



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

Unaudited Financial Statement for the financial year ended 30 June 2019

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

	4th Qtr ended 30 June 2019 \$'000	4th Qtr ended 30 June 2018 \$'000 (Restated)	Increase/ (Decrease) %	12 months ended 30 June 2019 \$'000	12 months ended 30 June 2018 \$'000 (Restated)	Increase/ (Decrease) %
Revenue						
Sale of codes	171	74	N.M.	441	169	N.M.
Services rendered	14	17	(17.6)	67	70	(4.3)
	185	91	N.M.	508	239	N.M.
Other income	359	144	N.M.	757	346	N.M.
Total revenue	544	235	N.M.	1,265	585	N.M.
Cost and expenses						
Cost of services	(19)	(8)	N.M.	(78)	(68)	14.7
Depreciation and amortisation expenses	(418)	(411)	1.7	(1,649)	(1,545)	6.7
Employee benefits expenses	(2,672)	(3,242)	(17.6)	(6,805)	(7,383)	(7.8)
Legal and professional expenses	(39)	(198)	(80.3)	(251)	(601)	(58.2)
Impairment loss on trade and other receivables	(38)	(65)	(41.5)	(38)	(65)	(41.5)
Impairment loss on goodwill	(17)	-	N.M.	(17)	-	N.M.
Loss on liquidation of a subsidiary	-	(29)	N.M.	-	(92)	N.M.
Write-off of property, plant and equipment	-	(2)	N.M.	-	(7)	N.M.
Operating lease expenses	(127)	(230)	(44.8)	(525)	(552)	(4.9)
Other expenses	(280)	(545)	(48.6)	(1,183)	(2,063)	(42.7)
Total cost and expenses	(3,610)	(4,730)	(23.7)	(10,546)	(12,376)	(14.8)
Results from operations activities	(3,066)	(4,495)	(31.8)	(9,281)	(11,791)	(21.3)
Finance costs	(2)	(292)	(99.3)	(569)	(1,127)	(49.5)
Loss before taxation	(3,068)	(4,787)	(35.9)	(9,850)	(12,918)	(23.7)
Income tax credit	60	59	1.7	238	222	7.2
Loss for the financial period/year	(3,008)	(4,728)	(36.4)	(9,612)	(12,696)	(24.3)
Attributable to:						
Owners of the Company	(3,034)	(5,049)	(39.9)	(9,667)	(13,009)	(25.7)
Non-controlling interests	26	321	(91.9)	55	313	(82.4)
	(3,008)	(4,728)	(36.4)	(9,612)	(12,696)	(24.3)

N.M. - not meaningful

Due to rounding, numbers presented throughout this announcement may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason.



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Statement of Comprehensive Income

	<u>4th Qtr ended</u> <u>30 June 2019</u>	<u>4th Qtr ended</u> <u>30 June 2018</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>12 months ended</u> <u>30 June 2019</u>	<u>12 months ended</u> <u>30 June 2018</u>	<u>Increase/</u> <u>(Decrease)</u>
	\$'000	\$'000	%	\$'000	\$'000	%
Loss for the financial period/year	(3,008)	(4,728)	(36.4)	(9,612)	(12,696)	(24.3)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation differences from foreign subsidiaries	(3)	(21)	(85.7)	(1)	33	N.M.
Other comprehensive income for the financial period/year	<u>(3)</u>	<u>(21)</u>	<u>(85.7)</u>	<u>(1)</u>	<u>33</u>	<u>N.M.</u>
Total comprehensive loss for the financial period/year	<u>(3,011)</u>	<u>(4,749)</u>	<u>(36.6)</u>	<u>(9,613)</u>	<u>(12,663)</u>	<u>(24.1)</u>
Attributable to:						
Owners of the Company	(3,037)	(5,068)	(40.1)	(9,668)	(12,993)	(25.6)
Non-controlling interests	26	319	(91.8)	55	331	(83.4)
	<u>(3,011)</u>	<u>(4,749)</u>	<u>(36.6)</u>	<u>(9,613)</u>	<u>(12,662)</u>	<u>(24.1)</u>

