



ISOTEAM LTD.

(Company Registration No. 201230294M)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2018

PART 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Unaudited Consolidated Income Statement and Statement of Comprehensive Income for the Fourth Quarter ("4QFY2018) and Year Ended 30 June 2018 ("FY2018")

	Group				Group		
	Note	Three Months Ended		Change %	Twelve Months Ended		Change %
		30.06.18 (Unaudited) \$'000	30.06.17 (Unaudited) \$'000		30.06.18 (Unaudited) \$'000	30.06.17 (Audited) \$'000	
Income Statement							
Revenue		20,215	21,696	(6.8)	83,801	82,922	1.1
Cost of sales		(17,981)	(16,720)	7.5	(68,914)	(61,286)	12.4
Gross profit		2,234	4,976	(55.1)	14,887	21,636	(31.2)
Other income	(a)	284	904	(68.6)	1,860	2,662	(30.1)
Marketing and distribution expenses		(659)	(379)	73.9	(1,813)	(1,375)	31.9
General and administrative expenses		(4,566)	(4,588)	(0.5)	(13,664)	(15,083)	(9.4)
Finance costs		(202)	(143)	41.3	(570)	(493)	15.6
Other operating expenses		(110)	(91)	20.9	(438)	(352)	24.4
(Loss)/ profit before tax	(b)	(3,019)	679	N/M	262	6,995	(96.3)
Tax credit/(expense)		787	737	6.8	520	(260)	(300.0)
(Loss)/ profit for the period/year		(2,232)	1,416	(257.6)	782	6,735	(88.4)
(Loss)/ profit attributable to:							
Equity holders of the Company		(1,989)	1,378	(244.3)	1,889	6,447	(70.7)
Non-controlling interests		(243)	38	N/M	(1,107)	288	N/M
		(2,232)	1,416	(257.6)	782	6,735	(88.4)

"N/M" denotes Not Meaningful if % of change is more than 300%

	Group				Group			
	Note	Three Months Ended		Change	Twelve Months Ended		Change	
		30.06.18	30.06.17		30.06.18	30.06.17		
		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)		
	\$'000	\$'000	%	\$'000	\$'000	%		
Statement of Comprehensive Income (Loss)/ profit for the period/year		(2,232)	1,416	(257.6)	782	6,735	(88.4)	
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss:</i>								
Foreign currency translation gain		4	14	(71.4)	8	1	N/M	
Other comprehensive income for the period/ year, net of tax		4	14	(71.4)	8	1	N/M	
Total comprehensive (loss)/ income for the period/year		(2,228)	1,430	(255.8)	790	6,736	(88.3)	
Total comprehensive (loss)/ income attributable to:								
Equity holders of the Company		(1,985)	1,388	(243.0)	1,897	6,454	(70.6)	
Non-controlling interests		(243)	42	N/M	(1,107)	282	N/M	
		(2,228)	1,430	(255.8)	790	6,736	(88.3)	

"N/M" denotes Not Meaningful if % of change is more than 300%

1(a)(ii) Notes to the Consolidated Income Statement and Statement of Comprehensive Income

		Group			Group		
		Three Months Ended			Twelve Months Ended		
		30.06.18	30.06.17	Change	30.06.18	30.06.17	Change
		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
		\$'000	\$'000	%	\$'000	\$'000	%
(a)	<u>Other income</u>						
	Government grants	167	94	77.7	870	604	44.0
	Gain on disposal of property, plant and equipment	70	228	(69.3)	133	356	(62.6)
	Interest income	34	24	41.7	105	261	(59.8)
	Administrative income	17	54	(68.5)	106	266	(60.2)
	Foreign exchange gain	(1)	-	N/M	5	74	(93.2)
	Bargain on purchase*	-	-	-	-	228	(100.0)
	Sales of spare parts	56	(4)	N/M	124	33	275.8
	Others	(59)	508	(111.6)	517	840	38.5
		284	904		1,860	2,662	
(b)	<u>(Loss)/ profit before tax</u>						
	This is arrived at after charging/(crediting):						
	Audit fees payable/paid to auditor of the Company	67	40	67.5	221	204	8.3
	Depreciation of property, plant and equipment	972	600	62.0	3,108	2,247	38.3
	Net gain on disposal of property, plant and equipment	(37)	(228)	(83.8)	(69)	(304)	(77.3)
	Property, plant and equipment written off	2	2	-	3	12	(75.0)
	Amortisation of intangible assets	198	437	(54.6)	2,023	1,585	27.6
	Amortisation of fair value adjustment on contract work-in-progress	-	-	-	-	140	(100.0)
	Bad debts written back	-	(12)	(100.0)	-	(54)	(100.0)
	Allowance for doubtful receivables	38	698	(94.6)	65	1,420	(95.4)
	Bad debts written off	22	22	-	22	33	(33.3)
	Inventory written off	7	36	(80.6)	7	36	(80.6)

"N/M" denotes Not Meaningful if % of change is more than 300%

* An independent valuer was engaged for the purchase price allocation (PPA) exercise and the negative goodwill was based on the PPA report.

