



**ISOTEAM**

**ISOTEAM LTD.**

**(Company Registration No. 201230294M)**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024**

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group				Group		
	Note	Six Months Ended		Change	Twelve Months Ended		Change
		30.06.24	30.06.23		30.06.24	30.06.23	
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Income Statement</b>							
Revenue	3	67,424	56,538	19.3	130,168	110,400	17.9
Cost of sales		(55,580)	(50,464)	10.1	(109,996)	(99,338)	10.7
Gross profit		11,844	6,074	95.0	20,172	11,062	82.4
Other income	4	5,140	1,367	276.0	5,738	4,627	24.0
Marketing and distribution expenses		(382)	(394)	(3.0)	(733)	(814)	(10.0)
General and administrative expenses		(7,522)	(5,519)	36.3	(13,169)	(11,278)	16.8
Finance costs	5	(1,241)	(1,251)	(0.8)	(2,494)	(2,297)	8.6
Impairment loss on receivables and contract assets		(1,629)	(250)	551.6	(1,727)	(568)	204.0
Other operating expenses		(170)	(121)	40.5	(472)	(244)	93.4
<b>Profit/(loss) before tax</b>	6	<b>6,040</b>	<b>(94)</b>	N/M	<b>7,315</b>	<b>488</b>	N/M
Tax (expense)/credit	7	(720)	425	N/M	(711)	657	N/M
<b>Profit for the period/year</b>		<b>5,320</b>	<b>331</b>	N/M	<b>6,604</b>	<b>1,145</b>	476.8
<b>Profit/(loss) attributable to:</b>							
Equity holders of the Company		5,106	355	N/M	6,513	1,405	363.6
Non-controlling interests		214	(24)	N/M	91	(260)	N/M
		<b>5,320</b>	<b>331</b>	N/M	<b>6,604</b>	<b>1,145</b>	476.8

"N/M" denotes Not Meaningful

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Group				Group		
	Note	Six Months Ended		Change	Twelve Months Ended		Change
		30.06.24	30.06.23		30.06.24	30.06.23	
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Statement of Comprehensive Income</b>							
Profit for the period/year		5,320	331	N/M	6,604	1,145	476.8
<b>Other comprehensive income/(loss):</b>							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation gain/(loss)		1	(1)	(200.0)	(1)	-	N/M
<b>Other comprehensive income/(loss) for the period/year, net of tax</b>		1	(1)	(200.0)	(1)	-	N/M
<b>Total comprehensive income for the period/year</b>		<b>5,321</b>	<b>330</b>	N/M	<b>6,603</b>	<b>1,145</b>	476.7
<b>Total comprehensive income/(loss) attributable to:</b>							
Equity holders of the Company		5,108	356	N/M	6,511	1,404	363.7
Non-controlling interests		213	(26)	N/M	92	(259)	N/M
		<b>5,321</b>	<b>330</b>	N/M	<b>6,603</b>	<b>1,145</b>	476.7

"N/M" denotes Not Meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 30.06.24	As at 30.06.23	As at 30.06.24	As at 30.06.23
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment		19,990	21,525	-	-
Goodwill	11	1,662	1,662	-	-
Intangible assets		128	210	-	18
Investment in subsidiaries	12	-	-	36,907	25,636
Other investments	13	4,675	3,467	4,675	3,467
Deferred tax assets		811	1,098	-	-
		27,266	27,962	41,582	29,121
<b><u>Current assets</u></b>					
Contract assets		42,237	36,064	-	-
Inventories		-	194	-	-
Tax recoverable		-	112	-	-
Trade and other receivables		27,890	29,875	12,215	6,852
Cash and bank balances		10,911	6,799	1,101	266
<b>Total current assets</b>		81,038	73,044	13,316	7,118
<b>Total assets</b>		<b>108,304</b>	<b>101,006</b>	<b>54,898</b>	<b>36,239</b>
<b><u>Non-current liabilities</u></b>					
Lease liabilities	14	2,622	3,305	-	-
Deferred tax liabilities		105	105	4	4
Loans and borrowings	14	10,051	13,543	1,079	1,686
<b>Total non-current liabilities</b>		12,778	16,953	1,083	1,690
<b><u>Current liabilities</u></b>					
Contract liabilities		1,635	2,265	-	-
Loans and borrowings	14	24,094	30,597	5,108	6,299
Trade and other payables		25,433	24,337	4,017	2,980
Lease liabilities	14	1,205	1,183	-	-
Provision for taxation		284	-	-	-
<b>Total current liabilities</b>		52,651	58,382	9,125	9,279
<b>Total liabilities</b>		<b>65,429</b>	<b>75,335</b>	<b>10,208</b>	<b>10,969</b>
<b>Net assets</b>		<b>42,875</b>	<b>25,671</b>	<b>44,690</b>	<b>25,270</b>

