



ISOTEAM LTD.

(Company Registration No. 201230294M)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019

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

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

1(a)(i) Unaudited Consolidated Income Statement and Statement of Comprehensive Income for the Third Quarter ("3QFY2019) and Period Ended 31 March 2019 ("9MFY2019")

	Group				Group		
	Note	Three Months Ended		Change	Nine Months Ended		Change
		31.03.19	31.03.18		31.03.19	31.03.18	
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Income Statement							
Revenue		30,377	14,727	106.3	103,510	63,586	62.8
Cost of sales		(25,607)	(11,505)	122.6	(88,585)	(50,933)	73.9
Gross profit		4,770	3,222	48.0	14,925	12,653	18.0
Other income	(a)	1,138	603	88.7	1,538	1,576	(2.4)
Marketing and distribution expenses		(315)	(315)	-	(948)	(1,154)	(17.9)
General and administrative expenses		(3,564)	(3,070)	16.1	(10,384)	(9,098)	14.1
Finance costs		(275)	3	N/M	(806)	(368)	119.0
Other operating expenses		(98)	(106)	(7.5)	(314)	(328)	(4.3)
Share of results of associate		41	-	N/M	41	-	N/M
Profit before tax	(b)	1,697	337	N/M	4,052	3,281	23.5
Tax expense		(299)	(145)	106.2	(906)	(267)	239.3
Profit for the period		1,398	192	N/M	3,146	3,014	4.4
Profit attributable to:							
Equity holders of the Company		1,687	480	251.5	3,814	3,878	(1.7)
Non-controlling interests		(289)	(288)	0.3	(668)	(864)	(22.7)
		1,398	192	N/M	3,146	3,014	4.4

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

	Group				Group		
	Note	Three Months Ended		Change	Nine Months Ended		Change
		31.03.19	31.03.18		31.03.19	31.03.18	
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Statement of Comprehensive Income							
Profit for the period		1,398	192	N/M	3,146	3,014	4.4
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation (loss)/gain		(3)	(4)	(25.0)	24	4	N/M
Other comprehensive (loss)/ income for the period, net of tax		(3)	(4)	(25.0)	24	4	N/M
Total comprehensive income for the period		1,395	188	N/M	3,170	3,018	5.0
Total comprehensive income attributable to:							
Equity holders of the Company		1,686	478	252.7	3,835	3,882	(1.2)
Non-controlling interests		(291)	(290)	0.3	(665)	(864)	(23.0)
		1,395	188	N/M	3,170	3,018	5.0

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

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

		Group			Group		
		Three Months Ended			Nine Months Ended		
		31.03.19	31.03.18	Change	31.03.19	31.03.18	Change
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
\$'000	\$'000	%	\$'000	\$'000	%		
(a)	<u>Other income</u>						
	Government grants	201	150	34.0	294	703	(58.2)
	Gain on disposal of property, plant and equipment	50	13	284.6	53	63	(15.9)
	Interest income	27	21	28.6	86	71	21.1
	Administrative income	7	20	(65.0)	13	89	(85.4)
	Foreign exchange gain	-	4	(100.0)	-	6	(100.0)
	Sales of spare parts	39	26	50.0	120	68	76.5
	Gain on disposal of a subsidiary	770	-	N/M	770	-	N/M
	Others	44	369	(88.1)	202	576	(64.9)
		1,138	603		1,538	1,576	
(b)	<u>Profit before tax</u>						
	This is arrived at after charging/(crediting):						
	Audit fees payable/paid to auditor of the Company	54	51	5.9	162	154	5.2
	Depreciation of property, plant and equipment and investment property	970	665	45.9	2,764	2,136	29.4
	Net loss/(gain) on disposal of property, plant and equipment	9	(13)	(169.2)	19	(32)	(159.4)
	Property, plant and equipment written off	-	-	-	41	1	N/M
	Amortisation of intangible assets	183	349	(47.6)	509	1,825	(72.1)
	Share of results of associate	41	-	N/M	41	-	N/M
	Allowance for doubtful receivables	-	-	-	-	27	(100.0)

