



**ISOTEAM**

ISOTEAM LTD.

(Company Registration No. 201230294M)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2022**

**Table of Contents**

<b>A.</b>	<b>Condensed interim consolidated statement of comprehensive income</b>	<b>1</b>
<b>B.</b>	<b>Condensed interim statements of financial position</b>	<b>3</b>
<b>C.</b>	<b>Condensed interim statements of changes in equity</b>	<b>5</b>
<b>D.</b>	<b>Condensed interim consolidated statement of cash flows</b>	<b>8</b>
<b>E.</b>	<b>Notes to the condensed interim consolidated financial statements</b>	<b>11</b>
<b>F.</b>	<b>Other information required by Listing Rule Appendix 7C</b>	<b>27</b>

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group				Group		
	Note	Six Months Ended		Change	Twelve Months Ended		Change
		30.06.22	30.06.21		30.06.22	30.06.21	
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Income Statement</b>							
Revenue	3	54,830	62,274	(12.0)	99,878	98,987	0.9
Cost of sales		(50,186)	(61,986)	(19.0)	(92,054)	(98,534)	(6.6)
Gross profit		4,644	288	N/M	7,824	453	N/M
Other income	4	5,629	1,691	232.9	6,780	6,315	7.4
Marketing and distribution expenses		(494)	(406)	21.7	(985)	(828)	19.0
General and administrative expenses		(6,534)	(6,902)	(5.3)	(12,867)	(12,573)	2.3
Finance costs	5	(865)	(830)	4.2	(1,722)	(1,502)	14.6
Impairment loss on receivables and contract assets		(9,072)	(1,718)	N/M	(9,363)	(5,717)	63.8
Other operating expenses		(1,252)	(1,801)	(30.5)	(1,437)	(2,644)	(45.7)
Share of results of associate		-	3	(100.0)	19	(7)	N/M
<b>Loss before tax</b>	6	<b>(7,944)</b>	<b>(9,675)</b>	(17.9)	<b>(11,751)</b>	<b>(16,503)</b>	(28.8)
Tax credit	7	765	711	7.6	684	999	(31.5)
<b>Loss for the period/year</b>		<b>(7,179)</b>	<b>(8,964)</b>	(19.9)	<b>(11,067)</b>	<b>(15,504)</b>	(28.6)
<b>Loss attributable to:</b>							
Equity holders of the Company		(6,554)	(8,550)	(23.3)	(9,954)	(14,545)	(31.6)
Non-controlling interests		(625)	(414)	51.0	(1,113)	(959)	16.1
		<b>(7,179)</b>	<b>(8,964)</b>	(19.9)	<b>(11,067)</b>	<b>(15,504)</b>	(28.6)

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

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Group				Group			
	Note	Six Months Ended		Change	Twelve Months Ended		Change	
		30.06.22	30.06.21		30.06.22	30.06.21		
		\$'000	\$'000	%	\$'000	\$'000	%	
<b>Statement of Comprehensive Income</b>								
Loss for the period/year		(7,179)	(8,964)	(19.9)	(11,067)	(15,504)	(28.6)	
<b>Other comprehensive income: Items that may be reclassified subsequently to profit or loss:</b>								
Foreign currency translation (loss)/gain		(1)	(9)	(88.9)	55	3	N/M	
<b>Other comprehensive (loss)/ income for the period/ year, net of tax</b>		(1)	(9)	(88.9)	55	3	N/M	
<b>Total comprehensive loss for the period/year</b>		<b>(7,180)</b>	<b>(8,973)</b>	(20.0)	<b>(11,012)</b>	<b>(15,501)</b>	(29.0)	
<b>Total comprehensive loss attributable to:</b>								
Equity holders of the Company		(6,554)	(8,558)	(23.4)	(9,900)	(14,543)	(31.9)	
Non-controlling interests		(626)	(415)	50.8	(1,112)	(958)	16.1	
		<b>(7,180)</b>	<b>(8,973)</b>	(20.0)	<b>(11,012)</b>	<b>(15,501)</b>	(29.0)	

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

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 30.06.22	As at 30.06.21	As at 30.06.22	As at 30.06.21
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment		25,282	28,963	-	-
Goodwill	11	1,662	6,896	-	-
Intangible assets		533	2,303	81	156
Investment in subsidiaries	12	-	-	25,450	36,418
Investment in associate		-	48	-	-
Other investments	13	-	7,980	-	7,980
Deferred tax assets		121	-	-	-
		27,598	46,190	25,531	44,554
<b><u>Current assets</u></b>					
Contract assets		23,553	17,354	-	-
Asset held for sale		-	348	-	265
Inventories		254	677	-	-
Tax recoverable		109	65	-	-
Trade and other receivables		22,053	34,401	7,369	20,184
Cash and bank balances		18,620	15,493	4,636	666
<b>Total current assets</b>		64,589	68,338	12,005	21,115
<b>Total assets</b>		<b>92,187</b>	<b>114,528</b>	<b>37,536</b>	<b>65,669</b>
<b><u>Non-current liabilities</u></b>					
Lease liabilities	14	3,740	4,748	-	-
Deferred tax liabilities		-	578	4	4
Loans and borrowings	14	17,960	16,923	2,267	-
<b>Total non-current liabilities</b>		21,700	22,249	2,271	4
<b><u>Current liabilities</u></b>					
Contract liabilities		1,875	1,512	-	-
Loans and borrowings	14	23,520	28,462	7,094	8,600
Trade and other payables		22,516	28,141	409	6,136
Lease liabilities	14	1,288	1,775	-	-
<b>Total current liabilities</b>		49,199	59,890	7,503	14,736
<b>Total liabilities</b>		<b>70,899</b>	<b>82,139</b>	<b>9,774</b>	<b>14,740</b>
<b>Net assets</b>		<b>21,288</b>	<b>32,389</b>	<b>27,762</b>	<b>50,929</b>