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group		Company	
		As at 30.06.24	As at 30.06.23	As at 30.06.24	As at 30.06.23
		\$'000	\$'000	\$'000	\$'000
<b>Share capital and reserves</b>					
Share capital	15	54,321	43,743	54,321	43,743
Treasury shares	16	(152)	(152)	(152)	(152)
Accumulated losses		(4,044)	(10,557)	(9,648)	(18,467)
Foreign currency translation reserve		30	32	-	-
Merger reserve		(7,305)	(7,305)	-	-
Other reserves		62	39	169	146
Equity attributable to equity holders of the Company		42,912	25,800	44,690	25,270
Non-controlling interests		(37)	(129)	-	-
<b>Total equity</b>		<b>42,875</b>	<b>25,671</b>	<b>44,690</b>	<b>25,270</b>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Attributable to equity holders of the Company							Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated losses \$'000	Total \$'000		
<b>Balance at 1 July 2022, restated</b>	<b>43,743</b>	<b>(152)</b>	<b>(7,338)</b>	<b>33</b>	<b>(60)</b>	<b>(11,962)</b>	<b>24,264</b>	<b>(3,344)</b>	<b>20,920</b>
Profit/(loss) for the year	-	-	-	-	-	1,405	1,405	(260)	1,145
<b>Other comprehensive income</b>									
Foreign currency translation (loss)/gain	-	-	-	(1)	-	-	(1)	1	-
Other comprehensive (loss)/income for the year, net of tax	-	-	-	(1)	-	-	(1)	1	-
Total comprehensive (loss)/income for the year	-	-	-	(1)	-	1,405	1,404	(259)	1,145
<b>Changes in ownership interest in a subsidiary</b>									
Disposal of a subsidiary	-	-	33	-	(29)	-	4	-	4
Elimination of non-controlling interest at disposal	-	-	-	-	-	-	-	3,474	3,474
	-	-	33	-	(29)	-	-	3,474	3,478
Equity-settled share-based payment	-	-	-	-	128	-	128	-	128
	-	-	-	-	128	-	128	-	128
Total transactions with equity holders of the Company	-	-	33	-	99	-	132	3,474	3,606
<b>Balance at 30 June 2023</b>	<b>43,743</b>	<b>(152)</b>	<b>(7,305)</b>	<b>32</b>	<b>39</b>	<b>(10,557)</b>	<b>25,800</b>	<b>(129)</b>	<b>25,671</b>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Attributable to equity holders of the Company							Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated losses \$'000	Total \$'000		
Balance at 1 July 2023	43,743	(152)	(7,305)	32	39	(10,557)	25,800	(129)	25,671
Profit for the year	-	-	-	-	-	6,513	6,513	91	6,604
<b>Other comprehensive income</b>									
Foreign currency translation (loss)/gain	-	-	-	(2)	-	-	(2)	1	(1)
Other comprehensive (loss)/ income for the year, net of tax	-	-	-	(2)	-	-	(2)	1	(1)
Total comprehensive (loss)/ income for the year	-	-	-	(2)	-	6,513	6,511	92	6,603
<b>Contribution by and distributions to equity holders</b>									
Issue of share capital via right issue	10,415	-	-	-	-	-	10,415	-	10,415
Equity-settled share-based payment exercised	311	-	-	-	(311)	-	-	-	-
Transaction costs related to issue of ordinary shares	(148)	-	-	-	-	-	(148)	-	(148)
	10,578	-	-	-	(311)	-	10,267	-	10,267

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Group	Attributable to equity holders of the Company						Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated losses \$'000			
Equity-settled share-based payment	-	-	-	-	337	-	337	-	337
Forfeiture of share awards	-	-	-	-	(3)	-	(3)	-	(3)
Total transaction with equity holders of the Company	-	-	-	-	334	-	334	-	334
<b>At 30 June 2024</b>	<b>54,321</b>	<b>(152)</b>	<b>(7,305)</b>	<b>30</b>	<b>62</b>	<b>(4,044)</b>	<b>42,912</b>	<b>(37)</b>	<b>42,875</b>



C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Company	Share Capital \$'000	Treasury Capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 30 June 2022 and 1 July 2022</b>	<b>43,743</b>	<b>(152)</b>	<b>18</b>	<b>(15,847)</b>	<b>27,762</b>
Loss and total comprehensive loss for the year	-	-	-	(2,620)	(2,620)
<b>Contribution by and distributions to equity holders</b>					
Equity-settled share-based payment	-	-	128	-	128
	-	-	128	-	128
<b>Balance at 30 June 2023 and 1 July 2023</b>	<b>43,743</b>	<b>(152)</b>	<b>146</b>	<b>(18,467)</b>	<b>25,270</b>
Profit and total comprehensive income for the year	-	-	-	8,819	8,819
<b>Contribution by and distributions to equity holders</b>					
Issue of share capital via right issue	10,415	-	-	-	10,415
Transaction costs related to issue of share capital	(148)	-	-	-	(148)
	10,267	-	-	-	10,267
Equity-settled share-based payment	-	-	337	-	337
Equity-settled share-based payment exercised	311	-	(311)	-	-
Forfeiture of share awards	-	-	(3)	-	(3)
	311	-	23	-	334
<b>Total transactions with equity holders of the Company</b>	<b>10,578</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>10,601</b>
<b>Balance at 30 June 2024</b>	<b>54,321</b>	<b>(152)</b>	<b>169</b>	<b>(9,648)</b>	<b>44,690</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>	
	<b>Twelve Months Ended</b>	
	<b>30.06.24</b>	<b>30.06.23</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	7,315	488
Adjustments for: -		
Amortisation of intangible assets	136	287
Depreciation of property, plant and equipment	3,101	3,381
Net gain on disposal of property, plant and equipment	(33)	(23)
Impairment loss on receivables and contract assets	1,727	775
Interest income	(261)	(116)
Interest expense	2,192	2,227
Bad debts recovered	(30)	(38)
Inventories written off	159	-
Gain on disposal of subsidiary(ies)	(3,285)	(2,447)
Gain on lease modification (net)	(28)	-
Equity-settled share-based payments	337	128
Fair value gain on other investments	(1,208)	-
<b>Operating cash flows before working capital changes</b>	<b>10,122</b>	<b>4,662</b>
Contract assets	(7,474)	(12,595)
Contract liabilities	(629)	1,494
Inventories	35	(30)
Trade and other receivables	(4,883)	(14,528)
Trade and other payables	8,815	10,851
<b>Cash generated from/(used in) from operations</b>	<b>5,986</b>	<b>(10,146)</b>
Interest received	261	116
Tax paid	(28)	(3)
<b>Net cash generated from/(used in) operating activities</b>	<b>6,219</b>	<b>(10,033)</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