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

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

1(b)(i) Statements of Financial Position

	Group		Company	
	As at	As at	As at	As at
	31.03.19	30.06.18	31.03.19	30.06.18
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Assets				
<u>Non-current assets</u>				
Property, plant and equipment	30,934	34,238	-	-
Goodwill	2,658	2,658	-	-
Investment property	916	-	-	-
Intangible assets	2,414	2,923	-	-
Investment in subsidiaries	-	-	33,890	34,229
Investment in associate	478	-	265	-
Other investments	6,032	6,048	5,000	5,000
	43,432	45,867	39,155	39,229
<u>Current assets</u>				
Contract assets	26,678	24,422	-	-
Asset held for sale	2,330	-	-	-
Inventories	1,179	486	-	-
Trade and other receivables	49,189	26,887	18,449	12,145
Cash and bank balances	9,091	12,200	1,138	3,376
Total current assets	88,467	63,995	19,587	15,521
Total assets	131,899	109,862	58,742	54,750
<u>Non-current liabilities</u>				
Finance lease liabilities	3,018	2,478	-	-
Deferred tax liabilities	1,011	1,160	-	-
Bank borrowings	11,249	12,101	-	-
Total non-current liabilities	15,278	15,739	-	-
<u>Current liabilities</u>				
Contract liabilities	3,267	3,477	-	-
Bank borrowings	18,920	11,699	7,750	4,400
Trade and other payables	28,282	16,106	4,885	4,763
Finance lease liabilities	1,299	1,150	-	-
Tax payables	774	140	-	-
Total current liabilities	52,542	32,572	12,635	9,163
Total liabilities	67,820	48,311	12,635	9,163
Net assets	64,079	61,551	46,107	45,587

	Group		Company	
	As at 31.03.19	As at 30.06.18	As at 31.03.19	As at 30.06.18
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Share capital and reserves				
Share capital	29,618	29,618	29,618	29,618
Treasury shares	(578)	(256)	(578)	(256)
Accumulated profits	39,850	36,082	16,992	16,150
Foreign currency translation reserve	37	16	-	-
Merger reserve	(7,338)	(7,338)	-	-
Other reserves	1,065	1,065	75	75
Equity attributable to equity holders of the Company	62,654	59,187	46,107	45,587
Non-controlling interests	1,425	2,364	-	-
Total equity	64,079	61,551	46,107	45,587

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

	Group		Group	
	As at 31.03.19		As at 30.06.18	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	20,219	-	12,849	-
Amount repayable after one year	14,267	-	14,579	-
	34,486	-	27,428	-

Details of any collaterals

- (a) Bank borrowings amounting to \$30.2 million are secured by:
- (i) charges over fixed deposit;
 - (ii) mortgage over the Group's leasehold properties;
 - (iii) first fixed charge over receivables arising from invoices financed directly or indirectly over the account in which the receivables are deposited;
 - (iv) SGD corporate bond; and
 - (v) corporate guarantee from the Company and a subsidiary.
- (b) Finance lease obligations of the Group amounting to \$4.3 million are secured by the rights to the leased equipment, machineries and motor vehicles. Certain directors of the Company have provided personal guarantees for certain of the finance lease liabilities.

