

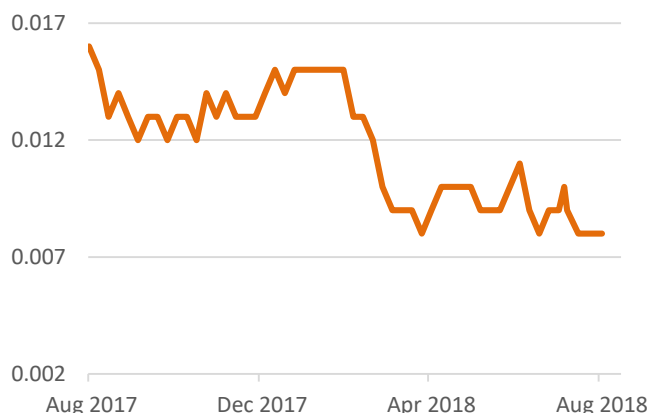
DISA Limited

Date: 10 August 2018

Non Rated

DISA SP

Price: S\$0.008 (as at 10 August 2018)



Share price	1M	3M	6M	1Y
DISA Limited	(18%)	n.m	67%	(36%)
Catalist Index	(5%)	(8)%	(17)%	(17%)

Market capitalisation	S\$80.31 mm			
Current price	S\$0.008			
Shares outstanding	10,038.68 mm			
Float	57.18%			
Major shareholders	Wang Yu Huei	11.05%		
	Chng Weng Wah	10.5%		
	Tang Wee Loke	6.95%		

Source: Company Data, Bloomberg, SAC Advisors

Analyst

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Key Historical Financials

Year ended 31 May (S\$'000)	FY2014	FY2015	FY2016	FY2017	9M 2018
Revenue	2,898	1,050	2,023	861	350
% Growth	N/A	(63.8%)	92.7%	(57.4%)	22.2%
Gross profit*	2,192	455	1,758	649	290
Gross profit margin	75.6%	43.3%	86.9%	75.4%	n.m
(Loss)/profit before tax	(2,836)	(5,810)	(12,296)	(17,959)	(8,130)
(Loss)/profit before tax margin	(0.98%)	(5.53%)	(6.08%)	(20.86%)	(23.22%)
(Loss)/profit attributable to owners	(3080)	(6,507)	(10,805)	(16,029)	(7,926)
LPS (Singapore cents)	(0.07)	(0.11)	(0.22)	(0.26)	(0.09)
P/E (x)	n.m	n.m	n.m	n.m	n.m
Net Debt/Equity	1.8%	5.2%	12.4%	n.m	n.m

*Gross profit was calculated by deducting cost of sales from total revenue in 2014 and 2015.

*Gross profit was calculated by deducting cost of services from total revenue in 2016, 2017 and 2018.

DISA PoSA Threat to Retail Fraud

Asset-Protection Solution with A Global Reach. DISA Limited ("DISA", or the "Company" or together with its subsidiaries, the "Group"), was formerly known as Equation Summit Limited. DISA is building a reputation for itself as an innovator of advancing cloud-based platforms and digitisation of product and service, it also has businesses in energy management. Since its successful inception of its technology business, the Group has shifted their focus to expand its technology segment.

Pioneering Digital Retail Integration. With its digital asset-protection solution, known as Point-of-Sale Activation ("PoSA") Solution, DISA has produced an anti-theft protection technology system, that is a more stream-lined system compared to traditional security products. PoSA also keeps consumer electronics products non-functional until the point of payment by consumers at retail stores.

Feeding Demand to Combat Global Retail Inventory Shrinkage. The ascending rate of retail thefts and return frauds ("Inventory Shrinkage") have resulted in great financial losses, especially in the United States. The 2016 National Retail Security Survey revealed that US Retailers' losses amount to \$48 Billion just on theft and inventory shrinkage. This has also been an obstacle for Big-box retailers and their expansion plans by way of pursuit of an Open-Sell retail concept. DISA's products serves as an appropriate solution for this issue.

A Certified Secured Solution

DISA has developed industrial confidence and reputation for its PoSA system through trials for security certification from BugCrowd, which is a crowd-sourcing platform that connects organisations to a global crowd of trusted security researchers. The Loss Prevention Research Council ("LPRC") have also given favourable scores in consecutive field study tests, on the PoSA technology in 20 Walmart stores.

Key Risks: (i) Onboarding new customers, (ii) Execution risks, (iii) Political and currency fluctuations and (iv) Hackers overwriting encryption.

Investment Highlights

Business Overview:

DISA Limited (“**DISA**”) operates as an investment holding company. The Company invests, builds, and revolutionizes supportive ecosystem technologies and applications to help to raise productivity in advanced manufacturing, e-commerce, and omni-channel retailing sectors. DISA serves customers worldwide.