	<b>Group</b>	
	<b>Twelve Months Ended</b>	
	<b>30.06.24</b>	<b>30.06.23</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from investing activities</b>		
Additions to intangible assets	(4)	(80)
Purchases of property, plant and equipment	(982)	(1,101)
Proceeds from disposal of property, plant and equipment	126	95
Net cash outflow from disposal of a subsidiary ( <b>Note A</b> )	(7)	-
<b>Net cash used in investing activities</b>	<b>(867)</b>	<b>(1,086)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	10,415	-
Transaction costs related to issue of share capital	(148)	-
Withdraw/(Placement) of fixed deposits pledged to banks	996	(2,539)
Due to related parties (non-trade)	(4)	-
Due to directors (non-trade)	(240)	89
Drawdown of bank borrowings	49,698	43,669
Repayment of bank borrowings	(56,717)	(41,056)
Interest paid	(2,192)	(2,132)
Repayment of lease liabilities	(1,350)	(1,257)
<b>Net cash generated from/(used in) financing activities</b>	<b>458</b>	<b>(3,226)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,810</b>	<b>(14,345)</b>
<b>Cash and cash equivalents at beginning of financial period/year</b>	<b>1,766</b>	<b>16,111</b>
<b>Cash and cash equivalents at end of financial period/ year</b>	<b>7,576</b>	<b>1,766</b>

**Notes to the Consolidated Statement of Cash Flows**

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

	<b>Group</b>	
	<b>Twelve Months Ended</b>	
	<b>30.06.24</b>	<b>30.06.23</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash in hand and at bank	7,740	2,632
Fixed deposits	3,171	4,167
	<b>10,911</b>	<b>6,799</b>
Less: Fixed deposits pledged	(3,171)	(4,167)
Less: Bank overdrafts	(164)	(866)
	<b>7,576</b>	<b>1,766</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

**Note A**

<b><u>Net cash outflow on disposal of subsidiary</u></b>	<b>\$'000</b>
Property, plant and equipment	24
Right-of-use assets	12
Trade and other receivables	6,422
Cash and cash equivalents	7
Lease liabilities	(13)
Borrowings	(2,281)
Trade and other payables	(7,456)
Net liabilities derecognised	(3,285)
Add: Goodwill	-
Net assets disposed of	<u>(3,285)</u>
Net assets disposed of (as above)	3,285
Gain on disposal of subsidiaries	<u>3,285</u>
Cash proceeds on disposal	*
(Less): Cash and cash equivalents in subsidiaries disposed of	<u>(7)</u>
Net cash outflow on disposal	<u>(7)</u>

\*: Amount is less than \$1,000

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate information**

The Company (Co. Reg. No. 201230294M) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is at No. 8 Changi North Street 1, Singapore 498829.

The principal activities of the Group are provision of repair and redecoration services, addition and alteration services, provision of coating and painting services and others including revenue from home retrofitting business, landscaping works, interior designs, leasing, mechanical & electrical engineering works, renewable solutions works, vector control services and handyman services.

### **2. Basis of preparation**

The condensed interim financial statements for the six months and full year ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar ("S") which is the Company's functional currency and all values are rounded to the nearest thousand ("S'000") as indicated.

#### **2.1. New and amended standard adopted by the Group**

A number of amendments to SFRS(I)s have become applicable for the current reporting period/year which does not have significant impact to the Group.

#### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

### **2.2. Use of judgements and estimates (Cont'd)**

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

- Note 11: Impairment testing of goodwill – Key assumptions underlying recoverable amounts

### **3. Segment and revenue information**

The Group is organised into the following main business segments:

- Segment 1: Repairs & Redecoration ("R&R")
- Segment 2: Addition & Alteration ("A&A")
- Segment 3: Coating & Painting ("C&P")
- Segment 4: Others included revenue from home retrofitting business, landscaping works, interior design, leasing, mechanical & electrical engineering works, renewable solutions works, vector control services and handyman services.

These operating segments are a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.1. Operating segments

1 January 2024 to 30 June 2024	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
<b>Segment revenue</b>	24,080	26,412	9,705	7,227	<b>67,424</b>
<b>Segment profit/(loss)</b>	(1,521)	967	3,429	3,093	<b>5,968</b>
Depreciation and amortisation					(1,608)
Other non-cash income					2,867
Interest income					54
Finance costs					(1,241)
<b>Profit before tax</b>					<b>6,040</b>
<b>Segment assets</b>	21,990	29,682	9,462	44,701	105,835
<b>Unallocated assets</b>					2,469
<b>Total assets</b>					<b>108,304</b>
<b>Segment liabilities</b>	6,214	89	4,606	14,774	25,683
<b>Unallocated liabilities</b>					39,746
<b>Total liabilities</b>					<b>65,429</b>
1 January 2023 to 30 June 2023	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
<b>Segment revenue</b>	19,111	14,403	8,064	14,960	<b>56,538</b>
<b>Segment profit/(loss)</b>	5,453	(1,354)	934	(1,866)	<b>3,167</b>
Depreciation and amortisation					(1,644)
Other non-cash expense					(457)
Interest income					91
Finance costs					(1,251)
<b>Profit before tax</b>					<b>(94)</b>
<b>Segment assets</b>	16,163	20,552	10,487	51,169	98,371
<b>Unallocated assets</b>					2,635
<b>Total assets</b>					<b>101,006</b>
<b>Segment liabilities</b>	5,983	479	9,004	19,420	34,886
<b>Unallocated liabilities</b>					40,449
<b>Total liabilities</b>					<b>75,335</b>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.1. Operating segments (cont'd)

