

Unaudited Financial Statement for the financial period ended 31 March 2016

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: -
 Name : Mr. Ong Hwee Li (Registered Professional, SAC Capital Private Limited)
 Address : 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. Tel : 6532 3829

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

	3rd Qtr ended <u>31 Mar 2016</u> \$'000	3rd Qtr ended <u>31 Mar 2015</u> \$'000	Increase/ <u>(Decrease)</u> %	9 months ended <u>31 Mar 2016</u> \$'000	9 months ended <u>31 Mar 2015</u> \$'000	Increase/ <u>(Decrease)</u> %
<u>Continuing operations</u>						
Revenue	139	346	(59.8)	522	896	(41.7)
Cost of sales	(73)	(173)	(57.8)	(328)	(524)	(37.4)
Gross profit	<u>66</u>	<u>173</u>	(61.8)	<u>194</u>	<u>372</u>	(47.8)
Other income	1,071	589	81.8	2,327	1,846	26.1
Distribution expenses	(84)	(64)	31.3	(233)	(253)	(7.9)
Administrative expenses	(1,416)	(1,978)	(28.4)	(4,644)	(5,747)	(19.2)
Other expenses	(20)	(29)	(31.0)	(109)	(136)	(19.9)
Results from operating activities	<u>(383)</u>	<u>(1,309)</u>	(70.7)	<u>(2,465)</u>	<u>(3,918)</u>	(37.1)
Finance costs	(143)	(143)	-	(441)	(440)	0.2
Share of results of associates	-	-	N.M.	(1)	-	N.M.
Share of results of joint ventures	(107)	(78)	37.2	(299)	(273)	9.5
Loss before income tax from continuing operations	<u>(633)</u>	<u>(1,530)</u>	(58.6)	<u>(3,206)</u>	<u>(4,631)</u>	(30.8)
Income tax credit	60	(106)	N.M.	179	13	N.M.
Loss after tax from continuing operations, net of tax	<u>(573)</u>	<u>(1,636)</u>	(65.0)	<u>(3,027)</u>	<u>(4,618)</u>	(34.5)
<u>Discontinued operations</u>						
Loss from discontinued operations, net of tax	-	(359)	N.M.	-	(641)	N.M.
Loss for the period	<u>(573)</u>	<u>(1,995)</u>	(71.3)	<u>(3,027)</u>	<u>(5,259)</u>	(42.4)
Attributable to:						
Owners of the Company						
Loss from continuing operations, net of tax	(704)	(1,603)	(56.1)	(3,101)	(4,570)	(32.1)
Loss from discontinued operations, net of tax	-	(277)	N.M.	-	(463)	N.M.
	<u>(704)</u>	<u>(1,880)</u>	(62.6)	<u>(3,101)</u>	<u>(5,033)</u>	(38.4)
Non-controlling interests						
Gain/(Loss) from continuing operations, net of tax	131	(33)	N.M.	74	(48)	N.M.
Loss from discontinued operations, net of tax	-	(82)	N.M.	-	(178)	N.M.
	<u>131</u>	<u>(115)</u>	N.M.	<u>74</u>	<u>(226)</u>	N.M.
	<u>(573)</u>	<u>(1,995)</u>	(71.3)	<u>(3,027)</u>	<u>(5,259)</u>	(42.4)

N.M. - not meaningful

Unaudited Financial Statement for the financial period ended 31 March 2016

Statement of Comprehensive Income

	3rd Qtr ended 31 Mar 2016 \$'000	3rd Qtr ended 31 Mar 2015 \$'000	Increase/ (Decrease) %	9 months ended 31 Mar 2016 \$'000	9 months ended 31 Mar 2015 \$'000	Increase/ (Decrease) %
Loss for the period	(573)	(1,995)	(71.3)	(3,027)	(5,259)	(42.4)
Other comprehensive income:						
Foreign currency translation differences from foreign subsidiaries	(102)	353	N.M.	(64)	723	N.M.
Other comprehensive income for the period	(102)	353	N.M.	(64)	723	N.M.
Total comprehensive income for the period	(675)	(1,642)	(58.9)	(3,091)	(4,536)	(31.9)
Attributable to:						
Owners of the Company						
Loss from continuing operations, net of tax	(808)	(1,453)	(44.4)	(3,143)	(4,246)	(26.0)
Loss from discontinued operations, net of tax	-	(154)	N.M.	-	(147)	N.M.
	(808)	(1,607)	(49.7)	(3,143)	(4,393)	(28.5)
Non-controlling interests						
Gain/(Loss) from continuing operations, net of tax	133	(34)	N.M.	52	(48)	N.M.
Loss from discontinued operations, net of tax	-	(1)	N.M.	-	(95)	N.M.
	133	(35)	N.M.	52	(143)	N.M.
	(675)	(1,642)	(58.9)	(3,091)	(4,536)	(31.9)

