



FULL YEAR 2013

RESULTS PRESENTATION

28 AUGUST 2013

An Established **Eco-conscious** R&R and A&A Specialist

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").

NOTE



This presentation 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"). The Sponsor has not independently verified the contents of this presentation.

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CONTENT



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3. Corporate Updates
4. Prospects, Business Strategies & Future Plans
5. Q & A



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BUSINESS OVERVIEW



An **experienced R&R (Repairs and Redecoration) and A&A (Addition and Alteration) service provider** with a proven track record in implementing **eco-conscious solutions** in Singapore



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SUCCESSFUL LISTING ON THE SGX-ST CATALIST

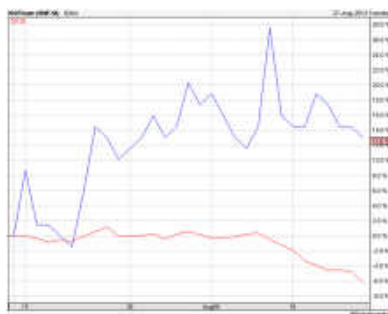


- Listed on 12 July 2013
- Placement size: 32.2 million shares
- IPO price: S\$0.22/share
- Net proceeds raised: S\$5.3m



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STRONG TRADING PERFORMANCE POST-IPO



As at 27 August 2013

- Trading at S\$0.39, 77% premium over IPO price
- 52 week range: 0.305 - 0.450

Majority of recent listings above water

Company	IPO Price	Current Price	Premium
ISOTEAM	22 cents	40 cents	82%

Straits Times, 10 August 2013

"The best performer was Catalyst firm ISOTEAM, which closed at 40 cents, 82 per cent above the IPO price of 22 cents."

"...we like the stock for its defensive business nature and strong growth potential...UOB Kay Hian Research on Aug 2."

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A 15-YEAR TRACK RECORD OF QUALITY & RELIABILITY



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AN EARLY MOVER IN PROVIDING GREEN SOLUTIONS...



Implementing **eco-conscious solutions** in R&R and A&A projects in tandem with the government's **"green policy"** for buildings in Singapore



Green Procurement Policy

- Paints with low VOC
- Fixtures, fittings made from recycled materials (EDPM, benches)
- Energy-saving LED lights, signage
- Solar-powered lamps, light tubes
- Self-cleaning and anti-soil coating



Green Construction Methodology

- Reducing construction waste
- Reusing salvaged materials and downcycling
- Adapting own design where applicable



Green Partnerships

- To develop and commercialise green products as distributor or in-house ITG-Green brand name
 - Anti-Slip Coating
 - Thermal Plaster
 - SmartCoat

Ability to secure projects for buildings required to meet BCA's Green Mark standard (our office meets the BCA Green Mark requirements)

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...THROUGH FORGING GREEN PARTNERSHIPS TO ADDRESS EVERYDAY CONCERNS



Working with strategic partners and technology companies to **develop and commercialise** eco-conscious products as distributor or under own brand

Thermal insulating plaster



- Super light-weight
- Fire resistant
- Non-toxic
- Zero VOC
- Does not require plasticizer
- Eliminates plastic shrinkage cracks
- Insulates the building

Slip resistant floor coating



- Excellent abrasion and impact resistance
- Extended usage life
- Non-flammable
- Certified green with low VOC
- Indoor and outdoor applications
- Reduces the chances of slipping

Nano-titanium dioxide photocatalytic coating



- Works on natural UV rays and visible lights
- Air purification
- Self-cleaning effects
- Odourless
- Long Lasting Effect
- Reduce indoor VOC
- Anti-Bacterial