1 July 2023 to 30 June 2024	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
<b>Segment revenue</b>	50,423	45,142	17,370	17,233	<b>130,168</b>
<b>Segment profit/(loss)</b>	5,052	825	4,809	(670)	<b>10,016</b>
Depreciation and amortisation					(3,237)
Other non-cash income					2,769
Interest income					261
Finance costs					(2,494)
<b>Profit before tax</b>					<b>7,315</b>
<b>Segment assets</b>	21,990	29,682	9,462	44,701	105,835
<b>Unallocated assets</b>					2,469
<b>Total assets</b>					<b>108,304</b>
<b>Segment liabilities</b>	6,214	89	4,606	14,774	25,683
<b>Unallocated liabilities</b>					39,746
<b>Total liabilities</b>					<b>65,429</b>
1 July 2022 to 30 June 2023	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
<b>Segment revenue</b>	35,619	33,325	13,163	28,293	<b>110,400</b>
<b>Segment profit/(loss)</b>	7,293	(1,932)	295	(990)	<b>4,666</b>
Depreciation and amortisation					(3,668)
Other non-cash income					1,671
Interest income					116
Finance costs					(2,297)
<b>Profit before tax</b>					<b>488</b>
<b>Segment assets</b>	16,163	20,552	10,487	51,169	98,371
<b>Unallocated assets</b>					2,635
<b>Total assets</b>					<b>101,006</b>
<b>Segment liabilities</b>	5,983	479	9,004	19,420	34,886
<b>Unallocated liabilities</b>					40,449
<b>Total liabilities</b>					<b>75,335</b>



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.2. Disaggregation of revenue

1 January 2024 to 30 June 2024	The Group 6 months ended 30 June 2024				Total \$'000
	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	
Types of goods or service:					
Revenue from contracts	24,080	26,412	9,705	3,118	63,315
Revenue from other services	-	-	-	4,109	4,109
<b>Total revenue</b>	<b>24,080</b>	<b>26,412</b>	<b>9,705</b>	<b>7,227</b>	<b>67,424</b>
Timing of revenue recognition:					
At a point in time	-	-	-	1,344	1,344
Over time	24,080	26,412	9,705	5,883	66,080
<b>Total revenue</b>	<b>24,080</b>	<b>26,412</b>	<b>9,705</b>	<b>7,227</b>	<b>67,424</b>

1 January 2023 to 30 June 2023	The Group 6 months ended 30 June 2023				Total \$'000
	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	
Types of goods or service:					
Revenue from contracts	19,111	14,403	8,064	12,208	53,786
Revenue from other services	-	-	-	2,752	2,752
<b>Total revenue</b>	<b>19,111</b>	<b>14,403</b>	<b>8,064</b>	<b>14,960</b>	<b>56,538</b>
Timing of revenue recognition:					
Over time	19,111	14,403	8,064	14,960	56,538
<b>Total revenue</b>	<b>19,111</b>	<b>14,403</b>	<b>8,064</b>	<b>14,960</b>	<b>56,538</b>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.2. Disaggregation of revenue (Cont'd)

	The Group				Total
	12 months ended 30 June 2024				
1 July 2023 to 30 June 2024	R&R	A&A	C&P	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or service:					
Revenue from contracts	50,423	45,142	17,370	12,640	125,575
Revenue from other services	-	-	-	4,593	4,593
Revenue from leasing	-	-	-	-	-
<b>Total revenue</b>	<b>50,423</b>	<b>45,142</b>	<b>17,370</b>	<b>17,233</b>	<b>130,168</b>
Timing of revenue recognition:					
At a point in time	-	-	-	1,344	1,344
Over time	50,423	45,142	17,370	15,889	128,824
<b>Total revenue</b>	<b>50,423</b>	<b>45,142</b>	<b>17,370</b>	<b>17,233</b>	<b>130,168</b>

	The Group				Total
	12 months ended 30 June 2023				
1 July 2022 to 30 June 2023	R&R	A&A	C&P	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or service:					
Revenue from contracts	35,619	33,325	13,163	23,638	105,745
Revenue from other services	-	-	-	3,184	3,184
Revenue from leasing	-	-	-	1,419	1,419
Sale of goods	-	-	-	52	52
<b>Total revenue</b>	<b>35,619</b>	<b>33,325</b>	<b>13,163</b>	<b>28,293</b>	<b>110,400</b>
Timing of revenue recognition:					
At a point in time	-	-	-	52	52
Over time	35,619	33,325	13,163	28,241	110,348
<b>Total revenue</b>	<b>35,619</b>	<b>33,325</b>	<b>13,163</b>	<b>28,293</b>	<b>110,400</b>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Other Income

	The Group			
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Government grants	245	667	334	1,045
Gain on disposal of property, plant and equipment	39	20	56	24
Interest income	54	90	261	116
Administrative income	86	26	132	58
Foreign exchange gain	9	16	13	25
Bad debts recovered	13	38	30	38
Gain on disposal of subsidiary(ies)	3,285	-	3,285	2,447
Fair value gain on other investment	1,208	-	1,208	-
Sales of spare parts	-	-	-	72
Others	200	510	419	802
	<b>5,140</b>	<b>1,367</b>	<b>5,738</b>	<b>4,627</b>

5. Finance costs

	The Group			
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Interest expenses	1,040	1,012	2,153	1,901
Bank charges	133	192	234	324
Factoring charges	68	47	107	72
	<b>1,241</b>	<b>1,251</b>	<b>2,494</b>	<b>2,297</b>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. Profit/(loss) before tax

	The Group			
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Amortisation of intangible assets	23	120	136	287
Allowance for impairment on receivables and contract assets	1,629	456	1,727	775
Depreciation of property, plant and equipment	1,585	1,524	3,101	3,381
Inventories written off	159	-	159	-
Equity-settled share-based payment	148	128	337	128
Loss on disposal of plant and equipment	20	5	23	1