N.M. - not meaningful

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

	3rd Qtr ended 31 Mar 2016 \$'000	3rd Qtr ended 31 Mar 2015 \$'000	9 months ended 31 Mar 2016 \$'000	9 months ended 31 Mar 2015 \$'000
(inclusive of both continuing and discontinued operations)				
Interest expense	143	226	441	689
Interest income	(25)	(20)	(94)	(99)
Amortisation of intangible assets	351	351	1,053	1,075
Depreciation of property, plant and equipment	21	40	62	122
Gain on disposal of property, plant and equipment	-	(11)	-	(16)
Gain on disposal of a joint venture	-	-	-	(25)
Provision for warranty expense	-	77	-	257
Reversal of long outstanding payables and overstated accruals	638	-	638	-
Share of results of associates	-	-	1	-
Share of results of joint ventures	107	78	299	273
Utilisation of prepayment for rights on use of plant and machinery	20	29	78	87
Currency exchange loss/(gain) - net	(73)	332	(60)	687

Unaudited Financial Statement for the financial period ended 31 March 2016

Results of the discontinued operations are as follow:

	3rd Qtr ended 31 Mar 2016 \$'000	3rd Qtr ended 31 Mar 2015 \$'000	9 months ended 31 Mar 2016 \$'000	9 months ended 31 Mar 2015 \$'000
Revenue	-	1,555	-	5,517
Cost of sales	-	(1,198)	-	(3,852)
Gross profit	-	357	-	1,665
Other income	-	22	-	59
Distribution expenses	-	(371)	-	(1,758)
Administrative expenses	-	(12)	-	(58)
Other expenses	-	(272)	-	(300)
Results from operating activities	-	(276)	-	(392)
Finance costs	-	(83)	-	(249)
Loss before income tax from discontinued operations	-	(359)	-	(641)
Income tax expense	-	-	-	-
Loss from discontinued operations, net of tax	-	(359)	-	(641)

Unaudited Financial Statement for the financial period ended 31 March 2016

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	
	31 Mar 2016	30 June 2015	31 Mar 2016	30 June 2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Financial assets, available-for-sale	2,222	2,222	2,222	2,222
Property, plant and equipment	182	237	107	143
Intangible assets	13,694	14,747	-	-
Subsidiaries	-	-	18,097	18,097
Associates	27	26	-	-
Joint ventures	40	57	280	280
Trade and other receivables	984	633	1,078	222
Other non-current assets	11,269	11,346	14,265	13,109
	<u>28,418</u>	<u>29,268</u>	<u>36,049</u>	<u>34,073</u>
Current assets				
Inventories	81	86	-	-
Trade and other receivables	6,079	6,154	147	136
Other current assets	1,407	1,452	270	310
Cash and bank balances	5,921	6,858	5,183	5,702
	<u>13,488</u>	<u>14,550</u>	<u>5,600</u>	<u>6,148</u>
Total assets	<u>41,906</u>	<u>43,818</u>	<u>41,649</u>	<u>40,221</u>
Equity attributable to owners of the Company				
Share capital	154,474	154,474	154,474	154,474
Reserves	4,432	1,870	3,716	1,112
Accumulated losses	(124,755)	(121,654)	(118,337)	(117,206)
	<u>34,151</u>	<u>34,690</u>	<u>39,853</u>	<u>38,380</u>
Non-controlling interests	<u>(8,103)</u>	<u>(8,155)</u>	<u>-</u>	<u>-</u>
Total equity	<u>26,048</u>	<u>26,535</u>	<u>39,853</u>	<u>38,380</u>
Non-current liabilities				
Financial liabilities	136	726	136	117
Derivative instrument	21	21	-	-
Deferred tax liabilities	2,327	2,506	-	-
	<u>2,484</u>	<u>3,253</u>	<u>136</u>	<u>117</u>
Current liabilities				
Trade and other payables	3,209	3,536	641	1,185
Accruals	2,730	3,036	509	460
Financial liabilities	7,423	7,446	498	67
Provision for other liabilities and charges	12	12	12	12
	<u>13,374</u>	<u>14,030</u>	<u>1,660</u>	<u>1,724</u>
Total liabilities	<u>15,858</u>	<u>17,283</u>	<u>1,796</u>	<u>1,841</u>
Total equity and liabilities	<u>41,906</u>	<u>43,818</u>	<u>41,649</u>	<u>40,221</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities
Amount repayable in one year or less, or on demand

