



ISOTEAM LTD.

(Company Registration No. 201230294M)

FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

PART 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding year of the immediately preceding financial year.

1(a)(i) Consolidated Income Statement and Comprehensive Income Statement

	Note	Group Year Ended		Change %
		30.06.2015 (Unaudited) \$'000	30.06.2014 (Audited) \$'000	
<b>Revenue</b>		81,652	69,852	16.9
Cost of sales		(61,499)	(56,353)	9.1
Gross profit		<u>20,153</u>	<u>13,499</u>	49.3
Other income	(a)	947	579	63.6
Marketing and distribution expenses		(1,092)	(706)	54.7
General and administrative expenses		(9,466)	(6,308)	50.1
Finance costs		(252)	(354)	(28.8)
Other operating expenses		(771)	-	N/M
<b>Profit before tax</b>	(b)	<u>9,519</u>	<u>6,710</u>	41.9
Tax expense		(1,413)	(640)	120.8
<b>Net profit and total comprehensive income for the year</b>		<u><b>8,106</b></u>	<u><b>6,070</b></u>	
<b>Net profit and total comprehensive income attributable to:</b>				
Equity holders of the Company		8,124	6,056	34.1
Non-controlling interest		(18)	14	(228.6)
		<u><b>8,106</b></u>	<u><b>6,070</b></u>	33.5

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

1(a)(ii) Notes to the Consolidated Income Statement and Comprehensive Income Statement

	Group		Change %
	Year Ended		
	30.06.15 (Unaudited) \$'000	30.06.14 (Audited) \$'000	
(a) <u>Other income</u>			
Government grants	484	35	N/M
Gain on disposal of property, plant and equipment	177	17	N/M
Interest income	53	10	N/M
Rental income	25	188	(86.7)
Others	208	329	(36.8)
	947	579	
(b) <u>Profit before tax</u>			
This is arrived at after charging:			
Audit fees payable/paid to auditor of the Company	204	138	47.8
Depreciation of property, plant and equipment	2,499	474	N/M
Gain on disposal of property, plant and equipment	(177)	(17)	N/M
Property, plant and equipment written off	25	-	N/M
Amortisation of intangible assets	193	-	N/M
Bad debt recovered	-	(3)	(100.0)
Allowance for doubtful receivables	75	7	N/M
Bad debts written off	3	55	(94.5)
Inventory written off	3	-	N/M
Goodwill written off	578	-	N/M

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

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

1(b)(i) Statements of Financial Position

	Group		Company	
	As at 30.06.15 (Unaudited) \$'000	As at 30.06.14 (Audited) \$'000	As at 30.06.15 (Unaudited) \$'000	As at 30.06.14 (Audited) \$'000
<b>Assets</b>				
<b><u>Non-current assets</u></b>				
Property, plant and equipment	9,721	5,111	-	-
Intangible assets	2,124	-	-	-
Investment in subsidiaries	-	-	24,046	13,750
Goodwill	2,483	-	-	-
Investment securities	400	400	-	-
	<u>14,728</u>	<u>5,511</u>	<u>24,046</u>	<u>13,750</u>
<b><u>Current assets</u></b>				
Due from customers for contract work-in progress	2,534	3,122	-	-
Inventories	158	135	-	-
Trade and other receivables	26,064	23,032	2,542	515
Cash and bank balances	32,273	17,560	8,667	7,004
<b>Total current assets</b>	<u>61,029</u>	<u>43,849</u>	<u>11,209</u>	<u>7,519</u>
<b>Total assets</b>	<u><b>75,757</b></u>	<u><b>49,360</b></u>	<u><b>35,255</b></u>	<u><b>21,269</b></u>
<b><u>Non-current liabilities</u></b>				
Bank borrowings	569	-	-	-
Finance lease liabilities	859	401	-	-
Deferred tax liabilities	681	89	-	-
<b>Total non-current liabilities</b>	<u>2,109</u>	<u>490</u>	<u>-</u>	<u>-</u>
<b><u>Current liabilities</u></b>				
Due to customers for contract work-in-progress	5,382	6,505	-	-
Bank borrowings	2,360	4,168	-	-
Trade and other payables	11,459	11,154	3,014	3,375
Finance lease liabilities	519	262	-	-
Tax payables	1,545	994	-	-
<b>Total current liabilities</b>	<u>27,265</u>	<u>23,083</u>	<u>3,014</u>	<u>3,375</u>
<b>Total liabilities</b>	<u><b>29,374</b></u>	<u><b>23,573</b></u>	<u><b>3,014</b></u>	<u><b>3,375</b></u>
<b>Net assets</b>	<u><b>46,383</b></u>	<u><b>25,787</b></u>	<u><b>32,241</b></u>	<u><b>17,894</b></u>

