



DISA Limited ("Company" and together with its subsidiaries, the "Group")
(Company Registration No. 197501110N)

Unaudited Financial Statements for the financial year ended 30 June 2020

In view of the disclaimer of opinion on the audited financial statements for the financial year ended 30 June 2019 by the Company's previous independent auditor, Crowe Horwath First Trust LLP, the quarterly financial results announcement is mandatory, pursuant to the SGX's requirements, as required under Rule 705(2C) of the Catalyst Rules.

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited ("Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Income Statement

	Note	4th Qtr ended 30 June 2020 \$'000	4th Qtr ended 30 June 2019 \$'000	Increase/ (Decrease) %	Year ended 30 June 2020 \$'000	Year ended 30 June 2019 \$'000	Increase/ (Decrease) %
Revenue							
Sales of goods and services		3,027	185	N.M.	6,637	508	N.M.
Other income		32	359	(91.1)	321	757	(57.6)
Total revenue		<u>3,059</u>	<u>544</u>	N.M.	<u>6,958</u>	<u>1,265</u>	N.M.
Cost and expenses							
Cost of goods and services rendered		(2,642)	(19)	N.M.	(5,791)	(78)	N.M.
Depreciation and amortisation expenses	(1)	(4)	(418)	(99.0)	(619)	(1,648)	(62.4)
Employee benefits expenses		(1,514)	(2,351)	(35.6)	(4,666)	(6,484)	(28.0)
Legal and professional expenses		(91)	(77)	18.2	(265)	(289)	(8.3)
Impairment of financial assets - net of reversal		126	(38)	N.M.	126	(38)	N.M.
Impairment loss on intangible assets		-	(9,131)	N.M.	-	(9,131)	N.M.
Write off of goodwill		-	(17)	N.M.	-	(17)	N.M.
Loss on disposal of subsidiaries		(767)	-	N.M.	(8,283)	-	N.M.
Operating lease expenses		(4)	(127)	(96.9)	(4)	(525)	(99.2)
Other expenses		(425)	(280)	51.8	(1,041)	(1,184)	(12.1)
Total cost and expenses		<u>(5,321)</u>	<u>(12,458)</u>	(57.3)	<u>(20,543)</u>	<u>(19,394)</u>	5.9
Loss before interest and tax		<u>(2,262)</u>	<u>(11,914)</u>	(81.0)	<u>(13,585)</u>	<u>(18,129)</u>	(25.1)
Finance costs		(18)	(2)	N.M.	(83)	(569)	(85.4)
Loss before tax		<u>(2,280)</u>	<u>(11,916)</u>	(80.9)	<u>(13,668)</u>	<u>(18,698)</u>	(26.9)
Income tax credit		-	1,612	N.M.	-	1,790	N.M.
Loss for the financial period/year		<u>(2,280)</u>	<u>(10,304)</u>	(77.9)	<u>(13,668)</u>	<u>(16,908)</u>	(19.2)
Attributable to:							
Owners of the Company		(2,317)	(10,330)	(77.6)	(13,776)	(16,962)	(18.8)
Non-controlling interests		37	26	42.3	108	54	100.0
		<u>(2,280)</u>	<u>(10,304)</u>	(77.9)	<u>(13,668)</u>	<u>(16,908)</u>	(19.2)

N.M. - not meaningful



DISA Limited ("Company" and together with its subsidiaries, the "Group")
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Statement of Comprehensive Income

	Note	4th Qtr ended 30 June 2020 \$'000	4th Qtr ended 30 June 2019 \$'000	Increase/ (Decrease) %	Year ended 30 June 2020 \$'000	Year ended 30 June 2019 \$'000	Increase/ (Decrease) %
Loss for the financial period/year	(2)	(2,280)	(10,304)	(77.9)	(13,668)	(16,908)	(19.2)
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
- Foreign currency translation differences from consolidation of foreign subsidiaries		(8)	(2)	N.M.	(9)	-*	N.M.
Other comprehensive income loss for the financial period/year		(8)	(2)	N.M.	(9)	-*	N.M.
Total comprehensive loss for the financial period/year		(2,288)	(10,306)	(77.8)	(13,677)	(16,908)	(19.1)
Attributable to:							
Owners of the Company		(2,324)	(10,333)	(77.5)	(13,784)	(16,962)	(18.7)
Non-controlling interests		36	27	33.3	107	54	98.1
		(2,288)	(10,306)	(77.8)	(13,677)	(16,908)	(19.1)

* denotes an amount less than \$1,000.