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

	<u>4th Qtr ended</u> <u>30 June 2019</u>	<u>4th Qtr ended</u> <u>30 June 2018</u>	<u>12 months ended</u> <u>30 June 2019</u>	<u>12 months ended</u> <u>30 June 2018</u>
	\$'000	\$'000	\$'000	\$'000
Interest expenses	2	292	569	1,127
Interest income	(63)	(115)	(262)	(297)
Depreciation and amortisation expenses	418	411	1,649	1,545
Adjustment for underprovision of tax in respect of prior years	-	-	-	16
Employee share-based payment expense	1,492	2,034	2,022	2,441
Loss on liquidation of a subsidiary	-	29	-	92
Disclaim of trade payable - net	(60)	-	(141)	-
Reversal of provision for legal liabilities	(165)	-	(165)	-
Foreign exchange loss/(gain), net	11	(64)	20	(55)

N.M. - not meaningful



DISA Limited ("Company" and together with its subsidiaries, the "Group")
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Unaudited Financial Statement for the financial year ended 30 June 2019

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

	Group		Company	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
		(Restated)		(Restated)
ASSETS				
Non-current assets				
Financial assets, fair value through other comprehensive income ("FVOCI")	150	-	-	-
Property, plant and equipment	899	982	478	432
Intangible assets	9,129	10,535	-	-
Subsidiaries	-	-	12,084	12,084
Other non-current assets	120	120	111	24
Total non-current assets	10,298	11,637	12,673	12,540
Current assets				
Trade and other receivables	98	549	-	-
Other current assets	442	1,007	175	166
Cash and bank balances	13,025	30,594	8,709	22,625
Financial assets, amortised cost	-	2,222	-	2,222
Total current assets	13,565	34,372	8,884	25,013
Total assets	23,863	46,009	21,557	37,553
EQUITY AND LIABILITIES				
Equity				
Share capital	58,680	58,680	58,680	58,680
Reserves	5,772	3,750	5,038	3,017
Accumulated losses	(35,044)	(25,376)	(42,975)	(37,971)
Equity attributable to owners of the Company	29,408	37,054	20,743	23,726
Non-controlling interests	(9,658)	(9,800)	-	-
Total equity	19,750	27,254	20,743	23,726
Non-current liabilities				
Financial liabilities	149	84	149	84
Deferred tax liabilities	1,552	1,790	-	-
Total non-current liabilities	1,701	1,874	149	84
Current liabilities				
Trade and other payables	1,201	2,275	124	114
Accruals	648	1,975	512	1,697
Financial liabilities	29	11,932	29	11,932
Provisions and other liabilities	534	699	-	-
Total current liabilities	2,412	16,881	665	13,743
Total liabilities	4,113	18,755	814	13,827
Total equity and liabilities	23,863	46,009	21,557	37,553



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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 2019 (\$'000)		30 June 2018 (\$'000)	
Secured	Unsecured	Secured	Unsecured
29	-	16	11,916

Amount repayable after one year

30 June 2019 (\$'000)		30 June 2018 (\$'000)	
Secured	Unsecured	Secured	Unsecured
149	-	84	-

Details of collateral

As at 30 June 2019, total borrowings included secured liabilities of \$178,000 (30 June 2018: \$100,000) for the Group. The secured liabilities is secured by the rights to motor vehicles.

The unsecured liabilities as at 30 June 2018 pertained to the redeemable convertible bonds ("**RCB**") of \$12,000,000 issued by the Company. On 27 December 2016, the Company entered into a RCB agreement with Wang Yu Huei, Tang Wee Loke, Lee Teong Sang and Tsai Yi-Chen, the ("**Investors**"), pursuant to which, the Investors agreed to subscribe for an aggregate subscription amount of \$12,000,000 pursuant to the terms of the RCB agreement. The bonds can be converted into the Company's ordinary shares at any time between 23 December 2017 and 23 December 2018. Shareholders' approval has been obtained on 13 February 2017 in relation to the RCB agreement.

