parties. The loan represents the Group's long-term interest that, in substance, form part of the Group's net investment in the associated company. As disclosed in Note 32, the loan has been settled through the issuance of 2,500,000 ordinary shares subsequent to the financial year end.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Non-current assets				
Equity investments designated at FVOCI				
Unquoted equity shares	–	–	–	–

(a) Represent interests in Gema Holding Ltd ("**Gema**") and Icreate Group Limited ("**Icreate**") as at 30 June 2022 (2021: Gema and SCash Technologies Pte. Ltd. ("**SCash**")). SCash was struck off during the current financial year, and a former director of SCash has allotted the Group 1.55% equity interest in Icreate, another company in which he is also a director, in lieu of returns of capital. Gema and SCash are incorporated in Singapore and Icreate is incorporated in British Virgin Islands. Gema and Icreate are engaged in investment holding and SCash was engaged in information technology consultancy. It is the Group's strategy to hold these investments for long-term purposes and accordingly, management has elected to designate these investments in equity shares at fair value through other comprehensive income.

(b) As at 30 June 2022, the investment in Gema and Icreate (2021: Gema and SCash) are $Nil and had been fully impaired. Icreate has been making losses and is at net liability position as at 30 June 2022. Accordingly, management determined the fair value of the investment to be $Nil.

(c) The fair value measurement is categorised in Level 3 of the fair value hierarchy.

Notes to the Financial Statements

For the financial year ended 30 June 2022

16 INVENTORIES

	Group	
	2022 $'000	2021 $'000
Finished goods	65	118

The cost of inventories recognised as an expense and included in "Cost of inventories" amounted to $22,738,000 (2021: $18,097,000).

17 TRADE RECEIVABLES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables - third parties	1,264	1,669	–	–

18 OTHER CURRENT ASSETS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Refundable deposits[(a)]	18	50	–	–
Prepayments	62	147	5	20
Interest receivables	–*	–*	–*	–*
Lease receivables (Note 21(b))	–	43	–	–
Sundry receivable	5	–	2	–
Amounts due from subsidiaries[(b)]	–	–	888	212
Amount due from an associated company[(c)]	24	–	–	–
	109	240	895	232

* Amount below $1,000

(a) Refundable deposits consist mainly of rental deposits.

(b) The amounts due from subsidiaries are non-trade loans, which are interest-free, unsecured and repayable on demand. These amounts are expected to be settled in cash.

(c) The amount due from an associated company is non-trade in nature, interest free, unsecured and repayable on demand. The amount is expected to be settled in cash.

Notes to the Financial Statements

For the financial year ended 30 June 2022

19 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash at bank and on hand	2,524	2,547	402	541
Fixed deposits	525	2,564	525	2,563
Total cash and cash equivalents	3,049	5,111	927	3,104

Short-term fixed deposits bear average interest rate of 0.05% to 0.60% (2021: 0.10% to 0.60%) per annum and for a tenure of approximately 1 to 15 months (2021: 3 to 15 months), without significant risk of changes in value.

20 BORROWINGS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Non-current				
Lease liabilities - third parties (Note 21)	66	250	41	87
Lease liabilities - related parties (Note 21)	–	35	–	–
	66	285	41	87
Current				
Lease liabilities - third parties (Note 21)	72	137	14	32
Lease liabilities - related parties (Note 21)	114	140	–	–
	186	277	14	32
	252	562	55	119

21 LEASES

a) The Group and the Company as a lessee

Nature of the Group's and the Company's leasing activities

The Group's and the Company's activities comprise the following:

i) The Group and the Company lease office units from related and non-related parties. The leases have an average tenure of between two to three years;

ii) The Group and the Company also leased storage space from a director. The lease had an average tenure of three years. The lease agreement was terminated on 19 December 2020;

iii) The Group and the Company lease a motor vehicle from a non-related party through a hire purchase arrangement. The lease has a tenure of eight years.

The maturity analysis of the lease liabilities is disclosed in Note 28.

Notes to the Financial Statements

For the financial year ended 30 June 2022

21 LEASES (CONT'D)

a) The Group and the Company as a lessee (cont'd)

Information about leases for which the Group and the Company is a lessee is presented below:

Carrying amount of right-of-use assets

The carrying amount of right-of-use assets are as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Classified within property, plant and equipment				
Leasehold properties	187	387	–	–
Motor vehicles	57	149	57	149
	244	536	57	149

Amounts recognised in profit or loss

	Group	
	2022 $'000	2021 $'000
Depreciation charge for the financial year		
Leasehold properties	202	255
Motor vehicles	98	115
Interest expenses on lease liabilities (Note 7)	28	43

Total cash flows for the Group's and the Company's leases amounted to $321,000 and $Nil (2021: $403,000 and $110,000) respectively.

Addition of right-of-use assets during the financial year was $Nil (2021: $467,000).

As at 30 June 2022, the Group and the Company are not committed to any short-term leases.

b) The Group as a lessor

Nature of the Group's leasing activities - Group as an intermediate lessor

Subleases - classified as finance leases

The Group's sub-lease of its right-of-use office units is classified as finance lease because the sub-lease is for the entire remaining lease term of the head lease. The head lease was terminated in November 2021.

Right-of-use assets relating to the head leases with sub-leases classified as finance lease is derecognised. The lease receivables are recognised under "Other current assets" in Note 18.

Notes to the Financial Statements

For the financial year ended 30 June 2022

21 LEASES (CONT'D)

b) The Group as a lessor (cont'd)

Nature of the Group's leasing activities - Group as an intermediate lessor (cont'd)

Subleases - classified as finance leases (cont'd)

Finance income on the lease receivable during the financial year is $Nil (2021: $7,000) (Note 5a).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2022 $'000	2021 $'000
Undiscounted lease payments		
- Not later than one financial year	–	44
	–	44
Less: Future unearned finance income	–	(1)
	–	43
Representing lease receivables:		
Other current assets (Note 18)	–	43

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade payable - third parties	32	79	–	–
Other payables - third parties	73	94	40	67
	105	173	40	67
Deposit received	–	14	–	–
	105	187	40	67

23 ACCRUALS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Accrued staff costs	195	248	162	180
Accrued operating expenses	393	439	199	197
	588	687	361	377

Notes to the Financial Statements

For the financial year ended 30 June 2022

24 SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of issued shares ('000)	Total share capital $'000	Number of issued shares ('000)	Total share capital $'000
Balance at 1 July	10,038,683	58,680	10,038,683	58,680
Issue of ordinary shares by virtue of exercise of share options	68,000	136	–	–
Transferred from share options reserve	–	68	–	–
Balance at 30 June	10,106,683	58.884	10,038,683	58,680

All issued ordinary shares have no par value and are fully paid.

On 6 September 2021, the Company issued 68,000,000 new ordinary shares of $0.002 per share, for total cash consideration of $136,000, following the exercise of options granted under DISA Employee Share Option Scheme 2010 ("**DISA ESOS 2010**"). The newly issued ordinary shares shall rank *pari passu* in all respects with the existing shares of the Company.

When the options were exercised, the related balance previously recognised in the share options reserve of $68,000 were also credited to share capital account.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

25 OTHER RESERVES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Currency translation reserve[(a)]	7	2	–	–
Capital reserve[(b)]	241	241	241	241
Fair value reserve[(c)]	(150)	(150)	–	–
Share options reserve[(d)]	5,205	5,090	5,205	5,090
	5,303	5,183	5,446	5,331

(a) ***Currency translation reserve***

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Singapore dollar are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component in equity under the header of currency translation reserve.

(b) ***Capital reserve***

Capital reserve pertains to transfer from equity portion of convertible bonds derecognised.

(c) ***Fair value reserve***

Fair value reserve arises from the fair value gains or losses on financial assets at fair value through other comprehensive income.

(d) ***Share option reserve***

The share option reserve arises due to the grant of share options to employees under the employee share option plan. Further information about share-based payments to employees is disclosed in Note 26.

All the above reserves are not distributable.

Notes to the Financial Statements

For the financial year ended 30 June 2022

26 SHARE-BASED PAYMENTS

DISA Employee Share Option Scheme 2021 (the "DISA ESOS 2021")

The DISA ESOS 2021 was approved and adopted by members of the Company at an Extraordinary General Meeting ("**EGM**") held on 28 October 2021 ("**Date of Adoption**"). The DISA ESOS 2021 shall continue to be in force at the discretion of the Company subject to a maximum period of 10 years commencing from the Date of Adoption and expired on 27 October 2031.

The DISA ESOS 2021 replaced the DISA ESOS 2010 that was approved and adopted by members of the Company at an EGM held on 28 October 2010. The DISA ESOS 2010 expired on 27 October 2020.

Other information regarding the DISA ESOS 2021 is set out below:

1) The exercise price of the options can be set at a discount not exceeding 20% of the weighted-average of the last-dealt price for a share for the five (5) consecutive market days immediately preceding the date of grant in respect of options granted at the time of grant.

2) The aggregate number of ordinary shares which may be allotted and issued upon the exercise of options granted pursuant to the DISA ESOS 2021 of the Company shall not exceed 15% of the total number of issued shares of the Company from time to time.

3) Options granted to and accepted by executives, directors and employees in respect of an option granted with a subscription price at the market prices will be exercisable after the first anniversary of the offer date of that option. Options granted to and accepted by executives, directors and employees in respect of an option granted with a subscription price at a discount to the market price will only be exercisable after the second anniversary of the offer date of that option.

4) The vesting period for options granted is to be determined by the ESOS Committee in its sole and absolute discretion on the date of grant of that option.