31 March 2016 (\$'000)		30 June 2015 (\$'000)	
Secured	Unsecured	Secured	Unsecured
6,966	457	6,990	456

Amount repayable after one year

31 March 2016 (\$'000)		30 June 2015 (\$'000)	
Secured	Unsecured	Secured	Unsecured
94	42	117	609

Details of collateral

As at 31 March 2016, total borrowings included secured liabilities of \$7,060,000 (30 June 2015: \$7,107,000) for the Group. Secured loans amounting to \$163,000 (30 June 2015: \$299,000) are secured by security charges which provide for fixed charge on certain assets of a subsidiary and corporate guarantees given by the Company. Other finance lease liabilities of the Group amounting to \$134,000 (30 June 2015: \$184,000) are secured by the rights to leased motor vehicles.

On 2 April 2012, the Company entered into a convertible loan agreement with Disa Digital Safety Pte Ltd ("Disa") and Sculptor Investors pursuant to which, the Sculptor Investors agreed to grant to Disa an initial loan of an aggregate principal amount of \$7,000,000 ("1st Tranche"), and a further option for a loan of an aggregate principal amount of \$7,000,000 ("2nd Tranche"), both of which are convertible either into the Company's ordinary shares ("Shares"), or new ordinary shares in the capital of Disa in the event of a trade sale or an initial public offering of Disa at the discretion of the Sculptor Investors.

The Sculptor Investors may require Disa to repay the Sculptor Investor's contributions to the 1st Tranche and any outstanding interest at any time between 1 May 2015 and 30 April 2017. The 2nd Tranche had lapsed on the same date the 1st Tranche became due. In the event that any balance on the 1st Tranche is not converted into the Company's shares or Disa's shares within 5 years from the completion date of the 1st Tranche, all outstanding balance including any outstanding interest is to be repaid in cash to the Sculptor Investors. The convertible loan bears interest at 5% per annum and is secured by the Company's corporate guarantee.

The remaining unsecured, interest bearing loan of \$499,000 (30 June 2015: \$1,065,000) is repayable over 48 equal instalments commencing from 1 November 2013.

Unaudited Financial Statement for the financial period ended 31 March 2016

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**

	3rd Qtr ended 31 Mar 2016 \$'000	3rd Qtr ended 31 Mar 2015 \$'000	9 months ended 31 Mar 2016 \$'000	9 months ended 31 Mar 2015 \$'000
Cash flows from operating activities				
Loss before income tax from continuing operations for the period	(633)	(1,530)	(3,206)	(4,631)
Loss before income tax from discontinued operations for the period	-	(359)	-	(641)
	<u>(633)</u>	<u>(1,889)</u>	<u>(3,206)</u>	<u>(5,272)</u>
Adjustments for:				
- Interest expense	143	226	441	689
- Interest income	(25)	(20)	(94)	(99)
- Amortisation of intangible assets	351	351	1,053	1,075
- Depreciation of property, plant and equipment	21	40	62	122
- Gain on disposal of property plant and machinery	-	(11)	-	(16)
- Gain on disposal of a joint venture	-	-	-	(25)
- Provision for warranty expense	-	77	-	257
- Reversal of long outstanding payables and overstated accruals	(638)	-	(638)	-
- Share of results of associates	-	-	1	-
- Share of results of joint ventures	107	78	299	273
- Utilisation of prepayment for rights on use of plant and machinery	20	29	78	87
Operating loss before working capital changes	<u>(654)</u>	<u>(1,119)</u>	<u>(2,004)</u>	<u>(2,909)</u>
Changes in working capital:				
- Inventories	(8)	22	5	(1,070)
- Trade and other receivables	(241)	(30)	(532)	421
- Other current assets	19	190	45	17
- Trade and other payables	(102)	497	(322)	1,545
- Provision for other liabilities and charges	-	(96)	-	(272)
- Exchange differences arising from consolidation	(99)	(79)	(78)	202
Cash used in operations	<u>(1,085)</u>	<u>(615)</u>	<u>(2,886)</u>	<u>(2,066)</u>
Income tax refund	-	-	-	-
Net cash used in operating activities	<u>(1,085)</u>	<u>(615)</u>	<u>(2,886)</u>	<u>(2,066)</u>
Cash flows from investing activities				
Interest received	25	1	94	74
Purchase of property, plant and equipment	(4)	-	(7)	(4)
Investment in joint ventures	-	-	-	(229)
Proceeds from disposal of a joint venture	-	-	-	200
Proceeds from disposal of property, plant and equipment	-	11	-	17
Net cash from investing activities	<u>21</u>	<u>12</u>	<u>87</u>	<u>58</u>