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Note	Group		Company	
		As at 30.06.22	As at 30.06.21	As at 30.06.22	As at 30.06.21
		\$'000	\$'000	\$'000	\$'000
<b>Share capital and reserves</b>					
Share capital	15	43,743	43,743	43,743	43,743
Treasury shares	16	(152)	(3)	(152)	(3)
Accumulated (losses)/profits		(11,591)	(1,637)	(15,847)	7,171
Foreign currency translation reserve		33	(21)	-	-
Merger reserve		(7,338)	(7,338)	-	-
Other reserves		(60)	(89)	18	18
Equity attributable to equity holders of the Company		24,635	34,655	27,762	50,929
Non-controlling interests		(3,347)	(2,266)	-	-
<b>Total equity</b>		<b>21,288</b>	<b>32,389</b>	<b>27,762</b>	<b>50,929</b>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Attributable to equity holders of the Company						Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated Profits / (losses) \$'000			
	<b>Balance at 1 July 2021</b>	<b>43,743</b>	<b>(3)</b>	<b>(7,338)</b>	<b>(21)</b>	<b>(89)</b>			
Loss for the year	-	-	-	-	-	(9,954)	(9,954)	(1,113)	(11,067)
<b>Other comprehensive income</b>									
Foreign currency translation gain	-	-	-	54	-	-	54	1	55
Other comprehensive income for the year, net of tax	-	-	-	54	-	-	54	1	55
Total comprehensive income for the year	-	-	-	54	-	(9,954)	(9,900)	(1,112)	(11,012)
<b>Contribution by and distributions to equity holders</b>									
Purchase of treasury shares	-	(149)	-	-	-	-	(149)	-	(149)
Share-based payment to non-controlling interest	-	-	-	-	29	-	29	31	60
	-	(149)	-	-	29	-	(120)	31	(89)
Total transactions with equity holders of the Company	-	(149)	-	-	29	-	(120)	31	(89)
<b>Balance at 30 June 2022</b>	<b>43,743</b>	<b>(152)</b>	<b>7,338</b>	<b>33</b>	<b>(60)</b>	<b>(11,591)</b>	<b>24,635</b>	<b>(3,347)</b>	<b>21,288</b>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Group	Attributable to equity holders of the Company						Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated Profits / (losses) \$'000			
	<b>Balance at 1 July 2020, restated</b>	<b>43,743</b>	<b>(350)</b>	<b>(7,338)</b>	<b>(23)</b>	<b>1,434</b>			
Loss for the year	-	-	-	-	-	(14,545)	(14,545)	(959)	(15,504)
<b>Other comprehensive income</b>									
Foreign currency translation gain	-	-	-	2	-	-	2	1	3
Other comprehensive income for the year, net of tax	-	-	-	2	-	-	2	1	3
Total comprehensive income for the year	-	-	-	2	-	(14,545)	(14,543)	(958)	(15,501)
<b>Contribution by and distributions to equity holders</b>									
Treasury shares reissued pursuant to acquisition of a subsidiary	-	347	-	-	(57)	-	290	-	290
Extinguishment of expired warrants	-	-	-	-	(1,466)	1,466	-	-	-
	-	347	-	-	(1,523)	1,466	290	-	290
Total transactions with equity holders of the Company	-	347	-	-	(1,523)	1,466	290	-	290
<b>Balance at 30 June 2021</b>	<b>43,743</b>	<b>(3)</b>	<b>(7,338)</b>	<b>(21)</b>	<b>(89)</b>	<b>(1,637)</b>	<b>34,655</b>	<b>(2,266)</b>	<b>32,389</b>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Company	Share Capital	Treasury shares	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2020, restated and 1 July 2020</b>	43,743	(350)	1,541	8,222	53,156
Loss and total comprehensive loss for the year, restated	-	-	-	(2,517)	(2,517)
<b>Contribution by and distributions to equity holders</b>					
Purchase of treasury shares	-	347	(57)	-	290
Extinguishment of expired warrants	-	-	(1,466)	1,466	-
	-	347	(1,523)	1,466	290
<b>Balance at 30 June 2021 and 1 July 2021</b>	<b>43,743</b>	<b>(3)</b>	<b>18</b>	<b>7,171</b>	<b>50,929</b>
Loss and total comprehensive loss for the year	-	-	-	(23,018)	(23,018)
<b>Contribution by and distributions to equity holders</b>					
Purchase of treasury shares	-	(149)	-	-	(149)
	-	(149)	-	-	(149)
<b>Balance at 30 June 2022</b>	<b>43,743</b>	<b>(152)</b>	<b>18</b>	<b>(15,847)</b>	<b>27,762</b>