7. Tax expenses/(credit)

	The Group			
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
<b>Tax expense/(credit) attributable to profit/(loss) is made up of:</b>				
Current income tax:				
- Current year	550	-	550	-
- Over provision of taxation in prior years	(130)	-	(127)	-
Deferred income:				
- Current year	300	(425)	288	(657)
	<u>720</u>	<u>(425)</u>	<u>711</u>	<u>(657)</u>

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**8. Earnings per share**

The following reflects the profit attributable to the equity holders of the Company and the number of ordinary shares used in the earnings per share computation:

	<b>The Group</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Profit attributable to equity holders of the Company (\$'000)	5,106	355	6,513	1,405
Weighted average number of ordinary shares Ordinary shares used in calculation of basic earnings per ordinary shares	<u>719,181,550</u>	<u>497,830,000</u>	<u>719,181,550</u>	<u>497,830,000</u>
Basis earnings per share (cents)	<u>0.71</u>	<u>0.07</u>	<u>0.91</u>	<u>0.28</u>
Profit attributable to equity holders of the Company (\$'000)	5,106	355	6,513	1,405
Weighted average number of ordinary shares Ordinary shares used in calculation of basic earnings per ordinary shares	719,181,550	497,830,000	719,181,550	497,830,000
Potential ordinary shares issuable under ISOTeam PSP	<u>9,675,000</u>	<u>2,315,000</u>	<u>9,675,000</u>	<u>2,315,000</u>
Weighted average number of ordinary shares outstanding for diluted earnings per ordinary shares	<u>728,856,550</u>	<u>500,145,000</u>	<u>728,856,550</u>	<u>500,145,000</u>
Diluted earnings per share (cents)	<u>0.70</u>	<u>0.07</u>	<u>0.89</u>	<u>0.28</u>

For the financial year ended 30 June 2024, the potential ordinary shares used to compute the “diluted earnings per share” included the share awards granted under ISOTeam PSP 2023 and 3,225,000 share awards granted under ISOTeam PSP 2013 announced on 1 July 2024 and 21 February 2023 respectively. For the financial year ended 30 June 2023, the potential ordinary shares used to compute the “diluted earnings per share” included the share awards granted under ISOTeam PSP 2013.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**9. Net Asset Value**

	The Group As at		The Company As at	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Net assets value (\$'000)	42,912	25,800	44,690	25,270
Number of ordinary shares	697,566,862	347,170,931	697,566,862	347,170,931
Net assets value per ordinary share (cents)	6.15	7.43	6.41	7.28

**10. Property, plant and equipment**

During the 6 months and 12 months ended 30 June 2024, the Group acquired assets amounting to \$1,283,000 and \$1,013,000 respectively and disposed of assets amounting to \$47,000 and \$87,000 respectively.

**11. Goodwill**

	The Group As at	
	30 June 2024 \$'000	30 June 2023 \$'000
<b>Cost</b>		
At 1 July	9,520	10,341
Disposal of subsidiaries	-	(821)
At 30 June	9,520	9,520
<b>Accumulated impairment loss</b>		
At 1 July	7,858	8,679
Disposal of subsidiaries	-	(821)
At 30 June	7,858	7,858
Net carrying value	1,662	1,662

**Impairment testing of goodwill**

The recoverable amount of the CGU has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

As at 30 June 2024, the Group reviewed the key assumptions used in the value-in-use calculation as at 30 June 2023 impairment test and has made changes to the assumptions. No impairment loss was recognised as at 30 June 2024.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**11. Goodwill (Cont'd)**

**Impairment testing of goodwill (Cont'd)**

Goodwill allocated to the respective cash generating unit ("CGU") are as follows:

	<b>The Group</b>	
	<b>As at</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
<b>Cash Generating Unit and principal activities</b>		
	<b>\$'000</b>	<b>\$'000</b>
<b>CGU 1 - Repair &amp; redecoration and coatings &amp; paintings</b>	1,383	1,383
<b>CGU 2 - Landscaping works</b>	279	279
	<b>1,662</b>	<b>1,662</b>

Key assumptions used in value-in-use calculations

The recoverable amounts for the above CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a 5-year period. These key inputs and assumptions were estimated by management based on prevailing economic and other conditions at the end of the reporting period. The key assumptions applied to the 5-year cash flow projections are as follows:

	<b>CGU 1</b>	<b>CGU 2</b>
<b>2024</b>		
Terminal value growth rate	2.50%	2.50%
Pre-tax discount rate	10.08%	10.89%
<b>2023</b>		
Terminal value growth rate	2.50%	2.50%
Pre-tax discount rate	10.44%	10.35%

Forecast revenue growth rate - Revenue is computed based on secured order book and potential contracts.

Terminal value growth rate - Cash flows beyond the five-year period are forecasted based on terminal growth rate of 2.5% which does not exceed the nominal GDP rates for the countries in which the CGU operates.

Pre-tax discount rate - Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity.

## E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 11. Goodwill (Cont'd)

#### Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

### 12. Investment in subsidiaries

#### Disposal of a subsidiary

On 17 May 2024, the Company has disposed of its wholly-owned subsidiary, ISO-Integrated M&E Pte Ltd for a cash consideration of \$1. The Group has recorded a gain on disposal of S\$3,285,000 as disclosed under Note 4 – Other income.

#### Impairment assessment of the Company's investment in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimate of the value-in-use ("VIU") of the subsidiaries. Estimating the VIU requires the Company to make an estimate of the future cash flows expected from the cash generating unit and appropriate discount rate in order to calculate the present value of these cash flows. The forecasts used to estimate the future cash flows are subject to the risks noted in the impairment assessments of the goodwill. Information about the assumptions and risk factors are disclosed in Note 11.