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

1(b)(i) Statements of Financial Position

	Group		Company	
	As at 30.06.18	As at 30.06.17	As at 30.06.18	As at 30.06.17
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Assets				
<u>Non-current assets</u>				
Property, plant and equipment	34,238	29,725	-	-
Intangible assets	2,923	4,650	-	-
Investment in subsidiaries	-	-	34,229	35,767
Goodwill	2,658	2,658	-	-
Other investments	6,048	6,462	5,000	5,000
	45,867	43,495	39,229	40,767
<u>Current assets</u>				
Due from customers for contract work-in progress	24,422	20,332	-	-
Other investments	-	-	-	-
Inventories	486	271	-	-
Intangible assets	-	-	-	-
Trade and other receivables	27,247	23,265	12,145	9,456
Cash and bank balances	12,200	14,830	3,376	1,303
Total current assets	64,355	58,698	15,521	10,759
Total assets	110,222	102,193	54,750	51,526
<u>Non-current liabilities</u>				
Bank borrowings	12,101	11,701	-	-
Finance lease liabilities	2,478	1,752	-	-
Other payable	-	600	-	600
Deferred tax liabilities	1,160	1,575	-	-
Total non-current liabilities	15,739	15,628	-	600
<u>Current liabilities</u>				
Due to customers for contract work-in-progress	3,477	2,371	-	-
Bank borrowings	11,840	6,408	4,400	3,179
Trade and other payables	16,322	17,887	4,763	3,991
Finance lease liabilities	1,150	972	-	-
Tax payables	143	158	-	-
Total current liabilities	32,932	27,796	9,163	7,170
Total liabilities	48,671	43,424	9,163	7,770
Net assets	61,551	58,769	45,587	43,756

	Group		Company	
	As at 30.06.18	As at 30.06.17	As at 30.06.18	As at 30.06.17
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Share capital and reserves				
Share capital	29,618	29,618	29,618	29,618
Treasury shares	(256)	(562)	(256)	(562)
Accumulated profits	36,082	36,038	16,150	14,597
Foreign currency translation reserve	16	8	-	-
Merger reserve	(7,338)	(7,338)	-	-
Other reserve	1,065	(4)	75	103
Equity attributable to equity holders of the Company	59,187	57,760	45,587	43,756
Non-controlling interests	2,364	1,009	-	-
Total equity	61,551	58,769	45,587	43,756

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Group		Group	
	As at 30.06.18		As at 30.06.17	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	12,990	-	7,380	-
Amount repayable after one year	14,579	-	13,453	-
	27,569	-	20,833	-

Details of any collaterals

- (a) Bank borrowings amounting to \$23.9 million are secured by:
- (i) Charges over fixed deposit;
 - (ii) Mortgage over the Group's leasehold properties;
 - (iii) First fixed charge over receivables arising from invoices financed directly or indirectly over the account in which the receivables are deposited; and
 - (iv) Corporate guarantee from the Company and a subsidiary.
- (b) Finance lease obligations of the Group amounting to \$3.6 million are secured by the rights to the leased equipment, machineries and motor vehicles. Certain directors of the Company have provided personal guarantees for certain of the finance lease liabilities.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(c)(i) Consolidated Statement of Cash Flows