**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Loss before income tax	(7,944)	(9,675)	(11,751)	(16,503)
Adjustment for: -				
Depreciation of property, plant and equipment	2,102	2,583	4,309	5,035
Depreciation of investment property	-	-	-	9
Net loss/(gain) on disposal of property, plant and equipment and asset held for sale	57	27	32	(2,176)
Gain on disposal of investment property	-	(6)	-	(6)
Property, plant and equipment written off	57	88	59	117
Interest income	(18)	(134)	(108)	(216)
Interest expense	734	764	1,546	1,402
Amortisation of intangible assets	169	251	404	445
Intangible assets written off	545	24	545	24
Allowance for impairment on receivables and contract assets (net)	9,072	2,356	9,363	3,296
Bad debts written back	(13)	(3)	(13)	(12)
Bad debts written off	124	96	409	114
Contract assets written off	-	2,421	-	2,421
Inventory written off	6	137	6	137
Fair value gain of other investment	-	(693)	-	(693)
Gain on disposal from other investment	(3,775)	-	(3,775)	-
Gain on distribution from other investment	-	(907)	-	(907)
Loss on disposal of associates (net)	-	-	25	-
Gain on disposal of subsidiaries	-	-	(216)	-
Gain on derecognition of subsidiary	(997)	-	(997)	-
Gain on lease modification	(8)	-	(37)	-
Gain on lease termination	-	(6)	-	(6)
Bargain purchase from acquisition of a business	-	-	(21)	-
Rental waiver	-	9	(5)	-
Impairment loss of goodwill	-	-	-	2,299
Impairment loss of intangible assets	550	-	550	-
Impairment loss of inventories	77	-	77	-
Equity-settled share-based payments	-	-	60	-
Other income	4	-	-	-
Share of results of associate	-	(3)	(19)	7
<b>Operating cash flows before working capital changes</b>	<b>742</b>	<b>(2,671)</b>	<b>443</b>	<b>(5,213)</b>
Contract assets	(11,781)	10,175	(11,637)	1,997
Contract liabilities	(27)	89	363	299
Inventories	16	240	340	696
Trade and other receivables	(9,116)	23	(4,997)	(4,460)
Trade and other payables	15,657	(5,612)	9,974	2,581
<b>Cash (used in)/generated from operations</b>	<b>(4,509)</b>	<b>2,244</b>	<b>(5,514)</b>	<b>(4,100)</b>
Interest received	18	134	108	216
Tax received / (paid)	18	708	(8)	865
<b>Net cash (used in)/generated from operating activities</b>	<b>(4,473)</b>	<b>3,086</b>	<b>(5,414)</b>	<b>(3,019)</b>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from investing activities</b>				
Additions to intangible assets	-	(116)	(14)	(151)
Purchases of property, plant and equipment	(286)	(425)	(776)	(960)
Proceeds from disposal of other investments	11,755	-	11,755	-
Proceeds from disposal of property, plant and equipment	235	4,629	490	4,705
Proceeds from disposal of investment property	-	(3,610)	-	890
Proceeds from disposal of associates	-	-	390	-
Proceeds from disposal of subsidiaries (Note A)	-	-	4,328	-
Net cash outflows from acquisition of business	-	-	(33)	-
<b>Net cash generated from investing activities</b>	<b>11,704</b>	<b>478</b>	<b>16,140</b>	<b>4,484</b>
<b>Cash flows from financing activities</b>				
(Placement)/withdraw of fixed deposits pledged to banks	(4,781)	466	(4,478)	961
Purchase of treasury shares	(149)	-	(149)	-
Due to related parties (non-trade)	24	(6,053)	(46)	(48)
Drawdown of bank borrowings	13,248	10,046	27,496	26,787
Repayment of bank borrowings	(16,737)	(3,052)	(32,178)	(21,277)
Interest paid	(648)	(651)	(1,476)	(1,351)
Repayment of lease liabilities	(958)	(875)	(1,940)	(1,600)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(10,001)</b>	<b>(119)</b>	<b>(12,771)</b>	<b>3,472</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,770)</b>	<b>3,445</b>	<b>(2,045)</b>	<b>4,937</b>
<b>Cash and cash equivalents at beginning of financial period/year</b>	<b>13,881</b>	<b>9,711</b>	<b>13,156</b>	<b>8,219</b>
<b>Cash and cash equivalents at end of financial period/ year</b>	<b>11,111</b>	<b>13,156</b>	<b>11,111</b>	<b>13,156</b>

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	
	Six Months Ended		Twelve Months Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
	\$'000	\$'000	\$'000	\$'000
Cash in hand and at bank	11,780	13,133	11,780	13,133
Fixed deposits	6,840	2,360	6,840	2,360
	18,620	15,493	18,620	15,493
Less: Fixed deposits pledged	(6,628)	(2,150)	(6,628)	(2,150)
Less: Bank overdrafts	(881)	(187)	(881)	(187)
	<b>11,111</b>	<b>13,156</b>	<b>11,111</b>	<b>13,156</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

**Note A**

<u>Net cash inflow on disposal of subsidiaries</u>	<u>\$'000</u>
Property, plant and equipment	31
Intangible assets	290
Right-of-use assets	9
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	<u>(1,894)</u>
Net liabilities derecognised	(775)
Add: Goodwill	<u>5,059</u>
Net assets disposed of	<u>4,284</u>
Net assets disposed of (as above)	4,284
Gain on disposal of subsidiaries	<u>216</u>
Cash proceeds on disposal	4,500
(Less): Cash and cash equivalents in subsidiaries disposed of	<u>(172)</u>
Net cash inflow on disposal	<u>4,328</u>

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED 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 activities of the Group are provision of repair and redecoration services, addition and alteration services, provision of coating and painting services and others including revenue from home retrofitting business, landscaping works, interior designs, leasing, green solutions business, mechanical & electrical engineering works, vector control services and handyman services.

### **2. Basis of preparation**

The condensed interim financial statements for the six months and full year ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars ("S") which is the Company's functional currency and all values are rounded to the nearest thousand ("S'000") as indicated.

#### **2.1. New and amended standard adopted by the Group**

A number of amendments to SFRS(I)s have become applicable for the current reporting period/year which does not have significant impact to the Group.

#### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

## E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 2.2. Use of judgements and estimates (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

- Note 11: Impairment testing of goodwill - Key assumptions underlying recoverable amounts

### 3. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Repairs & Redecoration ("R&R")
- Segment 2: Addition & Alteration ("A&A")
- Segment 3: Coating & Painting ("C&P")
- Segment 4: Others included revenue from home retrofitting business, landscaping works, interior design, leasing, green solutions business, mechanical & electrical engineering works, vector control services and handyman service.

These operating segments are 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.

#### 3.1 Operating segments

1 January 2022 to 30 June 2022	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
<b>Segment revenue</b>	16,331	22,118	5,707	10,674	<b>54,830</b>
<b>Segment profit/(loss)</b>	3,144	(1,297)	1,716	(3,495)	<b>68</b>
Depreciation and amortisation					(2,271)
Other non-cash expense					(4,894)
Interest income					18
Finance costs					(865)
<b>Loss before tax</b>					<b>(7,944)</b>
<b>Segment assets</b>	15,802	15,380	6,119	14,660	51,961
<b>Unallocated assets</b>					40,226
<b>Total assets</b>					<b>92,187</b>
<b>Segment liabilities</b>	7,550	-	1,266	11,442	20,258
<b>Unallocated liabilities</b>					50,641
<b>Total liabilities</b>					<b>70,899</b>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.1. Operating segments (cont'd)

