



ISOTEAM LTD.

(Company Registration No. 201230294M)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2017

PART 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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) Unaudited Consolidated Income Statement and Statement of Comprehensive Income for the Third Quarter ("3QFY2017) and Period Ended 31 March 2017 ("9MFY2017")

	Group				Group		
	Note	Three Months Ended		Change %	Nine Months Ended		Change %
		31.03.17	31.03.16		31.03.17	31.03.16	
		(Unaudited) \$'000	(Unaudited) \$'000		(Unaudited) \$'000	(Unaudited) \$'000	
Income Statement							
Revenue		16,472	19,927	(17.3)	61,226	64,616	(5.2)
Cost of sales		(12,444)	(14,830)	(16.1)	(44,566)	(48,608)	(8.3)
Gross profit		4,028	5,097	(21.0)	16,660	16,008	4.1
Other income	(a)	692	349	98.3	1,758	1,422	23.6
Marketing and distribution expenses		(251)	(466)	(46.1)	(793)	(1,317)	(39.8)
General and administrative expenses		(3,215)	(2,624)	22.5	(10,698)	(8,014)	33.5
Finance costs		(110)	(96)	14.6	(350)	(248)	41.1
Other operating expenses		(90)	(611)	(85.3)	(261)	(971)	(73.1)
Profit before tax	(b)	1,054	1,649	(36.1)	6,316	6,880	(8.2)
Tax credit/(expense)		19	(831)	(102.3)	(997)	(1,522)	(34.5)
Profit for the period		1,073	818	31.2	5,319	5,358	(0.7)
Profit attributable to:							
Equity holders of the Company		1,001	842	18.9	5,069	5,114	(0.9)
Non-controlling interests		72	(24)	N/M	250	244	2.5
		1,073	818	31.2	5,319	5,358	(0.7)

"N/M" denotes Not Meaningful if % of change is more than 300%

	Group				Group			
	Note	Three Months Ended		Change	Nine Months Ended		Change	
		31.03.17	31.03.16		31.03.17	31.03.16		
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
	\$'000	\$'000	%	\$'000	\$'000	%		
Statement of Comprehensive Income								
Profit for the period		1,073	818	31.2	5,319	5,358	(0.7)	
Other comprehensive income:								
<i>Items that may be reclassified subsequently to profit or loss:</i>								
Foreign currency translation gain/(loss)		1	-	N/M	(13)	-	N/M	
Other comprehensive income for the period, net of tax		1	-	N/M	(13)	-	N/M	
Total comprehensive income for the period		1,074	818	31.3	5,306	5,358	(1.0)	
Total comprehensive income attributable to:								
Equity holders of the Company		1,005	842	19.4	5,066	5,114	(0.9)	
Non-controlling interests		69	(24)	N/M	240	244	(1.6)	
		1,074	818	31.3	5,306	5,358	(1.0)	

"N/M" denotes Not Meaningful if % of change is more than 300%

1(a)(ii) Notes to the Consolidated Income Statement and Statement of Comprehensive Income

		Group			Group		
		Three Months Ended			Nine Months Ended		
		31.03.17	31.03.16	Change	31.03.17	31.03.16	Change
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
\$'000	\$'000	%	\$'000	\$'000	%		
(a)	<u>Other income</u>						
	Government grants	186	264	(29.5)	510	385	32.5
	Gain/(loss) on disposal of property, plant and equipment	1	(41)	(102.4)	128	345	(62.9)
	Interest income	52	83	(37.3)	237	232	2.2
	Administrative charges	83	9	N/M	212	35	N/M
	Foreign exchange (loss)/ gain	(5)	-	N/M	74	-	N/M
	Negative goodwill*	228	-	N/M	228	-	N/M
	Others	147	34	N/M	369	425	(13.2)
		692	349		1,758	1,422	
(b)	<u>Profit before tax</u>						
	This is arrived at after charging/(crediting):						
	Audit fees payable/paid to auditor of the Company	58	50	16.0	164	153	7.2
	Depreciation of property, plant and equipment	570	526	8.4	1,647	1,482	11.1
	Net loss/(gain) on disposal of property, plant and equipment	4	41	(90.2)	(76)	(345)	(78.0)
	Property, plant and equipment written off	2	-	N/M	10	-	N/M
	Amortisation of intangible assets	371	611	(39.2)	1,148	971	18.3
	Amortisation of fair value adjustment on contract work-in-progress	34	947	(96.4)	140	947	(85.2)
	Bad debts written back	(42)	-	N/M	(42)	-	N/M
	Allowance for doubtful receivables/ (write back on doubtful receivables)	36	(3)	N/M	722	(40)	N/M
	Bad debts written off	-	-	-	11	6	83.3

"N/M" denotes Not Meaningful if % of change is more than 300%

* An independent valuer has been engaged for the purchase price allocation (PPA) exercise and the negative goodwill was based on the PPA report.