Expansion in America

DISA has set its sights on the American market. Big-box retailers have been victims of retail thefts and return frauds, costing the industry nearly US\$48 billion in 2016, according to the US National Retail Security Survey. To curb the headwinds of retail floor transgressions, DISA’s digital solutions acts as a deterrence to retailers and suppliers’ “inventory shrinkage” and financial loss.

Research and Development

An anti-theft prevention concept researched and developed by retail giants and researchers alike, DISA has reached maturity in its development of creating the world’s first anti-theft protection technology system. By using encrypted codes on consumer electronic products against theft and return fraud. PoSA also keeps consumer electronics products non-functional until the point of payment by consumers at retail stores. Each electronic device is prescribed a unique activation code and is digitally locked preventing theft by rendering the devices non-functional from point-of-production to the point-of-sale in retail stores.

Wal-Mart, 1st of 3 Prospective Retail Participants

Disa Digital Safety Private Limited’s (“**DDSPL**”) is a subsidiary wholly-owned by DISA, has entered into an agreement with, Wal-Mart Stores, Inc. to begin implementation of PoSA technology in their stores in United States. PoSA allows retailers to provide open sale of products with a non-assisted self-checkout option for the customer. To-date, DDSPL has successfully implemented its PoSA technology in over 2,000 consumer electronics retail stores across the United States.

Highly Scalable Operations

DISA’s current and continuing strategy is to reach out to suppliers of Consumer Electronic (“**CE**”) and Consumer products sold by Big-box retailers to collaborate on implementing the anti-theft technology that requires activation upon purchase. The benefits of such a “platform business” structure are that costs could remain relatively low because its operations are mostly automated and do not incur hefty manpower or labour costs.

Retailers Preparing for Execution of DISA Smart Solution Testing

On April 3 2018, the Loss Prevention Research Council (“**LPRC**”) hosted an educational Benefit Denial Summit at Target HQ in the US, where retailers including Walmart, Target, and Best Buy discussed key theft protective advantages of Benefit Denial and Point of Sale Activation Asset Protection Loss Prevention (“**AP/LP**”) methods by using the Situational Crime Prevention model. While most AP/LP methods focus on increasing an offender’s theft effort or increasing their perceived risk of being caught, Benefit Denial and the PoSA system work by reducing or eliminating the reward for potential thieves.

Business Model:

Value Proposition

DISA Digital Safety (USA), was named first place winner for the 2017 (R)Tech Asset Protection and the Innovation Award by the Retail Industry Leaders Association, United States for its PoSA technology on 24 April, 2017.

This theft prevention method has key theoretical advantages, as it protects high-theft products throughout the supply chain, and extends protection to internal theft and package theft. Key LPRC research results and plans were discussed at an educational summit hosted in Target's headquarters. This included PoSA Smart Lock and 3S Smart Barcode, both were undergoing LPRC testing engineered by DISA.

PoSA Smart Lock removes the benefit of stealing by making any smart device non-functional until purchased, allowing for Open Selling. PoSA creates 24/7 product availability without theft deterrents, lengthens the sales window, and gains impulse purchases, increasing consumer sales figures by 20%.

3S Smart Barcode effectively stops invalid returns, offer product visibility with real-time analytics from Product ID Live, and provides more accurate inventory calculations by rejecting invalid returns and giving more precise store and item sales and returns data.

Customer Segments

In order for DISA to increase sales of its barcodes, more retailers need to be convinced of its feasibility in terms of preventing theft and return frauds. This has been done through positive feedback derived from the experiments conducted by the Loss Prevention Council with Walmart, resulting in Walmart's approval for suppliers to implement the barcode system. The next challenge would be for DISA to convince more suppliers to come onboard to implement its product, which would be trickier as suppliers are the actual paying clients of these barcodes, instead of the retailers. According to data reflected on DISA's internal PoSA Portal, some of their clients includes Garmin, Lenovo, Huawei and Samsung.

Financial Positioning

To strengthen its financial resources for expansion plans, DISA undertook several share placements and issued redeemable convertible bonds in 2016 and 2017. As of 31 March 2018, the company's cash flow statement reflects that cash and bank balances stands at \$32,523,000.

Revenue Stream

Currently, DISA's main focus is on the revenue stream from producing and selling barcodes installed in products at manufacturing stage. These barcodes are then sold and priced individually. The potential for revenue to increase can be looked at from the amount of goods that are sold in the target market of big-box retailers, that could potentially utilize the DISA technology.

