



ISOTEAM

ISOTEAM LTD.

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

**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
ON THE PROPOSED ACQUISITION OF ASSETS IN SINGAPORE MOBIKE PTE. LTD.**

Unless otherwise defined or the context otherwise requires, all capitalised terms used herein bear the same meanings as in the Announcement (as defined below).

The Board of Directors (the "**Board**" or "**Directors**") of ISOTeam Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 9 August 2019 (the "**Announcement**") relating to the Proposed Acquisition. The Board sets out its responses to SGX-ST as enclosed in Appendix A.

By Order of the Board

Anthony Koh Thong Huat
Executive Director and Chief Executive Officer
15 August 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**").*

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.

Appendix A
ISOTeam Ltd. – Proposed Acquisition of Assets in Singapore Mobike Pte. Ltd.
- SGX Queries dated 13 August 2019

No.	Questions	Company's Responses
1.	What does the unutilized amount of licensee fees paid by the Seller to the Land Transport Authority of Singapore ("LTA") refer to? To breakdown the US\$875K licensee fees paid to LTA to utilized and unutilized.	<p>The unutilised amount of license fees paid by the Seller to the LTA refers to the proportion of license fees for the remaining term of the license granted by LTA as at the 1st Closing date.</p> <p>The sum of US\$875,000 is an indicative amount of unutilised license fees as at 12 March 2019, being the date of the non-binding term sheet for the Proposed Acquisition. However, the actual unutilised license fees will be calculated as at the 1st Closing date, and the Purchase Consideration adjusted accordingly.</p>
2.	Are such licensee fees paid to LTA a one-off fee in respect for the current fleet of 25,000 bicycles, or are the fees subject to renewal?	The existing Bicycle Sharing Licence (Full Licence) granted by the LTA in respect of the fleet of 25,000 bicycles is valid from 30 October 2018 to 30 October 2020, to be renewed upon its expiry and new license fees will be payable by SG Bike at renewal.
3.	What is the rationale for the Group to assume the liabilities of the Seller to repay user deposits and prepayments, totaling US\$1.47m?	In consideration of the Assumed Liabilities, it was agreed that, <i>inter alia</i> , the Seller will facilitate the user migration of its customer base of approximately 300,000 users to SG Bike's application platform. This will enhance the expansion of SG Bike's customer base and aid the Group's marketing efforts for SG Bike.
4.	How big is the Group's existing fleet of bicycles?	The Group has an existing fleet of 3,000 bicycles, held through its 51%-owned subsidiary, SG Bike.
5.	SG Bike is a 51% subsidiary of ISOTeam. Who are the other shareholders holding the remaining 49%?	The remaining shareholders of SG Bike are Sean Tay Hao Jing and Andy Tay Choon Moh, holding 27% and 22% of the total shareholding interest of SG Bike respectively. Sean Tay Hao Jing is the son of Andy Tay Choon Moh. Save for being the directors and shareholders of SG Bike, Sean Tay Hao Jing and Andy Tay Choon Moh are not related to the Company and its directors and controlling shareholders.
6.	How will the purchase consideration (approx. S\$2.54m) and assumed liabilities (approx. S\$2.02m) be paid by shareholders of SG Bike? Based on the announcement, it seems that ISOTeam will be providing financing of S\$2m for the purchase consideration as well as S\$2.02m for the assumed liabilities. The other shareholders of SG Bike will pay the balance S\$0.54m on a pro-rata basis. Please explain.	<p>The Purchase Consideration of US\$1,847,800 (or approximately S\$2,540,725) will be funded via shareholders' loans to be provided by the shareholders of SG Bike, as follows:</p> <ul style="list-style-type: none"> (i) an amount of S\$2,000,000 from the Company, whereby the Company has in turn secured a loan of a principal amount of up to S\$2,000,000 from a Singapore-incorporated private limited company; and (ii) the balance Purchase Consideration to be provided by the remaining shareholders of SG Bike on a <i>pro rata</i> basis in accordance with their shareholding interests in SG Bike.

No.	Questions	Company's Responses
		The Assumed Liabilities of an amount not exceeding US\$1,470,000 (or approximately S\$2,021,250), will be repaid via user credits deposited in the accounts of the existing users.
7.	Please confirm if the financial effects of the proposed acquisition as disclosed in para 7.1 and 7.2 are correct.	Yes, it is correct.