1(b) 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.

1(b)(i) Statements of Financial Position

	Group		Company	
	As at	As at	As at	As at
	31.03.17	30.06.16	31.03.17	30.06.16
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Assets				
<u>Non-current assets</u>				
Property, plant and equipment	16,859	16,429	-	-
Intangible assets	5,087	2,243	-	-
Investment in subsidiaries	-	-	35,767	27,604
Goodwill	2,658	2,658	-	-
Other investments	1,462	1,477	-	-
	26,066	22,807	35,767	27,604
<u>Current assets</u>				
Due from customers for contract work-in progress	19,064	17,053	-	-
Other investments	992	984	-	-
Inventories	155	180	-	-
Intangible assets	-	77	-	-
Trade and other receivables	24,515	19,105	12,584	4,686
Cash and bank balances	19,445	34,148	2,226	7,158
Total current assets	64,171	71,547	14,810	11,844
Total assets	90,237	94,354	50,577	39,448
<u>Non-current liabilities</u>				
Bank borrowings	1,772	2,162	-	-
Finance lease liabilities	1,977	1,733	-	-
Other payables	600	-	600	-
Deferred tax liabilities	1,672	869	-	-
Total non-current liabilities	6,021	4,764	600	-
<u>Current liabilities</u>				
Due to customers for contract work-in-progress	4,477	8,638	-	-
Bank borrowings	4,976	4,131	1,207	1,209
Trade and other payables	15,404	21,410	4,201	3,415
Finance lease liabilities	992	792	-	-
Tax payables	794	707	-	-
Total current liabilities	26,643	35,678	5,408	4,624
Total liabilities	32,664	40,442	6,008	4,624
Net assets	57,573	53,912	44,569	34,824

	Group		Company	
	As at 31.03.17	As at 30.06.16	As at 31.03.17	As at 30.06.16
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Share capital and reserves				
Share capital	29,618	29,618	29,618	29,618
Treasury shares	(309)	(373)	(309)	(373)
Accumulated profits	34,660	31,726	15,176	5,623
Foreign currency translation reserve	(2)	1	-	-
Merger reserve	(7,338)	(7,338)	-	-
Other reserves	(23)	(151)	84	(44)
Equity attributable to equity holders of the Company	56,606	53,483	44,569	34,824
Non-controlling interests	967	429	-	-
Total equity	57,573	53,912	44,569	34,824

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

	Group		Group	
	As at 31.03.17		As at 30.06.16	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	5,968	-	4,923	-
Amount repayable after one year	3,749	-	3,895	-
	9,717	-	8,818	-

Details of any collaterals

- (a) Bank borrowings amounting to \$2.6 million are secured by pledged fixed deposits and corporate guarantees from the Company.
- (b) Bank borrowings amounting to \$1.2 million are secured by corporate guarantees from a subsidiary.
- (c) Bank borrowings amounting to \$0.6 million are secured by a legal mortgage over the leasehold property of a subsidiary, pledged fixed deposits and corporate guarantees from the Company.
- (d) Bank borrowings amounting to \$1.7 million are secured by legal mortgage over the leasehold properties of subsidiaries and corporate guarantees from the Company.
- (e) Bank borrowings amounting to \$0.6 million are secured by a legal mortgage over the leasehold property of a subsidiary and corporate guarantees from the Company.
- (f) Finance lease obligations of the Group amounting to \$3.0 million are secured by the rights to the leased equipment, machineries and motor vehicles. Certain directors of the Company have provided personal guarantees for certain of the finance lease liabilities.

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

	Note	Group		Group	
		Three Months Ended		Nine Months Ended	
		31.03.17	31.03.16	31.03.17	31.03.16
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Profit before income tax		1,054	1,649	6,316	6,880
Adjustment for: -					
Depreciation of property, plant and equipment		570	526	1,647	1,482
Net loss/(gain) on disposal of property, plant and equipment		4	41	(76)	(345)
Property, plant and equipment written off		2	-	10	-
Amortisation of intangible assets		371	611	1,148	971
Amortisation of fair value adjustment on contract work-in-progress		34	947	140	947
Allowance for doubtful receivables/ (write back on doubtful receivable)		36	(3)	722	(40)
Bad debts written back		(42)	-	(42)	-
Bad debts written off		-	-	11	6
Negative goodwill		(228)	-	(228)	-
Interest income		(52)	(83)	(237)	(232)
Interest expense		105	93	331	232
Operating cash flows before working capital changes		1,854	3,781	9,742	9,901
Contract work-in-progress		(363)	(1,354)	(4,264)	(540)
Inventories		14	(30)	25	7
Trade and other receivables		(2,958)	9,762	(2,368)	9,201
Trade and other payables		(2,762)	(3,219)	(8,165)	(3,548)
Cash (used in)/ generated from operations		(4,215)	8,940	(5,030)	15,021
Interest received		60	83	244	232
Interest paid		(105)	(76)	(331)	(215)
Tax paid		(524)	(1,041)	(1,157)	(1,758)
Net cash (used in)/ generated from operating activities		(4,784)	7,906	(6,274)	13,280
Cash flows from investing activities					
Purchases of other investment		-	(2,067)	-	(2,067)
Purchases of property, plant and equipment	(a)	(471)	(610)	(1,157)	(4,742)
Deposit paid pursuant to acquisition of property		(1,000)	-	(1,000)	-
Proceeds from disposal of property, plant and equipment		185	16	495	583
Net cash outflow on acquisition of subsidiaries	(b)	(3,287)	(2,171)	(3,287)	(2,171)
Net cash used in investing activities		(4,573)	(4,832)	(4,949)	(8,397)