The RCB bear an interest rate at 9% per annum and the Investors can elect to have all interest due by way of allotment and issuance of ordinary shares in the Company in lieu of receiving payment of interest in cash.

Please refer to the Company's circular dated 20 January 2017 for more details on the RCB.

The RCB were fully redeemed on 23 December 2018.



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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 2019 \$'000	4th Qtr ended 30 June 2018 \$'000 (Restated)	12 months ended 30 June 2019 \$'000	12 months ended 30 June 2018 \$'000 (Restated)
Cash flows from operating activities				
Loss before income tax	(3,068)	(4,787)	(9,850)	(12,918)
Adjustments for:				
- Interest expenses	2	292	569	1,127
- Interest income	(63)	(115)	(262)	(297)
- Amortisation of intangible assets	351	351	1,405	1,404
- Depreciation of property, plant and equipment	67	60	244	141
- Employee share-based payments expense	1,492	2,034	2,022	2,441
- Gain on disposal of property, plant and equipment	(48)	-	(48)	-
- Loss on liquidation of subsidiaries	-	29	-	92
- Impairment loss on trade and other receivables	38	65	38	65
- Provision for legal liabilities	(165)	(5)	(165)	(5)
- Reversal of long outstanding payables and overstated accruals	-	(6)	-	(6)
- Write-off of property, plant and equipment	-	2	-	7
- Impairment loss on intangible assets	17	-	17	-
- Disclaim of trade payable - net	(60)	-	(141)	-
- Exchange differences	(45)	(53)	(27)	(67)
Operating cash flows before working capital changes	(1,482)	(2,133)	(6,198)	(8,016)
Changes in working capital:				
- Trade and other receivables	40	19	198	200
- Other current assets	699	210	572	(27)
- Trade and other payables	(577)	342	(813)	148
Cash used in operations	(1,320)	(1,562)	(6,241)	(7,695)
Income tax paid	-	-	-	(17)
Net cash used in operating activities	(1,320)	(1,562)	(6,241)	(7,712)
Cash flows from investing activities				
Interest received	64	115	262	297
Purchase of property, plant and equipment	-	(521)	(64)	(538)
Investment in financial assets, FVOCI	-	-	(150)	-
Proceeds from redemption of financial assets, amortised cost	-	-	2,222	-
Proceeds from disposal of property, plant and equipment	48	-	48	1
Net cash inflow on acquisition of a subsidiary	63	-	63	-
Net cash from/(used in) investing activities	175	(406)	2,381	(240)
Cash flows from financing activities				
Interest paid	(2)	(11)	(1,655)	(599)
Release of pledged fixed deposits, net	-	-	-	11
Proceeds from exercise of warrants	-	-	-	18,988
Repayments of finance lease	(7)	(4)	(20)	(15)
Repayment of convertible bonds	-	-	(12,000)	-
Net cash (used in)/from financing activities	(9)	(15)	(13,675)	18,385
Net (decrease)/increase in cash and cash equivalents	(1,154)	(1,983)	(17,535)	10,433
Effects of exchange rate changes on cash and cash equivalents	(19)	4	(34)	7
Cash and cash equivalents at beginning of the financial period/year	14,148	32,523	30,544	20,104
Cash and cash equivalents at end of the financial period/year (Note A)	12,975	30,544	12,975	30,544



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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:

	12 months ended 30 June 2019	12 months ended 30 June 2018
	\$'000	\$'000
Cash at bank and on hand	1,898	2,741
Short-term bank deposits	11,127	27,853
Cash and bank balances per Group statement of financial position	13,025	30,594
Less: Deposits placed with banks as security	(50)	(50)
Cash and cash equivalents per consolidated statement of cash flows	12,975	30,544