Unaudited Financial Statement for the financial period ended 31 March 2016

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

	3rd Qtr ended 31 Mar 2016 \$'000	3rd Qtr ended 31 Mar 2015 \$'000	9 months ended 31 Mar 2016 \$'000	9 months ended 31 Mar 2015 \$'000
Cash flows from financing activities				
Interest paid	(8)	(93)	(26)	(284)
Net proceeds from issuance of ordinary shares	-	1,400	-	1,400
Net proceeds from issuance of warrants	-	-	2,604	-
Repayment of finance lease	(17)	(19)	(50)	(55)
Repayment of loan to a third party	(114)	(115)	(566)	(343)
Repayment of bank borrowings	(46)	(43)	(136)	(125)
Net cash (used in)/from financing activities	(185)	1,130	1,826	593
Net (decrease)/increase in cash and cash equivalents	(1,249)	527	(973)	(1,415)
Cash and cash equivalents at beginning of the period	7,114	6,272	6,797	8,204
Net effects of exchange rate changes on cash and cash equivalents	(5)	27	36	37
Cash and cash equivalents at end of the period (Note A)	5,860	6,826	5,860	6,826

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:

	9 months ended 31 Mar 2016 \$'000	9 months ended 31 Mar 2015 \$'000
Cash at bank and on hand	1,760	6,826
Short-term bank deposits	4,161	61
Cash and bank balances per Group statement of financial position	5,921	6,887
Less: Deposits placed with banks as security	(61)	(61)
Cash and cash equivalents per consolidated statement of cash flows	5,860	6,826

Unaudited Financial Statement for the financial period ended 31 March 2016

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	Foreign currency translation reserve	Share option reserve	Other capital reserves	Accumulated losses	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FY 2016								
Balance as at 1 July 2015	154,474	22	75	1,773	(121,654)	34,690	(8,155)	26,535
Total comprehensive income								
- Loss for the period	-	-	-	-	(3,101)	(3,101)	74	(3,027)
Other comprehensive income for the period								
- Foreign currency translation differences from foreign subsidiaries	-	(42)	-	-	-	(42)	(22)	(64)
Total comprehensive income for the financial period	-	(42)	-	-	(3,101)	(3,143)	52	(3,091)
Contribution by and distributions to owner								
Issue of warrants ^(Note A)	-	-	-	2,798	-	2,798	-	2,798
- warrants issue expense	-	-	-	(194)	-	(194)	-	(194)
	-	-	-	2,604	-	2,604	-	2,604
Balance as at 31 March 2016	154,474	(20)	75	4,377	(124,755)	34,151	(8,103)	26,048
FY 2015								
Balance as at 1 July 2014	153,074	(228)	21	895	(115,147)	38,615	(8,856)	29,759
Total comprehensive income								
- Loss for the period	-	-	-	-	(5,033)	(5,033)	(226)	(5,259)
Other comprehensive income for the period								
- Foreign currency translation differences from foreign subsidiaries	-	640	-	-	-	640	83	723
Total comprehensive income for the financial period	-	640	-	-	(5,033)	(4,393)	(143)	(4,536)
Issue of shares	1,400	-	-	-	-	1,400	-	1,400
Balance as at 31 March 2015	154,474	412	21	895	(120,180)	35,622	(8,999)	26,623

Unaudited Financial Statement for the financial period ended 31 March 2016
Company

	<u>Share capital</u>	<u>Share option</u>	<u>Other capital</u>	<u>Accumulated</u>	<u>Total</u>
	\$'000	reserve	reserves	losses	equity
	\$'000	\$'000	\$'000	\$'000	\$'000
FY 2016					
Balance as at 1 July 2015	154,474	75	1,037	(117,206)	38,380
Total comprehensive income for the financial period	-	-	-	(1,131)	(1,131)
Issue of warrants ^(Note A)	-	-	2,798	-	2,798
- warrants issue expense	-	-	(194)	-	(194)
Balance as at 31 March 2016	154,474	75	3,641	(118,337)	39,853
FY 2015					
Balance as at 1 July 2014	153,074	21	159	(107,211)	46,043
Total comprehensive income for the financial period	-	-	-	(1,149)	(1,149)
Issue of shares	1,400	-	-	-	1,400
Balance as at 31 March 2015	154,474	21	159	(108,360)	46,294

Note A: Prepaid capital contributions were related to irrevocable undertakings given by two shareholders, namely Chng Weng Wah and Starbids Venture Inc. ("Undertaking Shareholders") on 26 May 2015 to subscribe for their entitlements of total 877,746,718 warrants at an issue price of \$0.001 for each warrant, pursuant to the warrants issue announced on 26 May 2015. The Undertaking Shareholders had made advance payment for their respective subscription sums of aggregate \$878,000 to the Company in May 2015. This amount of \$878,000 was recorded as Prepaid Shares Reserves as at 30 June 2015. Upon issuance and allotment of the warrants on 3 August 2015, the amount of \$878,000 was reclassified to Capital Reserves.