1(a)(ii) Loss for the financial period/year is stated after charging/(crediting) the following:

	4th Qtr ended 30 June 2020 \$'000	4th Qtr ended 30 June 2019 \$'000	Year ended 30 June 2020 \$'000	Year ended 30 June 2019 \$'000
Interest expenses	18	2	83	569
Interest income	(23)	(63)	(137)	(262)
Depreciation and amortisation expenses	4	418	619	1,648
Employee share-based payment expense	294	1,170	742	1,700
Loss on disposal of subsidiaries	767	-	8,283	-
Impairment loss on intangible assets	-	9,131	-	9,131
Impairment of financial assets - net of reversal	(126)	(60)	(126)	(141)
Net reversal of provision for legal liabilities	-	(165)	-	(165)
Foreign exchange loss/(gain), net	101	11	(104)	20

Notes:

(1) As at year end, the Group has re-assessed all costs related to the enhancement of our core-technology capitalised as intangible assets during the first 9 months of the financial year in accordance with the requirements of SFRS(I) 1-38 Intangible Assets and had determined it is more appropriate for such costs to be expensed in the current financial year. Hence, the Group has reversed the capitalisation of intangible assets amounting \$438,000, net of amortized cost of \$76,000, for the first 9 months of the financial year into the current quarter to research and development expenses of \$82,000 and IT personnel cost of \$432,000.

(2) Loss for FY2020, excluding loss on disposal of subsidiaries of \$8,283,000 and net reversal of impairment of financial asset of \$126,000 was \$5,511,000, an improvement of \$2,211,000 or 28.6% as compared to loss of \$7,722,000 in FY2019. The latter excludes impairment of financial and intangible assets amounted \$9,169,000 and write-off of goodwill of \$17,000.

N.M. - not meaningful



DISA Limited ("Company" and together with its subsidiaries, the "Group")
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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Note	Group		Company	
		As at	As at	As at	As at
		30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment		553	900	261	478
Right-of-use assets		568	-	476	-
Other non-current assets		164	120	-	-
Financial assets, at FVOCI (equity)		150	-	-	-
		<u>1,435</u>	<u>1,020</u>	<u>737</u>	<u>478</u>
Current assets					
Trade and other receivables		1,221	97	15	-
Inventories		1,307	-	-	-
Other current assets		562	590	488	286
Cash and bank balances		6,010	13,025	4,393	8,709
		<u>9,100</u>	<u>13,712</u>	<u>4,896</u>	<u>8,995</u>
TOTAL ASSETS		<u>10,535</u>	<u>14,732</u>	<u>5,633</u>	<u>9,473</u>
LIABILITIES					
Current liabilities					
Trade and other payables		259	1,232	134	124
Accruals		508	518	359	375
Borrowings		-	29	-	29
Lease liabilities	(3)	372	-	180	-
Provisions		137	671	137	137
		<u>1,276</u>	<u>2,450</u>	<u>810</u>	<u>665</u>
Non-current liabilities					
Borrowings		-	149	-	149
Lease liabilities	(3)	440	-	388	-
		<u>440</u>	<u>149</u>	<u>388</u>	<u>149</u>
TOTAL LIABILITIES		<u>1,716</u>	<u>2,599</u>	<u>1,198</u>	<u>814</u>
NET ASSETS		<u>8,819</u>	<u>12,133</u>	<u>4,435</u>	<u>8,659</u>
EQUITY					
Share capital		58,680	58,680	58,680	58,680
Reserves		4,514	4,516	4,513	3,771
Accumulated losses		(54,444)	(41,404)	(58,758)	(53,792)
Equity attributable to owners of the Company		<u>8,750</u>	<u>21,792</u>	<u>4,435</u>	<u>8,659</u>
Non-controlling interests		69	(9,659)	-	-
TOTAL EQUITY		<u>8,819</u>	<u>12,133</u>	<u>4,435</u>	<u>8,659</u>

Note

(3) Consist of finance lease previously classified as borrowings and lease liabilities from the adoption of SFRS(I) 16 Leases. Finance lease is further presented in 1(b)(ii) Aggregate amount of Group's borrowings and debt securities.