1(c)(i) Consolidated Statement of Cash Flows (Con't)

	Note	Group		Group	
		Three Months Ended		Nine Months Ended	
		31.03.17	31.03.16	31.03.17	31.03.16
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities					
Dividend paid		-	-	(2,135)	(1,644)
Purchase of treasury shares		-	(1,895)	(1,392)	(1,895)
Capital contributed by non-controlling interest		-	-	298	-
Repayment to related parties (non-trade)		(4)	(11)	(4)	(9)
Fixed deposits pledged to banks		-	(190)	-	(190)
Fixed deposits released from pledge		-	(29)	500	-
Drawdown of bank borrowings		-	2,460	928	5,027
Repayment of bank borrowings		(737)	(1,872)	(474)	(3,613)
Repayment of finance lease		(246)	(155)	(701)	(475)
Net cash used in financing activities		(987)	(1,692)	(2,980)	(2,799)
Net (decrease) /increase in cash and cash equivalents		(10,344)	1,382	(14,203)	2,084
Cash and cash equivalents at beginning of financial period		28,500	31,377	32,359	30,675
Cash and cash equivalents at end of financial period		18,156	32,759	18,156	32,759

Note A

The Group acquired property, plant and equipment with an aggregate cost of \$1,878,000 (9MFY2016: \$5,546,000). The additions were by way of cash payments of \$1,157,000 (9MFY2016: \$4,742,000) and finance lease of \$721,000 (9MFY2016: \$804,000).

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

Cash and cash equivalents included in the consolidated statement of cash flows consist of the following: -

	Group		Group	
	Three Months Ended		Nine Months Ended	
	31.03.17	31.03.16	31.03.17	31.03.16
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
Cash in hand and at bank	15,535	16,896	15,535	16,896
Fixed deposits	3,910	17,651	3,910	17,651
	19,445	34,547	19,445	34,547
Less: Fixed deposits pledged	(1,289)	(1,788)	(1,289)	(1,788)
	18,156	32,759	18,156	32,759

1(c)(ii) Notes to the Consolidated Statement of Cash Flows (Con't)

Note B

	Group	
	Nine Months Ended	
	31.03.17	31.03.16
	(Unaudited)	(Unaudited)
	\$'000	\$'000
<u>Net cash outflows on acquisition of subsidiaries</u>		
Property, plant and equipment	632	231
Net amount due from/(to) customers for contract work in progress	2,048	358
Trade and other receivables	2,729	7,396
Cash and bank balances	388	229
Trade and other payables	(1,668)	(3,383)
Bank overdraft	-	(115)
Loans and borrowings	(308)	(2,260)
Income tax liabilities	(383)	(4)
Deferred tax liabilities	(666)	(373)
Total identifiable net assets at fair value	2,772	2,079
Fair value of intangible assets	3,915	1,694
Negative goodwill	(228)	175
Total purchase consideration:	6,459	3,948
Less non-cash consideration (share issuance)	(2,784)	(1,548)
Consideration settled in cash	3,675	2,400
Less cash and cash equivalents of subsidiaries acquired	(388)	(229)
Net cash outflow on acquisition of subsidiaries	3,287	2,171

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) 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.

Group	Attributable to equity holders of the Group								
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign Currency translation reserve \$'000	Other reserves \$'000	Accumulated Profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2015	29,618	-	(7,338)	-	(107)	24,143	46,316	67	46,383
Profit and total comprehensive income for the period	-	-	-	-	-	4,272	4,272	268	4,540
Contribution by and distributions to equity holders									
Dividend	-	-	-	-	-	(1,644)	(1,644)	-	(1,644)
	-	-	-	-	-	(1,644)	(1,644)	-	(1,644)
Balance at 31 December 2015	29,618	-	(7,338)	-	(107)	26,771	48,944	335	49,279
Profit and total comprehensive income for the period	-	-	-	-	-	842	842	(24)	818
Contribution by and distributions to equity holders									
Purchase of treasury shares	-	(1,895)	-	-	-	-	(1,895)	-	(1,895)
Treasury shares reissued pursuant to acquisition of a subsidiary	-	1,592	-	-	(44)	-	1,548	-	1,548
	-	(303)	-	-	(44)	-	(347)	-	(347)
Balance at 31 March 2016	29,618	(303)	(7,338)	-	(151)	27,613	49,439	311	49,750

