



ISO TEAM

COMMITMENT  
TO **EXCELLENCE**  
& **QUALITY**

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ANNUAL REPORT **2024**

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## OUR MISSION

To deliver excellent quality, cost efficient and professional services to achieve total customer satisfaction



## OUR VISION

To be the best and preferred partner for complete solutions in the built environment



## OUR VALUES

### PEOPLE DEVELOPMENT

We offer fulfilling career prospects and develop the potential of every employee to build a highly committed and competent team that possesses integrity and adaptability.

### PERFORMANCE AND ACCOUNTABILITY

We take ownership and initiative to achieve expected key performance indicators through continual learning and upgrading of our knowledge and skills.

### CUSTOMER FOCUS

We offer high quality products and services with innovative and sustainable solutions to satisfy and exceed our customers' expectations.

### RELATIONSHIP AND BONDING

We value and engage all stakeholders to foster trust, respect and care to achieve long term win-win situations.

### TEAMWORK

We practise effective and open communication and seek cooperation and collaboration among stakeholders to achieve our desired goals.

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Hong Leong Finance Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

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.

# CORPORATE PROFILE

Listed on the Catalist board of the SGX securities market on 12 July 2013, ISOTeam Ltd. ("ISOTeam", stock code: 5WF) is an established and leading player in Singapore's building maintenance and estate upgrading industry. With more than two decades of Repairs & Redecoration ("**R&R**") and Addition & Alteration ("**A&A**") experience, we have successfully undertaken over 860 refurbishment and upgrading projects for over 7,200 buildings since inception in 1998.

Through our specialised subsidiaries, ISOTeam offers a full range of services and solutions comprising specialist Coating & Painting ("**C&P**") services and other complementary niche services ("**Others**") including home retrofitting, landscaping, interior design ("**ID**"), mechanical & electrical engineering works ("**M&E**"), vector control services and handyman services. As an eco-conscious company, we integrate green methodologies in our operations and collaborate with strategic partners and technology companies to develop green

solutions for our customers. Aligned to our green goals, we offer renewable energy installations services to support Singapore's aim to achieve at least 2 gigawatt-peak of solar energy deployment by 2030.

Our winning green edge along with our reputation for quality, speed, and safety, has won the trust and confidence of our customers over the years, earning us many long-time customers. ISOTeam has a diverse clientele that includes, amongst others, town councils, government bodies and private sector building owners. In Singapore, ISOTeam is the exclusive paint applicator for Nippon Paint Singapore and SKK Singapore for the public housing sector, Jurong Town Corporation ("**JTC**") and Housing & Development Board ("**HDB**") industrial projects and army camps.

For more information, please visit [www.isoteam.com.sg](http://www.isoteam.com.sg).



# OUR BUSINESS



OUR  
BUSINESS

## Multi-disciplinary capabilities providing sustainable solutions for a better built environment

### CYCLICAL AND LIFE CYCLE MAINTENANCE

- Repainting, repairs, and redecoration
- Waterproofing and reroofing
- Improvement works
- Routine property maintenance
- Term contract works

### ESTATE UPGRADING AND ENHANCEMENT PROGRAMME

- Neighbourhood Renewal Programme ("NRP")
- Hawker Centres Upgrading Programme ("HUP")
- Estate Upgrading Programme ("EUP")
- Home Improvement Programme ("HIP")
- Electrical Load Upgrading ("ELU")

### SPECIALIST COATING AND BUILDING RESTORATION SYSTEMS

- New build painting
- Eco-friendly coating
- Architectural and protective coating
- Fireproofing coating
- Niche industrial coating

### ARCHITECTURAL & ENGINEERING SOLUTIONS

- Commercial A&A works
- Engineering works
- Architectural and commercial interior construction solutions
- Electrical and mechanical ventilation works
- Air conditioning works

### INTERIOR DECORATION AND RETROFITTING

- Interior design and fitting-out
- Design and build works
- Home retrofit and fit-out services

### RENEWABLE AND ENVIRONMENTAL SUSTAINABILITY SOLUTIONS

- Installation of rooftop solar panels and floating solar systems
- Eco-friendly products

### HANDYMAN SERVICES

- Home care and upgrading
- General repairs and maintenance

### LANDSCAPING & HORTICULTURE

- Vertical greening
- Horticulture services and maintenance
- Floating wetland systems
- Niche landscaping and gardening services

### GREEN PEST MANAGEMENT

- Pest control services

### AI-DRIVEN BUILDTECH SOLUTIONS

- AI and robotics-focused solutions for the built environment

# CERTIFICATIONS AND ACCOLADES

## ACCREDITATIONS

- ISO 9001 : 2015<sup>(1)</sup>
- ISO 14001 : 2015<sup>(1)</sup>
- ISO 45001 : 2018<sup>(1)</sup>
- bizSAFE Level Star
- bizSAFE Level 3

## ACCOLADES

- One Asia Awards 2015 (Distinguished Award)
- 2011 Successful Entrepreneur
- Singapore Green Building Council
- BCA Green and Gracious Builder Award (Merit)

## BCA LICENSES

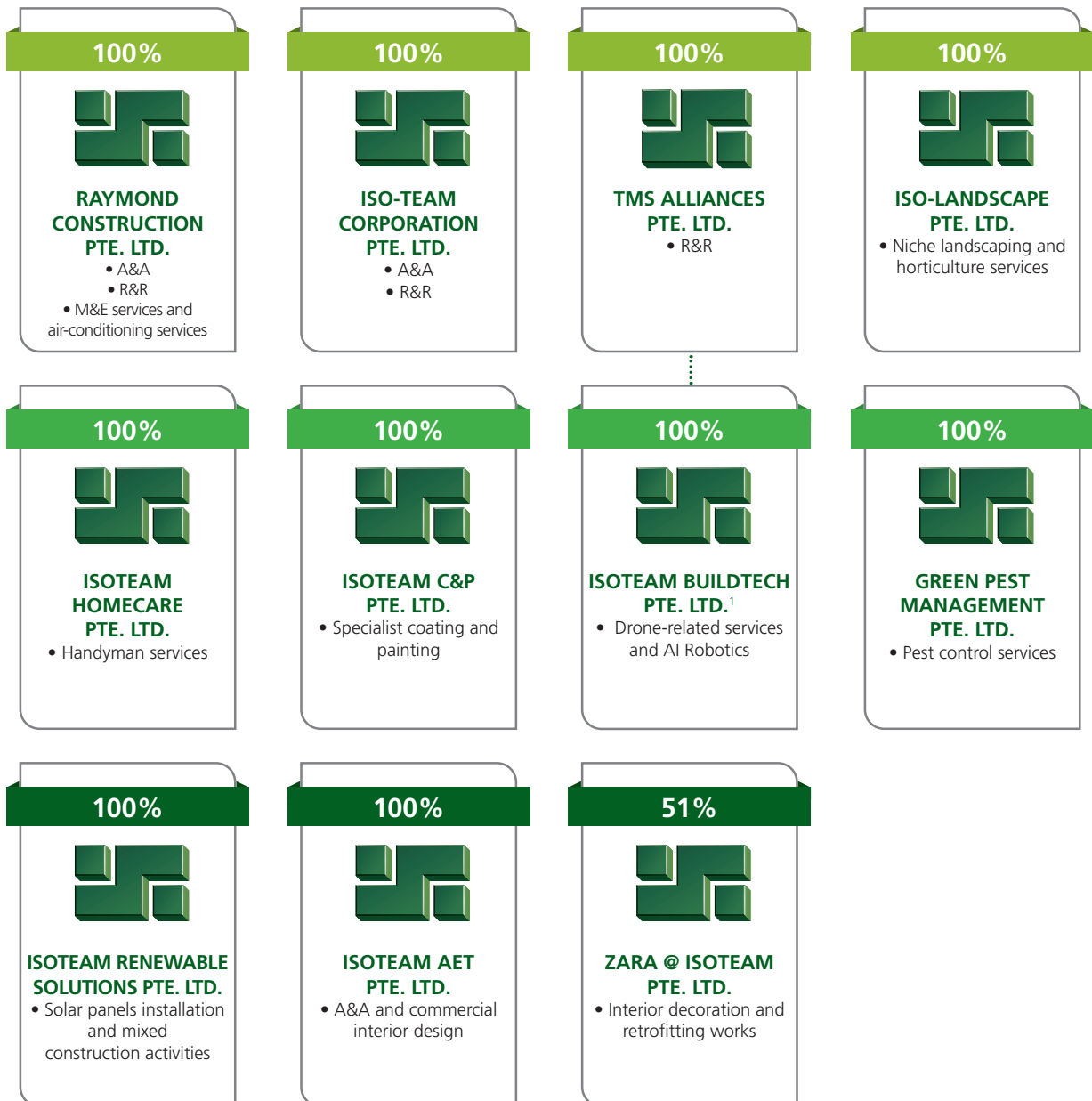
- General Building (CW01) Grade B1 (≤\$50 million)
- Repairs and Redecoration (CR09) Grade L6 (No limit)
- Housekeeping, Cleansing, Desilting and Conservancy Service (FM02) Grade L1 (≤\$0.8 million)
- Landscaping (FM03) Grade L4 (≤\$8 million)
- Interior Decoration and Finishing Works (CR06) Grade L6 (No limit)
- Waterproofing Installation (CR13) Grade L3 (≤\$5 million)
- Electrical Engineering (ME05) Grade L5 (≤\$16 million)
- General Builder (Class 1 and Class 2)

<sup>(1)</sup> For general building construction and provision of suspended scaffolding works.



# CORPORATE STRUCTURE

As at 25 September 2024



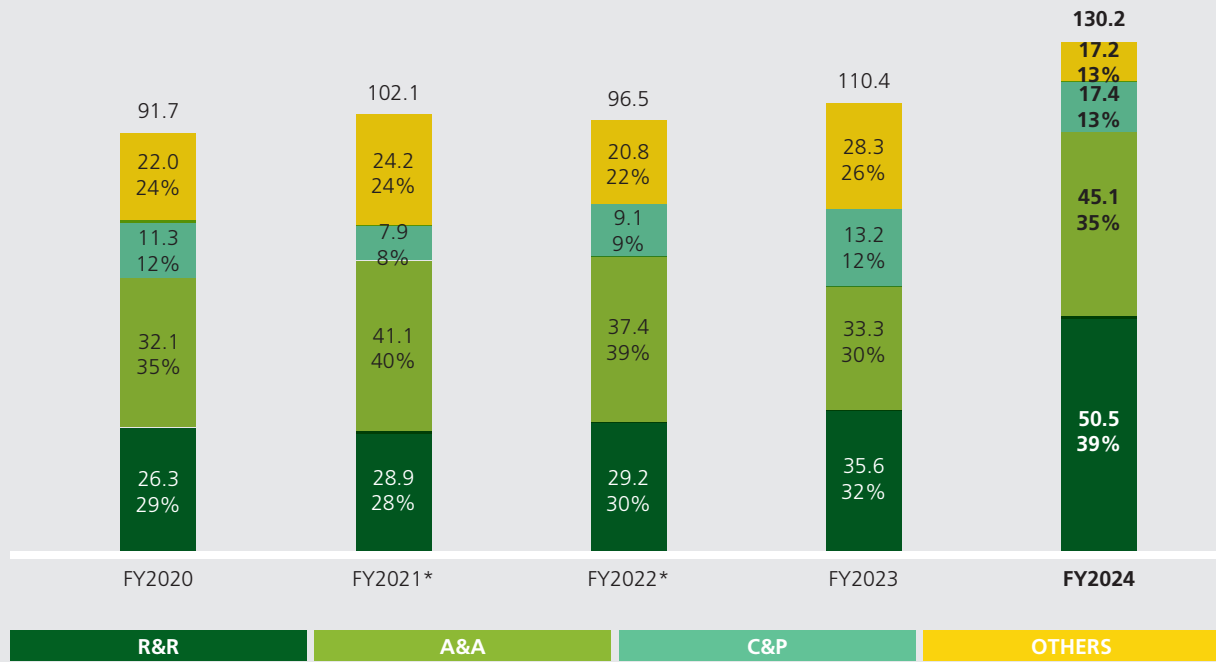
<sup>1</sup> Incorporated on 2 July 2024

Note: Dormant Company – ISOteam (TMS) Myanmar Limited.

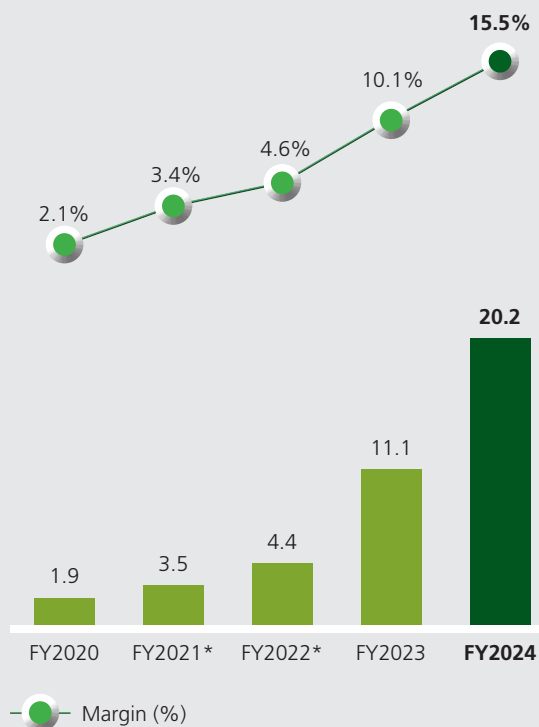
# FINANCIAL AND CORPORATE HIGHLIGHTS

FINANCIAL YEAR ENDED 30 JUNE

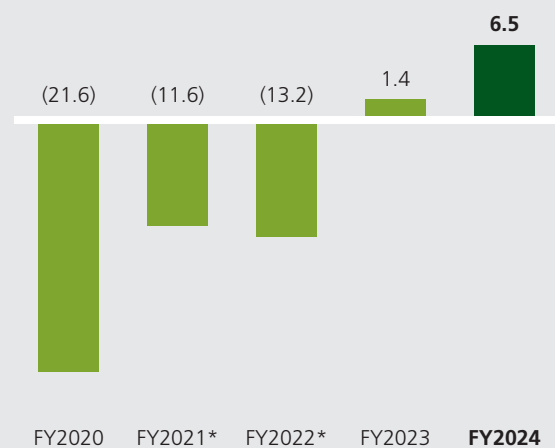
## REVENUE (\$'m)



## GROSS PROFIT (\$'m)



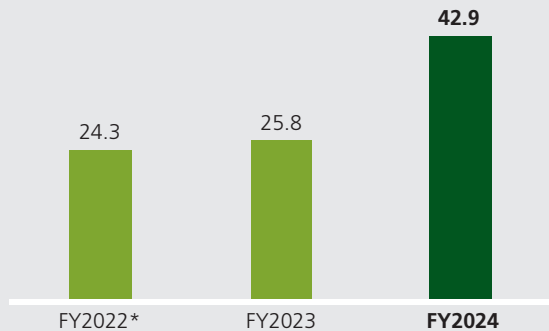
## (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS (\$'m)



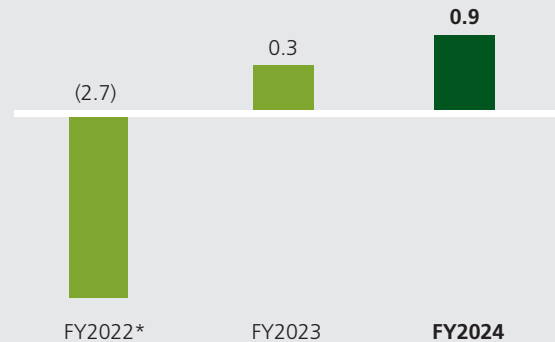


## FINANCIAL AND CORPORATE HIGHLIGHTS

### EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (\$'m)



### EARNINGS PER SHARE (¢)



### RETURN ON EQUITY (%)

### RETURN ON ASSETS (%)

Year	Return on Equity (%)	Return on Assets (%)
FY2022*	NM	NM
FY2023	5.4	1.4
FY2024	15.2	6.0

## \$109.8

million  
New contracts won  
in FY2024



### INVESTOR RELATIONS ACTIVITIES IN FY2024

August 2023	FY2023 Result Briefing
October 2023	Annual General Meeting
February 2024	1H FY2024 Results Briefing (Virtual)
April 2024	Phillip Securities Research Corporate Insights (Virtual) Maybank Securities
May 2024	RHB Research Regional Spotlight (Virtual) CGS International Securities Singapore (Virtual)
July 2024	Lim & Tan Securities (Virtual) Shareinvestor SG Gems Company Spotlight (Virtual) ISOTeam Investor Day
August 2024	FY2024 Result Briefing (Virtual)

## \$193.1

million  
Order book  
as at 30 June 2024



## 347.2

million  
Rights Shares allotted and  
issued with completion of  
Rights Issue



\* Restated

<sup>1</sup> As a percentage of net profit after tax of \$2.1 million in FY2024 excluding non-recurring, one-off and exceptional items for the financial year

NM: Not meaningful

## 0.08

cents / share

## 26%

Proposed dividend and payout  
ratio<sup>1</sup> for FY2024



## JOINT MESSAGE TO SHAREHOLDERS



David Ng,  
Executive Chairman

Anthony Koh,  
Executive Director & CEO

ISOTeam was able to ride on the strong recovery of the estate upgrading and maintenance sector with significant improvements in revenues from our core R&R, A&A and C&P segments. Although partially offset by a weaker Others segment mainly due to the disposal of a subsidiary, it did not stop our topline from reaching a five-year high of \$130.2 million.

### Dear Shareholders,

FY2024 was a comeback year for ISOTeam. Our net attributable profit soared more than four times to \$6.5 million as gross profit margin bounced back to pre-COVID-19 levels of 15.5%, up 5.4 percentage points from FY2023.

Armed with a renewed focus on our core segments, ISOTeam was able to ride on the recovery of the estate upgrading and maintenance sector with significant improvements in revenues from our core R&R, A&A and C&P segments. Although partially offset by a weaker Others segment mainly due to the disposal of a subsidiary, it did not stop our topline from reaching a five-year high of \$130.2 million.

As at 30 June 2024, our order book stood at \$193.1 million with contracts to be progressively delivered by 2027. This is one of the highest levels our order book has been at since ISOTeam's inception. But we have set our sights higher. Our internal target is to substantially improve our market share of the addressable HDB repainting market by 2027.

To fulfil this goal, we had set in motion a strategy to become operationally more efficient and productive by integrating built technology and artificial intelligence ("AI") into our operations, a move which we believe will take ISOTeam forward into the digital era.

### EMBRACING A DIGITAL FUTURE

We had used the COVID-19 slowdown to form strategic collaborations with various partners to explore drone technology that can be used to undertake various functions across our operations. Emerging from the pandemic, we launched our façade inspection drones in 2022, which coincided nicely with the government's \$338.0 million Façade Enhancement Programme that was announced in March 2023. The programme, which will run until March 2029, is expected to benefit over 4,000 blocks during the period. It is also an additional boost to the government's mandate that requires HDB blocks over 20 years old to be inspected every seven years.

Following this, we embarked on the development of a façade washing drone in 2023, and in June 2024, we piloted its use in trials with Tanjong Pagar Town Council to undertake high-powered washing prior to painting. This drone is a precursor to our façade painting drone, which we started working on in 2023. It is currently undergoing trials and expected to clear all regulatory requirements by the early of 2025. Commercialisation and deployment will hopefully begin in end 2025.

We will also be investing in a fleet of indoor painting robots that have the ability to undertake indoor painting with precision and speed. These too is expected to be ready by second quarter of 2025. ISOTeam is looking forward to a complete AI-driven robotic work force that will support and complement our human work force. We believe it will completely transform how we execute our jobs.

When the three co-Founders of ISOTeam started the company in the 1990s, "cheaper, faster, better" was what we wanted to be known for. During those days when government contracts were known to be awarded to the lowest tenderer, we took pride in being able to secure contracts because of the quality of our work and our ability to be cost competitive and to deliver projects on-time, if not ahead of time.

But fast forward 30 years and times have changed. No longer is price the main deciding factor but quality and track record hold even more weight under the public sector's new system of grading their vendors.

With our new robotic workforce, "cheaper, faster, better" takes on a whole new meaning.

## JOINT MESSAGE TO SHAREHOLDERS

*Cheaper* because it enables us to reduce our reliance on foreign labour, which has become increasingly costly due to a shortage in supply and higher levies. Housing them has also become more costly because of inflation and also post-COVID-19 requirements. Besides labour, there is equipment cost savings as we can now minimise the usage of gondolas for façade work. This will potentially lead to higher margins and we may even be able to pass on some of the cost savings to our customers.

*Faster* because machines do not suffer fatigue. They can work at a consistent pace and do not need breaks. Not having to move the gondolas from section to section to complete the whole block means we can finish the work more efficiently and potentially take on bigger jobs.

*Better* because the machines can undertake repetitive tasks with precision. This frees our human workforce to take on more complex tasks. Not only do we anticipate an even better end result, but we also look forward to improvements in safety as machines replace humans for risky work-at-height jobs.

We look forward to the day when it becomes common sight to see man and machine working side-by-side at our job sites.

### RECENT CORPORATE DEVELOPMENTS

As the construction industry moves into the digital era, we have positioned ourselves to support this transition. In July 2024, we incorporated ISOTeam BuildTech, which will primarily be involved in designing, developing and implementing AI-driven, autonomous robotics solutions for the built environment.

Our robotic workforce will come under this subsidiary for internal deployment. At the same time, ISOTeam BuildTech will also help external customers to develop their own robotic workforce.

In the future, all our build tech investments and other related developments will come under ISOTeam BuildTech. We hope that through the R&D that will be undertaken by this subsidiary, we can one day expand our multi-disciplinary capabilities in estate upgrading and maintenance to include AI-driven smart building systems that will enable building owners to better manage building maintenance. This may include control of a robotic cleaning crew and building sensors that may among other things, improve energy use throughout the building.

In other developments, we announced a proposed capital reduction exercise in May 2024 to seek shareholders' approval to reduce existing share capital by writing off accumulated losses. Through this exercise, we hope to more accurately reflect the Group's underlying assets, which will facilitate future fundraising activities that will support our growth.

### PROSPECTS

The outlook for Singapore's construction sector is expected to remain positive. According to the latest statistics released by the Ministry of Trade and Industry on 13 August 2024, the sector grew 3.8% yoy in the second quarter of 2024, extending the 4.1% expansion in the previous quarter.<sup>1</sup> Meanwhile, the Building Construction Authority projects construction demand, based on value of contracts awarded, to be between \$31.0 billion and \$38.0 billion per year between 2025 and 2028.<sup>2</sup> Over this period, the public sector is expected to contribute between \$19.0 billion and \$23.0 billion of these contracts each year.

In his inaugural National Day Rally on 18 August 2024, Prime Minister Lawrence Wong reiterated this by announcing a slew of infrastructure and public housing projects that would ensure that construction activity in Singapore will remain strong over the next five years. ISOTeam was named by analysts as a potential beneficiary of the expected increase in HDB supply among other public sector projects.<sup>3</sup>

Specifically for the built sector, the government will continue with its various programmes for estate upgrading and maintenance including façade repainting every five years for HDB blocks, Neighbourhood Renewal Programme, Home Improvement Programme I & II, Façade Enhancement Programme and Remaking Our Heartland Programme as well as a whole host of other programmes to upgrade our parks and enhance Singapore's "garden in a city" image.

Other government initiatives that will bring opportunities to ISOTeam include the Island-wide Cycling Programme, which aims to build 1,300 km of cycling paths by 2030 and increase connectivity between districts. To support active ageing, the new Silver Upgrading Programme was launched in August 2024.<sup>4</sup> The programme will cover 26 areas across the island and is expected to be completed by 2029. Possible enhancements include facilities such as therapeutic gardens, fitness trails, rest areas along pathways, dementia-friendly elements and playgrounds that combine play areas for children and fitness equipment for adults and seniors.

We are heartened by the government's determination to create, upgrade and maintain urban living environments that are vibrant and fit the population's changing demographics and lifestyles. With our longstanding track record in undertaking public sector projects, we are confident that we will be able to secure meaningful contracts under these various initiatives.

At the same time, we are mindful of challenges in the macroeconomic environment including still-high inflation and interest rates. Looking ahead, we will prioritise cash conservation and continue to keep a tight rein on controllable expenses.

The positive industry prospects and our own robust order book gave us the confidence to announce our intention to pay at least 25.0% of net profit after tax<sup>5</sup> in respect of FY2024 and 30.0% in respect of FY2025. We are pleased to honour our commitment as our Board of Directors has proposed a dividend of 0.08 Singapore cents per share for FY2024 subject to shareholders' approval at the upcoming AGM. This represents a payout ratio of 26.4%.

### APPRECIATION

In closing, we want to thank all shareholders, partners, customers, our staff and Board of Directors and everyone who has contributed to our strong comeback in FY2024.

On behalf of our fellow directors, we would also like to thank Mr Soh Chun Bin, who retired on 31 May 2024 after serving on our Board for more than nine years as Independent and Non-executive Director. We thank him for his contributions and wish him all the best in his future endeavours.

With a strong order book, we are cautiously optimistic of an even better FY2025. We look forward to the ongoing support of all our stakeholders.

**David Ng,**  
Executive Chairman

**Anthony Koh,**  
Executive Director and CEO

<sup>1</sup> MTI report: *Economic Survey of Singapore second quarter 2024*

<sup>2</sup> BCA press release: *Steady Demand for the Construction Sector Projected for 2024*

<sup>3</sup> Lianhe Zaobao: *国庆群众大会宣布新政策 建筑医疗等股票或受影响*

<sup>4</sup> Channelnewsasia: *Upgrading for 26 HDB precincts with higher proportion of seniors to support active ageing*

<sup>5</sup> Excluding non-recurring, one-off and exceptional items.

## BOARD OF DIRECTORS



DAVID NG CHENG LIAN

### DAVID NG CHENG LIAN

Executive Chairman

First Appointed: 12 Dec 2012

Last Re-elected: 24 Oct 2023

With over 38 years of experience in the building refurbishment and estate upgrading industry, Mr Ng heads the Board, aids the CEO in the corporate and strategic development of the Group and supports and advises the senior management. One of his areas of expertise is occupational safety and health.

Before he co-founded the Group in 1998, he was a director of ISO-Build Corporation Pte Ltd and a manager at D&C Builders Pte Ltd where he oversaw workplace safety and equipment management. Prior to that, Mr Ng managed the suspended scaffold rental business as a project executive of Safewell Equipment Pte Ltd. He was also a suspended scaffold technician with Selat Chemicals Pte Ltd where he was responsible for the repair and maintenance of site equipment.

Mr Ng was awarded a Certificate in Construction Supervision by the Construction Industry Development Board of Singapore in 1994.

### ANTHONY KOH THONG HUAT

Executive Director and Chief Executive Officer

First Appointed: 12 Dec 2012

Last Re-elected: 27 Oct 2021

One of the co-founders of the Group, Mr Koh has over 33 years of experience in the building refurbishment and estate upgrading industry. He sets and implements the Group's expansion plans and overall corporate and strategic development, as well as oversees key functions such as marketing and tendering strategies, budget and cost controls, and resource planning and allocation.

Before he co-founded the Group in 1998, Mr Koh was a director of ISO-Build Corporation Pte Ltd where he managed its projects and contracts and controlled the budget and costs. He worked at D&C Builders Pte Ltd from 1989 to 1994 where he moved up the ranks from a site supervisor, to project coordinator and subsequently to project manager. Prior to that, he was the site supervisor for Hongplast General Contractor Pte Ltd for a year.

Mr Koh obtained a Diploma in Building from the Singapore Polytechnic in 1988 and a Diploma in Marketing Management from Ngee Ann Polytechnic in 1994.



ANTHONY KOH  
THONG HUAT



DANNY FOO JOON LYE

### DANNY FOO JOON LYE

Executive Director

First Appointed: 12 Dec 2012

Last Re-elected: 25 Oct 2022

Mr Foo, who is also a co-founder of the Group, is responsible for matters concerning compliance with workplace and onsite safety rules and regulations for projects undertaken by the Group. With over 32 years of experience in the building refurbishment and estate upgrading industry, Mr Foo administers quality assurance functions and ensures compliance with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards. He also manages manpower planning and procurement of machinery and equipment for the Group.

Prior to founding the Group, Mr Foo was a director of ISO-Build Corporation Pte Ltd managing project site work. From 1990 to 1994, he managed site work and coordinated with suppliers and subcontractors for D&C Builders Pte Ltd where he started out as a site supervisor, was promoted to project coordinator and subsequently to project manager.

Mr Foo holds a Diploma in Building from Singapore Polytechnic in 1988.

### RYOTA FUKUDA

Non-Executive Director

First Appointed: 18 Feb 2020

Last Re-elected: 25 Oct 2022

Mr Fukuda is a Non-Executive Director of the Group. He has more than 20 years of industry experience in investment banking and corporate finance and currently serves as Deputy Executive Officer of Taisei Oncho Co. Ltd. ("TOC"), where he manages the foreign subsidiaries of TOC's Overseas Business Division spearheading investment activities such as project sourcing, investment evaluation and execution and other corporate finance matters.

Mr Fukuda is responsible for building and maintaining the strong partnership between ISOteam and TOC, the Group's Japanese partner and substantial shareholder. Mr Fukuda's other directorships include Taisei Oncho Shanghai Engineering, Taisei Oncho Hong Kong Engineering, Taisei Oncho India PVT., LTD, Alakai Mechanical Corporation and Searefico.

He holds a Masters in Business Administration from Bellevue University, where he majored in both Finance and Accounting.



RYOTA FUKUDA

## BOARD OF DIRECTORS



TAN ENG ANN



TEO HO PIN



JEREMIAH HUANG

### TAN ENG ANN

Independent Director

First Appointed: 7 Jun 2013

Last Re-elected: 24 Oct 2023

Mr Tan is the Lead Independent Director and Chairman of the Group's Audit Committee. He was formerly the executive director and the chief financial officer of SGX-ST Mainboard listed R H Energy Ltd. He has over 25 years of experience in the financial field, having held managerial positions with Yamaichi Merchant Bank, AIB Govett (Asia) Ltd and Standard Chartered Bank from 1994 to 2002. In 2002, Mr Tan joined Technics Oil & Gas Limited as the group financial controller and was subsequently promoted to finance director in 2004 responsible for finance and corporate development. From 2005 to 2006, he was the chief financial officer of Beijing Concept Holdings Pte Ltd where he headed the finance department.

Mr Tan is a qualified Chartered Financial Analyst of the Association for Investment Management and Research and a fellow member of the Institute of Singapore Chartered Accountants. He holds a Bachelor of Accountancy (Honours) degree from Nanyang Technological University.

### TEO HO PIN

Independent Director

First Appointed: 1 Mar 2021

Last Re-elected: 27 Oct 2021

Dr Teo is the Chairman of the Group's Nominating Committee. He is a long-serving politician with a career in the public service spanning more than 20 years. Formerly a Member of Parliament for various constituencies including Sembawang GRC (1996-2001), Holland-Bukit Panjang GRC (2001-2006) and Bukit Panjang SMC (2006-2020), Dr Teo was also the Mayor of the North-West District in Singapore (2001-2020), responsible for implementing Community Development Programmes for approximately 906,000 residents.

He was a long-serving Chairman of the Holland-Bukit Panjang Town Council (2001-2020), and as Coordinating Chairman of 15 People's Action Party Town Councils in Singapore, he oversaw township management for about one million public housing flats. He is currently appointed as an Adjunct Professor at the National University of Singapore and Singapore University of Social Sciences. Dr Teo is also the Senior Adviser to the Singapore Environment Council.

Dr Teo has a Masters in Project Management and a Doctorate in Building from Heriot Watt University in the United Kingdom. He is currently the Independent Non-executive Chairman of SGX-listed Tiong Seng Holdings Limited and King Wan Corporation Limited, and Independent Director of Broadway Industrial Group Limited and Enviro-Hub Holdings Ltd. He is also the Senior Advisor to Surbana Technologies Private Limited.

### JEREMIAH HUANG WEIQUAN

Independent Director

First Appointed: 1 Jun 2024

Mr Huang is the Chairman of the Group's Remuneration Committee and a member of its Audit and Nominating Committees. He is a Singapore Institute of Directors-accredited director. He is a founding Director of Icon Law LLC where he provides counsel on capital markets, corporate finance, mergers and acquisitions, and funds; and advises on employment matters, post-IPO corporate governance and compliance issues.

Mr Huang is the legal advisor to Australian Alumni Singapore and the Kazakhstan-Singapore Business Council. He also serves on the Law Society of Singapore's Corporate Practice Committee, Equity Capital Markets Committee and International Relations Committee. He was previously the legal advisor to Singapore's Association of Listed Companies.

Mr Huang has been recognised as a young and rising star in his profession. He was shortlisted for "Young Lawyer of the Year (Law Firm) (Southeast Asia)" and was a recipient of LegalOne's "Stellar Accolade (Southeast Asia)". He was named one of "Singapore's most influential lawyers aged 40 and under" by the Singapore Business Review, a "Singapore Rising Star" and one of "Asia's 40 Under 40" by Asian Legal Business, and a "Next-Generation Partner" by The Legal 500 (Asia Pacific).

Mr Huang read law at Monash University, from which he graduated in 2008 at the age of 20. He is also an Associate of the Chartered Secretaries Institute of Singapore, an accredited mediator, and a Certified Information Privacy Professional (Asia) and Manager (by the International Association of Privacy Professionals).

## EXECUTIVE OFFICERS



ANDERS TEOH KOK ANN

### ANDERS TEOH KOK ANN

Chief Operating Officer (COO)

Mr Teoh was appointed COO of ISOteam in January 2021 and is responsible for the Group's daily operations. He has over two decades of experience in the construction industry, specifically in the R&R, and C&P segments. Mr Teoh was the Executive Director and Co-Founder of specialist coatings and painting firm, Accom Pte Ltd ("**Accom**"), which he established in 2002 and headed until 2014. After Accom was acquired by ISOteam in 2014 and subsequently renamed ISOteam C&P, he was its Managing Director from 2015 to 2019 where he spearheaded its numerous projects. These included R&R work for HDB blocks for the various Town Councils; public buildings such as churches, schools, community centres and libraries; MCST of commercial buildings, condominiums and industrial properties; as well as hotels and private residential properties. Between 2019 and 2020, he was Managing Director of Goodwood Development Group Pty Ltd before accepting his current role in 2021. Mr Teoh holds a Bachelor of Building (Honours) from the University of South Australia and a Diploma in Building Management (with Merit) from Ngee Ann Polytechnic.