	Note	Group		Group	
		Three Months Ended		Twelve Months Ended	
		30.06.18	30.06.17	30.06.18	30.06.17
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
(Loss)/ profit before income tax		(3,019)	679	262	6,995
Adjustment for: -					
Depreciation of property, plant and equipment		972	600	3,108	2,247
Net gain on disposal of property, plant and equipment		(37)	(228)	(69)	(304)
Property, plant and equipment written off		2	2	3	12
Amortisation of intangible assets		198	437	2,023	1,585
Amortisation of fair value adjustment on contract work-in-progress		-	-	-	140
Allowance for doubtful receivables		38	698	65	1,420
Bad debts written back		-	(12)	-	(54)
Bad debts written off		22	22	22	33
Inventory written off		7	36	7	36
Bargain on purchase		-	-	-	(228)
Interest income		(34)	(24)	(105)	(261)
Interest expense		187	115	509	446
Operating cash flows before working capital changes		(1,664)	2,325	5,825	12,067
Contract work-in-progress		28	(3,374)	(2,984)	(7,638)
Inventories		86	(152)	(222)	(127)
Trade and other receivables		(4,612)	(463)	(3,917)	(2,831)
Trade and other payables		662	2,492	(1,774)	(5,673)
Cash (used in) / generated from operations		(5,500)	828	(3,072)	(4,202)
Interest received		34	17	119	261
Interest paid		(187)	(115)	(509)	(446)
Tax refund/ (paid)		-	4	(74)	(1,153)
Net cash (used in) / generated from operating activities		(5,653)	734	(3,536)	(5,540)
Cash flows from investing activities					
Purchases of other investment		-	(5,000)	-	(5,000)
Additions to intangible assets		-	-	(60)	-
Purchases of property, plant and equipment	(A)	(1,592)	(13,243)	(5,686)	(14,400)
Capitalisation on deposit paid pursuant to acquisition of property		-	1,000	-	-
Proceeds from disposal of other investments		-	1,000	-	1,000
Proceeds from disposal of property, plant and equipment		337	13	398	508
Proceeds from divestment of a subsidiary		3,000	-	3,000	-
Net cash outflow on acquisition of subsidiaries		-	-	-	(3,287)
Net cash outflows on acquisition of business	(B)	(123)	-	(123)	-
Net cash generated from / (used in) investing activities		1,622	(16,230)	(2,471)	(21,179)

1(c)(i) Consolidated Statement of Cash Flows (Con't)

	Note	Group		Group	
		Three Months Ended		Twelve Months Ended	
		30.06.18	30.06.17	30.06.18	30.06.17
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities					
Dividend paid		-	-	(1,972)	(2,135)
Purchase of treasury shares		-	(234)	(322)	(1,626)
Capital contributed by non-controlling interest		-	-	686	298
Due from related parties (non-trade)		-	4	67	-
Fixed deposits pledged to banks		(2)	-	(1,111)	-
Fixed deposits released from pledge		-	50	-	550
Drawdown of bank borrowings		4,110	11,321	7,600	12,249
Repayment of bank borrowings		(265)	(228)	(1,605)	(702)
Repayment of finance lease		(450)	(251)	(1,349)	(952)
Net cash generated from financing activities		3,393	10,662	1,994	7,682
Net decrease in cash and cash equivalents		(638)	(4,834)	(4,013)	(19,037)
Cash and cash equivalents at beginning of financial period/ year		9,947	18,156	13,322	32,359
Cash and cash equivalents at end of financial period/ year		9,309	13,322	9,309	13,322

Note A

The Group acquired property, plant and equipment with an aggregate cost of \$7,847,000 (FY2017: \$15,129,000). The additions were by way of cash payments of \$5,686,000 (FY2017: \$14,400,000) and finance lease of \$2,161,000 (FY2017: \$729,000).

Note B

Net cash outflows on acquisition of business	\$'000
Property, plant and equipment	114
Trade and other receivables	206
Cash and bank balances	7
Trade and other payables	(148)
Finances lease liabilities	(57)
Deferred tax liabilities	(10)
Total identifiable net assets at fair value	112
Intangible assets	18
Total purchase consideration settled in cash	130
Less cash and bank balances of the subsidiary acquired	(7)
Net cash outflows on acquisition of business	123

1(c)(ii) Notes to the Consolidated Statement of Cash Flows

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

	Group		Group	
	Three Months Ended		Twelve Months Ended	
	30.06.18	30.06.17	30.06.18	30.06.17
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Cash in hand and at bank	4,826	9,994	4,826	9,994
Fixed deposits	7,374	4,836	7,374	4,836
	12,200	14,830	12,200	14,830
Less: Fixed deposits pledged	(2,750)	(1,239)	(2,750)	(1,239)
Less: Bank overdrafts	(141)	(269)	(141)	(269)
	9,309	13,322	9,309	13,322

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to equity holders of the Group								Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 1 July 2016	29,618	(373)	(7,338)	1	(151)	31,726	53,483	429	53,912
Profit and total comprehensive income for the period	-	-	-	-	-	977	977	150	1,127
Balance at 30 September 2016	29,618	(373)	(7,338)	1	(151)	32,703	54,460	579	55,039
Profit for the period	-	-	-	-	-	3,091	3,091	28	3,119
Other comprehensive income									
Foreign currency translation loss	-	-	-	(7)	-	-	(7)	(7)	(14)
Other comprehensive income for the period, net of tax	-	-	-	(7)	-	-	(7)	(7)	(14)
Total comprehensive income for the period	-	-	-	(7)	-	3,091	3,084	21	3,105
Contribution by and distributions to equity holders									
Dividend	-	-	-	-	-	(2,135)	(2,135)	-	(2,135)
Purchase of treasury shares	-	(1,392)	-	-	-	-	(1,392)	-	(1,392)
	-	(1,392)	-	-	-	(2,135)	(3,527)	-	(3,527)
Change in ownership interest in a subsidiary									
Incorporation of a subsidiary	-	-	-	-	-	-	-	298	298
	-	-	-	-	-	-	-	298	298
Total transactions with equity holders of the Company	-	(1,392)	-	-	-	(2,135)	(3,527)	298	(3,229)
Balance at 31 December 2016	29,618	(1,765)	(7,338)	(6)	(151)	33,659	54,017	898	54,915

