ISOTEAM

25 YEARS SINCE FOUNDING

10 YEARS ANNIVERSARY ISOTEAM IPO

A RENEWED FOCUS ON OUR CORE

ANNUAL REPORT **2023**

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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.

OUR MISSION

To deliver excellent quality, cost efficient, 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 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.

CORPORATE **PROFILE**

Listed on the Catalist board of the SGX securities market on 12 July 2013, ISOTeam Ltd. (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.

We are an eco-conscious company that integrates green methodologies in our projects, and actively work with strategic partners and technology companies to develop and commercialise green solutions and services such as solar panels installation and floating wetlands systems for the marine environment. Aligned to our green goals, we also provide renewable energy installations services to support Singapore's aim to achieve at least 2 gigawatt-peak of solar energy deployment by 2030.

Our reputation for quality, speed, and safety, together with a winning edge in eco-conscious innovations and capabilities in maintenance solutions has won our customers' trust and confidence over the years. This has earned 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, and for SKK for Jurong Town Corporation ("**JTC**") and Housing & Development Board ("**HDB**") industrial projects and army camps.

For more information, please visit www.isoteam.com.sg.

OUR BUSINESS

Creating, Enhancing and Sustaining Singapore's Built Environment

Our Fully Integrated Multi-Disciplinary Capabilities

CYCLICAL AND LIFE CYCLE MAINTENANCE

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

SPECIALIST COATING AND BUILDING RESTORATION SYSTEMS

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

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**")

ARCHITECTURAL & ENGINEERING SOLUTIONS

- Commercial A&A works
- Engineering works
- Architectural and commercial interior construction solutions
- Advanced building technologies

OUR
BUSINESS

INTERIOR DECORATION AND RETROFITTING

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

M&E SERVICES

- Electrical and mechanical ventilation works
- Air conditioning works
- Sanitary and plumbing services

RENEWABLE ENERGY INSTALLATION

- Installation of rooftop solar panels and floating solar systems

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

CERTIFICATIONS & **ACCOLADES**

ACCREDITATIONS

- ISO 9001 : 2015[1]
- ISO 14001 : 2015[1]
- ISO 45001 : 2018[1]
- bizSAFE Level Star
- bizSAFE Level 3

ACCOLADES

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

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)

[1] For general building construction and provision of suspended scaffolding works.

CORPORATE STRUCTURE

(As of 30 June 2023)

ISOTEAM

RAYMOND CONSTRUCTION PTE. LTD.
100%
- A&A
- R&R

ISO-TEAM CORPORATION PTE. LTD.
100%
- A&A
- R&R

TMS ALLIANCES PTE. LTD.
100%
- R&R

ISO-LANDSCAPE PTE. LTD.
100%
- Niche landscaping & horticulture services

ISO-INTEGRATED M&E PTE. LTD.
100%
- M&E services
- Air conditioning
- Plumbing works

ISOTEAM HOMECARE PTE. LTD.
100%
- Handyman services

ISOTEAM C&P PTE. LTD.
100%
- Specialist coating & painting

GREEN PEST MANAGEMENT PTE. LTD.
100%
- Pest control services

ISOTEAM RENEWABLE SOLUTIONS PTE. LTD.
100%
- Solar panels installation and mixed construction activities

ISOTEAM AET PTE. LTD.*
100%
- A&A and commercial interior design

ZARA @ ISOTEAM PTE. LTD.
51%
- Interior decoration & retrofitting works

* Formerly known as Industrial Contracts Marketing (2001) Pte. Ltd.

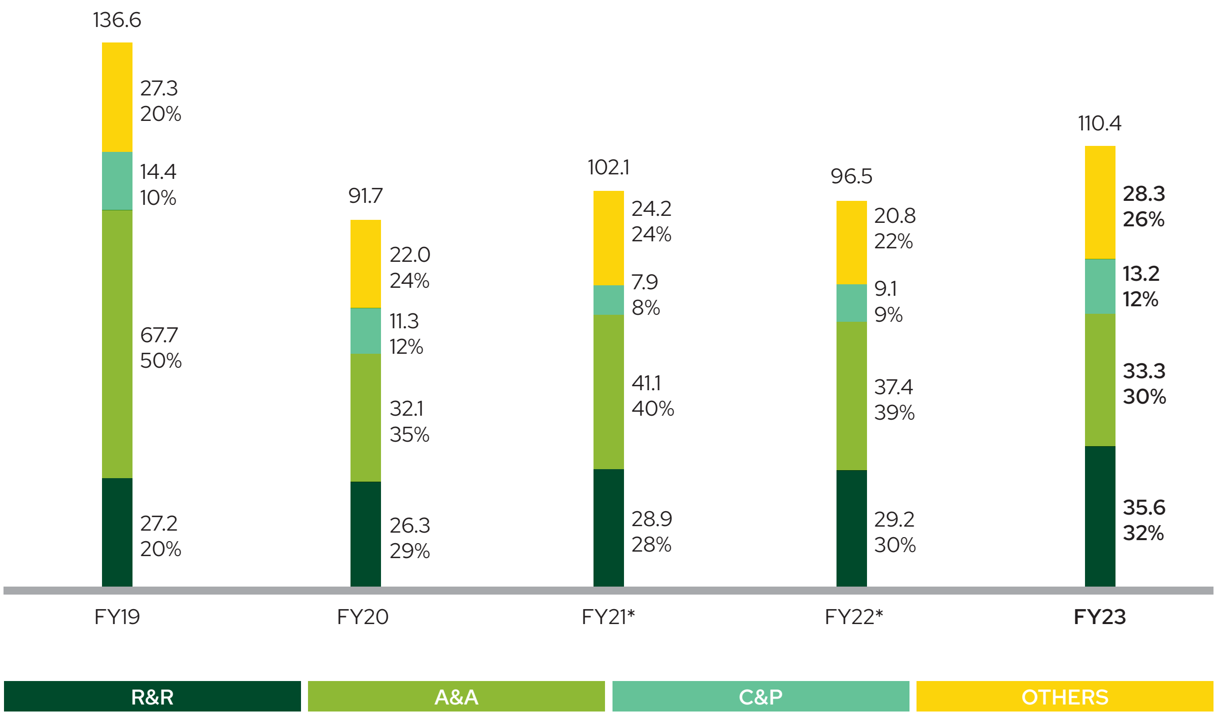
Completed the divestment of non-core subsidiaries SGBike Pte. Ltd., ISOTeam Access Pte. Ltd. and ISOTeam Green Solutions Pte. Ltd. on 12 December 2022.

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

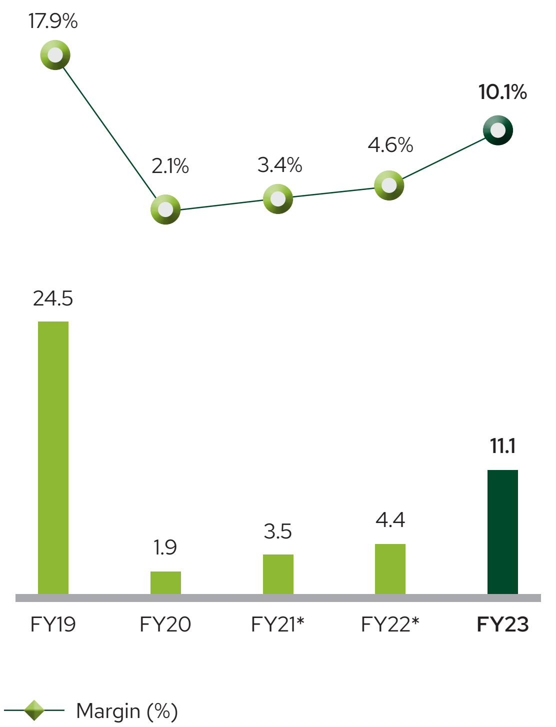
FINANCIAL **HIGHLIGHTS**

FINANCIAL YEAR ENDED 30 JUNE

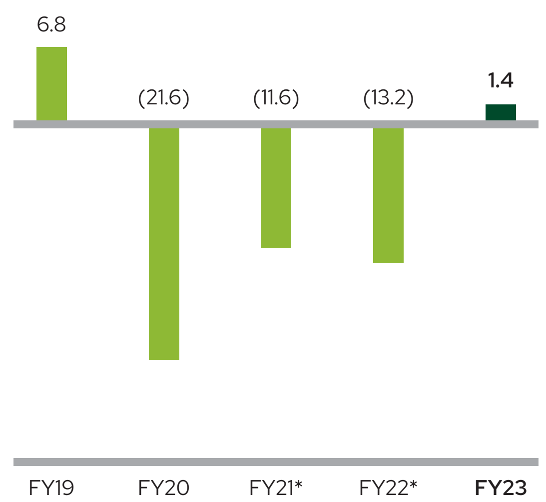
REVENUE ($'m)



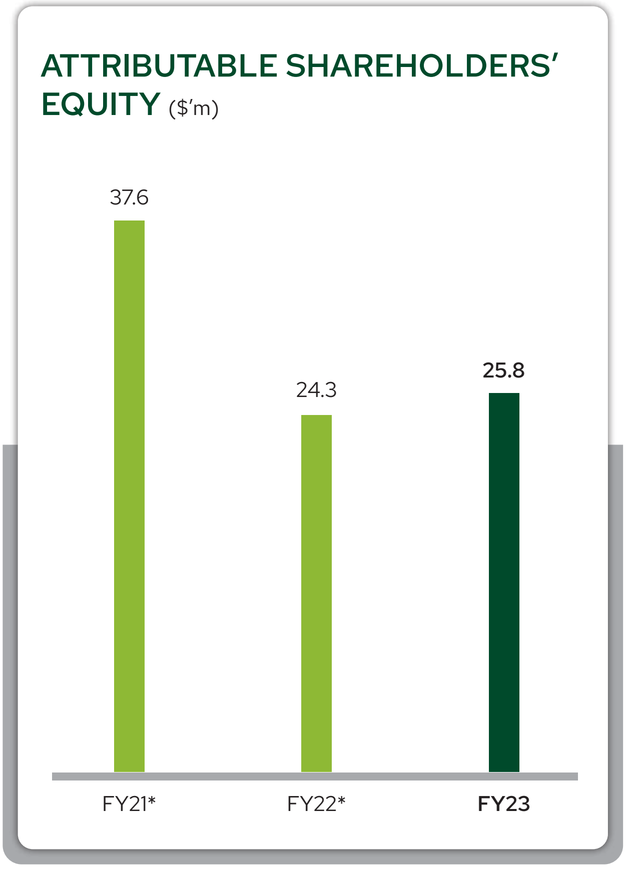
GROSS PROFIT ($'m)

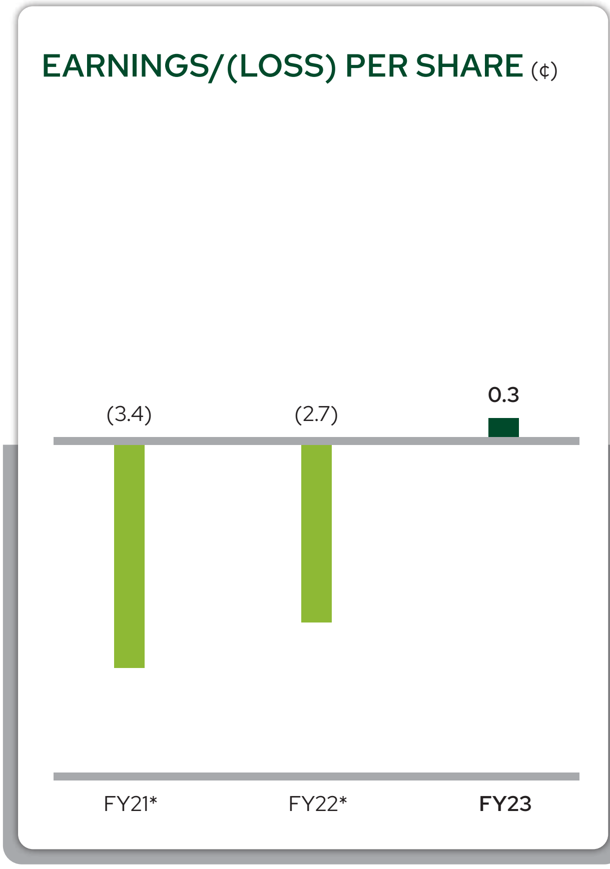


NET ATTRIBUTABLE PROFIT ($'m)



FINANCIAL **HIGHLIGHTS**





	RETURN ON EQUITY (%)	RETURN ON ASSETS (%)
FY21*	NM	NM
FY22*	NM	NM
FY23	5.4%	1.4%

* Restated

JOINT MESSAGE TO **SHAREHOLDERS**

"With the construction sector rebound and our record order book, we are optimistically confident about our performance over the next two years. As such, we have updated our dividend policy to reflect our intention to recommend and distribute an annual payout of at least 25% of our net profit after tax for FY2024. This will be adjusted to 30% for the fiscal year FY2025."

David Ng ,
Executive Chairman

Anthony Koh,
Executive Director & CEO

Dear Shareholders,

We would like to start this year's message by sincerely thanking our shareholders for keeping their faith as we navigated our way out of three years of losses to return to profitability in FY2023.

The Group recorded a net attributable profit of $1.4 million in FY2023 on the back of $110.4 million in revenue – a year-on-year growth of 14.4% as compared to FY2022. The achievement reflected the post-pandemic recovery in the construction sector, which led to revenue growth in our R&R, C&P and Others segment, partially offset by weaker performance from our A&A segment.

During the financial year, we archieved a significant improvement in profitability as we secured new higher-margin projects, and doubled up efforts to complete low-margin legacy projects from the pandemic period when price competition was intense for a limited number of contracts. With the legacy projects completely flushed out, our order book now stands at a 10-year high of almost $200 million comprising entirely of fresh projects with reasonably good margins.

With our improved performance in FY2023 and a record order book, we believe that Covid-19 is firmly behind us and ISOTeam is back to business as usual. Indeed, our contract win momentum has been highly encouraging with approximately $153.4 million new jobs secured between July 2022 and August 2023. Looking ahead, we expect margins to continue normalising in tandem with the recovery of the construction industry as more public and private sector activities recover and even surpass pre-pandemic levels.

ENSURING FUTURE-READINESS

This year is of particular significance for us as it marks the confluence of two major milestones for our Group. In July 2023, we celebrated the 25th year of our founding and also the 10th anniversary of our listing on the Singapore Exchange.

Therefore, being able to achieve a turnaround in FY2023 made these celebrations even more meaningful as it is a testimony of our Group's resilience and ability to overcome challenges.

Truly, ISOTeam has much to be thankful for!

As we look back on the years since our inception, all three founders are grateful to ISOTeam's partners and customers for the opportunities they had given us especially in the early years of the Company. We are also grateful to our staff, who have contributed to our success.

With so many stakeholders vested in the Company, it is imperative that we ensure the future-readiness of our business.

That was why during the slowdown of the past three years, we took the opportunity to undertake a strategic review of our operations and capabilities. The outcome of this was the divestment of our non-core businesses in FY2023 and a renewed focus on our core bread-and-butter construction-related businesses including R&R, A&A, C&P, and Others, comprising landscaping, interior design and retrofitting, renewable energy solutions, handyman services and M&E services.

Three subsidiaries – ISOTeam Access, SGBike and ISOTeam Green Solutions – were divested to a variable capital company ("**VCC**") in December 2022, crystallising gains of about $2.5 million for us. We expect more gains to be potentially recognised when ISOTeam Access is monetised by the VCC.

This strategic reorganisation allows us to concentrate our energies and allocate our resources to where they are most needed, namely to grow our core business segments which consistently contribute over 95% of our revenue in past years.

JOINT MESSAGE TO **SHAREHOLDERS**

We believe returning to our core strengths can ensure the continuity and enhance the resilience of our Group for the next 25 years and enable us to fulfil our vision to be the best and preferred partner for complete solutions in Singapore's built environment. Aligning our capabilities to what is needed will also enable us to better serve the national goals for estate upgrading and maintenance. Doing so will safeguard the future of ISOTeam.

As a Group, we are committed to be the best that we can be. We will continue to leverage our past achievements and the legacy and track record we have built, while adopting new technology and methodologies that will give us a first-mover advantage.

RECENT CORPORATE DEVELOPMENTS

One thing that Covid-19 had highlighted was our industry's over-reliance on foreign manpower. This was one of the main challenges when closed borders shut off access to the labour the industry needed. Looking back, we feel somewhat thankful for the situation as it accelerated our use of drones and led us to think of more areas where we can deploy the technology.

Although we are now back at capacity with 1,100 workers, we believe the way forward is to deploy drones for suitable types of façade work. Firstly, it greatly reduces the set-up time and costs usually associated with erecting gondolas and other heavy equipment before work can begin. Secondly, it will help to speed up the delivery of projects and enhance the safety of workers as well as counter the rising costs of foreign labour and increase the quality of completed work because the drone is AI-driven and it follows a digitally mapped out path that ensures all surfaces are covered.

Today, ISOTeam is already undertaking façade inspections in collaboration with H3 Dynamics Pte Ltd, by using the latter's façade inspection drone, which is able to collect data and then process it using AI to detect common defects such as cracks and corrosion and consolidate it into digital and interactive reports via a holistic management platform. Between 2021 and 2023, we inspected around 636 HDB blocks using drones and we expect the volume to ramp up in the future.

Encouraged by the success of the façade inspection drone, we went on to explore an autonomous AI-driven façade painting drone together with partners Nippon Paint (Singapore) Co. Pte Ltd and Acclivis Technologies and Solutions Pte Ltd, which we are very excited about.

The painting drone, which is currently under development, has made great progress. In August 2023, we were awarded the Enterprise Development Grant, which will support part of the actual qualifying cost of all qualifying items of expenditures and help to defray expenses incurred for its development. In September 2023, we received an operator permit from the Civil Aviation Authority of Singapore, which will allow the painting drone to take flight.

We are pleased with the progress and greatly look forward to our painting drones becoming a common sight at all façade painting projects by the end of 2024.

In other developments, we are very encouraged by the overwhelming support we received from our shareholders in our recent rights issue. Comprising 347.2 million shares at $0.03 apiece, the issue was 59.3% over-subscribed and raised $10.3 million in net proceeds for us. The response demonstrated our shareholders' confidence in ISOTeam and in the prospects of the construction industry.

The funds raised will enable us to better manage the rising cost of project financing and give us the flexibility to pursue more contracts and position us to seek opportunities for further growth. We believe shareholders have put their faith in the right place as we believe that the construction industry can only get better from here on.

Meanwhile, we are looking forward to significant cost savings in worker housing as we have just obtained the requisite permits to build a worker dormitory on two floors of our headquarters to house almost 290 workers.

PROSPECTS

In the current financial year ending 30 June 2024 ("**FY2024**"), we are cautiously optimistic about the operating conditions in the construction sector despite rising manpower and material costs, and the current interest rate environment, which may impact the Group's cost of borrowing. However, we believe that our renewed focus on our core construction related businesses and the funds raised from the rights issue has provided us with the optimum resources to navigate the conditions and achieve further improvement in our business activities.

According to data from the Ministry of Trade and Industry in August 2023, Singapore's construction industry had expanded 6.8% year-on-year in the second quarter of 2023, extending the 6.9% growth in the preceding quarter.[1] This was attributed to higher construction output by both the public and private sectors during the quarter and we believe that this growth trajectory will continue.

The future looks rosy as we expect to be busy with tenders for upcoming projects such as the $338 million Façade Enhancement Programme involving more than 4,000 HDB blocks island-wide, which will run until March 2029; upcoming Home Improvement Programme for another 230,000 flats; Remaking our Heartland Programme for the next batch of estates including Ang Mo Kio, Bukit Merah, Choa Chu Kang and Queenstown; and ongoing repainting works with a five-year cyclicality.

With the rebound in the construction sector and our record order book, we are optimistically confident about our performance over the next two years. As such, we have announced an update to our dividend policy to reflect our commitment to recommend and distribute an annual payout of at least 25% of our net profit after tax for FY2024. This will be adjusted to 30% for the fiscal year FY2025.[2]

APPRECIATION

In closing, we want to thank all shareholders, partners, customers, our staff and Board of Directors and everyone who has contributed to helping us overcome the difficult pandemic years.

We look forward to much better years ahead with your ongoing support.

David Ng,
Executive Chairman

Anthony Koh,
Executive Director and CEO

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[1] *Ministry of Trade and Industry, "MTI Narrows Singapore's GDP Growth Forecast for 2023 to "0.5 to 1.5 Per Cent", 11 August 2023*

[2] *Subject to the Company's retained earnings, financial position, capital expenditure requirements, future expansion, investment plans and other relevant factors*

BOARD OF **DIRECTORS**

DAVID NG CHENG LIAN | ANTHONY KOH THONG HUAT | DANNY FOO JOON LYE | RYOTA FUKUDA

DAVID NG CHENG LIAN

Executive Chairman
First Appointed: 12 Dec 2012
Last Re-elected: 29 Dec 2020

With over 37 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 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 32 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.

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 31 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, its 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, Searefico and Director of ISO-Integrated M&E.

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

BOARD OF DIRECTORS

TAN ENG ANN　　TEO HO PIN　　SOH CHUN BIN

TAN ENG ANN

Independent Director
First Appointed: 7 Jun 2013
Last Re-elected: 29 Dec 2020

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 over 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, and a Visiting Professor at the Singapore University of Technology & Design. 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 Non-executive Chairman of SGX-listed Tiong Seng Holdings Limited and a director of King Wan Corporation Limited, Broadway Industrial Group Limited and Enviro-Hub Holdings Ltd., and the Senior Advisor to Surbana Technologies Private Limited.

SOH CHUN BIN

Independent Director
First Appointed: 7 Jun 2013
Last Re-elected: 27 Oct 2021

Mr Soh is Chairman of the Group's Remuneration Committee. He has more than 20 years of experience in the corporate finance and legal sectors, specialising in capital markets and mergers and acquisitions. He is currently the Managing Director of Icon Law LLC.

Mr Soh began his career as a corporate lawyer and was one of the pioneering lawyers at Stamford Law (now known as Morgan Lewis Stamford) during its inception in the early 2000s, and one of its youngest equity partners. In 2012, he left the legal profession to be the chief executive of several companies (including listed companies), before returning to legal practice in early 2017. He has advised on many Singapore and international initial public offerings of corporations and real estate investment trusts, as well as on post-listing fundraising. His expertise spans diverse industries, including real estate, resources, infrastructure, and technology. He has been recognised as a leading lawyer by legal publications such as Chambers and Partners, and Asialaw.

He graduated from the National University of Singapore with a Bachelor of Law (Honours) in 1999. He currently holds directorships at SGX-listed companies Triyards Holdings Limited and Lorenzo International Limited.