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1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

30 June 2020 (\$'000)		30 June 2019 (\$'000)	
Secured	Unsecured	Secured	Unsecured
30	-	29	-

Amount repayable after one year

30 June 2020 (\$'000)		30 June 2019 (\$'000)	
Secured	Unsecured	Secured	Unsecured
119	-	149	-

Details of collateral

As at 30 June 2020, total borrowings included secured liabilities of \$149,000 (30 June 2019: \$178,000) for the Group. The secured liabilities are secured by the rights to motor vehicles.



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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(c)(i) Consolidated Statement of Cash Flows

	4th Qtr ended 30 June 2020 \$'000	4th Qtr ended 30 June 2019 \$'000	Year ended 30 June 2020 \$'000	Year ended 30 June 2019 \$'000
Cash flows from operating activities				
Loss before tax	(2,280)	(11,916)	(13,668)	(18,698)
Adjustments:				
- Interest expenses	18	2	83	569
- Interest income	(23)	(63)	(137)	(262)
- Depreciation and amortisation	4	418	619	1,648
- Employee share-based payments expense	294	1,170	742	1,700
- Gain on disposal of property, plant and equipment	2	(48)	2	(48)
- Impairment loss on financial assets	(126)	38	(126)	38
- Impairment loss on intangible assets	514	9,131	-	9,131
- Write-off of goodwill	-	17	-	17
- Net reversal of provision for legal liabilities	-	(165)	-	(165)
- Reversal of long outstanding payables and overstated accruals	-	(60)	-	(141)
- Loss on disposal of subsidiaries	767	-	8,283	-
- Gain on lease modifications	(3)	-	(3)	-
- Loss on derecognition of right-of-use assets	25	-	29	-
Operating loss before working capital changes	(808)	(1,476)	(4,176)	(6,211)
- Trade and other receivables	7	190	(1,308)	198
- Inventories	226	-	(1,132)	-
- Other current assets	(291)	549	(160)	422
- Trade and other payables	257	(539)	585	(775)
- Currency translation adjustments	(79)	(44)	(7)	(28)
Cash used in operations	(688)	(1,320)	(6,198)	(6,394)
Income tax paid	-	-	-	-
Net cash used in operating activities	(688)	(1,320)	(6,198)	(6,394)
Cash flows from investing activities				
Interest received	23	64	137	262
Purchase of property, plant and equipment	-	-	-	(64)
Proceeds from redemption of financial assets, at FVPL*	-	-	-	2,222
Proceeds from disposal of property, plant and equipment	4	48	5	48
Net cash inflow on acquisition of a subsidiary	-	63	-	63
Disposal of subsidiaries, net of cash disposed of	(442)	-	(442)	-
Net cash (used in)/generated from investing activities	(415)	175	(300)	2,531
Cash flows from financing activities				
Interest paid	(17)	(2)	(83)	(1,655)
Additional pledged fixed deposits - net	-	-	(2,250)	-
Payment of lease liabilities	(109)	(7)	(442)	(20)
Repayment of convertible bonds	-	-	-	(11,998)
Net cash used in financing activities	(126)	(9)	(2,775)	(13,673)
Net decrease in cash and cash equivalents	(1,229)	(1,154)	(9,273)	(17,536)
Cash and cash equivalents at beginning of the financial period/year	4,835	14,148	12,975	30,544
Effects of exchange rate changes on cash and cash equivalents	104	(19)	8	(33)
Cash and cash equivalents at end of the financial period/year (Note A)	3,710	12,975	3,710	12,975

* FVPL - Fair Value through Profit or Loss



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1(c)(ii) Notes to Consolidated Statement of Cash Flows

Note A:

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Year ended 30 June 2020 \$'000	Year ended 30 June 2019 \$'000
Cash at banks and on hand	2,320	1,898
Short-term bank deposits	3,690	11,127
Cash and bank balances per Group statement of financial position	6,010	13,025
Less: Deposits placed with banks as security	(2,300)	(50)
Cash and cash equivalents as presented in consolidated statement of cash flows	3,710	12,975

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

Group

	Share capital \$'000	Equity component of convertible bonds \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
FY 2020									
Balance as at 1 July 2019	58,680	-	9	3,530	977	(41,404)	21,792	(9,659)	12,133
Loss for the financial year	-	-	-	-	-	(13,776)	(13,776)	108	(13,668)
<u>Other comprehensive income</u>									
- Foreign currency translation differences from foreign subsidiaries	-	-	(8)	-	-	-	(8)	(1)	(9)
Other comprehensive loss for the financial year	-	-	(8)	-	-	-	(8)	(1)	(9)
Total comprehensive loss for the financial year	-	-	(8)	-	-	(13,776)	(13,784)	107	(13,677)
<u>Transactions with owners, recorded directly in equity</u>									
Employee share-based payment expenses	-	-	-	742	-	-	742	-	742
Total transactions with owners, recorded directly in equity	-	-	-	742	-	-	742	-	742
<u>Changes in ownership interests in subsidiaries</u>									
Disposal of subsidiaries	-	-	-	-	(736)	736	-	9,639	9,639
Waiver of amount owing by minority shareholder	-	-	-	-	-	-	-	(18)	(18)
Total transactions with owners, recorded directly in equity	-	-	-	-	(736)	736	-	9,621	9,621
Balance as at 30 June 2020	58,680	-	1	4,272	241	(54,444)	8,750	69	8,819



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Group

	Share capital \$'000	Equity component of convertible bonds \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
FY 2019									
Balance as at 1 July 2018	58,680	82	9	1,830	895	(24,442)	37,054	(9,800)	27,254
Loss for the financial year	-	-	-	-	-	(16,962)	(16,962)	54	(16,908)
Other comprehensive income									
- Foreign currency translation differences from foreign subsidiaries	-	-	-	-	-	-	-	-	-
Other comprehensive loss for the financial year	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the financial year	-	-	-	-	-	(16,962)	(16,962)	54	(16,908)
Transactions with owners, recorded directly in equity									
Employee share-based payment expenses	-	-	-	1,700	-	-	1,700	-	1,700
Acquisition of a subsidiary	-	-	-	-	-	-	-	87	87
Transfer on redemption of convertible bonds	-	(82)	-	-	82	-	-	-	-
Total transactions with owners, recorded directly in equity	-	(82)	-	1,700	82	-	1,700	87	1,787
Balance as at 30 June 2019	58,680	-	9	3,530	977	(41,404)	21,792	(9,659)	12,133

Company

	Share capital \$'000	Equity component of convertible bonds \$'000	Share option reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
FY 2020						
Balance as at 1 July 2019	58,680	-	3,530	241	(53,792)	8,659
Loss for the financial year	-	-	-	-	(4,966)	(4,966)
Total comprehensive loss for the financial year	-	-	-	-	(4,966)	(4,966)
Transactions with owners, recorded directly in equity						-
Employee share-based payment expenses	-	-	742	-	-	742
Total transactions with owners, recorded directly in equity	-	-	742	-	-	742
Balance as at 30 June 2020	58,680	-	4,272	241	(58,758)	4,435
FY 2019						
Balance as at 1 July 2018	58,680	82	1,830	159	(37,025)	23,726
Loss for the financial year	-	-	-	-	(16,767)	(16,767)
Total comprehensive loss for the financial year	-	-	-	-	(16,767)	(16,767)
Transactions with owners, recorded directly in equity						-
Employee share-based payment expenses	-	-	1,700	-	-	1,700
Transfer on redemption of convertible bonds	-	(82)	-	82	-	-
Total transactions with owners, recorded directly in equity	-	(82)	1,700	82	-	1,700
Balance as at 30 June 2019	58,680	-	3,530	241	(53,792)	8,659



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

A) Changes in share capital during the financial year

There were no changes to the Company's issued and paid up share-capital since the end of the last reporting period.