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 2019									
Balance as at 1 July 2018	58,680	82	(1)	2,774	895	(25,376)	37,054	(9,800)	27,254
Effects of adoption of SFRS (I) 1	-	-	1	-	-	(1)	-	-	-
Balance as at 1 July 2018, restated	58,680	82	-	2,774	895	(25,377)	37,054	(9,800)	27,254
Total comprehensive loss									
- Loss for the financial year	-	-	-	-	-	(9,667)	(9,667)	55	(9,612)
Other comprehensive loss									
- Foreign currency translation differences from foreign subsidiaries	-	-	(1)	-	-	-	(1)	-	(1)
Total comprehensive income for the financial year	-	-	(1)	-	-	(9,667)	(9,668)	55	(9,613)
Changes in ownership in subsidiaries									
Acquisition of a subsidiary	-	-	-	-	-	-	-	87	87
Total changes in ownership in interests in subsidiaries	-	-	-	-	-	-	-	87	87
Others									
Employee share-based payment expenses	-	-	-	2,022	-	-	2,022	-	2,022
Transfer on redemption of convertible bonds	-	(82)	-	-	82	-	-	-	-
	-	(82)	-	2,022	82	-	2,022	-	2,022
Balance as at 30 June 2019	58,680	-	(1)	4,796	977	(35,044)	29,408	(9,658)	19,750



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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 2018									
Balance as at 1 July 2017	37,140	82	(44)	333	3,447	(12,339)	28,619	(10,025)	18,594
Effects of adoption of SFRS (I) 1	-	-	-	-	-	-	-	-	-
Balance as at 1 July 2017, restated	37,140	82	(44)	333	3,447	(12,339)	28,619	(10,025)	18,594
Total comprehensive income	-	-	-	-	-	(13,009)	(13,009)	313	(12,696)
- Loss for the financial year	-	-	-	-	-	(13,009)	(13,009)	313	(12,696)
Other comprehensive income	-	-	15	-	-	-	15	18	33
- Foreign currency translation differences from foreign subsidiaries	-	-	15	-	-	-	15	18	33
- Realisation of a foreign currency translation on liquidation of a subsidiary	-	-	28	-	-	(28)	-	-	-
Total comprehensive income for the financial year	-	-	43	-	-	(13,037)	(12,994)	331	(12,663)
Transactions with owners, recorded directly in equity									
Contribution by and distributions to owners									
Issue of shares:									
Conversion from warrants to shares	18,988	-	-	-	-	-	18,988	-	18,988
	18,988	-	-	-	-	-	18,988	-	18,988
Others									
Expiry of warrants	33	-	-	-	(33)	-	-	-	-
Employee share-based payment expenses	-	-	-	2,441	-	-	2,441	-	2,441
Deregistration of a subsidiary	-	-	-	-	-	-	-	(106)	(106)
Transfer on conversion from warrants issue expenses	(193)	-	-	-	193	-	-	-	-
Transfer on conversion from warrants to shares	2,712	-	-	-	(2,712)	-	-	-	-
	2,552	-	-	2,441	(2,552)	-	2,441	(106)	2,335
Balance as at 30 June 2018	58,680	82	(1)	2,774	895	(25,376)	37,054	(9,800)	27,254