EXECUTIVE OFFICERS

ANDERS TEOH KOK ANN

ALBERT TENG ANN BOON

ANDERS TEOH KOK ANN

Chief Operating Officer (COO)

Mr Teoh was appointed COO of ISOTeam in January 2021 and is responsible for its daily operations. In 2002, he joined the Group's specialised coating and painting subsidiary, ISOTeam C&P. He has over two decades of experience in the R&R industry and was Managing Director of Goodwood Development Group Pty Ltd for two years prior to joining the Group. From 2002 to 2014, Mr Teoh established specialist painting and coatings firm Accom Pte Ltd ("**Accom**") and was its Executive Director. When Accom was acquired by ISOTeam in 2014 and subsequently renamed ISOTeam C&P, he was its Managing Director until 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, industrial properties; as well as hotels and private residential properties. 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

Chief Strategy Officer (CSO)

Mr Teng became the Group's CSO in August 2016 and is responsible for strategic planning, business and corporate development as well as evaluating and executing the Group's investments and acquisitions plans. Prior to his appointment, he was the General Manager of one of the Group's subsidiaries. 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 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 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 · LIM KIM HOCK · CHAN CHUNG KHANG

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 had 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 Charted Accountants.

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 the Quantity Surveyor cum Project Manager of 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.

CHAN CHUNG KHANG

General Manager and Managing Director
(ISOTeam Renewable Solutions)

Mr Chan, who joined the Group in 2002 as a Project Supervisor, has been the Group's General Manager since 2012. He is in charge of business expansion and diversification; planning and policies 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 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 DIVISION **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.

KELVIN TAN MENG SOO
Managing Director (ISO-Integrated M&E)

Mr Tan joined Raymond Construction in 2015. When ISOTeam acquired Rong Shun Engineering & Construction Pte Ltd, now known as ISO-Integrated M&E in 2017, he was assigned to spearhead its expansion into a full-fledged M&E service provider. With over 27 years of experience in the construction industry, he has completed projects for military and defence facilities, new build and A&A of schools, nursing homes, sports and swimming complexes, park connectors, BTO flats, ELU, NRP and HUP programmes for HDB and various commercial and private projects. Mr Tan holds a Diploma in Electrical Engineering from Singapore Polytechnic in 1992 and is also a Licensed Electrical Worker.

DENNIS CHIN WAI TUCK
Director (Zara @ ISOTeam)

Mr Chin joined our 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 Project Manager responsible for managing the Group's civil work term contracts from Nparks. He was promoted to Director of ISO-Landscape in 2023 and is now in charge of the Group's landscaping projects. Mr Chan has 24 years of experience in the hospitality, design and construction industry. He obtained a Diploma with distinction in Interior Design from NAFA (Singapore) in 1999. In 2022, he received the BPM203 certificate for Construction Project Management from the Singapore University of Social Sciences and also became a CAAS-certified unmanned airport pilot. In 2023, he obtained a Certificate in Façade Inspection from the IES Academy.

OPERATING **REVIEW**

SALIENT HIGHLIGHTS FOR THE YEAR

- ISOTeam returned to profitability for the 12 months ended 30 June 2023 ("**FY2023**") after three financial years of losses. The turnaround was achieved on the back of the post-pandemic recovery in Singapore's construction sector as well as the Group's sharpened focus on its core construction-related businesses.

- Aligned to this focus to grow its mainstay services, the Group divested its three remaining non-performing businesses in FY2023. The sale resulted in a net divestment gain of around $2.5 million from SGBike and ISOTeam Green Solutions and further potential gains are expected when ISOTeam Access is monetised.

- The Group completed all its low-margin legacy contracts from the pandemic era in FY2023. With this, the drag from such legacy contracts has been fully eliminated from the Group's order book. As of 3 August 2023, the Group's order book stood at a 10-year high of $194.0 million comprising projects with reasonably good margins that reflect the current operating environment.

- Singapore's construction sector recorded a growth of 6.8% year-on-year ("**yoy**") and 2.7% sequentially for the second quarter of 2023.[1] Reflecting this recovery, the Group secured approximately $153.4 million new projects between July 2022 and August 2023, mostly from the public sector.

- While rising manpower and material costs, and the current interest rate environment present challenges, the Group believes it is well-positioned to achieve improvement in its business performance in view of the above, barring unforeseen circumstances.

Summary: Completed Projects	FY2022		FY2023	
	Number	Value ($'m)	Number	Value ($'m)
R&R	20	26.6	14	39.1
A&A	8	28.0	2	1.7
C&P	39	13.6	7	1.1
Others	12	18.7	8	1.2
Summary: Ongoing Projects	**FY2022**		**FY2023**	
	Number	Value ($'m)	Number	Value ($'m)
R&R	34	89.3	29	90.7
A&A	21	148.2	25	185.2
C&P	49	33.7	55	45.5
Others	35	43.3	45	57.8

[1] *Ministry of Trade and Industry, "MTI Narrows Singapore's GDP Growth Forecast for 2023 to "0.5 to 1.5 Per Cent", 11 August 2023*

OPERATING REVIEW

R&R

The Group completed 14 R&R projects in FY2023 compared to 20 in FY2022. They included 259 HDB blocks in Chua Chu Kang Town Council, West Coast Town Council, Pasir Ris-Punggol Town Council, Ang Mo Kio Town Council, Tampines Town Council, Tanjong Pagar Town Council and four market and food centres. As at 30 June 2023, the Group had 29 ongoing R&R projects aggregating approximately $90.7 million that are expected to be completed by 2025. They comprise mainly public sector repainting contracts for the Town Councils of Tanjong Pagar, Jalan Besar, Aljunied-Hougang, Pasir Ris-Punggol, Sengkang, Tampines, Bishan-Toa Payoh, Jurong-Clementi, Marine Parade, West Coast and Sembawang as well as for the private sector.

A&A

The Group completed 2 A&A projects in FY2023 compared to 8 in FY2022. They comprised private sector projects for envelope control for an intermediate terrace dwelling house. As at 30 June 2023, the Group had 25 ongoing A&A projects valued at approximately $185.2 million most of which are expected to be completed by 2026. They include 160 HDB blocks across the Town Councils of Bishan-Toa Payoh, Jurong-Clementi, Aljunied-Hougang, Tampines, Marsiling-Yew Tee, Nee Soon, Ang Mo Kio, Marine Parade, Pasir Ris-Punggol and Sembawang as well as works for an industrial building, park connector, carpark and swimming pool.

C&P

The Group completed 7 C&P projects in FY2023 compared to 39 projects in FY2022. Key projects completed included the Mandai Bird Park, Singapore Expo, Wilmar's HQ, Singtel at Old Choa Chu Kang Road and SOKA Centre @ Sumang Walk among others. As at 30 June 2023, the Group had 55 ongoing C&P projects valued at approximately $45.5 million. Significant projects include works for Thomson East Coastline T301 Changi Depot, Sengkang West Bus Depot, a national research facility, a business park, as well as several residential, sports and recreation developments.

OPERATING
REVIEW

OTHERS

The Group completed 8 projects in FY2023 under its Others business segment compared to 12 projects in FY2022. As of 30 June 2023, the Group had 45 ongoing projects worth $57.8 million compared to 35 projects totalling $43.3 million in FY2022.

- Interior Design and Retrofitting (collectively "**ID**")

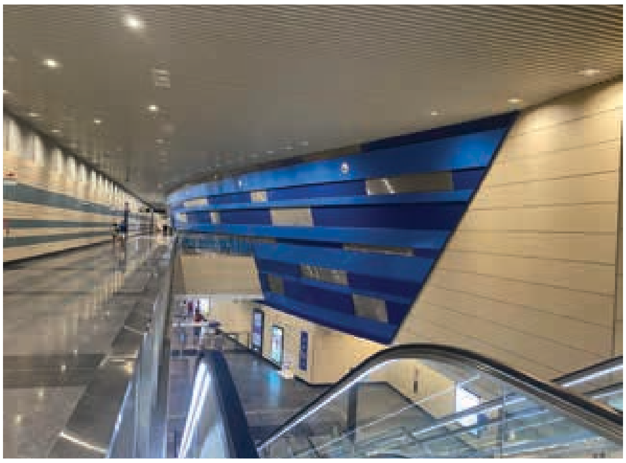
The Group completed 4 ID projects in FY2023 including various commercial units. As at 30 June 2023, key ongoing ID projects included an e-commerce centre and Mandai Bird Park.

- Landscaping

The Group completed 3 landscaping projects in FY2023 including for Ang Mo Kio Town Council and private sector projects. As at 30 June 2023, key ongoing landscaping projects included a new term contract with a town council.

- Mechanical and Electrical Engineering ("**M&E**")

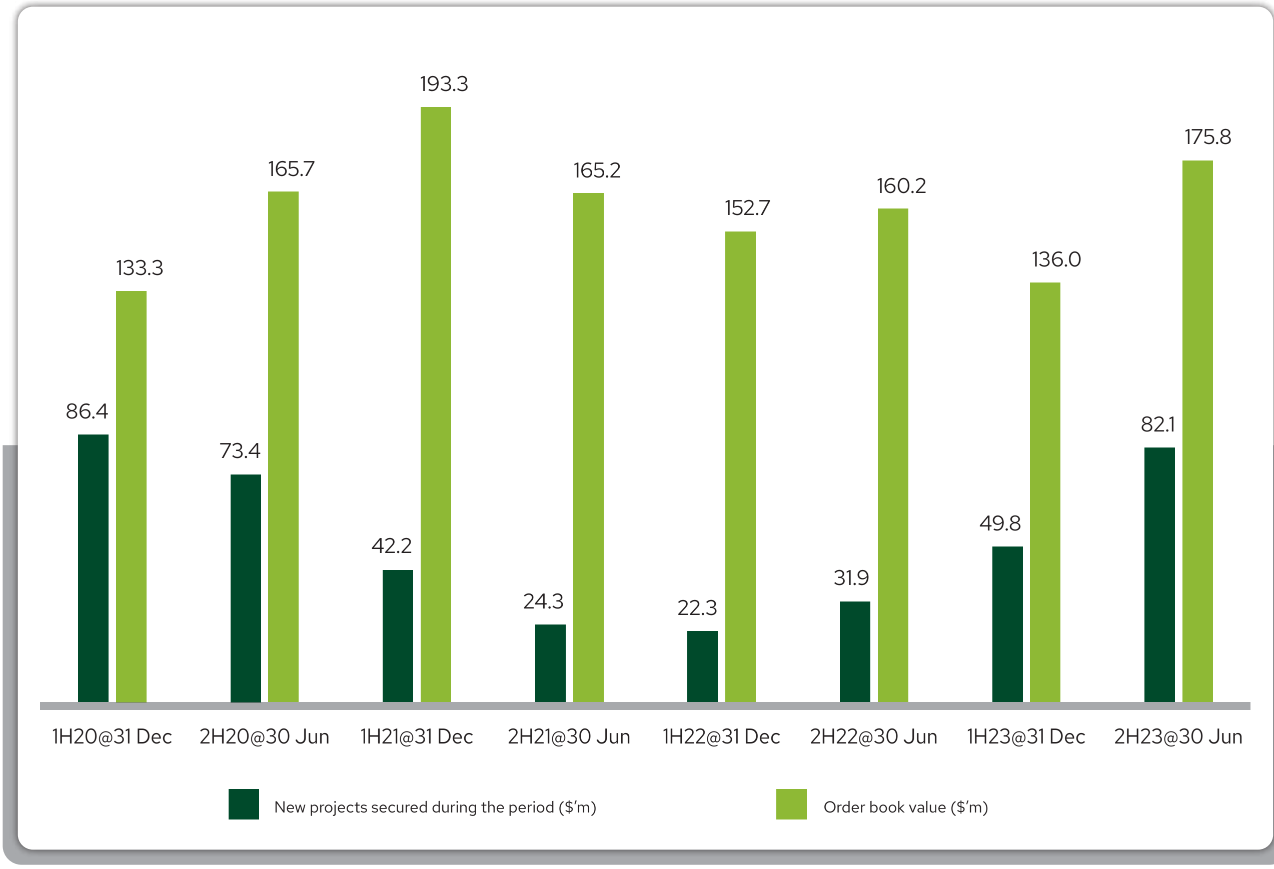
The Group completed 1 M&E project in FY2023 for Jewel Changi Airport. As at 30 June 2023, there were 9 ongoing M&E projects.



ORDER BOOK

In FY2023, the Group secured new projects worth an aggregate of $131.9 million compared to $54.2 million a year ago. As of 30 June 2023, its order book stood at a robust $175.8 million.

On 3 August 2023, the Group announced new contracts worth $21.5 million, which lifted its order book to a 10-year record high of $194.0 million. These book orders will be progressively delivered by FY2026.



FINANCIAL **REVIEW**

REVIEW OF INCOME STATEMENT

Revenue

In FY2023, the Group's revenue rose 14.4% yoy to $110.4 million with three of its four business segments recording high double-digit revenue growth. Lifted by the post-pandemic recovery in the construction sector, R&R, which is the largest revenue generator, rose 22.3% yoy to $35.6 million, while C&P and Others rose 44.2% and 35.9% to $13.2 million and $28.3 million respectively. This was partially offset by weaker performance from the A&A segment, which declined 10.9% yoy to $33.3 million.

In terms revenue split, R&R, A&A, C&P and Others contributed approximately 32.3%, 30.2%, 11.9% and 25.6% of total FY2023 revenue respectively.

Profitability

The Group returned to the black in FY2023 on the back of its sharpened focus on its core construction-related businesses as well as the positive post-Covid environment.

Rising in tandem with higher revenue, gross profit surged 149.8% to $11.1 million in FY2023 while gross profit margin more than doubled to 10.1% from the 4.6% in FY2022. The strong margin improvement was mainly attributed to the completion of low-margin legacy projects from the pandemic era.

At the bottom-line, the Group recorded net attributable profit attributable to shareholders of $1.4 million in FY2023 as compared to a loss of $13.2 million in FY2022.

Other Income and Expenses

The Group's other income declined 31.8% yoy to $4.6 million in FY2023 due mainly to the absence of a one-off gain from the disposal of other investment as compared to FY2022 when the Group divested its Sunseap Group Ltd stake and two non-performing subsidiaries. In relation to this, marketing and distribution expenses fell 17.4% yoy to $0.8 million due to a reduction in staff cost.

In other expenses, general and administrative expenses declined to $11.3 million in FY2023 from $12.1 million in FY2022 due to a reduction in professional fees incurred, while finance costs rose 33.4% yoy to $2.3 million in FY2023 due to the utilisation of trade facilities and higher interest incurred on bank borrowings.

Without the one-off impairment loss sustained in relation to its wholly-owned subsidiary TMG Projects Pte Ltd in FY2022, the Group's impairment loss on receivables and contract assets decreased 94.2% yoy from $9.8 million in FY2022 to $0.6 million in FY2023. Similarly, other operating expenses fell 83.0% yoy from $1.4 million in FY2022 to $0.2 million in FY2023 mainly from a reduction in amortisation of intangible assets resulting from the derecognition of TMG Projects Pte Ltd in FY2022.

FINANCIAL **REVIEW**

REVIEW OF FINANCIAL POSITION

The Group's financial standing remained sound with cash and bank balances of $6.8 million and a debt-to-equity ratio of 1.9 times as at 30 June 2023.

Assets

Non-current assets decreased $0.2 million from $28.2 million as at 30 June 2022 to $28.0 million as at 30 June 2023. This was mainly due to a decrease in property, plant and equipment, and intangible assets to $21.7 million, which was in relation to the disposal of non-performing subsidiaries comprising SGBike, ISOTeam Green Solutions, and ISOTeam Access, and offset by the increase in Other Investment and deferred tax assets to $4.6 million. Current assets increased $8.4 million or 13.0% yoy from $64.6 million as at 30 June 2022 to $73.0 million as at 30 June 2023. This was mainly due to an increase in trade and other receivables and contract assets to $65.9 million offset by the decrease in cash and bank balances to $6.8 million as the Group settled trade and other payables of $24.3 million.

Liabilities

The Group's non-current liabilities decreased $5.3 million or 23.9% yoy from $22.3 million as at 30 June 2022 to $17.0 million as at 30 June 2023 as the Group repaid loans and borrowings of $13.5 million and lease liabilities of $3.3 million. Current liabilities increased $8.8 million or 17.7% yoy from $49.6 million as at 30 June 2022 to $58.4 million as at 30 June 2023 primarily from the increase in trade and other payables and bank borrowings to $24.3 million and $30.6 million respectively.

REVIEW OF CASH FLOW STATEMENT

Net cash used in operating activities

Net cash used in operating activities amounted to $10.0 million in FY2023 compared to $5.2 million in FY2022. The higher utilisation was mainly due to significant increases in contract assets and trade and other receivables to $12.6 million and $14.5 million respectively which were partially offset by increases in trade and other payables and contract liabilities to $10.9 million and $1.5 million respectively.

Net cash (used in)/generated from investing activities

Net cash used in investing activities amounted to $1.1 million compared to net cash generated of $16.1 million in FY2022 when the Group divested and derecognised certain investments and subsidiaries. The net cash utilised in FY2023 was mainly due to the purchases of property, plant and equipment and intangible assets.

Net cash used in financing activities

Net cash used in financing activities amounted to $3.2 million in FY2023 compared to $7.9 million in FY2022. This was mainly due to repayment of borrowings, interest paid and repayment of lease liabilities which were partially offset by drawn down of borrowings.

SUSTAINABILITY **REPORT**

ABOUT THIS REPORT

In our sixth sustainability report (the "**Report**" or "**SR2023**"), we take the chance to continue the conversation on our pursuit of sustainable growth, our challenges and material issues that are important to our stakeholders. The report will highlight our sustainability efforts on economic, environmental, social and governance ("**EESG**") issues for the financial year ended FY2023.

REPORTING PERIOD AND SCOPE

The data and information in this Report covers the Group's operations in Singapore, for the period from 1 July 2022 to 30 June 2023, which is in line with our Group's financial year FY2023 ("**FY2023**"). Group-level figures are in Singapore dollars.

REPORTING FRAMEWORK

We have prepared the Report with reference to the latest version of the Global Reporting Initiative ("**GRI**") Standards – the GRI Standards 2021, the SGX Sustainability Reporting Guide and in accordance with Listing Rules 711A and 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited Listing Manual: Section B: Rules of Catalist ("**Catalist Rules**").

We have chosen GRI as the sustainability reporting framework for its robust regime and adopted its principles of stakeholder inclusiveness, sustainability context, materiality, and completeness in preparing this Report. Making use of its quality, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness and have used the GRI reporting principles to conduct the Company's materiality assessment on page 31. The GRI Content Index, which summarises disclosures made in this Report, has also been included on page 45.

In addition, we have introduced and mapped our sustainability efforts to the 2030 Agenda for Sustainable Development on page 26. The Company has also adopted a phased-approach on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) framework for its Report.

This year marks the debut of the implementation of the SGX ESGenome platform for the Group's ESG data management and disclosure for this year's Sustainability Report. SGX ESGenome is one of the four digital platforms of the Monetary Authority of Singapore's ("**MAS**") Project Greenprint, which is a collaboration between MAS and SGX.

ASSURANCE FOR THIS REPORT AND RESTATEMENTS

We have not sought external assurance for the disclosures made in this Report but may consider doing so in the future. We have used internal verification to ensure the reliability of our EESG data. To comply with paragraph 3 of Catalist Rule 711B, the Company has subjected its sustainability reporting process for internal review 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**").

Restatements has been made on the number of Accident Frequency Rate ("**AFR**") and Accident Severity Rate ("**ASR**") for FY2022 on page 37 to account for the total figure of the Group accurately.

SUSTAINABILITY **REPORT**

STATEMENT ON SUSTAINABILITY AND POLICY COMMITMENTS

At ISOTeam, we recognise our role within the industry and the broader community around us as an established and leading player in Singapore's building maintenance and estate upgrading industry. We aim to create a positive impact where we take our social and environmental responsibilities seriously through our responsible business practices. To achieve this, we engage our stakeholders annually to assess the impact of our business activities on the environment, social, governance and economy.

Given the integral role that migrant workers play in our operations, we are committed to upholding internationally accepted labour and human rights principles such as the International Labour Organisation's ("**ILO**") Core Labour Standards and the Universal Declaration of Human Rights in our newly implemented Human Rights Policy, which we have developed based on a precautionary principle approach. The Group's Human Rights Policy has been endorsed by the Board and has been internally distributed for implementation, as well for its affiliates, partnerships, and other business entities under the Group's direct or indirect control. This policy applies to all directors, officers, and employees within the organisation. Additionally, we have enhanced our Occupational Health & Safety policy to prioritise a safe and secure working environment for our employees, aiming to minimise or eliminate reportable workplace-related injuries and fatalities.

ACCESSIBILITY OF THIS REPORT

This Report is a part of our Annual Report 2023. In line with the spirit of sustainability reporting and conservation, we have made an electronic version of this Report available on our corporate website http://isoteam.listedcompany.com/ar.rev and on the SGX-ST website https://www.sgx.com/.

As part of our continual efforts to improve the coverage of our sustainability practices, stakeholders are welcome to submit their queries or feedback on our sustainability performance at ir@iso-team.com.

SUSTAINABILITY GOVERNANCE

Our Board of Directors oversee the execution of the Group's sustainability practices. Our management team is responsible for leading and overseeing the Group's sustainability efforts by ensuring that our business objectives align with our commitments to our sustainability efforts and goals. Our Board of Directors are constantly kept informed of our progress towards achieving our sustainability goals.

We have assigned dedicated EESG champions in each key department throughout our business operations to gather opinions from our key stakeholders and advocate best EESG practices in each department. With input from our stakeholders, we can ensure that the EESG considerations are integrated into our day-to-day processes and be attributed into our decision-making.

SUSTAINABILITY **REPORT**

BOARD STATEMENT

Sustainability has always been ingrained in our operational philosophy since the establishment of our business. On an ongoing basis, the Group has worked towards integrating green materials and methodologies and actively sought ways to contribute to Singapore's green goals and to the local community. We are cognisant of the Singapore Green Plan 2030 and the government's efforts to ingrain sustainability and ESG from a top-down approach.

We have also ensured that EESG goals are aligned with ISOTeam's strategic goals, commercial objectives, governance measures and social responsibilities. The Board of Directors (the "**Board**") actively supports and guides the Company in its sustainability efforts and also acts as a steward to the Company. The Board provides regular oversight of the Group's sustainability practices, performance and compliance with relevant regulations and is responsible for the ultimate decisions and oversight of the Company's impacts on the economy, environment and people. The Board and management have undergone ESG and sustainability trainings conducted by recognised professional bodies (e.g. the Singapore Institutes of Directors) to enhance understanding and reinforcement of proficiency in driving the Company's sustainability efforts.

