



ISOTEAM Ltd.
(Company Registration No.: 201230294M)
(Incorporated in the Republic of Singapore on 12 December 2012)
8 Changi North Street 1
ISOTEAM Building
Singapore 498829
<http://isoteam.com.sg/>

FOR IMMEDIATE RELEASE

ISOTEAM's achieves revenue of S\$36.7 million in 1HFY2021 amidst challenging market conditions

- *Performance across all segments affected by COVID-19 restrictions that led to operational constraints.*
- *Order book stands at S\$193.3 million as at 31 January 2021, which is expected to support the Group's activities through to FY2023.*

Financial Highlights for the six months ended 31 December

S\$'m	1HFY2021	1HFY2020	Chg (%)
Revenue	36.7	63.8	(42.4)
– Repairs & Redecoration ("R&R")	13.7	17.8	(23.2)
– Addition & Alteration ("A&A")	11.1	24.2	(55.2)
– Coating & Painting ("C&P")	2.1	8.4	(74.6)
– Others *	9.8	13.4	(26.8)
Gross profit	0.2	9.7	(98.3)
(Loss) / Profit before tax	(6.8)	2.7	NM
Net (loss) / profit for the period	(6.5)	2.1	NM
(Loss) / profit attributable to equity holders	(6.0)	2.8	NM
(Loss) / Earnings per share* (Singapore cents)	(1.73)	0.98	NM

*Based on the weighted average number of ordinary shares in issue of 346,908,893 in HY2021 (HY2020: 285,068,122)

* Includes revenue from commercial interior design ("ID"), home retrofitting business, landscaping works, leasing service, waterproofing, green solution business, mechanical & electrical engineering works and handyman service

SINGAPORE, 8 February 2021 – Following COVID-19 related measures, which put a dampener on its operational activities, ISOTEAM Ltd. ("ISOTEAM" and together with its subsidiaries, the "Group"), has been aggressively tendering and netting new projects including S\$42.2 million of contracts in aggregate as announced on 7 December 2020 and 21 January 2021. The Group's order book stands at a robust S\$193.3 million worth of contracts as at 31 January 2021.

The established and leading player in Singapore's building maintenance and estate upgrading industry expects its current order book to support its activities over the next two years until its financial year ending 30 June 2023. Meanwhile, ISOTEAM has ramped up efforts and implemented strategic measures to increase its competitiveness in a bid to successfully secure more tenders and lift its performance, which had been adversely impacted by the COVID-19 pandemic.



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During the six months ended 31 December 2020 ("1HFY2021"), the Group continued to be hampered by COVID-19-related safe management measures, which resulted in operational constraints that affected the timely execution of projects. There were also projects that were rescheduled or extended due to the prolonged pandemic situation.

In view of such challenging market conditions, the Group's revenue in 1HFY2021 fell 42.4% year-on-year ("YOY") to S\$36.7 million due to weak performance across all four of its business segments. The decline was partially offset by other income, which increased by S\$3.4 million YOY to S\$4.6 million, mainly due to the gain on disposal of property and government grants received. The Group also made provisions for impairment loss on the six Pure Group entities due to lower order books. Although overall expenses had fallen in light of the lower level of activity, ISOTEAM registered a loss of S\$6.0 million in 1HFY2021 mainly due to the significantly weaker topline.

In tandem with its performance, the Group's loss per share in 1HFY2021 was 1.73 Singapore cents per share as compared to earnings per share of 0.98 Singapore cents in the previous corresponding six months ("1HFY2020"). This was calculated based on the weighted average number of ordinary shares in issue of 346,908,893 in 1HFY2021 (1HFY2020: 285,068,122).

ISOTEAM's net asset value per share was 12.55 Singapore cents as at 31 December 2020 (30 June 2020: 14.24 Singapore cents). The Group remained in a healthy cash position with cash and cash equivalents of S\$14.0 million as at 31 December 2020 (30 June 2020: S\$12.6 million).

Outlook

ISOTEAM expects market conditions to remain challenging in the foreseeable future as market conditions remain unfavourable for the construction industry. According to the Ministry of Trade and Industry Singapore advanced estimates released on 4 January 2021, Singapore's GDP contracted by 5.8% for the whole 2020 amid the disruption to economic activities caused by the COVID-19 pandemic. The construction sector contracted by a further 28.5% year-on-year in the fourth quarter of 2020, after falling 46.2% in the third quarter.



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Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发), said: “*The coronavirus pandemic continues to undermine the global economy and business environment as some countries re-impose lockdowns amid virus resurgence. This is likely to slow down the recovery of businesses. Against this difficult backdrop, we expect the pace of resumption of construction activities to remain slow even as we continue to face other issues such as manpower deployment challenges and higher costs of materials due to supply chain disruptions, as well as more time and resources needed to comply with COVID-19 safe management measures.*

“*However, the Group remains confident of its track record of quality and reliability among both the public and private sectors and we believe that our multi-disciplinary capabilities will continue to give us an edge when tendering for new projects. We have been upskilling our workers and digitalising our process during this slow period in readiness for the eventual upswing in market conditions.*”

The Group will continue to prioritise cash conservation and cost control and will exercise caution when exploring business opportunities in the region during this pandemic.

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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 20 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken more than 500 refurbishment and upgrading projects for well over 5,000 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 (“ID”), landscaping, access equipment leasing, green solutions and mechanical and electrical works (“M&E”), and project management and construction management services subsidiaries. An eco-conscious company, we integrate green methodologies in our projects, and actively work with strategic partners and technology companies to develop and commercialise green



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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.

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*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.

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.

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