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

The ECL ESOS ("**ECL ESOS 2010**") was approved and adopted by members of the Company at an EGM held on 28 October 2010. The ESOS 2010 shall continue to be in force at the discretion of the Company subject to a maximum period of 10 years commencing from the Date of Adoption and expired on 27 October 2020.

The ECL ESOS 2010 replaced the ECL ESOS 1999 that was approved and adopted by members of the Company at an EGM held on 23 December 1999. The ECL ESOS 1999 expired on 22 December 2009. Subsequently, ECL ESOS has been renamed to DISA ESOS with effect from 13 February 2017.

Other information regarding the DISA ESOS 2010 is set out below:

1) The exercise price of the options could be set at a discount not exceeding 20% of the weighted-average of the last-dealt price for a share for the three (3) consecutive market days immediately preceding the date of grant in respect of options granted at the time of grant.

2) The aggregate number of ordinary shares which might be allotted and issued upon the exercise of options granted pursuant to the DISA ESOS 2010 of the Company should not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

Notes to the Financial Statements

For the financial year ended 30 June 2022

26 SHARE-BASED PAYMENTS (CONT'D)

DISA Employee Share Option Scheme 2010 (the "DISA ESOS 2010") (cont'd)

3) Options granted to and accepted by executives, directors and employees in respect of an option granted with a subscription price at the market price would be exercisable after the first anniversary of the offer date of that option. Options granted to and accepted by executives, directors and employees in respect of an option granted with a subscription price at a discount to the market price would only be exercisable after the second anniversary of the offer date of that option.

4) As announced by the Company on 27 August 2019, the vesting period for options granted after October 2017 has been adjusted to create better retention of talent and knowledge according to the following vesting schedule.

	New Vesting Period		
	Vesting schedule	Percentage of options which are exercisable	
		Directors %	Employees %
Options which are exercisable at no discount to the market price	On or after the first anniversary of the date of grant	33.30	25
	On or after the second anniversary of the date of grant	33.30	25
	On or after the third anniversary of the date of grant	33.40	25
	On or after the fourth anniversary of the date of grant	Not applicable	25
Options which are exercisable at a discount to the market price	On or after the first anniversary of the date of grant	Not applicable	Not applicable
	On or after the second anniversary of the date of grant	33.30	25
	On or after the third anniversary of the date of grant	33.30	25
	On or after the fourth anniversary of the date of grant	33.40	25
	On or after the fifth anniversary of the date of grant	Not applicable	25

5) The options granted will expire after 10 years from the offer date of the option for executives, directors and employees of the Company and its subsidiaries.

Notes to the Financial Statements

For the financial year ended 30 June 2022

26 SHARE-BASED PAYMENTS (CONT'D)

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

Movement in the number of share options and their related weighted average exercise prices is as follows:

2022

Date of grant	Balance as at 1 July 2021	Exercised	Options forfeited	Balance as at 30 June 2022	Exercise price per share ($)	Exercisable period
ESOS 2010						
8 January 2015	7,500,000	–	–	7,500,000	0.00600	8 January 2016 to 7 January 2025
8 December 2016	6,000,000	–	–	6,000,000	0.01110	8 December 2017 to 7 December 2026
16 March 2017	2,000,000	–	–	2,000,000	0.03010	16 March 2018 to 15 March 2027
3 April 2017	8,000,000	–	–	8,000,000	0.02920	3 April 2018 to 2 April 2027
3 July 2017	2,500,000	–	–	2,500,000	0.01350	3 July 2018 to 2 July 2027
1 November 2017	91,000,000	–	(9,000,000)	82,000,000	0.01420	1 November 2018 to 31 October 2027
13 November 2017	4,000,000	–	–	4,000,000	0.01360	13 November 2018 to 12 November 2027
28 November 2017	13,500,000	–	(2,000,000)	11,500,000	0.01290	28 November 2018 to 27 November2027
11 July 2018	5,000,000	–	(5,000,000)	–	0.00900	11 July 2019 to 10 July 2028
6 August 2018 (1)	20,000,000	–	–	20,000,000	0.00720	6 August 2020 to 5 August 2028
17 October 2018	387,000,000	–	(41,000,000)	346,000,000	0.00500	17 October 2019 to 16 October 2028
11 January 2019	10,000,000	–	–	10,000,000	0.00300	11 January 2020 to 10 January 2029
1 July 2019	16,000,000	–	–	16,000,000	0.00200	1 July 2020 to 30 June 2029
19 December 2019	720,000,000	(68,000,000)	–	652,000,000	0.00200	19 December 2020 to 18 December 2029
	1,292,500,000	(68,000,000)	(57,000,000)	1,167,500,000		

(1) These share options were granted at a 10% discount.

Notes to the Financial Statements

For the financial year ended 30 June 2022

26 SHARE-BASED PAYMENTS (CONT'D)

DISA Employee Share Option Scheme (the "DISA ESOS") (cont'd)

Movement in the number of share options and their related weighted average exercise prices is as follows (cont'd):

2022

Date of grant	Balance as at 1 July 2021	Additions	Options forfeited	Balance as at 30 June 2022	Exercise price per share ($)	Exercisable period
ESOS 2021						
6 December 2021	–	210,500,000	(30,000,000)	180,500,000	0.00100	6 December 2022 to 5 December 2031
13 January 2022	–	10,000,000	(1,000,000)	9,000,000	0.00840	13 January 2023 to 12 January 2032
	–	220,500,000	(31,000,000)	189,500,000		

2021

Date of grant	Balance as at 1 July 2020	Additions	Options forfeited	Balance as at 30 June 2021	Exercise price per share ($)	Exercisable period
ESOS 2010						
8 January 2015	7,500,000	–	–	7,500,000	0.00600	8 January 2016 to 7 January 2025
8 December 2016	6,000,000	–	–	6,000,000	0.01110	8 December 2017 to 7 December 2026
16 March 2017	2,000,000	–	–	2,000,000	0.03010	16 March 2018 to 15 March 2027
3 April 2017	8,000,000	–	–	8,000,000	0.02920	3 April 2018 to 2 April 2027
3 July 2017	3,000,000	–	(500,000)	2,500,000	0.01350	3 July 2018 to 2 July 2027
1 November 2017	94,000,000	–	(3,000,000)	91,000,000	0.01420	1 November 2018 to 31 October 2027
13 November 2017	4,000,000	–	–	4,000,000	0.01360	13 November 2018 to 12 November 2027
28 November 2017	13,500,000	–	-	13,500,000	0.01290	28 November 2018 to 27 November 2027
11 July 2018	5,000,000	–	–	5,000,000	0.00900	11 July 2019 to 10 July 2028
6 August 2018 (1)	20,000,000	–	–	20,000,000	0.00720	6 August 2020 to 5 August 2028
17 October 2018	403,000,000	–	(16,000,000)	387,000,000	0.00500	17 October 2019 to 16 October 2028
11 January 2019	20,000,000	–	(10,000,000)	10,000,000	0.00300	11 January 2020 to 10 January 2029
1 July 2019	16,000,000	–	–	16,000,000	0.00200	1 July 2020 to 30 June 2029
19 December 2019	740,000,000	–	(20,000,000)	720,000,000	0.00200	19 December 2020 to 18 December 2029
	1,342,000,000	–	(49,500,000)	1,292,500,000		

(1) These share options were granted at a 10% discount.

Notes to the Financial Statements

For the financial year ended 30 June 2022

26 SHARE-BASED PAYMENTS (CONT'D)

DISA Employee Share Option Scheme (the "DISA ESOS") (cont'd)

Out of the outstanding options for 1,357,000,000 (2021: 1,292,500,000) shares, options for 838,820,000 (2021: 557,475,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise is $0.00486 (2021: $0.00563) per share. The fair value of options granted in 2022 was $280,500 (2021: $Nil).

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black Scholes Model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options granted and assumptions

2022

Date of grant options	6 December 2021	13 January 2022
Fair value of measurement date ($'000)	211	70
Share price	$0.0010	$0.0007
Exercise price	$0.0010	$0.0007
Expected volatility	874%	874%
Expected option life	10 years	10 years
Expected dividends	0%	0%
Risk-free interest rate	1.63%	1.63%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non- market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

DISA Performance Shares Scheme (the "DISA PS Scheme")

The DISA PS Scheme was approved by the members of the Company at an EGM held on 31 October 2008 and renewed on 26 October 2018 ("**Date of Renewal**").

The DISA PS Scheme differs from the existing DISA ESOS in that it allows the Company to target specific performance objectives and to provide an incentive for participants in the DISA PS Scheme ("**Participants**") to achieve these targets. The DISA ESOS, on the other hand, provides a more broad-based incentive that is based on the overall performance of the Company. The DISA PS Scheme is not intended to replace the existing DISA ESOS, but to complement it.

The Company has the flexibility to either issue and deliver new shares of the Company, or purchase and deliver existing shares of the Company to Participants upon the vesting of the shares awarded.

Notes to the Financial Statements

For the financial year ended 30 June 2022

26 SHARE-BASED PAYMENTS (CONT'D)

DISA Performance Shares Scheme (the "DISA PS Scheme") (cont'd)

Participants will receive fully paid shares of the Company, provided that certain prescribed performance targets are met within a prescribed period.

A Participant's award of shares under the DISA PS Scheme (the "**Award**") will be determined at the sole discretion of the DISA PS Scheme Committee, which will oversee and administer the DISA PS Scheme.

During and at the end of the financial year, no awards were granted under the DISA PS Scheme (2021: Nil).