B) Share options - DISA Employee Share Option Scheme 2010 ("ESOS")

As at beginning of the period
Add: Share options granted
Less: Share options forfeited
As at end of the period

<u>4Q FY2020</u>	<u>4Q FY2019</u>
1,352,000,000	775,500,000
-	(11,000,000)
(10,000,000)	-
<u>1,342,000,000</u>	<u>764,500,000</u>

Saved as disclosed, there were no other outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of ordinary issued shares excluding treasury shares of the Company

<u>30 Jun 2020</u>	<u>30 Jun 2019</u>
10,038,683,403	10,038,683,403

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company does not have any treasury shares as at 30 June 2020 and 30 June 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any subsidiary holdings as at 30 June 2020 and 30 June 2019.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures have not been audited or reviewed by our auditors.

3A Companies that are subject to quarterly reporting will need to provide: (a) updates on efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statement have been adequately disclosed. This will not be required for any audit issue that relates to going concern.

a) The disclaimer of opinion issued on the audited financial statements for the financial year ended 30 June 2019 by the Company's previous independent auditor, Crowe Horwath First Trust LLP was related to the non-consolidation of EIKA (Singapore) Pte. Ltd ("EIKA") and its subsidiary, PT. Engineering Indonesia Karya ("PT Karya"). However, the management and the Board are of the view that the Group has neither control nor significant influence over EIKA and its subsidiary, PT Karya, and accordingly EIKA and its subsidiary have neither been consolidated nor equity accounted into the Group's consolidated financial statements since its acquisition in FY2013. In addition, the Group has no access to PT Karya's financial statements since it has no control over EIKA.

EIKA was disposed on 1 June 2020 and accordingly, ceased to be the subsidiary of the Company.

b) The Board confirms that the impact of the disclaimer of opinion on the financial statements has been adequately disclosed as at 30 June 2020.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current financial year compared with the audited financial statements for the financial year ended 30 June 2019.



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5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted SFRS(I) 16 Leases on 1 July 2019 (being the start of the annual financial year for the Company) using modified retrospective approach and did not restate comparative amounts for the financial year ended 30 June 2019 as permitted under the specific transition provisions in the standard.

As at 1 July 2019, the adoption of SFRS(I) 16 has resulted in the following key effects:

	Group S\$'000	Company S\$'000
Statements of financial position		
Assets		
Property, plant and equipment	(103)	(103)
Right-of-use assets	1,035	663
Other non-current/ current assets	198	-
Liabilities		
Lease liabilities	1,158	560
Income statement		
Gain on lease modification	3	-
Loss on derecognition of ROU assets	29	-

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Loss per ordinary share (cents per share)

- (i) Based on weighted average number of ordinary shares in issue
(ii) On a fully diluted basis
- Weighted average number of ordinary shares in issue
- Adjusted weighted average number of ordinary shares in issue for diluted earnings per share

Group		Group	
4th Qtr ended 30 June 2020	4th Qtr ended 30 June 2019	Year ended 30 June 2020	Year ended 30 June 2019
(0.02)	(0.10)	(0.14)	(0.17)
(0.02)	(0.10)	(0.14)	(0.17)
10,038,683,403	10,038,683,403	10,038,683,403	10,038,683,403
10,038,683,403	10,038,683,403	10,038,683,403	10,038,683,403

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and (b) immediately preceding financial year.

Net asset value per ordinary share (cents per share)

Group		Company	
As at 30 Jun 2020	As at 30 Jun 2019	As at 30 Jun 2020	As at 30 Jun 2019
0.09	0.22	0.04	0.09

The net asset value per ordinary share attributable to owners of the Company is computed based on 10,038,683,403 issued shares (excluding treasury shares) as at 30 June 2020 and 30 June 2019.



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(A) Income Statement (Fourth Quarter Ended 30 June 2020 ("4Q FY2020") versus Fourth Quarter Ended 30 June 2019 ("4Q FY2019") and 12 Months Ended 30 June 2020 ("FY2020") versus 12 Months Ended 30 June 2019 ("FY2019"))

i) Sales of goods and services

Sales of goods and services for 4Q FY2020 increased by \$2,842,000 or more than 15-fold, from \$185,000 in FY2019 to \$3,027,000 in FY2020. The increase was mainly contributed from the sales of coded chips, non-coded chips and code sales. The Group has recorded an increase of 123.4% for its code sales from 4Q FY2019.

