



FOR IMMEDIATE RELEASE

## ISOTeam achieves another record full year results on the back of expansion initiatives

- Performance underpinned by strong growth in new C&P and Others segments with revenues growing 231.0% and 185.0% respectively.
- Proposes a final tax-exempt (one-tier) dividend of 0.75 Singapore cents per ordinary share in respect of FY2016, representing a dividend payout ratio of 23.1% of net attributable profit.

### Financial Highlights for the year ended 30 June

S\$'m	FY2016	FY2015	Chg (%)
Revenue	94.1	81.7	15.3
Gross profit	24.2	20.2	19.9
Profit before tax	10.3	9.5	8.1
Net profit for the year	9.6	8.1	18.2
Profit attributable to equity holders	9.2	8.1	13.6
Earnings per share* (Singapore cents)	3.23	3.23	-

\*Based on the weighted average number of 285,746,788 ordinary shares in issue in FY2016 and 251,797,654 ordinary shares in issue in FY2015. On 29 February 2016, the Group issued 142,933,295 ordinary shares pursuant to the bonus issues on the basis of one bonus share for everyone existing ordinary shares. Following the issue of bonus shares, the aggregate number of issued shares excluding treasury shares increased from 142,933,295 to 284,665,956 shares. As a result, the number of ordinary shares used for the earnings per share calculations has been adjusted retrospectively as required by Financial Reporting Standard 33.

**SINGAPORE, 24 August 2016 – ISOTeam Ltd.** (“ISOTeam” or together with its subsidiaries, the “Group”), an established eco-conscious Repairs and Redecoration (“R&R”) and Addition and Alteration (“A&A”) and complementary niche services specialist in Singapore, has surpassed its previous record breaking financial year (“FY2015”) with both net profit and revenue reaching new highs for the 12 months ended 30 June 2016 (“FY2016”).

Despite incurring a charge of S\$1.5 million due to amortisation from its acquisition of subsidiaries during the year, ISOTeam achieved an 18.2% year-on-year (“YOY”) rise in net profit to S\$9.6 million on the back of a 15.3% increase in revenue to S\$94.1 million in FY2016. While its R&R segment continued to be the principal income generator contributing 42.7% to the topline, the results was



driven mainly by a leap in revenue generated by its new business segments, namely Coating & Painting (“C&P”) and Others<sup>1</sup>, as well as strong double-digit growth from its A&A segment.

The sterling FY2016 performance was notwithstanding higher expenses, arising largely from its active business acquisitions and operations expansion last year such as increase in overheads, staff costs and running expenses such as diesel and petrol, repair and upkeep of vehicles, which is in line with the additional fixed assets purchased. Other operating expenses also increased to S\$1.5 million from S\$0.8 million in FY2015 mainly because of an increase in amortisation of intangible assets of S\$1.3 million offset by a decrease in goodwill written off of S\$0.6 million arising from the acquisitions of new subsidiaries.

Gross profit rose 19.9% to S\$24.2 million in FY2016 compared to S\$20.2 million in FY2015, while overall gross profit margin rose one percentage point YOY to 25.7% due to better profit margins from its R&R, A&A and C&P segments.

### Dividends

In line with a good set of results, the Board has proposed a final tax-exempt (one-tier) dividend of 0.75 Singapore cents per ordinary share in respect of FY2016 for approval by shareholders at the forthcoming Annual General Meeting. Based on 284,665,956 ordinary shares, this represents a dividend payout ratio of 23.1% of net attributable profit.

### Revenue by Segments

S\$'m	FY2016	FY2015	Chg (%)
R&R	40.2	54.5	(26.1)
A&A	24.4	17.4	40.1
C&P	11.7	3.6	231.0
Others <sup>+</sup>	17.8	6.2	185.0
<b>Total</b>	<b>94.1</b>	<b>81.7</b>	<b>15.3</b>

<sup>+</sup>Includes Commercial Interior Designs (“ID”), home retrofitting, landscaping works, leasing services, waterproofing and green solutions.

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On a segmental basis, revenue contribution from the Group's R&R business segment shrank 26.1% YOY to S\$40.2 million due to slower and lower revenue recognition in FY2016 due to slower rate of contracts being awarded. This was partially because of the redrafting of GRC boundary lines and reconstitution of Town Councils following the last General Elections. Nevertheless, the segment continued to be a leading player in the segment with public sector projects from Pasir-Ris-Punggol Town Council, SKK (S) Pte Ltd, Housing & Development Board ("HDB"), Tanjong Pagar Town Council and Tampines Town Council contributing to the FY2016 revenue.

Revenue from the Group's A&A segment rose 40.1% YOY to generate S\$24.4 million in FY2016, mainly from Town Council projects in Pasir Ris-Punggol, Marine Parade, Tampines, Choa Chu Kang and Bishan-Toa Payoh.

ISOTeam's FY2016's star performer was its C&P business segment with revenue surging 231.0% YOY to S\$11.7 million, largely due to projects awarded by Welltech Construction Pte Ltd, Sato Kogyo (S) Pte Ltd, Singapore Piling & Civil Engineering Pte Ltd, San Keong Construction Pte Ltd and Soil-Build (Pte) Ltd.