ALBERT TENG ANN BOON

### ALBERT TENG ANN BOON

Chief Strategy Officer (CSO)

Mr Teng became the Group's CSO in August 2016 and is responsible for strategic planning, business and corporate development. Prior to his appointment, he was the General Manager of one of the Group's subsidiaries, undertaking Commercial A&A projects. Before joining ISOteam, Mr Teng was a Town Council General Manager and a coordinating Secretary of 16 PAP-run Town Councils and a HDB estate officer for more than 20 years where he was responsible for the implementation of many upgrading projects such as the HDB Main and Interim Upgrading Programme, Town-wide Community Improvement Projects, Neighbourhood Renewal Programme and Shops Revitalisation Programme. He was a member of the Singapore Landscape Industry Council, the Sectoral Tripartite Committee for Manpower Plan for Landscaping and Conservancy in 2013 where the Progressive Wage Model was mooted, and the Association of Property and Facility Managers since 1998. He holds a Bachelor Degree in Civil Engineering (Honours) from National University of Singapore and a Master in Business Administration from Nanyang Technological University.

## EXECUTIVE OFFICERS



**BEN TEO TECK SING**

### **BEN TEO TECK SING**

Chief Financial Officer (CFO)

Mr Teo joined ISOTeam as CFO in March 2020. With more than 20 years of experience in audit and accounting, Mr Teo is engaged in all corporate finance and treasury functions across the Group including compliance with SGX rules and financial reporting standards, financial planning and reporting, internal control and risk management, fund management, investor relations and merger & acquisition processes. Prior to ISOTeam, he held senior managerial roles at several SGX-listed companies where he was tasked with a broad range of compliance and financial responsibilities including financial management, corporate governance, listing requirement compliance, and other finance related matters. Mr Teo is a fellow member of the Association of Chartered Certified Accountants, United Kingdom and the Institute of Singapore Chartered Accountants.

### **JOHNNY LIM KIM HOCK**

Contracts Director

Mr Lim has been the Group's Contracts Director since 2005 and is responsible for contract administration, project tenders and procurement. He also oversees the Group's staff training and development. Prior to joining the Group in 2001, he was a Quantity Surveyor cum Project Manager at EAC Corporation Pte Ltd from 1994 to 2001, where he was in charge of projects tendering, costs budgeting and supervising projects. Between 1989 and 1994, he was the Contracts Executive of EM Services Pte Ltd where he was responsible for project management of town council projects. From 1983 to 1989, he was with HDB as a technical officer where he handled the quantity survey and supervision of projects. Mr Lim obtained a Technician Diploma in Building from Singapore Polytechnic in 1981.



**JOHNNY LIM KIM HOCK**



**RICHARD CHAN CHUNG KHANG**

### **RICHARD CHAN CHUNG KHANG**

General Manager, Managing Director (ISOTeam Renewable Solutions), and Director (ISOTeam BuildTech)

Mr Chan joined the Group in 2002 as a Project Supervisor and has been its General Manager since 2012. He is in charge of business expansion and diversification; planning and policy updates; and the management and supervision of the Group's corporate business development plans. He oversees corporate affairs and investor relations and is also responsible for the application and management of the Group's government grants. Mr Chan has spearheaded the Group's renewable energy installation businesses and related activities since 2016 and was appointed Managing Director of ISOTeam Renewable Solutions in 2021. He was appointed Director of ISOTeam BuildTech, the Group's AI-focused solutions for the built environment, following its incorporation in July 2024. He graduated from Singapore Polytechnic in 1999 with a Diploma in Building and Property Management and from Royal Melbourne Institute of Technology in 2008 with a Bachelor of Business (Economics and Finance) with Distinction.

## BUSINESS UNIT HEADS

### SAM CHEN TIN LEOW

Managing Director (ISOTeam C&P)

Mr Chen joined ISOTeam Access in 2007 and worked his way up the ranks to his current position as Managing Director (ISOTeam C&P). With over 27 years of experience in the building refurbishment and estate upgrading industry, he is in charge of the Group's specialised coating and painting business. Over the years, Mr Chen has spearheaded numerous C&P projects ranging from HDB housing blocks and private landed residential homes to institutional, industrial and commercial buildings. He is a certified Safety Supervisor and a Work-At-Height Assessor and taps on this expertise to ensure a safe working environment.

### DENNIS CHIN WAI TUCK

Director (Zara @ ISOTeam)

Mr Chin joined the Group as the Projects Director of Zara @ ISOTeam in 2013. Backed by over 22 years of experience in interior design, he provides design consultancy and is also responsible for end-to-end project management of interior design and fitting-out jobs undertaken by Zara @ ISOTeam. He has led many major multi-sector projects including the landmark Civil Service Club @ Loyang (formerly Aloha Loyang) renovation contract. He has a professional training certificate in Interior Design from Palin School of Arts & Design, a National Trade Certificate (Grade 2) from the Ang Mo Kio ITE which was conferred in 1993, and a Specialist Diploma in Interior & Landscape Design awarded by Building and Construction Authority in 2017.

### PREM KUMAR S/O ASOKUMA (PK)

Director (ISOTeam Homecare)

Mr PK joined ISOTeam in 2013 and has been handling A&A, R&R, and Waterproofing jobs for town councils, MCSTs and NEA's market upgrading works since then. He was appointed to his current role in 2018 to expand the handyman business especially in the commercial sector. Mr PK holds a Bachelors of Arts in Organisational Psychology from Murdoch University Australia and has completed ISO 45001 certification.

### TAN CHEE FUI

Managing Director (ISOTeam AET)

Mr Tan joined the Group as ISOTeam AET's Managing Director in 2022. He has over 15 years of experience in building construction. With his quantity surveyor's background, Mr Tan is involved in the management of construction projects and also responsible for project tendering. Mr Tan played a pivotal role in the development and building up of ISOTeam AET into a leading building contractor in the construction industry. He holds a Master of Science in Construction Management from Heriot Watt University.

### CHAN CHEE KHIONG

Director (ISO-Landscape)

Mr Chan joined ISOTeam in 2019 as a Project Manager, overseeing civil work contracts with Nparks and was promoted to Director of ISO-Landscape in 2023. With over 24 years of experience, he has a proven track record in managing large-scale projects from inception to completion while ensuring budget, schedule, and quality compliance. He is skilled in coordinating teams, navigating regulations, and fostering relationships with clients and stakeholders. Mr Chan holds a Diploma with Distinction in Interior Design from NAFA (1999) and obtained the BPM203 certificate in Construction Project Management from the Singapore University of Social Sciences in 2022. He is also a CAAS-certified unmanned aircraft pilot and received a Certificate in Facade Inspection from IES Academy in 2023.



# OPERATING REVIEW

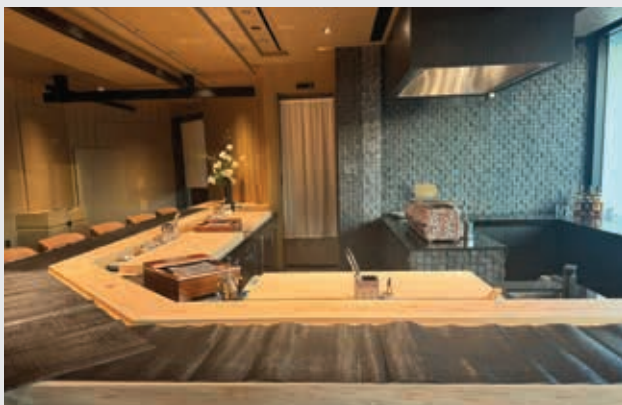


## SALIENT HIGHLIGHTS FOR THE YEAR

- FY2024 marked a strong comeback and recovery for the Group. Revenue and profitability returned to healthy pre-pandemic levels in FY2024 as Singapore's construction sector rebounded and ISOTeam's re-focus on the core R&R and A&A services yielded results.
- Financial health indicators improved significantly. Gearing improved to 0.9 times as at 30 June 2024 from 1.9 times a year ago. Return on assets was 6.0% and return on equity 15.2% in FY2024 compared to 1.4% and 5.4% respectively in FY2023.
- Gross profit grew 82.4% year-on-year to \$20.2 million and gross margin improved 5.4 percentage points to 15.5%. Meanwhile net profit attributable to equity holders of the Company grew more than four-folds to \$6.5 million in FY2024.
- Order book remained strong at \$193.1 million providing clear revenue visibility until FY2027.
- The Group resumed its dividend policy and has proposed a dividend of 0.08 Singapore cent per share for FY2024. This reflected a payout ratio of 26.4% of net profit after tax excluding non-recurring, one-off and exceptional items for FY2024.

Summary: Completed Projects	FY2023		FY2024	
	Number	Value (\$'m)	Number	Value (\$'m)
R&R	14	39.1	9	19.9
A&A	2	1.7	8	25.8
C&P	7	1.1	5	2.2
Others	8	1.2	24	15.9
Summary: Ongoing Projects	FY2023		FY2024	
	Number	Value (\$'m)	Number	Value (\$'m)
R&R	29	90.7	29	86.3
A&A	25	185.2	29	215.5
C&P	55	45.5	68	52.6
Others	45	57.8	39	55.0

## OPERATING REVIEW



### R&R

The Group completed nine R&R projects in FY2024 compared to 14 in FY2023. Key completed projects included 126 HDB blocks in Chua Chu Kang Town Council, Tanjong Pagar Town Council, Jalan Besar Town Council, Pasir Ris-Punggol Town Council, Sembawang Town Council, Milo factory and Suites at Orchard.

As at 30 June 2024, the Group had 29 ongoing R&R projects aggregating approximately \$86.3 million that are expected to be completed by 2025. They comprise mainly public sectors repainting contracts for the Town Councils of Tanjong Pagar, Jalan Besar, Jurong-Clementi, Marine Parade, Aljunied-Hougang, West Coast, Sengkang, Bishan-Toa Payoh and Tampines.

### A&A

The Group completed eight A&A projects in FY2024 compared to two in FY2023. They included 65 HDB blocks in Bishan-Toa Payoh Town Council, Jurong-Clementi Town Council, Aljunied-Hougang Town Council, Sembawang Town Council and they comprised private sector projects for Fit-Out works to Hotel, 2-Story Conserved Building and Mandarin Oriental.

As at 30 June 2024, the Group had 29 ongoing A&A projects valued at approximately \$215.5 million most of which are expected to be completed by 2026. They include HDB blocks across the Town Councils of Ang Mo Kio, Marine Parade, Marsiling Yew-Tee, Aljunied-Hougang, Pasir Ris-Punggol, Tampines and Nee Soon as well as works for envelope control detached dwelling, a single user factory, 4-storey conserved shophouse, industrial building, park connector, carpark and swimming pool, to fit-out works at Resorts World Sentosa, 2-storey envelope control semi-detached dwelling house.

### C&P

The Group completed five C&P projects in FY2024 compared to seven projects in FY2023. Key projects completed included a national cancer centre, Mount Alvernia Hospital and a mezzanine single-user detached factory and a national research facility.

As at 30 June 2024, the Group had 68 ongoing C&P projects valued at approximately \$52.6 million. Significant projects include works for Thomson East Coastline T301 Changi Depot, Sengkang Bus Depot, Pearl Bank, as well as several residential, sports and recreation developments.



### OTHERS

The Others segment comprises revenue from Interior Design and Retrofitting (collectively "ID"), landscaping works, mechanical & electrical engineering works ("M&E"), Renewable Solutions ("RS"), green solutions, leasing, vector control services and handyman services. The Group completed 24 projects in FY2024 under its Others business segment. As of 30 June 2024, the Group had 39 ongoing projects worth \$55.0 million.

### ID

The Group completed 13 ID projects in FY2024 including various commercial units. As at 30 June 2024, key ongoing ID projects included Festive Hotel at Resorts World Sentosa and toilet renovation works at Guard House.

### Landscaping

The Group completed 10 landscaping projects in FY2024 including for Marsiling Yew-Tee Town Council, Bishan-Toa Payoh Town Council, Sembawang Town Council and private sector projects. As at 30 June 2024, key ongoing landscaping projects included a new term contract with a town council.

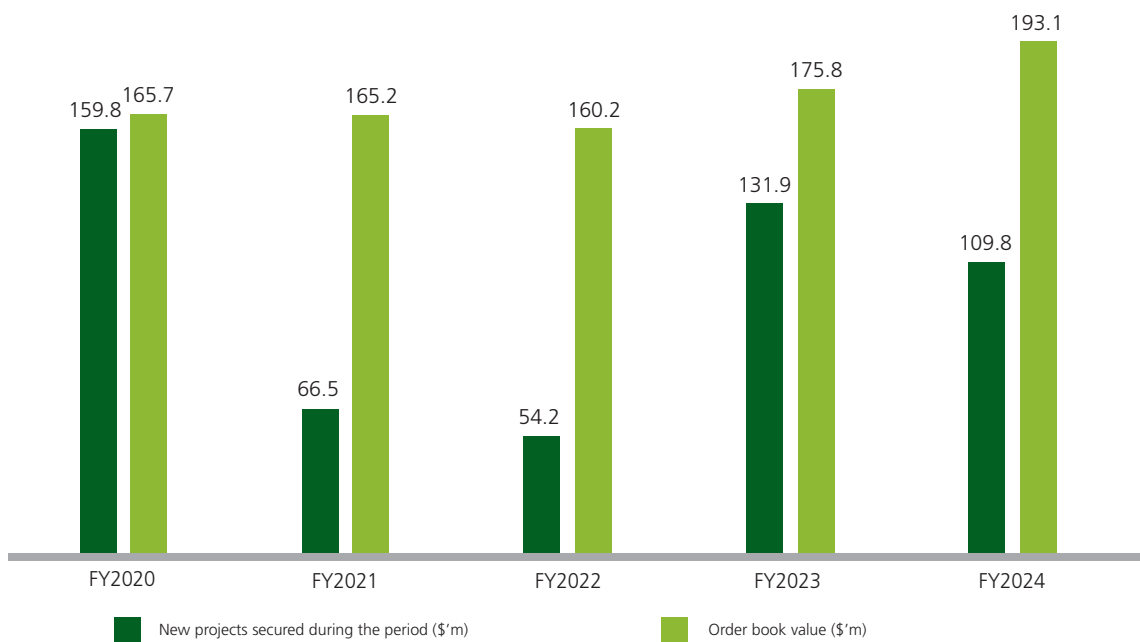
### IRS

The Group completed one RS project in FY2024 including works for offshore grid-tied floating solar PV system. As at 30 June 2024, there were 10 ongoing IRS projects including four projects totalling \$20.6 million to install solar photovoltaic systems for HDB residential blocks. One of which is the Group's largest RS project since it worked on Singapore's largest offshore floating solar farm off the Straits of Johor in 2019.

OPERATING  
REVIEW



ORDER BOOK



In FY2024, the Group secured new projects worth an aggregate of \$109.8 million compared to \$131.9 million in FY2023. As of 30 June 2024, its order book was a robust \$193.1 million compared to \$175.8 million a year ago. These book orders will be progressively delivered by FY2027.

# FINANCIAL REVIEW

## REVIEW OF INCOME STATEMENT

### Revenue

The Group's revenue rose 17.9% yoy to \$130.2 million in FY2024 from \$110.4 million in FY2023 with significant improvements in the performance of its R&R, A&A and C&P segments, which more than overcame a weaker Others segment.

The R&R segment stood out as the star performer in FY2024 with a revenue growth of 41.6% yoy to \$50.4 million. This was followed by the A&A segment, which rose 35.5% to \$45.1 million mainly due to a strong second half ("2HY2024"), when the segment recorded an 83.4% jump in revenue to \$26.4 million from \$14.4 million in the corresponding six months in 2023 ("2HY2023"). The C&P segment also did well in FY2024 with a 32.0% yoy increase in revenue to \$17.4 million. Due to the disposal of a wholly-owned subsidiary, ISO-Integrated M&E Pte. Ltd. ("IME") in May 2024, revenue from the Others segment declined by 39.1% to \$17.2 million in FY2024 from \$28.3 million in FY2023.

In terms of revenue split and reflecting the Group's focus on its core R&R and A&A business, both contributed approximately 38.7% and 34.7% of total FY2024 revenue respectively while C&P and Others accounted for 13.3% share each.

### Profitability

Gross profit margin of the Group recovered to pre-pandemic levels in FY2024 mainly due to higher margins on projects that the Group tendered for and secured post-COVID-19 as industry prospects turned positive. For FY2024, gross profit margin increased 5.4 percentage points to 15.5%, which propelled gross profit 82.4% higher yoy to \$20.2 million. Similarly, net profit attributable to shareholders grew over four-folds to \$6.5 million in FY2024 compared to \$1.4 million in FY2023.

### Other Income and Expenses

Other income of the Group rose 24.0% yoy to \$5.7 million in FY2024 mainly attributed to a one-off gain on disposal of IME and a fair value gain on investment. IME's disposal also led to a 10.0% yoy decline in marketing and distribution expenses to \$0.7 million as staff costs were reduced.

In other expenses, general and administrative expenses rose 18.9% yoy to \$13.2 million in FY2024 from \$11.1 million in FY2023 due to higher staff salaries and bonuses and an increase in professional fees, while the 8.6% uptick in finance costs to \$2.5 million was due to the utilisation of trade facilities and higher interest incurred on bank borrowings. Meanwhile, other operating expenses increased to \$0.5 million in FY2024 from \$0.2 million in FY2023 due to equity settled share-based compensation. Impairment loss on receivables and contract assets rose from \$0.8 million in FY2023 to \$1.7 million in FY2024 primarily because of an increase in credit risk and changes in market conditions that affected the value of contract assets and receivables.



## FINANCIAL REVIEW



### REVIEW OF FINANCIAL POSITION

The Group strengthened its financial position with cash and bank balances of \$10.9 million and a debt-to-equity ratio of 0.9 times as at 30 June 2024 compared to \$6.8 million and 1.9 times respectively as at 30 June 2023.

#### Assets

Non-current assets of the Group decreased by \$0.7 million from \$28.0 million as at 30 June 2023 to \$27.3 million as at 30 June 2024. This was mainly due to a decrease in property, plant and equipment from \$21.5 million to \$20.0 million, offset by an increase in Other Investment from \$3.5 million to \$4.7 million. Current assets increased by \$8.0 million from \$73.0 million as at 30 June 2023 to \$81.0 million as at 30 June 2024. This was mainly due to increases in contract assets from \$36.1 million to \$42.2 million and cash and bank balances from \$6.8 million to \$10.9 million, offset by the decrease in trade and other receivables from \$29.9 million to \$27.9 million.

#### Liabilities

Non-current liabilities of the Group decreased by \$4.2 million from \$17.0 million as at 30 June 2023 to \$12.8 million as at 30 June 2024. This was mainly due to the repayment of loans and borrowings, which decreased from \$13.5 million to \$10.1 million, and a decrease in lease liabilities from \$3.3 million to \$2.6 million. Current liabilities decreased by \$5.7 million from \$58.4 million as at 30 June 2023 to \$52.7 million as at 30 June 2024 as loans and borrowings were repaid and reduced from \$30.6 million to \$24.1 million.

#### Equity

Total equity increased from \$25.7 million as at 30 June 2023 to \$42.9 million as at 30 June 2024. This was attributed to an increase in share capital from \$43.7 million to \$54.3 million after a Rights Issue where 347,170,931 Rights Shares were allotted and issued and the issuance of 3,225,000 shares under ISO Team Performance Share Plan. Also, accumulated losses declined from \$10.6 million as at 30 June 2023 to \$4.0 million as at 30 June 2024.

### REVIEW OF CASH FLOW STATEMENT

#### Net Cash Generated From/Used In Operating Activities

Operating cash flows before working capital changes rose from \$4.3 million in FY2023 to \$10.1 million in FY2024. Trade and other payables decreased to \$9.0 million in FY2024 from the disposal of IME, while contract assets increased to \$6.5 million and trade and other receivables to \$5.9 million. As a result, the Group generated net cash from operating activities of \$6.4 million in FY2024 compared to a net cash used in operating activities of \$10.3 million in FY2023.

#### Net Cash Used In Investing Activities

Net cash used in investing activities was \$1.0 million in FY2024 compared to \$1.1 million in FY2023 and was mainly due to purchases of property, plant and equipment that amounted to \$1.2 million.

#### Net Cash Generated From/Used In Financing Activities

Net cash generated from financing activities was \$0.5 million in FY2024 compared to net cash used in financing activities of \$2.9 million in FY2023. This was mainly due to the draw-down of borrowings of \$49.7 million and proceeds from the issuance of Rights Shares of \$10.4 million and offset by the repayment of borrowings and lease liabilities as well as interest paid of \$56.7 million, \$1.4 million and \$2.2 million respectively.

# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

This is the seventh annual Sustainability Report (“**Report**” or “**SR2024**”) issued by ISOTeam Ltd. (“**ISOTeam**”, “the **Company**” or “the **Group**”). The SR2024 complements the Group’s Annual Report published 1 July 2023 to 30 June 2024, to provide investors and stakeholders with an annual update and robust overview of its sustainability approach, commitments and actions, focusing on key Economic, Environmental, Social, and Governance (“**EESG**”) risks and opportunities for ISOTeam’s financial year.

### REPORTING PERIOD AND SCOPE

The data and information in this Report are for ISOTeam’s operations in Singapore for the Group’s financial year FY2024 (“**FY2024**”), which stretches across 1 July 2023 to 30 June 2024. Group-level figures are in Singapore dollars, unless otherwise stated.

### REPORTING FRAMEWORK

This Report has been prepared in accordance to the Singapore Exchange Limited (“**SGX**”) Listing Rules 711A and 711B and Practice Note 7F of the SGX Listing Manual: Section B: Rules of Catalyst (“**Catalist Rules**”), and guided by the SGX Sustainability Reporting Guide, SGX’s Core Environmental, Social and Governance (“**ESG**”) Metrics and where applicable, the SGX ESGenome disclosure platform.

ISOTeam has prepared this Report with reference to the Global Reporting Initiative (“**GRI**”) Standards. The GRI Standards is a standardised and systematic framework for sustainability reporting with one of the widest adoption-rate globally.

The Company started on its journey to provide climate-related disclosures in FY2023 and will take a phased approach of reasonable and practicable means. The recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”) has been adopted as it is a globally accepted best-practice approach for climate-related financial management and reporting. The Company is additionally taking steps to prepare for the transition to the International Sustainability Standards Board’s (“**ISSB**”) International Financial Reporting Standards (“**IFRS**”) S2 Climate-related Disclosure Standard.

### ASSURANCE FOR THIS REPORT AND RESTATEMENTS

The Group adopts internal verification to ensure the reliability of its EESG data. In compliance with Catalyst Rule 711B(3), the Company ensures that its sustainability reporting process is reviewed by its internal auditor and in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (“**IIA**”). The Group has not sought external assurance for the disclosures made in this Report but will review this on an annual basis.

As part of the Company’s ongoing process of refining its data collection processes, SR2024 has implemented several changes to the presentation of data. This includes:

- Energy consumption categories – More transparency into sources, and inclusion of worksite numbers.
- Waste – Vendor has enhanced the information collection system comparative to previous years.
- Occupational Health and Safety – Previous methodologies reference national reporting guidelines. In SR2024, adjustments were made to the methodologies to align disclosures to GRI best practices. These include calculation of recordable work-related injuries, new disclosure of total manhours, and rates.
- Human resources – Workers now included in data disclosure.
- Training and Education – Workers now included in data disclosure.



## SUSTAINABILITY REPORT



### ACCESSIBILITY OF THIS REPORT

This report forms a part of ISOTeam's FY2024 Annual Report and can be accessed digitally from both our corporate website <http://isoteam.listedcompany.com/ar.rev> and on the SGX-ST website <https://www.sgx.com/>.

We welcome questions and feedback on this report at [ir@iso-team.com](mailto:ir@iso-team.com).

### BOARD STATEMENT

Providing green, safe and efficient solutions for our customers has been a core part of ISOTeam's philosophy since our business was established. The Group continuously integrates environmentally-friendly materials and methodologies and actively supports Singapore's green goals and community initiatives. We strive to align our efforts with the Singapore Green Plan 2030 and the nation's sustainability approach.

The Board of Directors provides oversight for ISOTeam's sustainability efforts, aiming to integrate the Group's **EESG** objectives into our strategic and operational framework. Both the Board and management have participated in sustainability training offered by recognised bodies, including the Singapore Institute of Directors, to strengthen our understanding and approach to the Company's sustainability initiatives.

As we move forward, the Board will continue to support and guide the company's integration and commitment to sustainability, and to create a positive and lasting impact on the environment and communities we serve.

ISOTeam continues to actively seek and embrace innovative solutions to provide customers and stakeholders with enhanced environmental performance and service delivery standards. We thank the team and all our stakeholders who have supported our sustainability efforts and look forward to our continued collaboration in the journey ahead.

## SUSTAINABILITY APPROACH

### OUR VISION

*To be the best and preferred partner for complete solutions in the built environment*

### OUR VALUES

- *People Development: We offer fulfilling career prospects and develop the potential of every employee to build a highly committed and competent team that possesses integrity and adaptability.*
- *Performance And Accountability: We take ownership and initiative to achieve expected key performance indicators through continual learning and upgrading of our knowledge and skills.*
- *Customer Focus: We offer high quality products and services with innovative and sustainable solutions to satisfy and exceed our customers' expectations.*
- *Relationship and Bonding: We value and engage all stakeholders with trust, respect and care to achieve long term win-win situations.*
- *Teamwork: We practise effective and open communication and seek cooperation and collaboration among stakeholders to achieve our desired goals.*

# SUSTAINABILITY REPORT

ISOteam is committed to its environmental, social and governance responsibilities, striving to deliver long-term, sustainable value for all stakeholders. The Board, alongside management and ISOteam’s sustainability champions, oversees the Group’s sustainability policies and procedures. Performance and effectiveness of our sustainability practices is reviewed annually.

Being environmentally friendly is a core foundation of ISOteam. The eco-friendliness and efficiency of our business value chain is continuously monitored for improvement opportunities and the Company works closely with our stakeholders and supply chain.

## SUSTAINABILITY GOVERNANCE

Our sustainability material topics, impacts, risks and opportunities span a range of EESG issues, and includes climate-related matters.

The Board of Directors has oversight on the Group’s sustainable EESG practices, performance and integration into the business strategy. They are supported by 1) the Sustainability Committee which is chaired by the Chief Executive Officer (“CEO”) and Executive Director, and 2) the management team. The Sustainability Committee works together with the heads and representatives of business units and functions to collectively lead and execute implementation efforts to reach our sustainability commitments and goals.



In addition to being responsible for action plans and data responsibilities, designated EESG champions in key departments and business units across our operations gather and consolidate stakeholder feedback for integration into management review platforms and EESG best practices. This enables ISOteam to capture a robust range of sustainability considerations into the Company’s daily processes and decision-making.

## ANTI-CORRUPTION AND BRIBERY

The Company has in place *Conflict of Interest Policy*, *Disciplinary Policy* and *Whistle Blowing Policy*. These are endorsed by the Audit Committee (“AC”) and approved by the Board. This section is meant to be read together with the Corporate Governance report in this publication.

The *Whistle Blowing Policy* is available to all employees and can be found on the Company’s website. It includes a dedicated email address and a direct channel to the AC Chairman. All issues raised are addressed with confidentiality and without fear of reprisal. The policy, channel and process are communicated to all employees and can be found on the website and in the Employee’s Handbook.

In FY2024, there were zero incidents related to corruption.



## SUSTAINABILITY REPORT

### STAKEHOLDER GROUPS AND ENGAGEMENT ACTIVITIES

ISOteam adopts a range of platforms and channels to regularly engage our stakeholders to understand their perspectives, needs and concerns. The information allows our business to understand stakeholders' expectations and concerns on ESG topics, and to manage our impacts for mutual long-term benefit and success. This feedback is incorporated into our annual review of material issues below.

#### STAKEHOLDERS

Stakeholders	Expectation and Interests	Engagement Platforms	Our Response
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Safety and well-being</li> <li>• Employee welfare and benefits</li> <li>• Personal development</li> <li>• Progressive and fair remuneration</li> <li>• Job stability</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Employee Appraisals to discuss career progression and capability development</li> <li>• Employee trainings</li> <li>• Policies and procedures</li> <li>• Appreciation dinners and other festive events</li> </ul>	<p>A range of policies and initiatives have been put in place. For more information please refer to the chapters on</p> <ul style="list-style-type: none"> <li>• Employment</li> <li>• Occupational Health and Safety</li> <li>• Training and Education</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Good customer service</li> <li>• Price advantage</li> </ul>	<ul style="list-style-type: none"> <li>• Enquiry and feedback channels</li> <li>• Direct customer meetings</li> </ul>	<p>ISOteam takes a collaborative approach to develop dependable, eco-friendly and robust solutions that meet customer budgets</p>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Prompt payment</li> <li>• Compliance with terms and conditions of transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor Performance Review after projects</li> <li>• Periodic meetings</li> </ul>	<ul style="list-style-type: none"> <li>• ISOteam adopts a protocol to manage and ensure that contractors receive a timely payment response</li> <li>• A Vendor Performance Review after every project enables the team and supplier to review and monitor quality of transaction</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Profitability and dividends</li> <li>• Transparency and timely reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Annual meetings, bi-annual briefings and ad-hoc investor meetings</li> <li>• Circulars and reports</li> <li>• Timely announcements to shareholders</li> <li>• Dedicated email channel and contact point</li> </ul>	<p>A range of policies and initiatives have been put in place. For more information please refer to the chapters on</p> <ul style="list-style-type: none"> <li>• Shareholders and Investor Activities</li> <li>• Corporate Governance</li> <li>• Sustainability Governance</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Compliance with regulations</li> <li>• Established reporting procedures and channels in place</li> </ul>	<ul style="list-style-type: none"> <li>• Discussions with relevant authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Timely reporting to regulators and government agencies</li> <li>• Collaborations, where applicable</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Social responsibility to relevant communities</li> <li>• Support for community development</li> </ul>	<ul style="list-style-type: none"> <li>• Donations/volunteer/fund raising activities to support charities</li> </ul>	<ul style="list-style-type: none"> <li>• Regular philanthropic and volunteer activities for 1) internal workforce, 2) external under-privileged community</li> </ul>

# SUSTAINABILITY REPORT



## SHAREHOLDERS AND INVESTOR ACTIVITIES

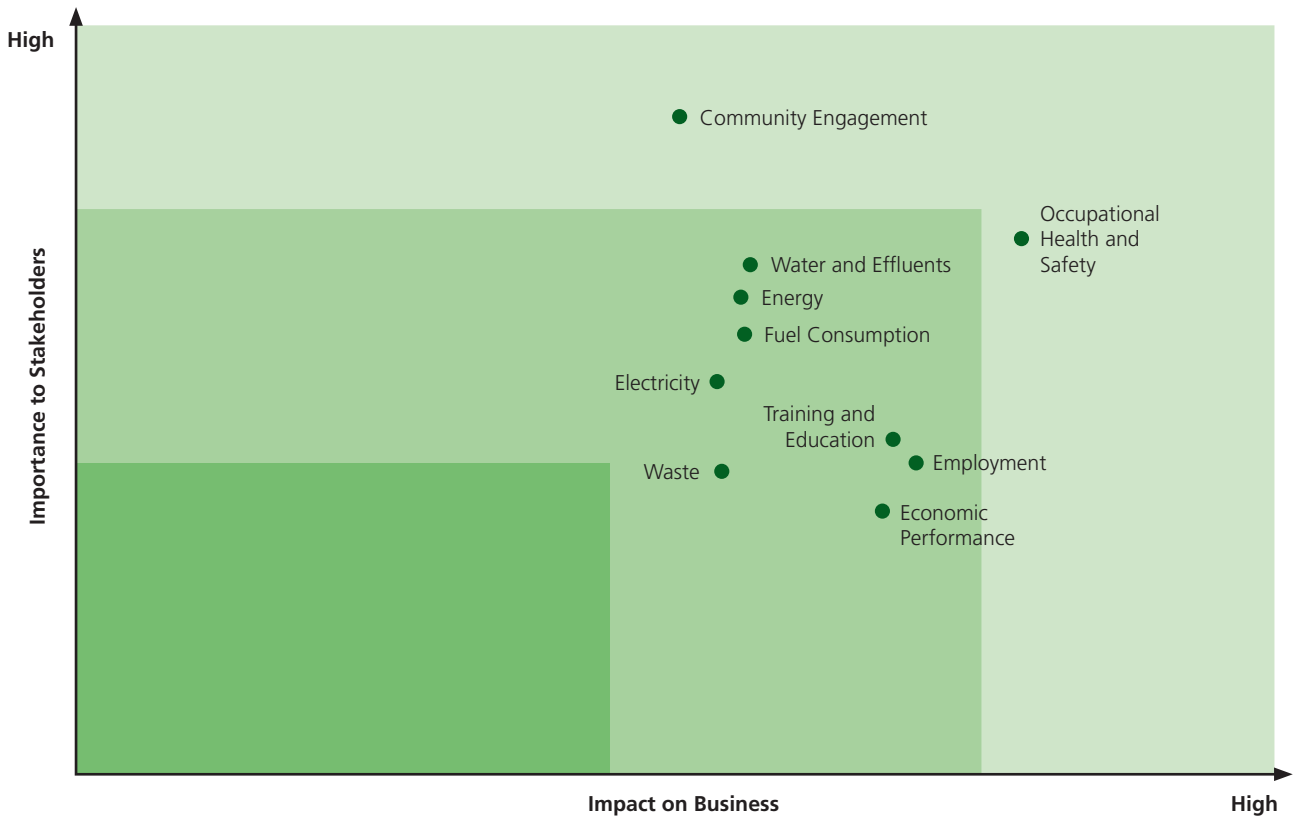
Investor Relations Activities in FY2024	
August 2023	1. FY2023 Result Briefing
October 2023	2. Annual General Meeting
February 2024	3. 1H FY2024 Results Briefing (Virtual)
April 2024	4. Phillip Securities Research Corporate Insights (Virtual)
	5. Maybank Securities
May 2024	6. RHB Research Regional Spotlight (Virtual)
	7. CGS International Securities Singapore (Virtual)
July 2024	8. Lim & Tan Securities (Virtual)
	9. Shareinvestor SG Gems Company Spotlight (Virtual)
	10. ISOTeam Investor Day
August 2024	11. FY2024 Result Briefing (Virtual)

# SUSTAINABILITY REPORT

## MATERIAL SUSTAINABILITY TOPICS

### MATERIALITY ASSESSMENT AND APPROACH

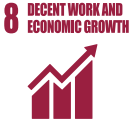




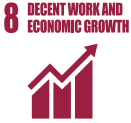


ISO Team takes reference from the GRI Standards for its materiality assessment approach. Materiality topics were reviewed with the integration of internal and external stakeholder feedback compiled via an online survey. The responses were analysed and then aggregated into 10 key material issues. These were mapped based on their economic, environmental and social impacts. There was no change to the material issues for FY2024.