1 January 2021 to 30 June 2021	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
<b>Segment revenue</b>	15,780	25,935	5,025	15,534	<b>62,274</b>
<b>Segment profit/(loss)</b>	1,772	(6,176)	1,115	348	<b>(2,941)</b>
Depreciation and amortisation					(2,834)
Other non-cash expense					(3,207)
Interest income					134
Finance costs					(830)
Share of results of associate					3
<b>Loss before tax</b>					<b>(9,675)</b>
<b>Segment assets</b>	14,919	25,757	5,056	20,790	66,522
<b>Unallocated assets</b>					48,006
<b>Total assets</b>					<b>114,528</b>
<b>Segment liabilities</b>	6,442	11,505	16	11,730	29,693
<b>Unallocated liabilities</b>					52,446
<b>Total liabilities</b>					<b>82,139</b>
1 July 2021 to 30 June 2022	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
<b>Segment revenue</b>	29,503	39,786	9,457	21,132	<b>99,878</b>
<b>Segment profit/(loss)</b>	4,876	(3,160)	2,115	(3,766)	<b>65</b>
Depreciation and amortisation					(4,713)
Other non-cash expense					(5,470)
Interest income					108
Finance costs					(1,722)
Share of results of associate					(19)
<b>Loss before tax</b>					<b>(11,751)</b>
<b>Segment assets</b>	15,802	15,380	6,119	14,660	51,961
<b>Unallocated assets</b>					40,226
<b>Total assets</b>					<b>92,187</b>
<b>Segment liabilities</b>	7,550	-	1,266	11,442	20,258
<b>Unallocated liabilities</b>					50,641
<b>Total liabilities</b>					<b>70,899</b>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.1. Operating segments (cont'd)

1 July 2020 to 30 June 2021	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Segment revenue	29,471	38,772	7,148	23,596	<b>98,987</b>
Segment profit/(loss)	4,712	(7,656)	1,144	94	<b>(1,706)</b>
Depreciation and amortisation					(5,488)
Other non-cash expense					(8,016)
Interest income					216
Finance costs					(1,502)
Share of results of associate					(7)
<b>Loss before tax</b>					<b>(16,503)</b>
Segment assets	14,919	25,757	5,056	20,790	66,522
Unallocated assets					48,006
<b>Total assets</b>					<b>114,528</b>
Segment liabilities	6,442	11,505	16	11,730	29,693
Unallocated liabilities					52,446
<b>Total liabilities</b>					<b>82,139</b>

3.2. Disaggregation of revenue

1 January 2022 to 30 June 2022	The Group 6 months ended 30 June 2022				Total \$'000
	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	
Types of goods or service:					
Revenue from contracts	16,331	22,118	5,707	5,491	49,647
Revenue from other services	-	-	-	3,086	3,086
Revenue from leasing	-	-	-	2,033	2,033
Sale of goods	-	-	-	64	64
<b>Total revenue</b>	<b>16,331</b>	<b>22,118</b>	<b>5,707</b>	<b>10,674</b>	<b>54,830</b>
Timing of revenue recognition:					
At a point in time	-	-	-	64	64
Over time	16,331	22,118	5,707	10,610	54,766
<b>Total revenue</b>	<b>16,331</b>	<b>22,118</b>	<b>5,707</b>	<b>10,674</b>	<b>54,830</b>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.2. Disaggregation of revenue (Cont'd)

	The Group 6 months ended 30 June 2021				
	R&R	A&A	C&P	Others	Total
<b>1 January 2021 to 30 June 2021</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Types of goods or service:					
Revenue from contracts	15,780	25,935	5,025	12,298	59,038
Revenue from other services	-	-	-	813	813
Revenue from leasing	-	-	-	2,348	2,348
Sale of goods	-	-	-	75	75
<b>Total revenue</b>	<b>15,780</b>	<b>25,935</b>	<b>5,025</b>	<b>15,534</b>	<b>62,274</b>
Timing of revenue recognition:					
At a point in time	-	-	-	75	75
Over time	15,780	25,935	5,025	16,531	62,199
<b>Total revenue</b>	<b>15,780</b>	<b>25,935</b>	<b>5,025</b>	<b>16,606</b>	<b>62,274</b>

	The Group 12 months ended 30 June 2022				
	R&R	A&A	C&P	Others	Total
<b>1 July 2021 to 30 June 2022</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Types of goods or service:					
Revenue from contracts	29,503	39,786	9,457	13,196	91,942
Revenue from other services	-	-	-	3,420	3,420
Revenue from leasing	-	-	-	4,392	4,392
Sale of goods	-	-	-	124	124
<b>Total revenue</b>	<b>29,503</b>	<b>39,786</b>	<b>9,457</b>	<b>21,132</b>	<b>99,878</b>
Timing of revenue recognition:					
At a point in time	-	-	-	124	124
Over time	29,503	39,786	9,457	21,008	99,754
<b>Total revenue</b>	<b>29,503</b>	<b>39,786</b>	<b>9,457</b>	<b>21,132</b>	<b>99,878</b>



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3.2. Disaggregation of revenue (Cont'd)

	The Group				
	12 months ended 30 June 2021				
1 July 2020 to 30 June 2021	R&R \$'000	A&A \$'000	C&P \$'000	Others \$'000	Total \$'000
Types of goods or service:					
Revenue from contracts	29,471	38,772	7,148	16,013	91,404
Revenue from other services	-	-	-	2,769	2,769
Revenue from leasing	-	-	-	4,699	4,699
Sale of goods	-	-	-	115	115
<b>Total revenue</b>	<b>29,471</b>	<b>38,772</b>	<b>7,148</b>	<b>23,596</b>	<b>98,987</b>
Timing of revenue recognition:					
At a point in time	-	-	-	115	115
Over time	29,471	38,772	7,148	23,481	98,872
<b>Total revenue</b>	<b>29,471</b>	<b>38,772</b>	<b>7,148</b>	<b>23,596</b>	<b>98,987</b>

4. Other Income

	The Group			
	6 months ended		12 months ended	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Government grants	361	(550)	683	1,311
Gain on disposal of property, plant and equipment, asset held for sale and investment property	22	7	63	2,211
Interest income	18	134	108	216
Administrative income	112	63	205	113
Foreign exchange gain	(2)	40	-	138
Fair value gain of other investment	-	693	-	693
Gain on distribution from other investment	-	907	-	907
Gain on disposal of subsidiaries	-	-	216	-
Gain on disposal of associate	-	-	8	-
Gain on derecognition of subsidiary	997	-	997	-
Gain on disposal of other investment	3,775	-	3,775	-
Sales of spare parts	92	77	161	113
Bargain purchase from acquisition of a business	-	-	22	-
Others	254	320	542	613
	<b>5,629</b>	<b>1,691</b>	<b>6,780</b>	<b>6,315</b>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. Finance costs