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Company

	Share capital \$'000	Equity component of convertible bonds \$'000	Share option reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
FY 2019						
Balance as at 1 July 2018	58,680	82	2,774	160	(37,971)	23,725
Total comprehensive loss for the financial year	-	-	-	-	(5,004)	(5,004)
Employee share-based payment expenses	-	-	2,022	-	-	2,022
Transfer on redemption of convertible bonds	-	(82)	-	82	-	-
Balance as at 30 June 2019	58,680	-	4,796	242	(42,975)	20,743
FY 2018						
Balance as at 1 July 2017	37,140	82	873	2,711	(14,661)	26,145
Total comprehensive loss for the financial year	-	-	-	1	(23,310)	(23,309)
Conversion of warrants to ordinary shares	18,988	-	-	-	-	18,988
Expiry of warrants	33	-	-	(33)	-	-
Employee share-based payment expenses	-	-	1,901	-	-	1,901
Transfer on conversion from warrants to shares	2,519	-	-	(2,519)	-	-
Balance as at 30 June 2018	58,680	82	2,774	160	(37,971)	23,725

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 period

There were no changes to the Company's issued and paid up share capital during the three months ended 30 June 2019.

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

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

4Q FY2019	4Q FY2018
775,500,000	279,000,000
(11,000,000)	(7,000,000)
764,500,000	272,000,000

C) Convertible bonds

As at 30 June 2019, there were no outstanding convertibles (30 June 2018: 1,287,272,728) (refer 1(b)(iii)).

Saved as disclosed, there were no other outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.



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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

30 June 2019	30 June 2018
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 of 30 June 2019 and 30 June 2018.

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 of 30 June 2019 and 30 June 2018.

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.

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 2018.

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 the Singapore Financial Reporting Standards (International) SFRS (I) that are effective for annual periods beginning on or after 1 June 2018. In adopting SFRS (I), the Group is required to apply all the specific transition requirements in SFRS (I) 1 *First time Adoption of Singapore Financial Reporting Standards (International)*. The Group has also concurrently applied SFRS (I) 15 *Revenue from Contracts with Customers* and SFRS (I) 9 *Financial Instruments*.

The Group has applied the changes in accounting policies retrospectively to each reporting period/ year presented, using the full retrospective approach and there is no material impact on the financial statements in adopting SFRS (I) 1, SFRS (I) 9 and SFRS (I) 15.

The Group has adopted amendments to the DISA ESOS during the financial year, and the impact to the financial statements for FY2018 are as follows:

	Group		
	30 June 2018		
	Before modification and rectification	Effect	After modification and rectification
	\$'000	\$'000	\$'000
Income Statement			
Employee benefits expenses	5,331	2,052	7,383
Statements of Financial Position			
Reserves	2,237	1,513	3,750
Accumulated losses as at 1 July 2017	(12,878)	539	(12,339)



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Unaudited Financial Statement for the financial year ended 30 June 2019

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.

Earnings 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 2019	4th Qtr ended 30 June 2018	12 months ended 30 June 2019	12 months ended 30 June 2018
(0.03)	(0.05)	(0.10)	(0.14)
(0.03)	(0.05)	(0.10)	(0.14)
10,038,683,403	10,038,683,403	10,038,683,403	9,870,626,443
10,038,683,403	10,038,683,403	10,038,683,403	9,870,626,443

**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)

Group		Company	
As at 30 June 2019	As at 30 June 2018	As at 30 June 2019	As at 30 June 2018
0.29	0.37	0.21	0.24

The net asset value per ordinary share of the Company and the Group is computed based on 10,038,683,403 issued shares (excluding treasury shares) as at 30 June 2019 (30 June 2018: 10,038,683,403).

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 2019 ("4Q FY2019") versus Fourth Quarter Ended 30 June 2018 ("4Q FY2018") and 12 Months Ended 30 June 2019 ("FY2019") versus 12 Months Ended 30 June 2018 ("FY2018"))

i) Revenue

In 4Q FY2019, the Group's technology segment contributed over 90% of the total revenue. The Group's revenue recorded an increase of 131.1% from \$74,000 in 4Q FY2018 to \$171,000 in 4Q FY2019, mainly due to the adoption of 3S ("Single Scan Serialisation") by non-electronics product suppliers. The Group also sold our first batch of codes to M1 during this quarter.

