



ISOTEAM LTD.

(Company registration number: 201230294M)
(Incorporated in the Republic of Singapore on 12 December 2012)

PROPOSED CAPITAL REDUCTION

The Board of Directors of ISOTeam Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that it intends to undertake a capital reduction exercise (“**Capital Reduction**”) by way of cancellation of part of its issued and fully paid-up capital which has been lost and unrepresented by available assets to the extent of the amount of the accumulated losses of the Company of approximately S\$25,000,000 by 30 June 2025 (the “**Accumulated Losses**”), details of which as follows:

	Amount of Capital Reduction	Share Capital before Capital Reduction	Share Capital after Capital Reduction
ISOTeam Ltd.	S\$25,000,000	S\$54,010,000	S\$29,010,000

The Company will be seeking shareholders’ approval for the Capital Reduction at an extraordinary general meeting of the Company to be convened (the “**EGM**”), and more details of the Capital Reduction will be disclosed in due course. The Capital Reduction exercise is an accounting procedure that reduces the existing share capital of the Company by writing off the Accumulated Losses and it does not entail any outflow of cash or change of assets of the Company. This is to allow for restructuring of the finances of the Company to rationalise the balance sheet of the Company for it to be an accurate reflection of the value of its underlying assets, and accordingly, its financial position. The Capital Reduction would also facilitate future equity-related fund-raising exercises to recapitalise and strengthen the balance sheet of the Company. The Group, as a whole, would be in a better position to retain profits and enhance its ability to pay future dividends, when appropriate. The Directors will take into consideration the present and future funding needs of the Company and the Group before declaring any dividends.

The Capital Reduction, once undertaken, is not anticipated to have any impact on the earnings per share or net tangible assets per share of the Group for the financial year ending 30 June 2025.

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

The Company will update as and when there are any material developments on the above. The circular which will contain, *inter alia*, the notice of EGM, the details of the Capital Reduction, the amount of the Accumulated Losses and the extent by which the share capital of the Company will be cancelled, will be circulated to the Shareholders in due course.

BY ORDER OF THE BOARD
ISOTEAM LTD.

Anthony Koh Thong Huat
Executive Director and Chief Executive Officer
27 May 2024

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange 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 Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.