# SUSTAINABILITY REPORT

## MATERIAL TOPICS

In addition to the material topics identified in our materiality assessment, ISOTeam with the assistance of external sustainability consultants, identified a list of additional areas and metrics to report on a voluntary basis. Based on best practice recommendations such as the Singapore Exchange's Core ESG Metrics, these additional areas disclosed in the report include Greenhouse Gas ("GHG") emissions as well as Governance matters.

Material topics SDG alignment	Description and GRI alignment	Impacted Stakeholder Groups	ISOTeam's response
<b>Economic Performance</b>			
 8 DECENT WORK AND ECONOMIC GROWTH	 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Distribution of economic value to stakeholders  Associated GRIs: <ul style="list-style-type: none"> <li>• GRI 201: Economic Performance 2016</li> </ul>	Employees, Customers, Suppliers, Investors, Government and Regulators  Our dedication lies in constructing dependable, eco-friendly and robust solutions for our clients. We are also committed to generating enduring economic benefits for those invested in our endeavours.
<b>Energy Consumption Water and Effluents Waste Management</b>			
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 13 CLIMATE ACTION	Practices in place to introduce environmental friendly solutions in delivering products and services  Associated GRIs: <ul style="list-style-type: none"> <li>• GRI 302: Energy 2016</li> <li>• GRI 303: Water and Effluents 2018</li> <li>• GRI 306: Waste 2020</li> </ul>	Customers, Suppliers, Government and Regulators, Employees  We are committed to reduce our energy consumption, GHG emissions and maintaining a watchful approach to the management of our waste and water usage.
<b>Occupational Health and Safety</b>			
 3 GOOD HEALTH AND WELL-BEING		Measures in place to ensure health and safety of our people  Associated GRIs: <ul style="list-style-type: none"> <li>• GRI 403: Occupational Health and Safety 2018</li> </ul>	Employees, Customers  Our business is heavily reliant on migrant workers who are frequently exposed to high-risk situations at our construction sites. We aim to maintain a constant zero rate of work-related injuries, fatalities and cultivate a healthy work culture that prioritises safety above all.
<b>Employment</b>			
 8 DECENT WORK AND ECONOMIC GROWTH		Fair employment practices in aspects of hiring, benefits and welfare  Associated GRIs: <ul style="list-style-type: none"> <li>• GRI 401: Employment 2016</li> </ul>	Employees, Government and Regulators  At ISOTeam we champion fair and equal hiring and employment practices. We empower our workforce with platforms to voice their opinions and contribute to our management systems.
<b>Training and Education</b>			
 4 QUALITY EDUCATION		Practices in place to develop our people's potential and talent management  Associated GRIs: <ul style="list-style-type: none"> <li>• GRI 404: Training and Education 2016</li> </ul>	Employees  We will not be able to achieve success in the Company without a workforce that is both driven and competitive. As such, we invest in our people and encourage them to enhance their expertise and skillsets.
<b>Community Engagement</b>			
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS		Community outreach activities  Associated GRIs: <ul style="list-style-type: none"> <li>• Not applicable<sup>1</sup></li> </ul>	Communities, Government and Regulators  We maintain close ties to both our internal and external communities. It is part of our commitment to our corporate value to build trusted, respectful and caring relationships and bonds with stakeholders.

<sup>1</sup> ISOTeam pursues a different objective and nature of community activities as those defined by the GRI Standards.

## SUSTAINABILITY REPORT

### CLIMATE-RELATED DISCLOSURE

ISOTeam began its climate-related disclosure journey in late FY2023 and plans to adopt a reasonable, phased approach. The Company references the TCFD framework for SR2023, in compliance with the Singapore Exchange's requirements. The below disclosures have been categorised into four overarching elements – Governance, Strategy, Risk Management, and Metrics and Targets, and are cross-referenced to the rest of the Company's Annual and Sustainability Report sections for an integrated and holistic brief for stakeholders.

ISOTeam is also preparing to transition our climate-related disclosure framework from the TCFD to the ISSB IFRS S2 Climate-related Disclosures. We continue to enhance efforts to identify and manage climate-related risks and opportunities ("CRROs") as part of the Company's progress for climate-related disclosures.

#### GOVERNANCE

TCFD recommended disclosures	ISOTeam's approach	Reference sections
Describe the Board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>A part of the Board's primary role is to protect and enhance long-term value for the Shareholders, the Board monitors and oversees all sustainability-related risks and opportunities, including climate.</li> <li>The CEO and Executive Director, as head of the Sustainability Committee, has direct oversight of all sustainability-related risks and opportunities.</li> <li>The Board approves and endorses the Sustainability Report, which provides comprehensive sustainability disclosures.</li> <li>The Management executes ISOTeam's business and EESG strategies set by the Board. The Management also engages ISOTeam's stakeholders in conducting materiality assessment and oversees EESG data quality.</li> </ul>	<ul style="list-style-type: none"> <li>Board Statement</li> <li>Sustainability Report (Sustainability Governance)</li> </ul>
Describe the management's role in assessing and managing climate-related risks and opportunities.		

#### STRATEGY

TCFD recommended disclosures	ISOTeam's approach	Reference sections
Describe the climate-related risks and opportunities that ISOTeam has identified over the short, medium, and long term.	<ul style="list-style-type: none"> <li>A leader in the building and construction industry, the Company has built a reputation on green practices by using eco-friendly products and solutions. The Company will continue to engage stakeholders to understand their impacts on the environment, economy, society, and governance over the short, medium, and long term.</li> <li>Low-impact solutions such as green energy have been developing in the building and construction industry and have strong potential for short and long term influence on the Company's strategy and business model. The Company views the potential for green projects as key opportunities for business growth and will develop business plans accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>Board Statement</li> <li>Sustainability Report</li> </ul>
Describe the impact of climate related risks and opportunities on ISOTeam's businesses, strategy, and financial planning.		
Describe the resilience of ISOTeam's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> <li>The Company is taking steps towards managing its GHG emissions by tracking their carbon emissions more diligently. The Company recognises that more work needs to be undertaken to robustly track its carbon impacts (including Scope 3) and will take a phased approach.</li> <li>As we continue to enhance our sustainability and climate-related disclosures approach, the Company will explore the application of climate scenario analysis in future Sustainability Reports.</li> </ul>	<ul style="list-style-type: none"> <li>Board Statement</li> </ul>

# SUSTAINABILITY REPORT

## RISK MANAGEMENT

TCFD recommended disclosures	ISOTeam's approach	Reference sections
Describe ISOTeam's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> <li>Risks associated with these EESG factors, including those that are climate-related, were identified, regularly monitored and reported across all functions and Business Units.</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report (Corporate Governance Report, Risk Management and Internal Controls)</li> </ul>
Describe ISOTeam's processes for managing climate-related risks.	<ul style="list-style-type: none"> <li>A Sustainability Committee, with designated EESG champions manages and executes the identification, assessment, monitoring and mitigation actions for EESG practices.</li> <li>Management supports the Board to review key policies, plans and controls.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Report (Sustainability Governance, Identification of Material EESG Factors)</li> <li>Board Statement</li> </ul>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into ISOTeam's overall risk management.	<ul style="list-style-type: none"> <li>The Company recognises that climate-related risks should be integrated into ISOTeam's strategic, financial and operational risks. ISOTeam will continue to identify, monitor and review developments to relevant standards.</li> </ul>	

## METRICS AND TARGETS

TCFD recommended disclosures	ISOTeam's approach	Reference sections
Disclose the metrics used by ISOTeam to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> <li>ISOTeam has prepared the Sustainability Report in accordance with leading sustainability standards (GRI Standards).</li> <li>GHG emissions, metrics and targets have been reported in the respective section of this report.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Report (Green-value and initiatives)</li> </ul>
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks.	<ul style="list-style-type: none"> <li>ISOTeam has measured and disclosed Scope 1 and Scope 2 GHG emissions and related risks.</li> <li>ISOTeam endeavours to disclose Scope 3 emissions as soon as reasonably practicable.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Report (Green-value and initiatives)</li> </ul>
Describe the targets used by ISOTeam to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> <li>The Company's Sustainability Report will be submitted for an internal review by a third-party internal audit firm.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Report (Assurance for this Report and Restatements; Green-value and initiatives)</li> </ul>

## SUSTAINABILITY REPORT



### EMPLOYMENT

ISOTeam strongly believes that fostering a positive working environment is the foundation for a happy team, which in turn leads to satisfied customers and a sustainable business. We champion fair employment practices that offer equal opportunities for all and embrace working principles that discriminate neither by gender nor age. While a male dominated workforce is typical in the construction industry, we seek to nurture a diverse mix of male and female employees of various ages, and proactively work with employees to develop inclusive career paths.

#### EMPLOYMENT POLICIES

The ISOTeam family values are integral to the Company's approach to our employment and human resource management. The ISOTeam employee handbook emphasises the importance we place on mutual respect, accountability, and open communication between management and staff in every employee.

Our employee benefit and welfare packages are regularly reviewed and updated based on staff feedback and discussions to understand their personal and professional goals. The Company's human resource principles, employment policies, and remuneration packages are benchmarked against industry best practices and align with the latest Ministry of Manpower ("MOM") guidelines. Our goal is to achieve high staff retention by cultivating a motivated and satisfied workforce, united in the shared objective of achieving excellence both individually and as a company.

We set clear and transparent criteria in our hiring and annual performance review process to ensure all potential and current employees are assessed without discrimination. All employees' career growth is developed between management and employees through clear job expectations and annual performance reviews.

# SUSTAINABILITY REPORT

## Performance Review by Employee Categories

Employee Category	Percentage
Senior Management	92%
Middle Management	100%
Non-Management	23%

## Performance Review by Gender

Gender	Percentage
Male	23%
Female	100%

ISOTeam has a suite of policies and processes that forms part of its staff retention strategy. Our *Resignation and Recruitment Policy* and *Worker Salary Review and Loyalty Incentive Policy* address agency fees and monetary incentives, enabling us to safeguard and incentivise employee interests. For employee resignation, the Group has rolled out processes which require the Business Unit (“BU”) heads to 1) understand the reasons for a staff member’s resignation, and 2) explore redeployment or issue resolution.

ISOTeam has begun developing a Group-level *Human Rights Policy* which will reference global standards for labour and human rights principles such as the International Labour Organisation’s (“ILO”) Core Labour Standards and the Universal Declaration of Human Rights (“UDHR”). It will adopt a precautionary principle and will be rolled out to all employees, including management in the next reporting year.

Our key policies are shared through the employee handbook. Staff are kept informed of updates to the handbook through briefing sessions, notification emails, as well as open communication channels for feedback and questions.

## OUR TEAM

ISOTeam regards job preservation as a key priority. To ensure a well-rounded workforce, the Company takes a holistic approach to recruitment, which includes internship and hiring programmes with educational institutes. Additionally, we proactively manage a balance between retraining for new roles, hiring rates and staff attrition.

In the reporting year, we employed 972 full time and part time employees across our Singapore operations. This consisted of 969 full-time workers, and three part-timers. Of our employee headcount, 8.1% (79 persons) were female. In FY2024, we enhanced our data monitoring and reporting process to include full time and part time workers involved in ISOTeam projects. All data reported in this chapter refer to total sum as at the end of FY2024, unless otherwise indicated.

There were no staff retrenchments in the reporting year.

As with most companies in the construction and built environment industry, ISOTeam’s workforce is predominantly male. However, the Company is committed to encouraging diversity and inclusivity in the workplace and we strive to maintain a reasonable balance of age and gender diversity.

We respect our employees’ rights to freedom of association and collective bargaining under applicable laws. While none of our employees are currently unionised, they are represented in ISOTeam’s occupational health and safety committees to ensure that concerns about operations and worksites are heard and addressed. For all other matters, ISOTeam’s Human Resources team and the whistleblowing channels remain open for all to access.



# SUSTAINABILITY REPORT

**Total Number of Full-Time and Part-Time Employees by Gender**

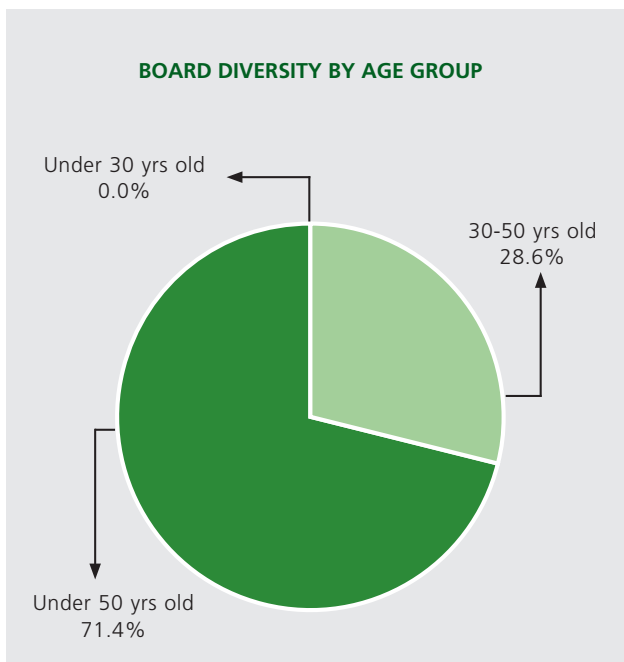
<b>No. of full-time employees</b>	Male	893
	Female	76
	<b>Total</b>	<b>969</b>
<b>No. of part-time employees</b>	Male	0
	Female	3
	<b>Total</b>	<b>3</b>
<b>Total</b>	Male	893
	Female	79
	<b>Total</b>	<b>972</b>

**Total Number of Permanent and Temporary Employees by Gender**

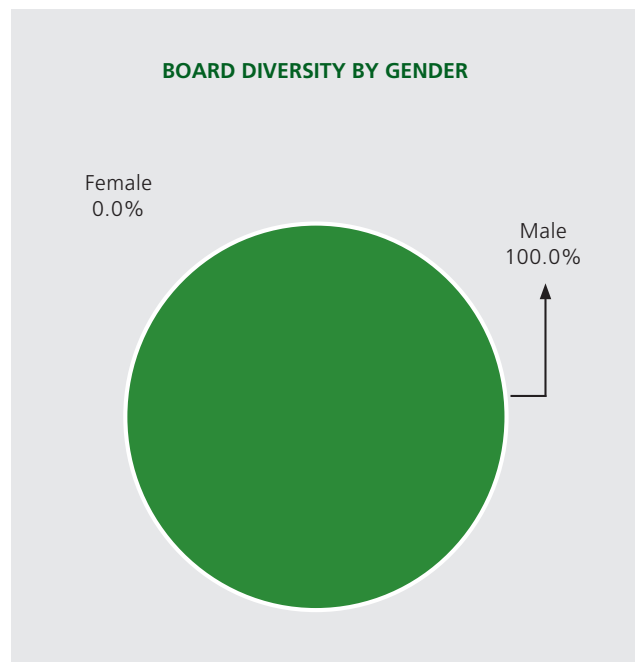
<b>No. of Permanent Employees</b>	Male	210
	Female	74
	<b>Total</b>	<b>284</b>
<b>No. of Temporary/ Contract Employees</b>	Male	683
	Female	5
	<b>Total</b>	<b>688</b>
<b>Total</b>	Male	893
	Female	79
	<b>Total</b>	<b>972</b>

Note: From FY2024 onwards, workers will be included as part of our initiative to refine disclosure efforts.

**BOARD DIVERSITY BY AGE GROUP**



**BOARD DIVERSITY BY GENDER**

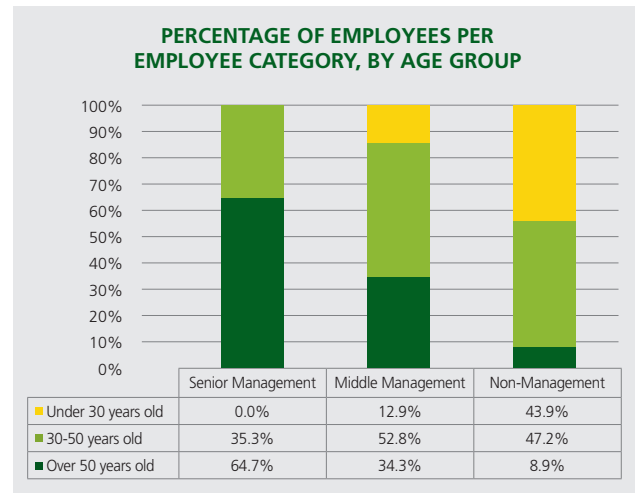
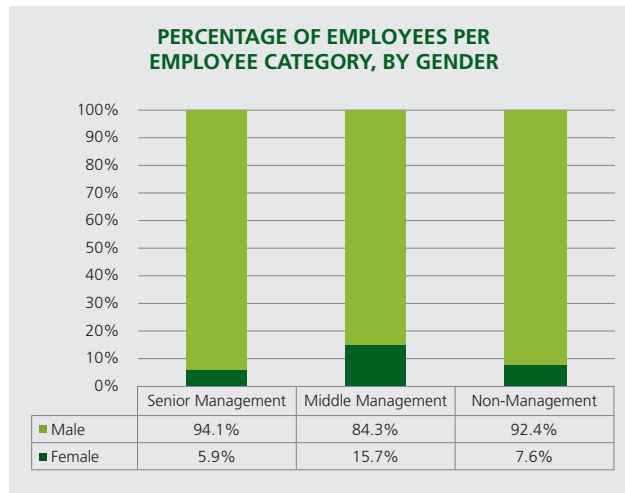


# SUSTAINABILITY REPORT

## Employee Diversity

Percentage of Employees per Employee Category, by Gender	Male	Female
Senior Management	94.1%	5.9%
Middle Management	84.3%	15.7%
Non-Management	92.4%	7.6%

Percentage of Employees per Employee Category, by Age Group	Under 30 years old	30-50 years old	Over 50 years old
Senior Management	0.0%	35.3%	64.7%
Middle Management	12.9%	52.8%	34.3%
Non-Management	43.9%	47.2%	8.9%



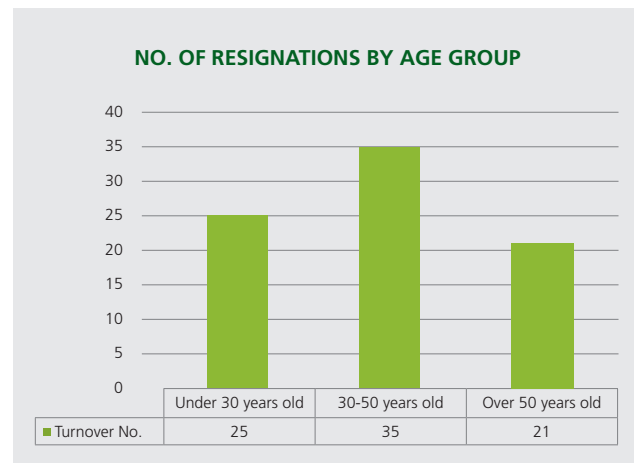
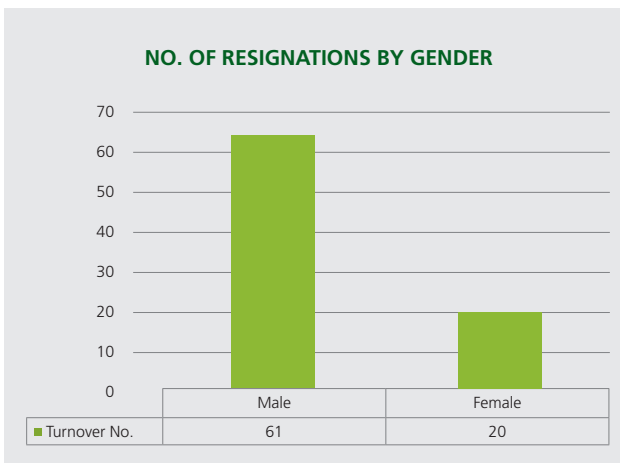
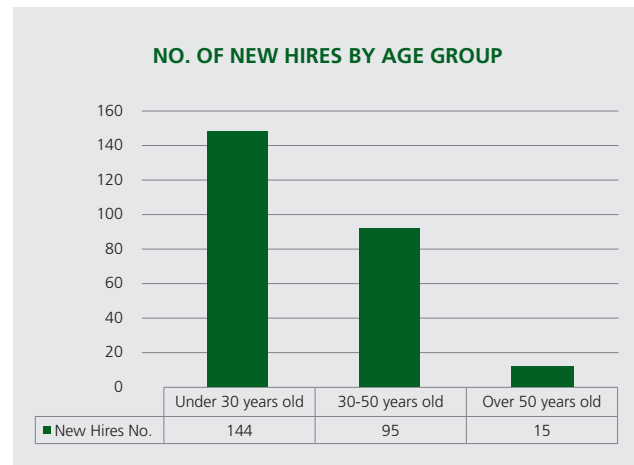
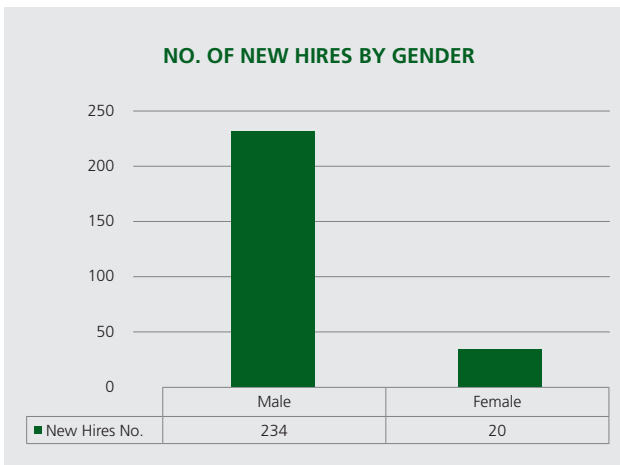
## ATTRITION

As part of our robust human resource programmes, the Company monitors and manages employee attrition, turnover and hiring efforts to achieve a balanced workforce for the business' needs.

## New Employee Hire and Turnover

		New Hires		Turnover	
		Number	Rate	Number	Rate
By Age Group	Under 30 years old	144	14.8%	25	2.6%
	30-50 years old	95	9.8%	35	3.6%
	Over 50 years old	15	1.5%	21	2.1%
By Gender	Male	234	24.1%	61	6.3%
	Female	20	2.0%	20	2.0%
<b>Overall Total</b>		<b>254</b>	<b>26.1%</b>	<b>81</b>	<b>8.3%</b>

## SUSTAINABILITY REPORT



### EMPLOYEE BENEFITS

ISOTeam’s employee benefits extend to all categories of staff, including non-management permanent staff such as workers. These include annual health screenings, medical and insurance coverage, parental leave, flexible work arrangements, and performance bonuses.

All employees, including workers, have access to medical services at a designated company clinic and annual medical check-ups. In addition, our employees are covered under the Group’s collective insurance scheme which include regular health screenings paid for by the Group.

### Benefits for all permanent and part-time staff

Leave	Medical Benefits	Flexible Work Arrangements	Parental Leave
<ul style="list-style-type: none"> <li>• Annual leave</li> <li>• Granted leave</li> <li>• Medical leave</li> <li>• Examination leave</li> <li>• Marriage leave</li> <li>• Compassionate leave</li> <li>• Birthday leave</li> </ul>	<ul style="list-style-type: none"> <li>• Outpatient treatment</li> <li>• Inpatient treatment</li> <li>• Dental treatment</li> <li>• Insurance coverage</li> <li>• Basic health screening</li> </ul>	<ul style="list-style-type: none"> <li>• Flexi-time</li> <li>• Flexi-place</li> </ul>	<ul style="list-style-type: none"> <li>• Maternity leave</li> <li>• Paternity leave</li> <li>• Childcare/extended childcare leave</li> <li>• Adoption leave</li> <li>• Shared parental leave</li> </ul>

# SUSTAINABILITY REPORT

## Parental Leave Utilisation

No. of employees entitled to parental leave	Male	56
	Female	15
No. of employees that took parental leave	Male	18
	Female	10
No. of employees that returned to work in the reporting period after parental leave ended	Male	18
	Female	10
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	18
	Female	10
Return to work rates	Male	100%
	Female	100%
Retention rates	Male	100%
	Female	100%

In FY2024, the ISOTeam Performance Share Plan (“PSP”) was rolled out. This is a reward and incentive programme for executive-level employees.

## REPORTING FOR EMPLOYMENT

FY2024 Goals	FY2024 Performance	FY2025 Goals
<ul style="list-style-type: none"> <li>Continue to ensure that Human Resource policies address employees’ welfare and promote a healthy work-life.</li> <li>Continue to be an employer of choice and achieve a high annual staff retention rate.</li> <li>To review our employee benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Several enhancements for welfare took place. A review of the re-employment plan is additionally in progress.</li> <li>Welfare activities such as Fruits Day was extended to workers.</li> <li>ISOTeam PSP was implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to ensure that Human Resource policies address employees’ welfare and promote a healthy work-life.</li> <li>Continue to be an employer of choice and achieve a high annual staff retention rate.</li> <li>To review our employee benefits.</li> </ul>



## SUSTAINABILITY REPORT

### OCCUPATIONAL HEALTH AND SAFETY

Workplace safety and health (“**WSH**”) is a key cornerstone for ISOTeam. Our approach to create a healthy and safe environment extends to all stakeholders including our employees, subcontractors, our customers and the communities within the vicinity of our work sites.

The Company has several certified management systems to manage this, these are the SS ISO 45001 (Occupational Health and Safety Management Systems) and SS 679: 2021 (Code of Practice for Workplace Safety and Health Management System for Construction Workers). Internal audits on safety protocols are regularly conducted and there is ongoing collaboration with local regulatory bodies to ensure that our occupational health and safety procedures are of the highest standards. 100% of employees and external workforce (such as contractors and vendors) amounting to 26,138 individuals who work on our premises and projects are covered by our occupational health and safety management system.

Our workers are represented in health and safety discussions by their team leaders. Typically, an approximate 10% of onsite workers is actively involved in a formal joint management-worker health and safety committee. The committees provide a key platform for operational staff to enhance our WSH practices.

ISOTeam’s project protocols for the work teams include comprehensive project-assessed risk assessment, hazard briefings and training. Daily Toolbox meetings are important opportunities to re-align the project team’s work principles and practices to ISOTeam’s strict WSH expectations during the course of the project and serves as an important platform for workers and site supervisors to raise any potential work hazards and provide feedback.

The Company conducts monthly internal trainings on workplace risks and safe work procedures. Work that requires specialised skillsets can only be undertaken by staff who have been trained, and this extends to contractors and vendors. All external and internal trainings are additionally evaluated by the WSH Coordinator, who works on the construction sites with the migrant workers. Contractors are expected to understand and enforce our workplace safety and health practices and must have undergone ISOTeam’s Safety Induction Course.

The importance of maintaining hygiene standards is communicated to the workforce through regular health and safety briefings, reminder posters, and where needed, swab-test monitoring. Hygiene hazards are also integrated into the Company’s safety protocols.



# SUSTAINABILITY REPORT

## Workplace Injuries

Occupational Health and Safety	FY2022		FY2023		FY2024	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Fatalities as a result of work-related injury	0	Not reported*	1	Not reported*	0	0.00
High-consequence work-related injuries (excluding fatalities)	0	Not disclosed*	0	Not reported*	0	0.00
Recordable work-related injuries (including fatalities)	12	4.88	10**	4.45	13	4.47
Total Manhours	Not reported*		Not reported*		2,909,684.00	

Notes:

- (\*) The Company is in the process of developing and refining its data capture channels and the above table does not include external parties. In FY2024, ISOTeam started reporting manhours in an effort to apply a GRI-aligned methodology for disclosure best practice. In years prior to FY2024, the Company reported Accident Frequency Rates ("AFR") and Accident Severity Rates ("ASR") with methodologies prescribed by the Singapore Ministry of Manpower (please refer to SR2023), which differed from GRI-provided formulas.
- (\*\*) Number of recordable work-related injuries for FY2023 is restated from 9 to 10 to include the number of fatal incidents. This is a revision of the methodology for enhanced alignment to GRI best practices.

### A JOURNEY TO WSH BEST PRACTICE

ISOTeam continues to seek ways to improve our approach to occupational health and safety standards. In FY2024, the Company conducted incident investigations into 13 reportable work-related injuries and seven incidents that resulted in fines from regulators. The incidents were largely slip and trip and dust-irritation, and the fines were for mosquito breeding, falling object and scaffolding-related issues. After investigations, Corrective and Preventive Action Reports were issued for all incidents and the learnings shared with management as well as the workforce to encourage constant vigilance and adherence to ISOTeam's WSH expectations.

### REPORTING FOR OCCUPATIONAL HEALTH AND SAFETY

FY2024 Goals	FY2024 Performance	FY2025 Goals
<ul style="list-style-type: none"> <li>Achieve zero reportable incidents or non-compliance cases.</li> <li>AFR<sup>2</sup> of not more than 4.0.</li> <li>ASR<sup>3</sup> of not more than 20.0.</li> </ul>	<ul style="list-style-type: none"> <li>13 reportable incidents.</li> <li>AFR = 4.81</li> <li>ASR = 89.35</li> </ul>	<ul style="list-style-type: none"> <li>Achieve zero reportable incidents or non-compliance cases.</li> <li>AFR of not more than 4.0.</li> <li>ASR of not more than 20.0.</li> </ul>



<sup>2</sup> The Company's current targets are aligned to a metric used by Singapore's Workplace Safety and Health Council. The AFR measures the total number of workplace accidents reported per million man-hours.

<sup>3</sup> The Company's current targets are aligned to a metric used by Singapore's Workplace Safety and Health Council. The ASR measures the total number of days employees are unable to work due to injuries per million man-hours.

## SUSTAINABILITY REPORT

### TRAINING AND EDUCATION

Investing in employee training and education is a key approach to ISOteam's growth and business development.

Overseen by the Human Resources department, the Company has a system in place to identify employee strengths and potential for advancement, foster transparent and dynamic dialogues about their training needs and personal growth within the Group.

All ISOteam employees, including workers, are provided equal opportunities to access relevant training regardless of gender, age, ethnicity and race. Training and career development needs are identified by both management as well as individual employees through channels which include the annual performance appraisals for employees.

Safety training is a core requirement for all staff. It is mandatory for all ISOteam project site employees to undergo workplace safety courses. All new employees receive a compulsory briefing on ISOteam's in-house safety rules and regulations. The CEO and management team are required to complete a workshop on Singapore's Workplace Safety and Health Act. The ISOteam intranet ensures that WSH e-learning and best practice materials are available and classified by Company's functions, business units and employee categories.

Employee training development is guided by ISOteam's training matrix which considers the feedback of supervisors and employees on job requirements and course relevance. Courses in the training programmes are focused on technical and functional skills. As part of corporate-level efforts to review and future-proof employee scopes of work, there is ongoing emphasis on courses to enhance supervisory robustness in project management, earthwork supervisor and management of sectorial workplace safety and health matters. Briefings and talks by external experts are organised to ensure employees are updated on regulatory changes that may influence our business. To encourage continuous learning, employees are also provided opportunities to gain understanding on industry and global best practice through seminars and conferences, as well as access to Company support on finances for relevant education.

#### Average Training Hours by Employee Category

Employee Category	FY2024
Senior Management	7.08
Middle Management	6.49
Non-Management	3.66
<b>Total</b>	<b>3.88</b>

#### Average Training Hours by Gender

Gender	FY2024
Male	3.05
Female	13.32
<b>Total</b>	<b>3.88</b>

Note: In FY2024, workers were included into the non-management category as part of efforts more robustly include and manage the workforce.

### REPORTING FOR TRAINING

FY2024 Goals	FY2024 Performance	FY2025 Goals
<ul style="list-style-type: none"> <li>Every staff to attend at least 16 hours of relevant training.</li> </ul>	<ul style="list-style-type: none"> <li>As a result of integrating the workers in the tracked categories, average training hours decreased. Work is in progress to review training plans.</li> </ul>	<ul style="list-style-type: none"> <li>Every staff to attend at least 16 hours of relevant training.</li> </ul>



# SUSTAINABILITY REPORT

## GREEN-VALUES AND INITIATIVES

ISOTeam's efforts to identify, manage and mitigate our environmental impacts are addressed collectively under this chapter.

The Company is committed to supporting national climate change management efforts. This includes the Singapore Green Plan 2030 for sustainable development, which encompasses the five pillars of 1) City in Nature, 2) Sustainable Living, 3) Energy Reset, 4) Green Economy and 5) Resilient Future. As such, we have chosen to report on additional environmental performance indicators beyond our material topics, such as on our greenhouse gas emissions.

### GREEN INITIATIVES

We strive to work with partners and clients to develop and accelerate green and more efficient methodologies and solutions.

