



ISOTeam Ltd.
(Company Registration No.: 201230294M)
(Incorporated in the Republic of Singapore on 12 December 2012)
No. 57 Kaki Bukit Place
Eunos Techpark
Singapore 416231
<http://isoteam.com.sg/>

FOR IMMEDIATE RELEASE

ISOTeam to acquire four businesses in cash-equity deals worth S\$11.0 million

- *Strategic investments will broaden width and depth of the Group's capabilities; and allow the Group to progress towards its vision of becoming the Number 1 and preferred partner in total maintenance solutions*
- *Target companies are involved in landscaping; fire proofing and floor coating; providing R&R services to the private-commercial MCST sector; and providing work access equipment and services*

SINGAPORE, 27 October 2014 – ISOTeam Ltd. (“ISOTeam” or together with its subsidiaries, the “Group”), an established eco-conscious Repairs and Redecoration (“R&R”) and Addition and Alteration (“A&A”) specialist in Singapore, today announced that it intends to acquire four local companies for an aggregate consideration of approximately S\$11.0 million as part of its plans to become a complete building and maintenance team. The four companies are Accom International Pte. Ltd. (“**Accom International**”), Accom Pte. Ltd. (“**Accom**”), Industrial Contracts Marketing (2001) Pte. Ltd. (“**ICM**”), and Rong Shun Landscape & Construction Pte. Ltd. (“**Rong Shun**”) (collectively, the “**Target Companies**”).

These companies are involved in new and complementary business areas that ISOTeam has yet to significantly tap into and they will add both depth and width to the Group’s expertise and specialist capabilities. Upon the completion of the proposed acquisitions, the Group will have 100% ownership of all the companies except for ICM, which it will hold a 90% stake.

The proposed acquisitions will be funded by a combination of cash and the issuance of Consideration Shares, priced at S\$0.50 per share or at 10% discount to the volume weighted average prices of each ISOTeam share on the market day immediately preceding the date of the agreements inked with each of the respective Target Companies, whichever is higher. The transaction structure for the various proposed acquisitions is as follow:

1. Accom International
 - Approximately S\$3.5 million for 100% interest to be satisfied 50% in cash and 50% via Consideration Shares
2. Accom
 - Approximately S\$4.5 million for 100% interest to be satisfied 50% in cash and 50% via Consideration Shares



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3. ICM

- Approximately S\$2.1 million for a 90% interest to be satisfied 50% in cash and 50% via Consideration Shares
- Remaining 10% interest will be acquired subsequently at a consideration equivalent to price earning ratio of five times ICM's net profit after tax as at 30 June 2015, which will be fully satisfied in cash

4. Rong Shun

- S\$0.9 million for 100% interest to be fully satisfied via Consideration Shares

The Consideration Shares will be subject to a one-year moratorium period from the relevant completion dates of the proposed acquisitions, and thereafter, a further lock-up period of another one-year period on 50% of the Consideration Shares.

The Group will fund the cash portion of the consideration through internal resources, which is not expected to have any material impact on the earnings per share and net tangible assets per share of the Group for FY2015. As at FY2013, the Group has a cash position of around S\$17.6 million which it uses largely for working capital for on-going projects, which can be as many as 30-40 projects at any one time.

Commenting on the strategic acquisitions, ISOTeam's CEO, Mr Anthony Koh, said: *"We are extremely excited about these acquisitions, which are aligned with ISOTeam's long-term plan to invest in solid companies with experience and proven track records in businesses that are ancillary and complementary to our core R&R and A&A and Interior Renovation businesses. These companies, which are already established entities in their respective fields, will help open doors to new clients, new sectors and add high-value specialist capabilities to ISOTeam's suite of services. This will diversify the Group's operations and add new income streams, as well as hasten our penetration into new sectors. Upon the conclusion of the acquisitions, the Group will be one step closer to fulfilling its goal to become the preferred partner in total maintenance solutions."*

The Group's long term vision is to become a one-stop shop for total maintenance solutions. Please refer to Annex A.

The Proposed Acquisitions

Accom International

Established in 2006, Accom International rents and/or leases access-provider related equipment to the construction industry, in particular the R&R and A&A segments. The company has a current fleet of over 166 construction and renovation equipment including construction lifts such as boom lifts and scissor lifts.