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

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

	Note	Group		Group	
		Three Months Ended		Nine Months Ended	
		31.03.19	31.03.18	31.03.19	31.03.18
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Profit before income tax		1,697	337	4,052	3,281
Adjustment for: -					
Depreciation of property, plant and equipment		966	665	2,751	2,136
Depreciation of investment property		4	-	13	-
Net loss/(gain) on disposal of property, plant and equipment		9	(13)	19	(32)
Property, plant and equipment written off		-	-	41	1
Amortisation of intangible assets		183	349	509	1,825
Allowance for doubtful receivables		-	-	-	27
Gain on disposal of a subsidiary		(770)	-	(770)	-
Share of results of associate		(41)	-	(41)	-
Interest income		(27)	(21)	(86)	(71)
Interest expense		252	(11)	756	322
Operating cash flows before working capital changes		2,273	1,306	7,244	7,489
Contract assets/liabilities		493	920	(2,458)	(3,012)
Inventories		(668)	(136)	(693)	(308)
Trade and other receivables		91	3,705	(22,447)	696
Trade and other payables		(8,848)	(3,304)	11,880	(2,437)
Cash (used in)/generated from operations		(6,659)	2,491	(6,474)	2,428
Interest received		35	28	102	85
Interest paid		(252)	11	(756)	(322)
Tax paid		(180)	(67)	(348)	(74)
Net cash (used in)/generated from operating activities		(7,056)	2,463	(7,476)	2,117
Cash flows from investing activities					
Additions to intangible assets		-	-	-	(60)
Purchases of property, plant and equipment	(A)	(191)	(1,176)	(1,154)	(4,094)
Net cash inflows from disposal of a subsidiary	(B)	63	-	63	-
Proceeds from/ (decrease in) disposal of property, plant and equipment		127	(252)	193	61
Net cash used in investing activities		(1)	(1,428)	(898)	(4,093)

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

	Note	Group		Group	
		Three Months Ended		Nine Months Ended	
		31.03.19	31.03.18	31.03.19	31.03.18
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities					
Dividend paid		-	-	-	(1,972)
Purchase of treasury shares		(200)	(102)	(322)	(322)
Capital contributed by non-controlling interest		-	-	25	686
Due to related parties (non-trade)		259	28	283	67
Fixed deposits pledged to banks		(1)	(3)	(46)	(1,109)
Drawdown of bank borrowings		1,596	2,103	11,906	11,499
Repayment of bank borrowings		(2,354)	(4,371)	(5,572)	(9,349)
Repayment of finance lease		(361)	(364)	(1,090)	(899)
Net cash (used in)/generated from financing activities		(1,061)	(2,709)	5,184	(1,399)
Net decrease in cash and cash equivalents		(8,118)	(1,674)	(3,190)	(3,375)
Cash and cash equivalents at beginning of financial period		14,237	11,621	9,309	13,322
Cash and cash equivalents at end of financial period		6,119	9,947	6,119	9,947

Note A

The Group acquired equipment with an aggregate cost of \$1,103,000 (3QFY2018: \$2,418,000). The additions were by way of cash payments of \$191,000 (3QFY2018: \$1,176,000) and finance lease of \$912,000 (3QFY2018: \$1,242,000).

Note B

Net cash inflows on disposal of a subsidiary

	\$'000
Property, plant and equipment	15
Trade and other receivables	42
Cash and bank balances	37
Trade and other payables	<u>(519)</u>
Net liabilities disposed	(425)
Less: Non-controlling interest	<u>(191)</u>
Carrying value of net liabilities	<u>(234)</u>
Consideration	100
Less: Cash and cash equivalents of the subsidiary	<u>(37)</u>
Net cash inflow on disposal of a subsidiary	<u>63</u>

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

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

	Group		Group	
	Three Months Ended		Nine Months Ended	
	31.03.19	31.03.18	31.03.19	31.03.18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
Cash in hand and at bank	3,672	8,525	3,672	8,525
Fixed deposits	5,419	3,957	5,419	3,957
	9,091	12,482	9,091	12,482
Less: Fixed deposits pledged	(2,796)	(2,348)	(2,796)	(2,348)
Less: Bank overdrafts	(176)	(187)	(176)	(187)
	6,119	9,947	6,119	9,947