	The Group			
	6 months ended		12 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Interest expenses	733	764	1,546	1,402
Bank charges	107	45	141	70
Factoring charges	25	21	35	30
	<b>865</b>	<b>830</b>	<b>1,722</b>	<b>1,502</b>

6. Loss before tax

	The Group			
	6 months ended		12 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Amortisation of intangible assets	169	251	404	445
Allowance for impairment on receivables and contract assets	9,072	2,356	9,363	3,296
Bad debts written back	(13)	(3)	(13)	(12)
Bad debts written off	124	96	409	114
Depreciation of property, plant and equipment	2,102	2,583	4,309	5,035
Depreciation of investment property	-	-	-	9
Impairment loss on goodwill	-	-	-	2,299
Impairment loss on intangible asset	550	-	550	-
Impairment loss on inventories	77	-	77	-
Inventories written off	6	137	6	137
Net loss/(gain) on disposal of property, plant and equipment, asset held for sale and investment property	57	21	32	(2,182)
Property, plant and equipment written off	57	88	59	117
Intangible assets written off	545	24	545	24
Equity-settled share-based payment	-	-	60	-
Net loss on disposal of associates	-	-	25	-
Share of result of associates	-	(3)	(19)	7

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

7. Taxation

	The Group			
	6 months ended		12 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000
<b>Tax (credit)/expense attributable to loss is made up of:</b>				
Current income tax:				
- Current year	(18)	(73)	14	9
- Over provision of taxation in prior years	-	(645)	(1)	(916)
Deferred tax:				
- Current year	(747)	7	(697)	(59)
- Over provision in prior years	-	-	-	(39)
	<u>(765)</u>	<u>(711)</u>	<u>(684)</u>	<u>(999)</u>

8. Earnings per share

The following reflects the loss attributable to the equity holders of the Company used in the earnings per share computation:

	The Group			
	6 months ended		12 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Loss attributable to equity holders of the Company (\$'000)	<u>(6,554)</u>	<u>(8,550)</u>	<u>(9,954)</u>	<u>(14,545)</u>
Weighted average number of ordinary shares	<u>348,072,641</u>	<u>345,836,785</u>	<u>348,072,641</u>	<u>345,836,785</u>
Earnings per share (cents)				
- Basic and diluted	<u>(1.88)</u>	<u>(2.47)</u>	<u>(2.86)</u>	<u>(4.21)</u>

For the financial year ended 30 June 2022 and 30 June 2021, there was no difference between the basic and diluted loss per share as the effect of all potentially dilutive shares outstanding was anti-dilutive.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9. Net Asset Value

	The Group		The Company	
	As at		As at	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Net assets value (\$'000)	24,635	34,655	27,762	50,929
Number of ordinary shares	347,170,931	348,352,231	347,170,931	348,352,231
Net assets value per ordinary share (cents)	7.10	9.95	8.00	14.62

10. Property, plant and equipment

During the 6 months and 12 months ended 30 June 2022, the Group acquired assets amounting to \$1,539,000 and \$1,821,000 respectively and disposed of assets amounting to \$1,035,000 and \$2,253,000 respectively.

11. Goodwill

	The Group	
	As at	
	30 June 2022	30 June 2021
Cost	S\$'000	S\$'000
At 1 July	15,575	15,575
Disposal of subsidiaries	(5,234)	-
At 30 June	10,341	15,575
<b>Accumulated impairment loss</b>		
At 1 July	8,679	6,380
Charge for the year	-	2,299
At 30 June	8,679	8,679
Net carrying value	1,662	6,896

**Impairment testing of goodwill**

The recoverable amount of the CGU has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

As at 30 June 2022, the Group reviewed the key assumptions used in the value-in-use calculation as at 30 June 2021 impairment test and has made changes to the assumptions. No impairment loss was recognised as at 30 June 2022.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

11. Goodwill (Cont'd)

Impairment testing of goodwill (Cont'd)

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

	The Group	
	As at	
	30 June 2022	30 June 2021
<b>Cash Generating Unit and principal activities</b>		
	<b>S\$'000</b>	<b>S\$'000</b>
<b>CGU 1</b> - Repair & redecoration and coatings & paintings	1,383	1,383
<b>CGU 2</b> - Landscaping works	279	279
<b>CGU 3</b> - Commercial interior designs	-	175
<b>CGU 4</b> - Projects and construction management	-	5,059
	<b>1,662</b>	<b>6,896</b>

Key assumptions used in value-in-use calculations

The recoverable amounts for the above CGUs 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, including the current market conditions due to COVID-19 pandemic. The key assumptions applied to the 5-year cash flow projections are as follows:

	CGU 1	CGU 2	CGU 3	CGU 4
<b>2022</b>				
Terminal value growth rate	3.50%	3.50%	-	-
Pre-tax discount rate	12.27%	9.24%	-	-
	CGU 1	CGU 2	CGU 3	CGU 4
<b>2021</b>				
Terminal value growth rate	1.81%	1.81%	1.81%	1.81%
Pre-tax discount rate	17.57%	18.10%	17.48%	16.16%

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 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.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**11. Goodwill (Cont'd)**

**Sensitivity to changes in assumptions**

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

**12. Investment in subsidiaries**

**Incorporation of new subsidiaries**

On 3 August 2021, the Company had acquired a wholly-owned subsidiary, Green-Pest Management Pte. Ltd., with an issued and paid-up share capital of \$10,000 comprising 10,000 ordinary shares. The principal business of the subsidiary is the provision of vector control services, landscape care and other related maintenance service activities.

On 11 November 2021, the Company had incorporated a wholly-owned subsidiary, ISOTeam Renewable Solutions Pte. Ltd., with an issued and paid-up share capital of \$1 comprising 1 ordinary shares. The principal business of the subsidiary is the provision of installation of solar panel and mixed construction activities.