On the year-on-year ("YoY") basis, the Group achieve a 12-fold increase in sales of goods and services from \$508,000 in FY2019 to \$6,637,000 in FY2020. The increase of which was mainly driven by the expansion into selling of coded chips, non-coded chips and code sales. The code sales have increased by 62.5% as compared to FY2019 due to the increase in the number of customers adopting our 3S (Single-Scan-Serialization) solution.

ii) Other income

Without taking into consideration a one-off reversal of provision for legal liabilities, long outstanding payables and overstated of accruals of \$225,000 and \$48,000 gain on disposal of property, plant and equipment in 4Q FY2019, other income decreased by \$54,000 in 4Q FY2020. This was mainly due to decrease in interest income earned from fixed deposit during the quarter as the Group utilised the fixed deposit to expand into new business.

On a YoY basis, other income decreased by \$436,000 or 57.6% from \$757,000 in FY2019 to \$321,000 in FY2020. The decrease was driven by the one-off reversal as explained above amounting to \$306,000, gain of disposal of property, plant and equipment of \$48,000 and decreased in interest income earned from fixed deposit, partially offset by the foreign exchange gain from the appreciation of USD against SGD.

iii) Cost and expenses

The cost of goods purchase for the supply chain lifted the increase in cost of goods and services rendered. The increases were in line with the increase in revenue. Other cost and expenses for 4Q FY2020, excluding one-off expenses of loss on disposal of subsidiaries and net reversal of impairment of financial asset amounting to \$641,000 was \$2,038,000, 37.4% lower as compared to 4Q FY2019, which include loss of \$9,186,000 from impairments and write-off of goodwill of \$17,000. The decrease was mainly due to the lower depreciation and amortisation expenses as the intangible assets was fully impaired in 4Q FY2019, as well as lower employee benefits expenses as a result of fewer headcounts.

On YoY basis, the increase in cost of goods and services rendered were in line with the increase in revenue. Excluding the loss of \$8,157,000 arising from the disposal of subsidiaries and loss on impairment losses and write off of goodwill of \$9,186,000 in FY2020 and FY2019 respectively, the total other cost and expenses have decreased by \$3,535,000 to \$6,595,000 for FY2020, a decreased of 34.9%. The decrease was driven by the same factors as explained above.

With the repayment of redeemable convertible bonds ("RCB") on 23 December 2018, the Group has minimum finance cost for FY2020. This decrease was partially offset by additional deemed interest cost on lease liabilities on the adoption of SFR(I) 16 in FY2020.

Due to the reasons stated above, the net loss attributable to shareholders in 4Q FY2020 and FY2020 was \$2,317,000 and \$13,776,000 respectively.

(B) Statements of Financial Position

Total assets of the Group decreased by \$4,197,000 or 28.5% from \$14,732,000 as at 30 June 2019 to \$10,535,000 as at 30 June 2020. This was mainly due to the decrease in (i) property, plant and equipment; (ii) other current assets; and (iii) cash and bank balances. The decrease was partially offset by additional rights-of-use assets due to the adoption of SFRS(I) 16 Leases and additional working capital outlay for new businesses resulted in an increase of \$2,553,000 in inventories, trade and other receivables and other current assets. Please refer to "8(C) Cash Flows" for more explanation on cash and bank balances.

Total liabilities of the Group decreased by \$883,000 from \$2,599,000 as at 30 June 2019 to \$1,716,000 as at 30 June 2020. This was mainly due to the disposal of subsidiaries during the financial year and hence the shares of its liabilities partially offset by additional lease liabilities.

Lease liabilities arose merely from recognition of operating lease commitment with the adoption of SFRS(I) 16 Leases predominantly for office rentals.



