



**ISOTEAM LTD.**

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

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**DISPOSAL OF A WHOLLY-OWNED SUBSIDIARY**

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**1. INTRODUCTION**

- 1.1. The board of directors (“**Directors**” or “**Board**”) of ISOTeam Ltd. (“**Company**” and together with its subsidiaries, “**Group**”) wishes to announce that the Company had, on 17 May 2024, entered into a sale and purchase agreement (“**SPA**”) with Strategic Asset VCC Sub-Fund (a sub-fund of Multi-Asset Growth Strategy VCC) (“**Purchaser**”), for the disposal by the Company to the Purchaser of the entire issued and paid-up capital of ISO-Integrated M&E Pte Ltd (“**IME**”) comprising 3,460,002 ordinary shares (“**Sale Shares**”) for a cash consideration of S\$1.00 (“**Disposal**”). IME is principally engaged in the Mechanical & Electrical Engineering business segment of the Group.

The Company and the Purchaser have agreed that the completion date for the Disposal shall be 17 May 2024, and accordingly, IME has ceased to be a subsidiary of the Company.

**2. INFORMATION ON THE PURCHASER**

*The information presented herein relating to information on the Purchaser is based on information provided by the Purchaser. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.*

The Purchaser is a sub-fund of Multi-Asset Growth Strategy VCC, a live variable capital company incorporated in the Republic of Singapore, incorporated on 27 December 2021. Atlas Asset Management Pte Ltd is the fund manager of the Multi-Asset Growth Strategy VCC, holding a capital markets license for fund management issued by the Monetary Authority of Singapore.

As at the date of this announcement, the Purchaser, Multi-Asset Growth Strategy VCC, Atlas Asset Management Pte Ltd and their respective directors and shareholders do not have any existing interest (whether direct or deemed) in the shares of the Company and are not related to any of the Directors, substantial shareholders of the Company or their respective associates.

**3. RATIONALE FOR THE DISPOSAL**

- 3.1. The Disposal is in line with the Group’s on-going plans to review its current businesses and operations and to divest its non-performing subsidiaries.
- 3.2. As part of the review, the Group had considered that IME has been loss-making for the past two financial years and the Group expects IME to continue incurring operational losses, which would affect the financial performance of the Group should IME remain as a subsidiary.
- 3.3. In light thereof, the Board believes that the Disposal is in the best interests of the Group to streamline its businesses for better utilisation of available resources in other core business segments.

#### 4. SALIENT TERMS OF THE DISPOSAL

##### 4.1. Consideration

The cash consideration for the Sale Shares of S\$1.00 (“**Consideration**”), was arrived at on a willing-buyer willing-seller basis, after taking into consideration (i) the net liabilities attributable to IME of S\$1,064,000 as at 31 December 2023; and (ii) the nature and future prospects of IME’s business.

As at 31 December 2023, the net loss before tax attributable to IME was approximately S\$513,000, and the negative book value of the Sale Shares is S\$1,064,000. Accordingly, the Consideration represents a net gain on disposal of S\$1,064,001 as at 31 December 2023.

As the Consideration of the Disposal is only S\$1.00, it is not meaningful to discuss the use of proceeds from the Disposal.

##### 4.2. Completion

As the conditions for completion have all been met, the Purchaser and the Company had agreed to complete the Disposal on the same date of entry into the SPA.

#### 5. FINANCIAL EFFECTS OF THE DISPOSAL

5.1. The pro forma financial effects of the Disposal have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2023 and are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group following completion of the Disposal. The pro forma financial effects have also been prepared based on, amongst others, the following assumptions:

5.1.1. the Disposal having been effected on 30 June 2023, being the end of the most recently completed financial year of the Group, for purposes of illustrating the financial effects on the consolidated net tangible assets (“**NTA**”) of the Group; and

5.1.2. the Disposal having been effected on 1 July 2022, being the beginning of the most recently completed financial year of the Group, for purposes of illustrating the financial effects on the consolidated earnings of the Group.