Unaudited Financial Statement for the financial period ended 31 March 2016

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issue, 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 in the share capital of the Company since 31 December 2015 up to 31 March 2016. As at 31 December 2015 and 31 March 2016, the share capital of the Company comprised 5,113,729,645 ordinary shares.

B) Share options - Equation Executives' Share Option Scheme ("ESOS")

Outstanding share options

<u>31 March 2016</u>	<u>31 March 2015</u>
10,500,000	550,000

C) Treasury shares

No treasury shares were held by the Company as at 31 March 2016 and 31 March 2015.

D) Convertible loans

The convertible loans are convertible at the lenders option into 444,602,525 (31 March 2015: 444,602,525) ordinary shares of the Company (refer 1(b)(ii)).

E) Warrants

As at 31 March 2016, the number of shares that may be issued on conversion of the outstanding warrants expiring on 2 August 2017 is 3,676,177,056 (31 March 2015: Nil).

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>31 March 2016</u>	<u>30 June 2015</u>
5,113,729,645	5,113,729,645

1(d)(iv) A statement showing all sales, transfers, disposal, 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.

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 period compared with the audited financial statements for the financial year ended 30 June 2015.

Unaudited Financial Statement for the financial period ended 31 March 2016

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 2015. 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.**

Group			
3rd Qtr ended 31 Mar 2016	3rd Qtr ended 31 Mar 2015	9 months ended 31 Mar 2016	9 months ended 31 Mar 2015
(0.01)	(0.03)	(0.06)	(0.09)
N.A.	(0.01)	N.A.	(0.01)
5,113,729,645	5,113,729,645	5,113,729,645	5,113,729,645

Basic and diluted earnings per share (cents per share)

From continuing operations attributable to equity owners of the Company

From discontinued operations attributable to equity owners of the Company

- Weighted average number of ordinary shares in issue

N.A. - not applicable

As the exercise / conversion of the share options, convertible loans and warrants are anti-dilutive, the diluted earnings per share is the same as the basic earnings per share.

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 31 Mar 2016	As at 30 June 2015	As at 31 Mar 2016	As at 30 June 2015
0.51	0.52	0.78	0.75

Net asset value per ordinary share attributable to owners of the

Company and non-controlling interests based on issued share capital (cents)

The net asset value per ordinary share attributable to owners of the Company and non-controlling interests is computed based on 5,113,729,645 (30 June 2015: 5,113,729,645) ordinary shares.

Unaudited Financial Statement for the financial period ended 31 March 2016

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 (Third Quarter Ended 31 March 2016 ("Q3 FY2016") versus Third Quarter Ended 31 March 2015 ("Q3 FY2015") and 9 Months Ended 31 March 2016 ("9M FY2016") versus 9 Months Ended 31 March 2015 ("9M FY2015"))

Continuing operations

i) Revenue

The Group's revenue decreased by \$207,000 (59.8%) from \$346,000 in Q3 FY2015 to \$139,000 in Q3 FY2016 ("QoQ"). This was mainly due to lower customers' order in E-waste/Recycling and Energy management services segments.

On a year-to-date ("YoY") comparison, the Group's revenue decreased by \$374,000 (41.7%) from \$896,000 in 9M FY2015 to \$522,000 in 9M FY2016. This was mainly due to decrease in sales in the E-waste/Recycling segment (\$134,000) and Energy management services segment (\$227,000). The decrease in sales in E-waste/Recycling segment was mainly due to lower rate of collection of recycled materials. The decrease in sales in Energy management services segment was mainly due to lower revenue generated from consultancy services. The breakdown of revenue is represented in Table A below:

Table A

	3rd Qtr ended 31 Mar 2016 \$'000	% to total revenue	3rd Qtr ended 31 Mar 2015 \$'000	% to total revenue	9 months ended 31 Mar 2016 \$'000	% to total revenue	9 months ended 31 Mar 2015 \$'000	% to total revenue
E-waste/Recycling	91	65.5%	132	38.2%	280	53.6%	414	46.2%
Energy management services	48	34.5%	203	58.7%	242	46.4%	469	52.3%
Technology	-	N.M.	11	3.1%	-	N.M.	13	1.5%
	139	100.0%	346	100.0%	522	100.0%	896	100.0%

N.M. - not meaningful

ii) Cost of sales and gross profits

Cost of sales ("COGS") decreased by \$100,000 from \$173,000 in Q3 FY2015 to \$73,000 in Q3 FY2016. The decrease was mainly due to lower sales which resulted in lower COGS recorded in the E-waste/Recycling and Energy management services segments.