Revenue Model:

The company deals with e-waste/recycling, supply of construction materials, energy management services and technology. DISA's annual reports have shown main revenue stream to fall within other income, while sale of goods takes on minority proportion. Under its technology segment, sale of goods consisted of sale of encrypted codes to product manufacturers. This sale of barcodes then provides DISA's customers' access to its online portal for live analyses and tracking of products.

Big-box retailers are not actually DISA's paying customers. DISA sells its solutions to manufacturers, they then use DISA's technology to digitally lock their products until released at the point of sale at the store. By getting major retailers to agree to accept their technology, DISA is hoping to entice more manufacturers to sign up for the service and product.

Revenue from services rendered is derived from the provision of consultancy services and installation services in relation to information technology and business management.

Other income are derived from entities that are in the midst of being disposed as the management aims to focus resources on expanding DISA Digital Safety Pte. Ltd.

Revenue Breakdown	FY14	FY15	FY16	FY17
Sale of goods	83.78%	50.95%	0%	10.45%
Services rendered	16.22%	49.05%	22.25%	27.30%
Other income	0%	0%	77.75%	62.25%
Total	100.0%	100.0%	100.0%	100.0%

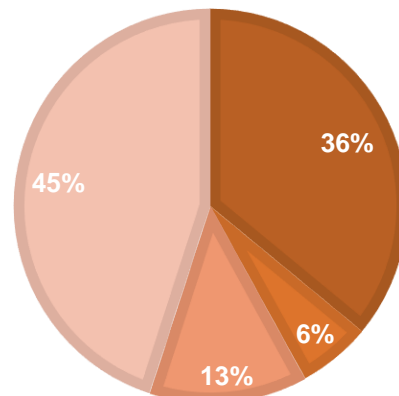
Meeting Market Demands for Technology

Source of retail loss and inventory shrinkage in the US

Global retailers have been encountering similar challenges to their brick-and-mortar business model on several fronts. The major setback for retailers today would be the emergence of online retail companies. The costs for retailing operations are often hefty and controlling such costs remain a vital factor to profit growth. With the high rate of inventory shrinkage and consequential losses, there is a rising demand in implementing deterrence. According to the Global Retail Theft Barometer, financial losses due to theft and retail frauds globally and in North America were approximately US\$123 billion and US\$37 billion respectively in 2015. The PoSA Solution is an effective technology and a major step forward in addressing theft of electronic products. At no cost to the retailers, the PoSA Solution reduces shrinkage and spending on traditional asset security while improving staff productivity and product sales.

GLOBAL RETAIL THEFT BAROMETER 2015

- Shoplifting
- Vendor Supplier Fraud
- Admin & Non-Crime Loss
- Dishonest Employee Theft



Source: GRTB Report 2015

Doing away with traditional anti-theft methods

For many years, traditional methods for theft prevention were employed by retailers. That includes technology like the Electronic Article Surveillance ("EAS") or secured cable devices. Such methods involve the use of hardware devices which are cumbersome and restrict customers from accessing the products freely. This works against Consumers' behaviour today which have become more interactive with shop spaces and products. DISA's wireless barcodes works in harmony with Big-box retailers' pursuit of the "open-sell" retail concept. Products are now able to be left out on the shelves and customers could take the products themselves and check-out their purchases.

Meeting Industrial Standards

Loss Prevention Research Councils' Experiment: The Walmart 20-Store PoSA Test

An article on www.losspreventionmedia.com by Leigh McKenny of Disa Digital Safety USA and Jessi Dudley from the LPRC, revealed that the LPRC conducted an in-depth review of literature along with extensive testing of the PoSA solution used in 20 Walmart test store locations. The goal was to gauge overall market response to the PoSA solution in a larger test store group. The study's very favorable results demonstrated that PoSA is easily identified and understood by customers, store personnel and the offender community.

The report proposed that customers responded positively to PoSA as compared to alternatives, with 61% citing easier, more convenient access to products before purchasing, leading to an improved customer shopping experience. Customers seamlessly adopted to the PoSA process during the store test. Among asset protection managers, 67% prefer PoSA to other in-store product protection options, with 56% rate PoSA as very favorable. PoSA facilitates retailers' open sell ability, creating an improved in-store experience for customers. Products included in the 20-store test received a substantial sales lift, with test stores reporting a shift into the top 20% of overall chain sales. DISA protected products experienced a lower return percentage than unprotected products; no refunds for fraudulent returns occurred during the 20-store test.

Overall, the results of this experiment affirmed feasibility and usability of DISA's product and service.