Based on the Company's assessment, a reversal of impairment loss of S\$10,489,000 (2023: Impairment loss of S\$5,000,000) is recognised during the financial year as the recoverable amounts assessed is higher than the carrying amounts of the cash generating units.

### 13. Other investments

	The Group As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Unquoted equity shares - Financial assets at fair value through profit or loss	4,675	3,467

The Sub-Funds will be managed by a fund manager appointed by the VCC during the investment period of 24 months (the "Term"). Upon expiry of the Term or the occurrence of certain events, the Company will redeem its investment in the Sub-Funds with the redemption price being the net proceeds from the liquidation or disposal of the investments in the Sub-Funds. Consequently, the Group measures the interests in the Sub-Funds at fair value through profit or loss.

The fair values of SA Sub-Fund and GH Sub-Fund are determined by reference to quarterly reports issued by the VCC's professional fund manager based on the income approach method. This fair value measurement was categorised in Level 3 of the fair value hierarchy.



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14. Borrowings

	The Group	
	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
<b><u>Amount repayable in one year or less, or on demand</u></b>		
Secured	24,699	30,980
Unsecured	600	800
<b><u>Amount repayable after one year</u></b>		
Secured	12,673	16,848
	<u>37,972</u>	<u>48,628</u>

**Notes**

a ) Bank borrowings amounting to \$34.2 million are secured by:

- i. charges over fixed deposits;
- ii. mortgage over the Group's leasehold properties;
- iii. first fixed charge over receivables arising from invoices financed directly or indirectly over the account in which the receivables are deposited;
- iv. corporate guarantee from the Company and a subsidiary; and
- v. assignment of the rights, titles and benefits under existing and future tenancy agreements and rental income over the Group's leasehold properties

b ) Lease liabilities of the Group amounting to \$3.8 million are secured by the rights to the leased equipment, machineries and motor vehicles.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. Share capital

	Group and Company			
	30 June 2024		31 December 2023	
	Number of issued shares '000	Issued share capital \$'000	Number of issued shares '000	Issued share capital \$'000
At 1 July	348,366	43,743	348,366	43,743
Rights Issue	347,171	10,267	347,171	10,267
Equity-settled share-based payment exercised	3,225	311	-	-
At 30 June/31 December	698,762	54,321	695,537	54,010

Following the completion of the Rights Issue, 347,170,931 Rights Shares have been allotted and issued on 22 August 2023 and the issuance of 3,225,000 shares under ISOTeam PSP on 2 January 2024, the total number of issued shares (including treasury shares) has increased from 695,537,521 shares as at 31 December 2023 to 698,762,521 shares as at 30 June 2024.

As at 30 June 2024 and 30 June 2023, the Company does not have any outstanding convertibles.

	Group and Company	
	30 June 2024	30 June 2023
	No. of shares '000	No. of shares '000
Total number of issued shares, including treasury shares	698,762	348,366
Treasury shares	(1,195)	(1,195)
Total number of issued shares, excluding treasury shares	<b>697,567</b>	<b>347,171</b>

16. Treasury shares

	Group and Company			
	2024		2023	
	Number of treasury shares '000	Value of shares \$'000	Number of treasury shares '000	Value of shares \$'000
At 1 July and 30 June	1,195	152	1,195	152
Percentage (%) of treasury shares against total number of shares outstanding as at 30 June	0.2%		0.3%	

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**16. Treasury shares (Cont'd)**

Treasury shares relate to ordinary shares of the Company that is held by the Company.

Accordingly, the Company has a total number of 1,195,659 treasury shares as at 30 June 2023 and as at 30 June 2024, there were no sales, transfers, cancellation and/or use of treasury shares during FY2024.

There were no shares held by subsidiary holdings as at 30 June 2024 and 30 June 2023.

**17. Related parties**

**17a.** In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and the related parties at terms agreed between the parties:

	<b>The Group</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
<b>Group</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>With related parties</b>				
<i>Expenses</i>				
Purchases	1,810	1,468	4,072	3,416
<b>Company</b>				
Receipts on behalf	(1,350)	(42)	(1,350)	(236)
Loan	694	12	8,192	3,962
Repayment of loan	(369)	(100)	(594)	(808)
<i>Income</i>				
Management fee	(955)	(773)	(2,087)	(1,666)
Interest income	(27)	(16)	(67)	(114)
<i>Expenses</i>				
Recharge of expense	29	3	67	6

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**17. Related parties**

**17b. Compensation of key management personnel.**

There were no significant changes to the key management personnel in FY2024. There were no changes to the compensation scheme in FY2024.

**18. Fair value hierarchy**

The Group and Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c) Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The financial assets at fair value through profit or loss was classified as Level 3. The fair value of the unquoted equity shares was determined by reference to the investee company's share issuance transaction price during the year. The measurement of fair value of the unquoted equity shares was performed by the Group's finance team, based on evidence obtained from the investee company to assess if the share issuance transaction price is supportable and the appropriate classification of the fair value level hierarchy measurement for this financial asset.

A higher share issuance transaction price will result in a higher fair value measurement.

Movements in Level 3 assets and liabilities measured at fair value

	Unquoted equity shares	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	3,467	-
Fair value gain recognised in profit or loss	1,208	-
Addition during the year	-	3,467
Balance at end of financial year	<u>4,675</u>	<u>3,467</u>

**19. Subsequent events**

On 1 July 2024, the Company has granted 6,450,000 share awards under the ISOTeam Performance Share Plan 2023 to selected employees of the Company.

