



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

**Unaudited Financial Statement for the financial period ended 30 September 2018**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the 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.

The details of the contact person for the company's Sponsor is: -

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**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), 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**

	<b>1st Qtr ended 30 Sep 2018</b>	<b>1st Qtr ended 30 Sep 2017</b>	<b>Increase/ Decrease</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>			
Sales of codes	87	29	N.M
Services rendered	12	18	(33.3)
	<u>99</u>	<u>47</u>	N.M
Other income	89	34	N.M
<b>Total revenue</b>	<u>188</u>	<u>81</u>	N.M
<b>Cost and expenses</b>			
Cost of services	(15)	(19)	(21.1)
Depreciation and amortisation expenses	(413)	(378)	9.3
Employee benefits expenses	(1,343)	(1,207)	11.3
Legal and professional expenses	(71)	(110)	(35.5)
Operating lease expenses	(122)	(93)	31.2
Other expenses	(281)	(520)	(46.0)
<b>Total cost and expenses</b>	<u>(2,245)</u>	<u>(2,327)</u>	(3.5)
<b>Results from operations activities</b>	(2,057)	(2,246)	(8.4)
Finance costs	(293)	(272)	7.7
<b>Loss before taxation</b>	<u>(2,350)</u>	<u>(2,518)</u>	(6.7)
Income tax credit	59	60	(1.7)
<b>Loss for the financial period</b>	<u>(2,291)</u>	<u>(2,458)</u>	(6.8)
Attributable to:			
Owners of the Company	(2,281)	(2,478)	(7.9)
Non-controlling interests	(10)	20	N.M
	<u>(2,291)</u>	<u>(2,458)</u>	(6.8)

N.M. - not meaningful



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**Statement of Comprehensive Income**

	<b>1st Qtr ended 30 Sep 2018</b>	<b>1st Qtr ended 30 Sep 2017</b>	<b>Increase/ (Decrease)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Loss for the financial period	(2,291)	(2,458)	(6.8)
<b>Other comprehensive loss:</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences from foreign subsidiaries	(2)	(31)	(93.5)
<b>Other comprehensive loss for the period</b>	<u>(2)</u>	<u>(31)</u>	<u>(93.5)</u>
<b>Total comprehensive loss for the financial period</b>	<u>(2,293)</u>	<u>(2,489)</u>	<u>(7.9)</u>
Attributable to:			
Owners of the Company	(2,283)	(2,510)	(9.0)
Non-controlling interests	(10)	21	N.M
	<u>(2,293)</u>	<u>(2,489)</u>	<u>(7.9)</u>

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

	<b>1st Qtr ended 30 Sep 2018</b>	<b>1st Qtr ended 30 Sep 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expenses	293	272
Interest income	(69)	(30)
Depreciation and amortisation expenses	413	378
Employee share-based payments expense	139	93
Currency exchange gain - net	(4)	(27)

N.M. - not meaningful



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**Unaudited Financial Statement for the financial period ended 30 September 2018**

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**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2018</b>	<b>30 June 2018</b>	<b>30 Sep 2018</b>	<b>30 June 2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	920	982	403	432
Intangible assets	10,182	10,535	-	-
Subsidiaries	-	-	12,084	12,084
Other non-current assets	120	120	86	24
<b>Total non-current assets</b>	<b>11,222</b>	<b>11,637</b>	<b>12,573</b>	<b>12,540</b>
<b>Current assets</b>				
Trade and other receivables	505	609	60	60
Other current assets	960	1,007	156	166
Cash and bank balances	31,153	30,594	24,096	22,625
Financial assets, available-for-sale	-	2,222	-	2,222
<b>Total current assets</b>	<b>32,618</b>	<b>34,432</b>	<b>24,312</b>	<b>25,073</b>
<b>Total assets</b>	<b>43,840</b>	<b>46,069</b>	<b>36,885</b>	<b>37,613</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	58,680	58,680	58,680	58,680
Reserves	2,374	2,237	1,642	1,504
Accumulated losses	(26,084)	(23,803)	(37,354)	(36,398)
<b>Equity attributable to owners of the Company</b>	<b>34,970</b>	<b>37,114</b>	<b>22,968</b>	<b>23,786</b>
<b>Non-controlling interests</b>	<b>(9,810)</b>	<b>(9,800)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>25,160</b>	<b>27,314</b>	<b>22,968</b>	<b>23,786</b>
<b>Non-current liabilities</b>				
Financial liabilities	80	84	80	84
Deferred tax liabilities	1,730	1,790	-	-
<b>Total non-current liabilities</b>	<b>1,810</b>	<b>1,874</b>	<b>80</b>	<b>84</b>
<b>Current liabilities</b>				
Trade and other payables	2,201	2,275	90	114
Accruals	2,039	1,975	1,815	1,697
Financial liabilities	11,932	11,932	11,932	11,932
Provision and other liabilities	698	699	-	-
<b>Total current liabilities</b>	<b>16,870</b>	<b>16,881</b>	<b>13,837</b>	<b>13,743</b>
<b>Total liabilities</b>	<b>18,680</b>	<b>18,755</b>	<b>13,917</b>	<b>13,827</b>
<b>Total equity and liabilities</b>	<b>43,840</b>	<b>46,069</b>	<b>36,885</b>	<b>37,613</b>