Similarly, Group's technology segment contributed close to 90% of FY2019's total revenue and saw an increase of 160.9% from \$169,000 in FY2018 to \$441,000 in FY2019. The increase was driven by the same factors as explained above. The breakdown of revenue is represented in Table A below:

Table A

	4th Qtr ended 30 June 2019	% to total revenue	4th Qtr ended 30 June 2018	% to total revenue	12 months ended 30 June 2019	% to total revenue	12 months ended 30 June 2018	% to total revenue
	\$'000		\$'000		\$'000		\$'000	
Technology	171	92.4%	74	81.3%	441	86.8%	169	70.7%
Energy Management Services	14	7.6%	17	18.7%	67	13.2%	70	29.3%
	185	100.0%	91	100.0%	508	100.0%	239	100.0%



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ii) Other income

Other income increased by \$215,000 or 149.3% from \$144,000 in 4Q FY2018 to \$359,000 in 4Q FY2019. This was mainly attributable to (i) reversal of provision of legal liabilities; (ii) gain on disposal of fixed asset; and (iii) rental income from leasing of excess office spaces, partially offset by a decrease in interest income earned from fixed deposits during the quarter as the Group utilised the fixed deposits to redeem the RCB on 23 December 2018.

On a year-on-year ("YoY") basis, other income increased by \$411,000 or 118.8% from \$346,000 in FY2018 to \$757,000 in FY2019. The increase was driven by the same factors as explained above, as well as net trade payable amounting to \$141,000 being disclaimed.

iii) Cost and expenses

Total cost and expenses for 4Q FY2019 amounted to \$3,610,000 which was 23.7% lower compared to 4Q FY2018. The Group incurred lower costs and expenses for 4Q FY2019 mainly attributable to lower employee benefits expenses incurred due to lower share options expenses, absence of one-time expenses relating to liquidation of a subsidiary, decrease of legal and professional expenses by 80.3% due to fewer requirements for legal and professional services, decrease in other expenses by 48.6% due to lesser travelling, recruitment expenses and upkeep of premises, and a decrease in operating lease expenses due to the Group incurring additional cost for sublease of surplus office space in 4Q FY2018. The Group made a goodwill impairment of \$17,000 for the acquisition of a subsidiary at the end of the financial year.

On YoY basis, total cost and expenses for FY2019 amounted to \$10,546,000 which was 14.8% lower compared to FY2018. The Group incurred lower costs and expenses for FY2019 mainly attributable to lower share option expense, decreased marketing, upkeep of computer, travelling, call centre and recruitment expenses. The legal and professional fees decreased by 58.2% due to fewer engagements of external professional firms for public relations and business consultation services, refund for termination of a legal engagement and lesser provision of legal fees and reversal of professional expense. Depreciation and amortisation expenses and operating lease expenses remain largely the same for both years under review. The Group made a goodwill impairment of \$17,000 for the acquisition of a subsidiary at the end of the financial year.

With the repayment of RCB on 23 December 2018, the Group has minimum finance liabilities and incurred \$2,000 in 4Q FY2019 for finance leases. Redemption of RCB on 23 December 2018 resulted in a reduction of finance costs by \$558,000 from \$1,127,000 in FY2018 to \$569,000 in FY2019.

Due to the reasons stated above, the net loss attributable to shareholders in 4Q FY2019 and FY2019 amounted to approximately \$3,009,000 and \$9,613,000 respectively.

(B) Statements of Financial Position

Total assets of the Group decreased by \$22,146,000 or 48.1% from \$46,009,000 as at 30 June 2018 to \$23,863,000 as at 30 June 2019, and were mainly due to the following:

- i) Redemption of the Group's financial assets, amortised cost in redeemable preference shares of \$2,222,000 in 1Q FY2019.
- ii) Decrease in intangible assets of \$1,406,000 was mainly due to amortisation charges during the financial year.
- iii) An investment of \$150,000 in SCash Technologies Pte Ltd ("**SCash**") during 3Q FY2019.
- iv) A decrease of \$451,000 in trade and other receivables was mainly due to receipt of payment from the Energy Management Services segment.
- v) Decrease in cash and bank balances of \$17,569,000 over the financial year. Refer to explanation in "8(C) Cash Flows" below.



