



FOR IMMEDIATE RELEASE

ISOTeAM continues record earnings streak; bottomline increases 91.9% to S\$4.1 million in HY2015

- Revenue and gross profit comes in at S\$39.0 million and S\$8.6 million respectively, supported by another sterling operational performance
- Order book stands at S\$70.4 million providing revenue visibility

Financial Highlights for the half year ended 31 December

S\$'m	HY2015	HY2014	Chg (%)
Revenue	39.0	31.9	22.1
Gross profit	8.6	5.4	60.4
Profit before tax	4.9	2.4	105.2
Profit attributable to equity holders	4.1	2.1	91.9
Earnings per share (Singapore cents)	3.47	1.84	88.6

SINGAPORE, 12 February 2015 – ISOTeAM Ltd. (“ISOTeAM” or together with its subsidiaries, the “Group”), an established eco-conscious Repairs and Redecoration (“R&R”) and Addition and Alteration (“A&A”) specialist in Singapore, today posted another set of sterling results with a 91.9% increase in profit attributable to equity holders to S\$4.1 million for the half year ended 31 December 2014 (“HY2015”). This sets another first half earnings record for the Group.

On the back of sustained government initiatives to renew and rejuvenate middle-aged and mature estates, ISOTeAM achieved a healthy 22.1% improvement in sales to S\$39.0 million in HY2015, over the corresponding half year ended 31 December 2013 (“HY2014”). In tandem with its solid results, gross profit and gross profit margin rose 60.4% to S\$8.6 million and 16.8% to 22.1% respectively.



Revenue by Segments

S\$'m	HY2015	HY2014	Chg (%)
R&R	29.3	21.4	36.8
A&A	8.2	10.0	(18.7)
Others ⁺	1.5	0.4	243.4
Total	39.0	31.9	22.1

⁺ Includes the home retrofitting business and green solutions business

On a segmental breakdown, the Group's revenue from its R&R business segment saw a substantial increase of 36.8% supported by projects for Pasis Ris-Punggol Town Council, SKK (S) Pte Ltd and Moulmein-Kallang Town Council. In contrast, revenue from its A&A business segment dipped 18.7% mainly because of lower and slower revenue recognised from Neighbourhood Renewal Programme ("NRP") projects in HY2015. Overall, ISOTeam delivered 10 R&R projects in HY2015.

Revenue contribution from the Group's Others business segment rose significantly from \$0.4 million in HY2014 to \$1.5 million in HY2015. The increase was largely due to its home retrofitting business under its subsidiary Zara @ ISOTeam, which has continued to gain traction since being established in September 2013. This is evidenced in the recent announcement on 16 December 2014, which disclosed that the Group had clinched the project for interior decoration and R&R works to Aloha Loyang holiday chalets valued at S\$3.2 million. The project is expected to be completed in July 2015.

The Group's financial position was further strengthened by its record first-half with cash and bank balances increasing from S\$17.6 million as at 30 June 2014 to S\$22.5 million as at 31 December 2014.

Earnings per share and Net Asset Value per share as at 31 December 2014 increased to 3.47 Singapore cents and 24.34 Singapore cents respectively, compared to 1.84 Singapore cents and 21.87 Singapore cents in the preceding half.

Commenting on another commendable half-time performance by ISOTeam, Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发), said: *"It is heartening to see ISOTeam breaking our operating revenue and profit records once again in HY2015. This clearly points to the confidence*



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our clients and the industry has in the Group's ability to deliver quality projects on time. We believe that our track record and reputation will continue to hold us in good stead as we go out aggressively to tender for more projects."

Outlook

Barring unforeseen project delays or cancellations, the Group is cautiously optimistic about its performance for the next 12 months. As at 8 January 2015, its order book stood at S\$70.4 million, to be progressively delivered over the next two years. The Group is also constantly tendering for new projects that come on stream.

In addition, ISOTeam is the lowest tenderer for four other projects collectively worth S\$30.9 million including:

1. R&R project on multi-storey carpark
2. R&R project on blocks 32 to 34 at Market Road
3. NRP project on blocks 816 to 850 at Woodlands Street 81, 82 and 83
4. NRP, electrical load upgrading and R&R project on blocks 231 to 263 at Serangoon Central

Mr Koh said: *"The Group continues to see healthy demand for R&R and A&A works from both the public sector and private sectors. The Singapore government remains committed to renew and rejuvenate middle-aged and mature estates and this presents an ongoing stream of opportunities for us. In the meantime, we intend to extend our services into other untapped areas, including projects by public sectors entities such as education institutions and army camps, and non-public sector projects such as Management Corporation Strata Title, industrial and commercial projects."*

ISOTeam's strategic acquisition of four complementary businesses at a purchase consideration of approximately S\$11.0 million which was completed in January 2015, has also expanded the Group's resources and capabilities into specialist areas in landscaping and architectural coatings, and opened doors to new clients and sectors.



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Mr Koh said he was extremely upbeat about the Group's current momentum and long term prospects. *"These newly acquired businesses are established companies in their respective fields in the industry and they have enabled us to add high-value specialist capabilities to ISOTeam's suite of services. Besides injecting the Group with greater dynamism and vibrancy, this move will diversify our operations, add new income streams and aid our penetration into untapped sectors,"* he added.

Despite the positive outlook, the Group remains mindful of rising cost pressures in the next 12 months such as higher labour costs due to progressive increases in foreign workers' levies.

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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 230 public and private sector R&R and A&A projects for close to 2,500 buildings and counting since inception. An eco-conscious company, we integrate green methodologies in our R&R and A&A 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 Ms Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.