The principal terms of the DISA PS Scheme are:

Size and duration

1) The aggregate number of Award shares to be delivered to the vesting of the Award on any date, when added to the number of shares issued and/or issuable under such other share-based incentive schemes (including the DISA ESOS) of the Company shall not exceed 15% of the issued shares of the Company on the day preceding that date.

2) The aggregate number of Award shares available to eligible controlling shareholders and their associates under the DISA ESOS shall not exceed 25% of the shares available under this DISA PS Scheme. In addition, the number of Award shares available to each such controlling shareholder or his associate shall not exceed 10% of the shares available under this DISA PS Scheme.

3) The DISA PS Scheme shall continue to be in force at the discretion of the DISA PS Scheme Committee, subject to a maximum period of 10 years commencing on the Date of Renewal (expiring on 25 October 2028) of the DISA PS Scheme, provided always that the DISA PS Scheme may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Participants of the DISA PS Scheme

In respect of the DISA PS Scheme, the following persons shall be eligible to participate:

1) Employees of the Company and its subsidiaries who have been employed for a minimum of 1 year or such shorter period as the DISA PS Scheme Committee may determine and have attained the age of 21 years on or before the date of commencement of the DISA PS Scheme;

2) Executive Directors of the Company and its subsidiaries; and

3) Non-Executive Directors (including Independent Directors) of the Company and its subsidiaries.

Notes to the Financial Statements

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27 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 members of the Group during the financial year on terms agreed by the parties concerned:

	GROUP	
	2022 $'000	2021 $'000
With an associated company		
Sales of goods and services	119	–
With other related party		
Rental paid - leasehold properties	159	154
With a director of the Company		
Rental paid - leasehold properties	–	2
Royalties for use of patents	42	139

Other related party comprises mainly company which is controlled by one of the Group's directors.

b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	GROUP	
	2022 $'000	2021 $'000
Salaries and bonuses	1,343	1,455
Employer's contribution to defined contribution plans	55	63
Directors' fees	139	139
Share-based payments	364	721
	1,901	2,378

The key management personnel comprise directors of the Company and its subsidiaries, senior management of the Company such as Chief Financial Officer, General Managers and others, and their compensation is disclosed as above.

Notes to the Financial Statements

For the financial year ended 30 June 2022

28 FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial assets				
Financial assets at fair value through other comprehensive income	–	–	–	–
Financial assets at amortised costs	4,355	6,873	1,817	3,317
	4,355	6,873	1,817	3,317
Financial liabilities				
At amortised cost	766	1,235	302	408

Financial risk management

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Management then establishes the detailed policies such as risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

Foreign exchange risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of entities in the Group. The foreign currencies in which the Group's currency risk arises are mainly United States Dollar ("**USD**"). The Group does not hedge against foreign exchange exposure as the currency risk is not expected to be significant.

Notes to the Financial Statements

For the financial year ended 30 June 2022

28 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Foreign exchange risk (cont'd)

At the end of reporting period, the Group has the following financial assets and financial liabilities denominated in foreign currencies based on information provided to key management:

Denominated in:	Group	Company
	USD $'000	USD $'000
At 30 June 2022		
Financial assets		
Cash and cash equivalents	2,630	841
Trade and other receivables	1,227	710
	3,857	1,551
Financial liabilities		
Trade and other payables	(20)	–
Accruals	(126)	–
	(146)	–
Net financial assets denominated in USD	3,711	1,551
At 30 June 2021		
Financial assets		
Cash and cash equivalents	1,686	495
Trade and other receivables	156	–
	1,842	495
Financial liabilities		
Trade and other payables	(81)	–
Accruals	(204)	–
	(285)	–
Net financial assets denominated in USD	1,557	495

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's loss after tax:

	Group		Company	
	Increase/(decrease) in loss after tax		Increase/(decrease) in loss after tax	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
USD/SGD - strengthened 10% (2021: 10%)	(308)	(129)	(129)	(41)
- weakened 10% (2021: 10%)	308	129	129	41

Notes to the Financial Statements

For the financial year ended 30 June 2022

28 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Interest rate risk

The Group's exposure to interest rate risk arises primarily from their borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates). Borrowings at fixed rates expose the Group to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market rates). The Group's policy is to obtain most favourable interest rate available whenever the Group obtains additional financing through bank borrowings. The Group does not utilise derivatives to mitigate its interest rate risk.

As the Group has no significant interest-bearing assets and liabilities, the Group's income is substantially independent of changes in market interest rates.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Concentration of credit risk and maximum exposure

The Group does not have significant credit exposure except that the Group's 3 (2021: 3) largest trade receivables represented 86% (2021: 95%) of total trade receivables. As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("**ECL**"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Debtors has a low risk of default and does not have any past due amount	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Notes to the Financial Statements

For the financial year ended 30 June 2022

28 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers information developed internally or obtained from external sources that indicates that the debtor is unlikely to pay its creditors, including the Group as constituting an event of default for internal credit risk management purposes. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Financial Statements

For the financial year ended 30 June 2022

28 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Credit risk (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowance.

Movements in credit loss allowance are as follows:

	Trade receivables $'000	Other receivables $'000	Total $'000
Group			
Balance at 1 July 2020	2	80	82
Receivables written off as uncollectable	(2)	(80)	(82)
Balance at 30 June 2021 and 30 June 2022	–	–	–

	Other receivables $'000
Company	
Balance at 1 July 2020	80
Receivables written off as uncollectable	(80)
Balance at 30 June 2021 and 30 June 2022	–

Trade receivables

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

Notes to the Financial Statements

For the financial year ended 30 June 2022

28 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables (cont'd)

The Group has recognised a loss allowance of 100% against all trade receivables over 1 year past due because historical experience has indicated that these receivables are generally not recoverable. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor. The Group has written off trade receivables of $Nil (2021: $2,000) against allowance for impairment previously recognised by the Group for specific debtors as a result of occurrence of credit impairment events during the current financial year. None of the trade receivables that have been written off is subject to enforcement activities.

Other financial assets at amortised cost

Other financial assets at amortised costs include cash and cash equivalents, other receivables (excluding GST recoverable), other current and non-current assets (excluding prepayments).

The table below details the credit quality of the Group's and the Company's financial assets at amortised cost:

2022	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group				
Trade receivables	Lifetime ECL	1,264	–	1,264
Other receivables (excluding prepayments and GST recoverable)	12-month ECL	42	–	42
Cash and cash equivalents	N.A. (Exposure Limited)	3,049	–	3,049
Company				
Other receivables (excluding prepayments and GST recoverable)	12-month ECL	889	–	889
Cash and cash equivalents	N.A. (Exposure Limited)	927	–	927

2021	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group				
Trade receivables	Lifetime ECL	1,669	–	1,669
Other receivables (excluding prepayments)	12-month ECL	93	–	93
Cash and cash equivalents	N.A. (Exposure Limited)	5,111	–	5,111
Company				
Other current assets (excluding prepayments)	12-month ECL	212	–	212
Cash and cash equivalents	N.A. (Exposure Limited)	3,104	–	3,104

The credit loss exposure for cash and cash equivalents are immaterial as at 30 June 2022 and 30 June 2021.

Notes to the Financial Statements

For the financial year ended 30 June 2022

28 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Group's and Company's non-derivative financial liabilities at end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less $'000	1 to 5 year $'000	Total $'000
Group			
2022			
Trade and other payables	100	–	100
Accruals	414	–	414
Borrowings	188	68	256
	702	68	770
2021			
Trade and other payables	187	–	187
Accruals	483	–	483
Borrowings	302	296	598
	972	296	1,268
Company			
2022			
Trade and other payables	40	–	40
Accruals	203	–	203
Borrowings	16	43	59
	259	43	302
2021			
Trade and other payables	67	–	67
Accruals	222	–	222
Borrowings	36	92	128
	325	92	417

Notes to the Financial Statements

For the financial year ended 30 June 2022

29 FAIR VALUE OF ASSETS AND LIABILITIES

a) Fair value hierarchy

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 prices (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 asset 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).

b) Movement in Level 3 assets measured at fair value

	Unquoted equity investments	
	2022 $'000	2021 $'000
Balance at beginning of financial year	–	150
Fair value loss recognised in other comprehensive income	–	(150)
Balance at end of financial year (Note 15)	–	–

30 SEGMENT INFORMATION

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

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

	Technology		Investment holding		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'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:						
- Gain on loss in control over subsidiary	(24)	–	–	–	(24)	–
- 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)

Notes to the Financial Statements

For the financial year ended 30 June 2022

30 SEGMENT INFORMATION (CONT'D)

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments.

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments.

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Sales to external customers		Non-current assets	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore	4,722	277	408	445
People's Republic of China	253	310	75	176
Hong Kong	18,847	18,253	–	–
United States of America	444	561	–*	–*
	24,266	19,401	483	621

* Amounts below $1,000

Non-current assets information presented above are non-current assets as presented on the consolidated statement of financial position excluding financial instruments and other non-current assets.

Information about major customer

Revenue is derived from 2 (2021: 3) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

	Attributable segments	Group	
		2022 $'000	2021 $'000
Customer A	Technology	12,045	9,435
Customer B	Technology	6,885	4,212
Customer C	Technology	2,046	3,410
		20,976	17,057

Notes to the Financial Statements

For the financial year ended 30 June 2022

31 CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company do not have any external borrowings. The debt-to-adjusted capital ratio therefore does not provide a meaningful indicator of the risk of borrowings.

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 30 June 2022 and 30 June 2021.

The capital of the Group consists of share capital, and the Group's overall strategy remains unchanged from 2021.