ISOTeam had weathered some challenging years due to the COVID-19 pandemic with economic uncertainties that hindered supply chain recovery as well as rising inflation and soaring raw material prices. We are delighted to announce that the Company has successfully emerged from three years of losses and now has reached a turning point towards profitability.

In the previous year, as part of our commitment to reduce environmental impact and indirectly reduce carbon emissions, we participated in a pilot project by the Tampines Town Council where heat-reflective (or cool coatings) paint was used on some 130 HDB blocks in Tampines to reduce ambient temperature by up to 2°c. Building on the success of this pilot project, the Company has been tasked by HDB to apply the cool coatings paint on a few clusters of HDB blocks in Tampines West and the Central Divisions.

In terms of Corporate Social Responsibility ("**CSR**"), we have demonstrated our dedication to the local community through financial contributions and the resumption of our in-person CSR programmes, which extend assistance to those in need. Our unwavering commitment to community support persists. Additionally, we commemorated a significant event by hosting the inaugural ISOTeam Warriors' Day 2023, providing an opportunity to celebrate with our valued migrant workers.

On behalf of the Board and management of the Company, we wish to thank all who have been by our side on our sustainability journey. We eagerly anticipate your continued collaboration and support as we strive to build a better world for the future.

OUR VISION

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

OUR MISSION

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

David Ng
Executive Chairman

SUSTAINABILITY **REPORT**

SUSTAINABILITY APPROACH

ISOTeam takes its ESG responsibilities seriously and we are committed to deliver long-term and sustainable value for all our stakeholders. This involves minimising resource wastage and ensuring a harmonious co-existence with the environment. The Board oversees the policies and procedures relating to EESG factors together with the management and the assistance of external consultants. The Board will evaluate the effectiveness of the existing sustainability practices, review ESG performance and set goals and implementation for ISOTeam on an annual basis.

To protect the environment, we will continue to use greener materials and methodologies as our preferred choice. In doing so, we constantly review and refine our business value chain's eco-friendliness and efficiency and work closely with all stakeholders and our supply chain to achieve these objectives.

SUPPLY CHAIN MANAGEMENT

The Group is committed to achieving sustainable growth and the creation of value that is mutually beneficial. We place emphasis on sourcing for sustainable materials and have started engaging with suppliers and subcontractors to explore ways to refine both our operational efficiency and the quality of service that we can offer to our customers.

With inflationary pressures and ongoing supply chain challenges due to the lingering effects from the COVID-19 pandemic and the ongoing Russian-Ukraine war, we constantly review our procurement practices so as to diversify and avoid over-reliance on any particular supplier and source market. This has become particularly important due to the prolonged nature of these cost increases.

GREEN PROCUREMENT

ISOTeam has a set of Green Procurement Guidelines which promotes environmental management across the entire supply chain to provide more environmentally responsible products. The guidelines allow us to identify and differentiate products and methods which are more sustainable and environmental friendly. These practices are embedded within our procurement and vendor evaluation processes to align our sustainability approach with our business partners. We source products and other resources from both local and overseas companies that meet our Green Procurement Guidelines. We are committed to contribute to the greening of Singapore's Built Environment, and we will continue to innovate and forge positive relationships to provide greener products, systems and practices.

ACCREDITATIONS, ACCOLADES, MEMBERSHIPS AND LICENSES

Having established an industry track record for quality, speed and safety, we are honoured to be part of organisations, societies, associations and charters, to have received numerous awards in recognition of our efforts. Please refer to our Annual Report 2023 (page 4) for full details of the Group's accreditations, accolades, memberships and licenses.

SUSTAINABILITY **REPORT**

STAKEHOLDER GROUPS AND ENGAGEMENT ACTIVITIES

We carry out stakeholder engagements at each level of the sustainability governance structure as we understand the importance of seeking feedback from our stakeholders on EESG issues. We have sought feedback from our stakeholders to understand their expectations and concerns after identifying our material EESG factors that we think are most relevant to our business operations and stakeholders. We have incorporated such feedback to enhance the Company's sustainability reporting for FY2023, as we consider it a crucial aspect of our dedication to transparency and accountability.

We have involved all levels of stakeholders, including our beneficiaries from our community engagement. We believe this approach will not only benefit our stakeholders and the environment but also contribute to our long-term viability and success.

STAKEHOLDERS

Stakeholders	How We Engage	Expectation and Interests	Frequency of Engagement
Employees	• Employee appraisals • Employee trainings • Policies and procedures • Appreciation dinners and other festive events	• Employee welfare and benefits • Personal development • Progressive and fair remuneration • Job stability	Daily
Customers	• Enquiry and feedback channels • Direct customer meetings	• Good customer service • Price advantage	Daily
Suppliers	• Supplier evaluations • Periodic meetings	• Prompt payment • Compliance with terms and conditions of transactions	Daily
Investors	• Annual meetings, bi-annual briefings and ad-hoc investor meetings • Circulars, reports and news releases to shareholders	• Profitability and dividends • Transparency and timely reporting	Annual or Half-Yearly (where applicable)
Government and Regulators	• Discussions with relevant authorities • Timely reporting to regulators and government agencies	• Compliance with regulations • Proper reporting procedures and channels in place	As and when needed
Communities	• Corporate social responsibility activities • Environmentally friendly product/ service launches	• Social responsibility to relevant communities • Support for community development	Annual (or where applicable)
Business Partners	• Pursuing business opportunities to expand and strengthen capabilities and competencies	• Collaboration for further growth and opportunities	Annual (or where applicable)

SUSTAINABILITY REPORT

SHAREHOLDERS AND INVESTOR ACTIVITIES

The Group is committed to good corporate governance practices and maintains a healthy and transparent internal control system over the financial, operational and compliance aspects of our business. We were ranked 224th in the 2023 Singapore Governance and Transparency Index ("**SGTI 2023**") (FY2022: 351st) with an improved score of 74 among listed companies in Singapore that were evaluated. In the SGTI 2023, it was discovered that companies with higher EESG-related disclosures show higher increase in mean scores, and we hope to increase our scores in the future with better disclosures.

The Group continues to enforce timely and accurate corporate disclosures and transparency. As part of this, we actively engage shareholders, the investing community and the media, to provide the latest information on the Group's operations, financial performance and strategic business updates via the following platforms:

- Singapore Exchange Securities Trading Limited website www.sgx.com and our corporate website www.isoteam.com.sg;
- IR contact email: ir@iso-team.com;
- An e-mail alert service via our IR website, that informs subscribers whenever an announcement is posted on the website;
- Annual General Meetings, a platform where our Directors and Executive Officers engage shareholders directly; and
- Analyst and investor briefings every half-year in relation to our financial results.

Calendar of Financial Events	Event
25 October 2022	10th Annual General Meeting
13 February 2023	HY2023 results announcement
15 February 2023	HY2023 financial results briefing (hybrid)
28 August 2023	FY2023 results announcement
29 August 2023	FY2023 financial results briefing (virtual)

SUSTAINABILITY **REPORT**

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We support the United Nation's Sustainable Development Goals ("**SDGs**") and we have mapped our material EESG factors with the SDGs which contributes to the sustainable development of the Company and so doing, aligning with Singapore's SDG.

UN SDG	Material EESG Factors	How We Support
Economic		
8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	*Economic Performance*	Our dedication lies in constructing dependable, eco-friendly and robust infrastructure for our clients. We are also committed to generating enduring economic benefits for those invested in our endeavours.
Environment		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	*Energy Consumption* *Greenhouse Gas ("**GHG**")* *Emissions* *Water & Affluents* *Waste Management*	We are committed to reduce our energy consumption, GHG emissions and maintaining a watchful approach to the management of our waste and water usage.
Social		
3 GOOD HEALTH AND WELL-BEING	*Occupational Health & Safety*	The core of our business lies with our 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.
4 QUALITY EDUCATION	*Develop and Retain Talent*	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.
5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	*Human Rights*	As a significant portion of our workforce are migrant workers, we are committed to safeguarding the fundamental human rights of all individuals and ensuring that they are protected from discrimination, exploitation and other forms of abuse.
5 GENDER EQUALITY	*Diversity*	We will continue to diversify our workforce, alongside maintaining equality in our hiring practices across all levels of employment.
Governance		
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	*Anti-Corruption & Bribery*	We believe in setting the right tone from the top. We are committed to high standards of corporate governance with zero tolerance for corruption.

SUSTAINABILITY
REPORT

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

ISOTeam understands that setting the foundation of climate resilience requires developing a strong strategy and risk management framework with proper data collection and management. To achieve this, the Company has adopted the recommendations of the TCFD framework and stored and managed its EESG data using the SGX ESGenome app.

TCFD framework has four (4) overarching elements – Governance, Strategy, Risk Management and Metrics & Targets. These elements are disclosed across various sections of the Company's Sustainability Report.

GOVERNANCE

Effective corporate governance on climate and sustainability-related matters requires strong leadership and effective oversight by ISOTeam's Board and management.

This section discloses ISOTeam's governance around climate-related risks and opportunities.

TCFD recommended disclosures	ISOTeam's approach	Reference
Describe the Board's oversight of climate-related risks and opportunities	• The Board's primary role is to protect and enhance long-term value for the Shareholders. The Board's key responsibilities include setting the Company's strategic plans, values and benchmarks, reviewing the performance of the management of the Company, ensuring the implementation of appropriate control systems to manage ISOTeam's business and financial risks, and ensuring that sustainability issues are part of ISOTeam's values and goals. • The Board monitors and oversees progress on sustainability and climate-related risks and opportunities that meet shareholders' expectations, and reviews significant issues raised. • The Board is also kept updated on sustainable development issues with relevant trainings arranged and funded by ISOTeam. • The Board approves and endorses the Sustainability Report, which provides comprehensive sustainability disclosures.	• Board Statement and Sustainability Report
Describe the management's role in assessing and managing climate-related risks and opportunities	• 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 and reporting using SGX ESGenome App.	• Board Statement and Sustainability Report

SUSTAINABILITY **REPORT**

STRATEGY

We aim to provide concise and clear communication of ISOTeam's sustainability strategy that will allow our stakeholders to gain a deeper understanding of how climate-related issues may affect our future performance.

This section discloses the actual and potential impacts of climate-related risks and opportunities on ISOTeam's businesses, strategy, and financial planning where such information is material.

TCFD recommended disclosures	ISOTeam's approach	Reference
Describe the climate-related risks and opportunities that ISOTeam has identified over the short, medium, and long term **Describe the impact of climate-related risks and opportunities on ISOTeam's businesses, strategy, and financial planning**	• As a reputable player in the building and construction industry, the Company is a forerunner in green practices with the usage of eco-friendly products and solutions. The Company will continue to engage their stakeholders annually with a goal to understand their impacts on the environment, economy, social and governance in the short, medium and long term. • Furthermore, the Company has proactively embedded climate-friendly opportunities into the businesses, strategy and financial planning with green projects, such as the construction of the solar farm in the Straits of Johor.	• Board Statement, Sustainability Report
Describe the resilience of ISOTeam's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	• The Company is taking significant steps towards curtailing GHG emissions by tracking their carbon emissions more diligently. Going forward, in FY2024, the Company will endeavour to record carbon emissions at various project and construction sites and endeavour to disclose Scope-3 carbon emissions. • The Company will also explore the usage of climate scenario analysis in subsequent sustainable reporting.	NA

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RISK MANAGEMENT

Risk management is the set of processes that supports the achievement of the organisation's objectives by addressing its risks and managing the combined potential impact of those risks. These processes are carried out by ISOTeam's Board and management.

This section discloses how ISOTeam identifies, assesses, and manages climate-related risks.

TCFD recommended disclosures	ISOTeam's approach	Reference
Describe ISOTeam's processes for identifying and assessing climate-related risks **Describe ISOTeam's processes for managing climate-related risks**	• The Company has gathered feedback from both internal and external stakeholders through an online survey and identified 11 material EESG factors for FY2023. • To uphold the best standards of EESG practices throughout ISOTeam's operations, ISOTeam has designated EESG champions at the operational level to ensure that EESG considerations and targets are integrated into day-to-day decision-making processes.	• Identification of Material EESG Factors, Sustainability Report • Sustainability Governance, Sustainability Report
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into ISOTeam's overall risk management	• ISOTeam recognises that, aside from strategic, financial and operational risks, climate-related risks do affect its business as well. • ISOTeam will continue to monitor and review developments to relevant standards.	• Board Statement and Sustainability Report

METRICS AND TARGETS

This section discloses the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD recommended disclosures	ISOTeam's approach	Reference
Disclose the metrics used by ISOTeam to assess climate-related risks and opportunities in line with its strategy and risk management process	• ISOTeam has prepared the Sustainability Report in accordance with leading sustainability standards (GRI framework) and has reported on their GHG emissions.	• Board Statement and Sustainability Report
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	• ISOTeam has measured and disclosed Scope 1 and Scope 2 GHG emissions and related risks. • ISOTeam endeavours to disclose Scope 3 emissions in the next Sustainability Report for FY2024.	• Green Value & Initiatives, Sustainability Report
Describe the targets used by ISOTeam to manage climate-related risks and opportunities and performance against targets	• The Company's sustainability report will be submitted for an internal review by a third-party internal audit firm.	• Assurance for this Report and Restatements, and Sustainability Report

SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY TOPICS

MANAGEMENT APPROACH AND MATERIAL TOPICS

The Group recognises the need to continuously develop our business approach in order to address growing stakeholder expectations. As such, we have periodic engagements with our stakeholders to assess the issues that are most relevant to them and the Company on an ongoing basis.

No.	Topics	Description	Stakeholder Group in Concern	Reference
1	Economic Performance	Distribution of economic value to stakeholders	Employees, Customers, Suppliers, Investors, Government and Regulators	Financial Report (Annual Report 2023)
2	Employment	Fair employment practices in aspects of hiring, benefits and welfare	Employees, Government and Regulators	Page 33
3	Occupational Health and Safety	Measures in place to ensure health and safety of our people	Employees, Customers	Page 36
4	Training and Education	Practices in place to develop our people's potential and talent management	Employees	Page 38
5	Community Engagement	Community outreach activities	Communities, Government and Regulators	Page 41
6	Green-value and Initiatives	Practices in place to introduce environmental friendly solutions in delivering products and services	Customers, Suppliers, Government and Regulators, Employees	Page 39
7	Governance and Compliance	Policies and practices in place to uphold good corporate governance	Government and Regulators, Employees, Customers, Suppliers, Investors	Corporate Governance Report (Annual Report 2023)

The materiality of the abovementioned factors has been reassessed and endorsed by the Sustainability Committee which comprises key executives and heads from all major business functions. Please refer to the respective sections for details on the individual material topics.

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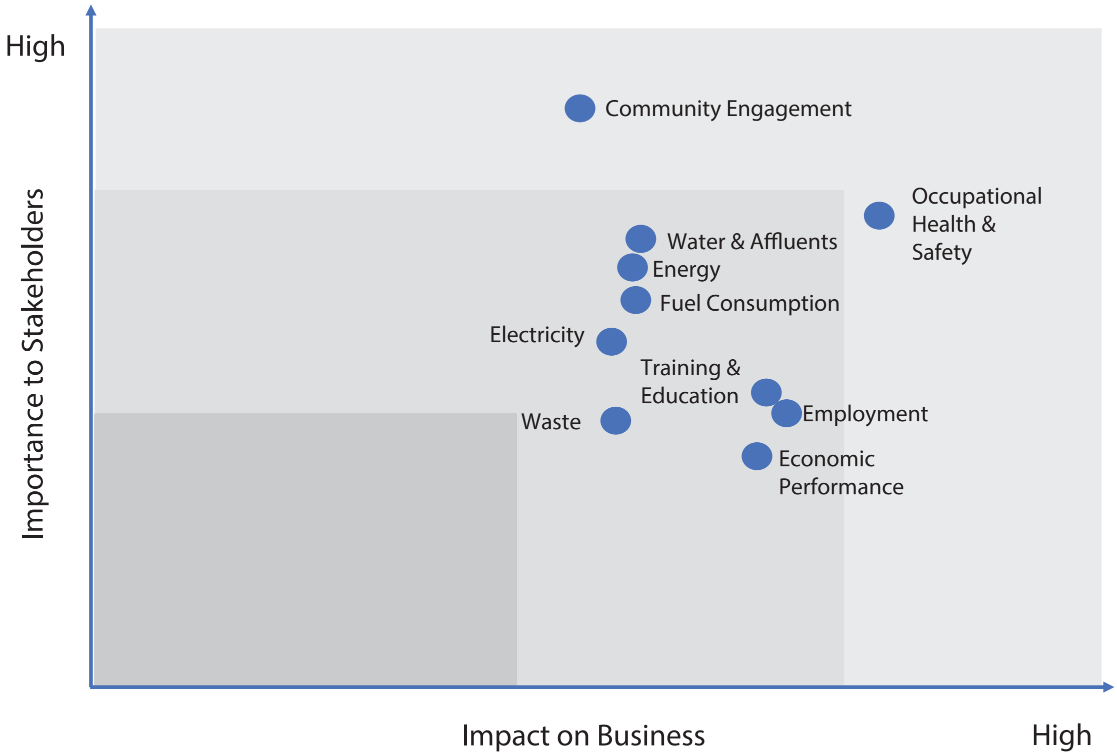
MATERIALITY ASSESSMENT

We have reached out to both our internal and external stakeholders to gather feedback through an online survey on the 11 material EESG factors that we have identified for FY2023 (FY2022: 7 material EESG factors). After feedback from our stakeholders, we have ranked the material factors in levels of importance to our stakeholders in FY2023 in the materiality matrix below:



Community Engagement, Occupational Health & Safety, Water & Affluents and Energy rank the highest level of importance to our stakeholders, followed by Fuel Consumption, Training & Education and Electricity Consumption and finally Employment, Waste Management and Economic Performance.

To build a meaningful dialogue between our stakeholders, we are committed to work together to build mutually beneficial relationships. As such, we will review our material topics on an annual basis by considering both feedback from stakeholders and the Group's business objectives. In FY2023, we have identified four new material EESG factors which includes GHG Emissions, Human Rights, Diversity and Anti-Corruption & Bribery.

An overview of our material ESG factors identified for FY2023 is presented in the following table.

Material ESG Factors	Impact Identification	Area of Impact	Significance of Impact (Against its Area of impact)	Management Approach (Objective/ Target)
ENVIRONMENTAL & ECONOMIC PERFORMANCE				
Energy Consumption	Direct	Our office headquarters and office vehicles	Medium scope and Low scale	Installation of solar panels to sustain electricity consumption in offices via renewable energy to improve energy efficiency
Greenhouse Gas ("**GHG**") Emissions	Direct and Indirect from electricity consumption	Our office headquarters and office vehicles	*	Track and manage GHG emissions

SUSTAINABILITY **REPORT**

Material ESG Factors	Impact Identification	Area of Impact	Significance of Impact (Against its Area of impact)	Management Approach (Objective/ Target)
Waste Management	Direct	Our office headquarters	Low scope and Medium scale	Office waste reduced via implementing recycling practices
Water & Affluents	Direct	Our office headquarters	Medium scope and scale	Minimise water usage by encouraging less water wastage
Economic Performance	Direct	Across our business operations	Low scope and Medium scale	Increase profitability, which will allow greater use of resources, innovation and growth potential
SOCIAL				
Occupational Health and Safety	Direct	Across our business operations and project sites	High scope and scale	Maintenance of zero AFR and ASR[1]
Develop and Retain Talent	Employment Direct	Our workplace and all employees	Medium scope and High scale	Continue to hire and retain talent through effective human resource policies
	Training & Education Direct	Our workplace and all employees	Medium scope and High scale	Continue to invest in our people by providing growth opportunities
Community Engagement	Direct	Our local community	High scope and Medium scale	Giving back to the local community by organising company-wide CSR events and monetary donations
Human Rights	Direct	Our entire workforce	*	To embed proper human rights practices across our business operations and safeguard the interests of our migrant workers
Diversity	Direct	Our entire workforce	*	Encourage diversity and inclusivity in our hiring practices and performance management
GOVERNANCE				
Anti-Corruption & Bribery	Direct	Our entire workforce and stakeholders	*	To cultivate a zero-tolerance policy towards corruption and bribery

* The rationale of introducing the new EESG factors is due to the requirements from the GRI reporting framework, Catalist Rules and SGX's 27 Core ESG metrices.

[1] Accident Frequency Rate ("**AFR**") and Accident Severity Rate ("**ASR**")

SUSTAINABILITY
REPORT

EMPLOYMENT

ISOTeam remains dedicated to embracing the principle of "*Happy workers, happy customers*". We are firm believers in fostering a positive working environment for our staff and advocate fair employment practices that offer equal opportunities for all. Being in the construction industry, we tend to attract more male employees but we have tried to neither discriminate by gender nor age and have a mix of both male and female employees of various ages with those who are older assigned to less physically demanding roles as we believe in an inclusive workforce.

We review our human resource principles, employment policies and remuneration packages annually to benchmark against best industry practices and updated to reflect the latest Ministry of Manpower ("**MOM**") guidelines. We aim for high staff retention by creating a motivated and happy workforce with the shared goal of being the best that we can be individually, and as a company.

EMPLOYMENT POLICIES

We seek to instil in every employee the values of mutual respect, performance with accountability and open communication between the management and rank and file, which are all part of the ISOTeam Family Values, indoctrinated in the ISOTeam employee handbook that every employee is familiar with as it contains pertinent information about the Company. Our employee benefit and welfare packages, which we review regularly, were honed and updated based on feedback and conversations with our staff to help us understand their personal and professional goals.

We set clear criteria in our employment process which seeks to hire people who are a good fit for our corporate culture. We also believe in cultivating each individual employee's career growth by setting clear expectations in relation to their job responsibilities. To assimilate new hires into our corporate culture and to create strong bonds among the workforce, we have induction programmes to help them orientate and integrate quickly into the company.

Amid the current competitive labour market, we continue to uphold our "Resignation and Recruitment Policy" and "Worker Salary Review and Loyalty Incentive Policy" to increase staff retention and reduce the cost of worker replacement such as advertising, search and agency fees. Under our "Resignation and Recruitment Policy", all Business Unit ("**BU**") heads must seek to understand a staff's reason for resigning and to explore whether redeployment or issues settlement is viable before accepting the resignation. BU heads will also have to justify the cost of replacement before recruiting a new staff. The "Worker Salary Review and Loyalty Incentive Policy" is a monetary incentive for staff who stay with the Group for a period of not less than three years and have shown satisfactory performance during the period.