As part of our responsibility to encourage our customers to adopt sustainable practices, ISOTeam works with partners and suppliers to develop and source for durable materials with longer life cycles. Some of these include:

- Development and acceleration of drone utilisation for façade inspection in collaboration with H3 Dynamics Pte Ltd. The deployment of digital technologies for inspection work process enables ISOTeam and its customers to realise project resource and manpower efficiencies while improving process safety. Artificial intelligence is utilised to process drone-collected data, and a robust digital platform improves data analysis and reporting.
- To help customers combat the effect of increasing building temperatures due to climate change, heat-reflective paints are encouraged and deployed in our projects.
- Renewable energy is a resource that is key to Singapore's transition to a low carbon economy. ISOTeam has been supporting the design, supply and installation of solar photovoltaic systems for its customers. In FY2024, ISOTeam was engaged to undertake such a project for the Land Transport Authority's bus depots and MRT stations.
- As product specifications and process track records continue to improve, ISOTeam works with clients to explore and accelerate newer methods. Where applicable, flake epoxy coating has been applied instead of the more disruptive and waste-generating hack and retiling methods for floor surface renewal work.

The Company's focus on green solutions has been recognised by the industry over the years, such as through the Singapore's Building and Construction Authority ("BCA") Green and Gracious Builder Award (Merit), which is administered by the Singapore Contractors Association Limited ("SCAL"). ISOTeam is also a member of the Singapore Green Building Council ("SGBC"), which is part of the World Green Building Council ("WGBC") and its global efforts towards environmental sustainability in the building and construction sector.

### ENERGY CONSUMPTION

As part of our ISO 14001 Environment Management System, ISOTeam continuously explores methods to reduce energy consumption and emissions.

The Group's headquarters harnesses solar energy through 386 rooftop photovoltaic panels. In FY2024, these panels generated approximately 51,308.21 kWh which translated to 20.77% of our electricity needs.

As the Company continues to enhance its data capture and reporting robustness, fuel from petrol and diesel (largely from projects, vehicles and equipment) are now included in reporting.





## SUSTAINABILITY REPORT

### Energy Use and Intensity

	FY2022	FY2023	FY2024
<b>Fuel</b>			
Usage (GJ)	Not disclosed	Not disclosed	22,146.93*
Revenue (\$'m)	96.48**	110.40	130.17
Energy intensity (GJ/\$'m)	Not applicable	Not applicable	170.14*
<b>Electricity</b>			
Usage (GJ)	167.67	786.64	704.66
Revenue (\$'m)	96.48**	110.40	130.17
Energy intensity (GJ/\$'m)	1.74	7.13	5.41
<b>Solar</b>			
Usage (GJ)	566.51	550.03	184.71
Revenue (\$'m)	96.48**	110.40	130.17
Energy intensity (GJ/\$'m)	5.87	4.98	1.42
<b>Total Energy Use (GJ)</b>	<b>734.18</b>	<b>1,336.67</b>	<b>23,036.30</b>
<b>Total Energy Intensity (GJ/\$'m)</b>	<b>7.61</b>	<b>12.11</b>	<b>176.97</b>

#### Notes:

- SR2024 presents energy consumption types in the above categories compared to previous years for improved transparency.
- (\*) As part of our ongoing journey to improve our data capture, in FY2024, fuel data was extended to capture consumption at the Company's worksites (generators, equipment and machinery). This is in addition to the corporate vehicle fleet consumption in previous years.
- (\*\*) As disclosed in SR2023, there was a restatement in this figure.
- Due to lack of available data at time of publication, solar energy figures for the 12th month of the financial year are extrapolated from the previous 11 months.
- Conversion factors are applied from the latest GHG Protocol Emission Factors for Cross Sector Tools V2.0 (March 2024), compiled from 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2.
- Energy Intensity is calculated as Energy Consumed for all locations/Total Revenue.

### GREENHOUSE GAS EMISSIONS

ISO Team's operations largely consist of building maintenance and estate upgrading work, managed by the group of companies operating from a central headquarters building. While our operations do not emit high nor intensive greenhouse emissions, we are committed to actively monitoring and mitigating our emission impact.

The primary sources of our GHG emissions in our operations are from our energy use. Direct emissions (Scope 1) come from fuel consumption by our business vehicular fleet and equipment; our indirect emissions (Scope 2) is largely from the purchase of electricity used in our offices.

As we continue our journey to refine our data collection processes, the Company intends to take a practicable, phased approach to our Scope 3 emissions and will take steps in the coming years to address this disclosure.

# SUSTAINABILITY REPORT

## Scope 1 & 2 GHG Emissions and Intensity

	FY2022	FY2023	FY2024
<b>Scope 1</b>			
Total GHG emissions (tCO <sub>2</sub> e)	1,311.05	1,257.01	1,631.22*
Revenue (\$'m)	96.48**	110.40	130.17
Scope 1 intensity (tCO <sub>2</sub> e/\$'m)	13.59	11.39	12.53
<b>Scope 2</b>			
Total GHG emissions (tCO <sub>2</sub> e)	18.90	80.64	81.58
Revenue (\$'m)	96.48**	110.40	130.17
Scope 2 intensity (tCO <sub>2</sub> e/\$'m)	0.20	0.73	0.63
<b>Total GHG emissions (tCO<sub>2</sub>e)</b>	<b>1,329.95</b>	<b>1,337.65</b>	<b>1,712.81</b>
<b>Total GHG intensity (tCO<sub>2</sub>e/\$'m)</b>	<b>13.78</b>	<b>12.12</b>	<b>13.16</b>

### Notes:

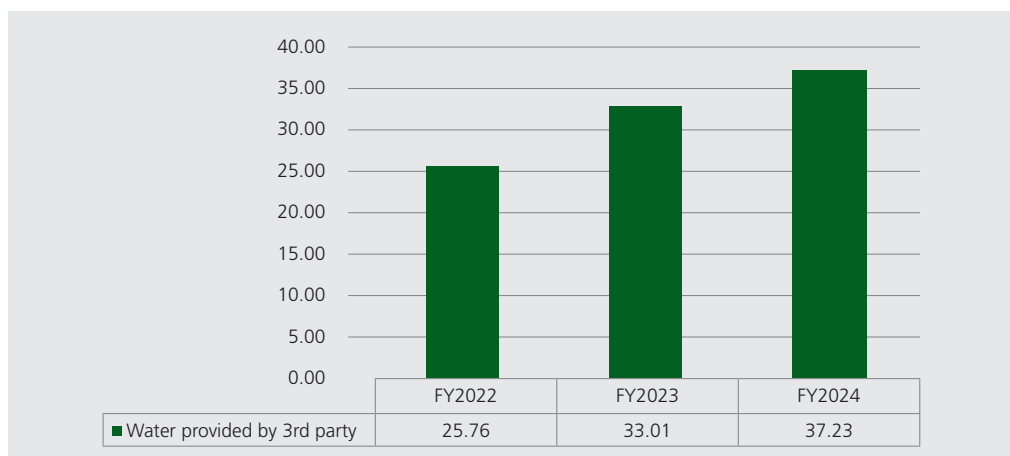
- (\*) Scope 1 emissions include diesel and petrol consumption. In FY2024, emission data was expanded to include the Company's worksites as part of our journey to improve the Company's data collection processes.
- Scope 2 emissions account for electricity and solar energy.
- (\*\*) As disclosed in SR2023, there was a restatement in this figure.
- Conversion factors applied: Scope 1 emission factor sources utilise 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2. Scope 2 Location-based grid emission factor is retrieved from Energy Market Authority's Singapore Energy Statistics 2022 data as at September 2023.
- Emissions intensity is calculated as GHG Emissions for all locations/Total Revenue.

## WATER USAGE

ISOTeam's water utilisation is low relative to the built environment sector due to our nature of business, but we recognise that it is a scarce resource in Singapore and intend to implement sustainable measures to monitor our water consumption and increase water efficiency.

Water is extracted from the Singapore's Public Utilities Board ("PUB") and consists of a resilient blend of local catchment water, imported water, reclaimed water ("NEWater") and desalinated water. Water is largely consumed at ISOTeam for general purpose (such as toilets, pantries) and general washing. Used water is discharged into the national sewage and drainage system, and our operations do not produce significant effluents.

### WATER WITHDRAWN (MEGALITRE)



## SUSTAINABILITY REPORT

### WASTE MANAGEMENT

The Group's approach to waste management is to focus on using materials efficiently as well as waste reduction, recycling and reuse initiatives.

The waste management system requires segregation of project waste into distinct categories and appropriate disposal in accordance with national regulation. Hazardous waste removals, such as waste paint, lubricants and solvents, is managed by specialist waste disposal companies. Non-hazardous waste is disposed in skid tanks for general waste disposal. Additionally, at our site offices, we monitor waste and look for ways to identify potential recycling opportunities.

To enhance process and materials efficiency, the Group plans to phase out the use of scaffolding where feasible. It has implemented electrified platform systems such as power boom lifts and gondolas across our worksites that has reduced the need for scaffolding for works below a specific height.

Recycling channels have been introduced into various locations to better understand and explore means to direct waste away from incineration and landfill.

In FY2024, ISO Team worked with our waste vendor to refine our data collection, compared to previous years' estimates. Total waste for the reporting year stood at 25,190 kg, which was processed as general waste through incineration and landfill.

### REPORTING FOR GREEN-VALUE AND INITIATIVES

FY2024 Goals	FY2024 Performance	FY2025 Goals
<ul style="list-style-type: none"> <li>To monitor and evaluate energy consumption, we will review and utilise our energy intensity to track our performance.</li> <li>Endeavour to disclose Scope 3 carbon emissions.</li> <li>Endeavour to track water usage from our worksites.</li> <li>Attempt to track hazardous waste more stringently and accurately.</li> <li>To utilise 100% renewable energy at our HQ by FY2024.</li> </ul>	<ul style="list-style-type: none"> <li>Performance as disclosed.</li> <li>Plans to review and revise approach to manage work sites in progress.</li> <li>Renewable energy via solar panels has been implemented as far as feasible at the HQ building and there is still a hard-to-abate percentage. The team is currently exploring more ways to tap on renewable energy for its coming years and projects.</li> </ul>	<ul style="list-style-type: none"> <li>To monitor and evaluate energy consumption, we will review and utilise our energy intensity to track our performance.</li> <li>Endeavour to disclose Scope 3 carbon emissions.</li> <li>Review and enhance approach to water matters.</li> <li>Review and enhance approach to waste matters.</li> </ul>

# SUSTAINABILITY REPORT

## COMMUNITY ENGAGEMENT

At ISOTeam, we believe it is important to give back to society, and it is a key pillar of the Group’s corporate values.

By engaging in charitable projects and philanthropy, we build bonds between our internal teams and external communities.

In FY2024, ISOTeam donated \$10,000 to the Singapore Children’s Society. The funds will go towards the charity’s mission to work with vulnerable children and youths across their ten service centres across Singapore.

In support of national initiatives, ISOTeam was a corporate sponsor of the President’s Challenge 2023, which focused on the theme of ‘Caring for Caregivers’. The initiative was planned to raise funds for 86 agencies and 23,000 beneficiaries who included children with special needs, youths at risk, adults with disabilities, seniors and families in need and caregivers.

ISOTeam additionally organised a donation drive for migrant workers within our community during the Company’s Family and Green Day activities. A range of items such as electric appliances and clothes were donated to the non-profit organisation ItsRainingRaincoats.

### REPORTING FOR COMMUNITY ENGAGEMENT

FY2024 Goals	FY2024 Performance	FY2025 Goals
<ul style="list-style-type: none"> <li>To participate in at least two large scale CSR activities with more than 80% staff participation.</li> <li>To make at least one charitable donation to support underprivileged families in our community.</li> </ul>	<ul style="list-style-type: none"> <li>Donation to the Singapore Children’s Society.</li> <li>Sponsorship of the President’s Challenge 2023 towards caring for caregivers.</li> </ul>	<ul style="list-style-type: none"> <li>To review and restructure ISOTeam’s approach to community engagement of stakeholder and activities.</li> <li>To establish sustainable targets and performance metrics for this section.</li> </ul>



SUSTAINABILITY  
REPORT



# SUSTAINABILITY REPORT

## ESG PERFORMANCE OVERVIEW

Note: Data in this section reflect information for FY2024 only, unless otherwise stated

### ECONOMIC

	SGD (per million)
Direct Economy Value Generated*	130.17
Economic Value Distributed**	179.89
Economic Value Retained***	(49.72)

\* Revenue

\*\* Includes Operating Cost, Employee Wages and Benefits, payment to Government (taxes)

\*\*\* Direct Economy Value Generated less Economic Value Distributed

### ENVIRONMENTAL

Energy Consumption (GJ)	FY2022	FY2023	FY2024
<b>Fuel</b>	Not reported	Not reported	22,146.93
<b>Electricity</b>	167.67	786.64	704.66
<b>Solar</b>	566.51	550.03	184.71
<b>Total</b>	<b>734.18*</b>	<b>1,336.67*</b>	<b>23,036.30</b>

\* Does not include fuel

Energy Intensity (GJ/\$'m)		FY2022	FY2023	FY2024
<b>Fuel</b>	Total Energy Consumed (GJ)	Not reported	Not reported	22,146.93
	Revenue (YTD) \$'m	96.48	110.40	130.17
	<b>Energy intensity</b>	<b>NA</b>	<b>NA</b>	<b>170.14</b>
<b>Electricity</b>	Total Energy Consumed (GJ)	167.67	786.64	704.66
	Revenue (YTD) \$'m	96.48	110.40	130.17
	<b>Energy intensity</b>	<b>1.74</b>	<b>7.13</b>	<b>5.41</b>
<b>Solar</b>	Total Energy Consumed (GJ)	566.51	550.03	184.71
	Revenue (YTD) \$'m	96.48	110.40	130.17
	<b>Energy intensity</b>	<b>5.87</b>	<b>4.98</b>	<b>1.42</b>
<b>Total Energy Used (GJ)</b>		<b>734.18*</b>	<b>1,336.67*</b>	<b>23,036.30</b>
<b>Total Energy Intensity</b>		<b>7.61*</b>	<b>12.11*</b>	<b>176.97</b>

\* Does not include fuel

## SUSTAINABILITY REPORT

Scope 1 & 2 GHG Emissions (tCO <sub>2</sub> e)	FY2022	FY2023	FY2024
Scope 1	1,311.05	1,257.01	1,631.22
Scope 2	18.90	80.64	81.58
<b>Total</b>	<b>1,329.95</b>	<b>1,337.65</b>	<b>1,712.81</b>

GHG intensity (tCO <sub>2</sub> e/\$'m)		FY2022	FY2023	FY2024
Scope 1	Total GHG emissions (tCO <sub>2</sub> e)	1,311.05	1,257.01	1,631.22
	Revenue (YTD) \$'m	96.48	110.40	130.17
	<b>Energy intensity</b>	<b>13.59</b>	<b>11.39</b>	<b>12.53</b>
Scope 2	Total GHG emissions (tCO <sub>2</sub> e)	18.90	80.64	81.58
	Revenue (YTD) \$'m	96.48	110.40	130.17
	<b>Energy intensity</b>	<b>0.20</b>	<b>0.73</b>	<b>0.63</b>
<b>Total Energy Used (tCO<sub>2</sub>e)</b>		<b>1,329.95</b>	<b>1,337.65</b>	<b>1,712.81</b>
<b>Total Energy Intensity</b>		<b>13.78</b>	<b>12.12</b>	<b>13.16</b>

Water Withdrawn (megalitre)	FY2022	FY2023	FY2024
Water provided by 3rd party	25.76	33.01	37.23

Non-Hazardous Waste (kg)	FY2022	FY2023	FY2024
Commercial & Industrial Waste	6,336	6,336	25,190**

\*\* In FY2024, data collection processes were refined to capture weight, compared to previous years' estimates by the waste disposal contractor.

### SOCIAL

Total Number of Full-Time and Part-Time Employees by Gender (FY2024)		
No. of full-time employees	Male	893
	Female	76
	<b>Total</b>	<b>969</b>
No. of part-time employees	Male	0
	Female	3
	<b>Total</b>	<b>3</b>
Total	Male	893
	Female	79
	<b>Total</b>	<b>972</b>

# SUSTAINABILITY REPORT

## Total Number of Permanent & Temporary Employees by Gender

No. of Permanent Employees	Male	210
	Female	74
	<b>Total</b>	<b>284</b>
No. of Temporary/Contract Employees	Male	683
	Female	5
	<b>Total</b>	<b>688</b>
Total	Male	893
	Female	79
	<b>Total</b>	<b>972</b>

New Employees Hire and Turnover (FY2024)		New Hires		Turnover	
		No.	Rate	No.	Rate
By Age Group	Under 30 years old	144	14.8%	25	2.6%
	30-50 years old	95	9.8%	35	3.6%
	Over 50 years old	15	1.5%	21	2.1%
By Gender	Male	234	24.1%	61	6.3%
	Female	20	2.0%	20	2.0%
<b>Overall Total</b>		<b>254</b>	<b>26.1%</b>	<b>81</b>	<b>8.3%</b>

## Parental Leave (FY2024)

No. of employees entitled to parental leave	Male	56
	Female	15
No. of employees that took parental leave	Male	18
	Female	10
No. of employees that returned to work in the reporting period after parental leave ended	Male	18
	Female	10
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	18
	Female	10
Return to work rates	Male	100%
	Female	100%
Retention rates	Male	100%
	Female	100%

## Board Diversity by Gender (FY2024)

Male	100.0%
Female	0.0%



## SUSTAINABILITY REPORT

### Board Diversity by Age Group (FY2024)

Under 30 yrs old	0.0%
30-50 yrs old	28.6%
Over 50 yrs old	71.4%

### Percentage of Employees per Employee Category, by Gender (FY2024)

	Male	Female
Senior Management	94.1%	5.9%
Middle Management	84.3%	15.7%
Non-Management	92.4%	7.6%

### Percentage of Employees per Employee Category, by Age Group (FY2024)

	Under 30 years old	30-50 years old	Over 50 years old
Senior Management	0.0%	35.3%	64.7%
Middle Management	12.9%	52.8%	34.3%
Non-Management	43.9%	47.2%	8.9%

### Average Training Hours by Employee Category (FY2024)

Senior Management	7.08
Middle Management	6.49
Non-Management	3.66
<b>Total</b>	<b>3.88</b>

### Average Training Hours by Gender (FY2024)

Male	3.05
Female	13.32
<b>Total</b>	<b>3.88</b>

### Percentage of Total Employees by Gender and by Employee Category who Received a Regular Performance and Career Development Review (FY2024)

Employee Category	Percentage
Senior Management	92%
Middle Management	100%
Non-Management	23%
Gender	Percentage
Male	23%
Female	100%

# SUSTAINABILITY REPORT

Occupational Health and Safety	FY2022		FY2023		FY2024	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Fatalities as a result of work-related injury	0	Not reported*	1	Not reported*	0	0.00
High-consequence work-related injuries (excluding fatalities)	0	Not reported *	0	Not reported*	0	0.00
Recordable work-related injuries (including fatalities)	12	4.88	10**	4.45	13	4.47
Total Manhours	Not reported *		Not reported*		2,909,684.00	

\* The Company is in the process of developing and refining its data capture channels and the above table does not include external parties. In FY2024, ISOTeam started reporting manhours in an effort to apply a GRI-aligned methodology for disclosure best practice. In years prior to FY2024, the Company reported AFR and ASR with methodologies prescribed by the Singapore Ministry of Manpower (please refer to SR2023), which differed from GRI-provided formulas.

\*\* Number of recordable work-related injuries for FY2023 is restated from 9 to 10 to include the fatal incident. This is a revision of the methodology for enhanced alignment to GRI best practices.

## GOVERNANCE

### Anti-Corruption

Total number of confirmed incidents of corruption	0
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### Compliance with Laws and Regulations

No. of cases which non-monetary sanctions were incurred	0
No. of cases which significant fines were incurred	7
Total value of monetary fine that occurred in the current reporting period	\$19,000.00
Total value of monetary fine that occurred in the previous reporting period	0

# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>Statement of use</b>	ISOTeam Ltd has reported with reference to the GRI Standards for the period 1 July 2023 to 30 June 2024 ("FY2024").
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2 General Disclosures (2021)</b>	2-1: Organisational details	Page 5
	2-2: Entities included in the organisation's sustainability reporting	Page 5, 20
	2-3: Reporting period, frequency and contact point	Page 20, 21
	2-4: Restatements of information	Page 20
	2-5: External assurance	Page 20
	2-6: Activities, value chain and other business relationships	Page 3
	2-7: Employees	Page 30, 31, 45, 46
	2-8: Workers who are not employees	–
	2-9: Governance structure and composition	Page 52, 55 – 56
	2-10: Nomination and selection of the highest governance body	Page 58 – 60
	2-11: Chair of the highest governance body	Page 55 – 57
	2-12: Role of the highest governance body in overseeing the management of impacts	Page 55 – 58
	2-13: Delegation of responsibility for managing impacts	Page 22, 52 – 58
	2-14: Role of the highest governance body in sustainability reporting	Page 22
	2-15: Conflicts of interest	Page 22, 52, 73
	2-16: Communication of critical concerns	Page 54
	2-17: Collective knowledge of the highest governance body	Page 22
	2-18: Evaluation of the performance of the highest governance body	Page 60
	2-19: Remuneration policies	Page 61
	2-20: Process to determine remuneration	Page 61 – 64
	2-21: Annual total compensation ratio	Page 62 – 64
	2-22: Statement on sustainable development strategy	Page 21, 26
	2-23: Policy commitments	Page 21
	2-24: Embedding policy commitments	Page 22
	2-25: Processes to remediate negative impacts	Page 22, 65
	2-26: Mechanisms for seeking advice and raising concerns	Page 22, 65
	2-27: Compliance with laws and regulations	Page 48
	2-28: Membership associations	Page 38
	2-29: Approach to stakeholder engagement	Page 23
	2-30: Collective bargaining agreements	Page 30, 35

# SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 3: Material Topics 2021</b>	3-1: Process to determine material topics	Page 23, 25
	3-2: List of material topics	Page 26
	3-3: Management of material topics	Page 23, 25 – 26
<b>GRI 201 Economic Performance (2016)</b>	201-1: Direct economic value generated and distributed	Page 44
<b>GRI 205 Anti-Corruption (2016)</b>	205-2: Communication and training about anti-corruption policies and procedures	Page 22, 48
	205-3: Confirmed incidents of corruption and actions taken	Page 22
<b>GRI 302 Energy (2016)</b>	302-1: Energy consumption within the organisation	Page 38 – 39, 44
	302-3: Energy intensity	Page 39, 44
<b>GRI 303 Water and Effluents (2018)</b>	303-1: Interactions with water as a shared resource	Page 40, 45
	303-2: Management of water discharge related impacts	Page 40, 45
	303-3: Water withdrawal	Page 40, 45
<b>GRI 305 Emissions (2016)</b>	305-1: Direct (Scope 1) emissions	Page 39, 40, 45
	305-2: Energy indirect (Scope 2) emissions	Page 39, 40, 45
	305-4: GHG emissions intensity	Page 40, 45
<b>GRI 306 Waste (2020)</b>	306-3: Waste generated	Page 41, 45
	306-5: Waste directed to disposal	Page 41
<b>GRI 401 Employment (2016)</b>	401-1: New employee hires and employee turnover	Page 32 – 33, 46
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 33
	401-3: Parental leave	Page 34, 46
<b>GRI 403 Occupational Health and Safety (2018)</b>	403-1: Occupational health and safety management system	Page 35
	403-2: Hazard identification, risk assessment, and incident investigation	Page 35
	403-3: Occupational health services	Page 35
	403-4: Worker participation, consultation, and communication on occupational health and safety	Page 35
	403-5: Worker training on occupational health and safety	Page 35
	403-6: Promotion of worker health	Page 35
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 35
	403-8: Workers covered by an occupational health and safety management system	Page 35
	403-9: Work-related injuries	Page 35, 36, 48

**SUSTAINABILITY  
REPORT**

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION</b>
<b>GRI 404 Training and Education (2016)</b>	404-1: Average hours of training per year per employee	Page 37, 47
	404-2: Programs for upgrading employee skills and transition assistance programmes	Page 37, 30
	404-3: Percentage of employees receiving regular performance and career development reviews	Page 30
<b>GRI 405 Diversity and Equal Opportunity 2016</b>	405-1: Diversity of governance bodies and employees	Page 31 – 32, 46, 47

# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or the “**Directors**”) of ISOTeam Ltd. (the “**Company**”) is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the “**Group**”) to maximise the long-term shareholder value, protect the interests of stakeholders as well as promote investors’ confidence.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the requirements of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). This report outlines the main corporate governance practices and procedures adopted by the Group in the financial year ended 30 June 2024 (“**FY2024**”), with reference made to each of the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”).

The Board confirms that the Group has complied with all principles outlined in the Code and generally adhered to the provisions of the Code for FY2024. In respect of any deviation from the provisions of the Code, appropriate disclosures and explanations are provided in this report.

## BOARD MATTERS

### THE BOARD’S CONDUCT OF ITS AFFAIRS

**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

***Provision 1.1: Directors are fiduciaries who act objectively in the best interests of the company and hold management accountable for performance. The board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.***

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group and to protect and enhance long-term shareholder value. The Board works with the management of the Company (the “**Management**”) to achieve this and the Management remains accountable to the Board.

Besides carrying out its statutory responsibilities, the Board’s role is to:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and Company’s assets;
- review the performance of the Management;
- identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- set the Company’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- ensure that sustainability issues that impacts the economy, environment, social and governance factors as part of its strategic formulation; and
- oversee the processes for evaluating the adequacy and effectiveness of internal control, financial reporting and compliance.

Every Director, in the course of carrying out his duties, acts in good faith and considers at all times, the interest of the Group.

Any Director facing an actual, potential or perceived conflict of interest in relation to any matter will declare such interest and will recuse himself from participating in discussions and abstain from making any decisions or voting on resolutions regarding the matter.

# CORPORATE GOVERNANCE REPORT

***Provision 1.2: Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.***

In accordance with the provisions of the Catalist Rules, the Nominating Committee will ensure that any new Director appointed by the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, undergoes mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST.

In addition to the mandatory training (if applicable), the Company has in place an orientation programme and materials to ensure that every newly appointed Director is familiar with the business and organisation structure of the Group. To get a better understanding of the Group's business, the newly appointed Director will also be given the opportunity to visit the Group's operational facilities and meet with the Management. Every newly appointed Director will also receive a formal letter of appointment setting out the duties and obligations of the Director upon appointment. Mr Jeremiah Huang WeiQuan was appointed as an Independent Director during FY2024.

Management had conducted an orientation to introduce the Group's business and its operations to the new Director. The Company had also arranged for Mr Jeremiah Huang WeiQuan, who did not have experience as a director of a public listed company in Singapore, to attend training courses organised by the Singapore Institute of Directors ("SID"). In this regard, Mr Jeremiah Huang WeiQuan has completed the mandatory prescribed courses conducted by SID under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules.

When necessary, the existing Directors are provided with updates on changes to the relevant new rules and regulations to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. As part of training for the Board, the Directors are briefed either during Board and Board committee meetings or at specially convened sessions on changes to regulations and accounting standards, as well as industry-related matters. The Directors are also encouraged to keep themselves updated on changes to the financial, legal and regulatory requirements or framework and the business environment through reading relevant literature, and may attend appropriate courses, conferences and seminars conducted by bodies such as the SGX-ST and SID, at the Company's expense.

During the financial year reported on, all Directors have received updates on (i) amendments on the Catalist Rules (if any) and other relevant regulatory updates; (ii) business and strategic developments of the Group by the Management; and (iii) developments in financial reporting and governance standards (where relevant). The Directors have also attended sustainability reporting training courses organised by the SID.

***Provision 1.3: The board decides on matters that require its approval and clearly communicates this to management in writing. Matters requiring board approval are disclosed in the company's annual report.***

The Company has adopted internal guidelines setting forth matters that require Board's approval. The matters which specifically require the Board's approval are those involving:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nominations of Directors for appointment or re-appointment to the Board and appointment of key management personnel;
- announcement of half year and full year results, the annual report and audited financial statements;
- material acquisition and disposal of assets;
- corporate or financial restructuring;
- share issuances and dividends; and
- all matters of strategic importance.

The Company documents the materiality threshold(s) and matters reserved for Board's approval in its policies.

# CORPORATE GOVERNANCE REPORT

**Provision 1.4: Board committees, including executive committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the board. The names of the committee members, the terms of reference, any delegation of the board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.**

Board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), have been established to assist the Board in the discharge of specific responsibilities. These committees are chaired by Independent Directors and function within clearly defined terms of reference and functional procedures. The compositions, principle functions and roles of the Board committees are described in subsequent sections of this report. While these committees are delegated with certain responsibilities, the ultimate responsibility for the final decision lies with the entire Board.

**Provision 1.5: Directors attend and actively participate in board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.**

The Board meets at least twice a year at regular intervals. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances. Telephonic attendance at Board meetings is permitted under the Company's Constitution. The Board and Board committees may also make decisions by way of circulating resolutions in writing.

During FY2024, the number of Board meetings, Board committee meetings and general meeting held and attended by each member of the Board are as follows:

	Board Committee			General Meeting		
	Board	AC	NC	RC	Annual	Extraordinary
<b>Number of Meetings Held</b>	3	2	1	2	1	1
<b>Number of Meetings Attended</b>						
Ng Cheng Lian	3 <sup>#</sup>	2 <sup>*</sup>	1 <sup>*</sup>	2 <sup>*</sup>	1	1
Koh Thong Huat	3	2 <sup>*</sup>	1 <sup>*</sup>	2 <sup>*</sup>	1	1
Foo Joon Lye	3	2 <sup>*</sup>	1 <sup>*</sup>	2 <sup>*</sup>	1	1
Tan Eng Ann	3	2 <sup>#</sup>	1	2	1	1
Soh Chun Bin <sup>(1)</sup>	2	2	1	2 <sup>#</sup>	1	1
Teo Ho Pin	3	2	1 <sup>#</sup>	2	1	1
Ryota Fukuda	2	1 <sup>*</sup>	1 <sup>*</sup>	1 <sup>*</sup>	1	1
Jeremiah Huang WeiQuan <sup>(2)</sup>	1	0	0	0	0	0

**Notes:**

# Chairman

\* By invitation

(1) Mr Soh Chun Bin had resigned after having served as an Independent Director, Chairman of the Remuneration Committee and member of both the Audit and Nominating Committees of the Company for more than 9 years on 31 May 2024.

(2) Mr Jeremiah Huang WeiQuan was appointed as an Independent Director, Chairman of the Remuneration Committee as well as a member of both the Audit and Nominating Committees of the Company on 1 June 2024. As such, Mr Jeremiah Huang WeiQuan only attended one (1) meeting of the Board of Directors since his appointment.

Notwithstanding that some of the Directors have multiple listed company board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company. The Board is of the view that the assessment of whether each Director is able to devote sufficient time to discharge his duties should not be restricted to the number of board representations. Holistically, the contributions by the Directors during the meetings and attendance at such meeting should also be taken into consideration.

The NC will continue to review from time to time the listed company board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.



# CORPORATE GOVERNANCE REPORT

***Provision 1.6: Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.***

The Directors are furnished with timely and adequate information from the Management to enable them to discharge their duties effectively. Such information includes budgets, forecasts, quarterly, half-yearly and annual financial statements, as well as information relating to matters to be tabled at Board or Board committee meetings for approval. The Directors are entitled to request from the Management and should be provided with such additional information as needed to make informed decisions and the Management shall provide the same in a timely manner.

***Provision 1.7: Directors have separate and independent access to management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the board as a whole.***

The Directors are provided with the contact details of the Management and the Company Secretaries to facilitate separate and independent access.

Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and the requirements of the Companies Act 1967 (the "Companies Act") and Catalist Rules are complied with. Either one of them is required to attend the Board and Board committee meetings. The appointment and the removal of the Company Secretaries is a matter for the approval of the Board as a whole.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a Director.

## Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

***Provision 2.1: An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.***

The independence of each Independent Director is reviewed annually and as and when the circumstances are required by the NC, based on the guidelines set forth in the Catalist Rules and the Code to ensure that there is strong independent element on the Board such that the Board is able to exercise objective judgement on corporate affairs independently and the Board consists of persons who, together, will provide the core competencies necessary to meet the Company's objectives. The Independent Directors have confirmed that they and their respective associates do not have any employment relationships with the Company or any of its related corporations for the current or any of the past three financial years, and they also do not have any relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company. The NC is of the view that Dr Teo Ho Pin, Mr Tan Eng Ann and Mr Soh Chun Bin are independent in character and judgement for the year FY2024, and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. The Board also reviewed Mr Jeremiah Huang WeiQuan's independence based on the same set of criteria when considering his appointment as Independent and Non-Executive Director on 1 June 2024 and is of the view that he is also independent.

The independence of any Independent Director who has served on the Board beyond nine years from the date of his first appointment will be subject to particularly rigorous review. The Board is of the view that the independence of an Independent Director must be based on the substance of his professionalism, integrity and objectivity, and not merely based on form such as the number of years which he has served on the Board. Currently, Mr Tan Eng Ann has served on the Board for more than nine years from the date of his first appointment. The Board conducted a rigorous review of the independence of Mr Tan Eng Ann by examining any conflicts of interest, his review and scrutiny of matters and proposals put before the Board, his exercise of independent judgement, the effectiveness of his oversight role as a check and balance on the acts of the Executive Directors and the Management as well as his role in enhancing and safeguarding the interests of the Company and its shareholders. Upon review, the Board considers Mr Tan Eng Ann to remain independent.

# CORPORATE GOVERNANCE REPORT

In addition, the Board and NC has also considered Rule 406(3)(d)(iv) which came into effect on 11 January 2023. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, a director will not be considered independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. During this period of time Transitional Practice Note 3 of the Catalist Rules applies and Rule 406(3)(d)(iv) is to take effect for the Company's annual general meeting for the financial year ending on or after 31 December 2023. Mr Soh Chun Bin has since stepped down on 31 May 2024. Mr Tan Eng Ann, who has served more than nine years shall be stepping down from his role upon the conclusion of the forthcoming AGM for FY2024 to facilitate Board renewal. The Company and the NC have commenced searching for a suitable replacement and will be making appropriate announcement(s) to update the shareholders in due course.