On 2 July 2024, TMS Alliances Pte Ltd, a wholly-owned subsidiary of the Company, had incorporated a wholly-owned subsidiary, ISOTeam BuildTech Pte. Ltd., with an issued and paid-up capital of \$100 comprising 100 ordinary shares. The principal business of the entity is to house the Group's expanding AI-enabled capability, including its growing robotic workforce comprising a fleet of drone for façade inspection, washing and painting.

**Other Information Required by Listing Rule**

**Appendix 7C**

## OTHER INFORMATION

- The condensed interim consolidated statements of financial position of ISOTeam Ltd and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statements of changes in equity and condensed interim consolidated statements of cash flows for the six-months period and full year ended 30 June 2024 and certain explanatory notes have not been audited or reviewed.
- Review of performance of the Group**

Revenue	Group					Group				
	Six Months Ended					Twelve Months Ended				
	30.06.24		30.06.23		Change	30.06.24		30.06.23		Change
	\$'000	%	\$'000	%		\$'000	%	\$'000	%	
R&R	24,080	35.7	19,111	33.8	26.0	50,423	38.7	35,619	32.3	41.6
A&A	26,412	39.2	14,403	25.5	83.4	45,142	34.7	33,325	30.2	35.5
C&P	9,705	14.4	8,064	14.3	20.3	17,370	13.3	13,163	11.9	32.0
Others <sup>(a)</sup>	7,227	10.7	14,960	26.4	(51.7)	17,233	13.3	28,393	25.6	(39.1)
	<b>67,424</b>	<b>100.0</b>	<b>56,538</b>	<b>100.0</b>	19.3	<b>130,168</b>	<b>100.0</b>	<b>110,400</b>	<b>100.0</b>	17.9

<sup>(a)</sup> Others included revenue from home retrofitting business, landscaping works, interior design, leasing, mechanical & electrical engineering works, renewable solutions works, vector control services and handyman services.

### Condensed Interim Consolidated Statement of Comprehensive income

#### Revenue

##### 2HY2024 vs 2HY2023

The Group's revenue increased by \$10.9 million or 19.3% from \$56.5 million in 2HY2023 to \$67.4 million in 2HY2024. Revenue increase was mainly due to higher revenue generated by the core business segments (R&R, A&A and C&P), partially offset by the decrease in revenue from the Others business segment as a result of disposal of a subsidiary.

##### FY2024 vs FY2023

The Group's revenue increased by \$19.8 million or 17.9% from \$110.4 million in FY2023 to \$130.2 million in FY2024. Revenue increase was mainly due to higher revenue generated by the core business segments, partially offset by the decrease in revenue from the Others business segment as a result of disposal of subsidiary(ies) in FY2024 and FY2023 respectively.

#### Gross profit and gross profit margin

##### 2HY2024 vs 2HY2023 and FY2024 vs FY2023

The Group's gross profit increased by \$5.8 million from \$6.1 million in 2HY2023 to \$11.9 million in 2HY2024 and increased by \$9.1 million from \$11.1 million in FY2023 to \$20.2 million in FY2024 mainly due to improved margins.

## 2. **Review of performance of the Group (Cont'd)**

### **Condensed Interim Consolidated Statement of Comprehensive income (Cont'd)**

#### **Other income**

##### **2HY2024 vs 2HY2023 and FY2024 vs FY2023**

The Group's other income increased by \$3.7 million from \$1.4 million in 2HY2023 to \$5.1 million in 2HY2024 and increased by \$1.1 million from \$4.6 million in FY2023 to \$5.7 million in FY2024. The higher other income in FY2024 was mainly due to one-off gain on disposal of a subsidiary and fair value gain on other investments.

#### **Marketing and distribution expenses**

##### **2HY2024 vs 2HY2023 and FY2024 vs FY2023**

There were no material changes in the Group's marketing and distribution expenses for the financial period. The Group's marketing and distribution expenses decreased by \$0.1 million or 10.0% from \$0.8 million in FY2023 to \$0.7 million in FY2024. The decrease was mainly due to reduction in staff cost as a result of the disposal of a subsidiary.

#### **General and administrative expenses**

##### **2HY2024 vs 2HY2023 and FY2024 vs FY2023**

The Group's general and administrative expenses increased by \$2.0 million or 36.3% from \$5.5 million in 2HY2023 to \$7.5 million in 2HY2024 and increased by \$1.9 million or 16.8% from \$11.3 million in FY2023 to \$13.2 million in FY2024. The increase was mainly attributable to the increase in staff salaries & bonuses and professional fees.

#### **Finance costs**

##### **2HY2024 vs 2HY2023 and FY2024 vs FY2023**

There were no material changes in the Group's finance costs for the financial period. The Group's finance costs increased by \$0.2 million or 8.6% from \$2.3 million in FY2023 to \$2.5 million in FY2024. This was mainly due to higher utilisation of trade facilities and higher interest incurred on bank borrowings.

#### **Impairment loss on receivables and contract assets**

##### **2HY2024 vs 2HY2023 and FY2024 vs FY2023**

The Group's impairment loss on receivables and contract assets increased by \$1.4 million from \$0.2 million in 2HY2023 to \$1.6 million in 2HY2024 and increased by \$1.1 million from \$0.6 million in FY2023 to \$1.7 million in FY2024. This was due to the increase in credit risk and changes in market conditions that has affected the value of contract assets and receivables.



## 2. **Review of performance of the Group (Cont'd)**

### **Condensed Interim Consolidated Statement of Comprehensive income (Cont'd)**

#### **Other operating expenses**

##### **2HY2024 vs 2HY2023 and FY2024 vs FY2023**

The Group's other operating expenses increased by \$0.1 million from \$0.1 million in 2HY2023 to \$0.2 million in 2HY2024 and increased by \$0.3 million from \$0.2 million in FY2023 to \$0.5 million in FY2024. The increase was mainly due to equity-settled share-based compensation.