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to equity holders of the Group								
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 Jan 2017	29,618	(1,765)	(7,338)	(6)	(151)	33,659	54,017	898	54,915
Profit for the period	-	-	-	-	-	1,001	1,001	72	1,073
Other comprehensive income									
Foreign currency translation gain/ (loss)	-	-	-	4	-	-	4	(3)	1
Other comprehensive income for the period, net of tax	-	-	-	4	-	-	4	(3)	1
Total comprehensive income for the period	-	-	-	4	-	1,001	1,005	69	1,074
Contribution by and distributions to equity holders									
Treasury shares reissued pursuant to acquisition of a subsidiary	-	1,456	-	-	128	-	1,584	-	1,584
	-	1,456	-	-	128	-	1,584	-	1,584
Total transactions with equity holders of the Company	-	1,456	-	-	128	-	1,584	-	1,584
Balance at 31 March 2017	29,618	(309)	(7,338)	(2)	(23)	34,660	56,606	967	57,573

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Group	Attributable to equity holders of the Group								Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 1 April 2017	29,618	(309)	(7,338)	(2)	(23)	34,660	56,606	967	57,573
Profit for the period	-	-	-	-	-	1,378	1,378	38	1,416
Other comprehensive income									
Foreign currency translation gain	-	-	-	10	-	-	10	4	14
Other comprehensive income for the period, net of tax	-	-	-	10	-	-	10	4	14
Total comprehensive income for the period	-	-	-	10	-	1,378	1,388	42	1,430
Contribution by and distributions to equity holders									
Purchase of treasury shares	-	(234)	-	-	-	-	(234)	-	(234)
Treasury shares reissued pursuant to acquisition of a subsidiary	-	(19)	-	-	19	-	-	-	-
	-	(253)	-	-	19	-	(234)	-	(234)
Total transactions with equity holders of the Company	-	(253)	-	-	19	-	(234)	-	(234)
Balance at 30 June 2017	29,618	(562)	(7,338)	8	(4)	36,038	57,760	1,009	58,769

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Group	Attributable to equity holders of the Group								Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 1 July 2017	29,618	(562)	(7,338)	8	(4)	36,038	57,760	1,009	58,769
Profit for the period	-	-	-	-	-	1,510	1,510	(94)	1,416
Other comprehensive income									
Foreign currency translation gain	-	-	-	1	-	-	1	-	1
Other comprehensive income for the period, net of tax	-	-	-	1	-	-	1	-	1
Total comprehensive income for the period	-	-	-	1	-	1,510	1,511	(94)	1,417
Contribution by and distributions to equity holders									
Dividend	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(220)	-	-	-	-	(220)	-	(220)
	-	(220)	-	-	-	-	(220)	-	(220)
Change in ownership interest in a subsidiary									
Incorporation of a subsidiary	-	-	-	-	-	-	-	490	490
	-	-	-	-	-	-	-	490	490
Total transactions with equity holders of the Company	-	(220)	-	-	-	-	(220)	490	270
Balance at 30 September 2017	29,618	(782)	(7,338)	9	(4)	37,548	59,051	1,405	60,456

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Group	Attributable to equity holders of the Group								Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 1 October 2017	29,618	(782)	(7,338)	9	(4)	37,548	59,051	1,405	60,456
Profit for the period	-	-	-	-	-	1,888	1,888	(482)	1,406
Other comprehensive income									
Foreign currency translation gain	-	-	-	5	-	-	5	2	7
Other comprehensive income for the period, net of tax	-	-	-	5	-	-	5	2	7
Total comprehensive income for the period	-	-	-	5	-	1,888	1,893	(480)	1,413
Contribution by and distributions to equity holders									
Dividend	-	-	-	-	-	(1,972)	(1,972)	-	(1,972)
Treasury share reissued pursuant to acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(1,972)	(1,972)	-	(1,972)
Change in ownership interest in a subsidiary									
Incorporation of a subsidiary	-	-	-	-	-	-	-	196	196
	-	-	-	-	-	-	-	196	196
Total transactions with equity holders of the Company	-	-	-	-	-	(1,972)	(1,972)	196	(1,776)
Balance at 31 December 2017	29,618	(782)	(7,338)	14	(4)	37,464	58,972	1,121	60,093