***Provision 2.2: Independent directors make up a majority of the board where the chairman is not independent.***

The Board currently comprises seven members, three of whom are Independent Directors, as follows:

**Executive Directors**

Mr Ng Cheng Lian (Executive Chairman)  
Mr Koh Thong Huat (CEO)  
Mr Foo Joon Lye

**Independent Directors**

Mr Tan Eng Ann (Lead Independent Director)  
Dr Teo Ho Pin  
Mr Jeremiah Huang WeiQuan

**Non-Executive Director**

Mr Ryota Fukuda

Notwithstanding that the Independent Directors do not make up a majority of the Board where the Chairman of the Board is not independent, the Board, through the NC, has examined its size and composition and is of the view that the current Board size and composition are appropriate for the time being for the facilitation of effective decision-making on the part of the Board. The Board is of the opinion that, given the scope and nature of the Group's operations, it is neither necessary nor cost-effective to have Independent Directors making up a majority of the Board. To address the issue of independence, the Board has put in place a Lead Independent Director, who is available to shareholders where they have concerns. The Board is of the view that the Independent Directors demonstrate a strong level of independence and judgement in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual and independent viewpoints, debated issues, and objectively scrutinised and challenged the Management.

***Provision 2.3: Non-executive directors make up a majority of the board.***

The Board comprises seven members, four of whom are Non-Executive Directors representing a majority of the Board.

***Provision 2.4: The board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.***

The Board, through the NC, has examined its size and composition and is of the view that it is of an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group and the wide spectrum of skill and knowledge of the Directors. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

The Board and the Board committees comprise Directors, who, as a group, provide core competencies such as accounting, finance, business, legal, management and strategic planning, which are complementary and enhance the effectiveness of the Board.

# CORPORATE GOVERNANCE REPORT

The Board recognises the benefits of having a diverse Board to help bring in new ways of thinking, insights and different perspectives to the Board, which will result in productivity and quality of Board deliberations. The Board has taken the following steps to maintain or enhance its balance and diversity, which include assessing the existing attributes and core competencies of the Board which are complementary for enhancing the efficacy of the Board, and evaluation by the Directors of the skill sets the other Directors possess, with a view to understanding the range of expertise which may be lacking by the Board. The Board has, at the recommendation of the NC, approved and adopted a Board Diversity Policy to formalise the Company's approach towards achieving diversity on its Board. Under the Board Diversity Policy, it is noted that while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the Board is of the view that the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a top priority. Having regard to the guidelines in the Board Diversity Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, take into account the above factors. This will enable the Management to benefit from a diverse perspective in reviewing the issues that are brought before the Board and enable it to make decisions in the best interests of the Company, as well as assist the NC in identifying and nominating suitable candidates for appointment to the Board. Whilst the Company does not set any specific target for gender, age and ethnic diversity, it will take such factors into consideration where the opportunity arises.

***Provision 2.5: Non-executive directors and/or independent directors, led by the independent chairman or other independent director as appropriate, meet regularly without the presence of management. The chairman of such meetings provides feedback to the board and/or chairman as appropriate.***

The Independent Directors confer regularly with the Executive Directors and the Management to develop strategies for the Group, review the Management's performance, assess remuneration and discuss corporate governance matters. Where warranted, the Independent Directors, led by the Lead Independent Director, discuss or meet amongst themselves on the Group's affairs without the presence of the Executive Directors and the Management. The Lead Independent Director will also provide feedback to the Executive Chairman after such discussions or meetings.

## Chairman and Chief Executive Officer

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

***Provision 3.1: The chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the board for independent decision-making.***

The Company adopts a dual leadership structure whereby the roles of Chairman and CEO are distinct, each having their own areas of responsibilities and functions, thus ensuring an appropriate balance of power and authority, and allowing for increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO are thus separate persons and the Chairman is not related to the CEO.

***Provision 3.2: The board establishes and sets out in writing the division of responsibilities between the chairman and the CEO.***

The Executive Chairman, Mr Ng Cheng Lian, plays a key role in promoting high standards of corporate governance. The Executive Chairman, with the assistance of the Company Secretaries, sets the agenda for Board meetings and ensures that adequate time is available for discussion of all agenda items. He promotes an open environment for debate, and ensures that Independent Directors are able to speak freely and contribute effectively. He also ensures that the Board receives complete, adequate and timely information. In addition, he plays a pivotal role in ensuring effective communication with shareholders at general meetings of the Company, and encouraging constructive relations within the Board and between the Board and the Management.

The CEO, Mr Koh Thong Huat, formulates and implements the Group's expansion plans and the overall corporate and strategic development of the Group, and ensures conformance by the Management to such plans. The CEO also reports to and is a member of the Board of Directors, and has the ultimate responsibility for the management of the Group's economic, environmental, social and governance topics.

# CORPORATE GOVERNANCE REPORT

**Provision 3.3: The board has a lead independent director to provide leadership in situations where the chairman is conflicted, and especially when the chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the chairman or management are inappropriate or inadequate.**

In view that the Chairman of the Board is not an Independent Director, Mr Tan Eng Ann who is the Chairman of the AC, has been appointed as the Lead Independent Director of the Company. Mr Tan Eng Ann is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman of the Board, the CEO or the Chief Financial Officer (“CFO”) has failed to resolve or is inappropriate. No request or query on any matter which requires the Lead Independent Director’s attention has been received from shareholders in FY2024.

## Board Membership

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

**Provision 4.1: The board establishes a NC to make recommendations to the board on relevant matters relating to:**

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the board, its board committees and directors;**
- (c) the review of training and professional development programmes for the board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

The NC has written terms of reference that describe the responsibilities of its members. The principal functions of the NC are as follows:

- (a) to review and recommend to the Board, all Board appointments and re-appointments;
- (b) to determine, on an annual basis, whether a Director is independent, guided by the independent guidelines contained in the Catalyst Rules and the Code;
- (c) to decide whether a Director is able to and has been adequately carrying out his duties as a Director, particularly when the Director has multiple board representations;
- (d) to assess the effectiveness of the Board as a whole and the Board committees, and the contribution of each Director to the effectiveness of the Board;
- (e) to make plans for succession, in particular for the Chairman of the Board and CEO;
- (f) to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary; and
- (g) to recommend to the Board comprehensive induction training programmes for new Directors and review the training and professional development programmes for the Board.

**Provision 4.2: The NC comprises at least three directors, the majority of whom, including the NC chairman, are independent. The lead independent director, if any, is a member of the NC.**

The NC comprises three Independent Directors, namely Dr Teo Ho Pin, Mr Tan Eng Ann and Mr Jeremiah Huang WeiQuan. The Chairman of the NC is Dr Teo Ho Pin.

# CORPORATE GOVERNANCE REPORT

**Provision 4.3: The company discloses the process for the selection, appointment and re-appointment of directors to the board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.**

In the event that a vacancy on the Board arises, the NC may identify suitable candidates for appointment as new Directors through the business network of the Board. The NC will generally assess suitable candidates for appointment to the Board based on the requisite qualification, expertise and experience. If the NC decides that the candidate is suitable, the NC then recommends its choice to the Board. Meetings with such candidates may be arranged to facilitate open discussion and NC's assessment of the candidates.

The Company's Constitution provides that one-third of the Directors shall retire from office by rotation at each AGM, and all Directors shall retire from office at least once every three years. A retiring Director is eligible for re-election by the shareholders at the AGM. The Company's Constitution also provides that any new Director appointed by the Board shall hold office only until the next AGM and is eligible for re-election by the shareholders at the AGM.

The NC will assess and recommend to the Board whether retiring Directors are suitable for re-election. In considering the re-election of a Director, the NC will evaluate such Director's contributions in terms of experience, business perspective, attendance at meetings of the Board and/or Board committees and pro-activeness of participation in meetings. Each member of the NC shall abstain from recommending his own re-election. The NC has recommended the re-election of three retiring Directors, namely Mr Koh Thong Huat, and Dr Teo Ho Pin and Mr Jeremiah Huang WeiQuan at the forthcoming AGM. The Board has accepted the NC's recommendation that Mr Koh Thong Huat, Dr Teo Ho Pin and Mr Jeremiah Huang WeiQuan, who have each given their consent for re-election at the forthcoming AGM, be put forth for re-election.

Information, as set out in Appendix 7F of the Catalist Rules, relating to the Retiring Directors who are retiring and offering themselves for re-election at the upcoming AGM can be found in the "Disclosure of Information on Directors Seeking Re-Election" on pages 71 to 76 of the Annual Report.

In addition, Board renewal is a continuous process. The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. Accordingly, the NC will seek to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.

**Provision 4.4: The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the board. If the board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.**

The NC determines, on an annual basis, the independence of each Independent Director, taking into consideration the circumstances set forth in the Catalist Rules and the Code. For FY2024, the NC has assessed and affirmed that the Independent Directors are independent (within the meaning of the Catalist Rules and the Code).

The Independent Directors have confirmed that they and their respective associates do not have any relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

**Provision 4.5: The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and board's reasoned assessment of the ability of the director to diligently discharge his or her duties.**

In accordance with the provisions of the Catalist Rules, the NC will ensure that newly appointed Directors who do not have prior experience as a director of an issuer listed on the SGX-ST, attend mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST.

All Directors declare their listed company board representations as and when practicable. The NC has reviewed and is satisfied that all Directors have devoted sufficient time and attention to the affairs of the Company to adequately perform their duties as Directors of the Company.

# CORPORATE GOVERNANCE REPORT

The dates of initial appointment and re-election of the Directors as well as the directorships of the Directors in other listed companies are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-election	Directorships in Other Listed Companies	
			Present	Past (Last Five Years)
Ng Cheng Lian	12 December 2012	24 October 2023	Nil	Nil
Koh Thong Huat	12 December 2012	27 October 2021	Nil	Nil
Foo Joon Lye	12 December 2012	25 October 2022	Nil	Nil
Tan Eng Ann	7 June 2013	24 October 2023	<ul style="list-style-type: none"> <li>Yongmao Holdings Limited</li> </ul>	<ul style="list-style-type: none"> <li>AM Group Holdings Limited<sup>#</sup></li> </ul>
Teo Ho Pin	1 March 2021	27 October 2021	<ul style="list-style-type: none"> <li>Broadway Industrial Group Limited</li> <li>Enviro-Hub Holdings Ltd.</li> <li>King Wan Corporation Limited</li> <li>Tiong Seng Holdings Limited</li> </ul>	Nil
Ryota Fukuda	18 February 2020	25 October 2022	<ul style="list-style-type: none"> <li>Searifico Corp.<sup>~</sup></li> </ul>	Nil
Jeremiah Huang WeiQuan	1 June 2024	Nil	Nil	Nil

**Notes:**

<sup>#</sup> Listed on the Mainboard of the Stock Exchange of Hong Kong Limited

<sup>~</sup> Listed on the Ho Chi Minh Stock Exchange

## Board Performance

**Principle 5: The board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

**Provision 5.1: The NC recommends for the board's approval the objective performance criteria and process for the evaluation of the effectiveness of the board as a whole, and of each board committee separately, as well as the contribution by the chairman and each individual director to the board.**

**Provision 5.2: The company discloses in its annual report how the assessments of the board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.**

The NC decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholder value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and the Board committees, and for assessing the contribution from the Chairman of the Board and each individual Director to the effectiveness of the Board. The performance criteria do not change from year to year.

Assessment checklists which include evaluation factors such as Board composition and structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, training and recruitment, compensation, financial reporting and communicating with shareholders, are disseminated to each Director for completion and the assessment results are discussed at the NC meeting. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

No external facilitator was engaged by the Company for assessing the effectiveness of the Board in FY2024.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6:** The board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

**Provision 6.1:** *The board establishes a RC to review and make recommendations to the board on:*

- (a) a framework of remuneration for the board and key management personnel; and*
- (b) the specific remuneration packages for each director as well as for the key management personnel.*

The RC has written terms of reference that describe the responsibilities of its members.

The principal functions of the RC are as follows:

- (a) to review and recommend to the Board a general framework of remuneration for the Board and key management personnel and the specific remuneration packages and terms of employment (where applicable) for each Director, key management personnel and employees related to the Directors and substantial shareholders of the Company;
- (b) to function as the committee referred to in the ISOTeam Performance Share Plan (the "ISOTeam PSP") and shall have all the powers as set out in the ISOTeam PSP; and
- (c) to review all aspects of remuneration, including but not limited to the Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.

**Provision 6.2:** *The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC chairman, are independent.*

The RC comprises three Independent Directors, namely Mr Jeremiah Huang WeiQuan, Mr Tan Eng Ann and Dr Teo Ho Pin. The Chairman of the RC is Mr Jeremiah Huang WeiQuan.

**Provision 6.3:** *The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.*

The RC reviews all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.

The RC also reviews the Company's obligations arising from termination clauses and termination processes in relation to the Executive Directors and key management personnel's contracts of service to ensure that such clauses and processes are fair and reasonable.

Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration and the remuneration of employees related to him.

**Provision 6.4:** *The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.*

The RC did not seek any external professional advice on remuneration of the Directors in FY2024.

# CORPORATE GOVERNANCE REPORT

## Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

***Provision 7.1: A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.***

The Company has its own designated remuneration policy for the Executive Directors and key management personnel which comprises a fixed component and a variable component. The fixed component is in the form of a base salary and allowance while the variable component is the annual bonus, based on the performance of the Group and the individual Director or key management personnel, as well as the market rates. The performance-related elements of remuneration are designed to align the Executive Directors and key management personnel's interests with those of the shareholders and link rewards to corporate and individual performance. In structuring the compensation framework, the Company also takes into account its risk policies, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

***Provision 7.2: The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.***

The Independent Directors and the Non-Executive Director do not have service agreements with the Company. The Independent Directors are paid fixed Directors' fees, which are recommended by the RC and determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of each Independent Director. The Directors' fees are subject to approval by shareholders at the AGM. To align with shareholders' interests, it is also intended for Independent Directors and Non-Executive Directors to be eligible to receive award shares pursuant to the ISOTeam PSP to be amended at the forthcoming AGM, subject to shareholders' approval. More details are set out in the Appendix to the Annual Report. Save as otherwise set out, the Independent Directors do not receive any other remuneration from the Company and the Non-Executive Director is not paid fixed Directors' fees, but is reimbursed in accordance with the administrative and travel expenses incurred in the course of his contributions to the Company.

***Provision 7.3: Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.***

The Board ensures that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise shareholder value.

The Company has adopted the ISOTeam PSP in October 2023. The 2023 PSP was approved by shareholders at an Extraordinary General Meeting held on 24 October 2023. The Company will also be seeking shareholders' approval to amend the 2023 PSP at the AGM. During FY2024, the PSP was administered by the RC. Please refer to the "Directors' Statement" section of this annual report for more information on the 2023 PSP.

## Disclosure on Remuneration

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

***Provision 8.1: The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:***

- (a) each individual director and the CEO; and***
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than \$250,000 and in aggregate the total remuneration paid to these key management personnel.***



# CORPORATE GOVERNANCE REPORT

**Provision 8.3:** *The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.*

The Company has its own designated remuneration policy for the Executive Directors and key management personnel which comprises a fixed component and a variable component. The fixed component is in the form of a base salary and allowance while the variable component is the annual bonus, based on the performance of the Group and the individual Director or key management personnel, as well as the market rates. The performance-related elements of remuneration are designed to align the Executive Directors and key management personnel's interests with those of the shareholders and link rewards to corporate and individual performance. In structuring the compensation framework, the Company also takes into account its risk policies, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

There were no termination, retirement and post-employment benefits that may be granted to the Directors, CEO and key management personnel of the Group.

The Company has adopted the ISOTeam PSP in October 2023. The Company will also be seeking shareholders' approval for the amendment of the 2023 PSP at the forthcoming AGM. The ISOTeam PSP was administered by the RC. Please refer to the "Directors' Statement" section of this annual report for more information on the 2023 PSP.

A breakdown, showing the level and mix of each Director's remuneration for FY2024 is set out below:

Remuneration Band and Name of Director	Fee %	Salary <sup>#</sup> %	Bonus %	Allowance %	Total %
<b>Below \$750,000</b>					
Koh Thong Huat	1	85	14	–	100
Ng Cheng Lian	–	82	11	7	100
Foo Joon Lye	4	76	9	11	100
<b>Below \$250,000</b>					
Tan Eng Ann	100	–	–	–	100
Soh Chun Bin <sup>(1)</sup>	100	–	–	–	100
Teo Ho Pin	100	–	–	–	100
Ryota Fukuda	–	–	–	–	–
Jeremiah Huang WeiQuan <sup>(2)</sup>	100	–	–	–	100

**Notes:**

(1) Mr Soh Chun Bin had resigned as an Independent Director of the Company on 31 May 2024.

(2) Mr Jeremiah Huang WeiQuan was appointed as an Independent Director, Chairman of the Remuneration Committee as well as a member of both the Audit and Nominating Committees of the Company on 1 June 2024.

A breakdown, showing the level and mix of each key management personnel's remuneration for FY2024 is set out below:

Remuneration Band and Name of Key Management Personnel	Fee %	Salary <sup>#</sup> %	Bonus %	Allowance %	Total %
<b>Below \$250,000</b>					
Teoh Kok Ann	1	83	7	9	100
Lim Kim Hock	1	80	3	16	100
Chan Chung Khang	2	91	6	1	100
Teo Teck Sing	–	82	6	12	100
Teng Ann Boon	1	79	6	14	100

**Note:**

# These amounts are inclusive of employee's CPF contribution

The Group operates in a highly competitive human resources environment where the detailed disclosure of the remuneration packages of each Director and key management personnel will be detrimental to the best interest of the Company and the Group, given the confidential and commercial sensitivities associated with remuneration matters. However, the Company adopts the disclosure of remuneration in bands of \$250,000 which would provide a good overview and is informative of the remuneration of each Director and key management personnel.

The aggregate remuneration paid to the above key management personnel amounted to \$1,020,000 for FY2024.

# CORPORATE GOVERNANCE REPORT

**Provision 8.2: The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds \$100,000 during the year, in bands no wider than \$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.**

There was no employee of the Group who is an immediate family member of the Directors, CEO or substantial shareholders of the Company in FY2024.

Further to the above, the Company confirms that in FY2024 there were no termination, retirement and post-employment benefits granted to the Directors and key management personnel.

Notwithstanding this, certain employees were issued shares under the ISOTeam Performance Share Plan adopted by the Company in June 2013 ("PSP 2013") as a recognition of their performances as well as for the purposes of retaining their services. The PSP 2013 has since lapsed in June 2023. The shares had been awarded prior to June 2023 and issued and allotted in FY2024. In this regard, none of the key management personnel that received shares under the PSP 2013 received 5% or more of the total number of shares available under the PSP 2013.

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

**Principle 9: The board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

**Provision 9.1: The board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The board sets up a board risk committee to specifically address this, if appropriate.**

The Company does not have a risk management committee. However, the Board is responsible for governance of risk management, and determining the Company's levels of risk tolerance and risk policies. The Board consults the external auditor and internal auditor to determine the risk tolerance level and corresponding risk policies. The Board also oversees the Management in implementing and monitoring the risk management and internal control systems. The Management regularly reviews and improves the Group's business and operational activities to identify areas of significant business and operational risks and implements appropriate measures to control and mitigate such risks. The Management also reviews significant control policies and procedures and highlights significant matters to the Board and the AC.

To enhance the Group's system of internal controls, the Board has appointed an external professional firm, namely CLA Global TS Risk Advisory Pte Ltd ("CLA"), to review, recommend and have subsequent rectifications follow-up on the Group's internal control system, and to expand and enhance its policies and procedures manual on an annual basis.

**Provision 9.2: The board requires and discloses in the company's annual report that it has received assurance from:**

- (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and**
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.**

The Board has received assurance from the CEO and the CFO that (a) the financial records have been properly maintained and the financial statements for FY2024 give a true and fair view of the Group's operations and finances; and (b) the Group has put in place and will continue to maintain reasonably adequate and effective risk management and internal control systems.

In addition, the Board has received assurance from the Executive Directors and key management personnel who are responsible that the Group has put in place and will continue to maintain reasonably adequate and effective risk management and internal control systems in respect of their respective areas of responsibilities.

# CORPORATE GOVERNANCE REPORT

Based on the internal controls established and maintained by the Group, work performed by the internal auditor, and reviews performed by the Management, the Board and its committees, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems maintained by the Group, addressing the financial, operational, compliance and information technology risks of the Group are adequate and effective as at 30 June 2024. The Board and the AC note that all internal control systems contain inherent limitations and no system of risk management and internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Company's internal control system.

## Audit Committee

**Principle 10: The board has an AC which discharges its duties objectively.**

**Provision 10.1: The duties of the AC include:**

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**
- (d) making recommendations to the board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

The AC has written terms of reference that describe the responsibilities of its members.

The AC will meet periodically to perform, *inter alia*, the following functions:

- (a) to review with the external auditor the audit plan, the audit report, the management letter and the management's response;
- (b) to review with the internal auditor the internal audit plan and their evaluation of the adequacy of the internal controls and risk management system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report;
- (c) to review the financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with the Financial Reporting Standards in Singapore, and concerns and issues arising from the audit including any matters which the external auditor may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- (d) to review and discuss with the external auditor and internal auditor, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
- (e) to review the co-operation given by the Management to the external auditor and internal auditor;
- (f) to consider the appointment or re-appointment, and remuneration and terms of engagement of the external auditor and matters relating to the resignation or dismissal of the external auditor;
- (g) to review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;
- (h) to review any potential conflicts of interests (if any);

# CORPORATE GOVERNANCE REPORT

- (i) to review the procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
- (j) to undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (k) to undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

In addition, the AC has explicit authority to investigate any matter within its terms of reference, full access to and the co-operation of the Management and full discretion to invite any Executive Director or key management personnel to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

The aggregate amount of fees paid or payable to the external auditor for the audit services for FY2024 is reflected in Note 6 to the audited financial statements of the Group for FY2024. There were no non-audit services provided by the external auditor in FY2024.

The AC is of the view that external auditor, Baker Tilly TFW LLP, is suitable for re-appointment and it has accordingly recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as auditor of the Company at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Catalist Rules in appointing the audit firm for the Group.

The Company has in place a whistle-blowing policy, endorsed by the AC, which provides an accessible channel for employees of the Group to raise concerns to the AC about possible corporate improprieties or possible fraudulent activities in matters of financial reporting, misconduct or wrongdoing relating to the Group and its officers or other matters. Details of the whistle-blowing policies and arrangements have been made available to all employees. It has a well-defined process which ensures independent investigation of issues or concerns raised and appropriate follow-up action, and provides assurance to the whistle-blowers that the identity of the whistle-blowers will be kept confidential and the whistle-blowers will be protected from reprisal within the limits of the law for whistle-blowing in good faith. The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant. There were no whistle-blowing reports received in FY2024.

***Provision 10.2: The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC chairman, are independent. At least two members, including the AC chairman, have recent and relevant accounting or related financial management expertise or experience.***

The AC comprises three Independent Directors, namely Mr Tan Eng Ann, Mr Jeremiah Huang WeiQuan and Dr Teo Ho Pin. The Chairman of the AC is Mr Tan Eng Ann. Mr Tan Eng Ann has over 25 years of experience in finance and accounting and is well-qualified to chair the AC. Notwithstanding that the AC does not comprise at least two members with recent and relevant accounting or related financial management expertise and experience, the Board is of the view that the members of the AC are appropriately qualified in that they have sufficient accounting or financial management expertise and experience to discharge the duties and responsibilities of the AC.

***Provision 10.3: The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.***

None of the AC members was a previous partner or director or has any financial interest in the Company's existing auditing firm.

***Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.***

The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture. The Group has therefore appointed CLA to undertake the functions of an internal auditor for the Group. CLA is a member of the Institute of Internal Auditors. The internal audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

# CORPORATE GOVERNANCE REPORT

The AC approves the hiring, removal, evaluation and compensation of the internal auditor. The internal auditor reports directly to the AC and, administratively to the Executive Directors, and has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. The role of the internal auditor is to assist the AC in ensuring that the Group's controls are adequate, effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas.

The AC has reviewed and is satisfied that the Group's internal audit function, led by Ms Pamela Chen of CLA who has more than 15 years of relevant experience, is independent, effective and adequately resourced, staffed by suitably qualified and experienced professionals with the relevant experience, and has an appropriate standing within the Company. Such review is carried out on an annual basis.

***Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually.***

The AC had met with the internal and external auditors, without the presence of the Management to review the adequacy of audit arrangements for FY2024, with emphasis on the scope and quality of their audits, and the independence, objectivity and observations of the internal and external auditors.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct Of General Meetings

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

***Provision 11.1: The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.***

All shareholders will receive the Company's annual report and notice of AGM or general meetings and are entitled to attend the general meetings of the Company. They are afforded the opportunity to participate effectively at such meetings and are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings.

The Company's forthcoming AGM for FY2024 will be in a wholly physical format. Therefore, shareholders will be able to attend the AGM in person. Physical copies of the notice of AGM, proxy form and letter to shareholders dated 10 October 2024 will be sent to shareholders. The notice of AGM, proxy form and letter to shareholders dated 10 October 2024 will also be published on the Company's website and on SGXNET.

***Provision 11.2: The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.***

The Company has separate resolutions at general meetings on each substantially separate issue. This is to ensure that shareholders are given the right to express their views and exercise their voting rights on each resolution separately. Where the resolutions are "bundled", the reasons and material implications for doing so will be provided in the annual report and related documents, including the notice of general meeting.

***Provision 11.3: All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.***

All Directors are required to attend general meetings. The external auditor will also be present at the AGM to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report. Please refer to Provision 1.5 for details on the Directors' attendance at general meetings held during FY2024.

# CORPORATE GOVERNANCE REPORT

***Provision 11.4: The company's constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.***

The Company's Constitution allows any shareholder of the Company, if he is unable to attend any general meetings, to appoint not more than two proxies to attend and vote on his behalf at the meetings through proxy forms sent in advance. Corporate shareholders of the Company who provide nominee or custodial services are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised.

***Provision 11.5: The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the board and management.***

The Company prepares minutes of general meetings which incorporate substantial and relevant comments and queries from shareholders and responses from the Board and the Management. These minutes will be published on the SGXNET and the Company's website.

***Provision 11.6: The company has a dividend policy and communicates it to shareholders.***

The Company has adopted a dividend policy whereby the Company shall recommend the distribution of at least 25% of the Company's consolidated profit after tax and minority interests, excluding non-recurring, one-off and exceptional items, to its shareholders, in respect of financial year ending 30 June 2024 and up to 30% of the Group's consolidated net profit after tax, excluding non-recurring, one-off and exceptional items in respect of financial year ending 30 June 2025 respectively to its shareholders. Further details of the updated dividend policy is set out in the Company's announcement dated 9 October 2023.

For FY2024, the Board has proposed a final dividend of 0.08 Singapore cents per ordinary share for shareholders' approval at the forthcoming AGM.

## Engagement with Shareholders

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

***Provision 12.1: The company provides avenues for communication between the board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.***

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules, it is the Board's policy to ensure that all shareholders are informed on a timely basis of every significant development that has an impact on the Group via announcements and/or press releases published on the SGXNET.

The Company does not practise selective disclosure. Trade or price-sensitive information is first publicly released before the Company meets with any group of investors or analysts. The Company's results and annual report are announced or issued within the mandatory period.

Shareholders will be given the opportunity and time to voice their views and ask Directors or the Management questions regarding the Company at such general meetings. For the forthcoming AGM, shareholders may also submit their questions relating to the resolutions set out in the notice of the AGM in advance. The detailed information on the submission of questions has been specified in the notice of AGM.

# CORPORATE GOVERNANCE REPORT

**Provision 12.2: The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.**

The Company conducts its investor relations on the following principles:

- (a) Information deemed to be trade or price-sensitive is disseminated without delay via announcements and/or press releases on the SGXNET;
- (b) Discuss only publicly-available and publicly known information during dialogues with investors and analysts, principally following announcements of financial results;
- (c) Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions; and
- (d) Operate an open policy with regard to shareholders or investors' enquiries, such as through encouraging the active participation of shareholders during AGMs or any other general meetings of the Company.

Regular media and analyst briefings are organised to enable a better appreciation of the Group's performance and developments. The Company holds investor briefings, inviting the media and analysts, after the release of its half year and full year financial results.

**Provision 12.3: The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.**

The Company has engaged August Consulting to address any queries that the investors, analysts, press or public might have on the Company's affairs. The investor relations team can be reached at [ir@iso-team.com](mailto:ir@iso-team.com).

## MANAGING STAKEHOLDER RELATIONSHIPS

### Engagement with Stakeholders

**Principle 13: The board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

**Provision 13.1: The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.**

The Company recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, and customers, in order to achieve sustainable business goals. The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicate with them to align the Company's expectation and goals. Both Executive and Independent Directors meet or speak with shareholders at general meetings to gather their views and address concerns.

**Provision 13.2: The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.**

The Group engages with the key stakeholders through various platforms. Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised through stakeholder engagement, can be found in the Company's Sustainability Report 2024.

**Provision 13.3: The company maintains a current corporate website to communicate and engage with stakeholders.**

The Company maintains its corporate website (<https://isoteam.com.sg/>) providing information about the Company such as the Board of Directors and Management, products or services, as well as all disclosures and announcements of the Company submitted via the SGXNET. Stakeholders can also contact the Company through phone or via the contact form, details of which can be found on the Company's website.

# CORPORATE GOVERNANCE REPORT

## ADDITIONAL INFORMATION

### Dealing in Securities

The Company has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities.

The Company and its officers are prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished trade or price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month before the date of the announcement of the Company's half year and full year results, and ending on the date of the announcement of the relevant results.

In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

### Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted periodically to the AC for its review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

There were no interested person transactions entered into by the Company during the financial year.

### Non-Sponsor Fees

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid or payable to the Company's sponsor, Hong Leong Finance Limited, for FY2024.

### Material Contracts and Loans

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except as disclosed in the "Directors' Statement" section of this annual report and the audited financial statements of the Group for FY2024, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

### Use of Proceeds

As announced in the Company's half-year financial statements for FY2024, the Net Proceeds from the Rights Issue which had taken place on 22 August 2023 has been utilised as follows:

	Amount allocated \$'000	Amount utilised \$'000	Balance \$'000
General working capital requirements of the Group	7,180	7,180*	–
Repayment of banking facilities	3,080	3,080	–
Total	10,260	10,260	–

\* Utilised for settlement of trade payables



# CORPORATE GOVERNANCE REPORT

## Information on Directors Seeking Re-Election

Mr Koh Thong Huat ("Mr Koh"), Dr Teo Ho Pin ("Dr Teo") and Mr Jeremiah Huang WeiQuan ("Mr Huang") are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 October 2024 ("AGM").

Pursuant to Rule 720(5) of the Catalyst Rules, the information relating to Mr Koh, Dr Teo and Mr Huang in accordance with Appendix 7F of the Catalyst Rules is set out below:

	KOH THONG HUAT	TEO HO PIN	JEREMIAH HUANG WEIQUAN
Date of appointment	12 December 2012	1 March 2021	1 June 2024
Date of last re-appointment (if applicable)	27 October 2021	27 October 2021	–
Age	58	64	37
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC and assessed Mr Koh's overall contributions and performance, is of the view that he is suitable for re-appointment as an Executive Director of the Company.	The Board, having considered the recommendation of the NC and assessed Dr Teo's overall contributions and performance, is of the view that he is suitable for re-appointment as an Independent Director of the Company.	The Board, having considered the recommendations of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Huang, is of the view that he is suitable for re-appointment as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. As set out in Mr Koh's profile write-up in the "Board of Directors" section of this annual report.	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and CEO	Independent Director, Chairman of the NC and member of the AC and RC	Independent Director, Chairman of the RC and member of the AC and NC

# CORPORATE GOVERNANCE REPORT

	KOH THONG HUAT	TEO HO PIN	JEREMIAH HUANG WEIQUAN
Professional qualifications	<ol style="list-style-type: none"> <li>Diploma in Building, Singapore Polytechnic</li> <li>Diploma in Marketing Management, Ngee Ann Polytechnic</li> </ol>	<ol style="list-style-type: none"> <li>PhD in Building (Heriot-Watt University, UK)</li> <li>MSc in Project Management (Distinction) (Heriot-Watt University, UK)</li> <li>BSc in Building (Honours) (National University of Singapore)</li> </ol>	<ol style="list-style-type: none"> <li>Bachelor of Laws, Monash University</li> <li>Advocate and Solicitor of the Supreme Court of Singapore</li> <li>Accredited Director, Singapore Institute of Directors</li> <li>Associate, Chartered Governance Institute (ACG, CGI)</li> <li>Associate, Chartered Secretaries Institute of Singapore (ACS, CSIS)</li> <li>Certified Information Privacy Professional (Asia) (CIPP/A) and Manager (CIPM), The International Associate of Privacy Professionals (IAPP)</li> <li>Practitioner Certificate in Personal Data Protection, Personal Data Protection Commission, Singapore</li> <li>Accredited Mediator (Singapore Mediation Centre, Singapore International Mediation Institute and International Mediation Institute)</li> <li>Certificate in International Business Mandarin (Comprehensive) (Advanced), Singapore Chinese Chamber Institute of Business</li> </ol>
Working experience and occupation(s) during the past 10 years	As set out in Mr Koh's profile write-up in the "Board of Directors" section of this annual report.	As set out in Dr Teo's profile write-up in the "Board of Directors" section of this annual report.	As set out in Mr Huang's profile write-up in the "Board of Directors" section of this annual report.
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest: 156,272,812 ordinary shares	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Mr Huang is a director and shareholder of Icon Law LLC, which provides legal services to the Company from time to time. However, he is not otherwise involved with the relevant team or the provision thereof.