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) 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. (Con't)

Group	Attributable to equity holders of the Group								Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 1 July 2016	29,618	(373)	(7,338)	1	(151)	31,726	53,483	429	53,912
Profit for the period	-	-	-	-	-	4,068	4,068	178	4,246
Other comprehensive income									
Foreign currency translation loss	-	-	-	(7)	-	-	(7)	(7)	(14)
Other comprehensive income for the period, net of tax	-	-	-	(7)	-	-	(7)	(7)	(14)
Total comprehensive income for the period	-	-	-	(7)	-	4,068	4,061	171	4,232
Contribution by and distributions to equity holders									
Dividend	-	-	-	-	-	(2,135)	(2,135)	-	(2,135)
Purchase of treasury shares	-	(1,392)	-	-	-	-	(1,392)	-	(1,392)
	-	(1,392)	-	-	-	(2,135)	(3,527)	-	(3,527)
Change in ownership interest in subsidiary									
Incorporation of a subsidiary	-	-	-	-	-	-	-	298	298
	-	-	-	-	-	-	-	298	298
Total transactions with equity holders of the Company	-	(1,392)	-	-	-	(2,135)	(3,527)	298	(3,229)
Balance at 31 December 2016	29,618	(1,765)	(7,338)	(6)	(151)	33,659	54,017	898	54,915

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) 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. (Con't)

Group	Attributable to equity holders of the Group								Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 31 December 2016	29,618	(1,765)	(7,338)	(6)	(151)	33,659	54,017	898	54,915
Profit for the period	-	-	-	-	-	1,001	1,001	72	1,073
Other comprehensive income									
Foreign currency translation gain/(loss)	-	-	-	4	-	-	4	(3)	1
Other comprehensive income for the period, net of tax	-	-	-	4	-	-	4	(3)	1
Total comprehensive income for the period	-	-	-	4	-	1,001	1,005	69	1,074
Contribution by and distributions to equity holders									
Treasury share reissued pursuant to acquisition of a subsidiary	-	1,456	-	-	128	-	1,584	-	1,584
	-	1,456	-	-	128	-	1,584	-	1,584
Total transactions with equity holders of the Company	-	1,456	-	-	128	-	1,584	-	1,584
Balance at 31 March 2017	29,618	(309)	(7,338)	(2)	(23)	34,660	56,606	967	57,573

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) 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. (Con't)

Company	Attributable to equity holders of the Company							
	Share Capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2015	29,618	-	-	-	2,623	32,241	-	32,241
Profit and total comprehensive income for the period	-	-	-	-	887	887	-	887
Contribution by and distributions to equity holders								
Dividend	-	-	-	-	(1,644)	(1,644)	-	(1,644)
	-	-	-	-	(1,644)	(1,644)	-	(1,644)
Balance at 31 December 2015	29,618	-	-	-	1,866	31,484	-	31,484
Profit and total comprehensive income for the period	-	-	-	-	305	305	-	305
Contribution by and distributions to equity holders								
Purchase of treasury shares	-	(1,895)	-	-	-	(1,895)	-	(1,895)
Treasury shares reissued pursuant to acquisition of a subsidiary	-	1,592	-	(44)	-	1,548	-	1,548
	-	(303)	-	(44)	-	(347)	-	(347)
Balance at 31 March 2016	29,618	(303)	-	(44)	2,171	31,442	-	31,442

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) 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. (Con't)

Company	Attributable to equity holders of the Company							
	Share Capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2016	29,618	(373)	-	(44)	5,623	34,824	-	34,824
Profit and total comprehensive income for the period	-	-	-	-	5,811	5,811	-	5,811
Contribution by and distributions to equity holders								
Dividend	-	-	-	-	(2,135)	(2,135)	-	(2,135)
Purchase of treasury shares	-	(1,392)	-	-	-	(1,392)	-	(1,392)
	-	(1,392)	-	-	(2,135)	(3,527)	-	(3,527)
Balance at 31 December 2016	29,618	(1,765)	-	(44)	9,299	37,108	-	37,108
Profit and total comprehensive income for the period	-	-	-	-	5,877	5,877	-	5,877
Contribution by and distributions to equity holders								
Treasury shares reissued pursuant to acquisition of a subsidiary	-	1,456	-	128	-	1,584	-	1,584
	-	1,456	-	128	-	1,584	-	1,584
Balance at 31 March 2017	29,618	(309)	-	84	15,176	44,569	-	44,569

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.