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Total liabilities of the Group decreased by \$14,642,000 or 78.1% from \$18,755,000 as at 30 June 2018 to \$4,113,000 as at 30 June 2019, and were mainly due to the following:

- i) Redemption of RCB amounting to \$12 million in December 2018 together with the payment of accrued interests from the RCB was the main reason for the reduction in financial liabilities and accruals.
- ii) Deferred tax liabilities decreased by \$238,000 as compared to 30 June 2018 and this was mainly due to reduction in intangible assets as a result of amortisation.
- iii) Lower other expenses as well as a reduction in outstanding balance together with the reversal of legal provision as at 30 June 2019 were the main reasons for the decrease of \$2,566,000 in trade and other payables and provisions and other liabilities compared to 30 June 2018.

(C) Cash Flows

i) 4Q FY2019

Net cash used in operating activities amounted to \$1,320,000 in 4Q FY2019. Net operating cash outflow before working capital changes of \$1,482,000 was mainly due to the loss before income tax for the financial period adjusted for net working capital inflow of \$162,000. The net working capital inflow was mainly due to a decrease in other current assets of \$699,000, partially offset by an increase of trade and other receivables of \$40,000 and decrease in trade and other payables of \$577,000.

Net cash generated from investing activities of \$175,000 was mainly due to proceeds from disposal of property, plant and equipment, net cash inflow on acquisition of a subsidiary of \$63,000 and receipt of \$64,000 interest.

Net cash used in financing activities for 4Q FY2019 amounted to \$9,000 and were due to payment of interest and repayment of finance lease.

Due to the reasons stated above, the Group recorded a net decrease in cash and cash equivalents of \$1,154,000 in 4Q FY2019.

The Group ended 4Q FY2019 with minimum financial obligation and cash and cash equivalents of \$12,975,000, which includes \$50,000 in pledged deposits.

ii) FY2019

Net cash used in operating activities amounted to \$6,241,000 in FY2019. Net operating cash outflow before working capital changes of \$6,198,000 was mainly due to the loss before income tax for the financial year and net working capital outflow of \$43,000. The net working capital outflow was mainly due to a decrease in trade and other payables of \$813,000 and partially offset by a decrease in trade and other receivables of \$198,000 and a decrease in other current assets of \$572,000.

Net cash generated from investing activities was mainly due to receipt of proceeds from the redemption of redeemable preference shares, disposal of fixed assets, acquisition of a subsidiary and interest income partially offset by investment in financial assets and purchase of property, plant and equipment.

Net cash used in financing activities for FY2019 amounted to \$13,675,000 which was mainly due to repayment of RCB amounting to \$12 million, interest payment (including interest arising from RCB) of \$1,655,000, and repayment of finance lease of \$20,000.

Due to the reasons stated above, the Group recorded a net decrease in cash and cash equivalents of \$17,535,000 in FY2019.

The Group ended FY2019 with minimum financial obligation and a cash and cash equivalents of \$12,975,000, which includes \$50,000 in pledged deposits.



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(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 proceeds is as follow:

	Warrants Exercise \$'000
Net proceeds raised	25,497
Less: Utilisations	
- Business expansion ^(Note A)	(10,144)
- Working capital expenditures ^(Note B)	(9,889)
- Repayment of loan ^(Note C)	(1,173)
Balance as at 30 June 2019	<u>4,291</u>

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

Note B: 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 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. As at 30 June 2019, RCB were fully repaid with interest.

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. The Company released the number of codes sold for 4Q FY2019 on 2 July 2019.

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.