**Increase in issued and paid up share capital of subsidiaries**

On 18 January 2022, ISOTeam Renewable Solutions Pte. Ltd., a wholly-owned subsidiary of the Company, issued 249,999 ordinary shares at S\$1 each to the Company, thereby increasing its issued and paid-up share capital from S\$1 divided into 1 ordinary share to S\$250,000 divided into 250,000 ordinary shares.

On 19 May 2022, Raymond Construction Pte Ltd, a wholly-owned subsidiary of the Company, issued 6,000,000 ordinary shares at S\$1 each to the Company by way of capitalisation of existing shareholder's loan(s) amounting to S\$6,000,000, thereby increasing its issued and paid-up share capital from S\$3,500,000 divided into 3,500,000 ordinary shares to S\$9,500,000 divided into 9,500,000 ordinary shares.

On 20 June 2022, ISO-Landscape Pte. Ltd., a wholly-owned subsidiary of the Company, issued 1,200,000 ordinary shares at S\$1 each to the Company by way of capitalisation of existing shareholder's loan(s) amounting to S\$1,200,000, thereby increasing its issued and paid-up share capital from S\$250,000 divided into 250,000 ordinary shares to S\$1,450,000 divided into 1,450,000 ordinary shares.

**Striking off of subsidiaries**

The following wholly-owned subsidiaries of the Company (the "Companies") have ceased business operations and were struck off the Register of the Companies pursuant to Section 344A of the Companies Act 1967 of Singapore:

Name	Struck off date
ISO-Homecare Pte. Ltd.	24 January 2022
ISO-Seal Waterproofing Pte. Ltd.	6 June 2022

Following the striking off of the Companies, the Companies have ceased to be subsidiaries of the Company.

## 12. Investment in subsidiaries

### 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, 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 Projects Pte Ltd, the Group has recorded a gain of approximately \$1.0 million on the derecognition of TMG Projects Pte Ltd as disclosed under Note 4 – Other income.

### Impairment assessment of the Company's investment in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimate of the value-in-use ("VIU") of the subsidiaries. Estimating the VIU requires the Company to make an estimate of the future cash flows expected from the cash generating unit and appropriate discount rate in order to calculate the present value of these cash flows. The forecasts used to estimate the future cash flows are subject to the risks noted in the impairment assessments of the goodwill. Information about the assumptions and risk factors are disclosed in Note 11.

Based on the Company's assessment, \$14,210,000 was impaired during the financial year as the recoverable amounts assessed were in excess of the carrying amounts of the cash generating units.

## 13. Other investments

	The Group	
	As at	
	30 June 2022	30 June 2021
	\$'000	\$'000
Unquoted equity shares - Financial assets at fair value through profit or loss	-	7,980

Unquoted equity shares represent interest in a company in Singapore which is engaged in solar energy solutions including financing, designing, installation, and maintenance services. The fair values of the unquoted equity shares were determined by reference to the share issuance transaction price of the investee company in prior year. This fair value measurement was categorised in Level 3 of the fair value hierarchy. On 24 February 2022, the Company had disposed off the investment at a consideration of \$11.8 million with a gain on disposal of \$3.8 million.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14. Borrowings

	The Group	
	As at	
	30 June 2022	30 June 2021
	\$'000	\$'000
<b><u>Amount repayable in one year or less, or on demand</u></b>		
Secured	24,008	29,437
Unsecured	800	800
<b><u>Amount repayable after one year</u></b>		
Secured	21,700	21,671
	46,508	51,908

**Notes**

a ) Bank borrowings amounting to \$40.7 million are secured by:

- i. charges over fixed deposits;
- ii. mortgage over the Group's leasehold properties;
- iii. first fixed charge over receivables arising from invoices financed directly or indirectly over the account in which the receivables are deposited; and
- iv. corporate guarantee from the Company and a subsidiary.

b ) Lease liabilities of the Group amounting to \$5.0 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 finance lease liabilities.



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. Share capital

	Group and Company			
	2022		2021	
	Number of issued shares '000	Issued share capital \$'000	Number of issued shares '000	Issued share capital \$'000
At 1 July/30 June	348,366	43,743	348,366	43,743

	Group and Company	
	30 June 2022	30 June 2021
	No. of shares '000	No. of shares '000
Total number of issued shares, including treasury shares	348,366	348,366
Treasury shares	(1,195)	(14)
Total number of issued shares, excluding treasury shares	<b>347,171</b>	<b>348,352</b>

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 30 June 2021.

16. Treasury shares

	Group and Company			
	2022		2021	
	Number of treasury shares '000	Value of shares \$'000	Number of treasury shares '000	Value of shares \$'000
At 1 July	14	3	1,298	350
Share buyback	1,181	149		
Treasury shares reissued pursuant to the acquisition of a subsidiary	-	-	(1,284)	(347)
At 30 June	1,195	152	14	3
Percentage (%) of treasury shares against total number of shares outstanding as at 30 June	0.3%		0.0%	

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**16. Treasury shares (Cont'd)**

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

During FY2022, the Company has conducted share buy back and purchased a total of 1,181,300 shares in the Company. Accordingly, the total number of 1,195,659 treasury shares are held by the Company as at 30 June 2022.

<b>Warrants</b>	<b>Financial Year 2022</b>	<b>Financial Year 2021</b>
	<b>Warrants</b>	<b>Warrants</b>
As at 1 July	12,500,000	59,893,365
Warrants expired	(12,500,000)	(47,393,365)
As at 30 June	-	12,500,000
Percentage (%) of warrants against total number of shares outstanding as at 30 June	0.0%	3.6%

Each warrant carries the right to subscribe for one ordinary share in the capital of the Company at their respective exercise prices. As at 30 June 2022, the Company does not have any outstanding convertibles.