# CORPORATE GOVERNANCE REPORT

	KOH THONG HUAT	TEO HO PIN	JEREMIAH HUANG WEIQUAN
Conflict of interest (including any competing business)	Nil	Nil	Mr Huang does not have any conflict of interest with the Company. He was/is not involved in the appointment of Icon Law LLC or its provision of legal services to the Company.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#	Past (for the last five years)	Past (for the last five years)	Past (for the last five years)
* "Principal Commitments" has the same meaning as defined in the Code.	Directorships: 1. ADD Group Pte. Ltd. (Struck off) 2. FP (SIN) Pte. Ltd. 3. IGS Green Solutions Pte. Ltd. (Winding Up) 4. ISO-HomeCare Pte. Ltd. (Struck off) 5. ISO-Seal Engineering Pte Ltd (Struck off) 6. ISO-Seal Waterproofing Pte. Ltd. 7. ISO-Team Corporation Pte Ltd 8. ISOTeam AET Pte. Ltd. 9. ISOTeam C&P Pte. Ltd. 10. ISOTeam Homecare Pte. Ltd. 11. ISOTeam Renewable Solutions Pte. Ltd. 12. Pure Group (Singapore) Pte. Ltd. 13. Pure Projects Sea Pte. Ltd. 14. Raymond Construction Pte Ltd 15. R S M&E Pte. Ltd. (Winding Up) 16. SG Bike Pte. Ltd. 17. TMG Projects Pte. Ltd. (Winding Up) 18. TMS Alliances Pte. Ltd. Other Principal Commitments: Nil	Directorships: 1. Haru Imports International Pte Ltd 2. Resilient Crisis Management Solutions Pte. Ltd. (Struck off) Other Principal Commitments: As set out in Dr Teo's profile write-up in the "Board of Directors" section of this annual report. <u>Present</u> Directorships: 1. Tiong Seng Holdings Limited 2. King Wan Corporation Limited 3. Broadway Industrial Group Limited 4. Enviro-Hub Holdings Ltd. Other Principal Commitments: As set out in Dr Teo's profile write-up in the "Board of Directors" section of this annual report.	Directorships: 1. RHTLaw Asia LLP 2. Insights Law LLC/ZICO Insights Law LLC Other Principal Commitments: Legal Advisor, Association of Listed Companies, Singapore <u>Present</u> Directorships: 1. Icon Law LLC 2. Icon CorpServ Pte. Ltd. Other Principal Commitments: Legal Advisor, Australian Alumni Singapore Legal Advisor, Kazakhstan-Singapore Business Council Member, Law Society of Singapore Corporate Practice Committee, Equity Capital Markets Committee and International Relations Committee
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8).			
Past (for the last 5 years)			
Present			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

# CORPORATE GOVERNANCE REPORT

	KOH THONG HUAT	TEO HO PIN	JEREMIAH HUANG WEIQUAN
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

# CORPORATE GOVERNANCE REPORT

	KOH THONG HUAT	TEO HO PIN	JEREMIAH HUANG WEIQUAN
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

# CORPORATE GOVERNANCE REPORT

	KOH THONG HUAT	TEO HO PIN	JEREMIAH HUANG WEIQUAN
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, to the affairs of:—		No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	The Group had, in the course of its business, been fined by regulatory and statutory bodies such as the Ministry of Manpower and National Environmental Agency for infringement of certain environmental and safety rules and regulations from time to time.		
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No		
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of ISOTeam Ltd. (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company for the financial year ended 30 June 2024.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 85 to 142 are properly drawn up so as to give a true and fair view of the financial positions of the Group and the Company as at 30 June 2024 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

The directors of the Company in office at the date of this statement are:

Ng Cheng Lian  
 Koh Thong Huat  
 Foo Joon Lye  
 Ryota Fukuda  
 Tan Eng Ann  
 Teo Ho Pin  
 Jeremiah Huang WeiQuan (Appointed on 1 June 2024)

## Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate (other than the share options as disclosed in this statement).

## Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act as follows:

Name of directors	Number of ordinary shares with no par value			
	Shareholdings registered in the name of directors		Shareholdings in which a director is deemed to have an interest	
	At 1.7.2023	At 30.6.2024	At 1.7.2023	At 30.6.2024
<u>Company</u>				
Ng Cheng Lian	–	–	127,636,406	<b>255,272,812</b>
Koh Thong Huat	–	–	127,636,406	<b>255,272,812</b>
Foo Joon Lye	–	–	127,636,406	<b>255,272,812</b>

The deemed interest of Ng Cheng Lian, Koh Thong Huat and Foo Joon Lye in the shares of the Company are by virtue of their shareholdings in ADD Investment Holding Pte Ltd. At 30 June 2024, ADD Investment Holding Pte Ltd holds 239,908,812 shares in the Company. In addition, Ng Cheng Lian, Koh Thong Huat and Foo Joon Lye are deemed to be interested in 15,364,000 shares in the Company held by their nominee as at 30 June 2024.

# DIRECTORS' STATEMENT

## Directors' interest in shares or debentures (Cont'd)

By virtue of Section 7(4) of the Act, the directors, Ng Cheng Lian, Koh Thong Huat and Foo Joon Lye are deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations.

Ng Cheng Lian, Koh Thong Huat and Foo Joon Lye, by virtue of their interest of not less than 20% of the issued share capital of the Company are deemed to have an interest in the shares held by the Company in the following subsidiary corporations that are not wholly-owned by the Group.

	Number of ordinary shares	
	Shareholdings in which a director is deemed to have an interest	
	At	At
	1.7.2023	30.6.2024
Zara@ISOTeam Pte. Ltd.	76,500	<b>76,500</b>
ISOTeam TMS (Myanmar) Limited	45,000	<b>45,000</b>

The directors' interests as at 21 July 2024 was the same as those at the end of the financial year.

## Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

## ISOTeam Performance Share Plan

The ISOTeam Performance Share Plan (the "ISOTeam PSP") adopted by the shareholders of the Company on 5 June 2013 expired in June 2023 and the ISOTeam Performance Share Plan 2023 (the "ISOTeam PSP 2023") was adopted by shareholders of the Company on 24 October 2023. The ISOTeam PSP 2023 contemplates the award of fully-paid shares in the capital of the Company to participants after certain pre-determined benchmarks have been met. The directors believe that the ISOTeam PSP 2023 will be more effective than pure cash bonuses in motivating employees of the Group to work towards pre-determined goals.

The ISOTeam PSP 2023 allows for participation by full-time employees of the Group (including the executive directors who are not a substantial shareholder of the Company or an associate of a substantial shareholder) who have attained the age of 18 years and above on or before the relevant date of grant of the award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors. Non-executive directors, independent directors and controlling shareholders (including their associates) of the Company are not eligible to participate in the ISOTeam PSP 2023.

The Company proposes to amend the Rules of the ISOTeam PSP 2023 to allow (a) Executive Directors who are Substantial Shareholders or Associates of Substantial Shareholders, (b) Controlling Shareholder(s) and their Associates, (c) Non-Executive Directors, and (d) Independent Directors to participate in the ISOTeam PSP 2023, subject to approval during the FY2024 Annual General Meeting on 25 October 2024.

The ISOTeam PSP 2023 is administered by the Remuneration Committee of the Company which has the absolute discretion to determine persons who will be eligible to participate in the ISOTeam PSP 2023. The ISOTeam PSP 2023 shall continue in operation for a maximum period of 10 years commencing on the date on which the ISOTeam PSP 2023 is adopted, provided that the ISOTeam PSP 2023 may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.



# DIRECTORS' STATEMENT

## Share options (Cont'd)

### ISOTeam Performance Share Plan (Cont'd)

The total number of shares which may be issued or transferred pursuant to the awards granted under the ISOTeam PSP 2023, when added to (i) the number of shares issued or issuable and/or transferred or transferrable in respect of all awards granted thereunder; and (ii) all shares issued or issuable and/or transferred or transferrable under any other share incentive schemes adopted by the Company for the time being in force, shall not exceed 15% of the total issued share capital of the Company on the day preceding the relevant award date.

The details of the movement of the performance shares awarded since commencement of the ISOTeam PSP (aggregate) are as follows:

ISOTeam PSP participants	Aggregate performance share awards outstanding as at 1 July 2023	Cancellation of ISOTeam PSP during the financial year	Vested of ISOTeam PSP during the financial year	Aggregate performance share awards outstanding as at 30 June 2024
Key management personnel				
– Teng Ann Boon, Albert	300,000	–	(150,000)	<b>150,000</b>
– Teo Teck Sing, Ben	300,000	–	(150,000)	<b>150,000</b>
– Teoh Kok Ann, Anders	300,000	–	(150,000)	<b>150,000</b>
– Chin Wai Tuck	300,000	–	(150,000)	<b>150,000</b>
Key executives of the Group	5,350,000	(100,000)*	(2,625,000)	<b>2,625,000</b>
Total	<u>6,550,000</u>	<u>(100,000)</u>	<u>(3,225,000)</u>	<u><b>3,225,000</b></u>

During the financial year ended 30 June 2024, there are 3,225,000 ordinary shares issued pursuant to the ISOTeam PSP.

\* There were 100,000 ISOTeam PSP cancelled during the financial year due to the resignation of a key executive.

### Audit Committee

The Audit Committee comprises three members, who are all independent directors. The members of the Audit Committee for the financial year are:

Tan Eng Ann (Chairman)  
Teo Ho Pin  
Jeremiah Huang WeiQuan

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act and performed the following functions:

- to review with the external auditor the audit plan, the audit report, the management letter and the management's response;
- to review with the internal auditor the internal audit plan and their evaluation of the adequacy of the internal controls and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report;
- to review the financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with the Singapore Financial Reporting Standards (International), and concerns and issues arising from the audit including any matters which the external auditor may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- to review and discuss with the external auditor and internal auditor, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

# DIRECTORS' STATEMENT

## Audit Committee (Cont'd)

- (e) to review the co-operation given by the Management to the external auditor and internal auditor;
- (f) to consider the appointment or re-appointment, and remuneration and terms of engagement of the external auditor and matters relating to the resignation or dismissal of the external auditor;
- (g) to review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;
- (h) to review any potential conflicts of interests (if any);
- (i) to review the procedures by which employees of the Group may, in confidence, report to the Chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
- (j) to undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- (k) to undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time; and
- (l) to nominate Baker Tilly TFW LLP for re-appointment as independent auditor for the Company at the forthcoming Annual General Meeting.

## Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors,

Ng Cheng Lian  
Director

Koh Thong Huat  
Director

4 October 2024

# INDEPENDENT AUDITOR'S REPORT

To The Members Of ISOTeam Ltd.

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of ISOTeam Ltd. (the "Company") and its subsidiaries (the "Group") as set out on pages 85 to 142, which comprise the statements of financial position of the Group and the Company as at 30 June 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue recognition on construction contracts

(Refer to Notes 2(m), 2(v) and 3 to the financial statements)

##### *Description of key audit matter*

Revenue arising from construction contracts represents 96% (2023: 96%) of the Group's total revenue.

The Group recognises contract revenue over time by reference to stage of completion of the contract work. The stage of completion is determined by reference to the contract costs incurred to-date relative to the estimated total contract costs for the contract.

Significant assumptions are used to estimate the total contract revenue (including variation of claims) and total contract cost (including estimated costs to complete), at inception of the contracts and at the end of each reporting period and the determination of the stage of completion that will affect the profit recognised from these contracts. In making these estimates, management has devised a robust process for estimating variable consideration adjustments on total contract revenue and for budgeting contract costs. Management also relied on historical data, past experience and technical knowledge of the contract team. Accordingly, we have identified this as a key audit matter.

As disclosed in Note 3 to the financial statements, total revenue arising from construction contracts amounted to \$125,575,000 (2023: \$105,745,000) for the financial year ended 30 June 2024. The carrying amounts of the Group's contract assets and contract liabilities as at 30 June 2024 were \$42,237,000 (2023: \$36,064,000) and \$1,635,000 (2023: \$2,265,000) respectively (Note 16).

# INDEPENDENT AUDITOR'S REPORT

To The Members Of ISOteam Ltd.

## Report on the Audit of the Financial Statements (Cont'd)

### Key Audit Matter (Cont'd)

#### Revenue recognition on construction contracts (Cont'd)

(Refer to Notes 2(m), 2(v) and 3 to the financial statements)

#### *Our audit procedures to address the key audit matter*

We evaluated the Group's accounting policies for revenue recognition to be in compliance with SFRS(I) 15 *Revenue from Contracts with Customers* and obtained an understanding of internal controls over the revenue recognition process and performed test of design and implementation over relevant key operational and accounting controls. We obtained an understanding of the terms and status of the on-going contracts through discussion with management and examination of contract documentation (including correspondences with customers).

On a sample basis, we read contracts and obtained an understanding of the key terms and conditions. For these contracts, we performed procedures with respect to the reasonableness of management estimates for total contract revenue (including variation of claims) and total contract costs (including estimated costs to complete). We held discussions with contract team to understand the basis of making key estimates in estimating total contract revenue (including variation of claims) and total contract costs (including estimated costs to complete), and also the progress of these projects to assess the appropriateness of the estimated costs to complete. We have also checked the actual costs incurred to-date against supporting documents. We recomputed management's computation of the stage of completion. We reviewed the budgets for these projects for cost overruns, provision for onerous contract, liquidated damages and rectification costs.

We also assessed the adequacy and appropriateness of the Group's disclosures made in the financial statements.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2024, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from authorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT

To The Members Of ISOTeam Ltd.

## Report on the Audit of the Financial Statements (Cont'd)

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT

To The Members Of ISOteam Ltd.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Wei Lun.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

4 October 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Revenue</b>	3	<b>130,168</b>	110,400
Cost of sales		<b>(109,996)</b>	(99,338)
Gross profit		<b>20,172</b>	11,062
Other income	4	<b>5,732</b>	4,627
Marketing and distribution expenses		<b>(733)</b>	(814)
General and administrative expenses		<b>(13,169)</b>	(11,071)
Finance costs	5	<b>(2,494)</b>	(2,297)
Impairment loss on receivables and contract assets		<b>(1,723)</b>	(775)
Other expenses		<b>(470)</b>	(244)
<b>Profit before tax</b>	6	<b>7,315</b>	488
Tax (expense)/credit	8	<b>(711)</b>	657
<b>Profit for the financial year</b>		<b>6,604</b>	1,145
<b>Other comprehensive loss</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation loss arising on consolidation		<b>(1)</b>	-
Other comprehensive loss for the financial year, net of tax		<b>(1)</b>	-
<b>Total comprehensive income for the financial year</b>		<b>6,603</b>	1,145
<b>Profit/(loss) attributable to:</b>			
Equity holders of the Company		<b>6,513</b>	1,405
Non-controlling interests		<b>91</b>	(260)
		<b>6,604</b>	1,145
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company		<b>6,511</b>	1,404
Non-controlling interests		<b>92</b>	(259)
		<b>6,603</b>	1,145
<b>Earnings per share attributable to equity holders of the Company</b>			
Basic (cents)	9	<b>0.94</b>	0.28
Diluted (cents)	9	<b>0.93</b>	0.28

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

At 30 June 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	10	19,990	21,525	–	–
Goodwill	12	1,662	1,662	–	–
Intangible assets	13	128	210	–	18
Other investments	14	4,675	3,467	4,675	3,467
Investment in subsidiaries	15	–	–	36,907	25,636
Deferred tax assets	20	811	1,098	–	–
<b>Total non-current assets</b>		<b>27,266</b>	<b>27,962</b>	<b>41,582</b>	<b>29,121</b>
<b>Current assets</b>					
Contract assets	16	42,237	36,064	–	–
Inventories		–	194	–	–
Trade and other receivables	17	27,890	29,875	12,215	6,852
Cash and bank balances	18	10,911	6,799	1,101	266
Tax recoverable		–	112	–	–
<b>Total current assets</b>		<b>81,038</b>	<b>73,044</b>	<b>13,316</b>	<b>7,118</b>
<b>Total assets</b>		<b>108,304</b>	<b>101,006</b>	<b>54,898</b>	<b>36,239</b>
<b>Non-current liabilities</b>					
Borrowings	19	10,051	13,543	1,079	1,686
Deferred tax liabilities	20	105	105	4	4
Lease liabilities	11	2,622	3,305	–	–
<b>Total non-current liabilities</b>		<b>12,778</b>	<b>16,953</b>	<b>1,083</b>	<b>1,690</b>
<b>Current liabilities</b>					
Contract liabilities	16	1,635	2,265	–	–
Trade and other payables	21	25,433	24,337	4,017	2,980
Borrowings	19	24,094	30,597	5,108	6,299
Lease liabilities	11	1,205	1,183	–	–
Provision for taxation		284	–	–	–
<b>Total current liabilities</b>		<b>52,651</b>	<b>58,382</b>	<b>9,125</b>	<b>9,279</b>
<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>Share capital and reserves</b>					
Share capital	22(a)	54,321	43,743	54,321	43,743
Treasury shares	22(b)	(152)	(152)	(152)	(152)
Accumulated losses	22(c)	(4,044)	(10,557)	(9,648)	(18,467)
Foreign currency translation reserve	23	30	32	–	–
Merger reserve	24	(7,305)	(7,305)	–	–
Other reserves		62	39	169	146
Equity attributable to equity holders of the Company		<b>42,912</b>	25,800	<b>44,690</b>	25,270
Non-controlling interests		<b>(37)</b>	(129)	–	–
<b>Total equity</b>		<b>42,875</b>	<b>25,671</b>	<b>44,690</b>	<b>25,270</b>

The accompanying notes form an integral part of the financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2024

	← Attributable to equity holders of the Company →							Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated losses	Foreign currency translation reserve	Merger reserve	Other reserves	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2024</b>									
At 1.7.2023	43,743	(152)	(10,557)	32	(7,305)	39	25,800	(129)	25,671
Profit for the financial year	–	–	6,513	–	–	–	6,513	91	6,604
Foreign currency translation (loss)/gain, net of tax (Note 23)	–	–	–	(2)	–	–	(2)	1	(1)
Total comprehensive income/(loss) for the financial year	–	–	6,513	(2)	–	–	6,511	92	6,603
Issuance of ordinary shares via right issue (Note 22)	10,415	–	–	–	–	–	10,415	–	10,415
Share issue expense (Note 22)	(150)	–	–	–	–	–	(150)	–	(150)
Equity-settled share-based payment vested (Note 22)	313	–	–	–	–	(313)	–	–	–
Equity-settled share-based payment (Note 7)	–	–	–	–	–	336	336	–	336
Total transactions with equity holders of the Company	10,578	–	–	–	–	23	10,601	–	10,601
<b>Balance at 30.6.2024</b>	<b>54,321</b>	<b>(152)</b>	<b>(4,044)</b>	<b>30</b>	<b>(7,305)</b>	<b>62</b>	<b>42,912</b>	<b>(37)</b>	<b>42,875</b>

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 30 June 2024

	← Attributable to equity holders of the Company →						Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Foreign currency translation reserve \$'000	Merger reserve \$'000	Other reserves \$'000			
2023									
At 1.7.2022	43,743	(152)	(11,962)	33	(7,338)	(60)	24,264	(3,344)	20,920
Profit/(loss) for the financial year	–	–	1,405	–	–	–	1,405	(260)	1,145
Foreign currency translation (loss)/gain, net of tax (Note 23)	–	–	–	(1)	–	–	(1)	1	–
Total comprehensive income/(loss) for the financial year	–	–	1,405	(1)	–	–	1,404	(259)	1,145
Disposal of subsidiaries	–	–	–	–	33	(29)	4	3,474	3,478
Equity-settled share-based payment (Note 7)	–	–	–	–	–	128	128	–	128
Total transactions with equity holders of the Company	–	–	–	–	33	99	132	3,474	3,606
Balance at 30.6.2023	<u>43,743</u>	<u>(152)</u>	<u>(10,557)</u>	<u>32</u>	<u>(7,305)</u>	<u>39</u>	<u>25,800</u>	<u>(129)</u>	<u>25,671</u>

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024

	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>		
Profit before tax	7,315	488
Adjustments for:		
Amortisation of intangible assets	136	287
Depreciation of property, plant and equipment	3,101	3,381
Gain on disposal of property, plant and equipment (net)	(41)	(23)
Impairment loss on receivables and contract assets	1,723	775
Interest income	(261)	(116)
Interest expense	2,192	1,918
Bad debts written back	(24)	(38)
Inventories written off	159	–
Property, plant and equipment written off	8	–
Gain on lease modification	(32)	–
Equity-settled share based payments	336	128
Gain on disposal of subsidiary(ies) (Notes A and B)	(3,285)	(2,447)
Fair value gain on other investments, net	(1,208)	–
Operating profit before working capital changes	10,119	4,353
Contract assets	(6,479)	(12,595)
Contract liabilities	(630)	1,494
Trade and other receivables	(5,872)	(14,528)
Trade and other payables	8,992	10,851
Inventories	35	(30)
Cash generated from/(used in) operations	6,165	(10,455)
Interest received	261	116
Tax paid	(28)	(3)
<b>Net cash generated from/(used in) operating activities</b>	<b>6,398</b>	<b>(10,342)</b>

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the financial year ended 30 June 2024

	2024 \$'000	2023 \$'000
<b>Cash flows from investing activities</b>		
Additions to intangible assets (Note 13)	(4)	(80)
Purchases of property, plant and equipment (Note 10)	(1,170)	(1,101)
Proceeds from disposal of property, plant and equipment and asset held for sale	131	95
Net cash outflow on disposal of a subsidiary (Note A)	(7)	–
<b>Net cash used in investing activities</b>	<b>(1,050)</b>	<b>(1,086)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	10,415	–
Share issue expenses	(150)	–
Withdrawal/(placement) of fixed deposits pledged to bank	996	(2,539)
Drawdown of borrowings	49,698	43,669
Repayment of borrowings	(56,710)	(41,056)
Repayment of lease liabilities	(1,353)	(1,257)
Due to directors (non-trade)	(240)	89
Interest paid	(2,194)	(1,823)
<b>Net cash generated from/(used in) financing activities</b>	<b>462</b>	<b>(2,917)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,810</b>	<b>(14,345)</b>
Cash and cash equivalents at beginning of financial year	1,766	16,111
<b>Cash and cash equivalents at end of financial year</b>	<b>7,576</b>	<b>1,766</b>

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2024 \$'000	2023 \$'000
Cash in hand and at bank (Note 18)	7,740	2,632
Fixed deposits (Note 18)	3,171	4,167
	<b>10,911</b>	6,799
Less: Fixed deposits pledged (Note 18)	(3,171)	(4,167)
Less: Bank overdrafts (Note 19)	(164)	(866)
	<b>7,576</b>	<b>1,766</b>

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the financial year ended 30 June 2024

## Note A: Disposal of subsidiary ISO-Integrated M&E Pte. Ltd. ("IME") (Note 15(iv))

	IME 2024 \$'000
Property, plant and equipment	24
Right-of-use assets	12
Contract assets	1,003
Trade and other receivables	1,171
Cash and cash equivalents	7
Lease liabilities	(13)
Borrowings	(2,281)
Trade and other payables	(7,598)
Net liabilities derecognised	(7,675)
Add: Amount due from IME	4,390
Carrying amount of net liabilities derecognised	(3,285)
Cash proceeds on disposal	*
Gain on disposal of a subsidiary (Note 4)	(3,285)
Consideration in cash	*
Less: Cash and cash equivalents of subsidiary	(7)
Net cash outflow on disposal of a subsidiary	(7)

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

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the financial year ended 30 June 2024

**Note B: Disposal of subsidiaries comprising SG Bike Pte. Ltd. ("SGB"), ISOTeam Green Solutions Pte. Ltd. ("IGS"), and ISOTeam Access Pte. Ltd. ("IAC")**

## Carrying amount of assets and liabilities derecognised

	SGB 2023 \$'000	IGS 2023 \$'000	IAC 2023 \$'000	Total 2023 \$'000
Property, plant and equipment	145	3	2,756	2,904
Intangible assets	116	–	–	116
Inventories	–	3	87	90
Trade and other receivables	3,729	1,495	994	6,218
Contract liabilities	(1,819)	–	–	(1,819)
Lease liabilities	(33)	–	(656)	(689)
Deferred tax assets	–	–	(212)	(212)
Trade and other payables	(5,401)	(1,352)	(2,313)	(9,066)
Carrying amount of net (liabilities)/assets	(3,263)	149	656	(2,458)
Add: Merger reserve	–	33	–	33
Add: Non-controlling interests	3,474	–	–	3,474
Less: Other reserves	(29)	–	–	(29)
Carrying amount of net assets	182	182	656	1,020
Consideration (in the form of participating shares) (Note 14)	550	1	2,916	3,467
Less: Carrying amount of net assets disposed	(182)	(182)	(656)	(1,020)
Gain/(loss) on disposal of subsidiaries (Note 4)	368	(181)	2,260	2,447

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

These notes form an integral part of and should be read in conjunction with the accompanying 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, ISOTeam Building, Singapore 498829.

The principal activity of the Company is an investment holding company. The principal activities of the subsidiaries are disclosed in Note 15.

## 2 MATERIAL ACCOUNTING POLICIES

### a) Basis of preparation

The financial statements are presented in Singapore dollar ("S\$"), which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand (\$'000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

#### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within next financial year, are disclosed in Note 2(v).

The carrying amounts of cash and bank balances, trade and other receivables and payables and current bank borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

#### *New and revised standards*

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### a) Basis of preparation (Cont'd)

#### *New and revised standards (Cont'd)*

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial performance or position of the Group and the Company except as disclosed below:

#### **Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies**

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group and the Company have adopted the amendments to SFRS(I) 1-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the financial statements.

#### *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 June 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

### b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies at the end of the reporting period. Subsidiary companies are consolidated from the date of acquisition, being the date which the Group obtains control and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary company are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary company is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### d) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### e) Other intangible assets

(i) *Goodwill (see Note 2(d))*

(ii) *Other intangible assets*

The estimated useful lives are as follows:

Brand	–	10 years
Licences	–	9 to 120 months
Service agreements	–	3 years
Customer relationship	–	7 years
Software	–	3 years
Customer contracts	–	10 months

Order book is amortised using the percentage of the actual realisation of order book not exceeding 2 years.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### f) Property, plant and equipment

Depreciation is calculated on a straight line basis to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

Furniture and fittings	3 – 5 years
Renovation	3 – 5 years
Office equipment and fittings	3 – 5 years
Site equipment and fittings	4 – 6 years
Motor vehicles	2 – 10 years
Gondolas and machineries	3 – 10 years
Computers	3 years
Leasehold properties	Over remaining lease period
Bicycles	4 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

### g) Financial assets

#### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

#### **Classification and measurement**

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### g) Financial assets (Cont'd)

#### ***Classification and measurement (Cont'd)***

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when, and only when its business model for managing those assets changes.

#### ***Subsequent measurement***

##### (a) *Debt instruments*

Debt instruments include cash and cash equivalents and trade and other receivables (excluding prepayments and GST receivables). These are subsequently measured at amortised cost based on the Group's business model for managing the asset and cash flow characteristics of the asset.

##### *Amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

##### (b) *Equity instruments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other income".

#### ***Impairment***

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### g) Financial assets (Cont'd)

#### *Impairment (Cont'd)*

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. For trade receivables, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

#### *Offset*

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### h) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### i) Financial liabilities

Financial liabilities include trade and other payables (excluding provision for unutilised annual leave and GST payables), borrowings and lease liabilities. Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than fair value through profit or loss, directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

### j) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### k) Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sales, issue or cancellation of the Group's own equity instruments. Any difference between carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in other reserves. Voting rights related to treasury shares are nullified for the Group and no dividend is allocated to them respectively.

### l) Merger reserve

Entities under common control acquired during the restructuring exercise in 2013 are accounted for by applying the pooling of interest method. Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiaries acquired under common control, following the application of pooling of interest method. This reserve will remain until the subsidiaries are disposed.

### m) Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes).

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### *Revenue from construction contract*

The Group provides building maintenance and estate upgrading, coating and painting, waterproofing, commercial interior design and home retrofitting, landscaping, and mechanical and electrical services to customers through fixed price contracts.

At contract inception, the Group assesses whether the Group transfers control of the contract work over time or at a point in time by determining if the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or the customer simultaneously receives and consumes the benefits provided by the Group's performance as the work progresses. The Group recognises contract revenue over time by reference to the stage of completion of the contract work. The stage of completion is determined by reference to the contract costs incurred to-date relative to the estimated total contract costs for the contract.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### m) Revenue recognition (Cont'd)

#### *Revenue from construction contract (Cont'd)*

The period between the transfer of the promised service and invoicing to the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customer from the Group's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Contract modifications that add distinct goods or services at their standalone selling prices are accounted for as separate contracts. Contract modifications that add distinct goods and services but not at their standalone selling prices are accounted for as a continuation of the existing contract. The Group combines the remaining consideration in the original contract with the consideration promised in the modification to create new transaction price that is then allocated to all remaining performance obligations. Contract modification that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

The customer is invoiced on a milestone payment schedule. If the value of the goods or services transferred by the Group exceed the payments (or amounts due), a contract asset is recognised. If the payments (or amounts due) exceed the value of the goods or services transferred, a contract liability is recognised. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. SFRS(I) 1-2 *Inventories*), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

#### *Revenue from sale of goods*

The Group transfers control and recognises a sale when they deliver goods i.e. solar panels and projects to their customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### *Revenue from services rendered*

Revenue from project management services are recognised as a performance obligation satisfied over time. Revenue is recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion is determined as the proportion of the total time expected to perform the services that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers*.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### m) Revenue recognition (Cont'd)

#### *Other income*

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

### n) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instruments.

### o) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### ***Where the Group is the lessee***

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease liability is presented as a separate line in the statements of financial position.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or change in the assessment of an option to purchase the underlying asset.

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less lease incentive received.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### o) Leases (Cont'd)

#### ***Where the Group is the lessee (Cont'd)***

##### *Right-of-use assets (Cont'd)*

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use asset are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the lease asset transfers to the Company at the end of the lease term or the costs reflects the exercise of the purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "Property, plant and equipment" in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(h).

#### ***Where the Group is the lessor***

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

### p) Employee benefits

#### *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

#### *Share-based compensation*

Employees of the Group receive remuneration in the form of share as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the shares granted on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the share-based payment reserve, over the vesting period. Non-market vesting conditions are included in the estimation of the number of shares under performance share plan that are expected to be vested. At each reporting date, the Group revises its estimates of the number of shares under performance share plan that are expected to be vested and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

### q) Deferred income tax

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss and not give rise to equal taxable and deductible temporary difference.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### q) Deferred income tax (Cont'd)

Deferred income tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the reporting date.

### r) Functional and foreign currencies

#### *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The financial statements of the Group are presented in Singapore dollar, which is the Company's functional currency.

#### *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

### s) Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

### t) Related parties

Related parties refer to companies which are controlled by the Group's key management personnel and a major corporate shareholder.

### u) Segment reporting

An operating segment is 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### v) Key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### *Impairment assessment of goodwill*

Management performs an annual impairment assessment of goodwill to determine the recoverable amount, which is the higher of fair value less cost of disposal ("FVLCD") and value in use ("VIU") of the cash-generating unit.

The determination of VIU of the CGU was based on the discounted cash flow ("DCF") method. The use of DCF involves significant estimation in forecasting and discounting future cash flows and includes assumptions on terminal growth rate and discount rate. Details of the impairment assessment on the assumptions and the carrying amount of the Group's goodwill at the end of the reporting period are disclosed in Note 12. Any changes in the assumptions made and discount rate applied could affect the impairment assessment.

#### *Impairment of non-financial assets (other than goodwill)*

At each reporting date, the Group and Company assess whether there are any indications of impairment for all non-financial assets. The Group and Company also assess whether there is any indication that an impairment loss recognised in prior periods for a non-financial asset, other than goodwill, may no longer exist or may have decreased.

If any such indication exists, the Group and Company estimate the recoverable amount of that asset. An impairment loss exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying amounts of the Group's and Company's property, plant and equipment and intangible assets are disclosed in Notes 10 and 13. The key assumptions and estimates applied in the Company's impairment assessment of its investment in subsidiaries and the carrying amounts of the investments are disclosed in Note 15. Changes in assumptions made and discount rate applied could affect the carrying amounts of these assets.

#### *Calculation of allowance for impairment for financial assets at amortised cost*

The Group uses a provision matrix to calculate ECL for trade receivables and contract assets. The provision rates are based on days past due for groupings that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will adjust historical credit loss experience with forward-looking information. At every reporting date, historical defaults rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL and the carrying amounts of the Group's trade receivables and contract assets is disclosed in Notes 27(b), 17 and 16 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONT'D)

### v) Key source of estimation uncertainty (Cont'd)

#### *Construction contracts*

The Group recognises contract revenue over time by reference to the stage of completion of the contract work. The stage of completion is determined by reference to the contract costs incurred to-date relative to the estimated total contract costs for the contract.

Significant assumptions are used to estimate the total contract revenue (including variation of claims) and total contract costs (including estimated costs to complete), at the inception of the contract and at the end of each reporting period and the determination of the stage of completion. In making these estimates, management has devised a robust process for estimating variable consideration adjustments on total contract revenue and for budgeting contract costs. Management also relied on historical data, past experience and technical knowledge of the contract team. The contract teams monitor contract costs incurred closely and ensure that any project cost overruns, provision for onerous contract, liquidated damages and rectification cost are accounted for appropriately in the financial statements.

The carrying amounts of the contract assets and liabilities arising at the end of each reporting period are disclosed in Note 16.

#### *Fair value of financial assets not quoted in an active market*

The fair value of equity investments held that are not quoted in an active market are determined by using valuation techniques, such as income approach and market approach. The valuation techniques used to determine the fair value of the equity investment are based on the underlying net assets of the portfolio companies invested by the equity investment. The valuation techniques are quarterly reviewed by the professional fund manager.

The Group uses the quarterly report issued by the professional fund manager to value the equity investment.

The carrying amounts of the Group's investment in financial assets at fair value through profit or loss are disclosed in Note 14.