The Group's second biggest growth division in FY2016 was its Others segment which leapt 185.0% to S\$17.8 million derived largely from ID works from the Public Service Division and Woh Hup Pte Ltd, waterproofing works for Ang Mo Kio Town Council, landscaping works from HDB and rental income for leasing services.

**Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发)**, said: *"The Group had a very exciting FY2016 to say the least. We reaped the fruits of our labours, saw the continued growth of our core businesses and we were particularly pleased to see returns from the investments we have made in recent years continue to pay off handsomely. We have stuck by our promise to deliver value to our investors and shareholders who have supported us and I hope that we will be able to yield even better results in the years ahead."*



ISOTeam's cash and bank balances remained healthy, growing from S\$32.3 million in FY2015 to S\$34.1 million in FY2016. Based on the weighted average number of 285,746,788 ordinary shares in issue in FY2016, Earnings Per Share<sup>(2)(3)</sup> remained constant at 3.23 Singapore cents in FY2016 with 251,797,654 weighted average number of ordinary shares in issue. Net asset value per share<sup>(3)</sup> as at 30 June 2016 was 18.79 Singapore cents (based on 284,665,956 ordinary shares) compared to 16.20 Singapore cents as at 30 June 2015 (based on 285,866,590 ordinary shares).

### Outlook

As at 3 August 2016, ISOTeam's order book stood at S\$94.1 million, including S\$50.1 million worth of new R&R, A&A, C&P and waterproofing projects secured in the second half of FY2016. These projects will be progressively delivered over the next 24 months.

In addition, ISOTeam is the lowest tenderer for three other projects yet to be awarded collectively worth S\$5.7 million including:

1. R&R project for the National Environment Agency
2. R&R project for the Ministry of Health
3. Reroofing to Selegie Road

Looking to the future, ISOTeam expects to benefit from the general increase in public sector upgrading, retrofitting and maintenance of buildings and facilities in Singapore driven by ongoing Government initiatives to renew and rejuvenate middle-aged and mature estates.

On 5 August 2016, ISOTeam announced 13 new public and private sector contract wins worth a total of S\$20.1 million including its maiden project win in Myanmar worth S\$0.1 million and its second renewable energy project to install fuel cells worth S\$0.2 million.

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<sup>(2)</sup> Based on the weighted average number of 285,746,788 ordinary shares in issue in FY2016 and 251,797,654 ordinary shares in issue in FY2015.

<sup>(3)</sup> On 29 February 2016, the Group issued 142,933,295 ordinary shares pursuant to the bonus issues on the basis of one bonus share for everyone existing ordinary shares. Following the issue of bonus shares, the aggregate number of issued shares excluding treasury shares increased from 142,933,295 to 284,665,956 shares. As a result, the number of ordinary shares used for the earnings per share calculations has been adjusted retrospectively as required by Financial Reporting Standard 33.



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Said Mr Koh: *“As a joint venture partner with Nippon Paint (Singapore) Company Private Limited and its preferred contractor for painting services in Myanmar, securing our first painting job in this new market is a huge milestone for ISOTeam. We hope that this project for the Yangon City Development Committee Staff Housing will open many more doors and be the first of many for us in this market. Beyond this, we have recently signed an MOU with a Malaysian partner to export our reliable and trusted services into the country. This will form another exciting development that the Group will be proactively working toward.”*

*“We are also delighted to have further entrenched ourselves in the renewable energy installation segment having secured the contract to install Emergency Fuel Cell Operating Power Systems as back-up power generators for lifts of a number of HDB blocks at Punggol. On the back of the Singapore government’s push for greener buildings, ISOTeam intends to grow our track record and share of market in this segment in order to capitalise on opportunities arising from this fast growing pie.”*

Although upbeat about the outlook, the Group remains mindful of intense price competition and rising cost pressures in the next 12 months including higher labour costs due to increases in foreign workers’ levies.

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#### **About ISOTeam Ltd.**

*Founded in 1998 and listed on Catalist of the Singapore Exchange Securities Trading Limited (SGX-ST) (Ticker: 5WF) on 12 July 2013, ISOTeam Ltd. is an established player in Singapore’s building maintenance and estate upgrading industry with over 15 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken more than 300 public and private sector R&R and A&A projects for close to 3,000 buildings and counting since inception. ISOTeam also offers specialist Coating & Painting (C&P) services as well as complementary niche services (Others) through its specialist waterproofing, commercial interior design and home retrofitting, landscaping, access leasing and green solutions subsidiaries. An eco-conscious company,*



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*we integrate green methodologies in our R&R, A&A and Others projects, and actively work with strategic partners and technology companies to develop and commercialise green solutions / products. ISOTeam's major customers include town councils, government bodies, and private sector building owners. For more information, please visit [www.isoteam.com.sg](http://www.isoteam.com.sg).*

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**Issued by and on behalf of ISOTeam Ltd.**

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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 for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release. This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release. The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.*