After a lull in 3Q FY2019, the Group sold 1,394,727 codes during 4Q FY2019, which was a new record for number of codes sold. This is a notable achievement especially with the escalation of US-China trade tensions that led companies to hold back aggressive development and expansions, tightening control and purchases. Our 3S (Single Scan Serialisation) shines in the current quarter with healthy contribution of codes sold in non-electronics products which ultimately contributes to the percentage increase to the revenue.

Riding on the momentum of 3S, the Group will continue to focus on making our inroad into non-electronics products and our strategy of gaining retailers as our partners together with their suppliers (which are essentially our customers) as well as with their products in United States adopting our asset protection technologies.

Further, following requests and requirements from our business partners and customers, the Company is exploring the possibility of providing codes bundled with semi-conductor chips for suppliers as an expansion of our business.

Barring unforeseen circumstances and prolonged trade dispute, we expect our momentum to continue.

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 FY2019 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

(a)	Supply of Construction Materials	Energy Management Services	Technology	Investment holding & others	Total
Analysis by Business Segment	\$'000	\$'000	\$'000	\$'000	\$'000
FY2019					
Revenue and expenses					
- External revenue	-	67	441	-	508
- Inter-segment revenue	-	-	-	-	-
Total	-	67	441	-	508
Reportable segment profit/ (loss) after income tax	214	12	(4,717)	(5,121)	(9,612)
Loss for the financial year, net of tax					(9,612)
Other material items:					
Interest expense	-	-	-	(569)	(569)
Depreciation and amortisation	-	-	(1,533)	(116)	(1,649)
Impairment loss on trade and other receivables	(37)	-	-	(1)	(38)
Reportable segment assets	79	183	5,110	18,491	23,863
Capital expenditure:					
- Property, plant and equipment	-	-	-	(162)	(162)
Reportable segment liabilities	(1,530)	(18)	(199)	(2,366)	(4,113)
Analysis by Business Segment					
	Supply of Construction Materials	Energy Management Services	Technology	Investment holding & others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
FY2018					
Revenue and expenses					
- External revenue	-	70	169	-	239
- Inter-segment revenue	-	-	-	-	-
Total	-	70	169	-	239
Reportable segment (loss)/ profit after income tax	(43)	7	(7,988)	(4,672)	(12,696)
Loss for the financial year, net of tax					(12,696)
Other material items:					
Interest expense	-	-	-	(1,127)	(1,127)
Depreciation and amortisation	-	-	(1,454)	(91)	(1,545)
Impairment loss on trade and other receivables	-	-	-	(5)	(5)
Reportable segment assets	1,024	274	8,732	35,979	46,009
Capital expenditure:					
- Property, plant and equipment	-	-	(538)	(137)	(675)
Reportable segment liabilities	(2,741)	(38)	(357)	(15,619)	(18,755)



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(b)

Analysis by geographical segment

	Total Revenue		Total Consolidated Assets		Total Capital Expenditure	
	FY2019 \$'000	FY2018 \$'000	FY2019 \$'000	FY2018 \$'000	FY2019 \$'000	FY2018 \$'000
Asia Pacific	215	176	23,649	45,768	162	663
United States	293	62	214	215	-	12
Others	-	1	-	26	-	-
Total	508	239	23,863	46,009	162	675

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 2019 \$'000	FY 2018 \$'000	Increase/ (decrease) %
(a) Sales reported for first half year	261	93	180.6%
(b) Loss after tax but before deducting non-controlling interests reported for first half year	(4,380)	(5,522)	(20.7%)
(c) Sales reported for second half year	247	146	69.2%
(d) Loss after tax but before deducting non-controlling interests reported for second half year	(5,232)	(7,174)	(27.1%)

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.

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 shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Chng Weng Huat	55	Sibling of Mr Chng Weng Wah	Solution Director from 1-05-2017. Duties: To assist Senior Vice President of Global Solution to provide support/ assistance to suppliers to Dia-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 2019