



FOR IMMEDIATE RELEASE

ISOTeAM wraps up eventful FY2017 with ramped up operations to drive future growth

- *FY2017 saw the Group expanding its capabilities to include mechanical and electrical engineering services and winning its first Home Improvement Project from HDB as well as securing its single largest renewable energy project and first painting job in Myanmar among other milestones.*
- *Declares a final dividend of 0.65 cents per share for FY2017, which reflects a dividend payout of approximately 28.6%.*
- *Order book as at 18 August 2017 stood at S\$95.8 million, which will be progressively delivered over the next two years.*

Financial Highlights for the 12 Months Ended 30 June

S\$'m	FY2017	FY2016	Chg (%)
Revenue	82.9	94.1	(11.9)
Gross profit	21.6	24.2	(10.4)
Profit before tax	7.0	10.3	(32.0)
Net profit for the period	6.7	9.6	(29.7)
Profit attributable to equity holders	6.4	9.2	(30.1)
Earnings per share* (Singapore cents)	2.27	3.23	(29.7)

**Based on the weighted average number of ordinary shares in issue of 284,205,736 and 285,746,788 in FY2017 and FY2016 respectively.*

SINGAPORE, 24 August 2017 – ISOTeAM Ltd. (“ISOTeAM” or together with its subsidiaries, the “Group”), an established eco-conscious Repairs and Redecoration (“R&R”), Addition and Alteration (“A&A”) and complementary niche services specialist in Singapore, today reported a net attributable profit of S\$6.4 million on S\$82.9 million in revenue for the full year ended 30 June 2017 (“FY2017”), compared to S\$9.2 million and S\$94.1 million respectively for the full year ended 30 June 2016 (“FY2016”).

The Group’s performance in FY2017 was affected by a reduction in the number of projects available in the R&R industry. However this was partially counterweighed by the continued healthy expansion of its A&A and Coatings and Painting (“C&P”) segments, which collectively grew 29.2% year-on-year (“yoy”) in FY2017.



In addition, the Group was impacted by one-off charges comprising amortisation of intangible assets and allowance for doubtful receivables, mainly due to a customer under receivership that amounted to S\$1.6 million and S\$1.4 million respectively. Without these, the Group's operational net profit in FY2017 would not have been under as much pressure.

Commenting on the Group's full-year performance, **Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发)**, said: *"Not only was our bottomline squeezed by one-off charges, our core R&R business, which is our main revenue generator, came under pressure last year. However we are heartened that our A&A and C&P segments continued to gain traction with double digit revenue growth.*

"In FY2017, the Group was busy ramping up its operations and capabilities through investments that we believe will position us strategically for future expansion and growth. In addition, we continue to be encouraged by the progress made by some of the earlier investments we had made since IPO."

In the first half of FY2017, ISOTeam's joint venture ("JV") company in Myanmar secured its first painting project in Yangon in August 2016 and launched a JV in Malaysia to offer interior design services in the country. The Group also introduced a new mobile application for its home maintenance arm ISOHomeCare.

The second half of the FY2017 continued to be an eventful six months for the Group. In January 2017, the Group added mechanical and electrical engineering ("M&E") services to its offerings with the acquisition of ISO-Integrated M&E Pte Ltd (formerly known as Rong Shun Engineering & Construction Pte. Ltd.), and also secured its first Home Improvement Project from the Housing Development Board ("HDB") worth S\$17.5 million as well as its largest renewal energy installation project to-date worth S\$6.3 million.

In April 2017, ISOTeam completed the purchase of its new premises in Changi, which will house its expanded operations including its corporate headquarters and the offices of its subsidiaries. The Group expects to centralise its operations at the new HQ by the end of this year. In May 2017, the



Group made a S\$5.0 million investment in Sunseap Group Pte. Ltd. (“Sunseap”) – one of the leading providers of clean energy solutions in Singapore. This investment included a cooperation agreement whereby Sunseap will award and engage the Group on certain government projects it had secured.

In line with its results in FY2017, the Group’s Earnings Per Share was 2.27 Singapore cents based on the weighted average number of ordinary shares in issue of 284,205,736. Net Asset Value per share was boosted to 15.39 Singapore cents as at 30 June 2017 based on the total number of ordinary shares in issue (excluding the treasury shares) of 284,387,041.