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**Unaudited Financial Statement for the financial period ended 30 September 2018**

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

**Amount repayable in one year or less, or on demand**

30 Sep 2018 (\$'000)		30 June 2018 (\$'000)	
Secured	Unsecured	Secured	Unsecured
16	11,916	16	11,916

**Amount repayable after one year**

30 Sep 2018 (\$'000)		30 June 2018 (\$'000)	
Secured	Unsecured	Secured	Unsecured
80	-	84	-

**Details of collateral**

As at 30 September 2018, total borrowings included secured liability of \$96,000 (30 June 2017: \$100,000) for the Group. The secured liability is secured by the rights to a leased motor vehicle.

The remaining unsecured liabilities pertain to Redeemable Convertible Bonds ("RCB") of \$12,000,000 (30 June 2018: \$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 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.



DISA Limited ("Company" and together with its subsidiaries, the "Group")  
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**Unaudited Financial Statement for the financial period ended 30 September 2018**

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

	<b>1st Qtr ended 30 Sep 2018 \$'000</b>	<b>1st Qtr ended 30 Sep 2017 \$'000</b>
<b>Cash flows from operating activities</b>		
Loss before income tax	(2,350)	(2,518)
Adjustments for:		
- Interest expenses	293	272
- Interest income	(69)	(30)
- Amortisation of intangible assets	351	351
- Depreciation of property, plant and equipment	61	27
- Employee share-based payments expense	139	93
- Exchange differences	(4)	(35)
<b>Operating cash flows before working capital changes</b>	<b>(1,579)</b>	<b>(1,840)</b>
Changes in working capital:		
- Trade and other receivables	104	54
- Other current assets	47	55
- Trade and other payables	(66)	(5)
Cash used in operations	(1,494)	(1,736)
Income tax paid	-	-
<b>Net cash used in operating activities</b>	<b>(1,494)</b>	<b>(1,736)</b>
<b>Cash flows from investing activities</b>		
Interest received	69	30
Purchase of property, plant and equipment	-	(9)
Proceeds from redemption of financial assets, available-for-sale	2,222	-
<b>Net cash from investing activities</b>	<b>2,291</b>	<b>21</b>
<b>Cash flows from financing activities</b>		
Interest paid	(234)	(1)
Repayment of finance lease	(4)	(4)
Proceeds from exercise of warrants	-	18,988
<b>Net cash (used in)/from financing activities</b>	<b>(238)</b>	<b>18,983</b>
<b>Net increase in cash and cash equivalents</b>	<b>558</b>	<b>17,268</b>
Effects of exchange rate changes on cash and cash equivalents	1	3
Cash and cash equivalents at beginning of the financial period	30,544	20,104
<b>Cash and cash equivalents at end of the financial period (Note A)</b>	<b>31,103</b>	<b>37,375</b>



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**Unaudited Financial Statement for the financial period ended 30 September 2018**

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:

	<b>1st Qtr ended 30 Sep 2018 \$'000</b>	<b>1st Qtr ended 30 Sep 2017 \$'000</b>
Cash at bank and on hand	3,103	5,358
Short-term bank deposits	28,050	32,078
Cash and bank balances per Group statement of financial position	31,153	37,436
Less: Deposits placed with banks as security	(50)	(61)
Cash and cash equivalents per consolidated statement of cash flows	<b>31,103</b>	<b>37,375</b>