Composite timber decking

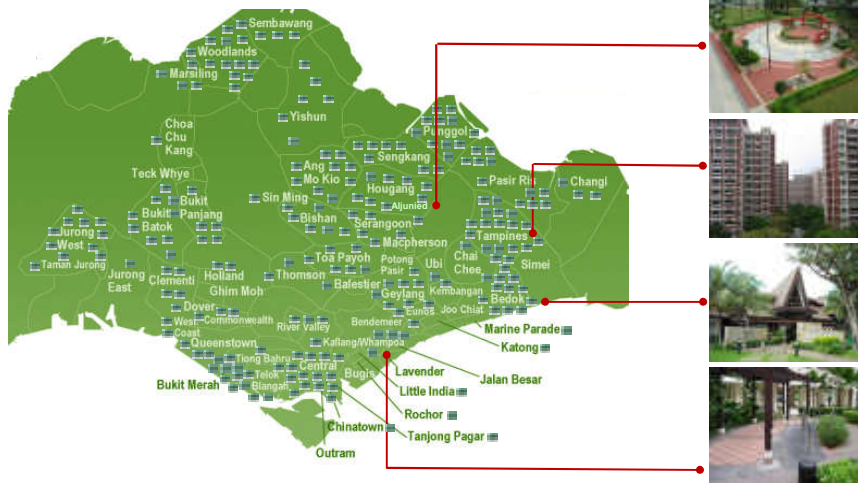


- Very low maintenance
- Resistant to termites
- Mould resistant, low water absorption
- UV resistant and durable
- Resistant to rot
- Anti-slip
- No splinters, cupping, warping, splitting or twisting

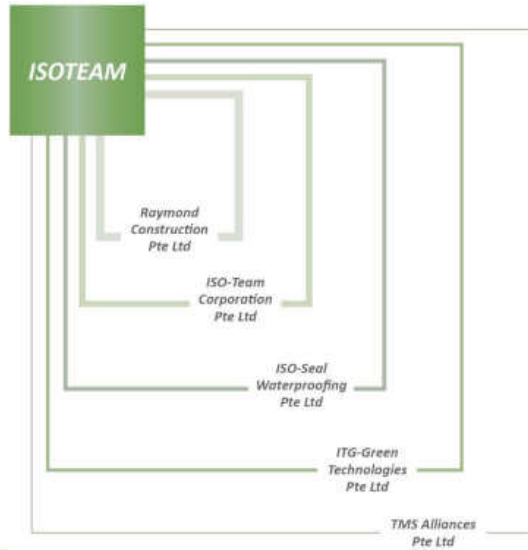
MORE THAN 200 PROJECTS FOR OVER 1,500 BUILDINGS IN THE PRIVATE AND PUBLIC SECTORS



Public sector Private residential Commercial / Industrial Institutional Religious



CORPORATE STRUCTURE

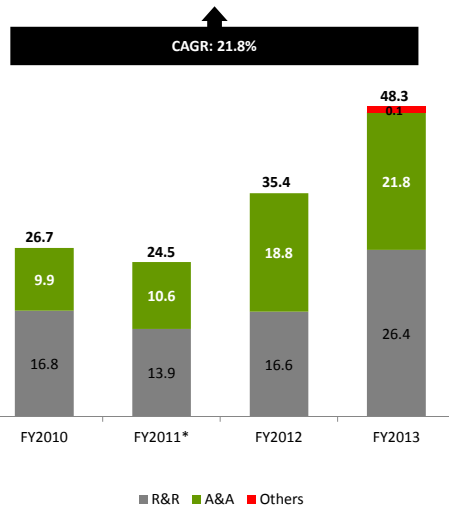


FY2013 FINANCIAL HIGHLIGHTS

FYE 30 JUNE

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REVENUE (S\$' MILLION)

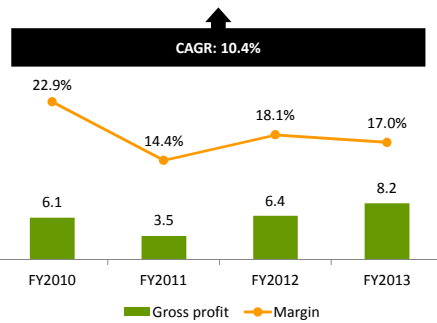


- R&R Segment: +59.0% to S\$26.4 million**
- New R&R work for Pasir Ris-Punggol Town Council
- A&A Segment: +16.0% to S\$21.8 million**
- Higher revenue recognition from NRP projects: Marine Parade Town Council, Tampines Town Council and Chua Chu Kang Town Council

*In FY2011, key milestones of revenue for new projects were generally recognised in FY2012

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Gross Profit & Margin



SEGMENT INFO:

Gross Profit (S\$m)

	FY2013	FY2012
R&R	4.8	3.1
A&A	3.4	3.3

Gross Profit: +28.1% to S\$8.2 million

- Increase is due to higher revenue contribution from R&R business

Gross Profit Margin: -1.1% point

- Decline is due to higher subcontracting costs

*In FY2011, key milestones of revenue for new projects were generally recognised in FY2012