Technology Segments

1. SMART Barcode with Single Scan Serialization

DISA's website explained that each barcode uniquely identifies each consumer product item, tracking detailed sales data and prevents return fraud. Each item would contain the "Smart Barcode" with the Universal Product Code ("UPC") and a unique item identifier provided by DISA. When it is scanned at point-of-sale or return, the DISA server will be notified and the item will be validated for a correct transaction within 200 Milliseconds. The 3S system validates every return to only allow valid purchased items, savings suppliers and retailers. DISA also achieved success in fully integrating the 3S technology within thousands of retail stores across the United States.

3S Smart Barcode effectively stops invalid returns, offers product visibility with real-time analytics from Product ID Live, and provides more accurate inventory calculations by rejecting invalid returns and giving more precise store and item sales and returns data.

Below is an example of a supplier using the 3S system for its product.

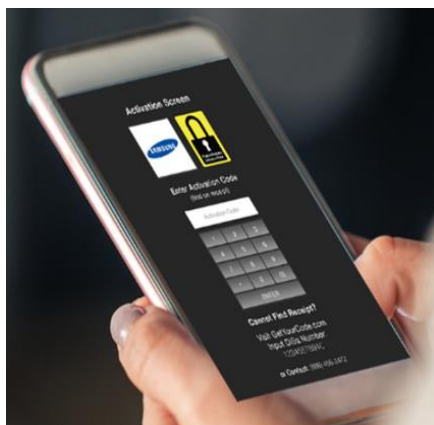


Source: Company's Data, SAC Advisors

Technology Segments

2. Point of Sale Activation (PoSA)

A Digital Asset Protection solution that fully protects consumer electronics from the manufacturing stage through point-of-sale by digitally locking it until it is purchased and an activation code is provided. Consumers can then key in the code to allow the device to be fully operable. Below are images of PoSA's Activation Screen on products.



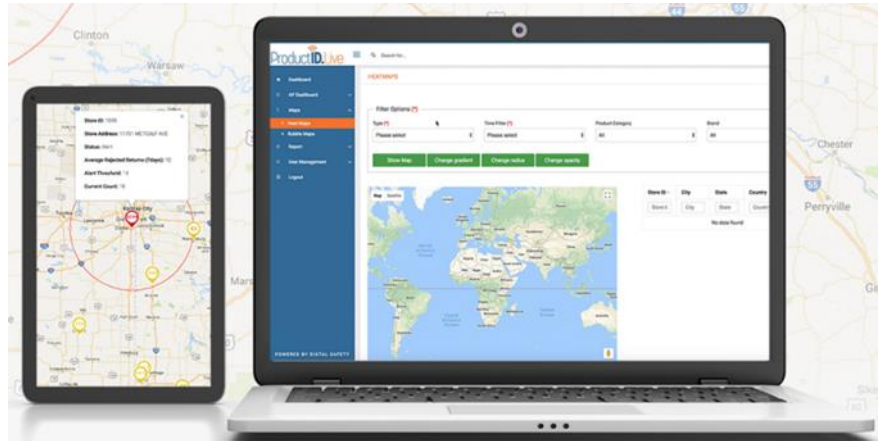
Source: Company's Data, SAC Advisors

The PoSA solution is technology for consumer electronic products allowing for open sell retail environments. Each device is assigned a unique activation code and is digitally locked preventing theft by rendering the devices inoperable from the point-of-production to the point-of-sale at retail stores. The device remains locked until the buyer activates the device using a one-time activation code that is printed on the retail sales receipt. Once activated, the device remains permanently unlocked and fully functional. DISA also complements the product by providing full technical support to manufacturers, retailers and consumers through its online portal tracking the codes.

Technology Segments

3. Product ID Live Analytics and Alerts

This service is powered by Digital Safety (“**Disa**”) team. Product ID pairs with 3S Smart Barcodes in real-time, enabling individual item tracking, detailed item and store analytics, while preventing return fraud cases. This live information can be monitored online with a log-in ID and password.



Source: Company's Data, SAC Advisors

Growth

Local to global

DISA Digital Safety (USA), an ultimately wholly-owned subsidiary of DISA Limited, provides digital asset protection with the PoSA Solution.

With the LPRC and Walmart's agreement to link the Application Programming Interface ("**API**") system with PoSA, the developmental process was kicked off between 2015 to 2016. This required DISA to present and define situational storyboards to Walmart to pre-empt any challenges that might surface together with DISA's proposed solutions. Upon succession of the planning stage, the LPRC monitored DISA's proof-of-concept ("**PoC**") trials which completed in 2017.

The PoSA platform created by DISA also has great data catchment capabilities. Currently, the online platform which is accessible to all registered suppliers gives detailed real-time data of return frauds and sales. Data tracking sales movements also reveal detailed specifications of the products being bought and at which store.