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Group	Attributable to equity holders of the Group								Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 1 Jan 2018	29,618	(782)	(7,338)	14	(4)	37,464	58,972	1,121	60,093
Profit for the period	-	-	-	-	-	480	480	(288)	192
Other comprehensive income									
Foreign currency translation loss	-	-	-	(2)	-	-	(2)	(2)	(4)
Other comprehensive income for the period, net of tax	-	-	-	(2)	-	-	(2)	(2)	(4)
Total comprehensive income for the period	-	-	-	(2)	-	480	478	(290)	188
Contribution by and distributions to equity holders									
Purchase of treasury shares	-	(102)	-	-	-	-	(102)	-	(102)
Treasury share reissued pursuant to acquisition of a subsidiary	-	628	-	-	(28)	-	600	-	600
	-	526	-	-	(28)	-	498	-	498
Total transactions with equity holders of the Company	-	526	-	-	(28)	-	498	-	498
Balance at 31 March 2018	29,618	(256)	(7,338)	12	(32)	37,944	59,948	831	60,779

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Group	Attributable to equity holders of the Group								Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 1 April 2018	29,618	(256)	(7,338)	12	(32)	37,944	59,948	831	60,779
Loss for the period	-	-	-	-	-	(1,989)	(1,989)	(243)	(2,232)
Other comprehensive income									
Foreign currency translation gain	-	-	-	4	-	-	4	-	4
Other comprehensive income for the period, net of tax	-	-	-	4	-	-	4	-	4
Total comprehensive income for the period	-	-	-	4	-	(1,989)	(1,985)	(243)	(2,228)
Contribution by and distributions to equity holders									
Dividend	-	-	-	-	-	127	127	(127)	-
						127	127	(127)	-
Changes in ownership interest in a subsidiary									
Divestment in a subsidiary	-	-	-	-	1,097	-	1,097	1,903	3,000
	-	-	-	-	1,097	-	1,097	1,903	3,000
Total transactions with equity holders of the Company	-	-	-	-	1,097	127	1,224	1,776	3,000
Balance at 30 June 2018	29,618	(256)	(7,338)	16	1,065	36,082	59,187	2,364	61,551

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Company	Attributable to equity holders of the Company							
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2016	29,618	(373)	-	(44)	5,623	34,824	-	34,824
Profit and total comprehensive income for the period	-	-	-	-	102	102	-	102
					102	102		102
Balance at 30 September 2016	29,618	(373)	-	(44)	5,725	34,926	-	34,926
Profit and total comprehensive income for the period	-	-	-	-	5,709	5,709	-	5,709
Contribution by and distributions to equity holders								
Dividend	-	-	-	-	(2,135)	(2,135)	-	(2,135)
Purchase of treasury shares	-	(1,392)	-	-	-	(1,392)	-	(1,392)
	-	(1,392)	-	-	(2,135)	(3,527)	-	(3,527)
Balance at 31 December 2016	29,618	(1,765)	-	(44)	9,299	37,108	-	37,108
Profit and total comprehensive income for the period	-	-	-	-	5,877	5,877	-	5,877
Contribution by and distributions to equity holders								
Treasury shares reissued pursuant to acquisition of a subsidiary	-	1,456	-	128	-	1,584	-	1,584
	-	1,456	-	128	-	1,584	-	1,584
Balance at 31 March 2017	29,618	(309)	-	84	15,176	44,569	-	44,569

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Company	Attributable to equity holders of the Company							
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 April 2017	29,618	(309)	-	84	15,176	44,569	-	44,569
Loss and total comprehensive income for the period	-	-	-	-	(579)	(579)	-	(579)
Contribution by and distributions to equity holders								
Treasury shares reissued pursuant to acquisition of a subsidiary	-	(19)	-	19	-	-	-	-
Purchase of treasury shares	-	(234)	-	-	-	(234)	-	(234)
	-	(253)	-	19	-	(234)	-	(234)
Balance at 30 June 2017	29,618	(562)	-	103	14,597	43,756	-	43,756

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Company	Attributable to equity holders of the Company							
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2017	29,618	(562)	-	103	14,597	43,756	-	43,756
Profit and total comprehensive income for the period	-	-	-	-	579	579	-	579
Contribution by and distributions to equity holders								
Purchase of treasury shares	-	(220)	-	-	-	(220)	-	(220)
	-	(220)	-	-	-	(220)	-	(220)
Balance at 30 September 2017	29,618	(782)	-	103	15,176	44,115	-	44,115
Profit and total comprehensive income for the period	-	-	-	-	2,059	2,059	-	2,059
Contribution by and distributions to equity holders								
Dividend	-	-	-	-	(1,844)	(1,844)	-	(1,844)
	-	-	-	-	(1,844)	(1,844)	-	(1,844)
Balance at 31 December 2017	29,618	(782)	-	103	15,391	44,330	-	44,330