COGS for 9M FY2016 (\$328,000) decreased by \$196,000 as compared to 9M FY2015 (\$524,000). This was mainly due to lower COGS recorded in E-waste/Recycling segment (\$9,000) and Energy management services segment (\$179,000). Lower COGS in E-waste/Recycling and Energy management services segments were mainly due to lower revenue in this financial period as mentioned above.

Due to the reasons explained above, the Group recorded a lower gross profit of \$66,000 in Q3 FY2016 and \$194,000 in 9M FY2016.

The Group reported a slight decrease in gross profit margin ("GP%") from 50.0% in Q3 FY2015 to 47.5% in Q3 FY2016.

On YoY basis, GP% decreased by 4.3 percentage point from 41.5% (9M FY2015) to 37.2% (9M FY2016). The slight decrease in the GP% (YoY) was mainly contributed by the E-waste/Recycling segment due to higher unit costs and lower GP during the financial period.

iii) Other income

Other income increased by \$482,000 from \$589,000 in Q3 FY2015 to \$1,071,000 in Q3 FY2016. This was mainly attributable to (i) reversal of long outstanding payables and overstated accruals of \$638,000; (ii) increase in fees earned from the usage of facilities at the Company's current operating office of \$19,000; (iii) increase in government grants and rebates of \$27,000; (iv) increase in interest income \$16,000; and (v) increase in rental income of \$1,000; partially offset by (i) decrease in storage income of \$199,000 from third parties from the use of one of the Company's subsidiary's storage facilities; (ii) absence of a gain on disposal of property, plant and equipment of \$11,000 which took place in Q3 FY2015; and (iii) decrease in income earned from transportation and container charges of \$9,000.

On YoY basis, other income increased by \$481,000 for 9M FY2016 as compared to 9M FY2015. This was mainly attributable to (i) reversal of long outstanding payables and overstated accruals of \$638,000; (ii) increase in fees earned from the usage of facilities at the Company's current operating office of \$57,000; (iii) increase in government grants and rebates of \$61,000; (iv) increase in interest income of \$9,000; and (v) increase in rental income of \$8,000. The various increases were partially offset by (i) decrease in storage income of \$192,000 from third parties from the use of one of the Company's subsidiary's storage facilities; and (ii) decrease in income earned from transportation and container charges of \$27,000. In addition, there were non-recurring items which took place in Q3 FY2015 and they were forfeiture of deposits received from early termination of sub-tenancy agreement from the leasing of previous office space of \$17,000; gain on disposal of a joint venture of \$25,000 and gain on disposal of property, plant and equipment of \$17,000.

iv) Distribution expenses

Distribution expenses increased by \$20,000 from \$64,000 in Q3 FY2015 to \$84,000 in Q3 FY2016. This was mainly due to lower staff costs of \$18,000 in Q3 FY2015 due to a reversal of overprovision of unutilised leave.

On YoY basis, distribution expenses decreased by \$20,000 for 9M FY2016 as compared to 9M FY2015. This was mainly attributable to (i) lower entertainment expense of \$5,000; (ii) lower freight and handling costs of \$23,000; and (iii) lower travelling expense of \$3,000; partially offset by increase in (i) marketing and business development expense of \$2,000; (ii) research and development expense of \$6,000 and (iii) telephone charges of \$3,000.

Unaudited Financial Statement for the financial period ended 31 March 2016**v) Administrative expenses**

Administrative expenses decreased by \$562,000 from \$1,978,000 in Q3 FY2015 to \$1,416,000 in Q3 FY2016. This was mainly attributable to (i) lower directors' remuneration and staff costs of \$50,000 as a result of cost-cutting measures and a reduction in the head count; (ii) lower of audit fee of \$10,000; (iii) lower depreciation expense of \$16,000 due to certain assets being fully depreciated; (iv) lower legal and professional fees of \$49,000 as a result of the discharge of legal cases in favour of the Company; (v) lower fees paid in relation to the upkeep of premises of \$16,000; (vi) foreign currency gain of \$415,000; and (vii) other miscellaneous administrative expenses of \$18,000; partially offset by increase in entertainment expense of \$6,000 and travelling expense of \$6,000.