Company Background:

Group History: DISA Limited

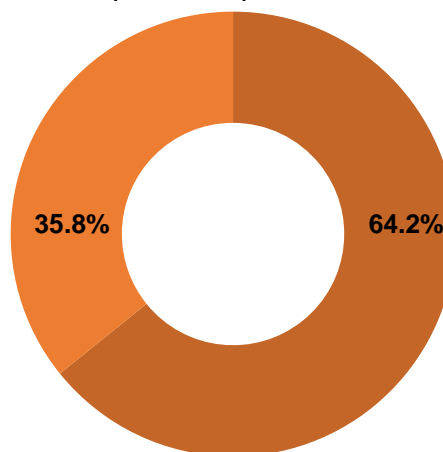
DISA Limited (SGX: 532), is a publicly-traded company on the Singapore Catalist Stock Exchange. The Group has accumulated decades of experience as a multifaceted manufacturer and retailer, and has grown to center its principle activity on the technology business for digital asset protection known as the PoSA Solution.

DISA Limited has 3 main business segments:

- **Technology**
- **Energy Management Services**
- **Supply of Construction Materials (Discontinued)**

The Group has started to divest its interest in growing its operations of supplying construction materials, as such the revenue contribution of the segment stands at 0% as of 31 March 2018. With its Research and Development breakthrough in the PoSA project, the company's core focus for growth this year has since shifted towards its technology arm, DISA Digital Safety Pte Ltd.

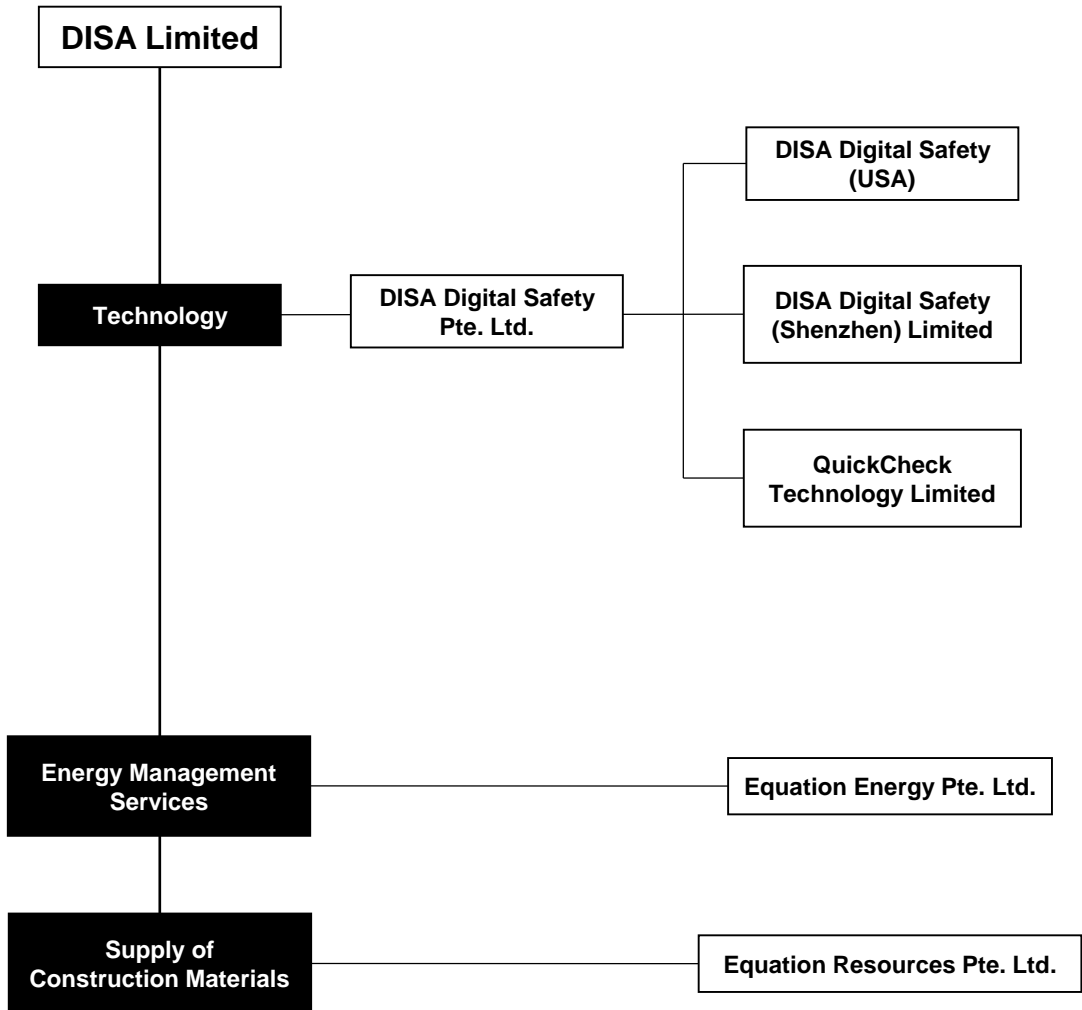
**Revenue Breakdown
(9M FY2018)**



- Technology
- Energy Management Services
- Supply of Construction Materials (Discontinued)

