

**ISOTEAM LTD.**  
(Company Registration No.: 201230294M)  
(Incorporated in the Republic of Singapore on 12 December 2012)

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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE**

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**1. INTRODUCTION**

The board of directors (the “**Board**” or “**Directors**”) of ISOTeam Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 347,170,931 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.03 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company (the “**Shares**”) held by shareholders of the Company (the “**Shareholders**”) who are eligible to participate in the Rights Issue as at the Record Date (as defined below), fractional entitlements to be disregarded. The principal terms of the Rights Issue are summarised as follows:

<b>Principal Terms of the Issue</b>	<b>Description</b>
Issue Price	S\$0.03 per Rights Share, payable in full upon acceptance and/or application.
Discount (specifying benchmarks and periods)	<p>The Issue Price represents a discount of approximately:</p> <p>(a) 60.5% to the closing price of S\$0.076 per Share for trades done on the SGX-ST on 26 June 2023 (being the last trading day where there were Shares traded immediately prior to the date of this announcement); and</p> <p>(b) 43.4% to the theoretical ex-rights price of S\$0.053 per Share (calculated based on the closing price of S\$0.076 per Share for trades done on the SGX-ST on 26 June 2023, being the last trading day where there were Shares traded immediately prior to the date of this announcement).</p> <p>The Issue Price and the discount have been determined after taking into account, among others, the size of the Rights Issue, the transaction structure, fundraising needs, and the level of commitment provided under the Irrevocable Undertaking (as defined below).</p>
Allotment Ratio	The Rights Issue will be offered on a renounceable basis to Entitled Shareholders (as defined below) on the basis of one (1) Rights Share for every one (1) existing Share held by Shareholders as at the Record Date, fractional entitlements to be disregarded.
Use of Proceeds	Please refer to paragraph 5 of this announcement for details on the use of proceeds of the Rights Issue.
Purpose of Rights Issue	Please refer to paragraph 4 of this announcement for details on the purpose of the Rights Issue.

The Rights Issue shall take place as at a time and date to be determined by the Directors, at and on which the register of members of the Company and the transfer books will be closed to determine the provisional allotment of the Rights Shares of the Entitled Shareholders (as defined

herein) (the “**Record Date**”). In accordance with Rule 821 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Record Date shall only be determined after the listing and quotation notice for the dealing in, listing of and quotation for the Rights Shares on the Catalist board of the SGX-ST (the “**LQN**”) has been issued by the SGX-ST.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue, including the procedures for acceptances and applications for the Rights Shares, will be contained in the offer information statement (the “**Offer Information Statement**”), the notification containing instructions on how Entitled Shareholders and Purchasers can access the Offer Information Statement electronically (the “**OIS Notification Letter**”), and its accompanying documents to be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (“**Authority**”). The Offer Information Statement will be electronically disseminated to Entitled Shareholders and the OIS Notification Letter, together with the accompanying documents, will be despatched by the Company to the Entitled Shareholders in due course.

## 2. **PRINCIPAL TERMS OF THE RIGHTS ISSUE**

### 2.1. **Basis of Provisional Allotment**

The Rights Issue is proposed to be made on a renounceable non-underwritten basis to all Entitled Shareholders (as defined herein), on the basis of one (1) Rights Shares for every one (1) existing Share held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

### 2.2. **Authority to issue the Rights Shares**

The Rights Shares are intended to be allotted and issued pursuant to and within the limits of the general share issue mandate (the “**General Mandate**”) to issue new Shares whether by way of rights, bonus or otherwise, which was approved by Shareholders at the annual general meeting of the Company held on 25 October 2022 (the “**2022 AGM**”).

The General Mandate authorises the Directors to, *inter alia*, allot and issue Shares on a *pro rata* basis, whether by way of rights, bonus or otherwise, of up to 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2022 AGM (after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were outstanding or subsisting as at the time the General Mandate was obtained provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and any subsequent bonus issue or consolidation or subdivision of Shares).

As at the date of the 2022 AGM, the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company was 347,170,931. Accordingly, the maximum number of Shares that may be issued pursuant to the General Mandate on a *pro rata* basis is 347,170,931 Shares. As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate. Accordingly, the Company will not be required to seek approval from Shareholders for the issuance of the Rights Shares as the maximum number of 347,170,931 Rights Shares is within the limit of the General Mandate.