On YoY basis, administrative expenses decreased by \$1,103,000 for 9M FY2016 as compared to 9M FY2015. This was mainly attributable to (i) lower directors' remuneration and staff costs of \$103,000 as a result of cost-cutting measures and a reduction in the head count; (ii) lower audit fee of \$22,000; (iii) lower amortisation and depreciation expenses of \$71,000 due to certain assets being fully depreciated; (iv) lower dues and subscriptions of \$13,000; (v) lower entertainment expense of \$23,000; (vi) lower legal and professional fees of \$67,000 as a result of the discharge of legal cases in favour of the Company; (vii) lower transportation and travelling expenses of \$17,000; (viii) lower fees paid in relation to the upkeep of premises of \$23,000; (ix) foreign currency gain of \$748,000; and (x) other miscellaneous administrative expenses of \$16,000.

vi) Other expenses

Other expenses decreased by \$9,000 from \$29,000 in Q3 FY2015 to \$20,000 in Q3 FY2016. This was mainly attributable to the prepayment for rights on use of plant and machinery for the exploration and exploitation of land and the extraction of granite in Indonesia pursuant to the agreement entered with PT Kawasan Dinamika Harmonitama ("KDH") which was fully utilised in February 2016.

On YoY basis, other expenses decreased by \$27,000 for 9M FY2016 as compared to 9M FY2015. This was mainly attributable to decrease in waiver of debts of \$18,000 and lower utilisation of prepayments for right on use plant and machinery of \$9,000.

vii) Finance costs

Finance costs remained fairly the same in QoQ and YoY comparison.

Due to the reasons above, the Group recorded a net loss from continuing operations of \$573,000 in Q3 FY2016 and \$3,027,000 in 9M FY2016.

(B) Statements of Financial Position

Total assets of the Group decreased by \$1,912,000 from \$43,818,000 as at 30 June 2015 to \$41,906,000 as at 31 March 2016 mainly due to the following:

- i) Property, plant and equipment decreased by \$55,000, and was mainly due to depreciation charge for the period.
- ii) Intangible assets pertaining to the core technology and development costs of Disa Anti-Theft system decreased by an amortisation charge of \$1,053,000 from \$14,747,000 as at 30 June 2015 to \$13,694,000 as at 31 March 2016.
- iii) Other non-current assets were mainly made up of (i) prepayment for the rights, interest in and ownership of granite in Indonesia paid to KDH; (ii) prepayment for the rights on use of plant and machinery as mentioned above; and (iii) long-term loan to a third party. Other non-current assets decreased by \$77,000 from \$11,346,000 as at 30 June 2015 to \$11,269,000 as at 31 March 2016 and this was mainly due to utilisation of prepayment for rights on use of plant and machinery for the financial period.
- iv) Inventories decreased by \$5,000, mainly due to slow down in sales during the financial period.
- v) Total trade and other receivables increased by \$276,000 from \$6,787,000 as at 30 June 2015 to \$7,063,000 as at 31 March 2016. This was mainly due to slow collection from customers during the financial period.
- vi) Decrease in cash and balances of \$937,000 (Refer to explanation in "8(C) Cash flow" below).

Total liabilities of the Group decreased by \$1,425,000 from \$17,283,000 as at 30 June 2015 to \$15,858,000 as at 31 March 2016, and were mainly due to the following:

- i) Trade and other payables decreased by \$327,000 from \$3,536,000 as at 30 June 2015 to \$3,209,000 as at 31 March 2016. This was mainly due to reversal of long outstanding payables of \$144,000 and repayment of creditors during the financial period.
- ii) Total accruals decreased by \$306,000 from \$3,036,000 as at 30 June 2015 to \$2,730,000 as at 31 March 2016. This was mainly due to decrease in accrued operating expenses of \$163,000 and reversal of overstated accruals of \$494,000; partially offset against increase in accrued interests of \$276,000 on convertible and unsecured loans as well as accrued staff costs of \$75,000 for the financial period.
- iii) Total financial liabilities decreased by \$613,000 from \$8,172,000 as at 30 June 2015 to \$7,559,000 as at 31 March 2016 and this was mainly due to loans repayment of \$702,000 and repayment of finance lease of \$50,000 during the financial period; partially offset against increase in interest payables of \$139,000 on convertible loans from the Sculptor Investors for the financial period.
- iv) Deferred tax liabilities decreased by \$179,000 during the period and this was mainly due to reversal of amortisation charge for the financial period.