Source: Company's Announcement

Corporate Structure



Source: Company's Data, SAC Advisors

Management

Name	Year of appointment	Position
Mr Chng Weng Wah	2005	Managing Director & CEO
Ms Low Chuan Jee	2014	Chief Financial Officer

Source: Company data, Bloomberg, SAC Advisors

Mr Chng Weng Wah, Managing Director and CEO.

Mr Chng has been the steering force of Disa since joining the Group in February 2005 as Executive Director and Chief Executive Officer. He is well rounded and experienced in various industries covering product development, innovation, marketing and sales.

Ms Low Chuan Jee, CFO.

Ms. Low is responsible for the finance, compliance and reporting functions of the Group. Her post-graduation experience in various capacities includes audit, financial accounting and she has worked in various public-listed companies. She holds a Bachelor of Accountancy from Nanyang Technological University, Singapore and is a Chartered Accountant (“**CA Singapore**”) of the Institute of Singapore Chartered Accountants (“**ISCA**”).

Financial Overview

FY2017

2017 was a year that saw DISA creating news as it solidified its plan to enter the American market, making its shop floor presence known to the eyes of the media.

Revenue

The Group's revenue decreased by \$125,000 (27.8%) from \$450,000 for the financial year ended 30 June 2016 ("FY2016") to \$325,000 for the financial year ended 30 June 2017 ("FY2017"). The decrease was mainly attributable to the decrease in sales in Energy Management Services segment because of lower revenue generated from consultancy services. This was partially mitigated by the Technology segment which saw an increase in revenue from sales of asset protection system.

Expenses

The total cost and expenses saw an increase of \$4,685,000 (35.0%) to \$18,083,000 for FY2017 as compared to \$13,400,000 for FY2016. These were mainly due to higher expenses such as depreciation, higher employee benefits, higher legal and professional fees, impairment loss on other current assets which were partially offset by lower cost of services, lower provision for legal liabilities and lower operating lease expense.

Cash

Cash and cash equivalents (net of overdraft and deposits placed with a bank as security) increased by \$14,822,000 from \$5,343,000 as at 30 June 2016 to \$20,165,000 as at 30 June 2017. Net cash generated from financing activities was \$20,020,000 for FY2017. This was mainly due to net proceeds from issuance of ordinary shares, proceeds from the Redeemable Convertible Bonds ("RCB"), proceeds from exercise of share option and proceeds from exercise of warrants. This was offset by interest paid, repayment of finance lease, repayment of loan to a third party, repayment of borrowings of and repayment of convertible loan to the Sculptor Investors.

Impairment

DISA's major source of cost stemmed from the impairment losses of its old businesses in energy management services and supply of construction materials. 2017 saw the firm taking on significant impairment losses of \$8.5 million with impairment on prepayment for rights of granite and trade receivables adding up to \$5.9 million and \$2.6 million respectively. It is expected that costs relating to DISA's legacy or pioneering businesses would have much smaller impacts to its earnings going forward.

Financial Overview

2018

DISA took to The Business Times' headlines as the most hotly traded stock on 4 June. Disa founder and CEO, Mr Chng was reported to have laid plans for the firm to get more major US retailers like Target Corporation and The Kroger Co to adopt its anti-theft technology by the end of the year, while retail giant Walmart has already approved their suppliers' use of DISA's technology in its stores.

Revenue

On a year-to-date ("YoY") comparison, the Group's total revenue decreased by \$119,000 (or 44.6%) from \$267,000 in 9 Months Ended 31 March 2017 ("**9M FY2017**") to \$148,000 in 9 Months Ended 31 March 2018 ("**9M FY2018**"). Similar to previous year, this was mainly due to decrease in sales in Energy Management Services segment which was partially mitigated by increase in sales in Technology segment. The decrease in sales in Energy Management Services segment resulted mainly from lower revenue generated from consultancy services. However, YoY the Technology segment saw an increase in sales from revenue generated through sales of DISA encrypted codes.