### 2.3. **Irrevocable Undertaking**

To demonstrate their commitment and vote of confidence in the Company and the Rights Issue, each of ADD Investment Holding Pte. Ltd., Ng Cheng Lian, Koh Thong Huat, Foo Joon Lye (the “**Undertaking Shareholders**”) have each given the relevant irrevocable undertaking (the “**Irrevocable Undertakings**”) to the Company, among others, subject to them not being placed in a position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and mergers (the “**Takeover Code**”), within such time and date to be informed by the Company to them (to the extent permitted by the SGX-ST, the CDP or any relevant authority), to subscribe and pay for (or procure subscription and payment for) in full at the Issue

Price, the whole of their pro rata entitlement to the Rights Shares under the Rights Issue (the “**Undertaken Rights Shares**”) in accordance with the terms and conditions of the Rights Issue and not later than the last time and date for acceptance of and payment for the Rights Shares under the Rights Issue. No commission or fee will be paid to the Undertaking Shareholders in consideration of the Irrevocable Undertakings.

As at the date of the Irrevocable Undertakings, the number of Shares held and the percentage proportion held in the Company’s issued and paid-up share capital by each of the Undertaking Shareholders is as follows:

Undertaking Shareholders	Number of Shares		
	Direct Interest	Deemed Interest	% <sup>(1)</sup>
ADD Investment Holding Pte. Ltd. <sup>(2)</sup>	79,954,406	40,000,000	34.55
Ng Cheng Lian <sup>(3)</sup>	7,682,000	119,954,406	36.76
Koh Thong Huat <sup>(3)</sup>	7,682,000	119,954,406	36.76
Foo Joon Lye <sup>(3)(4)</sup>	-	127,636,406	36.76

**Notes:**

- (1) Based on the Existing Issued Share Capital (as defined below) as at the date of this announcement, comprising 347,170,931 Shares (excluding treasury shares and subsidiary holdings) and rounded to two (2) decimal place.
- (2) ADD Investment Holding Pte. Ltd. is deemed to be interested in 40,000,000 shares in the capital of the Company held by Citibank Nominees Singapore Pte Ltd as its nominee.
- (3) Ng Cheng Lian, Koh Thong Huat and Foo Joon Lye hold the total issued share capital of ADD Investment Holding Pte. Ltd. in equal proportion. Each of them is therefore deemed to be interested in all the shares in the capital of the Company held by ADD Investment Holding Pte. Ltd. under Section 7 of the Companies Act 1967.
- (4) Foo Joon Lye is deemed to be interested in 7,682,000 shares in the capital of the Company held by Citibank Nominees Singapore Pte Ltd as his nominee.

In addition to the above, each of the Undertaking Shareholders has undertaken to ensure that none of the Shares in which he/it currently has an interest, are sold, transferred or otherwise disposed of during the period between the date of the Irrevocable Undertaking and the date of issue of the Rights Shares without the prior written consent of the Company.

Each of the Undertaking Shareholders will be providing a confirmation of financial resources from the relevant financial institutions in connection with its Irrevocable Undertaking to the Company in due course.

The Irrevocable Undertakings will be conditional upon, among others, the receipt of the LQN from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Catalist board of the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company.

*Resultant Shareholdings based on the Minimum Subscription Scenario and Maximum Subscription Scenario*

Assuming that all Shareholders subscribe for their respective pro rata entitlements to Rights Shares under the Rights Issue (the “**Maximum Subscription Scenario**”), the aggregate voting rights of the Undertaking Shareholders after the close of the Rights Issue will remain unchanged at approximately 41.19% of the Company’s aggregate voting rights (based on the enlarged share capital of the Company after the Rights Issue).

Assuming that (a) none of the Shareholders except for the Undertaking Shareholders subscribes for their respective pro rata entitlements to Rights Shares under the Rights Issue; and (b) the Undertaking Shareholders subscribes for its pro rata entitlement to the Rights Shares only and not any of the Excess Rights Shares pursuant to the Irrevocable Undertakings (the “**Minimum Subscription Scenario**”), the aggregate voting rights of the Undertaking Shareholders after the close of the Rights Issue will increase from approximately 41.19% as at the date of this announcement to approximately 58.35% of the Company’s aggregate voting rights of the enlarged share capital of the Company after the Rights Issue.

The Undertaking Shareholders are parties acting in concert for the purposes of the Takeover Code and the Minimum Subscription Scenario is subject to the scaling provision (more particularly described in paragraph 2.7 below) in order to avoid placing the Undertaking Shareholders in the position of incurring a mandatory general offer obligation under the Takeover Code. Accordingly, under the Minimum Subscription Scenario, subscriptions for the Rights Shares by the Undertaking Shareholders pursuant to the Irrevocable Undertakings will be scaled down to an aggregate of 5,970,510 Rights Shares, resulting in the Undertaking Shareholders collectively holding 148,970,916 Shares, representing a direct interest of approximately 42.18% of the issued Shares of the Company, and would not incur a mandatory general offer obligation under the Takeover Code regardless of the level of subscription for the Rights Issue.