	Financial Period 2017		Financial Period 2016	
	Issued Ordinary Shares (excluding Treasury Shares)	Treasury Shares	Issued Ordinary Shares (excluding Treasury Shares)	Treasury Shares
As at 1 July	284,665,956	1,200,634	142,933,295	-
Share buyback during the financial period	(3,543,000)	3,543,000	(3,550,000)	3,550,000
Treasury shares reissued pursuant to the acquisition of a subsidiary*	3,911,985	(3,911,985)	2,539,683	(2,539,683)
Bonus shares issued**	-	-	142,872,978	60,317
As at 31 March	285,034,941	831,649	284,795,956	1,070,634
Percentage (%) of treasury shares against total number of shares outstanding as at 31 March		0.3%		0.4%

* 3,911,985 treasury shares were transferred to owner of ISO-Integrated M&E Pte. Ltd. as part of consideration for acquisition of a subsidiary on 19 January 2017. On 15 January 2016, 2,539,683 treasury shares were transferred to owner of TMG Projects Pte. Ltd. as part of consideration for acquisition of a subsidiary on 15 January 2016.

** 142,933,295 bonus shares (comprising 142,872,978 new shares and 60,317 treasury shares) were allotted and issued on 29 February 2016 pursuant to the Company's 1-for-1 bonus issue exercise.

There were no subsidiary holdings and outstanding convertible instruments which may be converted to shares as at 31 March 2017 and 31 March 2016.

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.

	Company	
	As at 31.03.17	As at 30.06.16
Number of ordinary shares issued and fully paid	285,866,590	285,866,590
Treasury shares	(831,649)	(1,200,634)
Number of ordinary shares issued and fully paid (excluding treasury shares)	285,034,941	284,665,956

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.

3,911,985 treasury shares were transferred to owner of ISO-Integrated M&E Pte. Ltd. pursuant to the acquisition of the subsidiary during the period ended 31 March 2017. Subsequent to the aforementioned transfer, the number of treasury shares is 831,649.

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.

Not applicable.

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 the Company's auditor.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial information for the current financial period as those used in the audited financial statements for the financial year ended 30 June 2016, except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 July 2016. The adoption of these FRS has no material impact on the Group's financial information.

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.

On 29 February 2016, the Company issued 142,933,295 ordinary shares pursuant to the bonus issue on the basis of one bonus share for every one existing ordinary shares. Following the issue of bonus shares, the aggregate number of issued shares excluding treasury shares increased from 142,933,295 to 284,665,956 shares. As a result, the number of ordinary shares used for the earning per share calculations has been adjusted retrospectively as required by FRS 33.

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 share ("EPS")	Group		Group	
	Three Months Ended		Nine Months Ended	
	31.03.17	31.03.16	31.03.17	31.03.16
		(Restated)		(Restated)
Profit attributable to equity holders of the Company (\$'000)	1,001	842	5,069	5,114
Weighted average number of ordinary shares ⁽¹⁾	284,252,544	284,415,687	284,004,916	285,386,473
Basic and diluted EPS based on weighted average number of ordinary shares (cents)⁽²⁾	0.35	0.30	1.78	1.79

Notes:

- (1) The calculation for the basic and diluted EPS for the respective financial period is based on the weighted average number of ordinary shares in issue during the financial periods.
- (2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

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

Net assets value ("NAV")	Group		Company	
	As at 31.03.17	As at 30.06.16	As at 31.03.17	As at 30.06.16
NAV (\$'000)	56,606	53,483	44,569	34,824
Number of ordinary shares	285,034,941	284,665,956	285,034,941	284,665,956
NAV per ordinary share (cents)	19.86	18.79	15.64	12.23

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.

REVIEW OF FINANCIAL PERFORMANCE

Revenue	Group					Group				
	Three Months Ended					Nine Months Ended				
	31.03.17		31.03.16		Change	31.03.17		31.03.16		Change
	\$'000	%	\$'000	%	%	\$'000	%	\$'000	%	%
R&R	4,395	26.7	8,062	40.5	(45.5)	15,016	24.5	32,249	49.9	(53.4)
A&A	6,330	38.4	5,419	27.2	16.8	23,568	38.5	15,122	23.4	55.9
C&P	3,147	19.1	1,358	6.8	131.7	11,338	18.5	6,055	9.4	87.3
Others ⁽¹⁾	2,600	15.8	5,088	25.5	(48.9)	11,304	18.5	11,190	17.3	1.0
	16,472	100.0	19,927	100.0	(17.3)	61,226	100.0	64,616	100.0	(5.2)

Note:

- (1) Others included revenue from commercial interior designs ("ID"), home retrofitting business, landscaping works, leasing service, waterproofing and green solutions business.

Revenue

3QFY2017 vs 3QFY2016

Group revenue decreased by \$3.4 million or 17.3% from \$19.9 million in 3QFY2016 to \$16.5 million in 3QFY2017. Revenue from the Group's R&R business decreased by \$3.7 million or 45.5% from \$8.1 million in 3QFY2016 to \$4.4 million in 3QFY2017, due to intense price competition in the industry. This was derived largely from projects awarded by Pasir Ris-Punggol Town Council, National Environment Agency, Housing & Development Board (HDB), National University of Singapore and Seah & Lim Construction Pte Ltd.