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
<b>FY 2019</b>									
<b>Balance as at 1 July 2018</b>	58,680	82	(1)	1,261	895	(23,803)	37,114	(9,800)	27,314
<b>Total comprehensive loss</b>									
- Loss for the financial period	-	-	-	-	-	(2,281)	(2,281)	(10)	(2,291)
<b>Other comprehensive loss for the financial period</b>									
- Foreign currency translation differences from foreign subsidiaries	-	-	(2)	-	-	-	(2)	-	(2)
<b>Total comprehensive loss for the financial period</b>	-	-	(2)	-	-	(2,281)	(2,283)	(10)	(2,293)
<b>Others</b>									
Employee share-based payment expenses	-	-	-	139	-	-	139	-	139
	-	-	-	139	-	-	139	-	139
<b>Balance as at 30 September 2018</b>	<b>58,680</b>	<b>82</b>	<b>(3)</b>	<b>1,400</b>	<b>895</b>	<b>(26,084)</b>	<b>34,970</b>	<b>(9,810)</b>	<b>25,160</b>



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**Unaudited Financial Statement for the financial period ended 30 September 2018**

<b>Group</b>	Equity	Foreign currency	Share option	Capital	Accumulated	Total	Non-controlling	Total	
	component of	translation							reserve
	Share capital	convertible bonds	reserve	reserve	reserve	reserve	reserve	equity	
<b>FY 2018</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
<b>Balance as at 1 July 2017</b>	37,140	82	(44)	873	3,447	(12,879)	28,619	(10,025)	18,594
<b>Total comprehensive income</b>									
- Loss for the financial period	-	-	-	-	-	(2,478)	(2,478)	20	(2,458)
<b>Other comprehensive income for the financial period</b>									
- Foreign currency translation differences from foreign subsidiaries	-	-	(32)	-	-	-	(32)	1	(31)
- Realisation of a foreign currency translation on liquidation of a subsidiary	-	-	(2)	-	-	2	-	-	-
<b>Total comprehensive loss for the financial period</b>	-	-	(34)	-	-	(2,476)	(2,510)	21	(2,489)
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contribution by and distributions to owners</b>									
Issue of shares:									
- Conversion of warrants to ordinary shares	18,988	-	-	-	-	-	18,988	-	18,988
	18,988	-	-	-	-	-	18,988	-	18,988
<b>Others</b>									
Expiry of warrants	33	-	-	-	(33)	-	-	-	-
Employee share-based payment expenses	-	-	-	93	-	-	93	-	93
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	-	-	93	(2,552)	-	93	(106)	(13)
<b>Balance as at 30 September 2017</b>	<b>58,680</b>	<b>82</b>	<b>(78)</b>	<b>966</b>	<b>895</b>	<b>(15,355)</b>	<b>45,190</b>	<b>(10,110)</b>	<b>35,080</b>



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**Unaudited Financial Statement for the financial period ended 30 September 2018**

**Company**

	Share capital \$'000	Equity component of convertible bonds \$'000	Share option reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>FY 2019</b>						
<b>Balance as at 1 July 2018</b>	58,680	82	1,261	160	(36,398)	<b>23,785</b>
Total comprehensive loss for the financial period	-	-	-	-	(956)	<b>(956)</b>
Employee share-based payment expenses			139			<b>139</b>
<b>Balance as at 30 September 2018</b>	<b>58,680</b>	<b>82</b>	<b>1,400</b>	<b>160</b>	<b>(37,354)</b>	<b>22,968</b>
<b>FY 2018</b>						
<b>Balance as at 1 July 2017</b>	37,140	82	873	2,711	(14,661)	<b>26,145</b>
Total comprehensive loss for the financial period	-	-	-	-	(783)	<b>(783)</b>
Conversion of warrants to ordinary shares	18,988	-	-	-	-	<b>18,988</b>
Expiry of warrants	33	-	-	(33)	-	-
Employee share-based payment expenses	-	-	93	-	-	<b>93</b>
Transfer on conversion from warrants to shares	2,519	-	-	(2,519)	-	-
<b>Balance as at 30 September 2017</b>	<b>58,680</b>	<b>82</b>	<b>966</b>	<b>159</b>	<b>(15,444)</b>	<b>44,443</b>

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**

	<u>1Q FY2019</u>	<u>1Q FY2018</u>
As at beginning of the period	10,038,683,403	7,326,139,103
Issuance of new ordinary shares pursuant to:		
- exercise of warrants	-	2,712,544,300
As at end of the period	<u>10,038,683,403</u>	<u>10,038,683,403</u>

**B) Warrants**

There were no outstanding warrants issued by the Company as at 30 September 2018 and 30 September 2017.