#### 2.4. **Issue Size**

Based on the Company’s issued and paid-up share capital comprising 347,170,931 Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of this announcement (“**Existing Issued Share Capital**”) and assuming no new Shares are issued on or prior to the Record Date:

- (a) in the Maximum Subscription Scenario, the Company will allot and issue up to 347,170,931 Rights Shares under the Rights Issue and the issued and paid-up share capital of the Company will increase from 347,170,931 Shares to 694,341,862 (the “**Maximum Enlarged Share Capital**”); or
- (b) in the Minimum Subscription Scenario, the Company will allot and issue up to 5,970,510 Rights Shares under the Rights Issue and the issued and paid-up share capital of the Company will increase from 347,170,931 Shares to 353,141,441 (the “**Minimum Enlarged Share Capital**”).

The Company holds 1,195,659 shares in treasury and Nil subsidiary holdings as at the date of this announcement.

As at the date of this announcement, the Company has no existing warrants or other convertible securities.

#### 2.5. **Ranking of the Rights Shares**

The Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, when issued and allotted, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company’s share registrar, Tricor Barbinder Share Registration Services (the “**Share Registrar**”), or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

## 2.6. **Provisional Allotments and Excess Applications**

Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be tradable on the Catalist board of the SGX-ST over a period to be determined by the Directors in compliance with the Catalist Rules. Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors (as defined herein) only, trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares ("**Excess Rights Shares**") in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares (if any), or disposed or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, subject to applicable laws and the Catalist Rules.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Company will not make any issuance and allotment of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for Excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

## 2.7. **Scaling Down of Subscriptions**

The Takeover Code regulates the acquisition of ordinary shares of, *among others*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1.0% of the voting rights in the Company in any six (6)-month period, must extend a mandatory general offer for the remaining Shares in the Company in accordance with the provisions of the Code.

Depending on the level of subscription for the Rights Issue, the Company may, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any Shareholder (if such Shareholder chooses to subscribe for such Shareholder's *pro rata* Rights Shares entitlement and/or apply for Excess Rights Shares, including the Undertaking Shareholders) to avoid a transfer of controlling interest in the Company to such Shareholder or placing such Shareholder and/or parties acting in concert with it (as defined in the Takeover Code) in the position of incurring an obligation to make a mandatory general offer under the Takeover Code as a result of other Entitled Shareholders (as defined below) not taking up, whether partly or in full, their provisional allotments of the Rights Shares.

## 2.8. **Non-underwritten basis of the Rights Shares**

The Rights Issue will not be underwritten.

The Directors are of the opinion that there is no minimum amount that must be raised from the Rights Issue. Accordingly, the Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Irrevocable Undertakings and savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission.

The Rights Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Catalist Rules.

## 3. **RATIONALE FOR THE RIGHTS ISSUE**

Owing to the COVID-19 pandemic, the Group's operations had experienced cumulative losses over the past three years. However, with the lifting of restrictions and resumption to normalcy, the Group's revenue in the financial period ended 31 December 2022 increased by 18.6% over the previous period as business activities improved on the back of a strong order book from new contract wins. Though the Group has turned around at half-year mark, the Group expects continued pressure on its margin and its operating conditions to remain challenging as the construction industry is affected by higher cost from labour and material prices, driven by inflationary pressure, partly from the heightened geopolitical tensions, high interest rate environment and labour constraints.

Cash and cash equivalents have decreased from S\$18.6 million as at June 2022 to S\$7.6 million as at 31 December 2022, borrowings (including lease liabilities) remains at S\$46.7 million in financial period ended 31 December 2022 to fund the increase in working capital requirements.

As it is envisaged that the higher level of business activities for its main business segment will continue, the Group foresees that it would be prudent to require additional cash reserves to support the ongoing working capital requirements.

The Board had considered alternative means of fundraising, including but not limited to raising capital through third-party placements to meet the Group's working capital needs but decided against doing so as such placement would represent a significant dilution to existing Shareholders. Instead, the management believes that undertaking the Rights Issue would strengthen the financial position and capital base of the Group and also reward Shareholders who have supported the Group over the COVID-19 pandemic period, providing existing Shareholders who are confident in the future prospects of the Company with an opportunity to maintain their equity participation in the Group and participate in the future growth of the Group.

In view of the current financial circumstances and the increased cost of project financing due to interest rate increases, the Company believes that the proposed Rights Issue will strengthen the Company's balance sheet, for which a stronger financial position will provide financial flexibility for the Group for its working capital needs and also allow the Group to seize opportunities for business growth and expansion in a timely manner and as and when the opportunities arise.