	Group		Company	
	As at 30.06.15 (Unaudited) \$'000	As at 30.06.14 (Audited) \$'000	As at 30.06.15 (Unaudited) \$'000	As at 30.06.14 (Audited) \$'000
<b>Share capital and reserves</b>				
Share capital	29,618	15,867	29,618	15,867
Accumulated profits	24,143	17,195	2,623	2,027
Merger reserve	(7,338)	(7,338)	-	-
Other reserve	(107)	-	-	-
Equity attributable to equity holders of the Company	46,316	25,724	32,241	17,894
Non-controlling interest	67	63	-	-
<b>Total equity</b>	<b>46,383</b>	<b>25,787</b>	<b>32,241</b>	<b>17,894</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

	Group			
	As at 30 June 2015		As at 30 June 2014	
	\$'000	\$'000	\$'000	\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	2,879	-	4,430	-
Amount repayable after one year	1,428	-	401	-
	4,307	-	4,831	-

**Details of any collaterals**

- (a) Bank borrowings amounting to \$1.5 million are secured by pledged fixed deposits and corporate guarantee from the Company.
- (b) Bank borrowings amounting to \$0.8 million are secured by a legal mortgage over the leasehold property of a subsidiary, pledged fixed deposits and corporate guarantees from the Company.
- (c) Bank borrowings amounting to \$0.6 million are secured by a legal mortgage over the leasehold property of a subsidiary and corporate guarantees from the Company.
- (d) Finance lease obligations of the Group are secured by the rights to the leased equipment, machinery and motor vehicles. The Company's directors have provided personal guarantees for certain finance lease liabilities.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(c)(i) Consolidated Statement of Cash Flows

	Note	Group Year Ended	
		30.06.15 (Unaudited) \$'000	30.06.14 (Audited) \$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		9,519	6,710
Adjustment for:-			
Depreciation of property, plant and equipment		2,499	474
Gain on disposal of property, plant and equipment		(177)	(17)
Property, plant and equipment written off		25	-
Amortisation of Intangible assets		193	-
Allowance for doubtful receivables		75	7
Bad debts written off		3	55
Inventory written off		3	-
Goodwill written off		578	-
Interest income		(53)	(10)
Interest expense		227	331
<b>Operating cash flows before working capital changes</b>		<u>12,892</u>	<u>7,550</u>
Project work-in-progress		(789)	4,094
Inventories		3	(135)
Trade and other receivables		2,723	(6,516)
Trade and other payables		<u>3,515</u>	<u>2,777</u>
<b>Cash generated from operations</b>		<u>18,344</u>	<u>7,770</u>
Interest received		53	4
Interest paid		(220)	(331)
Tax paid		<u>(1,114)</u>	<u>(696)</u>
<b>Net cash generated from operating activities</b>		<u><b>17,063</b></u>	<u><b>6,747</b></u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(2,489)	(1,081)
Proceeds from disposal of property, plant and equipment		<u>1,213</u>	<u>45</u>
<b>Net cash used in investing activities</b>		<u><b>(1,276)</b></u>	<u><b>(1,036)</b></u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares, net of expenses		6,982	6,216
Dividend paid		(1,176)	(1,176)
Net cash outflows on acquisition of subsidiaries	A	(3,812)	-
Acquisition of non-controlling interest		(223)	-
Capital contributed by non-controlling interest		-	49
Repayment to related parties (non-trade)		(2)	(1,253)
Fixed deposits pledged to banks		303	(345)
Drawdown of bank borrowings		269	88
Repayment of bank borrowings		(2,575)	(107)
Repayment of finance lease		<u>(537)</u>	<u>(431)</u>
<b>Net cash (used in) / generated from financing activities</b>		<u><b>(771)</b></u>	<u><b>3,041</b></u>

Net increase in cash or cash equivalents	15,016	8,752
Cash and cash equivalents at beginning of financial year	15,659	6,907
Cash and cash equivalents at end of financial year	<u>30,675</u>	<u>15,659</u>

**1(c)(ii) 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	
	Year Ended	
	30.06.15 (Unaudited) \$'000	30.06.14 (Audited) \$'000
Cash in hand and at bank	20,632	15,500
Fixed deposits	11,641	2,060
	<u>32,273</u>	<u>17,560</u>
Less: Fixed deposits pledged	(1,598)	(1,901)
	<u>30,675</u>	<u>15,659</u>