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Con't)

Company	Attributable to equity holders of the Company							
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2018	29,618	(782)	-	103	15,391	44,330	-	44,330
Profit and total comprehensive income for the period	-	-	-	-	703	703	-	703
Contribution by and distributions to equity holders								
Treasury shares reissued pursuant to acquisition of a subsidiary	-	628	-	(28)	-	600	-	600
Purchase of treasury shares	-	(102)	-	-	-	(102)	-	(102)
	-	526	-	(28)	-	498	-	498
Balance at 31 March 2018	29,618	(256)	-	75	16,094	45,531	-	45,531
Profit and total comprehensive income for the period	-	-	-	-	56	56	-	56
Balance at 30 June 2018	29,618	(256)	-	75	16,150	45,587	-	45,587

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Financial Year 2018		Financial Year 2017	
	Issued Ordinary Shares (excluding Treasury Shares)	Treasury Shares	Issued Ordinary Shares (excluding Treasury Shares)	Treasury Shares
As at 1 July	284,387,041	1,479,549	284,665,956	1,200,634
Share buyback during the financial year	(925,000)	925,000	(4,190,900)	4,190,900
Treasury shares reissued pursuant to the acquisition of a subsidiary*	1,668,521	(1,668,521)	3,911,985	(3,911,985)
As at 30 June	285,130,562	736,028	284,387,041	1,479,549
Percentage (%) of treasury shares against total number of shares outstanding as at 30 June		0.3%		0.5%

* 1,668,521 (FY2018) and 3,911,985 (FY2017) treasury shares were transferred to the vendor of ISO-Integrated M&E Pte. Ltd. as part of consideration for the acquisition of a subsidiary on 19 January 2017.

There were no subsidiary holdings and outstanding convertible instruments which may be converted to shares as at 30 June 2018 and 30 June 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	As at 30.06.18	As at 30.06.17
Number of ordinary shares issued and fully paid	285,866,590	285,866,590
Treasury shares	(736,028)	(1,479,549)
Number of ordinary shares issued and fully paid (excluding treasury shares)	285,130,562	284,387,041

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

1,668,521 treasury shares were transferred to the vendor of ISO-Integrated M&E Pte. Ltd. pursuant to the acquisition of the subsidiary during the year ended 30 June 2018. Subsequent to the aforementioned transfer, the number of treasury shares is 736,028.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditor.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial information for the current financial year as those used in the audited financial statements for the financial year ended 30 June 2017, except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 July 2017. The adoption of these FRS has no material impact on the Group's financial information.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4 above.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share ("EPS")	Group		Group	
	Three Months Ended		Twelve Months Ended	
	30.06.18	30.06.17	30.06.18	30.06.17
(Loss)/profit attributable to equity holders of the Company (\$'000)	(1,989)	1,378	1,889	6,447
Weighted average number of ordinary shares ⁽¹⁾	285,130,562	284,810,405	284,508,757	284,205,736
Basic and diluted EPS based on weighted average number of ordinary shares (cents)⁽²⁾	(0.70)	0.48	0.66	2.27

Notes:

- (1) The calculation for the basic and diluted EPS for the respective financial years is based on the weighted average number of ordinary shares in issue during the financial years.
- (2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial years.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

Net asset value ("NAV")	Group		Company	
	As at 30.06.18	As at 30.06.17	As at 30.06.18	As at 30.06.17
NAV (\$'000)	59,187	57,760	45,587	43,756
Number of ordinary shares	285,130,562	284,387,041	285,130,562	284,387,041
NAV per ordinary share (cents)	20.76	20.31	15.99	15.39

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF FINANCIAL PERFORMANCE

Revenue	Group					Group				
	Three Months Ended					Twelve Months Ended				
	30.06.18		30.06.17		Change	30.06.18		30.06.17		Change
	\$'000	%	\$'000	%	%	\$'000	%	\$'000	%	%
R&R ⁽¹⁾	4,508	22.3	5,884	27.1	(23.4)	19,765	23.6	20,900	25.2	(5.4)
A&A ⁽¹⁾	9,439	46.7	8,817	40.6	7.1	36,236	43.2	32,385	39.0	11.9
C&P ⁽¹⁾	2,247	11.1	2,979	13.8	(24.6)	9,895	11.8	14,317	17.3	(30.9)
Others ⁽²⁾	4,021	19.9	4,016	18.5	0.1	17,905	21.4	15,320	18.5	16.9
	20,215	100.0	21,696	100.0	(6.8)	83,801	100.0	82,922	100.0	1.1

Note:

- (1) R&R: Repairs & Redecoration; A&A: Addition & Alteration; C&P: Coating & Painting.
- (2) Others included revenue from commercial interior designs ("ID"), home retrofitting business, landscaping works, leasing service, waterproofing, green solutions business, mechanical & electrical engineering works and handyman service.