Revenue by Segments

	FY2017		FY2016		Chg (%)
	S\$’m	%	S\$’m	%	
R&R	20.9	25.2	40.2	42.8	(48.1)
A&A	32.4	39.0	24.4	25.9	32.8
C&P	14.3	17.3	11.8	12.5	21.8
Others ⁺	15.3	18.5	17.8	18.8	(13.7)
Total	82.9	100.0	94.1	100	(11.9)

**Others includes revenue from commercial interior designs (“ID”), home retrofitting business, landscaping works, leasing services, waterproofing, green solutions business and mechanical and electrical (“M&E”) works.*

In FY2017, revenue from the Group’s **R&R** and **Others** segments declined by 48.1% yoy to S\$20.9 million and 13.7% yoy to S\$15.3 million respectively. In contrast, the **A&A** segment grew strongly during the financial year with revenue rising 32.8% yoy to S\$32.4 million. Revenue contribution from the **C&P** segment also achieved double digit growth of 21.8% yoy to S\$14.3 million in FY2017.

Outlook

ISOTeam's order book as at 18 August 2017 stood at S\$95.8 million which will be progressively delivered over the next two years.

The Group believes that it is well-positioned to tap into opportunities in the industries it operates in given its multi-disciplinary capabilities in the built environment which is supported by its proven track record in public sector projects and growing market share in private sector projects and regional expansion.



ISOTeam Ltd.
(Company Registration No.: 201230294M)
(Incorporated in the Republic of Singapore on 12 December 2012)
No. 57 Kaki Bukit Place
Eunos Techpark
Singapore 416231
<http://isoteam.com.sg/>

Looking ahead, the Group has already announced several positive developments, which will take shape in the current financial year ending 30 June 2018 (“**FY2018**”). For a start, the Group is rolling out the use of its eco product, Cockroaches and Odour (“**CnO**”) Remover to other Town Councils, following its successful trial in Tampines estates in FY2017. The entry of CnO into the Singapore market is expected in FY2018 and will add a new revenue stream for the Group.

The Group also ventured into the bike sharing business in Singapore in August 2017 through SG Bike Pte. Ltd., a move aligned with its goal to offer environmentally green products and services to the built environment. The Group intends to leverage its existing human resources and fleet of vehicles to support government initiatives that are promoting this environmentally cleaner mode of transport.

Mr Koh said: *“I am excited about FY2018 because I expect the investments we had made in FY2017 and also in recent months to start bearing fruit. We also expect to see some operational and cost efficiencies with the consolidation and centralisation of our operations at the new Changi HQ come the end of this year. We will continue to work hard to leverage our multi-disciplinary capabilities to drive sustainable revenue and profit growth for the Group.”*

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About ISOTeam Ltd.

Founded in 1998 and listed on Catalist of the Singapore Exchange Securities Trading Limited (SGX-ST) (Ticker: 5WF) on 12 July 2013, ISOTeam Ltd. is an established player in Singapore's building maintenance and estate upgrading industry with over 19 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken 399 refurbishment and upgrading projects for close to 4,000 buildings and counting since inception. ISOTeam also offers specialist Coating & Painting (C&P) services as well as complementary niche services (Others) through its specialist waterproofing, commercial interior design and home retrofitting, landscaping, access leasing, green solutions and mechanical and electrical works subsidiaries. An eco-conscious company, we integrate green methodologies in our R&R, A&A and Others projects, and actively work with strategic partners and technology companies to develop and commercialise green solutions / products. ISOTeam's major customers include town councils, government bodies, and private sector building owners. For more information, please visit www.isoteam.com.sg.

Issued by and on behalf of ISOTeam Ltd. by August Consulting

Tel: 65 6733 8873

Silvia Heng, silviaheng@august.com.sg

Wrisney Tan, wrisneytan@august.com.sg

ISOTeam Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 12 July 2013. The initial public offering of the Company was sponsored by Hong Leong Finance Limited (the "Sponsor"). This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release. This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release. The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.