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The proposed acquisition of Accom International will give the Group immediate access to a larger pool of construction and refurbishment access machinery and equipment to directly support its in R&R and A&A businesses. This will put the Group in a better position to ramp up its core businesses more cost efficiently as costs relating to machines and equipment rental as well as capital expenditure on such equipment will be reduced in the long run. Apart from cost savings, Accom International will also inject a new revenue stream in the form of height and lifting machinery rental, which is relatively stable and recurring in nature.

Accom

With a track record that stretches back to 1996, Accom is an R&R specialist with a strong and established network in the private-commercial Management Corporation Strata Title ("MCST") sector, a segment that ISOTeam is actively trying to penetrate and grow. Upon completion of the acquisitions, the Group plans to streamline the offerings of Accom with that of ICM's to form an integrated R&R service provider with specialised coating capabilities that is able to cater to the private and new-build segments. Leveraging its longstanding relationships¹ with Nippon Paint and SKK Paint, ISOTeam plans to rapidly scale up its MCST R&R business as well as access untapped customer segments in the private-commercial sector through this merged entity.

Ranging from residential and commercial to industrial and institutional sectors, both Accom International and Accom have collectively worked on projects such as Hume Park 2, The Regent Hotel, Freight Link E-Logistics Technopark at Tuas, Bishan Library, Singapore Art Museum and Ministry of Health Headquarters (College of Medicine), amongst many others.

ICM

Set up in 1998, ICM is an application specialist that provides products and services for special architecture coatings and structural protection systems to the building and construction industry. Upon completion of the acquisition, ICM will bring to ISOTeam the specialist painting capability of fireproofing and floor coating application and painting of new-build projects. With an established track record in this niche area, ICM has longstanding relationships with many developers and large established main contractors in Singapore including Sato Kogyo Co. Ltd. and Shimizu Corporation amongst others. The Group believes that its stake in ICM will allow it to tap into a completely new clientele base. In addition, ICM also has a wide and popular range of specialist coating products such as HiPAC and HiKOTE.

Over the years, some of ICM's notable projects include the Singapore History Museum, the New Supreme Court, the New National Library Building, ITE Campus at Simei as well as a slew of private residential properties.

¹ Exclusive applicator of paint works for SKK and Nippon Paint Singapore since 1998 and 2004 respectively for the public housing sector; exclusive applicator of paint works for SKK since 2013 for JTC, HDB industrial and army camps.



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Rong Shun

Established in 2007, Rong Shun will equip the Group with the ability to provide high-value landscaping services, such as green roofs, vertical gardens and wet land floating planting, which are increasingly popular in Singapore and typically generate higher gross profit margins. By acquiring Rong Shun, who is recognised as one of the top arborists in Singapore, ISOTeam will be able to expand its current landscaping operations into other sectors and provide the Group with the opportunity to work with Rong Shun's regular clients such as the National Parks, ("NParks") and the Housing Development Board of Singapore ("HDB"). In addition, ISOTeam also plans to cross-sell landscaping maintenance services to its existing clients such as HDB and the various town councils in Singapore, thus gaining a new lucrative and recurring income stream for the Group.

Notable projects completed by Rong Shun include the Floating Wetlands at the New Punggol Waterway and a pilot vertical planting project at a multi-storey car park in Sembawang housing estate.

Concluded Mr Koh, *"In essence, these strategic acquisitions are a quantum leap to growth for ISOTeam, enabling us to scale up and go where we want to go – fast. Through them, we will be able to meaningfully grow our revenue streams as well as sharpen our edge as an integrated player in the building and maintenance space. We are definitely looking forward to unlocking the synergies from these acquisitions in the coming months."*

The proposed acquisitions are subject to the necessary approvals from relevant regulatory authorities as required. Please refer to the SGX announcement dated 27 October 2014 for further information on the transactions.