Revenue

4QFY2018 vs 4QFY2017

The Group's revenue decreased by \$1.5 million or 6.8% from \$21.7 million in 4QFY2017 to \$20.2 million in 4QFY2018. The decrease was mainly due to revenue of R&R and C&P business segments, which were affected by lesser work performed during the period and offset by increase in revenue of A&A business segment.

FY2018 vs FY2017

The Group's revenue increased by \$0.9 million or 1.1% from \$82.9 million in FY2017 to \$83.8 million in FY2018. The increase was mainly due to revenue of A&A and Others business segments which were offset by decrease in revenue of R&R and C&P business segments, lesser work performed during the year.

Gross profit and gross profit margin

4QFY2018 vs 4QFY2017 & FY2018 vs FY2017

The Group's gross profit decreased by \$2.8 million or 55.1% from \$5.0 million in 4QFY2017 to \$2.2 million in 4QFY2018 and decreased by \$6.7 million or 31.2% from \$21.6 million in FY2017 to \$14.9 million in FY2018. The decrease was mainly due to lower margin contributed by projects.

Other income

4QFY2018 vs 4QFY2017

The Group's other income decreased by \$0.6 million or 68.6% from \$0.9 million in 4QFY2017 to \$0.3 million in 4QFY2018. This was mainly due to decrease in suppliers' rebate and lesser disposal of property, plant and equipment ("PPE") transaction.

FY2018 vs FY2017

The Group's other income decreased by \$0.8 million or 30.1% from \$2.7 million in FY2017 to \$1.9 million in FY2018. This was mainly attributable to decrease in suppliers' rebate, lesser disposal of PPE transactions and absence of one-off bargain on acquisition of a subsidiary.

Marketing and distribution expenses

4QFY2018 vs 4QFY2017 & FY2018 vs FY2017

The Group's marketing and distribution expenses increased by \$0.3 million or 73.9% from \$0.4 million in 4QFY2017 to \$0.7 million in 4QFY2018 and increased by \$0.4 million or 31.9% from \$1.4 million in FY2017 to \$1.8 million in FY2018. This was mainly due to increase in business entities arising from acquisition of a subsidiary and incorporation of new subsidiaries.

General and administrative expenses

FY2018 vs FY2017

The Group's general and administrative expenses decreased by \$1.4 million or 9.4% from \$15.1 million in FY2017 to \$13.7 million in FY2018. The decrease was mainly due to absence of one-time costs incurred in relation to allowance for doubtful receivables of a customer under receivership in FY2017.

Tax expenses

FY2018 vs FY2017

The Group's tax expenses decreased by \$0.8 million. The decrease was mainly due to utilisation of tax credit and decreased in deferred tax expenses.

REVIEW OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by \$2.4 million or 5.5% from \$43.5 million as at 30 June 2017 to \$45.9 million as at 30 June 2018, mainly due to the acquisition of PPE, which was partially offset by the depreciation of PPE, disposal of PPE, amortisation of intangible assets and redemption of other investments.

Current assets

The increase in current assets of \$5.7 million or 9.7% from \$58.7 million as at 30 June 2017 to \$64.4 million as at 30 June 2018 was mainly due to the increase in the amount due from customers for contract work-in-progress and trade and other receivables, which were offset by decrease in cash and bank balances.

Current liabilities

The increase in current liabilities of \$5.1 million or 18.3% from \$27.8 million as at 30 June 2017 to \$32.9 million as at 30 June 2018 was mainly due to the increase in due to customers for contract work-in-progress, bank borrowings and finance lease liabilities, which were partially offset by a decrease in trade and other payables.

REVIEW OF STATEMENT OF CASH FLOWS

Net cash (used in)/ generated from operating activities

4QFY2018

Net cash used in operating activities amounted to \$5.7 million in 4QFY2018 which was mainly due to decrease in operating cash flow before changes in working capital, increase in trade and other receivables which were partially offset by increase in trade and other payables.

FY2018

Net cash used in operating activities amounted to \$3.5 million in FY2018 which was mainly due to an increase in contract work-in-progress, inventories, trade and other receivables and decrease in trade and other payables which were partially offset by increase in operating cash flow before changes in working capital.

Net cash generated from / (used in) investing activities

4QFY2018

Net cash generated from investing activities amounted to \$1.6 million which was mainly due to the proceeds from divestment of a subsidiary and disposal of PPE which were partially offset by the purchase of PPE.

FY2018

Net cash used in investing activities amounted to \$2.5 million which was mainly due to the purchase of PPE which were partially offset by the proceeds from divestment of a subsidiary and disposal of PPE.