32 SUBSEQUENT EVENTS

Digital Life Line Pte. Ltd. ("**DLL**"), an associate of the Group, 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 for total cash consideration of $1,750,000 and $500,000 respectively (the "**Subscriptions**"). These represent 7.88% and 2.07% of the total issued and paid-up capital of DLL, post-completion of the Subscriptions. The cash consideration amounts are based on a pre-money valuation of 100% of DLL of $20,000,000, agreed to by the parties at arms' length, on a "willing-buyer, willing-seller" basis.

On 22 July 2022, DLL settled its loans from (i) three individual shareholders of $250,000 each (being $750,000 in aggregate), through issuance of 625,000 ordinary shares to each shareholder, totaling 1,875,000 ordinary shares; and (ii) Disa Digital Safety Pte. Ltd. ("**DDSPL**") of $1,000,000 through issuance of 2,500,000 ordinary shares to DDSPL. On the same day, DLL also issued the first tranche of 2,378,906 and 625,000 preference shares to Isaac Newton Corporation Ltd and SG Global Enterprise Pte. Ltd., for cash consideration of $875,000 and $250,000, respectively.

On 29 August 2022, DLL further issued the second and final tranche of 625,000 preference shares to SG Global Enterprise Pte. Ltd. for cash consideration of $250,000.

As at the date of financial statements, the Group holds 38.79% of the total paid-up share capital of DLL, pending for the completion of the second tranche subscription by Isaac Newton Corporation Ltd.

Following the completion of the Subscriptions and the repayment of shareholders loans, the Group will hold 37.26% of the total paid-up share capital of DLL.

As at the date of financial statements, the Group is still evaluating the accounting impact in respect of the completion of the Subscriptions and the repayment of shareholders' loans.

33 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors dated 27 September 2022.

Appendix

11 OCTOBER 2022

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is circulated to Shareholders of DISA Limited (the "**Company**") together with the Company's Annual Report. Its purpose is to explain to Shareholders the rationale and provide information relating to the Proposed Renewal of the Share Purchase Mandate (as defined herein) to be tabled at the Annual General Meeting to be held by electronic means on 28 October 2022 at 10.00 a.m.

The Notice of AGM and a Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (the "**CDP**"), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by the CDP for a separate Appendix with the Notice of AGM and the accompanying Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, together with the Annual Report, the Notice of AGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). It 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 Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix. The details of the contact person for the Sponsor is Mr. Ong Hwee Li (Registered Professional, SAC Capital Private Limited), Address: 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, Tel: +65 6232 3210.

DISA LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501110N)

APPENDIX TO SHAREHOLDERS
IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

Appendix

1. DEFINITIONS

For the purposes of this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

"2021 AGM" : The AGM held on 28 October 2021

"2022 AGM" : The AGM scheduled to be held on 28 October 2022

"ACRA" : The Accounting and Corporate Regulatory Authority of Singapore

"Act" : The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time

"AGM" : The Annual General Meeting of the Company

"Annual Report" : The annual report of the Company for the financial year ended 30 June 2022

"Appendix" : This Appendix to the Shareholders dated 11 October 2022 in relation to the proposed renewal of the Share Purchase Mandate

"Associate" : (a) In relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:

(i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more,

or such other definition as the Catalist Rules may from time to time prescribe

"associated company" : A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group and over which the Company has control

"Board" : The board of Directors of the Company for the time being

"Catalist" : The Catalist Board of the SGX-ST

"Catalist Rules" : Section B: Rules of Catalist of the Listing Manual of SGX-ST, as amended, modified or supplemented from time to time

"CDP" : The Central Depository (Pte) Limited

"Company" : DISA Limited

Appendix

"Constitution"	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
"control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating polices of the Company
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company, or such other definition as the Catalist Rules may from time to time prescribe
"Directors"	:	The directors of the Company (whether executive or non- executive) for the time being
"EPS"	:	Earnings per Share
"Group"	:	The Company and its subsidiaries, collectively
"Latest Practicable Date"	:	15 September 2022, being the latest practicable date prior to the printing of this Appendix
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Purchase"	:	An on-market purchase of Shares by the Company, transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers or dealers appointed by the Company for the purpose
"Maximum Price"	:	Has the meaning ascribed to it in paragraph 2.3(e) of this Appendix
"Notice of AGM"	:	The notice of AGM as set out in the Annual Report
"NTA"	:	Net tangible assets
"Off-Market Purchase"	:	An off-market purchase of Shares by the Company, otherwise than on a stock exchange, in accordance with an equal access scheme as may be determined or formulated by the Directors as they may consider fit, which scheme shall satisfy all the conditions prescribed in the Act and the Catalist Rules
"Proxy Form"	:	The proxy form as set out in the Annual Report
"Relevant Period"	:	The period commencing from the date on which the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate is passed in a general meeting and expiring on the earliest of (i) the date on which the next AGM is held or is required by law to be held, (ii) the date on which the Share Purchases are carried out to the full extent of the Share Purchase Mandate, or (iii) the date the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting
"Resolution 8"	:	Ordinary resolution 8 in respect of the proposed renewal of the Share Purchase Mandate to be proposed at the 2022 AGM
"Securities Account"		A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent

Appendix

"SFA"	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of Shares in the Register of Members maintained by the Company, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
"Share(s)"	:	Ordinary share(s) in the capital of the Company
"Share Purchase"	:	The purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
"Share Purchase Mandate"	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares within the Relevant Period, in accordance with the terms of that mandate, as well as the rules and regulations set forth in the Act and the Catalist Rules
"Substantial Shareholder"	:	A person (including a corporation) who has an interest (directly or indirectly) in not less than 5% of all the issued voting Shares
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
"**S$**" or **"cents"**	:	Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore
"%"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Act. The term "**subsidiary holdings**" means shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act. The term "**treasury shares**" shall have the meaning ascribed to it in Section 4 of the Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to natural persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, the Catalist Rules, the SFA, the Take-over Code or any statutory or regulatory modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Act, the Catalist Rules, the SFA, the Take-over Code or any statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Appendix shall be a reference to Singapore time and date respectively, unless otherwise stated.

Appendix

DISA LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501110N)

Board of Directors:

Toh Hock Ghim (Non-Executive Chairman and Independent Director)
Chng Weng Wah (Chief Executive Officer and Managing Director)
Lau Kay Heng (Non-Executive and Independent Director)
Lim Soon Hock (Non-Executive and Independent Director)

Registered Office:

120 Lower Delta Road
#03-15 Cendex Centre
Singapore 169208

11 October 2022

To: The Shareholders of DISA Limited

Dear Sir/Madam,

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

We refer to the Notice of AGM dated 11 October 2022 accompanying the Annual Report convening the 2022 AGM to be held on 28 October 2022 and Resolution 8 set out in the Notice of AGM. The purpose of this Appendix is to provide Shareholders with information relating to, and to seek their approval for, the proposed renewal of the Share Purchase Mandate.

At the 2021 AGM, the Shareholders approved, *inter alia*, the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire the Shares. The Share Purchase Mandate will expire on the date of the forthcoming 2022 AGM, being 28 October 2022. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming 2022 AGM, to take effect until the conclusion of the next following AGM or such date as the next AGM is required by law to be held, unless prior thereto, the Share Purchase is carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting.

The Company has not undertaken any purchase or acquisition of Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2021 AGM up to the Latest Practicable Date.

2.2 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

(a) In managing the business of the Group, the Directors strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share Purchase is one of the ways through which the return on equity of the Group can be enhanced.

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(b) Share purchases or acquisitions are an efficient, expedient and cost-efficient way for the Company to return surplus cash which is in excess of the capital requirements and possible investment needs of the Group to the Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure, cash reserves and its dividend policy.

(c) Share repurchases or acquisitions also help buffer short-term share price volatility and offset the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.

(d) Repurchased Shares which are held in treasury may be transferred for the purposes of or pursuant to any employees' share or share option schemes as may be implemented by the Company.

The Share Purchase Mandate would afford the Company the flexibility to undertake Share Purchases at any time, up to the 10% limit described in paragraph 2.3(a) below, and subject to market conditions, during the period when the Share Purchase Mandate is in force. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, enhance the EPS of the Company, and will only be made when the Directors believe that such purchase or acquisitions would benefit the Company and its Shareholders and in circumstances which would not have a material adverse effect on the financial position of the Company.

While the proposed renewal of the Share Purchase Mandate would authorise a purchase or acquisition of Shares by the Company up to the 10% limit described in paragraph 2.3(a) below, Shareholders should note that the purchase or acquisition of Shares pursuant to the Share Purchase Mandate might not be carried out by the Company to the full 10% limit as authorised.

2.3 Authority and Limits of the Share Purchase Mandate

The terms of the Share Purchase Mandate, if renewed at the 2022 AGM, are substantially the same as previously approved by Shareholders at the 2021 AGM. The authority for and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are as follows:

(a) ***Maximum Number of Shares***

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

In accordance with Rule 867 of the Catalist Rules, the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings), ascertained as at the date of the general meeting at which the Share Purchase Mandate is approved, in this case, being the date of the 2022 AGM, unless:

(i) the Company has, at any time during the Relevant Period reduced its share capital by a special resolution under 78C of the Act; or

(ii) the High Court of the Republic of Singapore has, at any time during the Relevant Period, made an order under Sections 78G and 78I of the Act approving the reduction of share capital of the Company,

in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be.