**Note A:**

**Net cash outflows on acquisition of subsidiaries**

Property, plant and equipment	5,406
Net amount due from/(to) customers for contract work-in-progress	(254)
Inventories	29
Trade and other receivables	5,831
Cash and bank balances	1,582
Trade and other payables	(2,716)
Bank overdraft	(284)
Loans and borrowings	(1,827)
Tax payable	(91)
Deferred tax liabilities	(753)
<b>Total identifiable net assets at fair value</b>	<u>6,923</u>
Non-controlling interests	(138)
Fair value of intangible assets	2,317
Goodwill	3,061
<b>Total purchase consideration:</b>	<u>12,163</u>
Less: non-cash consideration (share issuance)	(6,769)
<b>Consideration settled in cash</b>	<u>5,394</u>
Less: cash and cash equivalents of subsidiaries acquired	(1,582)
<b>Net cash outflows on acquisition of subsidiaries</b>	<u>3,812</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding year of the immediately preceding financial year.

Group	Attributable to equity holders of the Group					
	Share capital \$'000	Merger reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Balance at 1 July 2013</b>	9,651	(7,338)	-	12,315	-	14,628
Profit and total comprehensive income for the year	-	-	-	6,056	14	6,070
Capital contribution by non-controlling interest	-	-	-	-	49	49
Issuance of ordinary share pursuant to the IPO	6,761	-	-	-	-	6,761
Share issuance expenses	(545)	-	-	-	-	(545)
Dividend	-	-	-	(1,176)	-	(1,176)
<b>Balance at 30 June 2014</b>	<b>15,867</b>	<b>(7,338)</b>	<b>-</b>	<b>17,195</b>	<b>63</b>	<b>25,787</b>
<b>Balance at 1 July 2014</b>	15,867	(7,338)	-	17,195	63	25,787
Profit and total comprehensive income for the year	-	-	-	8,124	(18)	8,106
Issuance of new shares	7,175	-	-	-	-	7,175
Issuance of shares pursuant to acquisitions of subsidiaries	6,769	-	-	-	22	6,791
Acquisition of non-controlling interest without the change in control	-	-	(107)	-	-	(107)
Share issuance expenses	(193)	-	-	-	-	(193)
Dividend	-	-	-	(1,176)	-	(1,176)
<b>Balance at 30 June 2015</b>	<b>29,618</b>	<b>(7,338)</b>	<b>(107)</b>	<b>24,143</b>	<b>67</b>	<b>46,383</b>

Attributable to equity holders of the Company

Company	Share Capital \$'000	Merger reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Non- controlling interest \$'000	Total equity \$'000
<b>Balance at 1 July 2013</b>	9,651	-	-	1,305	-	10,956
Profit and total comprehensive income for the year	-	-	-	1,898	-	1,898
Issuance of ordinary share pursuant to IPO	6,761	-	-	-	-	6,761
Share issuance expenses	(545)	-	-	-	-	(545)
Dividend	-	-	-	(1,176)	-	(1,176)
<b>Balance at 30 June 2014</b>	<b>15,867</b>	<b>-</b>	<b>-</b>	<b>2,027</b>	<b>-</b>	<b>17,894</b>
<b>Balance at 1 July 2014</b>	15,867	-	-	2,027	-	17,894
Profit and total comprehensive income for the year	-	-	-	1,772	-	1,772
Issuance of new shares	7,175	-	-	-	-	7,175
Issuance of shares pursuant to acquisitions of subsidiaries	6,769	-	-	-	-	6,769
Share issuance expenses	(193)	-	-	-	-	(193)
Dividend	-	-	-	(1,176)	-	(1,176)
<b>Balance at 30 June 2015</b>	<b>29,618</b>	<b>-</b>	<b>-</b>	<b>2,623</b>	<b>-</b>	<b>32,241</b>



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.**

	Number of shares	Share capital
<b>As at 30 June 2014</b>	117,595,831	16,412,359
Issuance of shares pursuant to the private placement	11,800,000	6,620,000
Issuance of shares pursuant to the acquisitions of subsidiaries	13,537,464	7,323,768
<b>As at 30 June 2015</b>	<u>142,933,295</u>	<u>30,356,127</u>

As at 30 June 2014 and 30 June 2015, the Company had no outstanding convertibles or treasury shares.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.**

	Company	
	As at 30.06.15	As at 30.06.14
Number of ordinary shares issued and fully paid (excluding treasury shares)	<u>142,933,295</u>	<u>117,595,831</u>

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial year reported on.**

There were no outstanding treasury shares as at 30 June 2015.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial information for the current financial year as those used in the audited financial statements for the financial year ended 30 June 2014, except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial year commencing 1 July 2014. The adoption of these FRS has no material impact on the Group's financial statements.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to paragraph 4 above.