SUSTAINABILITY **REPORT**

OUR TEAM

We have employed 996 people[2] in Singapore for our day-to-day operations and construction projects in FY2023 (994 full-time workers and two part-timers). We also have approximately 108 workers who are not our employees that perform work on a contractual basis at the ISOTeam headquarters[3]. We are proud of our team of loyal and talented team members who have played a part in our success thus far.

We respect our employees' rights to freedom of association and collective bargaining under applicable laws. Currently, none of our employees are unionised.

EMPLOYEE BENEFITS

In FY2023, encouraged by the response from our staff from the review and enhancement of employee benefits that were introduced in FY2022 (a 50% increase in dental treatment subsidy per staff; additional inpatient hospitalisation and surgery benefits; and one day leave increment for management and executive grade staff for every one year of service instead of two years). Moreover, we have put in place flexible work arrangements and the inclusion of basic health screenings for all permanent staff.

Leave	Medical Benefits	Flexible Work Arrangements	Parental Leave
• Annual leave • Granted leave • Medical leave • Examination leave • Marriage leave • Compassionate leave • Birthday leave	• Outpatient treatment • Inpatient treatment • Dental treatment • Insurance coverage • Basic health screening	• Flexi-time • Flexi-place	• Maternity leave • Paternity leave • Childcare/extended childcare leave • Adoption leave • Shared parental leave

We continue to offer parental leave to echo the government's efforts to encourage childbirth and help parents in their childcare responsibilities. In FY2023, the utilisation of different categories of parental leave by employees was as follows:

Parental Leave Utilised by Leave Type (Days)	FY2023	FY2022
Childcare	15	71.5
Maternity	2	0
Paternity	3	10
Extended childcare	4	10
Shared parental	0	17

100% of our employee who went on maternity and paternity leave returned to work.

DIVERSITY IN OUR WORKFORCE

Being a specialist in the built environment industry, we attract more male employees but we still advocate diversity and inclusivity at the workplace. Hence, despite the physical nature of the built environment industry, our workforce reflects a reasonable balance of age and gender diversity.

In FY2023, we employed 317 permanent full-time employees across our Singapore operations (FY2022: 306 employees). There were no staff retrenchments as job preservation was one of our top priorities. We made 24 new full-time hires during the year compared to 71 in FY2022.

Of our total employees in FY2023, 95 or 30% were females. Among our new hires, 7 or 29% were females.

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[2] Including 679 migrant workers in FY2023 for construction projects

[3] This includes air-conditioning servicing and water dispenser servicing, amongst others.

SUSTAINABILITY **REPORT**

Employees by Gender (Number)*	FY2023		FY2022	
	Male	Female	Male	Female
Total number of employees	222	95	225	81
Number of new employees	17	7	46	25

Among new employees in FY2023, 17 or 70% of them were between 30 to 50 years old, 4 or 16% were below 30 years old and 3 or 12% were above 50 years old.

New Employees by Age*	FY2023		FY2022	
	Male	Female	Male	Female
Under 30 years old	1	3	4	12
Between 30 to 50 years old	13	4	20	11
Above 50 years old	3	0	22	2
Total	17	7	46	25

ATTRITION*

In FY2023, our Group improved our turnover rate, which we believe is due to our robust human resource programmes and employee benefits. During the financial year, 17 employees resigned, which translated to a turnover rate of 5%, compared to 78 resignations and a turnover rate of 30% in FY2022.

Our staff turnover rate for FY2023 is as follows:

Gender	Total Employee Turnover Under 30 Years Old	Total Employee Turnover 30-50 Years Old	Total Employee Turnover Over 50 Years Old	Rate of Employee Turnover Under 30 Years Old (%)	Rate of Employee Turnover 30-50 Years Old (%)	Rate of Employee Turnover Over 50 Years Old (%)	Total Turnover Number
Male	4	1	1	67%	17%	17%	6
Female	5	4	2	45%	36%	19%	11

In FY2024, we will continue to reward and recognise the achievements of our staff.

REPORTING FOR EMPLOYMENT

FY2023 Goals	FY2023 Performance	FY2024 Goals
• To ensure Human Resource policies address employees' welfare and promote a healthy work-life. • To be an employer of choice and achieve a high annual staff retention rate. • To review staff training matrix.	• Human Resource policies continue to address employees' welfare and promote a healthy work-life. • We achieved a high annual staff retention rate. • We have completed our review of our staff training matrix during the financial year.	• Continue to ensure that Human Resource policies address employees' welfare and promote a healthy work-life. • Continue to be an employer of choice and achieve a high annual staff retention rate. • To review our employee benefits.

* The employee numbers mentioned in this section excludes our migrant workers.

SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH & SAFETY

Much as Singapore was built from the sweat of our forefathers, the foundation of our business also comes from the migrant workers who are responsible for the manual labour at our project sites. Our occupational health and safety measures are mainly in relation to this group of workers who are involved in higher risk jobs due to the nature of their work. In FY2023, our Group hired 679 (FY2022: 663) migrant workers.

Ensuring safety at the workplace is of paramount importance to us and we take pains to create a healthy and safe environment for all stakeholders including our employees, subcontractors, our customers and the communities within the vicinity of our work sites. As such, we have implemented the SS ISO 45001 (Occupational Health & Safety Management Systems) and SS 679: 2021 (Code of Practice for Workplace Safety and Health Management System for Construction Workers). 10% of our migrant workers (consisting of team leaders) are also involved in a formal joint management-worker health and safety committee.

As a result of the COVID-19 pandemic, we conduct periodic health and safety briefings to remind our employees about the importance of personal hygiene, circulate hygiene posters and perform swab-test monitoring. We also have safety protocols that the Group has put in place to protect them from potential hazards associated with their work. Some of our practices include comprehensive briefing and on-job training on possible hazards before the start of each project and daily Toolbox meetings to emphasise the importance of observing safety guidelines during the course of the project. If required to be trained on a particular skillset for a job, we will also send our migrant workers to trainings provided by external parties. Internal trainings are also conducted monthly by our Workplace Safety and Health ("**WSH**") personnel on risks and safe work procedures. All external and internal trainings provided will then be evaluated by the WSH Coordinator, who works on the construction sites with the migrant workers.

We also hold monthly Environmental Health & Safety committee meetings for workers to voice out their concerns, if any. This not only protects our employees but also ensures that public safety is not compromised.

Our company carries out internal audits on safety protocols and we have ongoing collaboration with local regulatory bodies to ensure that our occupational health and safety procedures are of the highest standards.

As we value the health of our employees, all of our migrant workers have access to medical services at a designated company clinic. All our employees also have access to annual medical check-ups. In addition, our employees are covered under the Group's collective insurance scheme and those who have served for more than a year are entitled to regular health screenings paid for by the Group.

Prior to January 2021, major and minor workplace injury numbers only included injuries sustained by employees that resulted in four or more days of medical leave, or at least 24 hours of hospitalisation. Following the amendments to the Work Injury Compensation Act ("**WICA**") which took effect from September 2020, employers must report all work injuries with any instance of medical leave or light duties. From January 2021, major and minor injury numbers include injuries with any instance of medical leave or light duties. To better align to the WICA, we have changed our reporting based on Accident Frequency Rate ("**AFR**") and Accident Severity Rate ("**ASR**") to the number of reportable workplace injuries with effect from FY2023.

In FY2023, we placed greater stress on safety guidelines and preventive measures during work site inspections along with regular maintenance of machinery and equipment to ensure they are in good working conditions. If there are any work-related hazards or hazardous situations identified by a worker, the worker will report directly to the supervisor in charge and the designated WSH personnel to conduct a risk assessment on the identified hazards.

We also implemented an Employee Suggestion Scheme where staff are encouraged to report near misses and dangerous occurrences and suggest ideas on improvement.

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In FY2023, we reported nine cases of workplace injuries (FY2022: 12) – comprising slips, falls and minor cuts and one fatality (FY2022: 0). The fatality was due to a worker's fatal fall from four storeys of a concrete ledge while painting the façade of a building. After investigation, we had found out that the deceased did not secure his safety harness to the safety lifeline provided and had climbed out of a suspended gondola. Since then, we have also undergone a full risk assessment of the accident and revised our safe work procedures.

Workplace Injuries (Number)	FY2023	FY2022
Reportable Injuries	9	12[4]
Fatal Injuries	1	0
Accident Frequency Rate (AFR)	4.45	4.88[5]
Accident Severity Rate (ASR)	26.65	128.02[6]

- AFR = Number of incidents per million man hours worked; calculated as (No. of workplace accidents reported X 1,000,000)/Total man hours worked
- ASR = Number of lost days per million man hours worked; calculated as (No. of man days lost to workplace accidents X 1,000,000)/Total man hours worked

REPORTING FOR OCCUPATIONAL HEALTH & SAFETY

FY2023 Goals	FY2023 Performance	FY2024 Goals
• Zero fatal injuries. • Not more than five reportable injuries per project. • AFR of not more than 1.0 incidents. • ASR of not more than 15.00 incidents. • Make monthly safety promotion compulsory at all work sites.	• We did not reduce our AFR and ASR. • We reported one fatal injury.	• Achieve zero reportable incidences or non-compliance cases. • AFR of not more than 4.0 incidents.[7] • ASR of not more than 20.00 incidents.[8]

[4] The reportable injuries for FY2022 should be 12, and not 10 as reported in November 2022.
[5] The AFR for FY2022 should be 4.88, and not 1.80 as reported in November 2022 to reflect the actual figures.
[6] The ASR for FY2022 should be 128.02, and not 19.93 as reported in November 2022 to reflect the actual figures.
[7] This goal has been adjusted in lieu of the restated figures.
[8] This goal has been adjusted in lieu of the restated figures.

SUSTAINABILITY **REPORT**

TRAINING & EDUCATION

ISOTeam views each of its employee as individuals with potential to be nurtured and developed to their fullest potential. Consequently, investing in the growth of employees is crucial to make sure that they have the skillsets that are necessary to carry out their job responsibilities. Furthermore, we have established policies and procedures to identify the strengths of each employee and their potential to take on bigger roles. We encourage transparent dialogues about the training they feel they need and their personal growth with the Group.

Through this process, we develop a beneficial symbiotic relationship between the Group and each employee. Employees have the opportunity to enhance and enrich their professional lives and are happy to work with an employer that is invested in their individual development.

Our Human Resource Department is the custodian of our training and education policies. We regularly send our employees for seminars, conferences and courses to improve their technical and functional skills, broaden their knowledge, and ultimately increase their productivity and efficiency at work. Where applicable, course fees for trainings are financed by the Group.

In FY2023, the average number of training hours per staff and migrant workers increased to 932 hours for male staff and 117 hours for female staff (FY2022: 18 hours for all staff). The number of training hours have increased substantially because we have included the training hours undertaken by our migrant workers. Our migrant workers have undergone renewal of the Occupational First Aider Course (where applicable) and other safety and workplace related courses.

Average hours of training undertaken					
per male employee	per female employee	per senior management employee	by middle management employees	by non-management employees	by administrative employees
932 Hours	117 Hours	20 Hours	252 Hours	1,041 Hours	133 Hours

TYPES OF COURSES AND TRAINING

Operating within the construction and built-environment management industry, the Company places a strong emphasis to ensure that employees are adequately trained for their job responsibilities.

Employees who work on project sites are sent for mandatory courses on workplace safety. We also ensure that new employees are briefed on in-house safety rules and regulations and all staff are provided with regular updates and reminders about work safety. We also ensure that our leaders across the Group attend the Workshop for CEO/Top Management on Workplace Safety and Health Act. We also utilise the ISOTeam intranet to share e-learning materials from different departments. Employees with access to the ISOTeam intranet may access such e-learning materials at their own convenience.

In addition to mandatory courses, we also facilitate on-the-job training by pairing new staff with a more experienced mentor, usually their immediate supervisor, who will provide guidance. This also applies to staff who have been redeployed to new or additional roles.

In FY2023, our Safety Department identified several new courses for our employees in compliance with MOM regulations. They included WSQ Advance Certificate in Workplace Safety and Health and the Manage Work Safety & Health at Construction Side ("**CSPM**").

As part of our commitment to the career development of our workforce, we conduct annual performance appraisals through an e-Appraisal system. This tool serves as means for management to assess the training needs of our staff and also for staff to give their feedback and suggestions for areas of personal and organisational improvement.

REPORTING FOR TRAINING

The construction and built environment management industry is one that is ever-changing and ever-evolving. As a company with multi-disciplinary capabilities, we continually enhance the skillsets and capabilities of our employees to stay ahead of the changes in the industry.

FY2023 Goals	FY2023 Performance	FY2024 Goals
• To conduct at least 16 training hours for staff.	• We achieved more than 16 hours of training for our staff, comprising both internal and external courses.	• Every staff to attend at least 16 hours of relevant training.

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GREEN-VALUE AND INITIATIVES

At ISOTeam, we take pride in not only being an early adopter of green methodologies but we continue to find ways to incorporate them into our business via our projects. The Company is fully committed to combating climate change by providing our full support to the Singapore Green Plan 2030, the country's national agenda on sustainable development, which consists of the following five pillars – (1) City in Nature (2) Sustainable Living (3) Energy Reset (4) Green Economy (5) Resilient Future.

In FY2021, we assisted the Sunseap Group to install solar panels for their 5 megawatts (MW) floating solar farm in the Straits of Johor (which is one of the world's largest consisting of 13,312 panels, 40 inverters and more than 30,000 floats). Across our operations, we offer greener and more sustainable products and solutions including heat-reflective paints that can improve indoor heat reflection and help to offset some carbon emissions as the paint will cool the interiors of buildings. This year, we have applied such heat-reflective paint to 39 HDB blocks in Tampines West and the Central Division.

As a way to improve productivity and manpower deployment, we have entered into partnership with H3 Dynamics for the usage of artificial intelligence ("**AI**") and robotics for the inspection of HDB building facades with a drone. We have also obtained exclusive partnerships for HDBs, town councils, commercial and condominium buildings. We have inspected 636 HDB blocks in years 2021 – 2023 thus far.

In the same vein, we have also collaborated with Nippon Paint and Acclivis Technologies (a subsidiary of Citic Telecom) for the development and usage of an autonomous painting drone for the painting of building facades or structures.

We are proud that ISOTeam is constantly on the lookout for greener and smarter technologies to push us further along our sustainable development goals.

Our green focus has won us accolades over the years including the BCA Green Mark Award and the BCA Green and Gracious Builder Award (Merit). We are also a registered corporate member of the Singapore Green Building Council ("**SGBC**"), which forms part of the World Green Building Council ("**WGBC**").

ENERGY CONSUMPTION

We are committed to reduce the impact of our business activities on the environment. Through the ISO 14001 Environment Management System, we continually seek ways to reduce our energy use and emissions.

Our headquarters harnesses solar energy through 386 panels installed on the rooftop. In FY2023, these panels generated about 152,786 kWh of energy annually, which powered about 41% of our electricity consumption, down from 157,365 kWh and 77% in FY2022 respectively. Renewable energy refers to the electricity generated by our rooftop solar panels and non-renewable energy refers to purchased electricity. Our solar panels produce zero carbon emissions from the generation of the solar energy and does not contribute to our Scope-2 emissions The rise in our electricity consumption was due to the return of our employees to the office after the lifting of the COVID-19 restrictions.

To monitor and evaluate our energy consumption, we review and utilise energy intensity (GJ/$ million) to track our performance.

Energy Consumption	FY2023	FY2022	Variance
Non-renewable energy			
Gigajoule (GJ)	786.64	167.67	369.2%
Revenue ($)	110,400,000	96,483,000*	14.4%
Energy intensity (GJ/$ million)	7.13	1.74	310%
Renewable energy			
Gigajoule (GJ)	550.03	566.51	-2.9%
Revenue ($)	110,400,000	96,483,000*	14.4%
Energy intensity (GJ/ $ million)	4.98	5.87	-15.1%
Total Energy Consumption			
Gigajoule (GJ)	1,336.67	734.18	82.1%
Revenue ($)	110,400,000	96,483,000*	14.4%
Energy intensity (GJ/ $ million)	12.11	7.61	59.1%

* There is a restatement of figures for FY2022 as disclosed in page 81.

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GREENHOUSE GAS ("GHG") EMISSIONS

To meet the Singapore government's goal to achieve net-zero emissions by 2050, we aim to reduce our GHG emissions by tracking emissions on a more conscious level by playing our part. We do not emit high or intensive carbon emissions, but we are committed to lower our emissions.

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

Carbon emission	FY2023	FY2022	Variance
Scope 1 – tCO_2e Scope 2 – tCO_2e	1,257.01 80.64	1,311.05 18.90	-4.1% 326.8%
Total tCO_2e	1,337.65	1,329.95	0.6%
Carbon intensity	**FY2023**	**FY2022**	**Variance**
Total tCO_2e Revenue ($)	1,337.65 110,400,000	1,329.95 96,483,000*	0.6% 14.4%
tCO_2e/$ million revenue	12.12	13.78	-12.1%

* There is a restatement of figures for FY2022 as disclosed in page 81.

The Company will endeavour to disclose Scope-3 carbon emissions in the next sustainability report for FY2024.

WATER CONSUMPTION

In FY2023, water usage from our headquarters was tracked. Where possible, we have implemented sustainable measures to monitor our water consumption and increase water efficiency. Going forward, we will attempt to track water usage from our work sites to present a more accurate picture of our water usage.

Water Intensity	FY2023	FY2022	Variance (%)
Potable Water Usage (m^3)	33,006	25,762	28.1%
Employees[9]	317	306	3.6%
m^3 per employee	104.12	84.19	23.7%

Reducing Waste

We work with partners and suppliers to develop and source for materials that are environmentally friendly yet durable to reduce the need for frequent replacement, which in turn reduces construction waste and promotes greener buildings for our projects.

We have instituted an enterprise-wide policy to increase Green Awareness and introduced various initiatives to reduce, recycle and reuse building materials in our operations. We practice waste segregation where project waste is sorted into segregated and disposed accordingly – hazardous waste and harmful solvents such as waste paint and lubricants are disposed by specialist waste management companies while non-hazardous waste are disposed in skid tanks. Across our worksites, we utilise the platform system such as electric power boom lifts and gondolas to reduce use of scaffoldings. Site office waste is also carefully monitored and paper recycling is practiced. In FY2024, we will attempt to track our hazardous waste more stringently and accurately.

Wastage	FY2023
Total Weight (kg)	Approximately 6,336 kg[10]

[9] Excluding our migrant workers
[10] Collected at ISOTeam's headquarters

SUSTAINABILITY
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Reporting for Green-value and Initiatives

FY2023 Goals	FY2023 Performance	FY2024 Goals
• To introduce more environmentally sustainable products for our projects. • To utilise an incremental proportion of renewable energy as compared to non-renewable energy. • To utilise 100% renewable energy at our HQ by FY2024.	• The Company has obtained more projects for the cool coats paint in the financial year. • Due to the return of our full workforce to our HQ after the lifting of the COVID-19 restrictions, we were not able to achieve our FY2023 Goals. • The Company is working towards the goal of utilising 100% renewable energy at HQ by FY2024.	• To monitor and evaluate energy consumption, we will review and utilise our energy intensity to track our performance. • Endeavour to disclose Scope-3 carbon emissions. • Endeavour to track water usage from our worksites. • Attempt to track hazardous waste more stringently and accurately. • To utilise 100% renewable energy at our HQ by FY2024.

COMMUNITY ENGAGEMENT

Our Group has consistently supported the principles of Corporate Social Responsibility ("**CSR**") practices by engaging with the community around us. We believe in the giving back to the society and embracing the Chinese saying "饮水思源", which means "to have gratitude" by heart. We have since ingrained it into the Group's corporate culture.

We have always maintained a strong presence within the local communities through our charitable projects and monetary donations. The COVID-19 pandemic temporarily halted our efforts to organise our annual painting and repair works events for local communities. However, in FY2023 when we were able to resume our painting and repair works initiative again, we approached a non-profitable charity organisation to organise a large scale painting and repair works event for recipients named by them.

Furthermore, we made donations to the President's Challenge 2022 and the SGX Cares Bull Charge Charity Run 2022. Both events support the needs of underprivilege children and families, persons with disabilities and the elderly. Cumulatively, our Group has made monetary donations amounting to $16,000 (FY2022: $17,000) in FY2023.

Community Integration

Our migrant workers are the bedrock of our business. As such, we have organised the inaugural ISOTeam Warriors' Day 2023 as a tribute and a celebration of their contributions. Through this initiative, we were able to foster greater social interaction between our employees and our migrant workers. Given the resounding success of the event, we hope to organise similar events to promote and enhance mutual understanding.

Reporting for Community Engagement

FY2023 Goals	FY2023 Performance	FY2024 Goals
• To participate in at least two large scale CSR activities with more than 80% staff participation. • To make at least one charitable donation to support underprivileged families in our community.	• We met our goal to make at least one charitable donation • We organised one large scale CSR event	• To participate in at least two large scale CSR activities with more than 80% staff participation. • To make at least one charitable donation to support underprivileged families in our community.

SUSTAINABILITY **REPORT**

ANTI-CORRUPTION & BRIBERY

The Company has a whistle-blowing policy, which was endorsed by the Audit Committee ("**AC**") and approved by the Board. The whistle-blowing policy provides employees with an avenue to report and raise genuine concerns without fear of reprisal.

	FY2023	FY2022
Reported incidents of corruption	0	0
Number of employees dismissed for corruption	0	0
Business partners terminated for corruption	0	0
Legal cases brought against the Group or its employees	0	0

The Company's whistleblowing policy has been made 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. Such arrangements help to ensure independent investigation of matters raised and allow appropriate actions to be taken. During FY2023, there were no complaints, concerns or issues received. Moving forward, the Group will continue to maintain the target of zero incidents of corruption or bribery.

