



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 DISPOSAL OF PROPERTY LOCATED AT 57 KAKI BUKIT PLACE, SINGAPORE 416231**

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 11 August 2020 (the "**Announcement**") relating to the Disposal. The Board sets out its response to the SGX-ST's queries as enclosed in Appendix A.

By Order of the Board

Anthony Koh Thong Huat
Executive Director and Chief Executive Officer
12 August 2020

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.

Appendix A

**ISOTeam Ltd. - Disposal of property located at 57 Kaki Bukit Place, Singapore 416231
- SGX Queries dated 11 August 2020**

No.	Questions	Company's Responses
1.	<p>The Purchaser was granted the option to purchase the property on 25 May 2020 and the Disposal has been completed on 3 Aug 2020. Why is the Disposal only announced now?</p>	<p>The Property is a non-operational asset and has been classified as an asset held for sale since 2018. The management was not aware that an announcement was required when an option to purchase was granted to the Purchaser (the "Option") for the abovementioned non-operational asset and had thought that an announcement was only required when the Purchaser had exercised the Option and the Disposal was completed by the expiration of the completion date of the Option which was 17 Aug 2020.</p> <p>The management was also not certain that the Disposal would materialise and had honestly thought that an announcement was only required when the Purchaser had exercised the Option and the Disposal was completed by the expiration of the completion date of the Option which was 17 Aug 2020.</p> <p>When the Purchaser exercised the Option and the Disposal was completed earlier on 3 Aug 2020, the management thought that an announcement was only required to be made on or before 17 Aug 2020. The management subsequently informed the Company Secretary on 7 Aug 2020 that the Purchaser had exercised the Option and that the Disposal was completed and instructed the Company Secretary to prepare an announcement on 11 Aug 2020.</p> <p>The Company would like to state that this was an inadvertent oversight on its part and the management has acknowledged the need to update its shareholders in a timely manner of any material developments going forward.</p>
2.	<p>The Board had relied on a valuation conducted in early 2018. What was the value per the 2018 valuation? Why was a valuation conducted in 2018? Why was a valuation not undertaken now?</p>	<p>The value of the Property was S\$5.4 million per the 2018 valuation. The Company had conducted a valuation in 2018 as it planned to sell the Property in 2018 after moving to its new office building at 8 Changi North Street 1, Singapore 498829 (the "HQ").</p> <p>The Company has entrusted a property agent to look for potential buyers at the above valuation but was unsuccessful from 2018 until the Disposal.</p> <p>In view of the above, the Company did not undertake another valuation considering the additional costs in appointing a valuer, and was of the view that the prices of similar and recent transactions would be a</p>

		<p>fair reflection of the current market price of the Property.</p> <p>The property agent, ERA Realty Network Singapore, had furnished the Company with details of two recent transactions similar to the Disposal, being:</p> <ol style="list-style-type: none"> 1. The disposal of 27 Kaki Bukit Place for S\$4.86 million on 14 January 2020; and 2. The disposal of 22 Kaki Bukit Place for S\$4.58 million on 16 March 2020. <p>The Property was sold to an independent and unrelated third party.</p>
3.	What was the audited adjusted carrying amount of the Property as at 30 June 2019 of S\$2.33 million based on? How was it derived?	The audited adjusted carrying amount was based on property cost less accumulated depreciation.
4.	When did the Company acquire this property, and what was the acquisition consideration then?	The Company acquired the Property in 2008 with an acquisition consideration of S\$2,878,600.
5.	Why was the property vacated in May 2018?	The Group had relocated to its new HQ in April 2018.