**6 Earnings per ordinary share of the group for the current financial year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per share ("EPS")	Group Year Ended	
	30.06.15	30.06.14
Profit attributable to equity holders of the Company (\$'000)	8,124	6,056
Weighted average number of ordinary shares <sup>(1)</sup>	125,898,827	116,669,721
<b>Basic and diluted EPS based on weighted average number of ordinary shares (cents)<sup>(2)</sup></b>	<b>6.45</b>	<b>5.19</b>

**Notes:**

- (1) The calculation for the basic and diluted EPS for the respective financial years is based on the weighted average number of ordinary shares in issue during the financial year.
- (2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial years.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial year reported on; and (b) immediately preceding financial year.

Net assets value ("NAV")	Group		Company	
	As at 30.06.15	As at 30.06.14	As at 30.06.15	As at 30.06.14
NAV (\$'000)	46,316	25,724	32,241	17,894
Number of ordinary shares	142,933,295	117,595,831	142,933,295	117,595,831
NAV per ordinary share (cents)	<b>32.40</b>	<b>21.87</b>	<b>22.56</b>	<b>15.22</b>

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

#### REVIEW OF FINANCIAL PERFORMANCE

Revenue	Group				Change %
	Year Ended				
	30.06.15		30.06.14		
\$'000	%	\$'000	%		
R&R	54,467	66.7	48,328	69.2	12.7
A&A	17,403	21.3	20,382	29.2	(14.6)
Others <sup>(1)</sup>	9,782	12.0	1,142	1.6	N/M
	<b>81,652</b>	<b>100.0</b>	<b>69,852</b>	<b>100.0</b>	16.9

#### Note:

- (1) Others included revenue from coatings & paintings ("C&P") works, commercial interior designs ("ID"), home retrofitting business, landscaping works, leasing service, waterproofing and green solutions business.

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

### **Revenue**

The Group's revenue increased by \$11.8 million or 16.9% from \$69.9 million for FY2014 to \$81.7 million for FY2015 largely due to a substantial increase in the Group's Repairs and Redecoration ("R&R") business segment and others segment. Revenue from the Group's R&R business rose by \$6.2 million or 12.7% from \$48.3 million for FY2014 to \$54.5 million for FY2015. This was derived largely from projects awarded by Pasir Ris-Punggol Town Council, SKK (S) Pte Ltd, Bishan-Toa Payoh Town Council and Moulmein-Kallang Town Council. Revenue contribution from the Group's Addition and Alteration ("A&A") business segment decreased by \$3.0 million or 14.6% from \$20.4 million for FY2014 to \$17.4 million for FY2015 due to slower and lower revenue recognition. This was derived largely from Neighbourhood Renewal Programme ("NRP") projects for Choa Chu Kang Town Council and Tampines Town Council. Revenue contribution from the Group's others business segment rose from \$1.1 million for FY2014 to \$9.8 million for FY2015. This was derived largely from ID works for Aloha Loyang from Public Service Division and C&P works from Shimizu Corporation and landscaping works from Housing & Development Board.

### **Gross profit and gross profit margin**

The Group's gross profit increased by \$6.7 million or 49.3% from \$13.5 million in FY2014 to \$20.2 million in FY2015 mainly due to higher margin contributed by R&R works. Overall gross profit margin increased from 19.3% to 24.7% mainly due to better profit margin of R&R completed projects.

### **Other income**

The Group's other income increased by \$0.4 million or 63.6% from \$0.6 million in FY2014 to \$1.0 million in FY2015. The increase was mainly due to higher government grants and gain on disposal of property, plant and equipment after offsetting lower rental and other income. Other income comprised mainly with administrative fee for FY2015.

### **Marketing and distribution expenses**

The Group's marketing and distribution expenses increased by \$0.4 million or 54.7% from \$0.7 million in FY2014 to \$1.1 million in FY2015. The increase was mainly due to the increase in depreciation of motor vehicles which is in line with the additional fixed assets purchased and those arising from the acquisitions of new subsidiaries.