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

	<u>1Q FY2019</u>	<u>1Q FY2018</u>
As at beginning of the period	272,000,000	52,500,000
Add: Share options granted	64,000,000	7,000,000
Less: Share options forfeited	(24,000,000)	(500,000)
As at end of the period	<u>312,000,000</u>	<u>59,000,000</u>

**D) Convertible bonds**

As at 30 September 2018, the outstanding convertible bonds of the Company which are convertible at the Investors' option into up to 1,213,636,362 ordinary shares of the Company pursuant to the terms of the RCB agreement (30 September 2017: 1,287,272,728) (refer 1(b)(ii)).





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**Unaudited Financial Statement for the financial period ended 30 September 2018**

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	<u>30 Sep 2018</u> 10,038,683,403	<u>30 June 2018</u> 10,038,683,403
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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 did not hold any treasury shares as of 30 September 2018 and 30 September 2017.

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.

There were no subsidiary holdings as of 30 September 2018 and 30 September 2017.

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 new/revised FRSs and Interpretations of FRSs ("INT FRSs") that are effective for accounting period beginning on or before 1 July 2018. The adoption of these new/revised FRSs and INT FRSs did not result in any material change to the Group's accounting policies or any significant impact on the financial statements.

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 for the financial period**

(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	
1st Qtr ended 30 Sep 2018	1st Qtr ended 30 Jun 2018
(0.02)	(0.03)
(0.02)	(0.03)
10,038,683,403	9,371,935,680
10,040,183,403	9,371,935,680

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.

Group		Company	
As at 30 Sep 2018	As at 30 Jun 2018	As at 30 Sep 2018	As at 30 Jun 2018
0.35	0.37	0.23	0.24

Net asset value per ordinary share base on existing issued share capital (Cents)

The net asset value per ordinary share attributable to owners of the Company is computed based on 10,038,683,403 (30 June 2018: 10,038,683,403) ordinary shares as at 30 September 2018.



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**Unaudited Financial Statement for the financial period ended 30 September 2018**

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 (First Quarter Ended 30 September 2018 ("1Q FY2019") versus First Quarter Ended 30 September 2017 ("1Q FY2018"))**

**i) Revenue**

The Group registered a 110.6% increase in revenue from \$47,000 in 1Q FY2018 to \$99,000 in 1Q FY2019. Revenue from the technology segment grew by 200.0% in the same period. The increase reflected the focus of the Group in its technology segment from the sales of code. Energy Management Services contributed the remaining revenue with diminishing significance and made up of only 12.1% in 1Q FY2019 as compared to 38.3% in 1Q FY2018.

**Table A**

Technology  
Energy Management Services

	1st Qtr ended <u>30 Sep 2018</u>	% to total revenue	1st Qtr ended <u>30 Sep 2017</u>	% to total revenue
	\$'000		\$'000	
Technology	87	87.9%	29	61.7%
Energy Management Services	12	12.1%	18	38.3%
	99	100.0%	47	100.0%

**ii) Other income**

Other income increased by \$55,000 or 161.8% from \$34,000 in 1Q FY2018 to \$89,000 in 1Q FY2019. This was mainly attributable to fixed deposit interest earned in 1Q FY2019.

**iii) Cost and expenses**

Total cost and expenses for the period was \$2,245,000 which was 3.5% lower compared to the corresponding quarter of the preceding financial year in 1Q FY2018. The Group has maintained the same cost structure as 4Q FY2018, as such operating leases expenses in 1Q FY2019 was higher compared to 1Q FY2018 due to the increase in the scale of the Group's operations. There was a decrease in other expenses by 46.0% due to lesser traveling expenses. The decrease in legal and professional expenses by 35.5% is also due to lesser ongoing legal expenses for its legacy businesses. Higher number of outstanding share options resulted in higher share-based expenses in 1Q FY2019 which resulted in an increase in employee benefits expenses by 11.3%.

After taking into account of finance expenses and income tax credit of \$293,000 and \$59,000 respectively, the Group's net loss after tax of \$2,291,000 decreased by 6.8%.

As result of the above, net loss attributable to shareholders in 1Q FY2019 was \$2,281,000.

