



FOR IMMEDIATE RELEASE

ISOTeam harnesses new capabilities to achieve record interim revenue and profit growth in HY2016

- Registers 14.7% growth in top-line to S\$44.7 million backed by strong performances by its A&A, C&P and Others segments
- Achieves record interim profits across the board with net profit and net attributable profit up 11.6% and 4.7% to S\$4.5 million and S\$4.3 million respectively
- Builds order book to an all-time high of S\$89.7 million as at 31 January 2016; and the Group continues to aggressively tender for new jobs to add to this pipeline and is currently the lowest tenderer for three other R&R projects worth S\$10.4 million
- Eyes overseas markets with a view to tap into the infrastructure boom in the region

Financial Highlights for the Six Months Ended 31 December

S\$'m	HY2016	HY2015	Chg (%)
Revenue	44.7	39.0	14.7
Gross profit	10.9	8.6	27.1
Profit before tax	5.2	4.9	6.0
Net profit for the period	4.5	4.1	11.6
Profit attributable to equity holders	4.3	4.1	4.7
Earnings per share* (Singapore cents)	2.99	3.47	(13.8)

*Based on the weighted average number of 142,933,295 ordinary shares in issue in HY2016 and 117,595,831 ordinary shares in issue in HY2015.

SINGAPORE, 12 February 2016 – ISOTeam Ltd. (“ISOTeam” or together with its subsidiaries, the “Group”), an established eco-conscious Repairs and Redecoration (“R&R”), Addition and Alteration (“A&A”) and complementary niche services specialist in Singapore, has hit the year running, by achieving record levels of revenue, profit and order book as at halftime 2016. For the six months ended 31 December 2015 (“HY2016”), the Group registered a 4.7% increase in attributable net profit to S\$4.3 million on the back of a 14.7% revenue surge.

The improved bottomline was despite higher costs associated with the Group’s expansion and acquisition activities. These included a 120.5% increase in its marketing and distribution expenses to S\$0.9 million and a 62.9% increase in general and administrative expenses to S\$5.4 million in HY2016.



Underpinned by strong performances in its A&A, Coating and Painting (“**C&P**”) and Others segments, ISOTeam’s top-line grew 14.7% to S\$44.7 million in HY2016 from S\$39.0 million in the preceding period ended 31 December 2014 (“**HY2015**”). This was in spite of lower revenue from its R&R segment during the period.

Gross profit rose in tandem by 27.1% to S\$10.9 million in HY2016 compared to S\$8.6 million in HY2015, while overall gross profit margin climbed 2.4 percentage points to 24.4% over the same period due to better profit margins from completed R&R and A&A projects.

Revenue by Segments

S\$’m	HY2016		HY2015		Chg (%)
	S\$’m	%	S\$’m	%	
R&R	24.0	53.7	29.3	75.3	(18.1)
A&A	9.7	21.8	8.2	20.9	19.2
C&P	4.9	10.9	-	-	N/M
Others ⁺	6.1	13.6	1.5	3.8	N/M
Total	44.7	100	39.0	100	14.7

⁺Others includes revenue from commercial interior designs (“ID”), home retrofitting business, landscaping works, leasing services, waterproofing and green solutions business.

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

During HY2016, the Group completed and delivered five R&R projects. Revenue contribution from this segment decreased 18.1% year-on-year (**y-o-y**) to S\$24.0 million and was mainly derived from projects awarded by the Pasir Ris-Punggol Town Council, SKK (S) Pte Ltd, Housing & Development Board (“**HDB**”), Tanjong Pagar Town Council and Tampines Town Council.

The Group’s A&A segment generated a revenue of S\$9.7 million in HY2016, representing an increase of 19.2% from HY2015, which was mainly from projects awarded by Pasir Ris-Punggol Town Council, Tampines Town Council, Chua Chu Kang Town Council and Bishan-Toa Payoh Town Council.



At the same time, supported by the subsidiaries it acquired, the Group's C&P business contributed S\$4.9 million in sales in HY2016. This was derived largely from projects awarded by Shimizu Corporation, Welltech Construction Pte Ltd, Heng Tai Construction Pte Ltd, San Keong Construction Pte Ltd and Samsung C&T Corporation.

Signifying its largest growth area, revenue from the Group's Others business segment rose over three-folds to S\$6.1 million in HY2016 from S\$1.5 million in HY2015. This was derived largely from ID works from Public Service Division, waterproofing works from Ang Mo Kio Town Council, landscaping works from HDB and rental income for leasing services.

Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发), said: *"We are starting another year strongly with a notable set of interim results in HY2016. Being able to consistently break new records in our financial performance during every reporting season has been very encouraging for us. It has motivated us to work harder to pursue every business lead and explore all possible opportunities to build up our capabilities, and to think harder about what else we can do to unlock even more value for our investors and shareholders."*

Mr Koh continued: *"Just in December 2015, we announced our fifth acquisition in a short span of just 15 months of TMG Projects, an architectural and interior fitting and decoration solutions provider, which will add yet another dimension to the Group's proficiency. Our focus on inorganic growth has gained much traction as we achieved a three-fold increase in our Others business segment, and I am confident it will continue paving the way for ISOTeam's next wave of growth."*

At halftime, ISOTeam continued to maintain its healthy financial position with its cash and bank balances growing to S\$32.9 million as at 31 December 2015, compared to S\$32.3 million as at 30 June 2015.

As at 31 December 2015 and based on the weighted average number of 142,933,295 ordinary shares in issue, Earnings Per Share ("EPS") was 2.99 Singapore cents while Net Asset Value ("NAV") per share was 34.24 Singapore cents. This compared to an EPS of 3.47 Singapore cents as at 31



December 2014, which was based on 117,595,831 ordinary shares in issue, and a NAV per share of 32.40 Singapore cents as at 30 June 2015.

Outlook

ISOTeam's order book reached a record high of S\$89.7 million as at 31 January 2016. This robust pipeline includes S\$43.2 million worth of new R&R, A&A, coatings & paintings, waterproofing and interior design projects the Group secured in HY2016, which will be progressively delivered over the next 24 months.

In addition, ISOTeam is the lowest tenderer for three other projects collectively worth S\$10.4 million including:

1. R&R project for HDB -Term Contract for Building Tradesmen And Repair Works – Sector 1 (North Zone)
2. R&R project for HDB -Term Contract for Building Tradesmen And Repair Works – Sector 3 (East Zone)
3. R&R project for HDB -Term Contract for Building Tradesmen And Repair Works – Sector 4 (West Zone)

Looking ahead, ISOTeam expects the construction related services industry to face some headwinds in the next 12 months with intense price competition and climbing foreign workers' levies. Notwithstanding this, the Group remains optimistic of clinching new projects as the Singapore government continues to invest in the renewal and rejuvenation of older estates.

In particular, ISOTeam is upbeat about its latest acquisition, TMG Projects Pte. Ltd., which will enable the Group to expand its footprint into other untapped sectors and industries such as shopping malls, real estate investment trusts, factories, schools, hospitals, office, high-end hotels and residences. Not only is the Group's skill set in high-value commercial interior design enhanced with TMG on board but the new division is also expected to generate cost savings for ISOTeam through the use of advanced building technologies such as Light Gauge Steel Construction ("LGSC") method, which shortens project completion time.



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Said Mr Koh of the Group's outlook: *"We are cautiously optimistic about our performance over the next 12 months because of our strong order book, and proven ability to submit aggressive and competitive bids for new tenders coming online. In addition, our complementary acquisitions have given us new capabilities and sharper edge to penetrate new sectors and customer types in a bigger way."*

"ISOTeam has performed well beyond my expectations in Singapore. We have built up extensive experience and expertise over the years, and the time now looks ripe for the Group to start evaluating opportunities to expand our footprint beyond our shores. With the infrastructure boom in the region, I believe it is only a matter of time before we export our skillsets and capabilities," added Mr Koh.

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About ISOTeam Ltd.

Founded in 1998 and listed on Catalist of the Singapore Exchange Securities Trading Limited (SGX-ST) (Ticker: 5WF) on 12 July 2013, ISOTeam Ltd. is an established player in Singapore's building maintenance and estate upgrading industry with over 15 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken more than 300 public and private sector R&R and A&A projects for close to 3,000 buildings and counting since inception. ISOTeam also offers complementary niche services (Others) through its specialist waterproofing, commercial interior design and home retrofitting, coatings & paintings, landscaping, access leasing and green solutions subsidiaries. An eco-conscious company, we integrate green methodologies in our R&R, A&A and Others projects, and actively work with strategic partners and technology companies to develop and commercialise green solutions / products. ISOTeam's major customers include town councils, government bodies, and private sector building owners. For more information, please visit www.isoteam.com.sg.

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ISOTeam Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 12 July 2013. The initial public offering of the Company was sponsored by Hong Leong Finance Limited (the "Sponsor").

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release. This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release. 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.