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(C) Cash Flows

i) 4Q FY2020

Net cash used in operating activities amounted to \$688,000 in 4Q FY2020. Net operating cash outflow before working capital changes of \$808,000 was mainly due to the loss before income tax for the financial period before adjusting for net working capital inflow of \$120,000. The net working capital inflow was mainly due to a decrease in inventories and trade and other receivables of \$226,000 and \$7,000 respectively, increase in trade and other payables of \$257,000 and partially offset by increase in other current assets of \$291,000 and foreign currencies movement.

Net cash used in investing activities of \$415,000 in 4Q FY2020 was mainly due to cash outflow on disposal of subsidiaries.

Net cash used in financing activities for 4Q FY2020 amounted to \$126,000 and was mainly due to lease payments.

Due to the reasons stated above, the Group recorded a net decrease in cash and cash equivalents of \$1,229,000 in 4Q FY2020.

The Group ended 4Q FY2020 with minimum financial obligation and cash and cash equivalents of \$6,010,000, which includes \$2,300,000 in pledged fixed deposits.

ii) FY2020

Net cash used in operating activities amounted to \$6,200,000 in FY2020. Net operating cash outflow before working capital changes of \$4,178,000 was mainly due to the loss before income tax for the financial period before adjusting for net working capital outflow of \$2,022,000. The net working capital outflow was mainly due to an increase in trade and other receivables, inventories and other current assets of \$1,308,000, \$1,132,000 and \$160,000 respectively, partially offset by an increase in trade and other payables of \$585,000 and foreign currencies movement.

Net cash used in investing activities of \$300,000 was mainly due to net cash outflow on disposal of subsidiaries.

Net cash used in financing activities for FY2020 amounted to \$2,774,000 and was mainly due to additional pledged fixed deposit of \$2,250,000 and lease payments.

Due to the reasons stated above, the Group recorded a net decrease in cash and cash equivalents of \$9,273,000 in FY2020.

The Group ended FY2020 with minimum financial obligation and cash and cash equivalents of \$6,010,000, which includes \$2,300,000 in pledged fixed deposits.

(D) Use of Proceeds

i) Warrants

The Company raised an aggregate of \$25.5 million from the exercise of warrant pursuant to the issue of warrants in 2015. The rights to subscribe for new ordinary shares in the capital of the Company by way of exercise of the warrants had expired on 2 August 2017. The status of the use of proceeds is as follow:

	Warrants Exercise \$'000
Net proceeds raised	25,497
Less: Utilisations	
- Business expansion ^(Note A)	(12,149)
- Working capital expenditures ^(Note B)	(12,175)
- Repayment of loan ^(Note C)	(1,173)
Balance as at 30 June 2020	<u>-</u>

Note A: Additional investment in Disa Digital Safety Pte. Ltd.

Note B: General working capital expenditures consisted of non-trade payments, purchase of fixed assets, redeemable convertible bonds' interest, staff salaries and related expenses.

Note C: Repayment of loans including accrued interest for working capital purposes.

ii) Convertible bonds

On 27 December 2016, the Company announced that it has entered into a RCB agreement with the Investors pursuant to which, the Investors agreed to subscribe for an aggregate subscription amount of \$12 million pursuant to the terms of the RCB agreement. RCB were fully repaid with interest on 23 December 2018.



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

No forecast or prospect statement was disclosed to shareholders previously.

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

The Group recorded a revenue from its sales of goods and services of \$3,027,000 amidst a challenging environment in 4Q FY2020, an increase of about 15-fold from 4Q FY2019. For the FY2020, the Group achieved a total revenue from its sales of goods and services of \$6,637,000, an increase of \$6,129,000 or 12-fold as compared to FY2019. The Group has also expanded into selling UV disinfection devices in 4Q FY2020. However, the next quarter remains uncertain and challenging as the COVID-19 pandemic continues to disrupt the global economy. Despite the challenging business environment globally, the Group will continue to maintain its focus on technology related business opportunities.

11. Dividend

(a) Current financial period reported on.

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year.

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been recommended for 4Q FY2020 in view that the Company was loss making and the Board will re-assess the Company's dividend policy as part of its capital allocation decision when it is profitable.



