



FOR IMMEDIATE RELEASE

ISOTeam gets vote of confidence from Japanese partner as parties ink agreement for proposed issuance of warrants, and shares

- *Proposed issuance of warrants and shares to Taisei Oncho Co., Ltd comprising 40 million warrants in two tranches and 12.5 million consideration shares*
- *To raise net proceeds of S\$9.5 million if fully subscribed*

SINGAPORE, 17 December 2019 – ISOTeam Ltd. (“ISOTeam” or together with its subsidiaries, the “Group”), an established and leading player in Singapore’s building maintenance and estate upgrading industry, is proposing to issue 40 million warrants in two tranches and 12.5 million consideration shares (collectively, the “**Proposed TOC Issue**”) to Taisei Oncho Co., Ltd (“**TOC**”) under a binding term sheet entered into by the two parties on 17 December 2019. The corporate action will raise approximately S\$9.5 million in net proceeds to fund ISOTeam’s intended business expansion and general working capital.

TOC is an established mechanical and electrical (“**M&E**”) engineering firm listed on the JASDAQ Securities Exchange. It is also ISOTeam’s joint venture partner since 2018 through a 34.1% interest in the Group’s subsidiary, ISO-Integrated M&E Pte. Ltd (“**IME**”).

For the first tranche warrants, ISOTeam will allot and issue 27.5 million warrants to TOC that will entitle TOC to subscribe for one warrant share in ISOTeam at an exercise price of S\$0.24 apiece by 30 June 2020. ISOTeam will allot and issue another 12.5 million warrants to TOC under the second tranche warrants at an exercise price equal to the 10 business days’ volume weighted average price (“**VWAP**”) of its shares prior to the day of exercise and exercisable within 24 months of the issue. Both the first tranche warrants and second tranche warrants will be issued on the same date.

ISOTeam will also issue 12.5 million consideration shares, priced at S\$0.24 apiece, to purchase the option shares in IME held by TOC for S\$3.0 million. The put option is exercisable at any time at TOC’s discretion if approved by shareholders.



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Shares of ISOTeam last traded at S\$0.2442 on 17 December 2019. The exercise price of S\$0.24 for the first tranche warrants and the issue price of S\$0.24 for the consideration shares represent a discount of approximately 1.72%.

ISOTeam will raise net proceeds of approximately S\$9.5 million assuming that the Proposed TOC Issue is fully subscribed. It intends to use S\$4.8 million or 50.5% of the net proceeds to fund its business expansion through mergers and acquisitions, joint ventures and/or strategic alliances as and when the opportunities arise. The remaining S\$4.7 million will be set aside for general working capital purposes.

Assuming all the warrants in both tranches are exercised, the aggregate number of 52.5 million warrant shares and consideration shares comprise approximately 18.42% of ISOTeam's current issued share capital of approximately 285.07 million shares and approximately 15.55% of its enlarged issued share capital of approximately 337.57 million shares. Among other terms, the Group has given an undertaking for a nominee of TOC to be appointed to its Board.

Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发) said: *"We have an exciting expansion roadmap for ISOTeam and we are glad that TOC, a highly-valued business partner whom we have worked well with since early 2018, has joined us on this growth journey. Their vote of confidence in us means a lot. With our enhanced capital resources, we will be in a stronger position to go after opportunities so as to deliver sustainable long term growth and create greater shareholder value for all our stakeholders."*

The Proposed TOC Issue is also subject to conditions that include, among others, the Group obtaining approval from relevant regulatory bodies and shareholders' approval at an EGM. ISOTeam will despatch a circular with the details of the Proposed TOC Issue to shareholders in due course.

In a separate corporate exercise also announced today, ISOTeam intends to allot and issue up to 84 million new shares at a placement price of S\$0.24 a share that will raise net proceeds of S\$19.44 million if fully subscribed.



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NOTE: This press release should be read in conjunction with the announcement/s released by ISOTeAM Ltd. today on www.sqx.com.

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About ISOTeAM Ltd.

Founded in 1998 and listed on Catalist of the Singapore Exchange Securities Trading Limited (**SGX-ST**) Ticker: 5WF) on 12 July 2013, ISOTeAM Ltd. is an established player in Singapore's building maintenance and estate upgrading industry with 20 years of Repairs & Redecoration (**R&R**) and Addition & Alteration (**A&A**) experience. We have successfully undertaken more than 400 refurbishment and upgrading projects for well over 4,000 buildings and counting since inception. ISOTeAM also offers specialist Coating & Painting (**C&P**) services as well as complementary niche services (**Others**) through its specialist waterproofing, commercial interior design and home retrofitting, landscaping, access equipment leasing, green solutions, mechanical & electrical engineering works and handyman service subsidiaries. An eco-conscious company, we integrate green methodologies in our projects, and actively work with strategic partners and technology companies to develop and commercialise green solutions / products. ISOTeAM's major customers include town councils, government bodies, and private sector building owners. For more information, please visit www.isoteam.com.sg.

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ISOTeAM Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 12 July 2013. The initial public offering of the Company was sponsored by Hong Leong Finance Limited (the "Sponsor").

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release.



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