



ISOTeam Ltd.
(Company Registration No.: 201230294M)
(Incorporated in the Republic of Singapore on 12 December 2012)
No. 57 Kaki Bukit Place
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<http://isoteam.com.sg/>

FOR IMMEDIATE RELEASE

ISOTeam expands M&E capabilities with proposed acquisition of Rong Shun

- *Acquisition of in-house M&E capabilities expected to support ISOTeam's renewable energy installation business as well as optimise control over costs and work progress for fast-track A&A projects.*
- *Purchase consideration will be satisfied through a combination of cash and treasury shares.*
- *Target company will guarantee cumulative profit before tax of an aggregate sum representing at least 12% of the existing order book for the period 1 October 2016 to 30 September 2019.*

SINGAPORE – 5 January 2017 – ISOTeam Ltd. (the “**Company**” or “**ISOTeam**” and together with its subsidiaries, the “**Group**”), an established eco-conscious Repairs and Redecoration (“**R&R**”) and Addition and Alteration (“**A&A**”) specialist in Singapore, has entered into a share sale agreement with Mdm Ting Guak Choo (the “**Vendor**”), for the proposed acquisition of Rong Shun Engineering & Construction Pte. Ltd. (“**Rong Shun**”) at an aggregate purchase consideration of S\$6.45 million (the “**Purchase Consideration**”).

Rong Shun is principally engaged in the provision of electrical works including electrical installation, provision of fire alarm system, security system and all wire related works. The proposed acquisition will expand the Group's capability to offer a full suite of engineering services and solutions such as mechanical and electrical (“**M&E**”), air conditioning, mechanical ventilation works, security, fire protection system as well as sanitary and plumbing services, which complement the Group's existing capabilities in A&A, upgrading and renewable energy installation.

Mr Anthony Koh (许统发), Executive Director and Chief Executive Officer of ISOTeam, said: “*The acquisition of Rong Shun will transform ISOTeam into an integrated M&E services one-stop provider that is able to offer a complete range of M&E services to various industries including shopping malls, REITS, factories, schools, hospitals, offices and high-end hotels without the need to outsource the job to other M&E contractors, which is what we have had to do in the past.*”



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“By gaining in-house M&E capabilities, we will have tighter control over costs, thereby generating cost savings that we can potentially pass on to our customers, and also better control over work progress, which will be very beneficial especially for A&A projects that are fast-tracked. Not only that, we believe these capabilities will also go a long way to support our renewable energy installation business, which is an area that we are looking to grow.”

Upon successful completion of the exercise, Rong Shun will become the sixth company acquired by ISOTeam since its IPO in July 2013. The first four acquired in October 2014 gave the Group capabilities in landscaping; fire proofing and floor coating; providing R&R services to the private-commercial MCST sector; and supplying work access equipment and services. The fifth acquired in December 2015 enabled the Group to offer architectural and interior construction solutions mainly to the high value commercial sector.

“The proposed acquisition of Rong Shun marks a positive start to 2017 for the Group. We look forward to working together as one entity, leveraging the networks and capabilities of each of the companies we have acquired in order to optimise our business and growth opportunities,” added Mr Koh.

The purchase consideration will be satisfied approximately 57% in cash amounting to about S\$3.68 million and the remainder through the transfer of treasury shares in the capital of the Company (“**Consideration Shares**”) in three tranches. The first tranche about S\$1.58 million, or approximately 25% of the purchase consideration, will be settled prior to the completion date of the proposed acquisition (“**Completion Date**”) while the remaining second and third tranches of S\$0.6 million (or approximately 9%) each, will be settled on the date one and two years after the Completion Date respectively. The transfer price per share shall be equivalent to a premium of 5% of the 30-day volume weighted average share price (“**VWAP**”) of the Group’s shares traded on Catalist immediately prior to the respective deadlines for the settlement of each tranche.

As at 30 September 2016, the net tangible asset of Rong Shun was approximately S\$3.03 million with an unaudited profit before tax of approximately S\$3.08 million. The vendor warrants and guarantees to the Group that Rong Shun shall for the period 1 October 2016 to 30 September 2019 achieve a



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cumulative profit before tax of an aggregate sum representing at least 12% of the Existing Order Book as well as maintain the Existing Order Book to be no less than S\$13.1 million.

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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 over 18 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken more than 300 public and private sector R&R and A&A projects for more than 3,000 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 leasing and green solutions subsidiaries. An eco-conscious company, we integrate green methodologies in our R&R, A&A and Others 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. The Sponsor has not independently verified the contents of this press release. 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. The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.