Financial Overview

Q4 FY2018

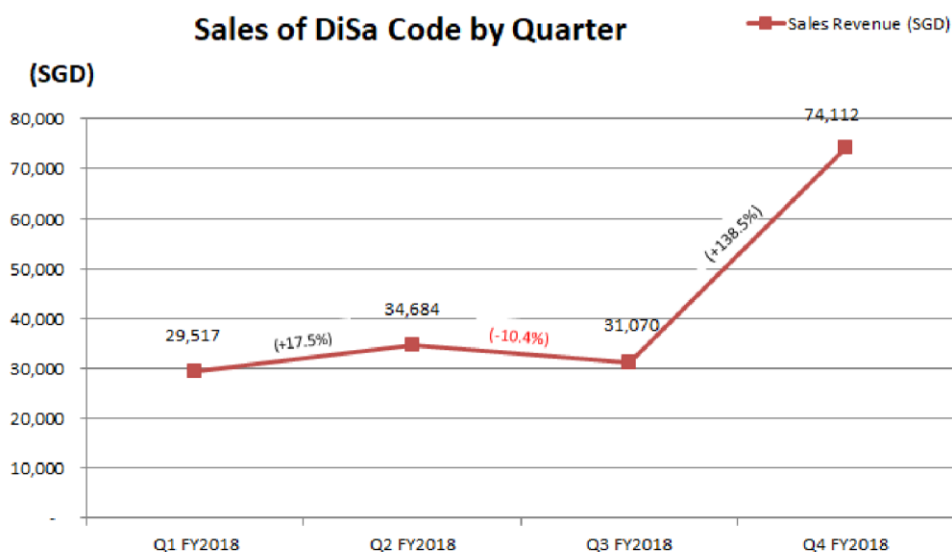
Sale of Codes from PoSA (Point-of-Sale Activation) and 3S (Single Scan Serialisation)

The Group announced on 4 July 2018 that the combined code sales from PoSA and 3S for the quarter ended 30 June 2018 ("Q4 FY2018") amounted to S\$74,112, which is an increase of 138.5% as compared to the previous quarter for the period of January 2018 to March 2018 ("Q3 FY2018"), mainly due to the increase in product categories from new suppliers and higher sales volume.

	Q1 FY2018	Q2 FY2018	Q3 FY2018	Q4 FY2018	Total for FY2018
Sales Revenue (SGD) ⁽¹⁾	29,517	34,684	31,070	74,112	169,383

Note:

(1) Sales Revenue converted at an average rate of USD 1 : SGD 1.34974.



Source: Company Data

Key Risks

Onboarding New Customers

DISA's rate of onboarding of new customers have reflected its slow rate of market acquisition. While the current customer pool remained small, the sales figures of DISA's digital products are equally conservative as well. The per-unit cost of DISA's digital product is also competitively low-priced. While the low pricing gives DISA a competitive edge, it also means that the company would have to push harder to increase market share by convincing existing suppliers to expand the use of DISA across entire product ranges or by attracting new customers to increase revenue.

Expansion Risks

Inevitably, there would be strong headwinds for DISA as it moves towards foreign expansions beyond the local market. One of the issues would be achieving smooth API integration with potential clients like Kroger and Target as these Big-box retailers operates on a globally massive scale. Hence, it is also foreseeable that the company might require long-than-expected time to build up the infrastructure to lend adequate operational support. Should there be a sharp ramp-up in demand, DISA might face challenges to cope considering its current limited scale of operations. DISA's access into the global retail pool would be heavily reliant on their ability to penetrate major retailers, convincing them to implement PoSA on suppliers' products. Currently, the partnerships with such major retailers (Kroger and Target) remain hanging in the balance.

Political and Currency Fluctuations

DISA's operations are predominantly in the US and are vulnerable to the fluctuations of the US dollar. It can be observed that the group's exposure to foreign currency is primarily managed by natural hedges of matching financial assets and financial liabilities denominated in foreign currencies. Political stability and trade policy with regards to manufacturing and retail sectors are influential factors on DISA's operational success.

Hackers Overwriting Encryption

For every digital product, comes a risk of hackers overwriting its encryption or rendering its software's function ineffective. Hence, the company needs to be vigilant in constantly updating its system and online portal to safeguard its digital assets and profit generator.

