



FOR IMMEDIATE RELEASE

R&R and A&A service provider ISOTeAM's FY2013 earnings leap 103.4% to S\$6.0 million

- Revenue climbs 36.2% to S\$48.2 million supported by NRP projects;
- Recommends final cash dividend of S\$0.01 / share, translating into a payout of 19.6% of net profit after tax.

Financial Highlights for the Year Ended 30 June

S\$'m	FY2013	FY2012	Chg (%)
Revenue	48.2	35.4	36.2
Gross profit	8.2	6.4	27.7
Profit before tax	6.4	3.4	91.0
Profit attributable to equity holders	6.0	3.0	103.4
Earnings per share* (cents)	5.11	2.51	103.5

** For comparison and illustrative purposes, EPS is based on the post-IPO share capital of 117,595,831 shares in issue.*

SINGAPORE, 28 August 2013 – 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”) specialist in Singapore, today reported a 103.4% rise in its net profit attributable to equity holders to S\$6.0 million for the 12 months ended 30 June 2013 (“FY2013”) from S\$3.0 million for the 12 months ended 30 June 2012 (“FY2012”).

This was achieved on the back of a 36.2% year-on-year rise in the Group’s revenue from S\$35.4 million in FY2012 to S\$48.2 million in FY2013 underpinned by contribution from Neighbourhood Renewal Programme (“NRP”) projects. These projects included NRP work for the town councils of Marine Parade, Tampines and Chua Chu Kang along with R&R work for the Pasir Ris–Punggol Town Council.

The Group’s net profit for FY2013 included a one-off gain of S\$4.2 million from the disposal of its leasehold property, located at No. 41 Kaki Bukit Place, which the Group sold in January 2013. Taking this and the S\$1.1 million in expenses it incurred in connection with its Initial Public Offering (“IPO”) into account, the Group recorded an improved profit from operations.



Correspondingly, ISOTeam's gross profit increased 27.7% year-on-year to S\$8.2 million and, in spite of higher sub-contracting costs during the year, the Group achieved a healthy gross profit margin of 17.0% in FY2013, compared to 18.1% a year ago.

Based on its post-IPO share capital of 117,595,831 shares, Earnings Per Share of the Group was boosted to 5.11 cents for FY2013, from 2.51 cents a year ago. The Group's Net Asset Value as at 30 June, based on 86,865,831 shares, improved to 16.84 cents in 2013 from 13.95 cents in 2012.

Commenting on the Group's maiden set of results after its SGX-ST Catalist listing on 12 July 2013, Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发) said, "Our bottomline in FY2013 was boosted by an extraordinary gain from the disposal of one of our properties. But even without the benefit of this, ISOTeam achieved an improvement in our profit from operations, which I believe attests to the continued vibrancy of our business."

With this set of stellar results, the Group has proposed a final cash dividend of 1.00 Singapore cent per share for FY2013, translating into a dividend payout ratio of approximately 19.6% of net profit after tax.

Future Outlook and Plans

Looking ahead, ISOTeam expects a general increase in demand for public sector upgrading, retrofitting and maintenance work in Singapore. Underscoring this, the Group had recently clinched three contracts worth S\$10.9 million to provide R&R works to 59 blocks of Housing Development Board ("HDB") flats across Ang Mo Kio, Bukit Batok West and Pasir Ris estates.

Said Mr Koh, "Factoring in the work we delivered for certain projects as well as our newly secured projects, our order book as at 14 August 2013 stands at a robust S\$81.0 million, which will be delivered over the next two years. We are also actively tendering for new projects on an on-going basis. As disclosed during our IPO and excluding the Ang Mo Kio and Bukit Batok projects which we just secured, we are the lowest tenderer for several projects worth approximately S\$27.0 million."

The S\$27.0 million includes the following tendered projects:

- NRP, electrical load upgrading and R&R works at Blks 534 to 566 Hougang Street 61, Street 52 and Avenue 9;
- R&R works at Blks 130 to 139 Bedok North Street 2 and Avenue 3;
- NRP at Blks 933 to 950, 952 and 953 Jurong West Street 91;
- Ancillary contract for NRP to 38 blocks and electrical load upgrading works to 11 blocks at Tampines Street 91, Avenue 1 and Avenue 5; and
- R&R works to 14 blocks of flats in Bukit Batok East Division.



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Aligned with this anticipated demand, the Group has a series of growth plans which it plans to roll out in the foreseeable future. For one, the Group intends to boost its capacity to take on more projects by expanding its fleet of equipment, machinery and vehicles using part of the proceeds it raised during the IPO.

ISOTeam is making progress in its plans to expand its portfolio to include projects from other areas of the public sector such as education institutions and army camps, and non-public sector projects such as MCST, industrial and commercial projects. At the same time, it also plans to diversify into the private sector by establishing a private home renovation arm to provide retrofitting services to customers living in landed properties to cater to the various maintenance and property enhancement needs of these homeowners.

Last but not least, the Group also intends to grow its green solutions business with strategic partners. Demonstrating its commitment to this, the Group has utilised S\$300,000 of its IPO proceeds to increase the issued and paid-up capital of its green-subsiidiary, ITG-Green Technologies Pte Ltd.

Moving forward, the Group expects challenges in the form of rising sub-contracting and labour costs due to general inflation and increases in foreign workers' levies imposed by the Government, and a rise in paint costs due to increasing demand for refurbishment and repainting projects in Singapore as well as increase volatility in crude oil prices. The Group, however, is confident of managing this situation as it has, in the past, effectively taken measures to deal with such cost hikes by factoring them in contracts with customers.

Mr Koh assured, "ISOTeam is well-positioned to deal with these challenges due to the short timeframe nature of our projects, which typically ranges from six to 24 months, and economies of scale."

Concluded Mr Koh, "2013 has been a year of landmark achievements for ISOTeam. Foremost was our successful listing in July, followed by our consistently strong share price performance post-listing which has placed ISOTeam as the top performer among the batch of recent IPOs with a premium of more than 80.0% over the listing price. This is an encouraging start for us and we will work hard at our performance and growth plans to continue to deliver results to our shareholders in the long-term."

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About ISOTeam Ltd.

Founded in 1998 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 12 July 2013, ISOTeam Ltd. is an established player in the building maintenance and estate upgrading industry in



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Singapore. The Group is an early adopter of eco-conscious methods with over 15 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience, and has successfully undertaken more than 200 public and private sector R&R and A&A projects involving over 1,500 buildings.

Backed by a strong track record, ISOTeam has been awarded BCA's L5 (CRO9) grading, which gives it the ability to tender for R&R projects of up to \$13 million, as well as the B1 (CW01) grading for general building works, which gives it the ability to tender for projects of up to \$40 million. The Group is also the exclusive applicator of paint works for both SKK (since 1998) and Nippon Paint (since 2004) in the public housing sector in Singapore.

ISOTeam's major customers include town councils, government bodies as well as private sector building owners. Some of its notable A&A projects include Tampines Neighbourhood 9 and Chestnut Estate. Over the years, ISOTeam has repeatedly won tenders for projects even without being the lowest in price, which is a strong testament to its quality, reliability and safety track record in the industry. The Group's expertise in handling R&R projects has won it many awards and accolades. Some of its notable R&R projects include Ngee Ann Polytechnic, Rivervale Division and Sim Lim Tower.

ISOTeam works with strategic partners and technology companies to develop and commercialise green solutions and products that it integrates into its projects. These include thermal plaster, which reduces the ambient temperature in buildings, slip resistant floor coating, anti-bacterial and self-cleaning surface coating and composite timber decking.

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 Ms Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.