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NET PROFIT



Net profit CAGR: 41.1%



Net Profit: +103.4% to S\$6.0 million

- Higher revenue from both R&R and A&A segments:
 - R&R: +59.0% in revenue to S\$26.4m
 - A&A: +16.0% in revenue to S\$21.8m

*In FY2011, key milestones of revenue for new projects were generally recognised in FY2012

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KEY FINANCIAL HIGHLIGHTS



KEY HIGHLIGHTS	FY2010	FY2011	FY2012	FY2013
PROFITABILITY RATIOS				
Earnings Per Share (cents)	2.45	0.17	2.51*	5.11*
Return On Assets (%)	10.7	0.7	10.9	18.3
Return On Equity (%)	23.7	1.6	24.4	41.1
BALANCE SHEET				
Current assets (S\$m)	13.2	13.2	20.9	28.0
Cash and bank balances (S\$m)	6.1	3.3	5.5	8.5
Net current assets (S\$m)	2.6	2.6	6.6	10.4
Net assets (S\$m)	9.0	9.2	12.1	14.6
KEY OPERATING RATIOS				
Profit before tax margin (%)	9.7	1.0	9.5	13.4
Net profit margin (%)	8.0	0.6	8.3	12.5
Average trade receivables turnover (days)	86	87	90	98
Average trade payables turnover (days)	70	65	61	56

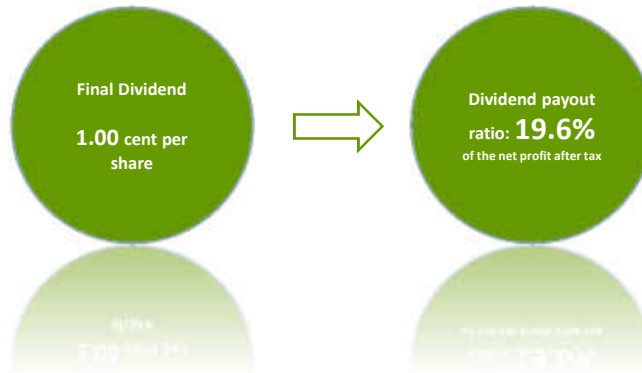
* Based on the post-IPO share capital of 117,595,831 shares in issue.

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DIVIDEND



The Group has proposed a one-tier tax-exempt final dividend of **1.00 Singapore cent per share for FY2013**



CORPORATE UPDATES

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GROWTH UNDERPINNED BY STRONG ORDER BOOK



S\$81.0 million*

order book to be delivered over the next 24 months



- NRP at Serangoon Ave 2 and Ave 3 (2013)
- NRP at Bukit Batok West Ave 4 and Ave 7 (2014)
- R&R and improvement works to 80 blocks of HDB flats and shops at Hougang, Serangoon North and Paya Lebar estates (2015)

*As at 14 August 2013

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STRONG PACE IN WINNING CONTRACTS



New R&R contracts worth S\$10.9 million secured since IPO

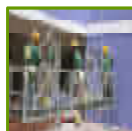
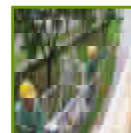


Ang Mo Kio

- Awarded the tender for **27 blocks** at Ang Mo Kio Avenue 6, 8 and 9
- Project value: **S\$5.5 million**
- Expected completion: **November 2014**

Bukit Batok West

- Awarded the project for **15 blocks** at Bukit Batok West Avenue 2, 4 and 7
- Project value: **S\$1.6 million**
- Expected completion: **April 2014**



Pasir Ris Street 11

- Awarded the tender for **17 blocks** at Pasir Ris Street 11
- Project value: **S\$3.8 million**
- Expected completion: **August 2014**

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LOWEST TENDERER FOR PROJECTS



Aggregate value of projects: Approximately \$27.0 million

- 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 (Project value: approximately \$2.4 million).



