

FOR IMMEDIATE RELEASE

ISOTeam maintains healthy top line and remains profitable

Financial Highlights for the Nine Months Ended 31 March

S\$'m	3Q2018	3Q2017	Chg (%)	9M2018	9M2017	Chg (%)
Revenue	14.7	16.5	(10.6)	63.6	61.2	3.9
Gross profit	3.2	4.0	(20.0)	12.7	16.7	(24.1)
Profit before tax	0.3	1.1	(68.0)	3.3	6.3	(48.1)
Net profit for the period	0.2	1.1	(82.1)	3.0	5.3	(43.3)
Profit attributable to equity holders	0.5	1.0	(52.0)	3.9	5.1	(23.5)
Earnings per share* (Singapore cents)	0.17	0.35	(51.4)	1.36	1.78	(23.6)

*Based on the weighted average number of ordinary shares in issue of 284,847,496 and 284,252,544 in 3Q2018 and 3Q2017 respectively and 284,302,245 and 284,004,916 in 9M2018 and 9M2017 respectively.

SINGAPORE, 11 May 2018 – 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, today reported a 3.9% increase in revenue to S\$63.6 million for the nine months ended 31 March 2018 (**“9M2018”**) despite challenging overall market conditions.

Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发), said: *“The past nine months have been challenging because of intense competition for fewer projects in certain market segments. Despite such pressures, our order book, which we will progressively deliver over the next 24 months, remains robust at approximately S\$84.4 million as at 4 May 2018 and we expect to build on our order book in the coming months. We also expect to see cost savings and improvements in operational efficiencies with the centralisation of all our business units under one roof at our new corporate headquarter in Changi.”*

“Moving forward, we will continue to focus on larger scale public sector R&R and A&A projects where we have competitive edge. We believe that our impeccable record for quality and on-time delivery will

work to our advantage given BCA's implemented Price Quality Method¹ that increases the weightage for the quality component."

As at 31 March 2018, our Earnings Per Share ("EPS") was 1.36 Singapore cents based on a weighted average number of ordinary shares of 284,302,245. Net Asset Value ("NAV") per share was 21.02 Singapore cents based on 285,130,562 ordinary shares in issue. This compared to an EPS of 1.78 Singapore cents as at 31 March 2017, which was based on the weighted average number of ordinary shares of 284,004,916, and NAV per share of 20.31 Singapore cents as at 30 June 2017, which was based on 284,387,041 ordinary shares in issue.

ISOTeam continued to maintain its healthy financial position with cash and bank balances of S\$12.5 million as at 31 March 2018. The Group's gearing ratio remains healthy at 0.7 times.

Revenue by Segments

S\$'m	9M2018		9M2017		Chg (%)
	S\$'m	%	S\$'m	%	
R&R	15.3	24.0	15.0	24.5	1.6
A&A	26.8	42.2	23.6	38.5	13.7
C&P	7.6	12.0	11.3	18.5	(32.5)
Others ⁺	13.9	21.8	11.3	18.5	22.8
Total	63.6	100.0	61.2	100.0	3.9

⁺Others includes revenue from commercial interior designs ("ID"), home retrofitting business, landscaping works, leasing services, waterproofing, green solutions business, mechanical & electrical engineering works and handyman services.

Revenue from the Group's **R&R** segment rose 1.6% year-on-year ("**yo**y") to S\$15.3 million in 9M2018, while the **A&A** segment, which is also the Group's biggest revenue contributor, generated a 13.7% increase to S\$26.8 million mainly due to the strong performance in the Group's commercial A&A segment.

¹ Source: BCA website (www.bca.gov.sg/PQM/pqm.html). The Price Quality Method (PQM) is a tendering framework based on both the price and quality attributes for the evaluation of construction tenders. PQM formalises the assessment of quality attributes into quantitative scores. PQM optimises value by awarding the tender to the tenderer with the highest combined PQM score for the project. The PQM applies to all construction tenders under the BCA Construction Workheads (CW01 & CW02) with Estimated Procurement Value (EPV) of \$3million and above.



During the period under review, the strongest revenue growth came from the Group's Others segment, which increased 22.8% to S\$13.9 million mainly due to nine months of contribution from the mechanical & electrical engineering ("M&E") division compared with 3 months of contribution from this division in 9M2017 after the acquisition in January 2017.

The growth achieved by the Group's three aforementioned segments was partially offset by weaker performance from its Coating and Painting ("C&P") segment, which was affected by lesser work done performed during the period. This led to a 32.5% yoy decline in revenue to S\$7.6 million in 9M2018.

Outlook

ISOTeam is optimistic that its established track record and multi-disciplinary capabilities in the built environment gives it a competitive edge when tendering for new projects in both the private and public sectors.

The Group also expects its experience with the Housing Development Board's Home Improvement Programme; its successful delivery of high profile A&A projects at Marina Bay Sands and Resorts World Sentosa; and, its previous record in installing floating wetland at Punggol Waterway, to put it in a strong position to clinch more of such projects.

Most recently, the group entered into a collaboration with Tokyo-based Taisei Oncho Co. Ltd. ("TOC"), which is expected to pave the way for ISOTeam to leverage the latter's M&E expertise and overseas network to strengthen its own M&E and energy management capabilities and to further expand its services and project execution expertise in the region.

Mr Koh said: *"Since our IPO in 2013, we have been ramping up our capabilities for future growth. Our Group is financially sound and we believe that the fundamentals of our business remain strong particularly because of the recurring nature of government projects. We will continue to leverage our expertise and expanded skillsets to secure more private and public sector projects, while at the same time look for opportunities to broaden our revenue base."*

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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 over 18 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 more than 3,000 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 leasing, green solutions, mechanical & electrical engineering works and handyman service 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.

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

Zavier Ong, zavierong@august.com.sg

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, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.