Revenue contribution from the Group's Addition and Alteration ("A&A") business segment increased by \$0.9 million or 16.8% from \$5.4 million in 3QFY2016 to \$6.3 million in 3QFY2017. This was derived largely from projects awarded by Public Service Division, Ang Mo Kio Town Council, Nee Soon Town Council, Jurong-Clementi Town Council and private sector projects.

Revenue contribution from the Group's Coating and Painting ("C&P") business segment increased by \$1.7 million or 131.7% from \$1.4 million in 3QFY2016 to \$3.1 million in 3QFY2017. This was derived largely from projects awarded by Tiong Seng Contractors (Pte) Ltd, Lend Lease Singapore Pte Ltd, SKK (S) Pte Ltd, San Keong Construction Pte Ltd and Hexacon Construction Pte Ltd.

Revenue contribution from the Group's others business segment decreased by \$2.5 million or 48.9% from \$5.1 million in 3QFY2016 to \$2.6 million in 3QFY2017. This was derived largely from M&E works from Primetop Engineering Pte Ltd, ID works from Eidec Corporation Limited and residential projects, waterproofing works from Jalan Besar Town Council, landscaping works from Mao Sheng Quanji Construction Pte Ltd and rental income for leasing services.

9MFY2017 vs 9MFY2016

Group revenue decreased by \$3.4 million or 5.2% from \$64.6 million in 9MFY2016 to \$61.2 million in 9MFY2017. Revenue from the Group's R&R business decreased by \$17.2 million or 53.4% from \$32.2 million in 9MFY2016 to \$15.0 million in 9MFY2017, due to intense price competition in the industry. This was derived largely from projects awarded by Pasir Ris-Punggol Town Council, National Environment Agency, Housing & Development Board (HDB), National University of Singapore and Jurong Central Citizen's Consultative Committee.

Revenue contribution from the Group's Addition and Alteration ("A&A") business segment increased by \$8.5 million or 55.9% from \$15.1 million in 9MFY2016 to \$23.6 million in 9MFY2017. This was derived largely from projects awarded by Public Service Division, Pasir Ris-Punggol Town Council, Nee Soon Town Council, Marine Parade Town Council and private sector projects.

Revenue contribution from the Group's Coating and Painting ("C&P") business segment increased by \$5.2 million or 87.3% from \$6.1 million in 9MFY2016 to \$11.3 million in 9MFY2017. This was derived largely from projects awarded by Soil-Build Pte Ltd, Sato Kogyo (S) Pte Ltd, Singapore Piling & Civil Engineering Pte Ltd, Samsung C&T Corporation and Hexacon Construction Pte Ltd.

Revenue contribution from the Group's others business segment increased by \$0.1 million or 1.0% from \$11.2 million in 9MFY2016 to \$11.3 million in 9MFY2017. This was derived largely from M&E works from Primetop Engineering Pte Ltd, ID works from Resorts World at Sentosa Pte Ltd and residential projects, waterproofing works from Ang Mo Kio Town Council, landscaping works from Mao Sheng Quanji Construction Pte Ltd and rental income for leasing services.

Gross profit and gross profit margin

3QFY2017 vs 3QFY2016

The Group's gross profit decreased by \$1.1 million or 21.0% from \$5.1 million in 3QFY2016 to \$4.0 million in 3QFY2017 were mainly due to lower margin contributed by R&R and Others business segments.

9MFY2017 vs 9MFY2016

The Group's gross profit increased by \$0.7 million or 4.1% from \$16.0 million in 9MFY2016 to \$16.7 million in 9MFY2017 were mainly due to higher margin contributed by A&A and C&P business segments.

Other income

3QFY2017 vs 3QFY2016 & 9MFY2017 vs 9MFY2016

The Group's other income increased by \$0.4 million or 98.3% from \$0.3 million in 3QFY2016 to \$0.7 million in 3QFY2017 and increased by \$0.4 million or 23.6% from \$1.4 million in 9MFY2016 to \$1.8 million in 9MFY2017 were mainly due to increase in administrative charges and negative goodwill arising from acquisition of a subsidiary.

Marketing and distribution expenses

3QFY2017 vs 3QFY2016 & 9MFY2017 vs 9MFY2016

The Group's marketing and distribution expenses decreased by \$0.2 million or 46.1% from \$0.5 million in 3QFY2016 to \$0.3 million in 3QFY2017 and decreased by \$0.5 million or 39.8% from \$1.3 million in 9MFY2016 to \$0.8 million in 9MFY2017 were mainly due to decrease in depreciation and repair and upkeep expenses of motor vehicles.