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SUSTAINABILITY **REPORT**

EESG PERFORMANCE OVERVIEW

KEY PERFORMANCE INDICATORS	Financial Year Ended 30 June 2023 ("FY2023")	Financial Year Ended 30 June 2022 ("FY2022")
ECONOMIC ($)		
Revenue	110,400,000	96,483,000*
Net Profit/(Loss)	1,145,000	(14,097,000)*
Employee wage and benefits	35,718,000	31,432,000
ENVIRONMENTAL		
Electricity used (kWh)	218,510	46,574
Electricity from solar panels generated (kWh)	152,786	157,365
Total energy consumption (GJ)	1,336.67	734.18
Energy intensity (GJ/$ million Revenue)	12.11	7.61
Carbon dioxide (CO_2) emissions (tCO_2e)	1,337.65	1,329.95
Carbon intensity (tCO_2)/$ million Revenue)	12.12	13.78
Water (m^3)	33,006	25,762
Non-hazardous waste (kg)	6,336	6,336
SOCIAL (Employees)		
Full-time employees (Number)	317	306
Migrant Workers (Number)	679	663
New hires (Number)	24	71
Female employees (%)	30	26
Female managers and supervisors (%)	11	7
Female heads of department (%)	2	2
Employee turnover (Number)	17	78
Rate of recordable work-related injuries	9	12
Fatal accidents – workers (Number)	1	0
GOVERNANCE		
Female directors on the Board (%)	0	0
Confirmed incidents of corruption or bribery (Number)	0	0
Significant incidents of non-compliance with regulations (Number)	1	0

* There is a restatement of figures for FY2022 as disclosed in page 81.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	ISOTeam Ltd. has reported the information cited in this GRI content index for the period of 1 July 2022 to 30 June 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	Corporate Profile (Page 1)
	2-2 Entities included in the organisation's sustainability reporting	Corporate Structure (Page 5)
	2-3 Reporting period, frequency and contact point	ISOTeam follows an annual reporting cycle 1 July 2022 – 30 June 2023. Sustainability Report is for the financial year 2023 and published in October 2023. Contact Point: ir@iso-team.com
	2-4 Restatements of information	Sustainability Report – About this Report (Page 20) Sustainability Report – Occupational, Health & Safety (Page 36)
	2-5 External assurance	We use internal verification to ensure ESG data reliability and have not sought external assurance. Sustainability Report – About this Report (Page 20)
	2-6 Activities, value chain and other business relationships	Company Profile (Page 1) Our Business (Page 2) Corporate Structure (Page 5)
	2-7 Employees	Sustainability Report – Employment (Page 33) EESG Performance Overview (Page 44)
	2-8 Workers who are not employees	Sustainability Report – Employment (Page 33)
	2-9 Governance structure and composition	Corporate Information Board of Directors & Executive Officers (Page 10) Corporate Governance Report – Provision 2.1 to 2.5 (Page 52)
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report – Provision 4.1 to 4.5 (Page 55)
	2-11 Chair of the highest governance body	Corporate Governance Report – Provision 3.1 to 3.3 (Page 54)
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report – Provision 1.1 (Page 49)

SUSTAINABILITY **REPORT**

GRI STANDARD	DISCLOSURE	LOCATION
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Report – Provision 3.2 (Page 54)
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Report – Provision 1.1 (Page 49)
	2-15 Conflicts of interest	Sustainability Report – Anti-Corruption & Bribery (Page 42) Corporate Governance Report – Provision 10.1 (Page 62)
	2-16 Communication of critical concerns	Sustainability Report – Anti-Corruption & Bribery (Page 42) Corporate Governance Report – Provision 10.1 (Page 62)
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report – Provision 1.2 (Page 50)
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report – Provision 4.1 to 4.5 (Page 55)
	2-19 Remuneration policies	Corporate Governance Report – Provision 6.1 to 8.3 (Page 58)
	2-20 Process to determine remuneration	Corporate Governance Report – Provision 6.1 to 8.3 (Page 58)
	2-21 Annual total compensation ratio	Unable to disclose due to confidentiality restraints.
	2-22 Statement on sustainable development strategy	Sustainability Report – Board Statement (Page 22)
	2-23 Policy commitments	Sustainability Report – Statement on Sustainability & Policy Commitments (Page 21) Sustainability Report – Anti-Corruption & Bribery (Page 42)
	2-24 Embedding policy commitments	Sustainability Report – Statement on Sustainability & Policy Commitments (Page 21) Sustainability Report – Anti-Corruption & Bribery (Page 42)
	2-25 Processes to remediate negative impacts	Sustainability Report – Statement on Sustainability & Policy Commitments (Page 21) Sustainability Report – Anti-Corruption & Bribery (Page 42)
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report – Statement on Sustainability & Policy Commitments (Page 21) Sustainability Report – Anti-Corruption & Bribery (Page 42)
	2-27 Compliance with laws and regulations	EESG Performance Overview (Page 44)

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GRI STANDARD	DISCLOSURE	LOCATION
	2-28 Membership associations	Sustainability Report – Accreditations, Accolades, Memberships and Licences (Page 4) Sustainability Report – Green-value and Initiatives (Page 39)
	2-29 Approach to stakeholder engagement	Sustainability Report – Stakeholder Groups & Engagement Activities (Page 24)
	2-30 Collective bargaining agreements	Sustainability Report – Employment (Page 33)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report – Materiality Assessment (Page 31)
	3-2 List of material topics	Sustainability Report – Materiality Assessment (Page 31)
	3-3 Management of material topics	Sustainability Report – Materiality Assessment (Page 31)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	EESG Performance Overview (Page 44) Financial Highlights (Page 6)
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report – Anti-Corruption & Bribery (Page 42)
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report – Anti-Corruption & Bribery (Page 42) EESG Performance Overview (Page 44)
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)
	302-3 Energy intensity	Sustainability Report – Green-value and Initiatives (Page 39)
GRI 303: Water and Effluents 2018	303- 5 Water consumption	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)
	305-4 GHG emissions intensity	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)

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GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)
	306-2 Management of significant waste-related impacts	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)
	306-3 Waste generated	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report – Green-value and Initiatives (Page 39) EESG Performance Overview (Page 44)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report – Employment (Page 33)
	401-3 Parental leave	Sustainability Report – Employment (Page 33)
GRI 403: Occupational Health and Safety 2018	403-1 Statement on Occupational Health & Safety Management System	Sustainability Report – Occupational Health & Safety (Page 36)
	403-2 Hazard identification, risk assessment and incident investigation	Sustainability Report – Occupational Health & Safety (Page 36)
	403-5 Worker training on occupational health and safety	Sustainability Report – Occupational Health & Safety (Page 36)
	403-9 Work-related injuries	Sustainability Report – Occupational Health & Safety (Page 36) EESG Performance Overview (Page 44)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report – Training & Education (Page 38)
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Sustainability Report – Training & Education (Page 38)
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Training & Education (Page 38)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report – Employment (Page 33)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Sustainability Report – Community Engagement (Page 41)

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's 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 2023 ("**FY2023**"), 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 FY2023. 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. No new Director was appointed in FY2023.

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, regulatory requirements or framework, sustainable development as appropriate and as well as the business environment through reading relevant literature, and may attend appropriate courses, conferences and seminars conducted by bodies such as the SGX-ST and Singapore Institute of Directors, 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 Singapore Institute of Directors.

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 allowed under the Company's Constitution. The Board and Board committees may also make decisions by way of circulating resolutions in writing.

During FY2023, 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
Number of Meetings Held	2	2	1	2	1
	Number of Meetings Attended				
Ng Cheng Lian	2#	2*	1*	2*	1
Koh Thong Huat	2	2*	1*	2*	1
Foo Joon Lye	2	2*	1*	2*	1
Tan Eng Ann	2	2#	1	2	1
Soh Chun Bin	2	2	1	2#	1
Teo Ho Pin	2	2	1#	2	1
Ryota Fukuda	1	1*	–	1*	–

Notes:
\# Chairman
* By invitation

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, and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

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 and Mr Soh Chun Bin have served on the Board for more than nine years from the date of their first appointment. The Board conducted a rigorous review of the independence of Mr Tan Eng Ann and Mr Soh Chun Bin by examining any conflicts of interest, their review and scrutiny of matters and proposals put before the Board, their exercise of independent judgement, the effectiveness of their oversight role as a check and balance on the acts of the Executive Directors and the Management as well as their role in enhancing and safeguarding the interests of the Company and its shareholders. Upon review, the Board considers Mr Tan Eng Ann and Mr Soh Chun Bin to remain independent.

CORPORATE GOVERNANCE REPORT

In addition, the Board and NC has also considered the new 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. With reference to Transitional Practice Note 3 of the Catalist Rules, Mr Tan Eng Ann and Mr Soh Chun Bin may continue to act as independent directors until the next AGM of the Company for the financial period ending after 31 December 2023.

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)
Mr Soh Chun Bin
Dr Teo Ho Pin

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.

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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 FY2023.

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 Catalist 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 Soh Chun Bin. 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 two retiring Directors, namely Mr Tan Eng Ann and Mr Ng Cheng Lian at the forthcoming AGM. The Board has accepted the NC's recommendation that Mr Tan Eng Ann and Mr Ng Cheng Lian, 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 68 to 72 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 FY2023, 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.

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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.

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	Directorships in Other Listed Companies: Past (Last Five Years)
Ng Cheng Lian	12 December 2012	29 December 2020	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	29 December 2020	Nil	• AM Group Holdings Limited#
Soh Chun Bin	7 June 2013	27 October 2021	• Lorenzo International Limited • Triyards Holdings Limited	• Geo Energy Resources Limited
Teo Ho Pin	1 March 2021	27 October 2021	• Broadway Industrial Group Limited • Enviro-Hub Holdings Ltd. • King Wan Corporation Limited • Tiong Seng Holdings Limited	Nil
Ryota Fukuda	18 February 2020	25 October 2022	• Searifico Corp.~	Nil

Notes:

\# Listed on the Mainboard of the Stock Exchange of Hong Kong Limited

~ 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 FY2023.

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 Soh Chun Bin, Mr Tan Eng Ann and Dr Teo Ho Pin. The Chairman of the RC is Mr Soh Chun Bin.

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 FY2023.

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. The Independent Directors do not receive any other remuneration from the Company. 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 Performance Share Plan (the "**2013 PSP**") in June 2013. The 2013 PSP has since lapsed in June 2023. In this regard, the Company will be seeking shareholders' approval to adopt a new ISOTeam Performance Share Plan (the "**New PSP**") at an Extraordinary General Meeting to be held on on 24 October 2023, immediately upon the conclusion of the AGM. During FY2023, the 2013 PSP was administered by the RC and it is intended for the New PSP to also be administered by the RC. Please refer to the "Directors' Statement" section of this annual report for more information on the 2013 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.

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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 2013 PSP in June 2013, which has since lapsed in June 2023. The ISOTeam PSP was administered by the RC. Please refer to the "Directors' Statement" section of this annual report for more information on the 2013 PSP.

A breakdown, showing the level and mix of each Director's remuneration for FY2023 is set out below:

Remuneration Band and Name of Director	Fee %	Salary# %	Bonus %	Allowance %	Total %
Below $750,000					
Koh Thong Huat	–	91	4	5	100
Ng Cheng Lian	–	89	4	7	100
Foo Joon Lye	–	85	3	12	100
Below $250,000					
Tan Eng Ann	100	–	–	–	100
Soh Chun Bin	100	–	–	–	100
Teo Ho Pin	100	–	–	–	100
Ryota Fukuda	–	–	–	–	–

A breakdown, showing the level and mix of each key management personnel's remuneration for FY2023 is set out below:

Remuneration Band and Name of Key Management Personnel	Fee %	Salary# %	Bonus %	Allowance %	Total %
Below $250,000					
Teoh Kok Ann	–	87	3	10	100
Lim Kim Hock	–	78	6	16	100
Chan Chung Khang	–	96	4	–	100
Teo Teck Sing	–	84	3	13	100
Teng Ann Boon	–	82	3	15	100

Note:
These amounts are inclusive of employee's CPF contribution

CORPORATE **GOVERNANCE REPORT**

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 $941,000 for FY2023.

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 FY2023.

Further to the above, the Company confirms that in FY2023 there were no termination, retirement and post-employment benefits granted to the Directors and key management personnel.

Notwithstanding this, certain key management personnel were issued shares under the 2013 PSP as a recognition of their performances as well as for the purposes of retaining their services. In this regard, none of the key management personnel that received shares issued under the 2013 PSP received 5% or more of the total number of shares available under the 2013 PSP.

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.

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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 FY2023 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.

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 2023. 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 judgment 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;

CORPORATE **GOVERNANCE REPORT**

(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);

(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 FY2023 is reflected in Note 6 to the audited financial statements of the Group for FY2023. There were no non-audit services provided by the external auditor in FY2023.

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 put 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 FY2023.

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 Soh Chun Bin 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.

CORPORATE GOVERNANCE REPORT

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.

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 FY2023, 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.

CORPORATE **GOVERNANCE REPORT**

The Company's forthcoming AGM for FY2023 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 9 October 2023 will be sent to shareholders. The notice of AGM, proxy form and letter to shareholders dated 9 October 2023, together with the annual report, will 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 meeting held during FY2023.

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 20% of the Company's consolidated profit after tax and minority interests, excluding non-recurring, one-off and exceptional items, to its shareholders.

In view of the present uncertainty in the market outlook and business environment, the Board has decided that it would be prudent not to declare dividend in respect of FY2023.

As announced by the Company on 9 October 2023, the Company has also updated its dividend policy whereby it intends to recommend and distribute not less than 25% 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 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.

CORPORATE GOVERNANCE REPORT

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.

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.

CORPORATE **GOVERNANCE REPORT**

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 isoteam@august.com.sg.

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 and 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 though stakeholder engagement, can be found in the Company's Sustainability Report 2023.

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.

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.

CORPORATE GOVERNANCE REPORT

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 FY2023.

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 FY2023, 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

On 26 June 2023, the Company had announced the undertaking of a rights issue of up to 347,170,931 new ordinary shares in the capital of the Company (the "**Rights Issue**"). The Company had then subsequently on 22 August 2023 announced that 347,170,931 Rights Shares had been allotted and issued by the Company on the same day. The net proceeds from the Rights Issue was approximately $10.3 million. As at the date of this annual report, the net proceeds from the Rights Issue has been utilised as follows:

	Amount allocated $'000	Amount utilised $'000	Balance $'000
General working capital requirements of the Group	7,180	4,000*	3,180
Repayment of banking facilities	3,080	3,080	–
Total	**10,260**	**7,080**	**3,180**

* Utilised for settlement of trade payables

Information on Directors Seeking Re-Election

Mr Ng Cheng Lian ("**Mr Ng**") and Mr Tan Eng Ann ("**Mr Tan**") are the Directors seeking re-election at the forthcoming AGM of the Company. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Ng and Mr Tan in accordance with Appendix 7F of the Catalist Rules is set out below:

CORPORATE GOVERNANCE REPORT

	NG CHENG LIAN	TAN ENG ANN
Date of appointment	12 December 2012	7 June 2013
Date of last re-appointment (if applicable)	29 December 2020	29 December 2020
Age	64	55
Country of principal residence	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 Ng'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 Mr Tan's overall contributions and performance, 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 Ng's profile write-up in the "Board of Directors" section of this annual report.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Lead Independent Director, Chairman of the AC and member of the NC and RC
Professional qualifications	Nil	1. Chartered Financial Analyst (Association for Investment Management and Research) 2. Chartered Accountant, Singapore (Institute of Singapore Chartered Accountants)
Working experience and occupation(s) during the past 10 years	As set out in Mr Ng's profile write-up in the "Board of Directors" section of this annual report.	As set out in Mr Tan'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: 255,272,812 ordinary shares	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

CORPORATE GOVERNANCE REPORT

	NG CHENG LIAN	TAN ENG ANN
Other Principal Commitments* Including Directorships# * *"Principal Commitments" has the same meaning as defined in the Code.* # *These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8).*	Past (for the last five years) Directorships: 1. ISO-HomeCare Pte. Ltd. (Struck off) 2. ADD Group Pte Ltd (Struck off) 3. ISOTeam Homecare Pte. Ltd. 4. Raymond Construction Pte Ltd Other Principal Commitments: Nil Present Directorships: 1. ADD Investment Holding Pte. Ltd. Other Principal Commitments: Nil	Past (for the last five years) Directorships: 1. AM Group Holdings Limited 2. Greenzone Energy Pte. Ltd. 3. Amersun Energy Pte. Ltd. 4. SCK Assets Management Limited 5. SCK Securities Limited Other Principal Commitments: Nil Present Directorships: 1. IP Global Limited 2. IP Real Estate Investments Pte. Ltd. 3. IPIM Holdings Limited Other Principal Commitments: Nil
(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
(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
(c) Whether there is any unsatisfied judgment against him?	No	No

CORPORATE **GOVERNANCE REPORT**

	NG CHENG LIAN	TAN ENG ANN
(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
(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
(f) Whether at any time during the last 10 years, judgment 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
(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
(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
(i) Whether he has ever been the subject of any order, judgment 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

CORPORATE GOVERNANCE REPORT

	NG CHENG LIAN	TAN ENG ANN
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, to the affairs of:–		
(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.	No
(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	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	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,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(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

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 2023.

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 81 to 148 are properly drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2023 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
Soh Chun Bin
Teo Ho Pin

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:

	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	
Name of directors	At 1.7.2022	At 30.6.2023	At 1.7.2022	At 30.6.2023
Company				
Ng Cheng Lian	7,682,000	**–**	119,954,406	**127,636,406**
Koh Thong Huat	7,682,000	**–**	119,954,406	**127,636,406**
Foo Joon Lye	–	**–**	127,636,406	**127,636,406**

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 2023, ADD Investment Holding Pte Ltd holds 119,954,406 shares in the Company. In addition, Ng Cheng Lian, Koh Thong Huat and Foo Joon Lye are deemed to be interested in 7,682,000 shares in the Company held by their nominee as at 30 June 2023.

DIRECTORS' STATEMENT

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 1.7.2022	At 30.6.2023
Zara@ISOTeam Pte. Ltd.	76,500	**76,500**
ISOTeam TMS (Myanmar) Limited	45,000	**45,000**
SG Bike Pte. Ltd.	510,000	**–**

The directors' interests as at 21 July 2023 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") was adopted by the shareholders of the Company on 5 June 2013. The ISOTeam PSP 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 will be more effective than pure cash bonuses in motivating employees of the Group to work towards pre-determined goals.

The ISOTeam PSP 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.

The ISOTeam PSP 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. The ISOTeam PSP shall continue in operation for a maximum period of 10 years commencing on the date on which the ISOTeam PSP is adopted, provided that the ISOTeam PSP 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. The ISOTeam PSP has expired during the financial year and the new plan will be proposed in the next general meeting.

The total number of shares which may be issued or transferred pursuant to the awards granted under the ISOTeam PSP, 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.

DIRECTORS' **STATEMENT**

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

ISOTeam PSP participants	Performance share awards granted during the financial year	Aggregate performance share awards granted since commencement of ISOTeam PSP to 30 June 2023	Cancellation of ISOTeam PSP during the financial year	Aggregate performance share awards outstanding as at 30 June 2023
Key management personnels				
– Kelvin Tan Meng Soo	300,000	300,000	–	300,000
– Teng Ann Boon, Albert	300,000	300,000	–	300,000
– Teo Teck Sing, Ben	300,000	300,000	–	300,000
– Teoh Kok Ann, Anders	300,000	300,000	–	300,000
– Chin Wai Tuck	300,000	300,000	–	300,000
Key executives of the Group	5,500,000	5,500,000	(450,000)	5,050,000
Total	7,000,000	7,000,000	(450,000)*	6,550,000

During the financial year ended 30 June 2023, there are no ordinary shares issued pursuant to the ISOTeam PSP.

* There were 450,000 ISOTeam PSP cancelled during the financial year due to the resignation of 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)
Soh Chun Bin
Teo Ho Pin

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

(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 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;

(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;

DIRECTORS' STATEMENT

(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 nominated 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

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 81 to 148, which comprise the statements of financial position of the Group and the Company as at 30 June 2023, 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 a summary of significant accounting policies.

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 2023 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(cc) and 3 to the financial statements)

Description of key audit matter

Revenue arising from construction contracts represents 96% of the Group's total revenue. The accounting policy for revenue recognition is set out in Note 2(o) to the financial statements.

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 budgeting contract costs and also relied on 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 $105,745,000 (2022: $88,547,000) for the year ended 30 June 2023.The carrying amounts of the Group's contract assets and contract liabilities as at 30 June 2023 were $36,064,000 (2022: $23,608,000) and $2,265,000 (2022: $2,590,000) respectively (Note 17).

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)

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 reviewed and evaluated management's rationale for change in revenue recognition policy in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*. We also 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 checked the management's computation and accounting treatments of the financial impact of the change in accounting policy in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors* on the current and prior year's financial statements. 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 2023, 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 unauthorised 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.

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 (cont'd)

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.

