

FOR IMMEDIATE RELEASE

ISOTeam focuses on building and delivering order book as Singapore gradually lifts COVID-19 measures

- *Full-year performance affected by a significantly weaker second-half due to the outbreak of the COVID-19 virus and delay in contract implementation.*
- *Continues to actively tender for projects and as at 30 September 2020, has an order book of S\$165.7 million to be delivered largely over the next two years.*

Financial Highlights for the 12 Months Ended 30 June

(S\$'m)	FY2020	FY2019	Chg (%)
Total revenue	91.7	136.6	(32.9)
– Repairs & Redecoration (“R&R”)	26.3	27.3	(3.6)
– Addition & Alteration (“A&A”)	32.1	67.7	(52.6)
– Coating & Painting (“C&P”)	11.3	14.3	(21.5)
– Others ⁺	22.0	27.2	(19.2)
Gross profit	1.9	21.6	(91.2)
(Loss) / profit before tax	(21.7)	7.3	NM
Net (loss) / profit for the period	(21.5)	6.3	NM
(Loss) / profit attributable to equity holders	(19.6)	6.8	NM
(Loss) / earnings per share* (Singapore cents)	(6.46)	2.37	NM

- *NM: Not meaningful*

- ** Includes revenue from commercial interior design, home retrofitting business, landscaping works, leasing service, waterproofing, green solutions business, mechanical & electrical engineering works, project management and handyman service.*

- ** Based on the weighted average number of ordinary shares in issue of 303,145,907 in FY2020 and 284,725,505 in FY2019.*

SINGAPORE, 30 October 2020 – With S\$12.6 million in cash and bank balances as at the year ended 30 June 2020 (“FY2020”), ISOTeam Ltd. (“ISOTeam” and together with its subsidiaries, the “Group”), an established and leading player in Singapore’s building maintenance and estate upgrading industry, is on healthy financial footing to tide over this difficult pandemic period as it seeks to aggressively tender for more projects to boost its order book.

As at 30 September 2020, the Group’s order book remained strong at S\$165.7 million, of which approximately 65% are public sector projects, to be delivered largely over the next two years. Of these, S\$53.4 million worth of contracts were secured following the end to the Singapore Government’s



Circuit Breaker measures to curb the spread of the COVID-19 on 1 June 2020 and the Phase 1 re-opening of economic activities on 2 June 2020.

With Singapore currently in Phase 2 of re-opening, ISOTeam has received approval by the relevant authorities to resume its activities at all its construction sites and factories. However, the pace of resumption is slow due to ongoing stringent measures in accordance to safe distancing and other health requirements such as routine swab tests to be conducted on the workforce at project sites and prior clearance at dormitories before the workers can report to worksites.

Notwithstanding the gradual resumption of business activities, the Group expects the progress of projects and the cost for all its projects to be affected in the near term and will take the necessary steps to monitor its exposure in this respect.

Year in Review

During the second half of the financial year from January to June 2020, the Group's revenue fell by 56% year-on-year to S\$27.9 million as a result of the COVID-19 pandemic and measures to stop its spread. Despite stop-work orders, the Group continued to incur expenses including staff costs and overheads over the same period.

For the fiscal year FY2020, total revenue fell 32.9% year-on-year to S\$91.7 million. Apart from its R&R segment, which decreased 3.6% in revenue, all the Group's other segments registered double-digit declines in sales during the financial year. There were several one-off costs in FY2020 totalling S\$8.5 million, which among others, included impairment of goodwill and contract assets of approximately S\$5.7 million due to adverse changes in market conditions and the impact on the Group's business, as well as professional fees of approximately S\$0.7 million.

On the back of the lower top-line, the Group suffered a net attributable loss of S\$19.6 million compared to a net attributable profit of S\$6.8 million in the financial year before.



Reflecting on the challenging year under review, **Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发)** said, *“The previous corresponding financial year was a very good one for ISOTeam and we had expected to ride on the momentum into FY2020 but this was not to be. The COVID-19 pandemic had crippled the building and construction industry for a large part of the second-half as the Singapore Government imposed the Circuit Breaker on April 7 and subsequently issued stop-work orders on all projects when the virus started to spread rapidly among migrant workers, who form the backbone of the industry’s workforce. For almost five months, the workers’ movements were significantly restricted, and we could only carry on work for the most essential maintenance jobs.*

Like everyone else in the industry, the impact on our earnings during those months was devastating but we understand the need for these measures for the greater good. As Singapore gears up for Phase 3 of the re-opening, our Group is optimistic that the Singapore Government will do its best to spur business activity by stepping up public sector projects. We are also anticipating pent-up demand from the private sector, which had put their projects on hold. We are very encouraged by the projects that we had secured immediately following the end of the Circuit Breaker and we will continue to pursue all leads to secure more projects. At the same time, we will also prioritise prudent management of our liquidity and costs while also look for ways to improve our efficiency.”

According to the Building and Construction Authority, Singapore’s construction demand is expected to recover to some extent from 2021 supported by public residential projects, new healthcare facilities and various infrastructure projects.¹

ISOTeam’s financial position remained healthy with sufficient liquidity to meet its financial commitments. Besides the cash and bank balances of S\$12.6 million as at 30 June 2020, which was almost 40% higher than the S\$9.0 million as at 30 June 2019, its net gearing ratio was 0.91 as at 30 June 2020.

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¹ Media release by the BCA, “Projected Construction Demand for 2020 Revised to \$18 - \$23 Billion, but Expected to Recover to Some Extent from 2021”, 17 September 2020



ISOTeAM Ltd.
(Company Registration No.: 201230294M)
(Incorporated in the Republic of Singapore on 12 December 2012)
8 Changi North Street 1
ISOTeAM Building
Singapore 498829
<http://isoteam.com.sg/>

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 20 years of Repairs & Redecoration (**R&R**) and Addition & Alteration (**A&A**) experience. We have successfully undertaken more than 400 refurbishment and upgrading projects for well over 4,000 buildings and counting since inception. ISOTeAM also offers specialist Coating & Painting (**C&P**) services as well as complementary niche services (**Others**) through its specialist waterproofing, commercial interior design and home retrofitting, landscaping, access equipment leasing, green solutions, mechanical & electrical engineering works, handyman service and project management and construction management services subsidiaries. An eco-conscious company, we integrate green methodologies in our 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.

Issued by and on behalf of ISOTeAM Ltd. by

August Consulting

Tel: 65 6733 8873

Silvia Heng, silviaheng@august.com.sg

Wrisney Tan, wrisneytan@august.com.sg

Emelda Then, emeldathen@august.com.sg

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The contact person for the Sponsor is Mr Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.