#### **Profit before tax**

##### **2HY2024 vs 2HY2023 and FY2024 vs FY2023**

As a result of the above, the Group recorded a profit before tax of \$6.0 million in 2HY2024 compared to a loss before tax of \$0.1 million in 2HY2023 and a profit before tax of \$7.3 million in FY2024 compared to a profit before tax of \$0.5 million in FY2023.

#### **Tax (expense)/credit**

##### **2HY2024 vs 2HY2023 and FY2024 vs FY2023**

The Group recorded a tax credit of \$0.4 million in 2HY2023 compared to tax expense of \$0.7 million in 2HY2024 due to provision of tax expense and tax credit of \$0.7 million in FY2023 compared to tax expense of \$0.7 million in FY2024 due to recognition of income tax expense.

### **Condensed Interim Statements of Financial Position**

#### **Non-current assets**

The Group's non-current assets decreased by \$0.7 million from \$28.0 million as at 30 June 2023 to \$27.3 million as at 30 June 2024, mainly due to decrease in property, plant and equipment offset by the increase in other Investments.

#### **Current assets**

The increase in current assets of \$8.0 million or 10.9% from \$73.0 million as at 30 June 2023 to \$81.0 million as at 30 June 2024 was mainly due to an increase in contract assets and cash and bank balances offset by the decrease in trade and other receivables.

#### **Non-current liabilities**

The decrease in non-current liabilities of \$4.2 million or 24.6% from \$17.0 million as at 30 June 2023 to \$12.8 million as at 30 June 2024 was mainly due to repayment of loans and borrowings and lease liabilities.

#### **Current liabilities**

The decrease in current liabilities of \$5.7 million or 9.8% from \$58.4 million as at 30 June 2023 to \$52.7 million as at 30 June 2024 was mainly due to the repayment of loans and borrowings.

2. **Review of performance of the Group (Cont'd)**

**Condensed Interim Consolidated Statement of Cash Flows**

**Net cash used in operating activities**

**FY2024**

Net cash generated from operating activities amounted to \$6.2 million in FY2024 was mainly due to decrease in trade and other payables as a result of the disposal of a subsidiary which were offset by the increase in contract assets and trade and other receivables.

**Net cash used in investing activities**

**FY2024**

Net cash used in investing activities amounted to \$0.9 million was mainly due to the purchases of property, plant and equipment.

**Net cash used in financing activities**

**FY2024**

Net cash generated from financing activities of \$0.5 million in FY2024 was mainly due to drawn down of borrowings and proceeds from issuance of shares by way of rights issue which were offset by repayment of borrowings, interest paid and repayment of lease liabilities.

3. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

4. **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.**

According to the Ministry of Trade and Industry Singapore ("MTI") advanced estimates released on 13 August 2024<sup>#</sup>, Singapore's construction sector grew by 3.8 per cent year-on-year, extending the 4.1 per cent growth in the first quarter. Growth during the quarter was supported by the increase in both public and private sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 1.8 per cent, a turnaround from the 1.9 per cent contraction in the preceding quarter.

As at 30 June 2024, the order book of the Group stands at \$193.1 million, which should support the Group's activities to FY2027. The Group will selectively tender for public and private sector projects, taking into consideration the prevailing market conditions including rising manpower and material costs. Accordingly, the Group continues to prioritise cash conservation and cost control.

<sup>#</sup> [MTI Narrows 2024 GDP Growth Forecast to "2.0 to 3.0 Per Cent" \(mti.gov.sg\)](https://www.mti.gov.sg)

**5. If a decision regarding dividend has been made:**

**( a ) Whether an interim (final) ordinary dividend has been declared (recommended); and**

Yes.

**( b )(i) Amount per share in cents**

0.08 Singapore cents per ordinary share.

**( b )(ii) Previous corresponding period in cents**

No dividend was declared for the previous corresponding period.

**( c ) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

A final tax exempt one-tier dividend of 0.08 Singapore cents per ordinary share has been recommended in respect of the current financial year ended 30 June 2024.

**( d ) The date the dividend is payable**

To be determined and announced at a later date.

**( e ) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

To be determined and announced at a later date.

**6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

**7. If the Group has obtained a general mandate from shareholders for 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).

**8. Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706A**

During the period from 1 January 2024 to 30 June 2024, the Company disposed of its wholly-owned subsidiary, ISO-Integrated M&E Pte Ltd for a cash consideration of \$1. Please refer to the Company's announcement dated 17 May 2024 for more information.

On 2 July 2024, TMS Alliances Pte Ltd, a wholly-owned subsidiary of the Company, had incorporated a wholly-owned subsidiary, ISOTeam BuildTech Pte. Ltd., with an issued and paid-up capital of \$100 comprising 100 ordinary shares. Please refer to the Company's announcement dated 2 July 2024 for more information.

9. **Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. In the review of performance, the factors, leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Note 2 of this appendix.

10. **A breakdown of sales.**

	<u>Group</u>		Change %
	30.06.24 \$'000	30.06.23 \$'000	
Sales reported for first half year	62,744	53,862	16.5
Operating profit after tax before deducting non-controlling interest reported for first half year	1,284	814	57.7
Sales reported for second half year	67,424	56,538	21.3
Operating profit after tax before deducting non-controlling interest reported for second half year	5,320	331	N/M

"N/M" denotes Not Meaningful

11. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

<b>Total annual dividend</b>	<b>FY2024 \$'000</b>	<b>FY2023 \$'000</b>
Ordinary shares	-	-

12. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) 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) under Rule 720(1) of the Catalist Rules.

13. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10), the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**David Ng Cheng Lian**

**Executive Chairman**

**27 August 2024**

**Anthony Koh Thong Huat**

**CEO**

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange 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.

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