General and administrative expenses

3QFY2017 vs 3QFY2016

The Group's general and administrative expenses increased by \$0.6 million or 22.5% from \$2.6 million in 3QFY2016 to \$3.2 million in 3QFY2017. The increase was mainly attributable to increase in staff costs for the acquisition of a new subsidiary.

9MFY2017 vs 9MFY2016

The Group's general and administrative expenses increased by \$2.7 million or 33.5% from \$8.0 million in 9MFY2016 to \$10.7 million in 9MFY2017. The increase was mainly attributable to increase in staff costs of \$1.0 million for the acquisition of a subsidiary and incorporation of a subsidiary in Malaysia, allowance for doubtful receivables of \$0.8 million and increase in overhead costs of \$0.9 million, which is in line with the expansion of business and acquisition of a new subsidiary.

Finance costs

3QFY2017 vs 3QFY2016

There were no material changes in the Group's finance costs during the financial period under review.

9MFY2017 vs 9MFY2016

The Group's finance costs increased by \$0.1 million or 41.1% from \$0.3 million in 9MFY2016 to \$0.4 million in 9MFY2017. The increase was mainly attributable to interest incurred for trust receipt and property loan.

Other operating expenses

3QFY2017 vs 3QFY2016 & 9MFY2017 vs 9MFY2016

The Group's other operating expenses decreased by \$0.5 million or 85.3% from \$0.6 million in 3QFY2016 to \$0.1 million in 3QFY2017 and decreased by \$0.7 million or 73.1% from \$1.0 million in 9MFY2016 to \$0.3 million in 9MFY2017 were mainly due to the decrease in amortisation of intangible assets.

Profit before tax

3QFY2017 vs 3QFY2016 & 9MFY2017 vs 9MFY2016

As a result of the above, the Group recorded a profit before tax of \$1.1 million in 3QFY2017 and \$6.3 million in 9MFY2017 as compared to a profit before tax of \$1.6 million in 3QFY2016 and \$6.9 million in 9MFY2016.

Tax expenses

3QFY2017 vs 3QFY2016 & 9MFY2017 vs 9MFY2016

The Group's tax expenses decreased by \$0.8 million or 102.3% from tax expenses of \$0.8 million in 3QFY2016 to tax credit of \$0.02 million in 3QFY2017 and decreased by \$0.5 million or 34.5% from tax expenses of \$1.5 million in 9MFY2016 to \$1.0 million in 9MFY2017 were mainly due to the decrease in deferred tax and income tax expenses after utilisation of tax subsidies schemes.

REVIEW OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by \$3.3 million or 14.5% from \$22.8 million as at 30 June 2016 to \$26.1 million as at 31 March 2017, mainly due to acquisition of property, plant and equipment ("PPE") of \$1.9 million, which was offset by the depreciation of PPE of \$1.6 million and disposal of PPE of \$0.4 million, PPE from newly acquired subsidiary of \$0.6 million and intangible assets arising from the acquisition of a new subsidiary of \$3.9 million and offset by amortisation of intangible assets of \$1.1 million.

Current assets

The decrease in current assets of \$7.3 million or 10.2% from \$71.5 million as at 30 June 2016 to \$64.2 million as at 31 March 2017 was attributed mainly due to the decrease in cash and bank balances of \$14.7 million, which was offset by increase in trade and other receivables of \$5.4 million and the increase in amounts due from customers for contract work-in-progress of \$2.0 million.

Non-current liabilities

The increase in non-current liabilities of \$1.2 million or 25.0% from \$4.8 million as at 30 June 2016 to \$6.0 million as at 31 March 2017 was attributed to the increase of deferred tax liabilities of \$0.8 million, increase in other payables of \$0.6 million, drawdown of finance lease facilities of \$0.2 million and which was partially offset by the repayment of bank borrowings of \$0.4 million.

Current liabilities

The decrease in current liabilities of \$9.1 million or 25.5% from \$35.7 million as at 30 June 2016 to \$26.6 million as at 31 March 2017 was attributed mainly to the decrease in amounts due to customers for contract work-in-progress of \$4.1 million, decrease in trade and other payables of \$6.0 million, which was partially offset by drawdown of bank borrowings of \$0.8 million and finance lease liabilities of \$0.2 million.

REVIEW OF STATEMENT OF CASH FLOWS

Net cash used in operating activities

3QFY2017

The Group generated a net cash of \$1.9 million from operating activities before changes in working capital. Net working capital outflows amounted to \$6.1 million. This was mainly due to increase in contract work-in-progress of \$0.4 million, increase in trade and other receivables of \$2.9 million and decrease in trade and other payables of \$2.8 million. After payment of income tax of \$0.5 million and interest paid of \$0.1 million, the net cash used in operating activities amounted to approximately \$4.8 million.