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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a)

Analysis by Business Segment

FY2020

Revenue and expenses

- External revenue

Total

Reportable segment profit/ (loss) after
income tax

Loss for the financial year, net of tax

Other material items:

Interest expense

Depreciation and amortisation

Loss on disposal of subsidiaries

Reportable segment assets

Reportable segment liabilities

	Technology \$'000	Investment holding \$'000	Energy management services \$'000	Supply of Construction materials \$'000	Total \$'000
- External revenue	6,076	-	561	-	6,637
Total	6,076	-	561	-	6,637
Reportable segment profit/ (loss) after income tax	(2,254)	(11,543)	118	11	(13,668)
Loss for the financial year, net of tax					(13,668)
Other material items:					
Interest expense	(38)	(45)	-	-	(83)
Depreciation and amortisation	(320)	(299)	-	-	(619)
Loss on disposal of subsidiaries	-	(8,283)	-	-	(8,283)
Reportable segment assets	5,058	5,434	-	-	10,492
Reportable segment liabilities	(518)	(1,198)	-	-	(1,716)

Analysis by Business Segment

FY2019

Revenue and expenses

- External revenue

Total

Reportable segment (loss)/ profit after
income tax

Loss for the financial year, net of tax

Other material items:

Interest expense

Depreciation and amortisation

Impairment loss on financial assets

Impairment loss on intangible assets

Net reversal of provision for legal liabilities

Reversal of long outstanding payables and overstated accruals

Reportable segment assets

Capital expenditure:

- Property, plant and equipment

Reportable segment liabilities

	Technology \$'000	Investment holding \$'000	Energy management services \$'000	Supply of Construction materials \$'000	Total \$'000
- External revenue	441	-	67	-	508
Total	441	-	67	-	508
Reportable segment (loss)/ profit after income tax	(12,334)	(4,800)	12	214	(16,908)
Loss for the financial year, net of tax					(16,908)
Other material items:					
Interest expense	-	(569)	-	-	(569)
Depreciation and amortisation	(1,532)	(116)	-	-	(1,648)
Impairment loss on financial assets	-	(1)	-	(37)	(38)
Impairment loss on intangible assets	(9,131)	-	-	-	(9,131)
Net reversal of provision for legal liabilities	-	-	-	165	165
Reversal of long outstanding payables and overstated accruals	-	-	-	141	141
Reportable segment assets	5,108	9,362	183	79	14,732
Capital expenditure:					
- Property, plant and equipment	-	(162)	-	-	(162)
Reportable segment liabilities	(237)	(814)	(18)	(1,530)	(2,599)



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(b)

Analysis by geographical segment

	Total Revenue		Non-Current Assets		Total Capital Expenditure	
	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000
Singapore	689	67	1,296	1,005	-	162
China	142	26	93	-	-	-
Hong Kong	5,259	119	-	-	-	-
United States	547	293	46	15	-	-
Others	-	3	-	-	-	-
Total	6,637	508	1,435	1,020	-	162

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to items 8 and 13 above.

15. A breakdown of sales as follows:-

	FY 2020 \$'000	FY 2019 \$'000	Increase/ (decrease) %
(a) Sales reported for first half year	2,351	261	N.M.
(b) Loss after tax but before deducting non-controlling interests reported for first half year	(10,219)	(4,380)	133.3%
(c) Sales reported for second half year	4,286	247	N.M.
(d) Loss after tax but before deducting non-controlling interests reported for second half year	(3,449)	(12,528)	(72.5%)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend was declared for this financial year and previous financial year.

17. If the group has obtained a general mandate from shareholder for interested person transactions ("IPT"), the aggregate value of such transactions are required under Rule 920 (1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained a statement to that effect.

The Company has not obtained a general mandate from shareholders for IPTs.



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18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial	Current position and duties, and the year the position	Details of changes in duties and position held, if any, during
Chng Weng Huat	56	Sibling of Mr Chng Weng Wah	Solution Director from 1 May 2017. Duties: To assist Senior Vice President of Global Solution to provide support/ assistance to suppliers to Disa-Enabled their products.	No change

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

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

BY ORDER OF THE BOARD

CHNG WENG WAH
Managing Director/Chief Executive Officer

27 August 2020