## 3 REVENUE

	Group	
	2024 \$'000	2023 \$'000
Revenue from construction contracts	<b>125,575</b>	105,745
Revenue from other services	<b>3,249</b>	3,184
Revenue from leasing	–	1,419
Sale of goods	<b>1,344</b>	52
	<b><u>130,168</u></b>	<u>110,400</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 3 REVENUE (CONT'D)

The following table provides a disaggregation disclosure of the Group's revenue by timing of revenue recognition:

	Group	
	2024 \$'000	2023 \$'000
<b>Timing revenue recognition</b>		
Over time	<b>128,824</b>	110,348
At a point in time	<b>1,344</b>	52
	<b>130,168</b>	110,400

The Group expects to recognise \$110,351,000, \$18,402,000 and \$5,602,000 (2023: \$137,825,000, \$38,643,000 and \$750,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 30 June 2024 in the financial year 2025, 2026 and 2027 (2023: financial year 2024, 2025 and 2026).

## 4 OTHER INCOME

	Group	
	2024 \$'000	2023 \$'000
Government grants	<b>334</b>	1,045
Gain on disposal of property, plant and equipment	<b>56</b>	24
Interest income	<b>261</b>	116
Administrative income	<b>132</b>	58
Sales of spare parts	–	72
Foreign exchange gain	<b>13</b>	25
Fair value gain on other investment, net	<b>1,208</b>	–
Bad debts written back	<b>24</b>	38
Gain on disposal of subsidiaries	<b>3,285</b>	2,447
Gain on lease modification	<b>32</b>	–
Others	<b>387</b>	802
	<b>5,732</b>	4,627

Government grants include Wage Credit Scheme, Enhanced Special Employment Credit and other grants.

## 5 FINANCE COSTS

	Group	
	2024 \$'000	2023 \$'000
Interest expense:		
– Lease	<b>216</b>	234
– Term loan	<b>1,156</b>	1,048
– Others	<b>820</b>	636
Bank charges	<b>234</b>	309
Factoring charges	<b>68</b>	70
	<b>2,494</b>	2,297

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 6 PROFIT BEFORE TAX

	Group	
	2024 \$'000	2023 \$'000
This is arrived at after charging:		
Amortisation of intangible asset (Note 13)	136	287
Audit fee payable/paid to		
– Auditor of the Company	242	202
– Other auditors	–	13
Fees for non-audit services payable/paid to		
– Auditor of the Company	–	–
– Other auditors	–	–
Depreciation of property, plant and equipment (Note 10)	3,101	3,381
Loss on disposal of property, plant and equipment	15	1
Personnel expenses (Note 7)	38,975	35,718
Property, plant and equipment written off	8	–
Lease expense – short-term leases (Note 11)	1,587	1,301
Inventories written off	159	–
Trade receivables and contract assets written off	1,303	454
Loss allowance on trade and other receivables and retention sums (Note 27(b))	420	221
Loss allowance on contract assets (Note 27(b))	–	100

## 7 PERSONNEL EXPENSES

	Group	
	2024 \$'000	2023 \$'000
Directors of the Company:		
– Salaries and bonus	1,290	1,187
– CPF	39	35
– Fees	239	180
– Other short-term benefits	69	102
Other directors of the subsidiaries:		
– Salaries and bonus	871	791
– CPF	90	69
– Other short-term benefits	91	147
– Share-based compensation	56	29
Other key management personnel (non-directors):		
– Salaries and bonus	994	779
– CPF	95	57
– Other short-term benefits	112	105
– Share-based compensation	59	27
Total remuneration of key management personnel	4,005	3,508
Staff costs:		
– Salaries and bonus	21,641	20,874
– CPF	850	912
– Other short-term benefits	12,258	10,352
– Share-based compensation	221	72
	38,975	35,718

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 8 TAX EXPENSE/(CREDIT)

	Group	
	2024 \$'000	2023 \$'000
Tax expense/(credit) attributable to profit is made up of:		
Income tax:		
– Current year	550	–
– Over provision in prior years	(126)	–
Deferred tax:		
– Current year	300	(657)
– Over provision in prior years	(13)	–
	<u>711</u>	<u>(657)</u>

The income tax expense/(credit) on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to profit before tax due to the following factors:

	Group	
	2024 \$'000	2023 \$'000
Profit before tax	7,315	488
Tax calculated at a tax rate of 17% (2023: 17%)	1,243	83
Expenses not deductible for tax purposes	1,743	671
Income not subject to tax	(861)	(561)
Utilisation of prior year unrecognised deferred tax assets	(393)	(655)
Deferred tax assets not recognised for the financial year	24	41
Recognition of deferred tax asset from prior year tax losses	–	(257)
Over provision of taxation in prior years	(139)	–
Effect of tax incentives	(57)	–
Others	(849)	21
	<u>711</u>	<u>(657)</u>

## 9 EARNINGS PER SHARE

### Basic earnings per shares

The calculation of the basic earnings per share was based on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding, calculated as follows:

	2024	2023
Earnings attributable to equity holders of the Company (\$'000)	<u>6,513</u>	<u>1,405</u>
Weighted-average number of ordinary shares in issue for basic earnings per share ('000)	<u>695,941</u>	<u>497,830</u>
Basic earnings per share (cents)	<u>0.94</u>	<u>0.28</u>

\* As disclosed in Note 22, the Company has completed the renounceable non-underwritten rights issue during the financial year. The weighted average number of the ordinary shares had been adjusted with the effect of bonus element in a rights issue to existing shareholders and had been restated retrospectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 9 EARNINGS PER SHARE (CONT'D)

### *Diluted earnings per shares*

The calculation of diluted earnings per share was based on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2024	2023
Earnings attributable to equity holders of the Company (\$'000)	<u>6,513</u>	<u>1,405</u>
<i>Weighted average number of:</i>		
Ordinary shares used in calculation of basic earnings per ordinary shares ('000)	<b>695,941</b>	497,830
Potential ordinary shares issuable under ISOTeam PSP ('000)**	<u>3,225</u>	<u>2,315</u>
Weighted average number of ordinary shares outstanding for diluted earnings per ordinary shares ('000)	<u><b>699,166</b></u>	<u>500,145</u>
Diluted earnings per share (cents)	<u><b>0.93</b></u>	<u>0.28</u>

\*\* The potential ordinary shares used to compute the "diluted earnings per share" took into account of share awards granted under ISOTeam PSP 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 10 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings \$'000	Renovation \$'000	Office equipment and fittings \$'000	Site equipment and fittings \$'000	Motor vehicles \$'000	Gondolas and machineries \$'000	Computers \$'000	Leasehold properties \$'000	Total \$'000
<b>Group</b>									
<b>2024</b>									
<b>Cost</b>									
At 1.7.2023	81	5,004	314	691	9,113	6,542	1,534	19,848	43,127
Additions	-	220	190	46	479	328	21	-	1,284
Disposals	-	-	-	(17)	(563)	-	-	-	(580)
Written off	-	-	-	-	(136)	-	-	-	(136)
Disposal of subsidiaries	(1)	-	(55)	-	(168)	(1)	-	-	(225)
Modification	-	-	-	-	-	-	-	416	416
At 30.6.2024	<b>80</b>	<b>5,224</b>	<b>449</b>	<b>720</b>	<b>8,725</b>	<b>6,869</b>	<b>1,555</b>	<b>20,264</b>	<b>43,886</b>
<b>Accumulated depreciation</b>									
At 1.7.2023	80	2,566	182	564	4,897	6,023	1,360	5,930	21,602
Additions	1	504	11	55	918	114	92	1,406	3,101
Disposals	-	-	-	(15)	(475)	-	-	-	(490)
Written off	-	-	-	-	(128)	-	-	-	(128)
Disposal of subsidiaries	(1)	-	(42)	-	(145)	(1)	-	-	(189)
At 30.6.2024	<b>80</b>	<b>3,070</b>	<b>151</b>	<b>604</b>	<b>5,067</b>	<b>6,136</b>	<b>1,452</b>	<b>7,336</b>	<b>23,896</b>
<b>Net carrying amount</b>									
At 30.6.2024	-	<b>2,154</b>	<b>298</b>	<b>116</b>	<b>3,658</b>	<b>733</b>	<b>103</b>	<b>12,928</b>	<b>19,990</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture and fittings \$'000	Renovation \$'000	Office equipment and fittings \$'000	Site equipment and fittings \$'000	Motor vehicles \$'000	Gondolas and machineries \$'000	Computers \$'000	Leasehold properties \$'000	Bicycles \$'000	Total \$'000
Group										
2023										
Cost										
At 1.7.2022	81	5,201	280	688	8,218	12,046	1,753	19,848	3,410	51,525
Additions	2	-	125	107	1,716	675	87	-	-	2,712
Disposals	(2)	-	(10)	(49)	(642)	-	-	-	-	(703)
Written off	-	-	(19)	-	(8)	(77)	(61)	-	-	(165)
Disposal of subsidiaries	-	(197)	(62)	(55)	(289)	(6,102)	(245)	-	(3,185)	(10,135)
Reclassification	-	-	-	-	118	-	-	-	(225)	(107)
At 30.6.2023	81	5,004	314	691	9,113	6,542	1,534	19,848	-	43,127
Accumulated depreciation										
At 1.7.2022	73	2,263	257	556	4,738	9,096	1,506	4,686	3,068	26,243
Additions	9	500	16	108	913	405	124	1,244	62	3,381
Disposals	(2)	-	(10)	(50)	(564)	-	-	-	-	(626)
Written off	-	-	(19)	-	(8)	(77)	(61)	-	-	(165)
Disposal of subsidiaries	-	(197)	(62)	(50)	(203)	(3,401)	(209)	-	(3,109)	(7,231)
Reclassification	-	-	-	-	21	-	-	-	(21)	-
At 30.6.2023	80	2,566	182	564	4,897	6,023	1,360	5,930	-	21,602
Net carrying amount										
At 30.6.2023	1	2,438	132	127	4,216	519	174	13,918	-	21,525

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The leasehold properties with carrying amount of \$12,133,000 (2023: \$12,481,000) are mortgaged to a bank to secure banking facilities of the Group (Note 19).
- (b) Included in property, plant and equipment are right-of-use assets of \$15,884,000 (2023: \$17,049,000) (Note 11).
- (c) Non-cash transactions

	Group	
	2024 \$'000	2023 \$'000
Aggregate cost of property, plant and equipment acquired	1,284	2,712
Less: Acquired under lease arrangement (Note 11)	(323)	(1,402)
Add: Outstanding payable at beginning of financial year	209	–
Less: Outstanding payable at end of financial year	–	(209)
Net cash outflow for purchase of property, plant and equipment	<u>1,170</u>	<u>1,101</u>

## 11 LEASE LIABILITIES

	Group	
	2024 \$'000	2023 \$'000
The lease liabilities are analysed as follows:		
Current	1,205	1,183
Non-current	2,622	3,305
	<u>3,827</u>	<u>4,488</u>

### *The Group as a lessee*

#### *Nature of the Group's leasing activities:*

The Group leasing activities comprise of the following:

- i) The Group leases various office equipment, plant and machineries, warehouse and motor vehicles from non-related parties. The leases have an average tenure from one to seven years.
- ii) The Group also leases various site equipment, office equipment, warehouse and motor vehicles, which have contractual terms of one month to twelve months. As these leases are short-term, the Group has elected not to recognise right-of-use asset and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 27(b).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 11 LEASE LIABILITIES (CONT'D)

### *The Group as a lessee (Cont'd)*

Information about leases for which the Group is a lessee is presented below:

- (a) Carrying amount of right-of-use assets classified within property, plant and equipment are as follows:

	Group	
	2024 \$'000	2023 \$'000
Office equipment and fittings	4	17
Motor vehicles	2,952	3,114
Leasehold properties	12,928	13,918
	<u>15,884</u>	<u>17,049</u>
Addition of right-of-use assets	412	1,880
Lease modification	416	-

- (b) Depreciation charge of right-of-use assets recognised in the consolidated statement of comprehensive income:

	Group	
	2024 \$'000	2023 \$'000
Office equipment and fittings	5	5
Motor vehicles	570	512
Gondolas and machineries	-	88
Leasehold properties	1,406	1,244
	<u>1,981</u>	<u>1,849</u>

- (c) Lease expense not included in the measurement of lease liabilities:

	Group	
	2024 \$'000	2023 \$'000
Lease expense – short-term leases (Note 6)	1,587	1,301
Interest expense on lease liabilities (Note 5)	216	234

Total cash flows for lease amounted to \$3,158,000 (2023: \$2,783,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 11 LEASE LIABILITIES (CONT'D)

### *The Group as a lessee (Cont'd)*

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	Lease liabilities	
	2024 \$'000	2023 \$'000
Balance as at beginning of financial year	4,488	5,028
Changes from financing cash flows:		
– Repayments of principal	(1,353)	(1,257)
– Repayment of interest	(218)	(225)
Non-cash changes		
– Interest expense	216	234
– New leases	323	1,402
– Disposal of subsidiaries	(13)	(689)
– Lease modification	384	(5)
Balance as at end of financial year	<u>3,827</u>	<u>4,488</u>

## 12 GOODWILL

	Group	
	2024 \$'000	2023 \$'000
<b>Cost</b>		
At beginning of financial year	9,520	10,341
Disposal of subsidiaries	–	(821)
At end of financial year	<u>9,520</u>	<u>9,520</u>
<b>Accumulated impairment losses</b>		
At beginning of financial year	7,858	8,679
Disposal of subsidiaries	–	(821)
At end of financial year	<u>7,858</u>	<u>7,858</u>
<b>Net carrying amount</b>		
At 30 June	<u>1,662</u>	<u>1,662</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 12 GOODWILL (CONT'D)

### *Impairment testing of goodwill*

The carrying amounts of the Group's goodwill on acquisition of subsidiaries as at 30 June 2024 were assessed for impairment during the financial year.

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

	Group	
	2024 \$'000	2023 \$'000
<b>Cash Generating Unit and principal activities</b>		
<b>CGU 1</b> – Repair & redecoration and coatings & paintings	<b>1,383</b>	1,383
<b>CGU 2</b> – Landscaping works	<b>279</b>	279
	<b>1,662</b>	1,662

### *Key assumptions used in the impairment assessment*

The recoverable amounts for the CGU 1 and CGU 2 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:

	CGU 1 %	CGU 2 %
<b>2024</b>		
Forecast revenue growth rate (Year 1)	<b>(12.01)</b>	<b>8.67</b>
Forecast revenue growth rate (Year 2 to 5)	<b>2.50</b>	<b>2.50</b>
Terminal value growth rate	<b>2.50</b>	<b>2.50</b>
Pre-tax discount rate	<b>10.02</b>	<b>10.89</b>
<b>2023</b>		
Forecast revenue growth rate (Year 1)	9.56	30.34
Forecast revenue growth rate (Year 2 to 5)	2.50	2.50
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% (2023: 2.5%) which does not exceed the nominal GDP rates for the countries in which the CGU operates.

Pre-tax discount rate – 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.

For CGU 1 and CGU 2, any reasonable change to the key assumptions applied is not likely to cause the recoverable values to be below their carrying amounts.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 13 INTANGIBLE ASSETS

	Order books and customer contracts \$'000	Licenses \$'000	Service agreements \$'000	Customer relationship \$'000	Software \$'000	Total \$'000
<b>Group</b>						
<b>Cost</b>						
At 1 July 2022	5,614	1,000	88	1,022	504	8,228
Disposal of subsidiaries	–	(1,000)	–	–	–	(1,000)
Additions	–	–	–	–	80	80
At 30 June 2023	5,614	–	88	1,022	584	7,308
Disposal of subsidiary	(5,614)	–	(88)	(1,022)	–	(6,724)
Additions	–	–	–	–	54	54
<b>At 30 June 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>638</b>	<b>638</b>
<b>Accumulated amortisation</b>						
At 1 July 2022	5,614	292	88	802	349	7,145
Amortisation	–	42	–	147	98	287
Disposal of subsidiaries	–	(334)	–	–	–	(334)
At 30 June 2023	5,614	–	88	949	447	7,098
Amortisation	–	–	–	73	63	136
Disposal of subsidiary	(5,614)	–	(88)	(1,022)	–	(6,724)
<b>At 30 June 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>510</b>	<b>510</b>
<b>Impairment</b>						
At 1 July 2021 and 30 June 2022	–	550	–	–	–	550
Disposal of subsidiaries	–	(550)	–	–	–	(550)
At 30 June 2023 and 2024	–	–	–	–	–	–
<b>Net carrying amount</b>						
At 30 June 2023	–	–	–	73	137	210
<b>At 30 June 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>128</b>	<b>128</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 13 INTANGIBLE ASSETS (CONT'D)

	Favourable contracts \$'000	Software \$'000	Total \$'000
<b>Company</b>			
<b>Cost</b>			
At 1 July 2022, 30 June 2023 and 2024	<b>192</b>	<b>226</b>	<b>418</b>
<b>Accumulated amortisation</b>			
At 1 July 2022	192	145	337
Amortisation	–	63	63
At 30 June 2023	192	208	400
Amortisation	–	18	18
<b>At 30 June 2024</b>	<b>192</b>	<b>226</b>	<b>418</b>
<b>Net carrying amount</b>			
At 30 June 2023	–	18	18
<b>At 30 June 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>

### Non-cash transactions

	2024 \$'000	2023 \$'000
Aggregate cost of intangible assets acquired	<b>54</b>	80
Reclassification from prepayments	<b>(50)</b>	–
Net cash outflow for purchases of intangible assets	<b>4</b>	80

## 14 OTHER INVESTMENTS

	Group and Company	
	2024 \$'000	2023 \$'000
Financial assets at fair value through profit or loss		
– Equity investment in sub-funds (unquoted)	<b>4,675</b>	3,467

On 5 December 2022, the Company entered into subscription agreements with Multi-Asset Growth Strategy VCC (the "VCC"), to dispose the Company's interests in SG Bike Pte. Ltd., ISOTeam Access Pte. Ltd. and ISOTeam Green Solutions Pte. Ltd. (collectively, the "Disposed Subsidiaries") to VCC, in consideration for the participating shares in SA Sub-Fund and GH Sub-Fund (the "Sub-Funds"). Consequently, the Company lost control of the disposed subsidiaries.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 14 OTHER INVESTMENTS (CONT'D)

On 30 November 2023, the Company exercised the extension of the redemption period of the participating shares by additional 12 months.

The fair values of equity investments are determined by reference to quarterly reports issued by the VCC's professional fund manager based on income approach method, and market approach method respectively. This fair value measurement was categorised in Level 3 of the fair value hierarchy.

Information on the fair value of financial assets is disclosed in Note 27(d).

## 15 INVESTMENT IN SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
<b>Unquoted equity shares, at cost</b>		
Balance at beginning of financial year	<b>46,835</b>	46,143
Capitalisation of debt	<b>3,400</b>	2,460
Capital injection	–	2,600
Shares awarded to the employees in subsidiaries	<b>330</b>	126
Disposal of subsidiary(ies)	<b>(9,358)</b>	(4,494)
	<b>41,207</b>	46,835
Less: Allowance for impairment in value	<b>(4,300)</b>	(21,199)
	<b>36,907</b>	25,636
 Movement in allowance for impairment in value are as follows:		
Balance at beginning of financial year	<b>21,199</b>	20,693
Reversal of impairment	<b>(10,489)</b>	–
Disposal of subsidiary(ies)	<b>(6,410)</b>	(4,494)
Allowance made	–	5,000
Balance at end of financial year	<b>4,300</b>	21,199



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 15 INVESTMENT IN SUBSIDIARIES (CONT'D)

(i) The details of the subsidiaries are as follows:

Name of subsidiary (Country of incorporation)	Principal activities	Group's equity interest held	
		2024 %	2023 %
<i>Held by the Company</i>			
ISO-Team Corporation Pte. Ltd.* (Singapore)	Provision of addition and alteration services and repair and redecoration services	100	100
Raymond Construction Pte. Ltd.* (Singapore)	Provision of addition and alteration services and repair and redecoration services	100	100
TMS Alliances Pte. Ltd.* (Singapore)	Provision of repair and redecoration services	100	100
Zara@ISOTeam Pte. Ltd.* (Singapore)	Provision of interior design and space planning services	51	51
ISOTeam AET Pte. Ltd.* (Singapore)	Provision of addition and alternation services and commercial interior designs	100	100
ISOTeam C&P Pte. Ltd.* (Singapore)	Provision of coatings and paintings services and repair and redecoration services	100	100
ISO-Landscape Pte. Ltd.* (Singapore)	Provision of landscape care and maintenance service activities	100	100
ISOTeam Homecare Pte. Ltd.* (Singapore)	Provision of handyman services	100	100
R S M&E Pte. Ltd.^ (Formerly known as ISO-Integrated M&E Pte Ltd.) (Singapore)	Provision of electrical engineering services	–	100
ISOTeam Renewable Solutions Pte. Ltd.* (Singapore)	Provision of installation of solar panel and mixed construction activities	100	100
Green Pest Management Pte. Ltd.* (Singapore)	Provision of vector control services	100	100
<i>Held by TMS Alliances Pte. Ltd.</i>			
ISOTeam TMS (Myanmar) Limited# (Myanmar)	Provision of repair and redecoration services	90	90

\* Audited by Baker Tilly TFW LLP, Singapore

# Audited by Khin Accountancy Firm, Myanmar

^ Audited by Baker Tilly TFW LLP for consolidation purposes

(ii) Increase in issued and paid up share capital of subsidiary

On 31 January 2024, ISO-Team Corporation Pte. Ltd., a wholly-owned subsidiary of the Company, issued 3,400,000 ordinary shares at \$1 each to the Company by way of capitalisation of existing shareholder's loans.

(iii) Impairment assessment of the Company's investment in subsidiaries

During the financial year, management performed an impairment test for the investment in subsidiaries which had been previously impaired and which the subsidiaries are making profits during the current financial year. Full reversal of impairment loss of \$10,489,000 (2023: impairment loss of \$5,000,000) is recognised for the financial year ended 30 June 2024 as the recoverable amount is higher than the carrying amount of Raymond Construction Pte. Ltd. ("RC") and ISOTeam AET Pte. Ltd. ("AET").

The recoverable amounts of RC and AET are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the budgeted revenue growth rate, budgeted gross margin, terminal year growth rate and discount rate. Management estimates discount rate using pre-tax rate that reflects current market assessment of the time value of money and the risks specific to their industry. The budgeted revenue growth rate is based on past performances and management's assessment of future trends and developments in the market. Budgeted gross margin is based on past performances.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 15 INVESTMENT IN SUBSIDIARIES (CONT'D)

(iii) Impairment assessment of the Company's investment in subsidiaries (Cont'd)

Key assumptions used in value-in-use calculations

	RC %	AET %
Forecast revenue growth rate (Year 1)	4.13	104.79
Forecast revenue growth rate (Year 2 to 5)	2.50	2.50
Terminal value growth rate	2.50	2.50
Pre-tax discount rate (2024)	10.53	9.80
Pre-tax discount rate (2023)	10.19	N.A.

*Sensitivity to changes in assumptions*

With regards to the assessment of value-in-use for RC and AET, if the forecasted revenue growth rate for Year 1 used in value in use calculation is 6% and 54% lower than management's estimates respectively, the recoverable amount of RC and AET will be equal to its carrying amount.

(iv) Disposal of subsidiary(ies)

On 17 May 2024, the Company had completed the disposal of ISO-Integrated M&E Pte. Ltd. ("IME") to a third party for cash consideration of \$1. The Group has recognised a gain of disposal of a subsidiary of \$3,285,000 from the derecognition of IME. See Note A in the consolidated statement of cash flows for more information.

## 16 CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities relate to advance consideration received from customers. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contract.

The following table provides information about contract assets, contract liabilities and trade receivables from contracts with customers.

	2024 \$'000	Group 2023 \$'000	1.7.2022 \$'000
Contract assets	42,237	36,064	23,608
Contract liabilities	1,635	2,265	2,590
Trade receivables (including retention sums)	18,653	20,765	15,094

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 16 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

Significant changes in the contract assets and the contract liabilities during the financial year are as follows:

	2024 \$'000	Group 2023 \$'000	1.7.2022 \$'000
Allowance for impairment on contract assets	–	100	–
Impairment loss on contract assets	<b>28</b>	427	4,228
Revenue recognised that was included in the contract liabilities			
balance at beginning of financial year	<b>2,265</b>	2,590	3,518
Transfers from the contract assets recognised at the beginning of financial year to trade receivables	<b>25,369</b>	16,485	16,650

The increase in contract assets is due to more projects undertaken by the Group where the work but not billed to the customers as at end of the financial year.

The decrease in contract liabilities is due to fulfilment of obligation.

## 17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables:				
– Third parties	<b>14,105</b>	16,135	<b>132</b>	34
– Related parties	<b>65</b>	23	–	–
	<b>14,170</b>	16,158	<b>132</b>	34
Less: Allowance for impairment				
– Third parties	<b>(387)</b>	(267)	<b>(126)</b>	–
	<b>13,783</b>	15,891	<b>6</b>	34
Retention sums on contracts:				
– Third parties	<b>4,892</b>	4,896	–	–
Less: Allowance for impairment				
– Third parties	<b>(22)</b>	(22)	–	–
	<b>4,870</b>	4,874	–	–
Sundry receivables:				
– Third parties	<b>5,700</b>	5,275	<b>4</b>	240
– Related parties	<b>163</b>	163	<b>163</b>	163
– Subsidiaries	–	–	<b>12,275</b>	6,661
	<b>5,863</b>	5,438	<b>12,442</b>	7,064
Less: Allowance for impairment				
– Third parties	<b>(300)</b>	–	–	–
– Subsidiaries	–	–	<b>(265)</b>	(265)
	<b>5,563</b>	5,438	<b>12,177</b>	6,799
GST receivables	–	214	–	–
Sundry deposits	<b>2,064</b>	1,958	<b>2</b>	–
Prepayments	<b>1,610</b>	1,500	<b>30</b>	19
	<b>27,890</b>	29,875	<b>12,215</b>	6,852

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 17 TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables amounting to \$820,000 (2023: \$1,213,000) have been factored to a financial institution with recourse to the Group at the end of the reporting period. These trade receivables have not been derecognised from the statement of financial position because the Group retains substantially all of the risks and rewards – primarily credit risk. The corresponding cash received is recorded as bank borrowings (Note 19). The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised costs.

The sundry receivables due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

Trade receivables (including retention sums) include an amount of \$470,000 (2023: \$3,996,000) have been pledged to banks as securities for project financing (Note 19).

## 18 CASH AND BANK BALANCES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash in hand and at bank	7,740	2,632	1,101	266
Fixed deposits	3,171	4,167	–	–
	<u>10,911</u>	<u>6,799</u>	<u>1,101</u>	<u>266</u>

Fixed deposits of \$3,171,000 (2023: \$4,167,000) have been pledged to banks as collateral for borrowings (Note 19).

## 19 BORROWINGS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Non-current liability</i>				
Term loans	10,051	13,543	1,079	1,686
<i>Current liabilities</i>				
Factoring loan	820	1,213	–	–
Trust receipts	10,375	15,197	–	–
Bank overdrafts	164	866	–	–
Revolving credit facilities	7,064	8,083	3,900	5,740
Term loans	5,671	5,238	1,208	559
	<u>24,094</u>	<u>30,597</u>	<u>5,108</u>	<u>6,299</u>
Total	<u>34,145</u>	<u>44,140</u>	<u>6,187</u>	<u>7,985</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 19 BORROWINGS (CONT'D)

The following are the remaining contractual maturities of borrowings of the Group and the Company:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Within 1 year	24,094	30,597	5,108	6,299
Within 2 to 5 years	5,207	8,178	1,079	1,686
Over 5 years	4,844	5,365	-	-
	<u>34,145</u>	<u>44,140</u>	<u>6,187</u>	<u>7,985</u>

The term loans included \$600,000 (2023: \$800,000) which bear fixed interest rate of 10.00% (2023: 10.00%) per annum.

The factoring loan of \$820,000 (2023: \$1,213,000) which represent cash received from a financial institution for trade receivables factored to a financial institution.

Others borrowings are charged at floating rates which bears interest ranging from 2.00% to 7.75% (2023: 1.68% to 7.46%) per annum.

### Group

#### a) Security granted

The bank borrowings are secured by:

- (i) charges over fixed deposits (Note 18);
- (ii) mortgage over the Group's leasehold properties (Note 10);
- (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;
- (v) assignment of the rights, titles and benefits under existing and future tenancy agreements and rental income over the Group's leasehold properties (Note 10); and
- (vi) a corporate guarantee by subsidiaries.

#### b) Fair value of non-current borrowings

Based on the discounted cash flow analysis using a discount rate based upon market lending rate for similar borrowings which the management expects would be available to the Group at the end of the reporting period, the fair values of the fixed rate borrowings at the end of the reporting period approximate their carrying amounts as there are no significant changes in the market lending interest rates available to the Group at the end of the reporting period.

This fair value measurement for disclosure purposes is categorised in the Level 3 of the fair value hierarchy.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 19 BORROWINGS (CONT'D)

### Group (Cont'd)

#### c) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Due to directors \$'000	Borrowings (excluding bank overdraft) \$'000	Total \$'000
Balance at 1 July 2023	255	43,274	43,529
Changes from financing cash flows:			
– Proceeds	–	49,698	49,698
– Repayments	(240)	(56,710)	(56,950)
– Interest paid	–	(1,976)	(1,976)
Non-cash changes:			
– Interest expense	–	1,976	1,976
– Disposal of subsidiary	–	(2,281)	(2,281)
<b>Balance at 30 June 2024</b>	<b>15</b>	<b>33,981</b>	<b>33,996</b>
Balance at 1 July 2022	1,556	40,599	42,155
Changes from financing cash flows:			
– Proceeds	89	43,669	43,758
– Repayments	–	(41,056)	(41,056)
– Interest paid	–	(1,598)	(1,598)
Changes from operating cash flows:			
– Payment on behalf	240	–	240
Non-cash changes:			
– Interest expense	24	1,660	1,684
– Disposal of subsidiaries	(1,654)	–	(1,654)
Balance at 30 June 2023	255	43,274	43,529

### Company

All borrowings are charged at floating rates which bears interest ranging from 4.65% to 6.95% (2023: 3.99% to 6.95%) per annum except for a term loan amounting to \$600,000 (2023: \$800,000) which bears interest 10.00% (2023: 10.00%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 20 DEFERRED TAX (ASSETS)/LIABILITIES

The movements in the deferred tax (assets)/liabilities are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At beginning of financial year	(993)	(121)	4	4
Disposal of subsidiary(ies)	–	(212)	–	–
Deferred tax expense/(credit)	287	(660)	–	–
At end of financial year	<b>(706)</b>	<b>(993)</b>	<b>4</b>	<b>4</b>
Representing:				
Non-current				
Deferred tax asset	(811)	(1,098)	–	–
Deferred tax liabilities	105	105	4	4
	<b>(706)</b>	<b>(993)</b>	<b>4</b>	<b>4</b>

Deferred tax (assets)/liabilities as at 30 June relates to the following:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Deferred tax (assets)/liabilities</i>				
Unabsorbed capital allowances and unutilised tax losses	(811)	(1,100)	–	–
Differences in depreciation for tax purposes	105	105	4	4
Fair value adjustment on business combination	–	2	–	–
	<b>(706)</b>	<b>(993)</b>	<b>4</b>	<b>4</b>

### Unrecognised deferred tax assets

Deferred tax asset has not been recognised in respect of the following temporary differences:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Tax losses	1,331	3,556	–	1,536
Plant, property and equipment	(527)	(425)	–	–
Right-of-use assets	(1,253)	(1,315)	–	–
Lease liabilities	1,335	1,378	–	–
Others	572	355	226	208
	<b>1,458</b>	<b>3,549</b>	<b>226</b>	<b>1,744</b>

Deferred tax asset totalling \$248,000 (2023: \$603,000) and \$36,000 (2023: \$297,000) for the Group and Company respectively have not been recognised with respect of the above as it is not probable that future taxable profits will be available and/or sufficient to allow the related tax benefits to be realised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 21 TRADE AND OTHER PAYABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current</b>				
Trade payables:				
– Third parties	14,631	13,550	55	47
– Related parties	1,018	863	–	–
GST payables	704	771	25	24
Retention payables:				
– Third parties	4,682	4,066	–	–
Other payables:				
– Third parties	2,109	2,766	–	–
– Subsidiaries (non-trade)	–	–	3,810	2,832
– Directors (non-trade)	15	255	–	–
Accrued operating expenses	2,274	2,066	127	77
	<u>25,433</u>	<u>24,337</u>	<u>4,017</u>	<u>2,980</u>

The non-trade other payables due to related parties, directors of subsidiaries and subsidiaries are unsecured, interest-free and payable on demand.

## 22 SHARE CAPITAL, TREASURY SHARES AND ACCUMULATED LOSSES

### a) Share capital

	Group and Company			
	2024	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	10,265	–	–
Equity-settled share-based payment vested	3,225	313	–	–
At 30 June	<u>698,762</u>	<u>54,321</u>	<u>348,366</u>	<u>43,743</u>

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restrictions.

During the financial year, the Company issued 347,171,000 new ordinary shares to shareholders amounting to \$10,415,000 through renounceable non-underwritten rights issue. The rights issue amount recognised is net of share issue expenses amounted to \$150,000.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 22 SHARE CAPITAL, TREASURY SHARES AND ACCUMULATED LOSSES (CONT'D)

### b) Treasury shares

	Group and Company			
	2024		2023	
	Number of issued shares '000	Issued share capital \$'000	Number of issued shares '000	Issued share capital \$'000
At 1 July and 30 June	<u>1,195</u>	<u>152</u>	<u>1,195</u>	<u>152</u>

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

### c) Accumulated losses

	Company	
	2024 \$'000	2023 \$'000
At 1 July	<b>(18,467)</b>	(15,847)
Profit/(loss) and total comprehensive income/(loss) for the financial year	<u>8,819</u>	<u>(2,620)</u>
At 30 June	<u><b>(9,648)</b></u>	<u>(18,467)</u>

### d) Share-based payments

#### *ISOTeam Performance Share Plan 2023 (the "ISOTeam PSP 2023")*

On 21 February 2023, the Company granted 7,000,000 shares award to certain employees of the Group pursuant to the ISOTeam PSP 2023. The fair value of the ISOTeam PSP 2023 at \$0.097 per share was determined using the market price on the share granted date. As at year end, there were total of 100,000 (2023: 450,000) ISOTeam PSP 2023 cancelled during the financial year due to the resignation of key executive.