**17. Related parties**

**17a.** In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and the related parties at terms agreed between the parties:

	<b>The Group</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
<b>Group</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>With related parties</b>				
<i>Income</i>				
Sales	-	(76)	-	(138)
<i>Expenses</i>				
Purchases	838	1,413	3,030	2,314
Testing fee	-	81	-	170

E. **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

17. **Related parties**

17a. In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and the related parties at terms agreed between the parties:

	<b>The Group</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
<b>Company</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Receipts on behalf	(66)	(452)	(153)	(752)
Loan	12,147	1,902	12,147	4,145
Repayment of loan	(1,723)	(2,368)	(1,837)	(8,194)
<i>Income</i>				
Management fee	(716)	(1,161)	(1,481)	(1,688)
Interest income	(113)	(156)	(282)	(263)
<i>Expenses</i>				
Recharge of expense	-	86	1	122

17b. **Compensation of key management personnel.**

There were no significant changes to the key management personnel in FY2022. There were no changes to the compensation scheme in FY2022.

18. **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)

**Assets measured at fair value**

The financial assets at fair value through profit or loss was classified as Level 3. The fair value of the unquoted equity shares was determined by reference to the investee company's share issuance transaction price during the year. The measurement of fair value of the unquoted equity shares was performed by the Group's finance team, based on evidence obtained from the investee company to assess if the share issuance transaction price is supportable and the appropriate classification of the fair value level hierarchy measurement for this financial asset.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**18. Fair value hierarchy (Cont'd)**

**Assets measured at fair value (Cont'd)**

A higher share issuance transaction price will result in a higher fair value measurement.

Movements in Level 3 assets and liabilities measured at fair value

	Unquoted equity shares	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	7,980	6,380
Gain on distribution from other investment	-	907
Fair value loss recognised in profit or loss	-	693
Disposed during the year	(7,980)	-
Balance at end of financial year	-	7,980

**19. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed financial statements for the second half of 2022 and full year financial statements for 2022.

**Other Information Required by Listing Rule**

**Appendix 7C**

## OTHER INFORMATION

- The condensed interim consolidated statements of financial position of ISOTeam Ltd and its subsidiaries as at 30 June 2022 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statements of changes in equity and condensed interim consolidated statements of cash flows for the six-months period and full year ended 30 June 2022 and certain explanatory notes have not been audited or reviewed.
- Review of performance of the Group**

Revenue	Group					Group				
	Six Months Ended					Twelve Months Ended				
	30.06.22		30.06.21		Change	30.06.22		30.06.21		Change
	\$'000	%	\$'000	%	%	\$'000	%	\$'000	%	%
R&R	16,331	29.8	15,780	25.3	3.5	29,503	29.5	29,471	29.8	0.1
A&A	22,118	40.3	25,935	41.7	(14.7)	39,786	39.8	38,772	39.2	2.6
C&P	5,707	10.4	5,025	8.1	13.6	9,457	9.5	7,148	7.2	32.3
Others <sup>(a)</sup>	10,674	19.5	15,534	25.0	(31.3)	21,132	21.2	23,596	23.8	(10.4)
	<b>54,830</b>	<b>100.0</b>	<b>62,274</b>	<b>100.0</b>	(12.0)	<b>99,878</b>	<b>100.0</b>	<b>98,987</b>	<b>100.0</b>	0.9

<sup>(a)</sup> Others included revenue from home retrofitting business, landscaping works, interior design, leasing, green solutions business, mechanical & electrical engineering works, vector control services and handyman service.

### Condensed Interim Consolidated Statement of Comprehensive income

#### Revenue

##### 6MFY2022 vs 6MFY2021

Group revenue decreased by \$7.5 million or 12.0% from \$62.3 million in 6MFY2021 to \$54.8 million in 6MFY2022. The decrease was mainly due to a decline in revenue attributed from A&A and the Others business segments.

##### FY2022 vs FY2021

The Group's revenue increased by \$0.9 million or 0.9% from \$99.0 million in FY2021 to \$99.9 million in FY2022. The increase was mainly due to increase in revenue of A&A and C&P business segments as a result of more work performed during the year which were partially offset by decrease in revenue of the Others business segments.

#### Gross profit and gross profit margin

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

The Group's gross profit increased by \$4.3 million from gross profit of \$0.3 million in 6MFY2021 to \$4.6 million in 6MFY2022 and increased by \$7.3 million from \$0.5 million in FY2021 to \$7.8 million in FY2022 mainly due to improved margins.

## 2. Review of performance of the Group (Cont'd)

### Condensed Interim Consolidated Statement of Comprehensive income (Cont'd)

#### Other income

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

The Group's other income increased by \$3.9 million or 232.9% from \$1.7 million in 6MFY2021 to \$5.6 million in 6MFY2022 and increased by \$0.5 million or 7.4% from \$6.3 million in FY2021 to \$6.8 million in FY2022. The increase was mainly due to one-off gain on disposal of Pure group of entities, gain on derecognition of subsidiary, TMG Projects Pte Ltd and gain on disposal of investment in Sunseap Group Pte Ltd.

#### Marketing and distribution expenses

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

The Group's marketing and distribution expenses increased by \$0.1 million or 21.7% from \$0.4 million in 6MFY2021 to S\$0.5 million in 6MFY2022 and increased by S\$0.2 million or 19.0% from \$0.8 million in FY2021 to \$1.0 million in FY2022. The increase was mainly due to bonus paid in 6MFY2022.

#### General and administrative expenses

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

The Group's general and administrative expenses decreased by \$0.4 million or 5.3% from \$6.9 million in 6MFY2021 to \$6.5 million in 6MFY2022, the decrease was mainly attributable to the decrease in professional fees. There were no material changes in Group's general and administrative expenses from FY2021 to FY2022.

#### Finance costs

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

The Group's finance costs were no material changes from 6MFY2021 to 6MFY2022 and increased by \$0.2 million or 13.3% from \$1.5 million in FY2021 to \$1.7 million in FY2022. This was mainly due to higher interest incurred on bank borrowings.

#### Impairment loss on receivables and contract assets

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

The Group's impairment loss on receivables and contract assets increased by \$7.4 million from \$1.7 million in 6MFY2021 to \$9.1 million in 6MFY2022 and increased by \$3.7 million or 63.8% from \$5.7 million in FY2021 to \$9.4 million in FY2022. This was mainly due to a one-off impairment in a wholly owned subsidiary, TMG Projects Pte. Ltd. as disclosed under Note 12 – Investment in subsidiaries.