Net cash generated from/ (used in) financing activities

4QFY2018

Net cash generated from financing activities of \$3.4 million was mainly due to drawdown of bank borrowings which were partially offset by repayment of bank borrowings and finance lease.

FY2018

Net cash generated from financing activities of \$2.0 million was mainly due to drawdown of bank borrowings and capital contributed by non-controlling interest which were partially offset by dividend payment, purchase of treasury shares, fixed deposits pledged to banks and repayment of bank borrowings and finance lease.

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

No forecast or prospect statement has been previously disclosed to the shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Although the market conditions still remain challenging, the Group has a strong order book of \$126.3 million as of 10 August 2018 and it expects to further build on the order book in the coming months. The current order book is expected to be delivered over the next two years.

With 100,000 homes in the process of undergoing Home Improvement Programme (“HIP”) works and more than 500,000 flats expected to benefit from the HIP programme, the Group will tender for such projects going forward. ISOTeam believes its track record will give advantage to the Group given BCA’s implemented Price Quality Method that increases the weightage for the quality component.

Following the Research & Development performed on the floating wetland systems at lakes and quarry parks throughout Singapore, one of its subsidiaries, ISO-Landscape Pte Ltd has recently entered into a collaboration agreement with Housing Development Board to implement the solar installation on the floating wetlands and it is expected to unlock opportunities in securing more projects of a similar nature in the future.

ISOTeam and its local subsidiaries have been relocated to its new corporate headquarters in Changi and the Group is working towards the maximisation of the usage of available resources to improve operational and cost efficiencies. The Group has invested approximately \$4 million on the renovation cost and the Gross Floor Area was increased by 1280 m². Jurong Town Corporation has also granted the Group with the 30 years extension of the lease period. After relocation, the Group expects some of its properties previously occupied by the respective subsidiaries will also bring in some recurring income before the price of the properties is right.

11 Dividend

(a) Dividend declared (recommended) for the current financial year reported on

A final dividend has been recommended in respect of the current financial year ended 30 June 2018.

Name of dividend	Final (proposed)
Dividend type:	Cash
Dividend amount per ordinary share (cents):	0.18
Tax rate:	Tax exempt (1-Tier)

The Directors are pleased to propose a final tax-exempt (one-tier) dividend of 0.18 cents per ordinary share in respect of FY2018 for approval by shareholders at the forthcoming Annual General Meeting, amounting to \$0.5 million based on 285,130,562 ordinary shares.

(b) Dividend declared (recommended) for the corresponding period of the immediately preceding financial year

A final tax-exempt (one-tier) dividend of 0.65 cent per ordinary share was declared in respect of FY2017.

(c) Date payable

To be determined and announced at a later date.

(d) Books closure date

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine shareholders' entitlement to the dividend.

12 If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13 If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii).

14 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

15 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

FY 2018	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Segment revenue	19,765	36,236	9,895	17,905	83,801
Segment profits	1,515	3,182	1,699	(510)	5,886
Depreciation and amortisation					(5,131)
Other non-cash expense					(28)
Interest income					105
Finance costs					(570)
Profit before tax					262
Segment assets	12,041	21,258	5,591	22,206	61,096
Unallocated assets					49,126
Total assets					110,222
Segment liabilities	1,433	2,870	596	8,430	13,329
Unallocated liabilities					35,342
Total liabilities					48,671

FY 2017

Segment revenue	20,900	32,385	14,317	15,320	82,922
Segment profits	4,195	7,222	2,549	(1,899)	12,067
Depreciation and amortisation					(3,972)
Other non-cash expense					(868)
Interest income					261
Finance costs					(493)
Profit before tax					6,995
Segment assets	17,731	13,584	3,149	18,062	52,526
Unallocated assets					49,667
Total assets					102,193
Segment liabilities	1,974	462	1,700	7,099	11,235
Unallocated liabilities					32,189
Total liabilities					43,424

16 In the review of performance, the factors, leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8 above.

17. A breakdown of sales.

	Group		Change
	30.06.18	30.06.17	
	\$'000	\$'000	%
Sales reported for first half year	48,859	44,754	9.2
Operating profit after tax before deducting minority interest reported for first half year	2,822	4,246	(33.5)
Sales reported for second half year	34,942	38,168	(8.5)
Operating profit after tax before deducting minority interest reported for second half year	(2,040)	2,489	(182.0)

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

	FY2018	FY2017
	\$'000	S'000
Total annual dividend		
Ordinary shares	1,972	2,135

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

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

BY ORDER OF THE BOARD

David Ng Cheng Lian
Executive Chairman
27 August 2018

Anthony Koh Thong Huat
CEO

This announcement 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"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.