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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 15 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken more than 230 public and private sector R&R and A&A projects for close to 2,500 buildings and counting since inception. An eco-conscious company, we integrate green methodologies in our R&R and A&A 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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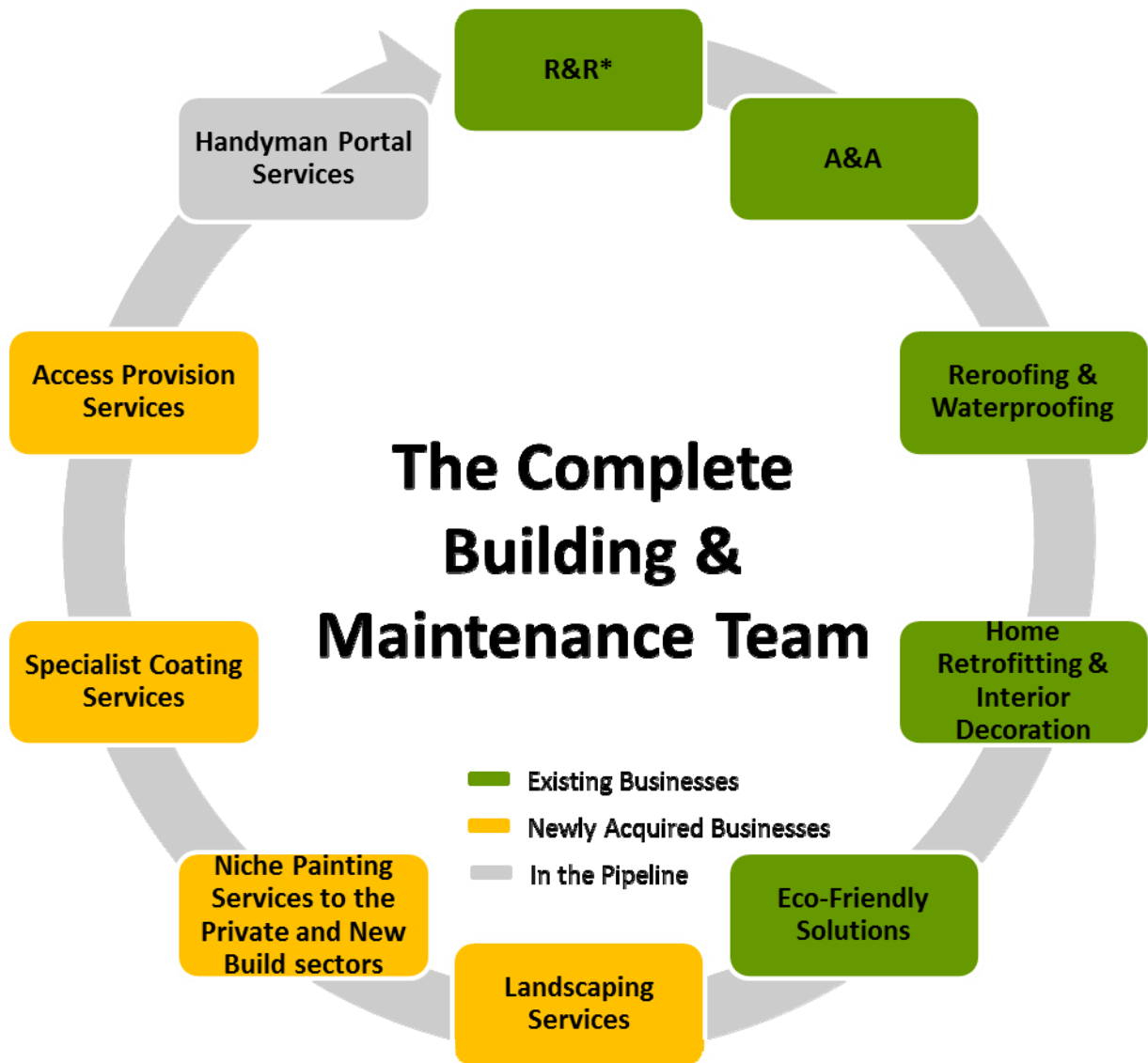
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ISOTeam Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 12 July 2013. The initial public offering of the Company was sponsored by Hong Leong Finance Limited (the "Sponsor").

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 Ms Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.

Annex A

Our Vision



* ISOTeam's R&R business currently targets mainly public sector customers