



**ISOTEAM LTD.**

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

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**PROPOSED PLACEMENT OF UP TO 84,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF ISOTEAM LTD. AT A PLACEMENT PRICE OF S\$0.24**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (the “**Board**” or the “**Directors**”) of ISOTeam Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 17 December 2019 entered into a placement agreement (the “**Placement Agreement**”) with OCBC Securities Private Limited as placement agent (the “**Placement Agent**”). Pursuant to the Placement Agreement, the Company has agreed to allot and issue up to 84,000,000 new ordinary shares (the “**Placement Shares**”) in the capital of the Company at a placement price of S\$0.24 (the “**Placement Price**”) for each Placement Share, and the Placement Agent has agreed to procure the subscription and payment for the Placement Shares at the Placement Price for each Placement Share on a best endeavours basis (the “**Proposed Placement**”).
- 1.2 Assuming that the Proposed Placement is fully subscribed, the Company expects to raise gross proceeds of S\$20,160,000. The Company shall pay to the Placement Agent a placement commission of 3.0% of the gross proceeds raised from the Proposed Placement. The Proposed Placement is non-underwritten.

**2. THE PROPOSED PLACEMENT**

**2.1 The Placement Shares**

The Placement Shares are intended to be issued pursuant to the general share issuance mandate (“**General Mandate**”) obtained at the annual general meeting of the Company held on 30 October 2019 (“**2019 AGM**”), which authorises the Directors to allot and issue ordinary shares in the capital of the Company (“**Shares**”) not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2019 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 50% (excluding treasury shares and subsidiary holdings).

The number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2019 AGM is 285,068,122 Shares. On this basis, the maximum number of new Shares the Company is authorised to allot and issue other than on a pro-rata basis under the General Mandate is 142,534,061 Shares.

Assuming all Placement Shares are issued and the Proposed Placement is fully subscribed, the Placement Shares comprise approximately 29.47% of the Company’s issued share capital of 285,068,122 Shares and approximately 22.76% of the Company’s enlarged issued share capital of 369,068,122 Shares.

The Placement Shares, when fully paid and issued, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right,

allotment or other distributions, the record date for which falls on or before the Completion Date (as defined below).

The Placement Shares will be placed by the Placement Agent to institutional investors pursuant to Section 274 of the Securities and Futures Act (Cap 289) of Singapore (“SFA”), and/or accredited investors pursuant to Section 275 of the SFA.

## **2.2 The Placement Price**

The Placement Price of S\$0.24 for each Placement Share was arrived at pursuant to discussions with the Placement Agent, taking into account, among others, the prevailing market price of the Shares, and represents a discount of approximately 1.72% to the volume weighted average price of S\$0.2442 for trades done on the Shares on Catalist on 17 December 2019, being the full market day on which the Placement Agreement was signed.

## **2.3 Conditions**

Completion of the Proposed Placement is conditional upon, among others:

- (i) the listing and quotation notice (“LQN”) being obtained from the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the listing of and quotation for the Placement Shares on the Catalist;
- (ii) the exemptions under Sections 274 and/or 275 of the SFA being applicable to the Proposed Placement;
- (iii) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any jurisdiction which is applicable to the Company or the Placement Agent;
- (iv) there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change; and
- (v) the representations, warranties and undertakings in the Placement Agreement remaining true and correct in all material respects as at the Completion Date (as defined below) and the Company having performed all of its obligations under the Placement Agreement.

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemptions under Sections 274 and/or 275 of the SFA.

If any of the conditions set out in the Placement Agreement has not been satisfied on or before the date falling twelve weeks after the date of the Placement Agreement or such other date as the parties may mutually agree, the Placement Agreement shall terminate and shall be of no further effect and no party thereto shall be under any liability to the other in respect of the Placement Agreement.

## **2.4 Completion**

Hong Leong Finance Limited, acting as sponsor to the Company, will be submitting the additional listing confirmation(s) to the SGX-ST on behalf of the Company for the listing of and quotation for the Placement Shares on Catalist. Announcements will be made in due course to notify the shareholders of the Company when the LQN is obtained.

Completion of the Proposed Placement will occur within three business days after the Company’s receipt of the LQN from the SGX-ST or such other date as the Company and the Placement Agent may agree (“**Completion Date**”).

### 3. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The table illustrates the financial effects of the Proposed Placement (assuming the Proposed Placement is fully subscribed) on (i) the net tangible asset per Share of the Group (assuming the Proposed Placement had been completed at the end of that financial year); and (ii) the earnings per Share of the Group (assuming that the Proposed Placement had been completed at the beginning of that financial year) based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2019 are set out below:

	<b>Before the Proposed Placement (Singapore cents) <sup>(1)</sup></b>	<b>After the Proposed Placement (Singapore cents) <sup>(2)</sup></b>
Effect of the Proposed Placement on the net tangible asset per Share	18.49	19.54
Effect of the Proposed Placement on the earnings per Share	2.37	2.12

**Notes:**

(1) Based on 285,068,122 Shares in issue as at the date of this announcement.

(2) Based on 369,068,122 Shares assuming the Proposed Placement of 84,000,000 Placement Shares is fully subscribed.

### 4. USE OF PROCEEDS

- 4.1 Assuming that the Proposed Placement is fully subscribed, the net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of S\$0.73 million) are approximately S\$19.44 million ("**Net Proceeds**"). The Company intends to use S\$12.0 million or 61.7% of the Net Proceeds to fund any current or future mergers and acquisitions and the balance of S\$7.44 million or 38.3% of the Net Proceeds for general working capital purposes.
- 4.2 Pending the deployment of the Net Proceeds, the Company intends to place the Net Proceeds from the Proposed Placement with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit.
- 4.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's quarterly and full year financial statements and the Company's annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the annual report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

### 5. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that after taking into consideration the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

**6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

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

**7. DOCUMENT AVAILABLE FOR INSPECTION**

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

By Order of the Board

Anthony Koh Thong Huat  
Executive Director and Chief Executive Officer  
17 December 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited ("**Sponsor**") 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) 64159886.*