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

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

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

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

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

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

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

Group	Attributable to equity holders of the Group								
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2018	29,618	(256)	(7,338)	16	1,065	36,082	59,187	2,364	61,551
Profit for the period	-	-	-	-	-	796	796	(315)	481
Other comprehensive income									
Foreign currency translation gain	-	-	-	24	-	-	24	5	29
Other comprehensive income for the period, net of tax	-	-	-	24	-	-	24	5	29
Total comprehensive income for the period	-	-	-	24	-	796	820	(310)	510
Contribution by and distributions to equity holders									
Dividend	-	-	-	-	-	(528)	(528)	-	(528)
Purchase of treasury shares	-	(56)	-	-	-	-	(56)	-	(56)
	-	(56)	-	-	-	(528)	(584)	-	(584)
Total transactions with equity holders of the Company	-	(56)	-	-	-	(528)	(584)	-	(584)
Balance at 30 September 2018	29,618	(312)	(7,338)	40	1,065	36,350	59,423	2,054	61,477

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

Group	Attributable to equity holders of the Group								
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 October 2018	29,618	(312)	(7,338)	40	1,065	36,350	59,423	2,054	61,477
Profit for the period	-	-	-	-	-	1,331	1,331	(64)	1,267
Other comprehensive income									
Foreign currency translation loss	-	-	-	(2)	-	-	(2)	-	(2)
Other comprehensive income for the period, net of tax	-	-	-	(2)	-	-	(2)	-	(2)
Total comprehensive income for the period	-	-	-	(2)	-	1,331	1,329	(64)	1,265
Contribution by and distributions to equity holders									
Issuance of new shares	-	-	-	-	-	-	-	25	25
Purchase of treasury shares	-	(66)	-	-	-	-	(66)	-	(66)
	-	(66)	-	-	-	-	(66)	25	(41)
Total transactions with equity holders of the Company	-	(66)	-	-	-	-	(66)	25	(41)
Balance at 31 December 2018	29,618	(378)	(7,338)	38	1,065	37,681	60,686	2,015	62,701

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

Group	Attributable to equity holders of the Group								
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2019	29,618	(378)	(7,338)	38	1,065	37,681	60,686	2,015	62,701
Profit for the period	-	-	-	-	-	1,687	1,687	(289)	1,398
Other comprehensive income									
Foreign currency translation loss	-	-	-	(1)	-	-	(1)	(2)	(3)
Other comprehensive income for the period, net of tax	-	-	-	(1)	-	-	(1)	(2)	(3)
Total comprehensive income for the period	-	-	-	(1)	-	1,687	1,686	(291)	1,395
Contribution by and distributions to equity holders									
Issuance of new shares	-	(200)	-	-	-	-	(200)	-	(200)
	-	(200)	-	-	-	-	(200)	-	(200)
Changes in ownership interest in a subsidiary									
Disposal of a subsidiary	-	-	-	-	-	482	482	(299)	183
	-	-	-	-	-	482	482	(299)	183
Total transactions with equity holders of the Company	-	(200)	-	-	-	482	282	(299)	(17)
Balance at 31 March 2019	29,618	(578)	(7,338)	37	1,065	39,850	62,654	1,425	64,079

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

Attributable to equity holders of the Company

Company	Share Capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2017	29,618	(562)	-	103	14,597	43,756	-	43,756
Profit and total comprehensive income for the period	-	-	-	-	579	579	-	579
Contribution by and distributions to equity holders								
Purchase of treasury shares	-	(220)	-	-	-	(220)	-	(220)
	-	(220)	-	-	-	(220)	-	(220)
Balance at 30 September 2017	29,618	(782)	-	103	15,176	44,115	-	44,115
Profit and total comprehensive income for the period	-	-	-	-	2,059	2,059	-	2,059
Contribution by and distributions to equity holders								
Dividend	-	-	-	-	(1,844)	(1,844)	-	(1,844)
	-	-	-	-	(1,844)	(1,844)	-	(1,844)
Balance at 31 December 2017	29,618	(782)	-	103	15,391	44,330	-	44,330
Profit and total comprehensive income for the period	-	-	-	-	703	703	-	703
Contribution by and distributions to equity holders								
Treasury shares reissued pursuant to acquisition of a subsidiary	-	628	-	(28)	-	600	-	600
Purchase of treasury shares	-	(102)	-	-	-	(102)	-	(102)
	-	526	-	(28)	-	498	-	498
Balance at 31 March 2018	29,618	(256)	-	75	16,094	45,531	-	45,531