Income Statement (S\$'000)

	Fiscal Year Ended			
	FY14	FY15	FY16	FY17
Revenue	2,898	1,050	2,023	861
Cost of sales	(706)	(595)	(265)	(212)
Other income	4,308	2,537	-	-
Distribution expenses	(617)	(333)	-	-
Admin expenses	(7,357)	(7,269)	-	-
Other expenses	(739)	(239)	(8,809)	(17,873)
Finance costs	(591)	(588)	(588)	(762)
Share of results	(32)	(373)	(331)	27
Profit/(Loss) before tax from continuing operations	(2,836)	(5,810)	(12,296)	(17,959)
Income tax (expense)/credit	(198)	504	239	238
(Loss) from continuing operations, net of tax	(3,034)	(5,306)	(12,057)	(17,721)
(Loss) from continuing & discontinued operations attributable to owners of company	(3,080)	(6,507)	(10,805)	(16,029)
Non-Controlling Interests	(22)	(226)	(929)	(1,608)
(Loss) for the year	(3,102)	(6,733)	(11,734)	(17,637)
(Loss) per share:				
-Basic & diluted (SG cents) from continuing ops	(0.07)	(0.11)	(0.22)	(0.26)
-Basic & diluted (SG cents) from discontinued ops	-	(0.02)	-	-

Balance Sheet (S\$'000)

	Fiscal Year Ended			
	FY14	FY15	FY16	FY17
FY Ended 30 June				
Inventories	1,020	86	71	-
Trade and other receivables	7,016	6,154	3,594	814
Cash and cash equivalents	8,265	6,858	5,343	20,165
Other assets	1,984	1,452	3,789	3,171
Total current assets	18,285	14,550	12,797	24,150
Property, plant and equipment	439	237	164	456
Other assets	15,268	14,284	7,065	211
Intangible assets	16,173	14,747	13,343	11,939
Total non-current assets	31,880	29,268	20,572	12,606
Total assets	50,165	43,818	33,369	36,756
Accruals	2,148	3,036	2,000	1,222
Trade and other payables	5,407	3,536	3,039	2,174
Provisions for other liabilities and charges	301	12	522	704
Financial liabilities	695	7,446	6,963	15
Current tax payable	2	-	-	-
Total current liabilities	8,553	14,030	12,524	4,115
Deferred tax liabilities	3,008	2,506	2,267	2,029
Financial liabilities	8,037	726	470	12,018
Accruals	758	-	761	-
Derivative instruments	50	21	21	-
Total non-current liabilities	11,853	3,253	3,519	14,047
Total liabilities	20,406	17,283	16,043	18,162
Share Capital	153,074	154,474	154,474	37,140
Accumulated losses	(115,147)	(121,654)	(132,438)	(12,879)
Reserves	688	1,870	4,397	(4,358)
Non-controlling interests	(8,856)	(8,155)	(9,107)	(10,025)
Total Equity	29,759	26,535	17,326	18,594

Cash Flow Statement (S\$'000)

	Fiscal Year Ended			
	FY14	FY15	FY16	FY17
(Loss)/profit before tax	(2,904)	(7,237)	(11,973)	(17,875)
Depreciation & amortization	1,774	1,582	1,565	1,492
Change in working capital	1,017	1,754	(692)	(272)
Others	245	1,645	7,972	11,584
Income tax refund	13	-	-	(1)
Net Cash from/(used in) operations	145	(2,256)	(3,128)	(5,072)
Purchase of PPE	(82)	(4)	(10)	(354)
Others	889	(412)	132	233
Net Cash from/(used in) from investing	807	(416)	122	(121)
Net increase in equity	6,656	2,278	2,604	29,307
Net increase/(decrease) in debt	(2,120)	(697)	(930)	(7,622)
Others	(451)	(353)	(206)	(1,665)
Net Cash from financing	4,085	1,228	1,468	20,020

Ratios

	Fiscal Year Ended			
	FY14	FY15	FY16	FY17
Profitability (%)				
Gross profit	2,192	455	1758	649
Gross profit margin	75.6%	43.3%	86.9%	75.4%
Loss before tax margin	(0.98%)	(5.53%)	(6.08%)	(20.86%)
Liquidity (x)				
Current ratio	2.14	1.04	1.02	5.87
Quick ratio	2.02	1.03	1.02	5.87
Interest coverage ratio	3.74	8.25	19.35	22.60
Net Debt to Equity	1.8%	5.2%	12.4%	Net cash
Valuation (x)				
P/S	0.03	0.10	0.05	0.79
P/E	n.m.	n.m.	n.m.	n.m.
Core P/E at target price	n.m.	n.m.	n.m.	n.m.
P/B	n.m.	n.m.	0.01	0.01
P/NTA	0.01	0.01	0.03	0.02
Cash Conversion Cycle				
Trade receivable days	N/A	2,289.1	879.4	934.3
Inventory days	N/A	192.2	14.2	15.0
Trade payable days	N/A	n.m.	n.m.	n.m.
CCC days	N/A	2,481.3	893.6	949.4

n.m.: not meaningful

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