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 Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

04 October 2023

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For The Financial Year Ended 30 June 2023

	Note	2023 $'000	(Restated) 2022 $'000
Revenue	3	**110,400**	96,483
Cost of sales		**(99,338)**	(92,054)
Gross profit		**11,062**	4,429
Other income	4	**4,627**	6,780
Marketing and distribution expenses		**(814)**	(985)
General and administrative expenses		**(11,278)**	(12,095)
Finance costs	5	**(2,297)**	(1,722)
Impairment loss on receivables and contract assets		**(568)**	(9,770)
Other operating expenses		**(244)**	(1,437)
Share of results of associate		**–**	19
Profit/(loss) before tax	6	**488**	(14,781)
Tax credit	8	**657**	684
Profit/(loss) for the financial year		**1,145**	(14,097)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation gain		**–**	55
Other comprehensive income for the financial year, net of tax		**–**	55
Total comprehensive income/(loss) for the financial year		**1,145**	(14,042)
Profit/(loss) attributable to:			
Equity holders of the Company		**1,405**	(13,244)
Non-controlling interests		**(260)**	(853)
		1,145	(14,097)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**1,404**	(13,190)
Non-controlling interests		**(259)**	(852)
		1,145	(14,042)
Earnings/(loss) per share attributable to equity holders of the Company			
Basic and diluted (cents)	9	**0.28**	(2.65)

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

STATEMENTS OF FINANCIAL POSITION

At 30 June 2023

		Group			Company		
			(Restated)	(Restated)			
	Note	30.6.23 $'000	30.6.22 $'000	1.7.21 $'000	30.6.23 $'000	30.6.22 $'000	1.7.21 $'000
Non-current assets							
Property, plant and equipment	10	**21,525**	25,282	28,963	**–**	–	–
Goodwill	12	**1,662**	1,662	6,896	**–**	–	–
Intangible assets	13	**210**	533	2,303	**18**	81	156
Other investments	14	**3,467**	–	7,980	**3,467**	–	7,980
Investment in subsidiaries	15	**–**	–	–	**25,636**	25,450	36,418
Investment in associate	16	**–**	–	48	**–**	–	–
Deferred tax assets	23	**1,098**	700	–	**–**	–	–
Total non-current assets		**27,962**	28,177	46,190	**29,121**	25,531	44,554
Current assets							
Contract assets	17	**36,064**	23,608	22,454	**–**	–	–
Asset held for sale	18	**–**	–	348	**–**	–	265
Inventories	19	**194**	254	677	**–**	–	–
Trade and other receivables	20	**29,875**	22,053	34,401	**6,852**	7,369	20,184
Cash and bank balances	21	**6,799**	18,620	15,493	**266**	4,636	666
Tax recoverable		**112**	109	65	**–**	–	–
Total current assets		**73,044**	64,644	73,438	**7,118**	12,005	21,115
Total assets		**101,006**	92,821	119,628	**36,239**	37,536	65,669
Non-current liabilities							
Borrowings	22	**13,543**	17,960	16,923	**1,686**	2,267	–
Deferred tax liabilities	23	**105**	579	578	**4**	4	4
Lease liabilities	11	**3,305**	3,740	4,748	**–**	–	–
Total non-current liabilities		**16,953**	22,279	22,249	**1,690**	2,271	4
Current liabilities							
Contract liabilities	17	**2,265**	2,590	3,518	**–**	–	–
Trade and other payables	24	**24,337**	22,224	28,573	**2,980**	409	6,136
Borrowings	22	**30,597**	23,520	28,462	**6,299**	7,094	8,600
Lease liabilities	11	**1,183**	1,288	1,775	**–**	–	–
Total current liabilities		**58,382**	49,622	62,328	**9,279**	7,503	14,736
Total liabilities		**75,335**	71,901	84,577	**10,969**	9,774	14,740
Net assets		**25,671**	20,920	35,051	**25,270**	27,762	50,929
Share capital and reserves							
Share capital	25(a)	**43,743**	43,743	43,743	**43,743**	43,743	43,743
Treasury shares	25(b)	**(152)**	(152)	(3)	**(152)**	(152)	(3)
Accumulated (losses)/profits	25(c)	**(10,557)**	(11,962)	1,282	**(18,467)**	(15,847)	7,171
Foreign currency translation reserve	26	**32**	33	(21)	**–**	–	–
Merger reserve	27	**(7,305)**	(7,338)	(7,338)	**–**	–	–
Other reserves		**39**	(60)	(89)	**146**	18	18
Equity attributable to equity holders of the Company		**25,800**	24,264	37,574	**25,270**	27,762	50,929
Non-controlling interests		**(129)**	(3,344)	(2,523)	**–**	–	–
Total equity		**25,671**	20,920	35,051	**25,270**	27,762	50,929

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For The Financial Year Ended 30 June 2023

	← Attributable to equity holders of the Company →								
	Share capital $'000	Accumulated losses $'000	Merger reserve $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Other reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2023									
At 1.7.2022, as restated	43,743	(11,962)	(7,338)	(152)	33	(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 26)	–	–	–	–	(1)	–	(1)	1	–
Total comprehensive income/(loss) for the financial year	–	1,405	–	–	(1)	–	1,404	(259)	1,145
Changes in ownership interest in a subsidiary									
Disposal of subsidiaries	–	–	33	–	–	(29)	4	–	4
Elimination of non-controlling interest at disposal	–	–	–	–	–	–	–	3,474	3,474
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	**43,743**	**(10,557)**	**(7,305)**	**(152)**	**32**	**39**	**25,800**	**(129)**	**25,671**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2023

	← Attributable to equity holders of the Company →								
	Share capital $'000	Accumulated losses $'000	Merger reserve $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Other reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2022									
At 1.7.2021, as previously stated	43,743	(1,637)	(7,338)	(3)	(21)	(89)	34,655	(2,266)	32,389
Prior year adjustment (Note 33)	–	2,919	–	–	–	–	2,919	(257)	2,662
At 1.7.2021, as restated	43,743	1,282	(7,338)	(3)	(21)	(89)	37,574	(2,523)	35,051
Loss for the financial year	–	(13,244)	–	–	–	–	(13,244)	(853)	(14,097)
Other comprehensive income									
Foreign currency translation gain, net of tax (Note 26)	–	–	–	–	54	–	54	1	55
Total comprehensive (loss)/income for the financial year	–	(13,244)	–	–	54	–	(13,190)	(852)	(14,042)
Contributions by and distributions to equity holders									
Purchase of treasury shares (Note 25(b))	–	–	–	(149)	–	–	(149)	–	(149)
Share-based payment to non-controlling interest	–	–	–	–	–	29	29	31	60
Total transactions with equity holders of the Company	–	–	–	(149)	–	29	(120)	31	(89)
At 30.6.2022, as restated	43,743	(11,962)	(7,338)	(152)	33	(60)	24,264	(3,344)	20,920

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For The Financial Year Ended 30 June 2023

	30.6.2023 $'000	(Restated) 30.6.2022 $'000
Cash flows from operating activities		
Profit/(loss) before tax	**488**	(14,781)
Adjustments for:		
Amortisation of intangible assets	**287**	404
Depreciation of property, plant and equipment	**3,381**	4,309
(Gain)/loss on disposal of property, plant and equipment (net)	**(23)**	54
Impairment loss on receivables and contract assets	**775**	9,770
Interest income	**(116)**	(108)
Interest expense	**2,227**	1,677
Property, plant and equipment written off	**–**	59
Share of results of associate	**–**	(19)
Bargain purchase from acquisition of a business	**–**	(21)
Impairment loss on intangible assets	**–**	550
Intangible assets written off	**–**	545
Bad debts written back	**(38)**	(13)
Inventories written off	**–**	83
Gain on disposal of other investments	**–**	(3,775)
Gain on lease modification	**–**	(59)
Equity-settled share-based payments	**128**	60
Loss on disposal of associates, net	**–**	25
Gain on disposal of subsidiaries (Note A)	**(2,447)**	(216)
Gain on derecognition of a subsidiary	**–**	(997)
Operating profit/(loss) before working capital changes	**4,662**	(2,453)
Contract assets	**(12,595)**	(5,429)
Contract liabilities	**1,494**	(928)
Trade and other receivables	**(14,528)**	4,867
Trade and other payables	**10,851**	(1,734)
Inventories	**(30)**	340
Cash used in operations	**(10,146)**	(5,337)
Interest received	**116**	108
Tax paid	**(3)**	(8)
Net cash used in operating activities	**(10,033)**	(5,237)

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 2023

	30.6.2023 $'000	(Restated) 30.6.2022 $'000
Cash flows from investing activities		
Additions to intangible assets	**(80)**	(14)
Purchases of property, plant and equipment (Note 10)	**(1,101)**	(776)
Proceeds from disposal of property, plant and equipment and asset held for sale	**95**	493
Proceeds from disposal of other investments	**–**	11,755
Proceeds from disposal of associates	**–**	390
Net cash inflow from disposal and derecognition of subsidiaries (net) (Note A, B and C)	**–**	4,284
Net cash outflow for acquisition of a subsidiary (Note D)	**–**	(33)
Net cash (used in)/generated from investing activities	**(1,086)**	16,099
Cash flows from financing activities		
(Placement)/withdrawal of fixed deposits pledged to bank	**(2,539)**	522
Drawdown of borrowings	**43,669**	27,496
Repayment of borrowings	**(41,056)**	(32,156)
Repayment of lease liabilities	**(1,257)**	(1,940)
Purchase of treasury shares	**–**	(149)
Due to directors (non-trade)	**89**	(100)
Interest paid	**(2,132)**	(1,580)
Net cash used in financing activities	**(3,226)**	(7,907)
Net (decrease)/increase in cash and cash equivalents	**(14,345)**	2,955
Cash and cash equivalents at beginning of financial year	**16,111**	13,156
Cash and cash equivalents at end of financial year	**1,766**	16,111

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

	2023 $'000	2022 $'000
Cash in hand and at bank (Note 21)	**2,632**	11,780
Fixed deposits (Note 21)	**4,167**	6,840
	6,799	18,620
Less: Fixed deposits pledged (Note 21)	**(4,167)**	(1,628)
Less: Bank overdrafts (Note 22)	**(866)**	(881)
	1,766	16,111

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 2023

Note A: Disposal of subsidiaries comprising SG Bike Pte. Ltd. ("SGB"), ISOTeam Green Solutions Pte. Ltd. ("IGS"), and ISOTeam Access Pte. Ltd. ("IAC") (Note 15 (v))

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 value 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 reserve	(29)	–	–	(29)
Carrying value 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 value 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.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For The Financial Year Ended 30 June 2023

Note B: Disposal of Pure Group (Singapore) Pte. Ltd. ("PURE Singapore") and its subsidiaries ("PURE") (Note 15 (v))

	2022 $'000
Carrying amount of assets and liabilities derecognised	
Property, plant and equipment	40
Intangible assets	290
Trade and other receivables	675
Cash and cash equivalents	172
Lease liabilities	(10)
Income tax liabilities	(46)
Deferred tax liabilities	(2)
Trade and other payables	(1,894)
Carrying value of net liabilities	(775)
Add: Goodwill	5,059
Carrying value of net assets	4,284
Carrying value of net assets disposed	4,284
Gain on disposal of subsidiaries	216
Cash proceeds on disposal	4,500
Less: Cash and cash equivalents in subsidiaries disposed	(172)
Net cash inflow on disposal of subsidiaries	4,328

Trade receivables and contract assets due from PURE Singapore totalling $3,504,000 was impaired upon the winding up of TMG as disclosed in Note C.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For The Financial Year Ended 30 June 2023

Note C: Winding up of TMG Projects Pte. Ltd. ("TMG") in 2022 (Note 15 (vii))

	2022 $'000
Carrying amount of assets and liabilities derecognised	
Property, plant and equipment	148
Contract assets*	48
Trade and other receivables*	1,378
Cash and cash equivalents	44
Lease liabilities	(69)
Trade and other payables	(13,685)
Net liabilities derecognised	(12,136)
Add: Goodwill	175
Carrying value of net liabilities	(11,961)
Carrying value of net liabilities derecognised	(11,961)
Amounts due from TMG	10,964
Gain on derecognition of a subsidiary	(997)
Cash proceeds on derecognition	–
Less: Cash and cash equivalents in subsidiary derecognised	(44)
Net cash outflow on derecognition of a subsidiary	(44)
Net cash inflow from disposal and derecognition of subsidiaries:	
Note B: PURE	4,328
Note C: TMG	(44)
	4,284

* Trade and other receivables and contract assets disclosed are net of impairment loss of $7,135,000.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For The Financial Year Ended 30 June 2023

Note D: Acquisition of a subsidiary – Green Pest Management Pte. Ltd. ("GPM") (Note 15 (vi))

Assets and liabilities recognised as a result of the acquisition in 2022

	Fair value recognised on acquisition 2022 $'000
Trade and other receivables	103
Property, plant and equipment	52
Cash and cash equivalents	58
Trade and other payables	(101)
Total identifiable net assets at fair value	112
Bargain purchase	(21)
Total consideration	91
Consideration in cash	(91)
Less: Cash and cash equivalents of subsidiary	58
Net cash outflow on acquisition of a subsidiary	(33)

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

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, 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are presented in Singapore dollar ("$"), which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand ($'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(cc).

The carrying amounts of cash and bank balances, trade and other receivables and payables 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.

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.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 30 June 2023 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary company. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(e). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

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 2023

2 SUMMARY OF SIGNIFICANT 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) Associates

An associate is an entity over which the Group has significant influence but not control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associates are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Distributions received from associates are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associate.

Where a group entity transacts with an associate of the Group, unrealised gains are eliminated to the extent of the Group's interest in the relevant associate. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred.

In the Company's financial statements, investment in associate is carried at cost less accumulated impairment loss. On disposal of investment in associate, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) 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.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

f) Other intangible assets

(i) Goodwill (see Note 2e)

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. The Group's intangible assets with indefinite useful lives are trademarks and knowhow.

Amortisation for intangible assets with finite lives is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Other intangible assets (Cont'd)

(ii) Other intangible assets (Cont'd)

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

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

The amortisation period and amortisation method of other intangible assets other than goodwill are reviewed at least at each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

g) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) 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").

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

(a) *Debt instruments* (Cont'd)

Amortised cost (Cont'd)

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".

A financial asset is measured at fair value through profit or loss ("FVTPL") if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or

(b) The financial assets is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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.

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

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").

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Financial assets (Cont'd)

Impairment (Cont'd)

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 balance sheet 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.

i) 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.

j) 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and that the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

l) 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.

m) 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.

n) 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.

o) 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Revenue recognition (Cont'd)

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.

The contract revenue is recognised over time by measuring the progress towards complete satisfaction of performance obligation as the customer simultaneously received and consumes the benefits provided by the Group's satisfaction of the performance obligation promised in the contracts.

In the previous financial year, the Group has determined the stage of completion of the contract activity by measuring the professional's certification of value of work done to-date, approved variations, internal certification or customer's acknowledgement of work completed at the end of the reporting period.

During the current financial year, the Group carried out a review of the method used to measure the progress of construction services taking into consideration the profile of existing ongoing contracts and determined that using proportion of contract costs incurred-to-date over the total budgeted costs would be a more reliable method. The change in the method of measuring the progress of construction services resulted in restatement of comparative figures for the financial year ended 30 June 2022 and 2021 as disclosed in Note 33.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Revenue recognition (Cont'd)

Revenue from sale of goods

The Group transfers control and recognises a sale when they deliver goods i.e. eco-friendly solutions 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 leasing of boomlift and 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. Payment for the services is not due from the customer until the services are completed and therefore a contract asset is recognised over the period in which the services are performed representing the Group's right to consideration for the services performed to date. A contract liability is recognised when the Group has not satisfied the performance obligation but has received advance consideration from the customer. Contract liabilities are recognised as revenue as the Group satisfies its performance obligation under its contracts.

Revenue from bike sharing

Revenue from bike rental services are recognised as a performance obligation satisfied over time. Revenue is recognised for these services based on the usage by the individual for the period. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made. A contract liability is the Group's obligation to provide services to a customer for which the Group has received consideration from the customer.

Other income

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

Dividend income is recognised when the rights to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

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

p) Government grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

q) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using a first-in first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

r) 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.

Financial guarantee contracts are initially recognised at their fair values.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers* and the amount of expected loss computed using the impairment methodology under SFRS(I) 9 *Financial Instruments*.

s) 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 unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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.

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 unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

s) Leases (Cont'd)

Where the Group is the lessee (Cont'd)

Lease liabilities (Cont'd)

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 payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

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.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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(i).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

s) Leases (Cont'd)

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.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

t) 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.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Share-based compensation

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

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account if new ordinary shares are issued, or credited to the "treasury shares" account if treasury shares are re-issued to the employees. Upon expiry of the options, the balance in the share option reserve is transferred to retained earnings.

u) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in profit or loss using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

v) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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.

Deferred income tax is provided on temporary differences arising on investments 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.

w) 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

w) Functional and foreign currencies (Cont'd)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

x) 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.

y) Cash and cash equivalents in the statement of cash flows

For the purposes of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are readily convertible and subject to an insignificant risk of change in value, bank overdrafts that form an integral part of the Group's cash management and excludes pledged deposits. Bank overdrafts are presented as borrowings on the statements of financial position.

z) Related parties

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

aa) 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 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

bb) Assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held for sale.

cc) Critical accounting judgement and key source of estimation uncertainty

Critical accounting judgement in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs).

Going concern assumption

The Company recognised a net loss of $2,620,000 for the financial year ended 30 June 2023 and as at that date, the Company's current liabilities exceeded its current assets by $2,161,000. The Group has net operating cash outflow of $10,033,000 and the cash and cash equivalents decreased by $14,345,000 during the financial year.

The financial statements are prepared on a going concern basis because the management has reasonable expectation that the Group and Company has adequate resources to continue in operation for at least the next 12 months from the date of financial statements with its right issue exercise. Subsequent to the financial year end, the Company has received proceeds of $10,415,000 from the right issue.

Loss of control over subsidiaries

As disclosed in Note 15 (v), the Group had disposed of its entire investment in SG Bike Pte. Ltd. ("SGB"), ISOTeam Access Pte. Ltd. ("IAC") and ISOTeam Green Solutions Pte. Ltd. ("IGS") to Multi-Asset Growth Strategy VCC ("MGS VCC"), a Singapore-based private equity fund manager on 12 December 2022.

In consideration for the transfer of ordinary shares of SGBike, IGS and IAC to MGS VCC, MGS VCC issued the entire 551,000 participating shares of $1 each in Strategic-Asset VCC Sub-Fund ("SA Sub-Fund") and entire 2,915,500 participating shares of $1 each in Greater Heights VCC Sub-Fund ("GH Sub-Fund") to the Company. GH Sub-Fund undertakes IAC as its portfolio investment while SA Sub-Fund undertakes SGB and IGS as its portfolio investments.

Management assessed that the Group lost control over SGB, IAC and IGS as the participating shareholder shall not have the right to vote at any general meeting of the SA Sub-Fund and GH Sub-Fund (including any vote on a scheme of arrangement, merger, reconstruction or amalgamation). Subsequent to the disposal, the Group's corporate representatives have resigned from their positions and do not run the operations in SGB, IGS and IAC.

Management has concluded that the Group does not have any dominant voting interest to direct the relevant activities of Sub-Funds and therefore the Group lost control over SGB, IAC and IGS. MGS VCC being the management shareholders of the SA Sub-Fund and GH Sub-Fund has appointed a fund manager to run the operations of the two sub-funds.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

cc) Critical accounting judgement and key source of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty

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 values of the Group's goodwill assets 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 value 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 values 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 investments 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 values 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 amount of the Group's trade receivables and contract assets is disclosed in Note 30(b), 20 and 17 respectively.

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

cc) Critical accounting judgement and key source of estimation uncertainty (Cont'd)

Key sources 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 devised a robust process for budgeting contract costs and also relied on 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 17.

Fair value of financial assets not quoted in an active market

As disclosed in Note 14, the Group and Company disposed its entire investment in subsidiaries in SGB, IAC and IGS in exchange for participating shares of equity investment in SA Sub-Fund and GH Sub-Fund which are classified as FVTPL. These investments are relatively illiquid with no public market. Management valued the investments in SA Sub-Fund and GH Sub-Fund based on the Group's share of the fair value of the underlying net assets of portfolio companies invested as per the quarterly report issued by the VCC's professional fund manager based on income approach method, and market approach method respectively.

Because of the inherent uncertainty of the valuation, management's estimate of fair values which are derived from the reported proportionate share of the fair value of the underlying net assets of the portfolio companies, may differ significantly from the values that would have been used had a ready market existed for the investment.

3 REVENUE

	Group	
		(Restated)
	2023	2022
	$'000	$'000
Revenue from construction contracts	**105,745**	88,547
Revenue from other services	**3,184**	3,420
Revenue from leasing	**1,419**	4,392
Sale of goods	**52**	124
	110,400	96,483

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

3 REVENUE (CONT'D)

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

	Group	
		(Restated)
	2023	2022
	$'000	$'000
Timing revenue recognition		
Over time	**110,348**	96,359
At a point in time	**52**	124
	110,400	96,483

The Group expects to recognise $137,825,000, $38,643,000 and $750,000 (2022: $121,503,000, $32,904,000 and $5,910,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 30 June 2023 in the financial year 2024, 2025 and 2026 (2022: financial year 2023, 2024 and 2025).

4 OTHER INCOME

	Group	
	2023	2022
	$'000	$'000
Government grants	**1,045**	683
Gain on disposal of property, plant and equipment	**24**	63
Interest income	**116**	108
Administrative income	**58**	205
Sales of spare parts	**72**	161
Foreign exchange gain	**25**	–
Bargain purchase from acquisition of a subsidiary	**–**	21
Bad debts written back	**38**	13
Gain on disposal of subsidiaries	**2,447**	216
Gain on disposal of associate	**–**	7
Gain on derecognition of a subsidiary	**–**	997
Gain on disposal of other investments	**–**	3,775
Others	**802**	531
	4,627	6,780

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

5 FINANCE COSTS

	Group	
	2023	2022
	$'000	$'000
Interest expense:		
- Lease	**234**	294
- Term loan	**1,048**	869
- Others	**636**	373
- Bank charges	**309**	141
Factoring charges	**70**	45
	2,297	1,722

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

6 PROFIT/(LOSS) BEFORE TAX

	Group	
		(Restated)
	2023	2022
	$'000	$'000
This is arrived at after charging:		
Amortisation of intangible asset (Note 13)	**287**	404
Audit fee paid/payable to auditor of the Company	**215**	214
Fees for non-audit services payable to auditor of the Company	**–**	–
Audit fee paid/payable to other auditors	**–**	5
Depreciation of property, plant and equipment (Note 10)	**3,381**	4,309
Impairment loss on intangible asset	**–**	550
Loss on disposal of property, plant and equipment	**1**	117
Personnel expenses (Note 7)	**35,718**	31,432
Property, plant and equipment written off	**–**	59
Lease expense – short-term leases (Note 11)	**1,301**	1,536
Intangible assets written off	**–**	545
Inventories written off	**–**	83
Equity-settled share-based payment	**–**	60
Loss on disposal of associate	**–**	32
Trade receivables and contract assets written off	**454**	7,589
Impairment loss on contract assets	**–**	2,044
Loss allowance on receivables and contract assets (Note 30(b))		
- Trade receivables and retention sums	**221**	137
- Contract assets	**100**	–

7 PERSONNEL EXPENSES

	Group	
	2023	2022
	$'000	$'000
Directors of the Company:		
- Salaries and bonus	**1,187**	1,305
- CPF	**35**	38
- Fees	**180**	180
- Other short-term benefits	**102**	108
Other directors of the subsidiaries:		
- Salaries and bonus	**791**	1,023
- CPF	**69**	91
- Other short-term benefits	**147**	143
- Share-based compensation	**29**	–
Other key management personnel (non-directors):		
- Salaries and bonus	**779**	778
- CPF	**57**	63
- Other short-term benefits	**105**	105
- Share-based compensation	**27**	–
Total remuneration of key management personnel	**3,508**	3,834
Staff costs:		
- Salaries and bonus	**20,874**	20,062
- CPF	**912**	1,117
- Other short-term benefits	**10,352**	6,419
- Share-based compensation	**72**	–
	35,718	31,432

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

7 PERSONNEL EXPENSES (CONT'D)

Singapore Government's grants under the Jobs Support Scheme ("JSS") amounting to $Nil (2022: $579,000) have been recorded as a reduction to the personnel expenses during the financial year ended 30 June 2023. Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees. The JSS is a temporary scheme introduced in the Singapore Budget 2020 and had been extended up to 2021 by the Government.

ISOTeam Performance Share Plan ("ISOTeam PSP")

On 21 February 2023, the Company granted 7,000,000 shares award to certain employees of the Group pursuant to the ISOTeam PSP. The fair value of the ISOTeam PSP at $0.097 per share was determined using the market price on the share granted date. There were 450,000 ISOTeam PSP 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

During the financial year, personnel expenses amounting to $128,000 determined based on the fair value of the shares award have been recognised in the Group's statement of comprehensive income.