**(B) Statements of Financial Position**

Total assets of the Group decreased by \$2,229,000 or 4.84% from \$46,069,000 as at 30 June 2018 to \$43,840,000 as at 30 September 2018, and were mainly due to the following:

- i) Redemption of the Group's financial assets, available-for-sale in redeemable preference shares of \$2,222,000 in 1Q FY2019.
- ii) Decrease in Property, plant and equipment and Intangible assets of \$413,000 due depreciation and amortisation charges in the quarter.
- iii) Increase in cash and balances of \$558,000 over the quarter. Refer to explanation in "8(c) Cash Flows" below.

Total liabilities of the Group remained relatively unchanged with a small decrease of \$75,000 from \$18,755,000 as at 30 June 2018 to \$18,680,000 as at 30 September 2017, and were mainly due to the following:

- i) Higher accrual of \$64,000 in 30 September 2018 as compared to 30 June 2018 was mainly due to continuous accrual of RCB interests in the quarter which was partially offset by an interest payment pertaining to the RCB in 1Q FY2019.
- ii) Deferred tax liabilities decreased by \$60,000 as compared to 30 June 2018 and this was mainly due to reduction in intangible assets as a result of amortisation.



DISA Limited ("Company" and together with its subsidiaries, the "Group")  
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**(C) Cash Flows**

**i) 1Q FY2019 vs 1Q FY2018**

The Group recorded a net increase in cash and cash equivalents of \$558,000 Q1 FY2019 compared to in 1Q FY2018, mainly due to funds generated/utilised as follows:

Net cash outflow from operating activities for 1Q FY2019 was \$1,494,000. This comprised operating cash outflows before working capital changes of \$1,579,000 which was mainly due to the loss before income tax for the financial period and adjusted for net working capital inflow of \$85,000. The net working capital inflow was due to decrease in trade and other receivables of \$104,000 and other current assets of \$47,000, offset by decrease in trade and other payables of \$66,000.

Receipt of proceeds from redemption of redeemable preferences shares and interest income resulted in \$2,291,000 cash inflow from investing activities.

Net cash used in financing activities for 1Q FY2019 amounted to \$238,000 mainly due to RCB interest payment of \$234,000 and repayment of \$4,000 finance lease.

The Group ended 1Q FY2019 with a cash and cash equivalents of \$31,153,000 including \$50,000 in pledged deposits.

**(D) Use of Proceeds**

**ii) 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:

	<b>Warrants Exercise \$'000</b>
Net proceeds raised	25,497
Less: Utilisations	
- Business expansion <sup>(Note A)</sup>	(10,144)
- Working capital expenditures <sup>(Note B)</sup>	(6,262)
- Repayment of loan <sup>(Note C)</sup>	(1,173)
Balance as at 30 September 2018	<u>7,918</u>

**Note A:** Additional investment in Disa Digital Safety Pte. Ltd. and loan extension for working capital purposes.

**Note B:** Working capital expenditures consisted of staff salaries and related expenses as well as non-trade payments.

**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 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. No proceeds were utilised as at 30 September 2018.

**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 1Q FY2019 on 2 October 2018

**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.**

Total number of codes sold reached a new quarterly high of 1,115,025 in 1Q FY2019, representing a 29.9% QoQ increase for the Group. This is the result of our PoSa (Point-of-Sale activation) and 3S (Single Scan Serialisation) being adopted by more customers (which are the suppliers of our US retailer partners) and their application of these technologies in their products. Beside electronic products, the Group has made healthy inroads into non-electronic products through 3S. Barring unforeseen and adverse global trade circumstances, we expect the momentum to continue.

The Group is focused on our current growth strategy of gaining retailers as our partners and thus their suppliers (which are essentially our customers) and their products in United States to adopt our asset protection technologies whilst exploring new technologies to achieve long term growth.



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

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**Unaudited Financial Statement for the financial period ended 30 September 2018**

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**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.**

No dividend has been recommended for the financial period ended 30 September 2018.

**13. 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). If no IPT mandate has been obtained a statement to that effect.**

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H of the Catalyst Rules.

**BY ORDER OF THE BOARD**

**CHNG WENG WAH**

**Managing Director/Chief Executive Officer**

31 October 2018

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**NEGATIVE ASSURANCE CONFIRMATION PURSUANT TO RULE 705(5) OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST**

The Board of Directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 September 2018 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

**CHNG WENG WAH**

**Managing Director/Chief Executive Officer**

31 October 2018

**LAU KAY HENG**

**Non-Executive and Independent Director**