### **General and administrative expenses**

The Group's general and administrative expenses increased by \$3.2 million or 50.1% from \$6.3 million in FY2014 to \$9.5 million in FY2015. The increase was mainly attributable to (i) increase in staff costs of \$2.5 million mainly due to expansion of the business and acquisition of new subsidiaries; (ii) increase in directors' performance bonus of \$0.5 million; and (iii) increase in professional fees of \$0.3 million mainly due to legal costs and acquisition of new subsidiaries.

### **Finance costs**

The Group's finance costs decreased by \$0.1 million or 28.8% from \$0.4 million in FY2014 to \$0.3 million in FY2015. The decrease was mainly attributable to lower interest incurred due to lower utilisation of trade facilities.

**Other operating expenses**

The Group's other operating expenses increased by \$0.8 million in FY2015. This was mainly attributable to the amortisation of intangible assets of \$0.2 million and goodwill written off of \$0.6 million arising from the acquisitions of new subsidiaries.

**Profit before tax**

As a result of the above, our profit before tax increased by \$2.8 million or 41.9% from \$6.7 million in FY2014 to \$9.5 million in FY2015.

**REVIEW OF FINANCIAL POSITION****Non-current assets**

The Group's non-current assets increased by \$9.2 million or 167.3% from \$5.5 million as at 30 June 2014 to \$14.7 million as at 30 June 2015, mainly due to (i) acquisition of new assets of \$2.8 million, which was offset by the depreciation of fixed assets of \$2.4 million and the disposal of assets of \$1.2 million during FY2015; (ii) assets from newly acquired subsidiaries of \$5.4 million; (iii) intangible assets and goodwill arising from the acquisitions of new subsidiaries of \$4.6 million.

**Current assets**

The increase in current assets of \$17.2 million or 39.3% from \$43.8 million as at 30 June 2014 to \$61.0 million as at 30 June 2015 was attributed mainly due to the increase in cash and bank balances of \$14.7 million, partly due to cash generated from operating activities, the increase in trade and other receivables of \$3.0 million which was in line with the increase in revenue after offsetting with the decrease in amounts due from customers for contract work-in-progress of \$0.5 million.

**Non-current liabilities**

The increase in non-current liabilities of \$1.6 million from \$0.5 million as at 30 June 2014 to \$2.1 million as at 30 June 2015 was attributed to the drawdown of bank borrowing, finance lease facilities and increased in deferred tax liabilities.

**Current liabilities**

The increase in current liabilities of \$4.2 million or 18.2% from \$23.1 million as at 30 June 2014 to \$27.3 million as at 30 June 2015 was attributed mainly due to increase in trade and other payables of \$6.3 million, drawdown of finance lease facilities of \$0.3 million and increase in tax payable of \$0.5 million which was offset by the repayment of bank borrowings of \$1.8 million and the decrease in amounts due to customers for contract work-in-progress of \$1.1 million.

**REVIEW OF STATEMENT OF CASH FLOWS****Net cash generated from operating activities**

The Group generated a net cash of \$12.9 million from operating activities before changes in working capital. Net working capital inflows amounted to \$5.4 million. This was mainly due to an increase in trade and other receivable of \$2.7 million, trade and other payable of \$3.5 million which was offset with decrease in project work-in-progress of \$0.8 million. After payment of income tax of \$1.1 million and interest of \$0.2 million after offsetting with interest received of \$0.1 million, the net cash generated from operating activities amounted to approximately \$17.1 million.

**Net cash used in investing activities**

Net cash used in investing activities amounted to \$1.3 million, which was mainly attributable to the purchase of plant and equipment of \$2.5 million which is offset with proceeds from disposal of plant and equipment of \$1.2 million.

**Net cash generated from financing activities**

Net cash used in financing activities of \$0.8 million was mainly due to net proceeds from issuance of ordinary shares of \$7 million, fixed deposit pledged to the bank of \$0.3 million, drawdown of bank borrowing of \$0.2 million which were offset by dividend payment of \$1.2 million, net cash outflow on acquisition of subsidiaries of \$3.8 million, acquisition of non-controlling interest of \$0.2 million, repayment of bank borrowings of \$2.6 million and finance lease of \$0.5 million.

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

No forecast or prospect statement has been previously disclosed to the shareholders.