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For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares or any subsidiary holdings will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date, comprising 10,106,683,403 Shares, and assuming that no further Shares are issued on or prior to the 2022 AGM, not more than 1,010,668,340 Shares (representing 10% of the total number of issued Shares of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. There are no treasury shares or subsidiary holdings as at the Latest Practicable Date.

(b) ***Duration of Authority***

Purchases or acquisitions of Shares may be made during the Relevant Period, at any time and from time to time, on and from the date of the 2022 AGM, at which the proposed renewal of the Share Purchase Mandate is approved, up to the earliest of:

(i) the date on which the next AGM is held or required by law to be held; or

(ii) the date on which the aggregate purchases or acquisition of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated as described in paragraph 2.3(a) above; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

The Share Purchase Mandate may be renewed at each AGM or other general meetings of the Company.

(c) ***Solvency***

Purchases or acquisitions of Shares may only be made if the Company is solvent.

The Company is considered solvent if at the date of the payment referred to in Section 76F(4) of the Act:

(i) there is no ground on which the Company could be found to be unable to pay its debts;

(ii) if it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up or if it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(iii) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition become less than the value of its liabilities (including contingent liabilities).

(d) ***Manner of Purchases or Acquisitions of Shares***

Purchases or acquisitions of Shares may be made by way of:

(i) Market Purchases, and/or

(ii) Off-Market Purchases.

For Off-Market Purchases, the Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Act, as they consider fit in the interests of the Company

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in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules provide that if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:

(i) terms and conditions of the offer;

(ii) period and procedures for acceptances;

(iii) the reasons for the proposed Share Purchase;

(iv) the consequences, if any, of Share Purchases that will arise under the Take-over Code or other applicable take-over rules;

(v) whether the Share Purchase, if made, would have any effect on the listing of the Shares on Catalist;

(vi) details of any Share Purchases in the previous 12 months (whether through Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases; and

(vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(e) ***Maximum Purchase Price***

The purchase price (excluding applicable brokerage, commission, stamp duties, goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid by the Company for the Shares as determined by the Directors must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares, and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price (as defined below) of the Shares,

in either case, excluding related expenses of the Share Purchase (the "**Maximum Price**").

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For the above purposes:

"**Average Closing Price**" means the average of the last dealt prices (excluding any transaction that the SGX-ST requires to be excluded for this purpose) of a Share for the 5 consecutive Market Days on which the Shares are transacted on Catalist, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (pursuant to an Off-Market Purchase), and deemed to be adjusted in accordance with the Catalist Rules for any corporate action which occurs during the relevant 5-day period and the day of the Share Purchase, and

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares in accordance with the Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, and which are not held as treasury shares.

Any Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST. Certificates in respect of purchased or acquired Shares that are cancelled by the Company will be cancelled by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.5 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

(a) ***Maximum Holdings***

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within 6 months or such further periods as ACRA may allow.

(b) ***Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

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(c) ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time, but subject always to the Take-over Code:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

In addition, under the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

In purchasing or acquiring Shares under the Share Purchase Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with its Constitution, and the applicable laws in Singapore. Any Share Purchase must be made out of the Company's profits and/or capital as long as the Company is solvent (as defined in Section 76F(4) of the Act and set out in paragraph 2.3(c) of this Appendix).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimations of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company may use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance such purchase or acquisition. However, in considering the option of external financing, the Directors will also consider the financial position of the Group, particularly the prevailing gearing level of the Group.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity, working capital and overall financial position of the Company would be materially and adversely affected. The Share Purchases will only be effected after considering relevant factors such as working capital requirements, availability of financial resources, expansion and investment plans of the Group as a whole and prevailing market conditions. The Directors will also have regard to any relevant financial covenants which are applicable to the Company and/or the

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Group under any agreements for banking and credit facilities which may be granted by a financial institution to the Company and/or the Group from time to time. The Company will not effect any Share Buyback if such purchases or acquisitions would result in any breaches of the relevant financial covenants.

2.7 Financial Effects

The financial effects on the Company and the Group arising from the purchase or acquisition of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company or the Group, the number of Shares purchased or acquired and the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Where the Company finances the purchase or acquisition of Shares through external borrowings, the gearing level of the Group will increase and the current ratio of the Group will decrease.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding applicable brokerage, commission, stamp duties, goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the Shares purchased or acquired by the Company are subsequently cancelled by the Company, the share capital of the Company will be correspondingly reduced. Where the Shares purchased or acquired by the Company are held as treasury shares, the total number of issued Shares would remain unchanged.

The illustrative financial effects on the Group, based on the audited financial statements of the Group for the financial year ended 30 June 2022, are based on the assumptions set out below:

(a) ***Share Purchase Mandate***

It has been assumed that the Share Purchase Mandate was effective as at the Latest Practicable Date.

(b) ***Number of Shares Acquired or Purchased***

Purely for illustrative purposes, on the basis of 10,106,683,403 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued, on or prior to the 2022 AGM, the purchase or acquisition by the Company of 1% of its issued Shares will result in the purchase or acquisition of 101,066,834 Shares.

(c) ***Maximum Price Paid for Shares Acquired or Purchased***

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 1% of its issued Shares at the maximum price of S$0.0029 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date, rounded to 4 decimal places), the maximum amount of funds required for the purchase or acquisition of 101,066,834 Shares is S$0.293 million.

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In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 1% of its issued Shares at the maximum price of S$0.0031 per Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date, rounded to 4 decimal places), the maximum amount of funds required for the purchase or acquisition of 101,066,834 Shares is S$0.313 million.

(d) ***Illustrative Financial Effects***

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7(b) and 2.7(c) above and the following:

(i) the purchase or acquisition of 101,066,834 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of capital and held in treasury;

(ii) the purchase or acquisition of 101,066,834 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury; and

(iii) the transaction costs incurred for the Share Purchases were insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of the Share Purchases pursuant to the Share Purchase Mandate on the audited financial statements of the Group and Company for the financial year ended 30 June 2022 are set out below:

Scenario 1

Market Purchases of 1% of issued Shares made entirely out of capital and held in treasury.

	Group		Company	
S$'000	**Before Share Purchase**	**After Share Purchase**	**Before Share Purchase**	**After Share Purchase**
Share capital	58,884	58,884	58,884	58,884
Treasury shares	–	(293)	–	(293)
Non-distributable reserves	5,303	5,303	5,446	5,446
Accumulated losses	(59,611)	(59,611)	(62,717)	(62,717)
Shareholders' fund	4,576	4,283	1,613	1,320
Non-controlling interests	–	–	–	–
Total equity	4,576	4,283	1,613	1,320
NTA	4,576	4,283	1,613	1,320
Cash and bank balances	3,049	2,756	927	634
Current assets	4,487	4,194	1,822	1,529
Current liabilities	955	955	415	415
Borrowings [1]	252	252	55	55
Net loss after tax attributable to Shareholders	(1,998)	(1,998)	(1,631)	(1,631)
Number of Shares ('000)	10,106,683	10,005,617	10,106,683	10,005,617
Financial Ratios				
NTA per Share (cents) [2]	0.05	0.04	0.02	0.01
Gearing (times) [3]	NIL	NIL	NIL	NIL
Current ratio (times) [4]	4.70	4.39	4.39	3.68
Loss per Share (cents) [5]	(0.02)	(0.02)	(0.02)	(0.02)

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Scenario 2

Off-Market Purchases of 1% of issued Shares made entirely out of capital and held in treasury.

	Group		Company	
S$'000	**Before Share Purchase**	**After Share Purchase**	**Before Share Purchase**	**After Share Purchase**
Share capital	58,884	58,884	58,884	58,884
Treasury shares	–	(313)	–	(313)
Non-distributable reserves	5,303	5,303	5,446	5,446
Accumulated losses	(59,611)	(59,611)	(62,717)	(62,717)
Shareholders' fund	4,576	4,263	1,613	1,300
Non-controlling interests	–	–	–	–
Total equity	4,576	4,263	1,613	1,300
NTA	4,576	4,263	1,613	1,300
Cash and bank balances	3,049	2,736	927	614
Current assets	4,487	4,174	1,822	1,509
Current liabilities	955	955	415	415
Borrowings [1]	252	252	55	55
Net loss after tax attributable to Shareholders	(1,998)	(1,998)	(1,631)	(1,631)
Number of Shares ('000)	10,106,683	10,005,617	10,106,683	10,005,617
Financial Ratios				
NTA per Share (cents) [2]	0.05	0.04	0.02	0.01
Gearing (times) [3]	NIL	NIL	NIL	NIL
Current ratio (times) [4]	4.70	4.37	4.39	3.64
Loss per Share (cents) [5]	(0.02)	(0.02)	(0.02)	(0.02)

Notes:

(1) Borrowings comprise finance lease liabilities and lease liabilities arising from adoption of SFRS(I) 16.

(2) Based on total equity including non-controlling interests.

(3) Gearing is computed based on the ratio of total borrowings after deducting cash and cash equivalents to Shareholders' funds.

(4) Current ratio is derived based on the ratio of current assets to current liabilities.

(5) Loss per share is derived based on net loss after tax attributable to Shareholders over number of Shares.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE FOR ILLUSTRATIVE PURPOSES ONLY (BASED ON THE ABOVEMENTIONED ASSUMPTIONS). Although the proposed renewal of the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury. Shareholders should note that the above analysis is based on the audited financial statements of the Group for the financial year ended 30 June 2022 and is not necessarily representative of future financial performance of the Group and the Company.