8 TAX CREDIT

	Group	
		(Restated)
	2023	2022
	$'000	$'000
Tax credit attributable to profit/(loss) is made up of:		
Income tax:		
- Current year	**–**	32
- Over provision in prior years	**–**	(18)
Deferred tax:		
- Current year	**(657)**	(427)
- Over provision in prior years	**–**	(271)
	(657)	(684)

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

8 TAX CREDIT (CONT'D)

The income tax expense 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/(loss) before tax due to the following factors:

	Group	
		(Restated)
	2023	2022
	$'000	$'000
Profit/(loss) before tax	**488**	(14,781)
Tax calculated at a tax rate of 17% (2022: 17%)	**83**	(2,512)
Expenses not deductible for tax purposes	**671**	1,114
Income not subject to tax	**(561)**	(119)
Utilisation of prior year unrecognised deferred tax assets	**(655)**	(123)
Deferred tax assets not recognised for the financial year	**41**	1,147
Recognition of deferred tax asset from prior year tax losses	**(257)**	(289)
Others	**21**	98
	(657)	(684)

At the end of the reporting period, the Group had potential tax benefits arising from unutilised tax losses and capital allowances amounting to about $14,766,000 (2022: $18,366,000) that are available to carry-forward to offset against future taxable income, subject to the agreement of the tax authority and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate. Deferred tax asset of $1,100,000 (2022: $700,000) has been recognised in respect of $6,470,000 (2022: $4,118,000) of such losses. No deferred tax asset has been recognised in respect of the remaining $8,296,000 (2022: $14,248,000) losses as it is not probable that future taxable profit will be sufficient to allow the related tax benefits to be realised.

9 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) 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:

	2023	2022
Earnings/(loss) attributable to equity holders of the Company ($'000)	**1,405**	(13,244)
Weighted-average number of ordinary shares in issue for basic earnings per share ('000)*	**497,830**	499,123
Basic earnings/(loss) per share (cents)	**0.28**	(2.65)

* As disclosed in Note 34, the Company has completed the renounceable non-underwritten rights issue subsequent to 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 2023

9 EARNINGS/(LOSS) PER SHARE (CONT'D)

Diluted earnings/(loss) 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	
	2023	**2022**
Earnings/(loss) attributable to equity holders of the Company ($'000)	**1,405**	(13,244)
Weighted average number of:		
Ordinary shares used in calculation of basic earnings/(loss) per ordinary shares ('000)	**497,830**	499,123
Potential ordinary shares issuable under ISOTeam PSP ('000)**	**2,315**	–
Weighted average number of ordinary shares outstanding for diluted earnings/(loss) per ordinary shares ('000)	**500,145**	499,123
Diluted earnings/(loss) per share (cents)	**0.28**	(2.65)

** The potential ordinary shares used to compute the "diluted earnings/(loss) per share" took into account of 6,550,000 ordinary shares under ISOTeam PSP on 21 February 2023. (Refer Note 7)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

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	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 value										
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 2023

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										
2022										
Cost										
At 1.7.2021	125	5,848	396	735	8,532	11,725	1,813	20,688	3,357	53,219
Additions	–	2	9	39	928	606	161	–	76	1,821
Modification of lease liabilities	–	–	–	–	–	–	(2)	(443)	–	(445)
Disposals	–	(303)	–	(4)	(1,096)	(244)	–	(378)	(23)	(2,048)
Written off	(16)	(146)	–	(2)	–	(14)	(1)	–	–	(179)
Disposal and derecognition of subsidiaries	(28)	(200)	(125)	(80)	(196)	(28)	(212)	(19)	–	(888)
Acquisition of a subsidiary	–	–	–	–	51	1	–	–	–	52
Reclassified to intangible assets (Note 13)	–	–	–	–	–	–	(5)	–	–	(5)
Exchange differences	–	–	–	–	(1)	–	(1)	–	–	(2)
At 30.6.2022	81	5,201	280	688	8,218	12,046	1,753	19,848	3,410	51,525
Accumulated depreciation										
At 1.7.2021	99	2,325	325	553	4,626	8,510	1,605	3,483	2,730	24,256
Additions	15	532	32	68	887	755	92	1,567	361	4,309
Disposals	–	(303)	–	(1)	(676)	(143)	–	(355)	(23)	(1,501)
Written off	(14)	(91)	–	–	–	(14)	(1)	–	–	(120)
Disposal and derecognition of subsidiaries	(27)	(200)	(100)	(64)	(99)	(12)	(189)	(9)	–	(700)
Exchange differences	–	–	–	–	–	–	(1)	–	–	(1)
At 30.6.2022	73	2,263	257	556	4,738	9,096	1,506	4,686	3,068	26,243
Net carrying value										
At 30.6.2022	8	2,938	23	132	3,480	2,950	247	15,162	342	25,282

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For The Financial Year Ended 30 June 2023

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The leasehold properties with carrying amount of $12,481,000 (2022: $12,864,000) are mortgaged to a bank to secure banking facilities of the Group (Note 22).

(b) Included in property, plant and equipment are right-of-use assets of $17,049,000 (2022: $18,909,000) (Note 11).

(c) Non-cash transactions

	Group	
	2023	**2022**
	$'000	**$'000**
Aggregate cost of property, plant and equipment acquired	**2,712**	1,821
Less: Acquired under lease arrangement (Note 11)	**(1,402)**	(1,045)
Less: Outstanding payable at year end	**(209)**	–
Net cash outflow for purchase of property, plant and equipment	**1,101**	776

11 LEASE LIABILITIES

	Group	
	2023	**2022**
	$'000	**$'000**
The lease liabilities are analysed as follows:		
Current	**1,183**	1,288
Non-current	**3,305**	3,740
	4,488	5,028

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 30(b).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

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	
	2023 $'000	2022 $'000
Office equipment and fittings	**17**	6
Motor vehicles	**3,114**	2,414
Gondolas and machineries	**–**	1,327
Leasehold properties	**13,918**	15,162
	17,049	18,909

Additions to right-of-use assets during the financial year were $1,880,000 (2022: $1,245,000).

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

	Group	
	2023 $'000	2022 $'000
Office equipment and fittings	**5**	15
Motor vehicles	**512**	497
Gondolas and machineries	**88**	200
Leasehold properties	**1,244**	1,567
	1,849	2,279

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

	Group	
	2023 $'000	2022 $'000
Lease expense – short-term leases (Note 6)	**1,301**	1,536
Interest expense on lease liabilities (Note 5)	**234**	294

Total cash flows for lease amounted to $2,783,000 (2022: $3,787,000).

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

11 LEASE LIABILITIES (CONT'D)

The Group as a lessee (Cont'd)

(c) Lease expense not included in the measurement of lease liabilities (Cont'd):

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

	Lease liabilities	
	2023 $'000	2022 $'000
Balance as at 1 July	**5,028**	6,523
Changes from financing cash flows:		
– Repayments of principal	**(1,257)**	(1,940)
– Repayment of interest	**(225)**	(311)
Non-cash changes		
– Interest expense	**234**	294
– New leases	**1,402**	1,045
– Disposal of subsidiaries	**(689)**	(79)
– Lease modification	**(5)**	(504)
Balance as at 30 June	**4,488**	5,028

12 GOODWILL

	Group	
	2023 $'000	2022 $'000
Cost		
At 1 July	**10,341**	15,575
Disposal of subsidiaries	**(821)**	(5,059)
Derecognition of a subsidiary	**–**	(175)
At 30 June	**9,520**	10,341
Accumulated impairment losses		
At 1 July	**8,679**	8,679
Disposal of subsidiaries	**(821)**	–
At 30 June	**7,858**	8,679
Net carrying value		
At 30 June	**1,662**	1,662

Impairment testing of goodwill

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 30 June 2023 were assessed for impairment during the financial year.

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For The Financial Year Ended 30 June 2023

12 GOODWILL (CONT'D)

Impairment testing of goodwill (Cont'd)

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

	Group	
	2023	2022
	$'000	$'000
Cash Generating Unit and principal activities		
CGU 1 – Repair & redecoration and coatings & paintings	**1,383**	1,383
CGU 2 – Landscaping works	**279**	279
	1,662	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
	%	%
2023		
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**
2022		
Forecast revenue growth rate (Year 1)	21.00	8.32
Forecast revenue growth rate (Year 2 to 5)	3.50	3.50
Terminal value growth rate	3.50	3.50
Pre-tax discount rate	9.44	9.24

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% (2022: 3.5%) which does not exceed the nominal GDP rates for the countries in which the CGU operates.

Pre-tax discount rate – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. 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 values.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

13 INTANGIBLE ASSETS

	Order books and customer contracts $'000	Brand $'000	Licenses $'000	Service agreements $'000	Customer relationship $'000	Software $'000	Total $'000
Group							
Cost							
At 1 July 2021	5,806	1,362	1,043	185	1,022	775	10,193
Reclassified from property, plant and equipment (Note 10)	–	–	–	–	–	5	5
Disposal of subsidiaries	–	–	–	–	–	(290)	(290)
Written off	(192)	(1,362)	(43)	(97)	–	–	(1,694)
Additions	–	–	–	–	–	14	14
At 30 June 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**
Accumulated amortisation							
At 1 July 2021	5,806	748	235	185	657	259	7,890
Amortisation	–	69	100	–	145	90	404
Written off	(192)	(817)	(43)	(97)	–	–	(1,149)
At 30 June 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**
Impairment							
At 1 July 2021 and 30 June 2022	–	–	550	–	–	–	550
Disposal of subsidiaries	–	–	(550)	–	–	–	(550)
At 30 June 2023	–	–	–	–	–	–	–
Net carrying amount							
At 30 June 2022	–	–	158	–	220	155	533
At 30 June 2023	**–**	**–**	**–**	**–**	**73**	**137**	**210**

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

13 INTANGIBLE ASSETS (CONT'D)

	Favourable contracts $'000	Software $'000	Total $'000
Company			
Cost			
At 1 July 2021, 30 June 2022 and 30 June 2023	**192**	**226**	**418**
Accumulated amortisation			
At 1 July 2021	192	70	262
Amortisation	–	75	75
At 30 June 2022	192	145	337
Amortisation	–	63	63
At 30 June 2023	**192**	**208**	**400**
Net carrying amount			
At 30 June 2022	–	81	81
At 30 June 2023	**–**	**18**	**18**

14 OTHER INVESTMENTS

	Group and Company	
	2023 $'000	2022 $'000
Financial assets at fair value through profit or loss		
- Equity investment in sub-funds (unquoted)	**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 as disclosed in Note 2(cc).

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.

The fair values of SA Sub-Fund and GH Sub-Fund 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

15 INVESTMENT IN SUBSIDIARIES

	Company 2023 $'000	Company 2022 $'000
Unquoted equity shares, at cost		
Balance at beginning of financial year	**46,143**	52,382
Incorporation of a subsidiary	**–**	250
Acquisition during financial year	**–**	91
Capitalisation of debt	**2,460**	11,200
Capital injection	**2,600**	–
Shares awarded to the employees in subsidiaries	**126**	–
Striking-off of subsidiaries	**–**	(365)
Winding up of a subsidiary	**–**	(3,949)
Disposal of subsidiaries	**(4,494)**	(13,466)
	46,835	46,143
Less: Allowance for impairment in value	**(21,199)**	(20,693)
	25,636	25,450
Movement in allowance for impairment in value are as follows:		
Balance at beginning of financial year	**20,693**	15,964
Written off during the financial year	**–**	(9,481)
Disposal of subsidiaries	**(4,494)**	–
Allowance made during the financial year	**5,000**	14,210
Balance at end of financial year	**21,199**	20,693

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

Name of subsidiary (Country of incorporation)	Principal activities	Group's equity interest held 2023 %	Group's equity interest held 2022 %
Held by the Company			
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
ISOTeam Green Solutions Pte. Ltd. (Singapore)	Provision of eco-friendly solutions and products and products related to Repair and Redecoration and Addition and Alteration services	**–**	100
Zara@ISOTeam Pte. Ltd.* (Singapore)	Provision of interior design and space planning services	**51**	51
ISOTeam AET Pte. Ltd.* (Formerly known as Industrial Contracts Marketing) (2001) Pte. Ltd.) (Singapore)	Provision of Coatings and Paintings services and Repair and Redecoration services	**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 Access Pte. Ltd.** (Singapore)	Leasing of boom lift and related machineries	**–**	100

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For The Financial Year Ended 30 June 2023

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of subsidiary (Country of incorporation)	Principal activities	Group's equity interest held	
		2023 %	2022 %
ISOTeam Homecare Pte. Ltd.* (Singapore)	Provision of handyman services	**100**	100
ISO-Integrated M&E Pte. Ltd.* (Singapore)	Provision of electrical engineering services	**100**	100
SG Bike Pte. Ltd. (Singapore)	Provision of bike sharing services	**–**	48
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
Held by TMS Alliances Pte. Ltd.			
ISOTeam TMS (Myanmar) Limited#	Provision of Repair and Redecoration services	**90**	90

* Audited by Baker Tilly TFW LLP, Singapore
** Audited by firms other than Baker Tilly TFW LLP
# Audited by Khin Accountancy Firm, Myanmar

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

On 20 October 2022 and 16 November 2022, ISO-Integrated M&E Pte. Ltd., a wholly-owned subsidiary of the Company, issued 2,460,000 ordinary shares and 500,000 ordinary shares respectively at $1 each to the Company by way of capitalisation of existing shareholder's loan(s) and capital injection respectively.

On 31 January 2023, ISO-Team Corporation Pte. Ltd., a wholly-owned subsidiary of the Company, issued 2,100,000 ordinary shares at $1 each to the Company by capital injection.

(iii) Change of name of subsidiary

On 19 December 2022, Industrial Contracts Marketing (2001) Pte Ltd, a wholly-owned subsidiary of the Company has changed its name to ISOTeam AET Pte. Ltd.

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

During the financial year, management performed an impairment test for the investment in subsidiaries which are making losses during the current financial year. Impairment loss of $5,000,000 (2022: $14,210,000) was recognised for the year ended 30 June 2023 to write down the investments in ISO-Integrated M&E Pte. Ltd. ("IME") and ISOTeam AET Pte. Ltd. ("AET") to their recoverable amounts of $2,939,000 and $Nil. The impairment loss for IME amounting to $4,410,000 and AET amounting to $590,000. AET was fully impaired due to continous ongoing losses.

The recoverable amounts of IME is 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.

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15 INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Key assumptions used in value-in-use calculations

	IME %
2023	
Forecast revenue growth rate (Year 1)	**6.00**
Forecast revenue growth rate (Year 2 to 5)	**2.50**
Terminal value growth rate	**2.50**
Pre-tax discount rate	**9.64**

	ITC %	RC %	IME %
2022			
Forecast revenue growth rate (Year 1)	37.00	71.30	2.38
Forecast revenue growth rate (Year 2 to 5)	3.50	3.50	3.50
Terminal value growth rate	3.50	3.50	3.50
Pre-tax discount rate	9.67	9.29	8.49

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use for IME, an increase/decrease in forecasted revenue growth rate for Year 1 by 2% would result in a decrease/increase of impairment loss on investment in IME by $295,000.

(v) Disposal of subsidiaries

On 12 December 2022, the Company had completed the disposal of SG Bike Pte. Ltd., ISOTeam Access Pte. Ltd. and ISOTeam Green Solutions Pte. Ltd. in exchange for the participating shares in the Sub-Funds as disclosed in Note 14. See Note A in the consolidated statement of cash flows for more information.

In FY2022, the Company had completed the disposal of Pure Group entities for cash consideration of $4,500,000 during the financial year (See to Note B in the consolidated statement of cash flows for more information).

(vi) Acquisition of a subsidiary

On 3 August 2021, the Company acquired a wholly-owned subsidiary, Green Pest Management Pte. Ltd. for total consideration of $91,000 (See Note D of the consolidated statement of cash flows for more information).

(vii) Winding up of a subsidiary

On 18 March 2022, the High Court of the Republic of Singapore made an order to wind-up a wholly-owned subsidiary, TMG Projects Pte. Ltd. ("TMG"), with paid-up share capital of $1,500,000.

In FY2022, as a result of the winding-up of the Company's wholly owned subsidiary, TMG, the Group has recorded a gain of approximately $1.0 million on the derecognition of TMG (See Note C in the consolidated statement of cash flows for more information).

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For The Financial Year Ended 30 June 2023

16 INVESTMENT IN ASSOCIATE

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Unquoted shares				
- At cost	–	35	–	–
Disposal during the year	–	(67)	–	–
Share of post-acquisition reserves	–	32	–	–
Net carrying amount	–	–	–	–

The details of the associate are as follows:

Name of Company	Principal place of business/Country of incorporation	Principal activity	Ownership interest held 2023 %	Ownership interest held 2022 %
Held by Company				
Unquoted equity shares				
ITG Projects Sdn. Bhd.	Malaysia	Provision for interior design services	–	–
ISOTeam FP Pte. Ltd.	Singapore	Provision for painting and decorating	–	–

On 19 November 2021, the Group disposed ISOTeam FP Pte. Ltd. ("IFP") for a consideration of $35,000. Loss on disposal of IFP amounting to $32,000 has been recognised.

17 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 on the Group's construction contract. 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.

	Group		
	2023 $'000	(Restated) 2022 $'000	(Restated) 1.7.2021 $'000
Contract assets	**36,064**	23,608	22,454
Contract liabilities	**2,265**	2,590	3,518
Trade receivables (including retention sums)	**20,765**	15,094	23,770

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

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17 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

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

	Group		
		(Restated)	(Restated)
	2023	2022	1.7.2021
	$'000	$'000	$'000
Allowance for impairment on contract assets	**100**	–	101
Impairment loss on contract assets	**427**	4,228	2,421
Revenue recognised that was included in the contract liabilities balance at beginning of financial year	**2,590**	3,518	1,215
Transfers from the contract assets recognised at the beginning of financial year to trade receivables	**16,485**	16,650	11,165

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

18 ASSET HELD FOR SALE

Investment in associate

As at 30 June 2021, the Company committed to sell off its 40% shareholding in ITG Projects Sdn. Bhd. ("ITGP") to two directors of the Company. Subsequently to the financial year end, the board of directors approved the disposal to related parties for a consideration of $355,000. As ITGP is expected to be disposed within 12 months from the end of financial year, it has been reclassified from investment in associate to asset held for sale in the statement of financial position as at 30 June 2021.

On 3 August 2021, the Company disposed ITG Projects Sdn. Bhd. ("ITGP") to two directors of the Company for a consideration of $355,000. Gain on disposal of ITGP amounted to $7,000 has been recognised.

19 INVENTORIES

	Group	
	2023	2022
	$'000	$'000
Trading stocks	**194**	254

Inventories included as cost of sales and cost of contracts amounted to $21,147,000 (2022: $18,071,000).

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For The Financial Year Ended 30 June 2023

20 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables:				
- Third parties	**16,135**	12,055	**34**	–
Less: Allowance for impairment on receivables	**(267)**	(171)	**–**	–
	15,868	11,884	**34**	–
- Related parties (trade)	**23**	9	**–**	–
	15,891	11,893	**34**	–
Retention sums on contracts:				
- Third parties	**4,896**	3,215	**–**	–
Less: Allowance for impairment on receivables	**(22)**	(14)	**–**	–
	4,874	3,201	**–**	–
GST receivables	**214**	23	**–**	–
Sundry deposits	**1,958**	1,881	**–**	–
Prepayment	**1,500**	993	**19**	31
Sundry receivables:				
- Third parties	**5,275**	3,899	**240**	9
- Related parties	**163**	163	**163**	163
	5,438	4,062	**403**	172
- Subsidiaries	**–**	–	**6,661**	10,979
Less: Allowance for impairment on receivables	**–**	–	**(265)**	(3,813)
	–	–	**6,396**	7,166
	29,875	22,053	**6,852**	7,369

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 $3,996,000 (2022: $2,388,000) which have been pledged to banks as securities for project financing. (Note 22)

21 CASH AND BANK BALANCES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash in hand and at bank	**2,632**	11,780	**266**	4,636
Fixed deposits	**4,167**	6,840	**–**	–
	6,799	18,620	**266**	4,636

Fixed deposits were placed with the reputable financial institutions and matured within 1 to 18 months (2022: 1 to 18 months) from the end of the reporting period. The effective interest rates at year end ranged from 0.10% to 2.00% (2022: from 0.00% to 2.00%) per annum.

Fixed deposits include an amount of $4,167,000 (2022: $1,628,000) which have been pledged to banks as collateral for borrowings (Note 22).

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22 BORROWINGS

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current liability				
Term loans	**13,543**	17,960	**1,686**	2,267
Current liabilities				
Factoring loan	**1,213**	–	**–**	–
Trust receipts	**15,197**	8,072	**–**	–
Bank overdrafts	**866**	881	**–**	–
Revolving credit facilities	**8,083**	6,240	**5,740**	5,740
Term loans	**5,238**	8,327	**559**	1,354
	30,597	23,520	**6,299**	7,094
Total	**44,140**	41,480	**7,985**	9,361

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

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Within 1 year	**30,597**	23,520	**6,299**	7,094
Within 2 to 5 years	**8,178**	12,101	**1,686**	2,267
Over 5 years	**5,365**	5,859	**–**	–
	44,140	41,480	**7,985**	9,361

The term loans included $800,000 (2022: $800,000) and $4,920,000 (2022: $8,096,000) which bear fixed interest rate of 10.00% (2022: 7.00%) per annum and 1.68% (2022: 1.68%) per annum respectively.

Others borrowings are charged at floating rates which bears interest ranging from 1.68% to 7.46% (2022: 2.00% to 5.75%) per annum.

Group

a) Security granted

The bank borrowings are secured by:

(i) charges over fixed deposits (Note 21);
(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.

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For The Financial Year Ended 30 June 2023

22 BORROWINGS (CONT'D)

Group (Cont'd)

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 values as there are no significant changes in the market lending interest rates available to the Group at the end of the reporting period. The floating rate borrowings are instruments that are repriced to market interest rates on or near the end of the reporting period. Accordingly, the fair values of these borrowings, determined from discounted cash flow analysis using a discount rate ranging between 2.00% to 5.50% (2022: 2.00% to 5.50%) which is the market lending rates that the management expects would be available to the Group at the end of the reporting period, would approximate their carrying amounts 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.

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 2021	1,603	45,198	46,801
Changes from financing cash flows:			
- Proceeds	–	27,496	27,496
- Repayments	(100)	(32,156)	(32,256)
- Interest paid	(3)	(1,116)	(1,119)
Non-cash changes:			
- Interest expense	56	1,177	1,233
Balance at 30 June 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**

During the financial year, the Company and the subsidiaries received waiver from its banks to comply with certain financial covenants for the financial year ended 30 June 2023 as the Company and the subsidiaries were unable to meet these covenants. Subsequent to the end of the financial year, the breaches of the banks' covenants have been rectified after the rights issue. Refer to Note 34.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

22 BORROWINGS (CONT'D)

Company

All borrowings are charged at floating rates which bears interest ranging from 3.99% to 6.95% (2022: 3.19% to 4.65%) per annum except for a term loan amounting to $800,000 (2022: $800,000) which bears interest 10.00% (2022: 7.00%) per annum.