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PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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WELL-POSITIONED TO CAPTURE OPPORTUNITIES IN THE INDUSTRY



Singapore's Blueprint on Sustainable Development & 'Green' Legislation

- Government-driven measures to promote resource-efficient buildings in Singapore
- 80% of Singapore's buildings to be Green Marked by 2030

Opportunities in Related or Ancillary Business

- Increasing demand for refurbishment projects as some HDB estates are more than 30 years old

Regulatory Requirements for Building Maintenance

- External building walls to be repainted at intervals of not more than 5 years⁽³⁾

Government Initiatives

- NEA: 10 new hawker centres by 2017⁽¹⁾
- LTA: S\$330 million initiative to enhance connectivity⁽²⁾
- Plans to increase population

(1) Information was extracted from the internet website of The Straits Times at (<http://www.straitstimes.com/breaking-news/Singapore/Story/3-towns-get-new-hawker-centres-201102>).
 (2) Information was extracted from the internet website of Land Transport Authority at (<http://app.lta.gov.sg/apps/news/page.aspx?c=2&id=7c3a9b8f-c421-45fd-9b35-400b139c2c0f>).
 (3) Information was extracted from Section 4 of the Building Maintenance and Strata Management Act (Lift and Building Maintenance) Regulations 2005.



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MEASURES TO PROMOTE RESOURCE-EFFICIENT BUILDINGS IN SINGAPORE BY IMCSD⁽¹⁾



80% of Singapore's buildings to be Green Marked by 2030



Requirements for New Buildings

- Wef 2008: To achieve the BCA Green Mark certification rating (GFA > 2,000 sqm)⁽²⁾

Requirements for Existing Buildings

- Wef 2H2013: 3 new requirements when installing or replacing chiller systems (hotels, retail and office buildings > GFA 15,000 sqm)
 1. Achieve minimum BCA Green Mark standard
 2. 3-yearly energy audit
 3. Submit annual data
- Incentives to defray costs of adopting energy efficient retrofitting design and practices⁽³⁾ that meet BCA Green Mark Standard

(1) IMCSD: Inter-Ministerial Committee on Sustainable Development; Information was extracted from the report titled "A lively and livable Singapore: Strategies for Sustainable Growth" issued by the IMCSD on 8 April 2009.
 (2) Information was extracted from the internet website of BCA at (http://www.bca.gov.sg/Newsroom/pr10092012_BCA.html).
 (3) Information was extracted from the internet website of BCA at (<http://www.bca.gov.sg/GreenMark/qmiseb.html>).

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FUTURE PLANS



Broaden range of eco-conscious solutions and products business; Expand equipment fleet

- R&D with strategic partners to develop and commercialise eco-conscious innovations
- Boost capability for more projects and maximise cost efficiency for customers



Expand via inorganic growth and developing new business

- Focus mainly in Singapore
- Offer complementary and ancillary services
- Establish private home renovation arm to provide retrofitting services



Increase our R&R and A&A services to other untapped sectors

- Other public sectors: Education institutions; army camps projects
- Non-public sectors: MCST, industrial and commercial projects

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UPDATE ON USE OF IPO PROCEEDS AS AT 28 AUGUST 2013



Intended Use (in S\$'million)	Amount Allocated	Amount Utilised	Balance
Expand business in providing green solutions and products for R&R and A&A projects and fleet of equipment, machinery and vehicles	1.20	(0.30)	0.90
Expand business through acquisitions, joint ventures and/or strategic alliances and developing new businesses	2.50	-	2.50
General working capital	1.57	-	1.57
Estimated listing expenses	1.49	(1.26)	0.23
Total	6.76	(1.56)	5.20

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KEY INVESTMENT MERITS



8. Positive prospects in Singapore: General increase in demand for public sector upgrading, retrofitting and maintenance of buildings and facilities

7. Strong order book: S\$81.0 million as at 14 August 2013 to be delivered over 24 months and recent contract wins worth S\$10.9 million

6. Ability to deliver cost-effective solutions to customers: Leverage on own fleet of equipment and in-house capabilities to undertake more projects and maximise cost efficiencies



5. Capability to handle a wide spectrum of projects: Less likely to be affected by adverse changing market conditions

1. Strong track record: Built over 15 years; Recognised for timely delivery, quality, reliability and safety

2. Long-standing and established relationships with stakeholders: Exclusive applicator of paint works for SKK and Nippon Paint Singapore in the public housing sector

3. Early mover in environmentally sustainable solutions: Well-positioned for opportunities arising from eco-conscious projects

4. Experienced and professional team: Executive directors collectively have over 75 years of experience in the building maintenance and estate upgrading industry



**THANK YOU
Q&A SESSION**

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