Further, the Directors would emphasise that they do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from Catalist. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

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2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications of Share Purchases by the Company, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 Reporting Requirements under the Act

Within 30 days of the passing of a Shareholders' resolution to approve the proposed renewal of the Share Purchase Mandate, the Company shall lodge a copy of such resolution with the ACRA. Within 30 days of a purchase or acquisition of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including *inter alia*, details of the Share Purchase, the total number of Shares purchased or acquired by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before and after the Share Purchase, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

2.10 Requirements under the Catalist Rules

The Company does not have any individual shareholding limit or foreign shareholding limit. Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. The term "**public**", as defined under the Catalist Rules, are persons other than (i) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholder of the Company and its subsidiaries; and (ii) Associates of the persons in (i). As at the Latest Practicable Date, approximately 82.48% of the issued Shares are in the hands of the public. No Shares were held by the Company as treasury shares as at the Latest Practicable Date. Assuming the Company had purchased or acquired Shares from the public up to the full 10% limit pursuant to the Share Purchase Mandate on the Latest Practicable Date, the percentage of the issued Shares held by public Shareholders as at that date would approximately be 80.53%.

The Company will not undertake the Share Purchases to the extent that (i) the number of Shares held by the public would fall below 10% of the total number of issued Shares, thereby affecting the listing status of the Shares on Catalist, and (ii) such Share Purchases would cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Take-over Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.11.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert obtains or consolidates effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code, unless the conditions for exemption pursuant to paragraph 3(a) of Appendix 2 of the Take-over Code are satisfied.

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Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.

2.11.2 ***Persons Acting in Concert***

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert:

a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;

b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

c) a company with any of its pension funds and employee share schemes;

d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

f) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

g) partners; and

h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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2.11.3 ***Effect of Rule 14 and Appendix 2 of the Take-over Code***

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted pursuant to paragraph 3(a) of Appendix 2 of the Take-over Code, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

2.11.4 ***Application of the Take-over Code***

The number of Shares held by the Directors and Substantial Shareholders are set out in paragraph 3 below. In the event the Company purchases the maximum number of Shares permissible under the Share Purchase Mandate, the shareholdings and voting rights of:

(a) each of the Directors and their concert parties (as defined in the Take-over Code) remain below 30%; and

(b) the Substantial Shareholders and their concert parties (as defined in the Take-over Code) remain below 30%,

and accordingly, no mandatory take-over offer is required to be made pursuant to the Take-over Code.

As at the Latest Practicable Date, the Directors are not aware of any other Shareholder who may become obligated to make a mandatory take-over offer for the Company in the event that the Company purchases or acquires the maximum number of Shares under the Share Purchase Mandate.

Appendix

2.12 Announcement Requirements

The Catalist Rules specify that a listed company shall announce all purchases or acquisitions of its shares not later than 9:00 am (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer made by the Company. Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased or acquired, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased or acquired as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase or acquisition.

2.13 No Purchases or Acquisition during Price or Trade Sensitive Developments

While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times. However, as the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price or trade sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price or trade sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

In particular, the Company will not purchase or acquire any Shares through Market Purchases or Off- Market Purchases during the period commencing 2 weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and 1 month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or 1 month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements).

2.14 Shares Purchased or Acquired by the Company

The Company has not undertaken any purchase or acquisition of Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2021 AGM up to the Latest Practicable Date.

Appendix

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The shareholding interests of the Directors and the Substantial Shareholders as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Number of Shares comprised in outstanding Options or awards granted by the Company	Total Interest	
Directors	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**		**No. of Shares**	**%[1]**
Toh Hock Ghim	–	–	–	–	40,000,000	–	–
Chng Weng Wah	658,970,850	6.52	463,050,000[2]	4.58	582,000,000	1,122,020,850	11.10
Lim Soon Hock	–	–	–	–	22,500,000	–	–
Lau Kay Heng	–	–	–	–	25,000,000	–	–
Substantial Shareholder (other than Directors)							
Tang Wee Loke	627,641,500	6.21	2,000,000[3]	0.02	–	629,641,500	6.23

Notes:

(1) Based on 10,106,683,403 issued Shares as at the Latest Practicable Date.

(2) Mr. Chng Weng Wah is deemed interested in 463,050,000 Shares held in the custodian account with Citibank Nominees Singapore Pte Ltd, pursuant to Section 7 of the Act.

(3) Mr. Tang Wee Loke is deemed interested in 2,000,000 Shares held by his children pursuant to Section 7 of the Act.

Save for their respective shareholding interests in the Company, none of the Directors and to the best of the Directors' knowledge, none of the Substantial Shareholders, has any direct or indirect interest in the proposed renewal of the Share Purchase Mandate.

4. DIRECTORS' RECOMMENDATION

Having considered, *inter alia*, the rationale and benefit of the proposed renewal of the Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate would be beneficial to, and is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate, as set out in the Notice of AGM.

Appendix

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

6. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND THE CONSTITUTION

The Company confirms that the terms of the proposed renewal of the Share Purchase Mandate do not contravene any laws, regulation and the Constitution governing the Company.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

The 2022 AGM will be held by electronic means. Alternative arrangements have been put in place to allow Shareholders to participate at the 2022 AGM by (a) watching or listening to the 2022 AGM proceedings via live webcast, (b) submitting questions in advance of, or live at, the 2022 AGM, and (c) voting by proxy at the 2022 AGM. Shareholders should refer to the Notice of AGM for further information on the alternative arrangements.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders at the Company's registered office at 120 Lower Delta Road, #03-15,Cendex Centre, Singapore 169208 during normal business hours from the date of this Appendix up to the date of the 2022 AGM:

(a) the Constitution; and

(b) the Annual Report of the Company.

Yours faithfully,
For and on behalf of the Board of Directors of
DISA Limited

Chng Weng Wah
Managing Director and Chief Executive Officer

Statistics of Shareholdings

As at 15 September 2022

Number of Shares	:	10,106,683,403
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Share
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS AS AT 15 SEPTEMBER 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	36	0.42	991	0.00
100 - 1,000	345	3.98	303,132	0.00
1,001 - 10,000	2,651	30.61	16,205,841	0.16
10,001 - 1,000,000	4,944	57.10	896,340,839	8.87
1,000,001 AND ABOVE	683	7.89	9,193,832,600	90.97
TOTAL	8,659	100.00	10,106,683,403	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 15 SEPTEMBER 2022

NO.	NAME	NO. OF SHARES	%
1	MAYBANK KIM ENG SECURITIES PTE. LTD.	669,904,766	6.63
2	CHNG WENG WAH	658,970,850	6.52
3	TANG WEE LOKE	627,641,500	6.21
4	CITIBANK NOMINEES SINGAPORE PTE LTD	610,906,700	6.04
5	DBS NOMINEES (PRIVATE) LIMITED	515,751,459	5.10
6	TAN HUI SONG	250,000,146	2.47
7	OCBC SECURITIES PRIVATE LIMITED	203,056,050	2.01
8	CHANG FOO HWA	195,076,200	1.93
9	PHILLIP SECURITIES PTE LTD	179,945,295	1.78
10	CHUA TECK HENG	158,120,000	1.56
11	TAN ENG CHUA EDWIN	152,485,100	1.51
12	ANDREW CHAN SZE TIAK	139,639,000	1.38
13	CHEW CHING IDA MRS IDA LEONG	130,000,000	1.29
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	126,417,850	1.25
15	IFAST FINANCIAL PTE. LTD.	111,978,900	1.11
16	HO BENG SIANG	105,500,000	1.04
17	DBSN SERVICES PTE. LTD.	104,953,400	1.04
18	EIO SAIK LIM LARRY	101,129,800	1.00
19	HENG JOON SIANG	90,880,000	0.90
20	TAY GIM SOON (ZHENG JINSHUN)	83,557,200	0.83
		5,215,914,216	51.60

Statistics of Shareholdings

As at 15 September 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Substantial Shareholders	Direct Interest		Deemed Interest		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chng Weng Wah	658,970,850	6.52	463,050,000[1]	4.58	1,122,020,850	11.10
Tang Wee Loke	627,641,500	6.21	2,000,000[2]	0.02	629,641,500	6.23

(1) Mr. Chng Weng Wah is deemed interested in 463,050,000 shares held in the custodian account with Citibank Nominees Singapore Pte Ltd pursuant to Section 7 of the Companies Act 1967 (the "**Companies Act**").

(2) Mr Tang Wee Loke is deemed interested in 2,000,000 shares held by his children pursuant to Section 7 of the Companies Act.

Based on the information available to the Company as at 15 September 2022, approximately 82.48% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Sixth Annual General Meeting ("**AGM**") of DISA Limited (the "**Company**") will be held by way of electronic means, on Friday, 28 October 2022 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the year ended 30 June 2022 together with the Auditors' Report thereon.

   (Resolution 1)

2. To approve the Directors' Fees of S$138,800 for the year ended 30 June 2022 (2021: S$138,800).

   (Resolution 2)

3. To re-elect Mr. Chng Weng Wah who is retiring pursuant to Regulation 92 of the Company's Constitution and who, being eligible, offers himself for re-election.

   Mr. Chng Weng Wah will upon re-appointment remain as an Executive and Non-Independent Director.
   [See Explanatory Note (a)]

   (Resolution 3)

4. To re-elect Mr. Lau Kay Heng who is retiring pursuant to Regulation 92 of the Company's Constitution and who, being eligible, offers himself for re-election.