23 DEFERRED TAX (ASSETS)/LIABILITIES

The movements in the deferred tax (assets)/liabilities are as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 July	**(121)**	578	**4**	4
Disposal of subsidiaries	**(212)**	(2)	**–**	–
Tax credited to profit or loss	**(660)**	(697)	**–**	–
At 30 June	**(993)**	(121)	**4**	4
Representing:				
Non-current				
Deferred tax asset	**(1,098)**	(700)	**–**	–
Deferred tax liabilities	**105**	579	**4**	4
	(993)	(121)	**4**	4

Deferred tax (assets)/liabilities as at 30 June relates to the following:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax (assets)/liabilities				
Unabsorbed capital allowances and unutilised tax losses	**(1,100)**	(700)	**–**	–
Differences in depreciation for tax purposes	**105**	553	**4**	4
Fair value adjustment on business combination	**2**	26	**–**	–
At 30 June	**(993)**	(121)	**4**	4

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

24 TRADE AND OTHER PAYABLES

	Group			Company		
	30.6.23 $'000	(Restated) 30.6.22 $'000	(Restated) 1.7.21 $'000	30.6.23 $'000	(Restated) 30.6.22 $'000	(Restated) 1.7.21 $'000
Current						
Trade payables:						
- Third parties	**13,550**	12,132	14,454	**47**	32	70
- Related parties	**863**	956	791	**–**	–	–
GST payables	**771**	355	888	**24**	7	28
Retention payables:						
- Third parties	**4,066**	3,478	4,985	**–**	–	–
- Related party	**–**	–	1	**–**	–	–
Other payables:						
- Third parties	**2,766**	1,496	3,039	**–**	–	175
- Subsidiaries (non-trade)	**–**	–	–	**–**	316	5,779
- Related parties (non-trade)	**–**	–	100	**2,832**	–	–
- Directors (non-trade)	**255**	1,556	1,503	**–**	–	–
Accrued operating expenses	**2,066**	2,251	2,812	**77**	54	84
	24,337	22,224	28,573	**2,980**	409	6,136

Included in the amount due to directors (non-trade) is $Nil (2022: $1,000,000) relating to the acquisition of license from a director of a subsidiary. As at previous reporting date, the amount due to directors bears interest of 5% to 6% per annum and is repayable on demand. The amount was $Nil from the disposal of subsidiary.

The non-trade other payables due to related parties, directors of subsidiaries and subsidiaries are unsecured, interest-free and payable on demand.

25 SHARE CAPITAL, TREASURY SHARES AND ACCUMULATED PROFITS

a) Share capital

	Group and Company			
	2023		2022	
	Number of issued shares '000	Issued share capital $'000	Number of issued shares '000	Issued share capital $'000
At 1 July and 30 June	**348,366**	**43,743**	348,366	43,743

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.

NOTES TO THE
FINANCIAL STATEMENTS
For The Financial Year Ended 30 June 2023

25 SHARE CAPITAL, TREASURY SHARES AND ACCUMULATED PROFITS (CONT'D)

b) Treasury shares

	Group and Company			
	2023		2022	
	Number of issued shares '000	Issued share capital $'000	Number of issued shares '000	Issued share capital $'000
At 1 July	**1,195**	**152**	14	3
Share buyback	**–**	**–**	1,181	149
At 30 June	**1,195**	**152**	1,195	152

Treasury shares relate to ordinary shares of the Company that is held by the Company.

In FY2022, the Company acquired 1,181,000 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $149,000 and this was recorded as a component within shareholders' equity.

c) Accumulated losses

	Company	
	2023 $'000	2022 $'000
At 1 July	**(15,847)**	7,171
Loss and total comprehensive loss for the financial year	**(2,620)**	(23,018)
At 30 June	**(18,467)**	(15,847)

26 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	
	2023 $'000	2022 $'000
At 1 July	**33**	(21)
Foreign currency translation	**(1)**	54
At 30 June	**32**	33

27 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

28 CONTINGENT LIABILITIES

As at 30 June 2023, the Company has provided corporate guarantees of $52,672,000 (2022: $39,872,000) to banks for borrowings of $35,949,000 (2022: $$29,706,000) taken by its subsidiaries.

The earliest period that the guarantee could be called is within 1 year (2022: 1 year) from the end of the reporting period. Based on the expectations at the end of the reporting period, the Group and Company consider that it is more likely than not that no amount will be payable under the arrangement.

29 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:

	2023 $'000	2022 $'000
Group		
With related parties		
Expenses		
Purchases	**3,416**	3,030
Interest expenses	**–**	56
With directors		
Expenses		
Payment on behalf by	**240**	–
Advances from	**89**	–
Interest charged	**24**	56
Compensation of key management personnel		
- Salaries and bonus	**2,757**	3,106
- CPF	**161**	192
- Fee	**180**	180
- Other short-term benefits	**354**	356
- Share-based compensation (Note 7)	**56**	–
	3,508	3,834
Company		
With subsidiaries		
Receipts on behalf	**(236)**	(153)
Loan	**4,093**	12,147
Repayment of loan	**(1,129)**	(1,837)
Capitalisation of loan	**(2,460)**	(11,200)
Capital injection	**2,600**	–
Income		
Management fee	**(1,666)**	(1,481)
Interest income	**(114)**	(282)
Expenses		
Recharge of expense	**6**	1

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

30 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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Financial assets				
At amortised costs	**34,960**	39,657	**7,099**	11,974
Financial liabilities				
At amortised cost	**71,224**	67,636	**10,943**	9,763

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 21) and borrowings (Note 22).

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 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 ("$"). If the interest rates increase/decrease by 50 (2022: 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 (2022: lower/higher) by $192,000 (2022: $163,000) respectively as a result of higher/lower interest expense on these loans and borrowings.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

30 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

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.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

30 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

Significant increase in credit risk (Cont'd)

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 (2022: 10 debtors) represented approximately 56% (2022: 62%) 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 $35,949,000 (2022: $29,706,000) 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 2023

30 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 2023 $'000	Group (Restated) 2022 $'000
By types of customers		
Trade receivables		
Related parties	**23**	9
Third parties:		
- Government agencies	**4,660**	4,649
- Other companies	**11,026**	6,958
- Individuals	**182**	277
	15,891	11,893
Contract assets		
Third parties:		
- Government agencies	**20,106**	15,936
- Other companies	**15,895**	7,658
- Individuals	**63**	14
	36,064	23,608

Movements in credit loss allowance are as follows:

	Contract assets $'000	Trade receivables (including retention sums) $'000	Other receivables $'000	Total $'000
Group				
Balance at 1 July 2021	306	143	3,059	3,508
Loss allowance measured:				
Lifetime ECL	–	137	–	137
Receivables written off as uncollectible	(306)	(95)	(3,059)	(3,460)
Balance at 30 June 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**

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

30 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

Estimation techniques and significant assumptions (Cont'd)

Movements in credit loss allowance are as follows (Cont'd):

	Other receivables $'000
Company	
Balance at 1 July 2021	548
Loss allowance measured:	
Lifetime ECL	
- Credit impaired	3,265
Balance at 30 June 2022	3,813
Loss allowance measured:	
Lifetime ECL	254
- Credit impaired	(802)
Disposal of subsidiary	(3,000)
Balance at 30 June 2023	**265**

The credit loss for cash and cash equivalents are immaterial as at 30 June 2023.

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 asset 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 2023

30 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management objectives and policies (Cont'd)

Credit risk (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
2023								
Gross receivables	**6,243**	**1,076**	**578**	**426**	**2,294**	**614**	**267**	**11,498**
Loss allowance	**–**	**–**	**–**	**–**	**–**	**–**	**267**	**267**
2022								
Gross receivables	2,810	1,181	500	156	1,487	1,110	171	7,415
Loss allowance	–	–	–	–	–	–	171	171

The Group's credit risk exposure in relation to trade receivables, 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
2023			
Gross retention sums	**4,874**	**22**	**4,896**
Loss allowance	**–**	**22**	**22**
2022			
Gross retention sums	3,201	14	3,215
Loss allowance	–	14	14

Contract assets

	Non-credit impaired $'000	Credit impaired $'000	Total $'000
2023			
Gross contract assets	**36,164**	**–**	**36,164**
Loss allowance	**100**	**–**	**100**
2022			
Gross contract assets	23,608	–	23,608
Loss allowance	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

30 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
2023				
Trade receivables	Lifetime ECL (Simplified approach)	**21,054**	**(289)**	**20,765**
Contract asset	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**
2022				
Trade receivables	Lifetime ECL (Simplified approach)	15,279	(185)	15,094
Contract asset	Lifetime ECL (Simplified approach)	23,608	–	23,608
Other receivables	12-month	5,943	–	5,943
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	18,620	–	18,620

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
2023				
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**
2022				
Other receivables	12-month	7,105	–	7,105
	Lifetime ECL	4,046	(3,813)	233
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	4,636	–	4,636

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. 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.

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30 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 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
Group				
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**
	53,473	**11,469**	**9,117**	**74,059**
At 30 June 2022				
Trade and other payables	21,127	–	–	21,127
Lease liabilities	1,501	2,899	2,271	6,671
Borrowings	23,881	13,062	7,414	44,357
	46,509	15,961	9,685	72,155
Company				
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**
	45,339	**1,796**	**–**	**47,135**
At 30 June 2022				
Trade and other payables	402	–	–	402
Borrowings	7,214	2,470	–	9,684
Financial guarantee contracts	29,706	–	–	29,706
	37,322	2,470	–	39,792

NOTES TO THE **FINANCIAL STATEMENTS**

For The Financial Year Ended 30 June 2023

30 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 2023:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2023				
Assets				
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 2023

30 FINANCIAL INSTRUMENTS (CONT'D)

d) Fair value measurements of financial instruments that are carried at fair value (Cont'd)

Movements in Level 3 assets and liabilities measured at fair value

	Unquoted equity shares	
	2023	2022
	$'000	$'000
Balance at beginning of financial year	–	7,980
Disposal during the year	–	(7,980)
Addition	**3,467**	–
Balance at end of financial year	**3,467**	–

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.

31 CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

a) 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;

b) To support the Group's stability and growth; and

c) 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 2022.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

32 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:

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
Other segments items					
Capital expenditure-property, plant and equipment	–	–	–	–	2,722
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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

32 SEGMENT INFORMATION (CONT'D)

2022 (restated)	R&R $'000	A&A $'000	C&P $'000	Others $'000	Total $'000
Segment revenue	29,129	37,413	9,127	20,814	96,483
Segment profits/(losses)	4,861	(5,250)	1,835	(4,004)	(2,558)
Depreciation and amortisation					(4,713)
Other non-cash expense					(5,877)
Interest income					108
Finance costs					(1,722)
Share of results of associate					(19)
Loss before tax					(14,781)
Segment assets	17,147	16,185	7,008	15,508	55,848
Unallocated assets					36,973
Total assets					92,821
Segment liabilities	9,147	3,359	2,485	12,662	27,653
Unallocated liabilities					44,248
Total liabilities					71,901
Other segments items					
Capital expenditure-property, plant and equipment					1,821
Depreciation of property, plant and equipment					4,309
Amortisation of intangible assets					404
Intangible assets written off	–	–	–	545	545
Gain on disposal of other investments	–	–	–	(3,775)	(3,775)
Gain on disposal of subsidiaries	–	–	–	(216)	(216)
Gain on derecognition of a subsidiary	–	–	–	(997)	(997)
Impairment losses on intangible assets	–	–	–	550	550
Impairment loss on receivables and contract assets	–	8,361	389	1,020	9,770

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 2023

32 SEGMENT INFORMATION (CONT'D)

Information about major customers

In the previous financial year, revenue of $13,762,000 was derived from one customer with total contribution of 14% of the Group's revenue and are attributable to the Group's A&A segment. During the financial year, there are no customer who individually contributed 10% or more of the Group's revenue.

	Attributable segments	Group 2023 $'000	Group (Restated) 2022 $'000
Customer 1	A&A	–	13,762

Geographical information

The Group's revenues from external customers and non-current assets are predominantly located in Singapore.

33 COMPARATIVE FIGURES

In the previous financial year, the Group applied the output method and recognised revenue by reference to surveys of work to determine the value of work performed relative to the total contract value. In FY2023, the Group carried out a thorough review of the method used to measure the progress of construction services taking into consideration the profile of existing ongoing contracts and determined that accounting for revenue using the proportion of contract costs incurred-to-date over the total budgeted costs would be a more reliable method going forward. The change has been applied retrospectively in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The comparative figures of the Group in these financial statements have been restated in order to provide meaningful comparable information.

Accordingly, the comparative figures have been adjusted and restated as follows:

	As previously reported $'000	Adjustment $'000	As restated $'000
Group			
For financial year ended 30 June 2022			
Consolidated statement of comprehensive income			
Revenue	99,878	(3,395)	96,483
General and administrative expenses	(12,460)	365	(12,095)
Loss before tax	(11,751)	(3,030)	(14,781)
Loss attributable to:			
Equity holders of the Company	(9,954)	(3,290)	(13,244)
Non-controlling interest	(1,113)	260	(853)
Total comprehensive loss attributable to:			
Equity holders of the Company	(9,900)	(3,290)	(13,190)
Non-controlling interests	(1,112)	260	(852)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2023

33 COMPARATIVE FIGURES (CONT'D)

	As previously reported $'000	Adjustment $'000	As restated $'000
As at 30 June 2022			
Statement of financial position			
Current assets			
Contract assets	23,553	55	23,608
Current liabilities			
Contract liabilities	1,875	715	2,590
Trade and other payables	22,516	(292)	22,224
Share capital and reserves			
Accumulated losses	(11,591)	(371)	(11,962)
Non-controlling interests	(3,347)	3	(3,344)
Consolidated statement of changes in equity			
Accumulated losses	(11,591)	(371)	(11,962)
Non-controlling interests	(3,347)	3	(3,344)
Consolidated statement of cash flows			
Cash flow from operating activities			
Loss before tax	(11,751)	(3,030)	(14,781)
Operating profit/(loss) before working capital changes	577	(3,030)	(2,453)
Contract assets	(10,475)	5,046	(5,429)
Contract liabilities	363	(1,291)	(928)
Trade and other payables	(1,009)	(725)	(1,734)
Group			
As at 1 July 2021			
Statement of financial position			
Current assets			
Contract assets	17,354	5,100	22,454
Current liabilities			
Contract liabilities	1,512	2,006	3,518
Trade and other payables	28,141	432	28,573
Share capital and reserves			
Accumulated (losses)/profits	(1,637)	2,919	1,282
Non-controlling interests	(2,266)	(257)	(2,523)
Consolidated statement of changes in equity			
Accumulated (losses)/profits	(1,637)	2,919	1,282
Non-controlling interests	(2,266)	(257)	(2,523)

34 EVENTS AFTER THE REPORTING PERIOD

On 24 August 2023, the Company has completed the renounceable non-underwritten rights issue with the issuance of 347,170,931 new ordinary shares to shareholders. The Company has received the rights issue proceeds amounting to $10,415,000.

35 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 2023 were authorised for issue in accordance with a resolution of the directors dated 4 October 2023.

STATISTICS OF SHAREHOLDINGS

As at 26 September 2023

SHARE CAPITAL

Issued and fully paid capital – $55,216,219	Class of shares – Ordinary Shares
Total number of shares in issue (excluding treasury shares) – 694,341,862	Voting rights – 1 vote per share
Number of treasury shares – 1,195,659	

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 45.53% of the total number of issued ordinary shares of the Company were held in the hands of the public as at 26 September 2023 and therefore Rule 723 of the Catalist Rules is complied with.

TWENTY LARGEST SHAREHOLDERS AS AT 26 SEPTEMBER 2023

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	197,506,800	28.45
2	ADD INVESTMENT HOLDING PTE LTD	159,908,812	23.03
3	MAYBANK SECURITIES PTE. LTD.	36,829,100	5.30
4	PHILLIP SECURITIES PTE LTD	34,963,650	5.04
5	IFAST FINANCIAL PTE LTD	24,449,600	3.52
6	OCBC SECURITIES PRIVATE LTD	23,901,200	3.44
7	NIPPON PAINT (SINGAPORE) COMPANY PRIVATE LIMITED	15,896,556	2.29
8	CHUA HONG HUAY	11,608,400	1.67
9	DBS NOMINEES PTE LTD	10,666,900	1.54
10	UOB KAY HIAN PTE LTD	9,612,500	1.38
11	TAN YONG KIANG	8,168,000	1.18
12	TIGER BROKERS (SINGAPORE) PTE. LTD.	7,628,900	1.10
13	CHEN TIN LEOW	6,500,064	0.94
14	LIM CHIEW HOE	5,079,166	0.73
15	TOH LEE KHENG AILEEN (DU LIQING AILEEN)	4,695,000	0.68
16	OCBC NOMINEES SINGAPORE PTE LTD	4,409,800	0.64
17	RAFFLES NOMINEES (PTE) LIMITED	4,178,300	0.60
18	LIM KIM HOCK	3,812,000	0.55
19	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	3,194,200	0.46
20	CHAN CHUNG KHANG	3,000,000	0.43
	TOTAL:	**576,008,948**	**82.97**

Note:

%: Based on 694,341,862 shares (excluding shares held as treasury shares) as at 26 September 2023

* Treasury Shares as at 26 September 2023 – 1,195,659 shares

STATISTICS OF SHAREHOLDINGS

As at 26 September 2023

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 26 SEPTEMBER 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	45	4.42	27,400	0.00
1,001 – 10,000	247	24.29	1,722,800	0.25
10,001 – 1,000,000	682	67.06	76,189,530	10.97
1,000,001 and above	43	4.23	616,402,132	88.78
Total	**1,017**	**100.00**	**694,341,862**	**100.00**

Note:

%: Based on 694,341,862 shares (excluding shares held as treasury shares) as at 26 September 2023

* Treasury Shares as at 26 September 2023 – 1,195,659 shares

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest Number of Shares[(1)]	%[(1)]	Deemed Interest Number of Shares[(1)]	%[(1)]
ADD Investment Holding Pte. Ltd.[(2)]	159,908,812	23.03	80,000,000	11.52
Ng Cheng Lian[(3), (4)]	–	–	255,272,812	36.76
Koh Thong Huat[(3), (4)]	–	–	255,272,812	36.76
Foo Joon Lye[(3), (4)]	–	–	255,272,812	36.76
Taisei Oncho Co., Ltd[(5)]	–	–	62,500,000	9.00

Notes:

(1) Based on the issued share capital of the Company of 694,341,862 shares (excluding treasury shares) as at 26 September 2023.

(2) ADD Investment Holding Pte. Ltd. is deemed to be interested in 80,000,000 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 Tuesday, 24 October 2023 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 2023 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of $147,735 for the financial year ending 30 June 2024, to be paid quarterly in arrears (FY2023: $147,735). **(Resolution 2)**

3. To re-elect Mr Ng Cheng Lian, a Director retiring pursuant to Regulation 107 of the Company's Constitution. *(see explanatory note 1)* **(Resolution 3)**

4. To re-elect Mr Tan Eng Ann, a Director retiring pursuant to Regulation 107 of the Company's Constitution. *(see explanatory note 1)* **(Resolution 4)**

5. To re-appoint Baker Tilly TFW LLP as auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 5)**

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:

6. That pursuant to Section 161 of the Companies Act 1967 ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors be authorised and empowered to: **(Resolution 6)**

(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)

7. That: **(Resolution 7)**

(a) for the purposes of Sections 76C and 76E of the 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 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,

and otherwise in accordance with all other provisions of the Companies Act and the 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;

NOTICE OF ANNUAL GENERAL MEETING

(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

"market day" means a day on which the SGX-ST is open for trading in securities, and

NOTICE OF
ANNUAL GENERAL MEETING

(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)

8. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Lim Kok Meng
Teo Teck Sing
Company Secretaries

9 October 2023
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 6 proposed in item 6 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 7 proposed in item 7 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 Addendum accompanying this notice.

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 9 October 2023) to the Company by 5.00 p.m. on 16 October 2023. Printed copies of the Letter to Shareholders dated 9 October 2023 will be sent to members together with the Notice of AGM and Proxy Form. The Letter to Shareholders dated 9 October 2023 is also made available on the SGXNet and the Company's website at http://isoteam.listedcompany.com/.

NOTICE OF
ANNUAL GENERAL MEETING

3. Members may submit questions relating to the Annual Report, Addendum and resolutions set out in the notice of AGM in advance:

   (a) by email to 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 16 October 2023.

   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 16 October 2023 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; 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 22 October 2023.

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 22 October 2023.

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.

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)

PROXY FORM

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.

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 Tuesday, 24 October 2023 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**
	ORDINARY BUSINESS			
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2023 together with the Independent Auditor's Report thereon			
2	To approve the payment of Directors' fees of $147,735 for the financial year ending 30 June 2024, to be paid quarterly in arrears			
3	To re-elect Mr Ng Cheng Lian as a Director of the Company			
4	To re-elect Mr Tan Eng Ann as a Director of the Company			
5	To re-appoint Baker Tilly TFW LLP as auditor of the Company and to authorise the Directors to fix its remuneration			
	SPECIAL BUSINESS			
6	To authorise the Directors to allot and issue shares and convertible securities			
7	To approve the renewal of Share Buyback Mandate			

* 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 ____________________ 2023

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; 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 22 October 2023.

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 22 October 2023.

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, 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 9 October 2023.

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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)

Soh Chun Bin (Independent Director)

AUDIT COMMITTEE
Tan Eng Ann (Chairman)
Soh Chun Bin
Teo Ho Pin

NOMINATING COMMITTEE
Teo Ho Pin (Chairman)
Tan Eng Ann
Soh Chun Bin

REMUNERATION COMMITTEE
Soh Chun Bin (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

SPONSOR
Hong Leong Finance Limited
16 Raffles Quay
#01-05 Hong Leong Building
Singapore 048581

SHARE REGISTRAR
Tricor Barbinder Share Registration Services
80 Robinson Road, #02-00
Singapore 068898

AUDITOR
Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge: Ong Kian Guan, CA Singapore
(Appointed since reporting year ended 30 June 2018)

INVESTOR RELATIONS
ISOTeam Ltd.
E: ir@iso-team.com

August Consulting
101 Thomson Road
#29-05 United Square
Singapore 307591
T: 65 6733 8873
E: silviaheng@august.com.sg/
wrisneytan@august.com.sg

WEBSITE
www.isoteam.com.sg

ISOTEAM

8 Changi North Street 1 | ISOTeam Building | Singapore 498829
T : +65 6747 0220 | **F** : +65 6747 0110
W: **www.isoteam.com.sg**