(C) Cash Flows

i) 3Q FY2016 vs 3Q FY2015

The Group recorded a net decrease in cash and cash equivalents of \$1,249,000 in 3Q FY2016 compared to an increase of \$527,000 in 3Q FY2015 which arose mainly due to the absence of net proceeds from issuance of ordinary shares of \$1,400,000 in 3Q FY2015.

Net cash outflow for operating activities for 3Q FY2016 was \$1,085,000. This comprised operating loss before working capital changes of \$654,000, adjusted for net working capital outflow of \$431,000. The net working capital outflow was the result of increase in (i) inventories of \$8,000; (ii) trade and other receivables of \$241,000; (iii) trade and other payables of \$102,000; and (iv) exchange differences arising from consolidation of \$99,000; offset by decrease in other current assets of \$19,000.

Net cash inflow from investing activities for 3Q FY2016 amounted to \$21,000 due to interest received of \$25,000 and partially offset by purchases of property, plant and equipment of \$4,000.

Net cash outflow from financing activities for 3Q FY2016 amounted to \$185,000 mainly due to (i) interest paid of \$8,000; (ii) repayment of finance lease of \$17,000; (iii) repayment of loan to a third party of \$114,000; and (iv) repayment of bank borrowings of \$46,000.

ii) 9M FY2016 vs 9M FY2015

Cash and bank balances (net of overdraft and deposits placed with a bank as security) (refer to 1(C)(ii)) decreased by approximately \$937,000 from \$6,797,000 as at 30 June 2015 to \$5,860,000 as at 31 March 2016, mainly due to funds generated/utilised as follows:

Net cash outflow for operating activities for 9M FY2016 was \$2,886,000. This comprised operating loss before working capital changes of \$2,004,000, adjusted for net working capital outflow of \$882,000. The net working capital outflow was the result of decrease in (i) inventories of \$5,000; (ii) other current assets of \$45,000; offset by increase in (i) trade and other receivables of \$532,000; (ii) trade and other payables of \$322,000; and (iii) exchange differences arising from consolidation of \$78,000.

Net cash inflow from investing activities for 9M FY2016 amounted to \$87,000 due to interest received of \$94,000 and partially offset by purchases of property, plant and equipment of \$7,000.

Net cash inflow from financing activities for 9M FY2016 amounted to \$1,826,000 mainly due to net proceeds from issuance of warrants of \$2,604,000 and partially offset by (i) interest paid of \$26,000; (ii) repayment of finance lease of \$50,000; (iii) repayment of loan to a third party of \$566,000; and (iv) repayment of bank borrowings of \$136,000.

(D) Use of Proceeds

On 13 March 2015, the Company issued an aggregate of 200,000,000 new shares at S\$0.007 per share in the issued and paid-up capital of the Company pursuant to a subscription agreement entered between the Company and the subscriber ("Private Placement"). Net proceeds of \$1.4 million was raised. The Company had utilised approximately \$1.0 million for working capital purposes as at 31 March 2016.

On 3 August 2015, the Company announced a renounceable non-underwritten rights issue of 3,676,177,056 warrants ("Warrants Issue") have been allotted and issued. Net proceeds of \$3.5 million was raised. No proceeds were utilised as at 31 March 2016.

	Private Placement	Warrants Issue
	\$'000	\$'000
Net proceeds raised	1,400	3,493
Less: Utilisations		
- Working capital expenditures ^(Note A)	(976)	-
- Repayment of loans	-	-
Balance as at 31 March 2016	424	3,493

Note A: Working capital expenditures consisted of staff salaries and related expenses, directors' fee as well as trade and non-trade payments.

To date, the utilisation of proceeds arising from the Private Placement is consistent with the intended use as described in the use of proceeds announcements dated 16 December 2015.

Unaudited Financial Statement for the financial period ended 31 March 2016

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.**
Our wholly owned subsidiary, Disa Digital Safety Pte Ltd's anti-theft technology is making positive progress in the U.S.A.. We shall be updating the shareholders of the major development in the coming months.
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 31 March 2016.
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 no general IPT mandate and no IPT transactions for the period under review.
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 Catalist Rules.

BY ORDER OF THE BOARD

CHNG WENG WAH
Executive Director/Chief Executive Officer

12 May 2016

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 31 March 2016 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

CHNG WENG WAH
Executive Director/Chief Executive Officer

LAU KAY HENG
Non-Executive and Independent Director

12 May 2016