   Mr. Lau Kay Heng will, upon re-appointment as a Non-Executive and Independent Director, remain as the Chairman of the Audit and Risks Management Committee and a member of Remuneration Committee and the Nominating Committee.
   [See Explanatory Note (b)]

   (Resolution 4)

5. To re-appoint Messrs Baker Tilly TFW LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

   (Resolution 5)

6. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act, 1967 of Singapore ("**Companies Act**") and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

   (A) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustment to) options, warrants, debentures or other instruments convertible into Shares,

Notice of Annual General Meeting

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Ordinary Resolution was in force,

provided that:

(a) the aggregate number of Shares to be issued pursuant to this Ordinary Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 100% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of the total issued Shares shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of passing of this Ordinary Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercise of share options or vesting of share awards, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with sub-paragraphs (b)(i) and (b)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution;

(c) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Company's Constitution for the time being; and

(d) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Ordinary Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held, whichever is the earlier; or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

[See Explanatory Note (c)]

(Resolution 6)

Notice of Annual General Meeting

8. **Authority to issue shares under the DISA Employee Share Option Scheme 2010, DISA Employee Share Option Scheme 2021 (the "DISA ESOS 2010 and 2021") and DISA Performance Shares Scheme (the "DISA PS Scheme")**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to offer and grant share options and share awards in accordance with the provisions of the DISA ESOS 2010 and 2021 and DISA PS Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the DISA ESOS 2010 and 2021, and the vesting of share awards under the DISA PS Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of new Shares to be allotted and issued pursuant to the DISA ESOS 2010 and 2021 and DISA PS Scheme and any other share schemes implemented or to be implemented by the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and such authority shall, unless revoked or varied by the Company in a general meeting, continue to in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law and the Catalist Rules to be held, whichever is earlier.
[See Explanatory Note (d)]

(Resolution 7)

9. **The Proposed Renewal of the Share Purchase Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the Directors of the Company be and are hereby authorised to purchase or otherwise acquire from time to time issued ordinary shares in the capital of the Company (whether by way of market purchases or off-market purchases on an equal access scheme) of up to a maximum of 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Ordinary Resolution at any price which the Directors may determine at their discretion, up to but not exceeding the Maximum Price (defined below), and such purchases and acquisitions of the Shares may be effected by way of:

(i) an on-market share acquisition ("**Market Purchase**") transacted on the SGX-ST through the ready market trading system, through one or more duly licensed stockbrokers or dealers appointed by the Company for such purpose; and/or

(ii) an off-market share acquisition ("**Off-Market Purchase**") pursuant to an equal access scheme(s) available to all shareholders, as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise be in accordance with all other laws and regulations and rules of the SGX-ST ("**Share Purchase Mandate**");

(b) the authority conferred on the Directors pursuant to the Share Purchase Mandate, unless revoked or varied by the Company in a general meeting, may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; and

Notice of Annual General Meeting

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Ordinary Resolution, the purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors for the purposes to effect the purchase or acquisition of Shares. The purchase price to be paid for the Shares pursuant to the Share Purchase Mandate (both Market Purchases and Off-Market Purchases), excluding related expenses of the purchase or acquisition must not exceed ("**Maximum Price**", in each case below):

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares.

For the above purposes:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the 5 consecutive Market Days (as defined in the Letter to Shareholders dated 11 October 2022 on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (pursuant to an Off-Market Purchase), and deemed to be adjusted, in accordance with the Catalist Rules for any corporate action which occurs during the relevant 5-day period and the day of the Share Purchase; and

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and each of them be authorised, empowered to complete and do and execute all such things and acts as they or he may think necessary or expedient to give effect to this Ordinary Resolution, with such modifications thereto (if any) as they or he shall think fit in the interests of the Company.

[See Explanatory Note (e)]

(Resolution 8)

BY ORDER OF THE BOARD

Chng Weng Wah
Managing Director and Chief Executive Officer
Singapore, 11 October 2022

Notice of Annual General Meeting

EXPLANATORY NOTES:

(a) Detailed information on Mr. Chng Weng Wah can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Additional Information on Directors Seeking Re-election" of the Company's Annual Report 2022.

(b) Detailed information on Mr. Lau Kay Heng can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Additional Information on Directors Seeking Re-election" of the Company's Annual Report 2022.

(c) The Ordinary Resolution 6 above, if passed, will empower the Directors from the date of passing of the Ordinary Resolution 6 until the date of the next AGM of the Company, or the date by which the AGM of the Company is required by law and the Catalist Rules to be held or when varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares in the capital of the Company and to make or grant Instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such Instruments, up to a number not exceeding 100% of the issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of Shares which may be issued shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time the Ordinary Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time the Ordinary Resolution 6 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

(d) The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of passing of the Ordinary Resolution 7 until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law and the Catalist Rules to be held or when varied or revoked by the Company in a general meeting, whichever is the earlier, to grant share options under the DISA ESOS 2010 and 2021 which were approved at the Extraordinary General Meeting of the Company held on 28 October 2010 and 28 October 2021 respectively and grant of share awards under the DISA PS Scheme which was renewed at the Extraordinary General Meeting of the Company held on 26 October 2018, and to allot and issue shares upon the exercise of such share options granted in accordance with the DISA ESOS 2010 and 2021 and the vesting of shares awards under the DISA PS Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

(e) The Ordinary Resolution 8 above, will authorise the Directors of the Company, from the date this Ordinary Resolution 8 is passed until the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held or when varied or revoked by the Company in a general meeting, whichever is earlier, to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), at prices up to but not exceeding the Maximum Price (as defined above), as at the date of the passing of the Ordinary Resolution 8. Details the proposed renewal of the Share Purchase Mandate are set out in the Appendix accompanying this Annual Report.

MEASURES TO MINIMIZE RISK OF COMMUNITY SPREAD OF COVID-19

Alternative arrangements to hold general meetings

1. The AGM of the Company will be held in accordance with the latest guidelines under the Regulator's Column: Live engagement and voting expected at all AGMs for FYs ending 30 June 2022 or after, issued by the SGX-ST on 23 May 2022. The AGM of the Company will be held by way of electronic means and members will NOT be allowed to attend the AGM in person. This Notice and Proxy Form will be available to members by electronic means via publication on the SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website at http://disa.sg/investors.html.

Notice of Annual General Meeting

2. Alternative arrangements are instead put in place to allow members to participate in the AGM by: (a) observing and listening to the AGM proceedings via a "live" audio-visual webcast and a "live" audio-only stream ("**Live Webcast**") and live voting at the AGM. Members who wish to participate as such will have to pre-register in the manner outlined in paragraphs 3 to 8 below; (b) voting by proxy at the AGM in the manner outlined in paragraphs 9 to 18 below; and (c) submitting questions in advance of, or live at, the AGM, addressing of substantial and relevant comments, queries and/or questions in the manner outlined in paragraphs 19 to 22 below.

Participate in the AGM

3. Alternative arrangements have been made by the Company to allow members to participate at the AGM via electronic means. Such alternative arrangements include:

   (a) arrangements by which members may electronically access the AGM proceedings and observe and/or listen to the Live Webcast;

   (b) arrangements by which members may submit comments, queries and/or questions to the chairman of the AGM (the "**Chairman of the AGM**") in advance of, or live at, the AGM;

   (c) arrangements by which the Board and the Management may address substantial and relevant comments, queries and/or questions in advance of, or live at, the AGM; and

   (d) arrangements by which members themselves or their duly appointed proxies (other than the Chairman of the AGM) may vote live at the AGM via electronic means or members may appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.

   All members or their corporate representatives (in the case of corporate members) will be able to observe and listen to the AGM proceedings via their mobile phones, tablets or computers upon pre-registration. In order to do so, member must pre-register with the Company by 10.00 a.m. on 25 October 2022 ("**Registration Deadline**"), at the URL: https://conveneagm.com/sg/disalimited2022 ("**DISA AGM Website**"), to create an account. Corporate members must also submit the Corporate Representative Certificate to the Company's Share Registrar at the following email address: shareregistry@incorp.asia.

4. Following the authentication of his/her/its status as a member of the Company, such member will receive an email on their authentication status ("**Confirmation Email**") and will be able to access the Live Webcast of the AGM proceedings using the account created.

5. Members who have pre-registered by the Registration Deadline but do not receive the aforementioned email by 10.00 a.m. on 27 October 2022 should contact the Company's Share Registrar at the following email address: shareregistry@incorp.asia, with the following details included:

   (a) the member's full name; and

   (b) his/her/its identification/registration number.

6. Non-CPF/SRS holders whose shares are registered under Depository Agents ("**DAs**") must also contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the AGM.

7. Members are reminded that the AGM proceedings are private. Instructions on access to the Live Webcast should therefore not be shared with anyone who is not a member of the Company or otherwise not authorised to attend the AGM. Recording of the AGM in whatever form is also strictly prohibited.

8. Members who wish to appoint third party proxy/proxies (other than the Chairman of the AGM) are encouraged to submit their proxy forms early, and should inform their proxy/proxies to pre-register for the Live Webcast of the AGM proceedings by the Registration Deadline.

Notice of Annual General Meeting

Voting at the AGM

9. Members of the Company (whether individual or corporate) who pre-register to observe and/or listen to the AGM proceedings and wish to vote on the resolutions in the Notice of AGM may:

   (a) (where such members of the Company are individuals) vote live at the AGM via electronic means, or (where such members of the Company are individuals or corporates) appoint proxies (other than the Chairman of the AGM) to vote live at the AGM via electronic means on their behalf; or

   (b) (where such members of the Company are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM in accordance with the instructions as set out in the relevant Proxy Forms.