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

Attributable to equity holders of the Company

Company	Share Capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2018	29,618	(256)	-	75	16,150	45,587	-	45,587
Profit and total comprehensive income for the period	-	-	-	-	1,141	1,141	-	1,141
Contribution by and distributions to equity holders								
Dividend	-	-	-	-	(513)	(513)	-	(513)
Purchase of treasury shares	-	(56)	-	-	-	(56)	-	(56)
	-	(56)	-	-	(513)	(569)	-	(569)
Balance at 30 September 2018	29,618	(312)	-	75	16,778	46,159	-	46,159
Profit and total comprehensive income for the period	-	-	-	-	118	118	-	118
Contribution by and distributions to equity holders								
Purchase of treasury shares	-	(66)	-	-	-	(66)	-	(66)
	-	(66)	-	-	-	(66)	-	(66)
Balance at 31 December 2018	29,618	(378)	-	75	16,896	46,211	-	46,211
Profit and total comprehensive income for the period	-	-	-	-	96	96	-	96
Contribution by and distributions to equity holders								
Purchase of treasury shares	-	(200)	-	-	-	(200)	-	(200)
	-	(200)	-	-	-	(200)	-	(200)
Balance at 31 March 2019	29,618	(578)	-	75	16,992	46,107	-	46,107

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

	Financial Period 2019		Financial Period 2018	
	Issued Ordinary Shares (excluding Treasury Shares)	Treasury Shares	Issued Ordinary Shares (excluding Treasury Shares)	Treasury Shares
As at 1 July	285,130,562	736,028	284,387,041	1,479,549
Share buyback during the financial period	(1,506,900)	1,506,900	(925,000)	925,000
Treasury shares reissued pursuant to the acquisition of a subsidiary	-	-	1,668,521	(1,668,521)
As at 31 March	283,623,662	2,242,928	285,130,562	736,028
Percentage (%) of treasury shares against total number of shares outstanding as at 31 March		0.8%		0.3%

There were no subsidiary holdings and outstanding convertible instruments which may be converted to shares as at 31 March 2019 and 31 March 2018.

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

	Company	
	As at 31.03.19	As at 30.06.18
Number of ordinary shares issued and fully paid	285,866,590	285,866,590
Treasury shares	(2,242,928)	(736,028)
Number of ordinary shares issued and fully paid (excluding treasury shares)	283,623,662	285,130,562

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial information for the current financial period as those used in the audited financial statements for the financial year ended 30 June 2018, except Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for financial year ended 30 June 2019.

The Group has reviewed the estimate useful life of renovation and it also quantified the impact arising from change of estimate useful life. In December 2018, the useful life of renovation has been extended from 5 years to 10 years. The revised depreciation rates are applied prospectively. This change has reduced current period depreciation charges of the Group by approximately \$0.6m.

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

Please refer to paragraph 4 above.

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

Earnings per share ("EPS")	Group		Group	
	Three Months Ended		Nine Months Ended	
	31.03.19	31.03.18	31.03.19	31.03.18
Profit attributable to equity holders of the Company (\$'000)	1,687	480	3,814	3,878
Weighted average number of ordinary shares ⁽¹⁾	284,738,238	284,847,496	284,797,379	284,302,245
Basic and diluted EPS based on weighted average number of ordinary shares (cents)⁽²⁾	0.59	0.17	1.34	1.36

Notes:

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

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

Net assets value ("NAV")	Group		Company	
	As at 31.03.19	As at 30.06.18	As at 31.03.19	As at 30.06.18
NAV (\$'000)	62,654	59,187	46,107	45,587
Number of ordinary shares	283,623,662	285,130,562	283,623,662	285,130,562
NAV per ordinary share (cents)	22.09	20.76	16.26	15.99