9MFY2017

The Group generated a net cash of \$9.7 million from operating activities before changes in working capital. Net working capital outflows amounted to \$14.8 million. This was mainly due to increase in contract work-in-progress of \$4.3 million, increase in trade and other receivables of \$2.4 million and decrease in trade and other payables of \$8.1 million. After payment of income tax of \$1.1 million and interest of \$0.3 million after offsetting with interest received of \$0.2 million, the net cash used in operating activities amounted to approximately \$6.3 million.

Net cash used in investing activities

3QFY2017

Net cash used in investing activities amounted to \$4.6 million, which was mainly attributable to the purchase of plant and equipment of \$0.5 million which is offset with the proceeds from disposal of property, plant and equipment of \$0.2 million, deposit paid of \$1.0 million pursuant to acquisition of property and net cash outflow on acquisition of a subsidiary of \$3.3 million.

9MFY2017

Net cash used in investing activities amounted to \$4.9 million, which was mainly attributable to the purchase of plant and equipment of \$1.1 million which is offset with the proceeds from disposal of property, plant and equipment of \$0.5 million, deposit paid of \$1.0 million pursuant to acquisition of property and net cash outflow on acquisition of a subsidiary of \$3.3 million.

Net cash used in financing activities

3QFY2017

Net cash used in financing activities of \$1.0 million was mainly due to repayment of finance lease of \$0.3 million and repayment of bank borrowing of \$0.7 million.

9MFY2017

Net cash used in financing activities of \$3.0 million was mainly due to dividend payment of \$2.1 million, purchase of treasury shares of \$1.4 million and repayment of finance lease of \$0.7 million which were offset by drawdown of bank borrowing of \$0.4 million, capital contributed by non-controlling interest of \$0.3 million and fixed deposit released from pledge of \$0.5 million.

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 has been previously disclosed to the shareholders.

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

The Group believes that revenue will continue to be driven by awarded projects and potential projects in the pipeline. It expects to tap opportunities in the public sector and private sector through its various subsidiaries which have a longstanding and strong network of business relationships in these sectors.

With rising price competition and labour cost, the Group expects market conditions in the next 12 months to remain challenging. Notwithstanding this, the Group believes its strong suits such as its established track record and multi-disciplinary capabilities in the built environment put ISOTeam in a strong competitive position.

As part of its plans, the Group intends to expand its operations organically by maximising the utilisation of capabilities and expertise of its subsidiaries as well as inorganically through strategic acquisitions. The Group is also exploring business collaborations among its subsidiaries in the form of sharing resources and expertise so as to offer a complete suite of building-related services to its customers. While Singapore is its main market, the Group is also focused on exporting its expertise and skill sets to the region. As of to-date, the Group has acquired six subsidiaries and incorporated two overseas subsidiaries in Myanmar and Malaysia, and is working to fully unlock and maximise synergies from these units.

Looking ahead, the Singapore government continues to invest in the renewal and rejuvenation of older estates through schemes such as the Estate Upgrading Programme and Home Improvement Programme. In addition, renewable energy is fast becoming a reality with the government's SolarNova Programme which calls for 350 MWp of solar power in Singapore by 2020.

One of the wholly owned subsidiaries of the Group, ITG-Green Technologies Pte Ltd recently launched a product jointly developed with E-Organic Solutions Pte Ltd. called Cockroaches, Mosquitoes and Odour (CMO) Remover. It is a water-based treatment that uses enzymes from edible plants to destroy pathogenic organism that resides in cockroaches, thereby killing such pests. Tampines Town Council will be the first Town Council to use this product. The Group expects other Town Councils to also use the product following the successful launch in Tampines estates.

The Group believes that it is well-positioned to tap into opportunities arising from these initiatives given its proven track record in public sector projects, multi-disciplinary capabilities in the built environment as well as rapidly growing portfolio of renewable energy installation projects.

The Group's order book as at 30 April 2017 stood at \$94.7 million which will be progressively delivered over the next two years.

11 Dividend

(a) Dividend declared (recommended) for the current financial period reported on

No.

(b) Dividend declared (recommended) for the corresponding period of the immediately preceding financial year

No.

(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 declared or recommended for 9MFY2017.

13 Use of placement proceeds

The Company received gross proceeds of \$5.0 million and as at the date of this announcement, the placement proceeds have been utilised as follows:

Intended Usage	Amount allocated \$'000	Amount utilised \$'000	Balance \$'000
To fund capital expenditures	3,000	(3,000)	-
To fund new investment and business expansion through acquisitions, joint ventures and/ or strategic alliances	1,500	(1,500)	-
General working capital	536	(536)	-
Total	5,036	(5,036)	-

14 If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii).

15 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

16 Negative confirmation pursuant to Rule 705 (5)

We, David Ng Cheng Lian and Anthony Koh Thong Huat, being the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial information for 9MFY2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

David Ng Cheng Lian
Executive Chairman
11 May 2017

Anthony Koh Thong Huat
CEO

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Hong Leong Finance Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The 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 contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.