## 2. Review of performance of the Group (Cont'd)

### Condensed Interim Consolidated Statement of Comprehensive income (Cont'd)

#### Other operating expenses

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

The Group's other operating expenses decreased by \$0.5 million or 30.5% from \$1.8 million in 6MFY2021 to \$1.3 million in 6MFY2022 and decreased by \$1.2 million or 46.2% from \$2.6 million in FY2021 to \$1.4 million in FY2022. The decrease was mainly attributable to impairment of goodwill in FY2021.

#### Loss before tax

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

As a result of the above, the Group recorded a loss before tax of \$7.9 million in 6MFY2022 and loss before tax of \$11.8 million in FY2022 as compared to a loss before tax of \$9.7 million in 6MFY2021 and loss before tax of \$16.5 million in FY2021.

#### Tax credit

##### 6MFY2022 vs 6MFY2021 and FY2022 vs FY2021

There were no material changes in Group's tax credit from 6MFY2021 to 6MFY2022 and tax credit decreased by \$0.3 million or 31.5% from \$1.0 million in FY2021 to \$0.7 million in FY2022. This was mainly due to recognition of deferred tax assets.

### Condensed Interim Statements of Financial Position

#### Non-current assets

The Group's non-current assets decreased by \$18.6 million or 40.3% from \$46.2 million as at 30 June 2021 to \$27.6 million as at 30 June 2022, mainly due to impairment on intangible assets and goodwill relating to the derecognition and disposal of subsidiaries and other investments.

#### Current assets

The decrease in current assets of \$3.7 million or 5.5% from \$68.3 million as at 30 June 2021 to \$64.6 million as at 30 June 2022 was mainly due to decrease in trade and other receivables offset by the increase in contract assets and cash at bank balances.

#### Non-current liabilities

There were no material changes in Group's non-current liabilities during the financial period under review.

#### Current liabilities

The decrease in current liabilities of \$10.7 million or 17.9% from \$59.9 million as at 30 June 2021 to \$49.2 million as at 30 June 2022 was mainly due to the decrease in trade and other payables, lease liabilities and bank borrowings.



2. **Review of performance of the Group (Cont'd)**

**Condensed Interim Consolidated Statement of Cash Flows**

**Net cash (used in)/ generated from operating activities**

**6MFY2022**

Net cash used in operating activities amounted to \$4.5 million in 6MFY2022 was mainly due to increase in contract assets and increase of trade and other receivables (after considering the effect of disposal of subsidiaries and derecognition of subsidiary) which were offset by an increase in trade and other payables (after considering the effect of disposal of subsidiaries and derecognition of subsidiary).

**FY2022**

Net cash used in operating activities amounted to \$5.4 million in 6MFY2022 was mainly due to increase in contract assets and increase of trade and other receivables (after considering the effect of disposal of subsidiaries and derecognition of subsidiary) which were offset by an increase in trade and other payables (after considering the effect of disposal of subsidiaries and derecognition of subsidiary).

**Net cash generated from investing activities**

**6MFY2022**

Net cash generated from investing activities amounted to \$11.7 million in 6MFY2022 was mainly due to proceeds from disposal of other investments offset by purchase of plant and equipment.

**FY2022**

Net cash from investing activities amounted to \$16.1 million was mainly due to the proceeds from disposal of other investment, subsidiaries and associates offset by purchases of plant and equipment and intangible assets.

**Net cash (used in)/ generated from financing activities**

**6MFY2022**

Net cash used in financing activities of \$10.0 million in 6MFY2022 was mainly due to repayment of borrowings, interest paid, repayment of lease liabilities and fixed deposit pledged to banks which were partially offset by drawdown of borrowings.

**FY2022**

Net cash used in financing activities of \$12.8 million in FY2022 was mainly due to repayment of borrowings, interest paid and repayment of lease liabilities which were partially offset by drawn down of borrowings.

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

Not applicable.

**4. 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.**

According to the Ministry of Trade and Industry Singapore (“MTI”) advanced estimates released on 14 July 2022, Singapore’s construction sector grew by 3.8 per cent year-on-year in the second quarter of 2022. In absolute terms, the value-added of the construction sector remained 23.7 per cent below its pre-pandemic level, due to the slow inbound of migrant workers.

The construction industry continues to be plagued by rising cost and manpower issues. The Group expects operating conditions in the construction sector to remain challenging with pressure to complete existing projects amid manpower shortage and deployment of workers challenges.

As at 30 June 2022, the order book of the Group stands at \$160.2 million, which should support the Group’s activities through FY2024. The Group will selectively tender for public and private sector projects, taking into consideration the prevailing market conditions such as manpower shortages.

The Group will continue to monitor closely the situation to ensure smooth progress and delivery of these projects. The Group continues to prioritise cash conservation and cost control to overcome the current situation.

**5. Dividend**

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

No dividend recommended to be declared.

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

Not applicable.

**( c ) Date payable**

Not applicable.

**( d ) Books closure date**

Not applicable.

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

The Board has decided that, in view of the present uncertainty in the market outlook and business environment, it would be prudent not to declare dividend for the current financial period.

**7. Interested person transactions**

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

**8. Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706(A)**

During the period from 1 January 2022 to 30 June 2022, transactions pertaining to investment in subsidiaries are disclosed under Note 12, “Investment in subsidiaries”.

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

Please refer to Note 2 above.

**10. A breakdown of sales.**

	<b>Group</b>		<b>Change %</b>
	<b>30.06.22 \$'000</b>	<b>30.06.21 \$'000</b>	
Sales reported for first half year	45,048	36,713	22.7
Operating loss after tax before deducting non-controlling interest reported for first half year	(3,888)	(6,540)	(40.6)
Sales reported for second half year	54,830	62,274	(12.0)
Operating loss after tax before deducting non-controlling interest reported for second half year	(7,179)	(8,964)	(19.9)

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

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

<b>Total annual dividend</b>	<b>FY2022 \$'000</b>	<b>FY2021 \$'000</b>
Ordinary shares	-	-

**12. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

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

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

**BY ORDER OF THE BOARD**

**David Ng Cheng Lian**

**Executive Chairman**

**26 August 2022**

**Anthony Koh Thong Huat**

**CEO**

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This announcement 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 announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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