##### 5.2. Net Tangible Assets

	Before the Disposal	After the Disposal
NTA (S\$'000)	23,928	24,498
No. of issued ordinary shares, excluding treasury shares	697,566,862 <sup>(1)</sup>	697,566,862 <sup>(1)</sup>
NTA per share, excluding treasury shares (S\$ cents)	3.43	3.51

**Note:**

(1) Assuming the 3,225,000 ordinary shares issued pursuant to the vesting of award shares granted by the Company to specified employees under the ISOTeam Performance Share Plan had been issued and allotted as at 30 June 2023.

### 5.3. Earnings Per Share (“EPS”)

	Before the Disposal	After the Disposal
Profit attributable to shareholders (S\$'000)	1,405	1,902
Weighted average no. of ordinary shares, excluding treasury shares	547,697,415 <sup>(1)</sup>	547,697,415 <sup>(1)</sup>
EPS per share, excluding treasury shares (S\$ cents)	0.26	0.35

**Note:**

(1) Assuming the 3,225,000 ordinary shares issued pursuant to the vesting of award shares granted by the Company to specified employees under the ISOTeam Performance Share Plan had been issued and allotted as at 30 June 2023.

### 5.4. Share Capital

The Disposal will not have any impact on the issued and paid-up share capital of the Company.

## 6. RELATIVE FIGURES PURSUANT TO RULE 1006 OF THE CATALIST RULES

The relative figures in relation to the Disposal computed on the applicable basis set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”) and based on the figures reported in the unaudited consolidated financial statements of the Group for the half year ended 31 December 2023, being the latest announced consolidated accounts, is as follows:

Rule 1006	Listing Rule	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group’s net asset value.	(2.96) <sup>(1)</sup>
(b)	The net loss attributable to the assets acquired or disposed of, compared with the group’s net profits.	(36.46) <sup>(2)(3)</sup>
(c)	The aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares.	0.00 <sup>(4)(5)</sup>

<b>Rule 1006</b>	<b>Listing Rule</b>	<b>Relative Figures (%)</b>
(d)	The number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue.	N.A. <sup>(6)</sup>
(e)	The aggregate volume or amount of proved and probable reserved to be disposed of, compared with the aggregate of the group's proved and probable reserves.	N.A. <sup>(7)</sup>

**Notes:**

- (1) Computed based on the net liability value of IME of S\$1,064,000 as at 31 December 2023 and net asset value of the Group of S\$35,900,000 as at 31 December 2023.
- (2) "Net profits/loss" means profits after income tax, before minority interests and extraordinary items.
- (3) Computed based on the net loss attributable to IME of S\$513,000 for 31 December 2023 and the net profits of the Group of S\$1,407,000 for 31 December 2023.
- (4) The Company's market capitalisation is determined by multiplying 697,566,862 shares by the volume weighted average price of S\$0.0478 per share on 16 May 2024, being the last traded market day immediately preceding the date of the SPA.
- (5) Computed based on the Consideration of S\$1.00 and the Company's market capitalisation of S\$33,343,696.
- (6) This basis is not applicable as there will be no issuance of equity securities by the Company in connection with the Disposal.
- (7) This basis is not applicable as the Disposal is not of mineral, oil or gas assets.

As the relative figures computed on the bases set out in Rules 1006(a) and (b) of the Catalist Rules involve negative figures, pursuant to Rule 1007(1) of the Catalist Rules, Chapter 10 may still be applicable to the Disposal in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules. In view of paragraphs 4.4(c) and (e) of Practice Note 10A of the Catalist Rules, as (i) the absolute relative figures computed on the basis of each of Rules 1006(a) and (b) does not exceed 50%; and (ii) the Disposal will not result in a loss on disposal, the Disposal falls within the scenarios of Practice Note 10A of the Catalist Rules and constitutes a "disclosable transaction" under Rule 1010 of the Catalist Rules.

## **7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement and save for their respective interests arising by way of their shareholdings and/or directorships in the Company, none of the Directors, controlling shareholders or their associates have any interest, direct or indirect, in the Disposal.

## **8. SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure

of all material facts about the Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

#### **10. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA is available for inspection during normal business hours for a period of three (3) months from the date of this announcement at the registered office of the Company at 8 Changi North Street 1, ISOTeam Building, Singapore 498829.

#### **11. CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company are advised to read this announcement and the other announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD  
**ISOTEAM LTD.**

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

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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. 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.*