10. Members and, where applicable, appointed proxy/proxies who wish to vote live at the AGM must pre-register at the URL: https://conveneagm.com/sg/disalimited2022 no later than 10.00 a.m. on 25 October 2022. Upon successful verification, authenticated members and, where applicable, appointed proxy/proxies will receive the Confirmation Email by 10.00 a.m. on 27 October 2022 and will be able to access and vote at the Live Webcast of the AGM proceedings using the account created.

11. The Proxy Form must be submitted through any one of the following means: (a) via the DISA AGM Website; (b) by depositing a physical copy at the registered office of the Company's share registrar at 30 Cecil Street #19-08 Prudential Tower Singapore 049712; or (c) by sending a scanned PDF copy by email to shareregistry@incorp.asia, in each case, no later than 10.00 a.m. on 25 October 2022, and failing which, the Proxy Form will not be treated as valid.

12. In the case of submission of the Proxy Form other than via the DISA AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

13. Members are strongly encouraged to submit completed proxy forms electronically.

14. In the case of submission of the Proxy Form other than via the DISA AGM Website, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

15. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

16. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.

17. In the case of a member of the Company whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

18. Members who hold their shares through relevant intermediaries and who wish to exercise their votes by appointing the "Chairman of the AGM" as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Approved Banks) to submit their voting instructions by 5.00 p.m. on 17 October 2022.

Notice of Annual General Meeting

Submission of questions prior to AGM

19. **Submission of comments, queries and/or questions in advance of the AGM.** Members may submit comments, queries and/or questions related to the resolutions in the Notice of AGM in advance of the AGM in the following manner:

    (a) By post or by email – Members may submit their comments, queries and/or questions in physical copy by depositing the same at the registered office of the Company's Share Registrar at 30 Cecil Street #19-08 Prudential Tower Singapore 049712 or email to shareregistry@incorp.asia. Comments, queries and/or questions submitted by members by post or by email must be accompanied by the members' full name, address, identification/registration number and the manner in which the members hold Shares in the Company.

    (b) By electronic means – Members, who have pre-registered for the Live Webcast, may submit their comments, queries and/or questions by electronic means at the URL: https://conveneagm.com/sg/disalimited2022,

    in either case, by 5.00 p.m. on 18 October 2022 (the "**Cut-Off Time**").

20. The Company shall address all substantial and relevant questions received from members by the Cut-Off Time, by publishing the responses to such questions on SGXNet and the Company's website no later than 5.00 p.m. on 21 October 2022, being at least forty-eight (48) hours before the closing date and time for the lodgement of proxy form.

21. **Submission of comments, queries and/or questions live at the AGM.** Members and, where applicable, appointed proxy/proxies may also ask the Chairman of the AGM questions related to the resolutions in the Notice of AGM, live at the AGM, by submitting questions via the online platform hosting the Live Webcast. Members and, where applicable, appointed proxies who wish to ask the Chairman of the AGM questions, live at the AGM, must pre-register at the URL: https://conveneagm.com/sg/disalimited2022 by 10.00 a.m. on 25 October 2022.

    The Company will address any subsequent clarification sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the Cut-Off Time which have not already been addressed prior to the AGM, as well as all substantial and relevant comments, queries and/or questions received from members, live at the AGM, during the AGM through the Live Webcast.

22. The Company will publish the minutes of the AGM on SGXNet and the Company's website within one month after the date of AGM, including responses from the Board and the Management in relation to substantial and relevant questions from members relating to the resolutions to be tabled for approval at the AGM.

Important Notice:

Due to the evolving COVID-19 pandemic situation in Singapore, the Company may change the AGM arrangements at short notice to comply with precautionary measures recommended and imposed by the authorities from time to time. The Company will announce any changes to the holdings or conduct of the AGM via the SGXNet. Members are advised to check the SGXNet regularly for updates on the AGM.

The Company would like to thank all members for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic situation.

Notice of Annual General Meeting

PERSONAL DATA PRIVACY

By (a) submitting details for the registration to observe the proceedings of the AGM via the Live Webcast in accordance with paragraphs 3 to 8 of section "Measures to Minimize Risk of Community Spread of COVID-19" (the "**COVID-19 Notice**") above, or (b) submitting an instrument appointing the "Chairman of the AGM" as proxy to vote at the AGM and/or any adjournment thereof in accordance with paragraphs 9 to 18 of the COVID-19 Notice, or (c) submitting any question prior to the AGM in accordance with paragraphs 19 to 22 of the COVID-19 Notice above, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the "Chairman of the AGM" as proxy for the AGM (including any adjournment thereof);

(ii) processing the pre-registration forms for purposes of granting access to members (or their corporate representatives in the case of members who are corporate entities) to view the Live Webcast of the AGM proceedings and providing viewers with any technical assistance where necessary;

(iii) addressing selected questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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*This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This notice 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 notice including the correctness of any of the statements or opinions made or reports contained in this notice.*

The contact person for the Sponsor is Mr. Ong Hwee Li (Registered Professional, SAC Capital Private Limited). Address: 1 Robinson Road, #21-00 AIA Tower, Singapore 048542. Telephone number: +65 6232 3210.

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DISA LIMITED
(Company Registration No. 197501110N)
(Incorporated in the Republic of Singapore)
(the "**Company**")

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL https://www.sgx.com/securities/company-announcements and http://disa.sg/investors.html. A printed copy of this proxy form will NOT be despatched to members.

PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT:

1. The Annual General Meeting ("**AGM**") will be held in accordance with the latest guidelines under the Regulator's Column: Live engagement and voting expected at all AGMs for FYs ending 30 June 2022 or after, issued by the SGX-ST on 23 May 2022. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this proxy form which has been uploaded on SGXNet and the Company's website on the same day.
2. A member will not be able to attend the AGM in person. A member who wishes to exercise his/her/its voting rights at the AGM may (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy/proxies (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her/its behalf; or (b) (whether the member is an individual or a corporate) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.
3. Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore (including CPF investors and SRS investors) may (a) vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Approved Banks, and should contact their respective CPF Agent Banks or SRS Approved Banks if they have any queries regarding their appointment as proxies; or (b) appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Approved Banks to submit their votes by 5.00 p.m. on 17 October 2022.
4. By submitting an instrument appointing a proxy/proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 October 2022.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy/proxies to vote on his/her/ their behalf at the AGM.

I/We (Name) _____ (NRIC/Passport No./Company Registration No.*) _____

of _____ (Address)

being a member/members of DISA Limited (the "**Company**") hereby appoint:

Name	Address	Email Address^	NRIC/Passport No.	Proportion of Shareholdings	
				No. of Shares	%

* and/or (delete as appropriate)

Name	Address	Email Address^	NRIC/Passport No.	Proportion of Shareholdings	
				No. of Shares	%

^ Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website which is accessible from the URL: https://conveneagm.com/sg/disalimited2022 in order to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings.

or failing the person, or either or both of the persons, referred to above, the Chairman of the AGM of the Company, as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means on Friday, 28 October 2022 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting on the Resolution proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, (i) the *proxy/proxies (except for the Chairman of the AGM) will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the AGM and at any adjournment thereof; or (ii) the appointment of Chairman of the AGM as proxy for the resolution will be treated as invalid at the AGM and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS				
1	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2022.			
2	Approval of Directors' fees of S$138,800 for the financial year ended 30 June 2022 (2021: S$138,800).			
3	Re-election of Mr. Chng Weng Wah as Director of the Company.			
4	Re-election of Mr. Lau Kay Heng as Director of the Company.			
5	Re-appointment of Messrs Baker Tilly TFW LLP as the Auditors of the Company and authority for the Directors to fix their remuneration.			
SPECIAL BUSINESS				
6	Authority to allot and issue shares and/or other instruments.			
7	Authority to issue shares under the (i) DISA Employee Share Option Scheme 2010 and 2021 and (ii) DISA Performance Shares Scheme			
8	Proposed renewal of the Share Purchase Mandate.			

* Delete accordingly

Note: If you wish to exercise all your votes "For", "Against" or "Abstain", please tick (√) within the box provided. Alternatively, please indicate the number of votes "For", "Against" or "Abstain" for each resolution.

Total Number of Ordinary Shares Held

Dated this _____ day of_____, 2022

_____

Signature(s) of Member(s)/Common Seal of Corporate Member

IMPORTANT: Please read notes overleaf

Notes:

1. Please insert the total number of shares in the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the Shares held by you.

2. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:

   (a) (where the member is an individual) vote "live" via electronic means at the AGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM)# to vote "live" via electronic means at the AGM on his/her/its behalf; or

   #For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

   (b) (where the member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

3. The Proxy Form must be submitted through any one of the following means: (a) via the DISA AGM website; (b) by depositing a physical copy at the registered office of the Company's share registrar at 30 Cecil Street #19-08 Prudential Tower Singapore 049712; or (c) by sending a scanned PDF copy via email to shareregistry@incorp.asia, in each case, no later than 10.00 a.m. on 25 October 2022, and failing which, the Proxy Form will not be treated as valid.

4. In the case of submission of the Proxy Form other than via the DISA AGM website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. Members are strongly encouraged to submit completed proxy forms electronically.

6. In the case of submission of the Proxy Form other than via the DISA AGM website, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

8. Please take note of the section "Measures to Minimize Risk of COVID-19" in the Notice of AGM.

General

The Company shall be entitled to reject the instrument appointing proxy/proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy/proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing proxy/proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM of the Company, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting this instrument appointing proxy/proxies to attend, speak and vote at the AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 October 2022.

DISA LIMITED
Co. Reg. No.: 197501110N
120 Lower Delta Road
#03-15, Cendex Centre
Singapore 169208

website: http://disa.sg