



ISOTEAM LTD.

(Company Registration No: 201230294M)
(Incorporated in the Republic of Singapore on 12 December 2012)

PROPOSED DISPOSAL OF 15% OF THE ISSUED AND PAID-UP SHARES IN THE CAPITAL OF ITG PROJECTS SDN. BHD.

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of ISOTeam Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 22 February 2019 entered into a sale and purchase agreement (the "**SPA**") with Yee Thong Fatt (the "**Purchaser**") for the disposal by the Company of 300,000 ordinary shares, constituting 15% of the total issued and paid-up shares in the capital of ITG Projects Sdn. Bhd. ("**ITG**") to the Purchaser (the "**Proposed Disposal**") at a consideration of S\$100,000 (the "**Consideration**").

Upon the completion of the Proposed Disposal ("**Completion**"), ITG will become a 40%-owned associated company of the Company.

2. THE PROPOSED DISPOSAL

The Consideration was arrived at on a willing buyer and willing seller basis between the Company and the Purchaser, taking into account, *inter alia*, the value of the net tangible liabilities and the business prospects of ITG. The Consideration shall be payable in cash upon Completion. Based on ITG's unaudited management accounts as at 31 December 2018, the aggregate net tangible liabilities value of ITG was RM 1,034,209 (or approximately S\$340,693 based on an exchange rate of S\$1: RM 3.0356).

Pursuant to the SPA, following the Completion, the Company and, *inter alia*, the Purchaser and ITG will enter into a shareholders' agreement to regulate the affairs of ITG and the parties' rights and obligations as shareholders of ITG.

The Proposed Disposal is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 30 June 2019.

3. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") are set out below:

Rule	Basis	Relative Figure
1006 (a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	-0.08% ⁽¹⁾

1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	-1.18% ⁽²⁾
1006 (c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	0.17% ⁽³⁾
1006 (d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006 (e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Notes:

- (1) Based on the Group's net asset value of S\$62,701,000 as at 31 December 2018 and ITG's net asset value of negative S\$341,000 as at 31 December 2018.
- (2) Based on the Group's net profit before tax of approximately S\$1,748,000 for the six months ended 31 December 2018 and ITG's net loss before tax of S\$137,000 for the six months ended 31 December 2018.
- (3) Based on the Consideration of S\$100,000 and the Company's market capitalisation of approximately S\$58,347,851 (being the Company's issued ordinary share capital of 284,623,662 shares (excluding treasury shares) and the volume weighted average price of the Company's shares on Catalist of S\$0.205 on 20 February 2019 (being the market day the shares were last traded preceding the date of the SPA)).

As the relative figures for the Proposed Disposal computed under Rule 1006 of the Catalist Rules do not exceed 5%, the Proposed Disposal is considered a non-disclosable transaction under Rule 1008 of the Catalist Rules. This announcement is made pursuant to Rule 704(17)(d) of the Catalist Rules.

4. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The Purchaser is a director of ITG and a shareholder of BT Industrial Coating (M) Sdn. Bhd., which in turn holds 39% of the total issued and paid-up shares in the capital of ITG. The Company, its Directors and controlling shareholders are not related to the Purchaser.

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

5. DOCUMENT FOR INSPECTION

A copy of the SPA is available for inspection at the registered office of the Company at 8 Changi North Street 1, ISOTeam Building, Singapore 498829 during normal business hours for three months from the date of this announcement.

The Company will make further announcement in relation to the Completion in due course.

By Order of the Board

Anthony Koh Thong Huat
Executive Director and Chief Executive Officer

22 February 2019

*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.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.