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

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

REVIEW OF FINANCIAL PERFORMANCE

Revenue	Group					Group				
	Three Months Ended					Nine Months Ended				
	31.03.19		31.03.18		Change	31.03.19		31.03.18		Change
	\$'000	%	\$'000	%		\$'000	%	\$'000	%	
R&R ⁽¹⁾	5,902	19.4	3,252	22.1	81.5	15,529	15.0	15,257	24.0	1.8
A&A ⁽¹⁾	12,176	40.1	4,785	32.5	154.5	57,654	55.7	26,797	42.2	115.2
C&P ⁽¹⁾	5,310	15.5	2,754	18.7	92.8	12,233	11.8	7,648	12.0	60.0
Others ⁽²⁾	6,989	23.0	3,936	26.7	77.6	18,094	17.5	13,884	21.8	3.3
	30,377	100.0	14,727	100.0	106.3	103,510	100.0	63,586	100.0	62.8

Note:

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

Revenue

3QFY2019 vs 3QFY2018 & 9MFY2019 vs 9MFY2018

Group revenue increased by \$15.7 million or 106.3% from \$14.7 million in 3QFY2018 to \$30.4 million in 3QFY2019 and increased by \$39.9 million or 62.8% from \$63.6 million in 9MFY2018 to \$103.5 million in 9MFY2019.

In 3QFY2019 and 9MFY2019, the revenue contributed by all business segments have increased significantly.

Gross profit and gross profit margin

3QFY2019 vs 3QFY2018 & 9MFY2019 vs 9MFY2018

The Group's gross profit increased by \$1.6 million or 48.0% from \$3.2 million in 3QFY2018 to \$4.8 million in 3QFY2019 and increased by \$2.3 million or 18.0% from \$12.6 million in 9MFY2018 to \$14.9 million in 9MFY2019. The decrease in gross profit margin was due to lower margin contributed by recently completed project.

Other income

3QFY2019 vs 3QFY2018

The Group's other income increased by \$0.5 million or 88.7% from \$0.6 million in 3QFY2018 to \$1.1 million in 3QFY2019. The increase was mainly due to arising from gain on disposal of a subsidiary.

9MFY2019 vs 9MFY2018

There were no material changes in other income during the financial period under review.

Marketing and distribution expenses

3QFY2019 vs 3QFY2018

There were no material changes in the Group's marketing and distribution expenses during the financial period under review.

9MFY2019 vs 9MFY2018

The Group's marketing and distribution expenses decreased by \$0.2 million or 17.9% from \$1.1 million in 9MFY2018 to \$0.9 million in 9MFY2019. The decrease was mainly due to lower motor vehicles related expenses.

General and administrative expenses

3QFY2019 vs 3QFY2018 & 9MFY2019 vs 9MFY2018

The Group's general and administrative expenses increased by \$0.5 million or 16.1% from \$3.0 million in 3QFY2018 to \$3.5 million in 3QFY2019 and increased by \$1.3 million or 14.1% from \$9.1 million in 9MFY2018 to \$10.4 million in 9MFY2019. The increase was mainly attributable to the increase in depreciation of property and renovation office building in 3QFY2018.

Finance costs

3QFY2019 vs 3QFY2018 & 9MFY2019 vs 9MFY2018

The Group's finance costs increased by \$0.3 million in 3QFY2019 and increased by \$0.4 million or 119.0% from \$0.4 million in 9MFY2018 to \$0.8 million in 9MFY2019. The increase was mainly attributable to an increase in borrowings to finance the purchase of the Group's office building and working capital needs for certain sizable projects.

Profit before tax

3QFY2019 vs 3QFY2018 & 9MFY2019 vs 9MFY2018

As a result of the above, the Group recorded a profit before tax of \$1.7 million in 3QFY2019 and \$4.1 million in 9MFY2019 as compared to a profit before tax of \$0.3 million in 3QFY2018 and \$3.3 million in 9MFY2018.