The shares award granted to employees will vest as follows:

- i) Tranche 1: 50% of the shares award will be vested on 31 December 2023; and
- ii) Tranche 2: 50% of the shares award will be vested on 31 December 2024

The shares award will be converted into share capital immediately in respective vesting periods.

During the financial year, personnel expenses amounting to \$336,000 (2023: \$128,000) determined based on the fair value of the shares award have been recognised in the Group's consolidated statement of comprehensive income with a corresponding increase in the other reserve.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 22 SHARE CAPITAL, TREASURY SHARES AND ACCUMULATED LOSSES (CONT'D)

### d) Share-based payments (Cont'd)

#### *ISOTeam Performance Share Plan 2023 (the "ISOTeam PSP 2023") (Cont'd)*

Movement in the number of performance share plan and their related weighted average fair values is as follows:

Date of grant	Balance as at 1 July 2023	ISOTeam PSP 2023 vested	ISOTeam PSP 2023 cancelled	Balance as at 30 June 2024	Weighted average fair value per share (\$)	Vesting period
<i>ISOTeam PSP 2023</i>						
21 February 2023	6,550,000	(3,225,000)	(100,000)	3,225,000	0.097	31 December 2023 and 2024

## 23 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2024 \$'000	2023 \$'000
At 1 July	32	33
Foreign currency translation	(2)	(1)
At 30 June	30	32

## 24 MERGER RESERVE

Merger reserve represents the differences between the consideration paid and the share capital of subsidiaries when entities under common controls are accounted for applying the pooling of interest method.

## 25 CONTINGENT LIABILITIES

As at 30 June 2024, the Company has provided corporate guarantees of \$52,214,000 (2023: \$52,672,000) to banks for borrowings of \$29,800,000 (2023: \$35,949,000) taken by its subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 26 RELATED PARTIES TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group with related parties, who are not members of the Group during the year on terms agreed by the parties concerned:

	2024 \$'000	2023 \$'000
<b>Group</b>		
<b>With related parties</b>		
<i>Expenses</i>		
Purchases	4,071	3,416
Revenue	172	–
<b>With directors</b>		
<i>Expenses</i>		
Payment on behalf by	–	240
Advances from	–	89
Interest charged	–	24
<i>Compensation of key management personnel</i>		
– Salaries and bonus	3,154	2,757
– CPF	224	161
– Fee	239	180
– Other short-term benefits	273	354
– Share-based compensation (Note 7)	115	56
	<b>4,005</b>	<b>3,508</b>
<b>Company</b>		
<b>With subsidiaries</b>		
Receipts on behalf	73	236
Loan	5,239	4,093
Repayment of loan	604	1,129
Capitalisation of loan	3,400	2,460
Capital injection	–	2,600
<i>Income</i>		
Management fee	2,087	1,666
Interest income	67	114
<i>Expenses</i>		
Recharge of expense	11	6

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS

### a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Financial assets</i>				
At amortised costs	37,191	34,960	13,286	7,099
Financial assets at fair value through profit and loss	4,675	3,467	4,675	3,467
	<u>41,866</u>	<u>38,427</u>	<u>17,961</u>	<u>10,566</u>
<i>Financial liabilities</i>				
At amortised cost	62,398	71,224	10,179	10,943

### b) Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The policies for managing each of these risks are summarised below. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

#### **Foreign currency risk**

The Group does not have significant exposure to foreign currency risk as its transactions are mainly in Singapore dollar.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flow of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's income and operating cash flows are substantially independent on changes in market interest rates as the Group has no significant interest-bearing assets and liabilities except fixed deposits (Note 18) and borrowings (Note 19).

#### *Sensitivity analysis for interest rate risk*

The sensitivity analysis below have been determined based on the exposure to interest rates for loans and borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of loans and borrowings that have floating rates.

The Group's loans and borrowings at variable rates on which effective hedges have not been entered into, are denominated in Singapore dollar ("S\$"). If the interest rates increase/decrease by 50 (2023: 50) basis points with all other variables including tax rate being held constant, the profit/loss after tax of the Group will be lower/higher (2023: lower/higher) by \$190,000 (2023: \$192,000) respectively as a result of higher/lower interest expense on these loans and borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management objectives and policies (Cont'd)

#### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopt the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Group Finance department based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the Group Finance department.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 120 days to 5 years past due or there is evidence of credit impairment depending on the nature of project, debtor and historical experience	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

#### *Significant increase in credit risk*

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management objectives and policies (Cont'd)

#### **Credit risk (Cont'd)**

##### *Significant increase in credit risk (Cont'd)*

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

##### *Estimation techniques and significant assumptions*

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

The Group's trade receivables comprise 10 debtors (2023: 10 debtors), which represented approximately 48% (2023: 56%) of the trade receivables.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the amount of \$29,800,000 (2023: \$35,949,000) relating to corporate guarantees given by the Company to banks for the subsidiaries' borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management objectives and policies (Cont'd)

#### Credit risk (Cont'd)

Estimation techniques and significant assumptions (Cont'd)

The credit risk for trade receivables (excluding retention receivables) based on the information provided to key management is as follows:

	Group	
	2024 \$'000	2023 \$'000
<i>By types of customers</i>		
Trade receivables		
Related parties	65	23
Third parties:		
– Government agencies	5,440	4,660
– Other companies	8,039	11,026
– Individuals	239	182
	<u>13,783</u>	<u>15,891</u>
Contract assets		
Third parties:		
– Government agencies	24,100	20,106
– Other companies	17,920	15,895
– Individuals	217	63
	<u>42,237</u>	<u>36,064</u>

Movements in credit loss allowance are as follows:

	Contract assets \$'000	Trade receivables (including retention sums) \$'000	Other receivables \$'000	Total \$'000
<b>Group</b>				
Balance at 1 July 2022	–	185	–	185
Loss allowance measured:				
Lifetime ECL	100	221	–	321
Receivables written off as uncollectible	–	(117)	–	(117)
Balance at 30 June 2023	100	289	–	389
Loss allowance measured:				
Lifetime ECL	–	120	300	420
<b>Balance at 30 June 2024</b>	<u>100</u>	<u>409</u>	<u>300</u>	<u>809</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management objectives and policies (Cont'd)

#### Credit risk (Cont'd)

Estimation techniques and significant assumptions (Cont'd)

	Other receivables \$'000
<b>Company</b>	
Balance at 1 July 2022	3,813
Loss allowance measured:	
Lifetime ECL	254
– Credit impaired	(802)
Disposal of subsidiary	(3,000)
<b>Balance at 30 June 2023 and 2024</b>	<u>265</u>

The credit loss for cash and cash equivalents are immaterial as at 30 June 2024.

*Trade receivables (including retention sums) and contract assets*

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables (including retention sums) and contract assets.

Under the simplified approach, for trade receivables (including retention sums) and contract assets that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

The Group determined the ECL of trade receivables (including retention sums) and contract assets by segregating amounts due from government agencies where the credit risk is not significant and using a provision matrix for the remaining trade receivables (including retention sums) and contract assets.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

The Group has assessed the potential exposure on the trade receivables and provided the necessary expected credit loss allowance against its trade receivables depending on the nature of project, debtor and historical experience.

The Group has recognised a loss allowance of 100% against all credit-impaired trade receivables (including retention sums) and contract assets. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management objectives and policies (Cont'd)

#### Credit risk (Cont'd)

Estimation techniques and significant assumptions (Cont'd)

Trade receivables (including retention sums) and contract assets (Cont'd)

The Group's credit risk exposure in relation to trade receivables at the reporting date are set out in the provision matrix below:

Trade receivables (excluding government agencies)

	Not past due \$'000	1 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	Between 90 days to 1 year \$'000	More than 1 year \$'000	Credit-impaired \$'000	Total \$'000
<b>2024</b>								
Gross receivables	4,176	1,717	630	223	194	1,403	387	8,730
Loss allowance	–	–	–	–	–	–	387	387
<b>2023</b>								
Gross receivables	6,243	1,076	578	426	2,294	614	267	11,498
Loss allowance	–	–	–	–	–	–	267	267

The Group's credit risk exposure in relation to retention sums and contract assets excluding amounts due to debtors where the associated credit risk is not significant under SFRS(I) 9 at the reporting date are set out in the provision matrix below:

Retention sums

	Non-credit impaired \$'000	Credit-impaired \$'000	Total \$'000
<b>2024</b>			
Gross retention sums	4,870	22	4,892
Loss allowance	–	22	22
<b>2023</b>			
Gross retention sums	4,874	22	4,896
Loss allowance	–	22	22

Contract assets

	Non-credit impaired \$'000	Credit-impaired \$'000	Total \$'000
<b>2024</b>			
Gross contract assets	42,337	–	42,337
Loss allowance	100	–	100
<b>2023</b>			
Gross contract assets	36,164	–	36,164
Loss allowance	100	–	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management objectives and policies (Cont'd)

#### Credit risk (Cont'd)

*Other financial assets at amortised cost*

Other financial assets at amortised costs include other receivables and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets:

Group	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>2024</b>				
Trade receivables	Lifetime ECL (Simplified approach)	19,062	(409)	18,653
Contract assets	Lifetime ECL (Simplified approach)	42,337	(100)	42,237
Other receivables	12-month	7,927	(300)	7,627
Cash and cash equivalents with financial institutions	N.A. Exposure limited	10,911	–	10,911
<b>2023</b>				
Trade receivables	Lifetime ECL (Simplified approach)	21,054	(289)	20,765
Contract assets	Lifetime ECL (Simplified approach)	36,164	(100)	36,064
Other receivables	12-month	7,396	–	7,396
Cash and cash equivalents with financial institutions	N.A. Exposure limited	6,799	–	6,799

The table below details the credit quality of the Company's financial assets (other than trade receivables and contract assets):

Company	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>2024</b>				
Trade receivables	Lifetime ECL	132	(126)	6
Other receivables	12-month	11,838	–	11,838
	Lifetime ECL	341	(265)	76
Cash and cash equivalents with financial institutions	N.A. Exposure limited	1,101	–	1,101
<b>2023</b>				
Trade receivables	Lifetime ECL	34	–	34
Other receivables	12-month	6,753	–	6,753
	Lifetime ECL	311	(265)	46
Cash and cash equivalents with financial institutions	N.A. Exposure limited	266	–	266

#### Financial guarantee

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*. The Company has assessed that its subsidiaries have financial capacity to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management objectives and policies (Cont'd)

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In managing its liquidity, management monitors and reviews the Group's forecasts of liquidity reserves (comprise cash and cash equivalents and undrawn borrowing facilities) on the basis of expected cash flows determined at local level in the respective operating companies of the Group in accordance with limits set by the Group.

The board of directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Repayable on demand or within 1 year \$'000	Within 2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Group</b>				
<b>At 30 June 2024</b>				
Trade and other payables	24,426	–	–	24,426
Lease liabilities	1,371	1,704	2,249	5,324
Borrowings	24,391	6,377	5,902	36,670
	<u>50,188</u>	<u>8,081</u>	<u>8,151</u>	<u>66,420</u>
At 30 June 2023				
Trade and other payables	22,596	–	–	22,596
Lease liabilities	1,390	2,320	2,468	6,178
Borrowings	29,487	9,149	6,649	45,285
	<u>53,473</u>	<u>11,469</u>	<u>9,117</u>	<u>74,059</u>
<b>Company</b>				
<b>At 30 June 2024</b>				
Trade and other payables	3,992	–	–	3,992
Borrowings	5,218	1,123	–	6,341
Financial guarantee contracts	30,400	–	–	30,400
	<u>39,610</u>	<u>1,123</u>	<u>–</u>	<u>40,733</u>
At 30 June 2023				
Trade and other payables	2,956	–	–	2,956
Borrowings	6,434	1,796	–	8,230
Financial guarantee contracts	35,949	–	–	35,949
	<u>45,339</u>	<u>1,796</u>	<u>–</u>	<u>47,135</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### c) Fair values of assets and liabilities

#### *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).

### d) Fair value measurements of financial instruments that are carried at fair value

The following table presents the level of fair value hierarchy for each class of financial instruments measured at fair value on the reporting period at 30 June 2024:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2024</b>				
<b>Assets</b>				
Equity investment in Sub-Funds (unquoted)	–	–	4,675	4,675
<b>2023</b>				
<b>Assets</b>				
Equity investment in Sub-Funds (unquoted)	–	–	3,467	3,467

#### *Determination of fair values*

The financial assets at fair value through profit or loss was classified as Level 3.

During the financial year, the Group and Company invested in private equity funds that are relatively illiquid with no public market as they are invested in private equities, and consequently management has concluded that the inclusion of the investments in Level 3 of the fair value hierarchy most appropriately reflects the nature of the valuation of the investments. Refer Note 14.

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

#### *Valuation policies and procedures*

The management of the Group and Company is responsible in performing independent test on fair value by using independent source of information to obtain the fair value which is close to the market status. The management also confirms the independence, reliability and matching of the information source, and regularly test the valuation model, update the input and other information, and make necessary adjustment to ensure the output of valuation is reasonable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 27 FINANCIAL INSTRUMENTS (CONT'D)

### d) Fair value measurements of financial instruments that are carried at fair value (Cont'd)

#### Valuation policies and procedures (Cont'd)

Movements in Level 3 assets and liabilities measured at fair value

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

**Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The carrying amounts of the current financial assets and liabilities approximate their respective fair values due to their short-term nature or they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of non-current borrowings approximate their fair values as these financial instruments either bear interest rates which approximate the market interest rates or are floating rate loans that are repriced to market interest rates on or near the end of the reporting period. These fair value measurement for disclosure purpose are categorised in Level 3 of the fair value hierarchy.

## 28 CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth; and
- To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure to categorise shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The capital of the Group mainly consists of equity holders of the Company comprising share capital, net of accumulated losses and merger reserve. The Group's overall strategy remains unchanged from 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 29 SEGMENT INFORMATION

The Group is organised into business units based on nature of the projects for management purposes. The reportable segments are revenue from Repair and Redecoration ("R&R"), Addition and Alteration ("A&A") and Coatings and Paintings ("C&P").

R&R focuses mainly on non-structural construction, improvements and routine maintenance works.

A&A focuses mainly on structural works and infrastructure works.

C&P focuses mainly on coatings and paintings works.

Others segments focus mainly on commercial interior design, home retrofitting, landscaping works, leasing services, waterproofing, green solutions and maintenance & electrical service and projects and construction management.

Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

The segment information provided to management for the reportable segments are as follows:

2024	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Segment revenue	50,423	45,142	17,370	17,233	130,168
Segment profits/(losses)	5,169	1,091	5,123	(1,008)	10,375
Depreciation and amortisation					(3,237)
Other non-cash income					2,410
Interest income					261
Finance costs					(2,494)
Profit before tax					7,315
Segment assets	21,990	29,128	9,462	40,080	100,660
Unallocated assets					7,644
Total assets					108,304
Segment liabilities	6,212	87	5,671	9,195	21,165
Unallocated liabilities					44,264
Total liabilities					65,429
<i>Other segments items</i>					
Capital expenditure-property, plant and equipment	-	-	-	-	1,284
Depreciation of property, plant and equipment	-	-	-	-	3,101
Amortisation of intangible assets	-	-	-	-	136
Gain on disposal of subsidiary	-	-	-	(3,285)	(3,285)
Impairment loss on receivables and contract assets	-	-	-	1,723	1,723

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 29 SEGMENT INFORMATION (CONT'D)

2023	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Segment revenue	35,619	33,325	13,163	28,293	110,400
Segment profits/(losses)	7,293	(1,932)	295	(990)	4,666
Depreciation and amortisation					(3,668)
Other non-cash income					1,671
Interest income					116
Finance costs					(2,297)
Profit before tax					488
Segment assets	16,163	20,552	10,487	51,169	98,371
Unallocated assets					2,635
Total assets					101,006
Segment liabilities	5,983	479	9,004	19,420	34,886
Unallocated liabilities					40,449
Total liabilities					75,335
<i>Other segments items</i>					
Capital expenditure-property, plant and equipment	–	–	–	–	2,712
Depreciation of property, plant and equipment	–	–	–	–	3,381
Amortisation of intangible assets	–	–	–	–	287
Gain on disposal of subsidiaries	–	–	–	(2,447)	(2,447)
Impairment loss on receivables and contract assets	67	62	501	145	775

### *Segment reporting*

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net loss before tax in the financial statements. Interest income and finance costs are not allocated to segments as the Group financing is managed on a group basis.

Management monitors the assets and liabilities attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments.

### *Segment assets*

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments except for property, plant and equipment, goodwill, intangible assets, other investments, other receivables and cash and bank balances for companies which are operating in more than one segment.

### *Segment liabilities*

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than borrowings, other payables, lease liabilities, deferred tax liabilities and tax payables are classified as unallocated liabilities for companies which are operating in more than one segment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

## 29 SEGMENT INFORMATION (CONT'D)

### *Information about major customers*

In the previous and current financial year, there are no customer who individually contributed 10% or more of the Group's revenue.

### *Geographical information*

The Group's revenues from external customers and non-current assets are predominantly located in Singapore.

## 30 CAPITAL COMMITMENT

As at 30 June 2024, commitment in respect of capital expenditure, are as follows:

	2024 \$'000	2023 \$'000
Capital commitment not provided for in the financial statements		
– Capital commitments in respect of property, plant and equipment	<u>1,465</u>	<u>1,625</u>

## 31 EVENTS AFTER THE REPORTING PERIOD

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 drones for façade inspection, washing and painting.

The directors have proposed a final dividend of 0.08 cents per shares, tax exempted (one tier) in respect of the financial year ended 30 June 2024. This proposed final tax exempt dividend has not been recognised as at year end and will be submitted for shareholders' approval at the forthcoming Annual General Meeting of the Company in 2024.

## 32 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors dated 4 October 2024.



# STATISTICS OF SHAREHOLDINGS

As at 25 September 2024

## SHARE CAPITAL

Total number of shares in issue (excluding treasury shares) – 697,566,862	Class of shares – Ordinary Shares
Number of treasury shares – 1,195,659	Voting rights – 1 vote per share

The Company does not have any subsidiary holdings.

0.17% of the total number of issued ordinary shares of the Company (excluding treasury shares) are held as treasury shares.

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 59.07% of the total number of issued ordinary shares of the Company were held in the hands of the public as at 25 September 2024 and therefore Rule 723 of the Catalist Rules is complied with.

## TWENTY LARGEST SHAREHOLDERS AS AT 25 SEPTEMBER 2024

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	252,661,812	36.22
2	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	87,107,700	12.49
3	PHILLIP SECURITIES PTE LTD	45,341,650	6.50
4	IFAST FINANCIAL PTE LTD	32,359,400	4.64
5	FOO YONG WEN	23,000,000	3.30
6	RAFFLES NOMINEES (PTE) LIMITED	20,593,900	2.95
7	NIPPON PAINT (SINGAPORE) COMPANY PRIVATE LIMITED	15,896,556	2.28
8	UOB KAY HIAN PTE LTD	15,113,100	2.17
9	DBS NOMINEES PTE LTD	12,934,500	1.85
10	CHUA HONG HUAY	11,608,400	1.66
11	TAN YONG KIANG	11,595,800	1.66
12	CHEN TIN LEOW	6,650,064	0.95
13	ASDEW ACQUISITIONS PTE LTD	5,500,000	0.79
14	TAN KIM KOON	5,000,000	0.72
15	TOH LEE KHENG AILEEN (DU LIQING AILEEN)	4,659,900	0.67
16	OCBC SECURITIES PRIVATE LTD	4,400,100	0.63
17	LIM KIM HOCK	3,912,000	0.56
18	OCBC NOMINEES SINGAPORE PTE LTD	3,654,300	0.52
19	MAYBANK SECURITIES PTE. LTD.	3,561,600	0.51
20	WINMARK INVESTMENTS PTE LTD	3,106,000	0.45
	<b>TOTAL</b>	<b>568,656,782</b>	<b>81.52</b>

### Note:

%: Based on 697,566,862 shares (excluding shares held as treasury shares) as at 25 September 2024

# STATISTICS OF SHAREHOLDINGS

As at 25 September 2024

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 25 SEPTEMBER 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	3	0.30	216	0.00
100 – 1,000	49	4.81	27,600	0.00
1,001 – 10,000	218	21.41	1,512,600	0.22
10,001 – 1,000,000	702	68.96	77,919,180	11.17
1,000,001 and above	46	4.52	618,107,266	88.61
<b>Total</b>	<b>1,018</b>	<b>100.00</b>	<b>697,566,862</b>	<b>100.00</b>

**Note:**

%: Based on 697,566,862 shares (excluding shares held as treasury shares) as at 25 September 2024

\* Treasury shares as at 25 September 2024 – 1,195,659 shares

## SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares <sup>(1)</sup>	% <sup>(1)</sup>	Number of Shares <sup>(1)</sup>	% <sup>(1)</sup>
ADD Investment Holding Pte. Ltd. <sup>(2)</sup>	–	–	140,908,812	20.20
Ng Cheng Lian <sup>(3),(4)</sup>	–	–	156,272,812	22.40
Koh Thong Huat <sup>(3),(4)</sup>	–	–	156,272,812	22.40
Foo Joon Lye <sup>(3),(4)</sup>	–	–	156,272,812	22.40
Taisei Oncho Co., Ltd <sup>(5)</sup>	–	–	62,500,000	8.96

**Notes:**

- (1) Based on the issued share capital of the Company of 697,566,862 shares (excluding treasury shares) as at 25 September 2024.
- (2) ADD Investment Holding Pte. Ltd. is deemed to be interested in 140,908,812 shares in the capital of the Company held by Citibank Nominees Singapore Pte. Ltd. as its nominee.
- (3) Ng Cheng Lian, Koh Thong Huat and Foo Joon Lye hold the total issued share capital of ADD Investment Holding Pte. Ltd. in equal proportion. Each of them is therefore deemed to be interested in all the shares in the capital of the Company held by ADD Investment Holding Pte. Ltd. under Section 7 of the Companies Act 1967.
- (4) Ng Cheng Lian, Koh Thong Huat and Foo Joon Lye are each deemed to be interested in 15,364,000 shares in the capital of the Company held by Citibank Nominees Singapore Pte Ltd as their nominee.
- (5) Taisei Oncho Co., Ltd is deemed to be interested in 62,500,000 shares in the capital of the Company held by Citibank Nominees Singapore Pte Ltd as the nominee of its custodian.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of ISOTeam Ltd. (the “Company”) will be held at 8 Changi North Street 1, ISOTeam Building, Singapore 498829 on Friday, 25 October 2024 at 10.00 a.m. to transact the following business:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 30 June 2024 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare a final dividend of 0.08 Singapore cents per ordinary share (tax-exempt one tier) for the financial year ended 30 June 2024. **(Resolution 2)**
3. To approve the payment of Directors’ fees of \$150,920 for the financial year ending 30 June 2025, to be paid quarterly in arrears (FY2024: \$147,735) **(Resolution 3)**
4. To re-elect Mr Koh Thong Huat, a Director retiring pursuant to Regulation 107 of the Company’s Constitution.  
(see explanatory note 1) **(Resolution 4)**
5. To re-elect Dr Teo Ho Pin, a Director retiring pursuant to Regulation 107 of the Company’s Constitution.  
(see explanatory note 1) **(Resolution 5)**
6. To re-elect Mr Jeremiah Huang WeiQuan, a Director retiring pursuant to Regulation 117 of the Company’s Constitution.  
(see explanatory note 1) **(Resolution 6)**
7. To note the retirement of Mr Tan Eng Ann as a Director retiring pursuant to Regulation 107 of the Company’s Constitution.
8. To re-appoint Baker Tilly TFW LLP as auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 7)**

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without amendments the following resolutions which will be proposed as Ordinary Resolutions:

9. That: **(Resolution 8)**
  - (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (“Companies Act”), the Directors be authorised to exercise all the powers of the Company to purchase or otherwise acquire shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
    - (i) market purchases (each a “Market Purchase”) on the Singapore Exchange Securities Trading Limited (“SGX-ST”); and/or
    - (ii) off-market purchases (each an “Off-Market Purchase”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

# NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) as may for the time being be applicable (the “**Share Buyback Mandate**”);

- (b) any share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company at a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next AGM of the Company is held or is required by law to be held;
  - (ii) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked;
- (d) for purposes of this Resolution:

“Prescribed Limit” means 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution unless the Company has, at any time during the Relevant Period (as hereinafter defined), effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued shares shall be taken to be the total number of issued shares as altered (excluding treasury shares and subsidiary holdings);

“Relevant Period” means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier, after the date of this Resolution; and

“Maximum Price” in relation to a share to be purchased, means the purchase price (excluding applicable brokerage, stamp duty, commission, goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price, where:

“Average Closing Price” means the average of the closing market prices of a share over the last five market days, on which transactions in the shares were recorded, before the day on which the Market Purchase is made or, as the case may be, the day of making of the offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five market day period and the day on which the purchase is made;

“day of making of the offer” means the day on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

# NOTICE OF ANNUAL GENERAL MEETING

“market day” means a day on which the SGX-ST is open for trading in securities, and

- (e) any of the Directors be authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

(see explanatory note 3)

10. That: **(Resolution 9)**
- (a) the proposed amendments to the existing ISOTeam Performance Share Plan 2023 (“**ISOTeam PSP Rules**”) as set out in the Appendix to this Notice of AGM be and are hereby adopted and approved;
- (b) the Directors be and are hereby authorised to offer and grant awards in accordance with the provisions of the modified ISOTeam PSP Rules and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the modified ISOTeam PSP Rules; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.
11. That pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules of the SGX-ST, the Directors be authorised and empowered to: **(Resolution 10)**
- (a) (i) allot and issue shares in the share capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any instruments made or granted by the Directors while this Resolution was in force,
- provided that:
- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

# NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

*(see explanatory note 2)*

12. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Teo Teck Sing  
Lim Kok Meng  
Company Secretaries

10 October 2024  
Singapore

## Explanatory Notes:

1. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
2. Ordinary Resolution 10 proposed in item 11 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a *pro rata* basis to shareholders of the Company.
3. Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are set out in greater detail in the Appendix accompanying this notice.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

1. Members of the Company are invited to **attend physically** at the AGM. **There will be no option for members to participate virtually.** Printed copies of this Notice of AGM and Proxy Form will be sent to members of the Company. These documents are also made available on the SGXNet and the Company's website at <http://isoteam.listedcompany.com/>. Members are advised to check SGXNet and/or the Company's website regularly for updates.
2. The Annual Report is made available on the SGXNet and the Company's website at <http://isoteam.listedcompany.com/>. Printed copies of the Annual Report will not be sent to members. Members who wish to receive a printed copy of the Annual Report will need to complete and submit a Request Form (which can be found in the Letter to Shareholders dated 10 October 2024) to the Company by 5.00 p.m. on 17 October 2024. Printed copies of the Letter to Shareholders dated 10 October 2024 will be sent to members together with the Notice of AGM and Proxy Form. The Letter to Shareholders dated 10 October 2024 is also made available on the SGXNet and the Company's website at <http://isoteam.listedcompany.com/>.
3. Members may submit questions relating to the Annual Report, Appendix and resolutions set out in the notice of AGM in advance:
  - (a) by email to [ir@iso-team.com](mailto:ir@iso-team.com); or
  - (b) by post to the registered office of the Company at 8 Changi North Street 1, ISOTeam Building, Singapore 498829.

All questions must be submitted by 5.00 p.m. on 17 October 2024.

Members, including SRS investors, who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/ company names (for corporates), NRIC/passport/company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions, to the office address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), excluding SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions from members soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of Proxy Forms. The responses to questions from members will be posted on the SGXNet and the Company's website. Any subsequent clarifications sought by the members after 5.00 p.m. on 17 October 2024 will be addressed at the AGM. The minutes of the AGM will be published on the SGXNet and the Company's website within one (1) month after the date of the AGM.

4. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified in the Proxy Form.

A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one (1) proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.
6. The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

(a) by email to [ir@iso-team.com](mailto:ir@iso-team.com); or

(b) by post to the registered office of the Company at 8 Changi North Street 1, ISOTeam Building, Singapore 498829,

in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.00 a.m. on 23 October 2024.

7. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
8. Persons who hold Shares through relevant intermediaries (including SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include SRS operators) through which they hold such Shares at least seven (7) working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10.00 a.m. on 23 October 2024.
9. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

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This notice 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 notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

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.



**ISOTEAM LTD.**

(Company Registration Number 201230294M)  
 (Incorporated in the Republic of Singapore)

**IMPORTANT:**

1. SRS investors may attend and vote at the AGM in person. SRS investors who are unable to attend the AGM but would like to vote, may approach their SRS operators at least seven (7) working days before the AGM to appoint the Chairman of the AGM to act as their proxy and submit their votes, in which case, such SRS investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by the SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

**PROXY FORM**

I/We\*, \_\_\_\_\_ (Name) (NRIC/Passport/Registration Number \_\_\_\_\_)  
 of \_\_\_\_\_ (Address)  
 being a member/members\* of ISOTEAM LTD. (the "Company") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our\* proxy/proxies\* to attend and vote for me/us\* on my/our\* behalf at the AGM of the Company to be held at 8 Changi North Street 1, ISOTeam Building, Singapore 498829 on Friday, 25 October 2024 at 10.00 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies\* will vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matter arising at the AGM and at any adjournment thereof.

NO.	RESOLUTIONS	FOR**	AGAINST**	ABSTAIN**
<b>ORDINARY BUSINESS</b>				
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2024 together with the Independent Auditor's Report thereon			
2	To declare a final dividend of 0.08 Singapore cents per ordinary share (tax-exempt one-tier) for the financial year ended 30 June 2024			
3	To approve the payment of Directors' fees of \$150,920 for the financial year ending 30 June 2025, to be paid quarterly in arrears			
4	To re-elect Mr Koh Thong Huat as a Director of the Company			
5	To re-elect Dr Teo Ho Pin as a Director of the Company			
6	To re-elect Mr Jeremiah Huang WeiQuan as a Director of the Company			
7	To re-appoint Baker Tilly TFW LLP as auditor of the Company and to authorise the Directors to fix its remuneration			
<b>SPECIAL BUSINESS</b>				
8	To approve the renewal of Share Buyback Mandate			
9	To approve the proposed amendments to the ISOTeam PSP Rules			
10	To authorise the Directors to allot and issue shares and convertible securities			

\* Delete accordingly

\*\* If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick (✓) within the boxes provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

\_\_\_\_\_  
 Signature(s) or Common Seal of Member(s)

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**



**Notes:**

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.
2. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified in this Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form.

“relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company.
4. This Proxy Form, duly executed must be submitted (a) by email to [ir@iso-team.com](mailto:ir@iso-team.com); or (b) by post to the registered office of the Company at 8 Changi North Street 1, ISOTeam Building, Singapore 498829, in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.00 a.m. on 23 October 2024.
5. The appointment of a proxy or proxies shall not preclude a member from attending and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.
6. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
8. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967.
9. Persons who hold shares through relevant intermediaries (including SRS investors) and wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include SRS operators) through which they hold such shares at least seven (7) working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit this Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10.00 a.m. on 23 October 2024.
10. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, i.e. 10.00 a.m. on 22 October 2024, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting this Proxy Form, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM of the Company dated 10 October 2024.

# CORPORATE INFORMATION



## BOARD OF DIRECTORS

**David Ng Cheng Lian** (Executive Chairman)

**Anthony Koh Thong Huat**  
(Executive Director and Chief Executive Officer)

**Danny Foo Joon Lye** (Executive Director)

**Ryota Fukuda** (Non-Executive Director)

**Tan Eng Ann** (Lead Independent Director)

**Teo Ho Pin** (Independent Director)

**Jeremiah Huang WeiQuan** (Independent Director)

## SPONSOR

**Hong Leong Finance Limited**

16 Raffles Quay  
#01-05 Hong Leong Building  
Singapore 048581

## SHARE REGISTRAR

Tricor Barbinder Share Registration Services  
9 Raffles Place  
Republic Plaza, Tower I, #26-01  
Singapore 048619

## AUDITOR

**Baker Tilly TFW LLP**

Public Accountants and Chartered Accountants  
600 North Bridge Road  
#05-01 Parkview Square  
Singapore 188778  
Partner-in-charge: Ng Wei Lun, CA Singapore  
(Appointed since reporting year ended 30 June 2024)

## INVESTOR RELATIONS

**ISOTeam Ltd.**

E: [ir@iso-team.com](mailto:ir@iso-team.com)

**August Consulting**

101 Thomson Road  
#29-05 United Square  
Singapore 307591  
T: 65 6733 8873  
E: [silviaheng@august.com.sg](mailto:silviaheng@august.com.sg)/  
[wrisneytan@august.com.sg](mailto:wrisneytan@august.com.sg)

## AUDIT COMMITTEE

**Tan Eng Ann** (Chairman)

**Teo Ho Pin**

**Jeremiah Huang WeiQuan**

## NOMINATING COMMITTEE

**Teo Ho Pin** (Chairman)

**Tan Eng Ann**

**Jeremiah Huang WeiQuan**

## REMUNERATION COMMITTEE

**Jeremiah Huang WeiQuan** (Chairman)

**Tan Eng Ann**

**Teo Ho Pin**

## COMPANY SECRETARIES

**Ben Teo Teck Sing**, CA Singapore

**Lim Kok Meng** (LLB, Hons)

## REGISTERED OFFICE

8 Changi North Street 1  
ISOTeam Building  
Singapore 498829  
T: 65 6747 0220  
F: 65 6747 0110  
[www.isoteam.com.sg](http://www.isoteam.com.sg)

*Note: Mr Soh Chun Bin retired as an Independent and Non-Executive Director of the Company, effective 31 May 2024, after serving more than nine years.*



**ISOTEAM**

8 Changi North Street 1 | ISOTeam Building | Singapore 498829

**T** : +65 6747 0220 | **F** : +65 6747 0110

**W**: [www.isoteam.com.sg](http://www.isoteam.com.sg)