**10 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 year and the next 12 months.**

The Group views that revenue will continue to be driven by awarded projects which will in turn be dependent on there being no delay or cancellation in the commencement or continuation of awarded projects. In addition, the Group expects to benefit from the general increase in public sector upgrading, retrofitting and maintenance of buildings and facilities activities in Singapore and will continue to bid for these projects as well as projects in the private sector. Looking ahead, the Group continues to see healthy demand for its R&R and A&A services in view of on-going initiatives by the Singapore government to renew and rejuvenate middle-aged and mature estates. The Group has extended its services into other non-public sectors such as Management Corporation Strata Title and commercial projects. The Group intends to extend its services into other untapped sectors, including public sector projects such as education institutions and army camps, and non-public sector projects such as industrial projects.

Notwithstanding the aforesaid demand factors, the Group expects to face rising cost pressures in the next 12 months such as higher labour costs due to progressive increases in foreign workers' levies.

The Group's order book as at 30 June 2015 stood at \$84.7 million (including \$55.9 million worth of new R&R, A&A, C&P and waterproofing projects secured by the Group during second half of FY2015) which will be progressively delivered over the next two years. In addition to the order book, the Group is currently the lowest tenderer for five projects pending tender award confirmation, namely R&R to Nee Soon Town Council, Reroofing to Bedok North Road/Street, Ang Mo Kio Avenue 1/3/4 and Serangoon North Avenue 4, and NRP/Electrical Load Upgrading to Yishun Street 11, worth \$14.4 million.

**11 Dividend**

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

A final dividend has been recommended in respect of the current financial year ended 30 June 2015.

<b>Name of dividend</b>	<b>Final (proposed)</b>
Dividend type:	<b>Cash</b>
Dividend amount per ordinary share (cents):	<b>1.15</b>
Tax rate :	<b>Tax exempt (1-Tier)</b>

The Directors are pleased to propose a final tax-exempt (one-tier) dividend of 1.15 cent per ordinary share in respect of FY2015 for approval by shareholders at the forthcoming Annual General Meeting, amounting to \$1.6 million based on 142,933,295 ordinary shares

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

A final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share was declared in respect of FY2014.

**(c) Date payable**

To be determined and announced at a later date.

**(d) Books closure date**

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine shareholders' entitlement to the dividend.

**12 If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

**13 If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

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

**PART 2 ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 14 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

<b>FY2015</b>	<b>R&amp;R \$'000</b>	<b>A&amp;A \$'000</b>	<b>Others \$'000</b>	<b>Total \$'000</b>
Segment revenue	54,467	17,403	9,782	<b>81,652</b>
Segment profit	16,109	2,496	1,548	<b>20,153</b>
Segment assets	23,164	9,262	6,884	39,310
Unallocated assets				36,447
Total assets				<b>75,757</b>
Segment liabilities	10,564	2,864	679	14,107
Unallocated liabilities				15,267
Total liabilities				<b>29,374</b>
<b>FY2014</b>	<b>R&amp;R \$'000</b>	<b>A&amp;A \$'000</b>	<b>Others \$'000</b>	<b>Total \$'000</b>
Segment revenue	48,328	20,382	1,142	<b>69,852</b>
Segment profit	10,707	2,525	267	<b>13,499</b>
Segment assets	21,905	8,979	667	31,551
Unallocated assets				17,809
Total assets				<b>49,360</b>
Segment liabilities	10,553	3,151	617	14,321
Unallocated liabilities				9,252
Total liabilities				<b>23,573</b>

- 15 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 paragraph 8 above.



**16 A breakdown of sales.**

	Group		Change %
	30.06.15 \$'000	30.06.14 \$'000	
Sales reported for first half year	38,954	31,895	22.1
Operating profit after tax before deducting minority interest reported for first half year	<u>4,067</u>	<u>2,129</u>	91.0
Sales reported for second half year	42,698	37,957	12.5
Operating profit after tax before deducting minority interest reported for second half year	<u>4,039</u>	<u>3,941</u>	2.5

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

Total annual dividend	FY 2015 \$'000	FY 2014 \$'000
Ordinary shares	<u>1,176</u>	<u>1,176</u>

**18 Use of placement proceeds**

The Company received gross proceeds of \$5.2 million and as at the date of this announcement, the placement proceeds have been utilised as follows:

Intended Usage	Amount allocated \$'000	Amount utilised \$'000	Balance \$'000
To fund capital expenditures	3,000	-	3,000
To fund new investments and business expansion through acquisitions, joint ventures and/or strategic alliances	1,500	-	1,500
General working capital	563	-	563
Share issuance expense borne by the Company	157	-	157
<b>Total</b>	<b>5,220</b>	<b>-</b>	<b>5,220</b>

**19 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**  
**28 August 2015**

**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 ("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 announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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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