Tax expenses

3QFY2019 vs 3QFY2018 & 9MFY2019 vs 9MFY2018

The Group's tax expenses increased by \$0.2 million or 106.2% from \$0.1 million in 3QFY2018 to \$0.3 million in 3QFY2019 and increased by \$0.6 million or 239.3% from \$0.3 million in 9MFY2018 to \$0.9 million in 9MFY2019. The increase was mainly due to reduction in government grant and tax exempted scheme.

REVIEW OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by \$2.4 million or 5.3% from \$45.8 million as at 30 June 2018 to \$43.4 million as at 31 March 2019, mainly due to the depreciation of property, plant and equipment ("PPE") and amortisation of intangible assets and disposal of PPE which was offset by the acquisition of PPE.

Current assets

The increase in current assets of \$24.5 million or 38.2% from \$64.0 million as at 30 June 2018 to \$88.5 million as at 31 March 2019 was mainly due to the increase in contract assets, asset held for sale, inventories, trade and other receivables which were partially offset by decrease in cash and bank balances.

The significant increase in trade and other receivables mainly arose from the recent billings to a few major customers of approximately \$17.7 million.

Non-current liabilities

The decrease in non-current liabilities of \$0.5 million or 2.9% from \$15.7 million as at 30 June 2018 to \$15.2 million as at 31 March 2019 was mainly due to the repayment of bank borrowings which were partially offset by increase in finance lease liabilities.

Current liabilities

The increase in current liabilities of \$20.0 million or 61.3% from \$32.5 million as at 30 June 2018 to \$52.5 million as at 31 March 2019 was mainly due to the increase in bank borrowings, trade and other payables, finance lease liabilities and tax payables which were partially offset by decrease in contract liabilities. The increase in trade and other payables was in-line with the revenue growth in the reporting period under review.

REVIEW OF STATEMENT OF CASH FLOWS

Net cash generated from operating activities

3QFY2019

Net cash used in operating activities amounted to \$7.1 million in 3QFY2019 which was mainly due to decrease in contract assets/liabilities, trade & other receivables and trade & other payables which were partially offset by increase in operating cash flows before changes in working capital and inventories.

9MFY2019

Net cash used in operating activities amounted to \$7.5 million in 9MFY2019 which was mainly due to increase in contract assets/liabilities, trade and other receivable and inventories which were offset by increase in operating cash flow before changes in working capital and trade and other payables.

Net cash used in investing activities

3QFY2019

There were no material changes in the Group's net cash used in investing activities during the financial period under review.

9MFY2019

Net cash used in investing activities amounted to \$0.9 million in 9MFY2019 was mainly due to the purchase of PPE.

Net cash used in financing activities

3QFY2019

Net cash used in financing activities of \$1.1 million was mainly due to repayment of bank borrowings and finance lease and purchase of treasury shares which were partially offset by drawdown of bank borrowings.

9MFY2019

Net cash generated from financing activities of \$5.2 million was mainly due to drawdown of bank borrowings which were partially offset by purchase of treasury shares, repayment of bank borrowings and finance lease.

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

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

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

The Group has won new contracts and built strong order book due to its effort and change in its tendering strategy. In addition, the Group has also streamlined its operations process to improve operating efficiencies. As at 30 April 2019, the Group's order book remains strong at \$128.8 million and is expected to be delivered over the next two years.

The Group expects revenue to continue to be driven by its public sector projects mainly in A&A and R&R segments.

The disposal of a 15% stake in ITG Project Sdn. Bhd. was completed on 8 March 2019. The disposal is part of the Group's strategy to focus on its core business.

The Group remains positive on the outlook of the building maintenance and estate upgrading industry in Singapore.

11 Dividend

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

No.

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

No.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

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. The Company will not be declaring or recommending a dividend for 3QFY2019.

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

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

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

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

15 Negative confirmation pursuant to Rule 705 (5)

We, David Ng Cheng Lian and Anthony Koh Thong Huat, being the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial information for 9MFY2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

David Ng Cheng Lian

Executive Chairman

13 May 2019

Anthony Koh Thong Huat

CEO

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Hong Leong Finance Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

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

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