## 4. **USE OF PROCEEDS FROM THE RIGHTS ISSUE**

- 4.1. The Company expects to receive net proceeds (the "**Net Proceeds**") of approximately S\$10.26 million under the Maximum Subscription Scenario and approximately S\$19,115 under the Minimum Subscription Scenario, after deducting estimated expenses of approximately S\$160,000 to be incurred in connection with the Rights Issue.
- 4.2. The Company intends to utilise the Net Proceeds under both the Maximum Subscription Scenario and the Minimum Subscription Scenario for the following purposes:

### **Maximum Subscription Scenario**

<b>Use of Net Proceeds</b>	<b>Amount (S\$'000)</b>	<b>Percentage of Net Proceeds</b>
General working capital requirements of the Group	7,180	70%
Repayment of banking facilities	3,080	30%
<b>Total</b>	<b>10,260</b>	<b>100%</b>

### **Minimum Subscription Scenario**

<b>Use of Net Proceeds</b>	<b>Amount (S\$'000)</b>	<b>Percentage of Net Proceeds</b>
General working capital requirements of the Group	13	70%
Repayment of banking facilities	6	30%
<b>Total</b>	<b>19</b>	<b>100%</b>

The above allocations are based on the Maximum Subscription Scenario and the Minimum Subscription Scenario only. In the event the Net Proceeds fall in between the Maximum Subscription Scenario and the Minimum Subscription Scenario and there are deviations to the above allocations, the Company will make the necessary announcements on the allocations when the final Net Proceeds have been determined. It is anticipated that the allocations would not deviate significantly from the above illustrations.

- 4.3. Where the Net Proceeds are used for general working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the Company's announcements and annual report. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the stated use of proceeds and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s) until such time the Net Proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 4.4. Pending the deployment of the Net Proceeds for the abovementioned purposes, such proceeds may, subject to relevant laws and regulations, be placed as deposits with banks and/or financial institutions, or invested in short-term money market instruments or debt instruments and/or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

## **5. OPINION OF DIRECTORS**

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights Issue will strengthen the financial position and capital base of the Group. The Rights Issue will also provide the Shareholders with an opportunity to participate in the growth and expansion of the Group's business and also to maintain their pro rata equity interests in the Company by accepting their pro rata entitlements to the Rights Issue, as well as applying for Excess Rights Shares at the Issue Price. For the reasons outlined in paragraph 4 above, the Directors believe the Rights Issue is in the interest of the Group.

The Directors are also of the opinion that barring any unforeseen circumstances, and after taking into account the Group's present banking facilities, cash and cash equivalents and the Net Proceeds from the Minimum Subscription Scenario, the working capital available to the Group is sufficient to meet the Group's present requirements for the next 12 months.

## 6. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

### 6.1. Eligibility to Participate

The Company proposes to provisionally allot the Rights Shares to all Shareholders who are eligible to participate in the Rights Issue on the basis of their shareholdings in the Company as at the Record Date ("**Entitled Shareholders**"). The Entitled Shareholders comprise Entitled Depositors and Entitled Scripholders (each as defined herein).

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the Offer Information Statement (through electronic dissemination, if applicable) together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be.

### 6.2. Entitled Depositors

"**Entitled Depositors**" are Shareholders with Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Record Date, provided that such Entitled Depositors have registered addresses in Singapore with CDP as at the Record Date or if they have registered addresses outside Singapore, they have provided CDP with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date.

Entitled Depositors will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Record Date.

### 6.3. Entitled Scripholders

"**Entitled Scripholders**" are Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Share Registrar, registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date, provided that such Entitled Scripholders have registered addresses in Singapore with the Company as at the Record Date or if they have registered addresses outside Singapore, they have provided the Share Registrar with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date.

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received by 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine provisional allotments of Rights Shares.

### 6.4. Foreign Shareholders

For practical reasons and to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at 5.00 p.m. (Singapore time) on the Record Date and who have not, by no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"). As Foreign Shareholders will not be entitled to participate in the Rights Issue, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore



("Foreign Purchasers"). Foreign Purchasers may not accept any "nil-paid" rights credited to their securities accounts unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nil-paid" on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be dealt with in accordance with the terms set out in the Offer Information Statement.

**SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD PROVIDE CDP OR THE SHARE REGISTRAR, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, (I) THE CENTRAL DEPOSITORY (PTE) LIMITED AT 11 NORTH BUONA VISTA DRIVE, #06-07 THE METROPOLIS TOWER 2, SINGAPORE 138589 OR (II) TRICOR BARBINDER SHARE REGISTRATION SERVICES AT 80 ROBINSON ROAD #02-00 SINGAPORE 068898, IN EACH CASE, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.**

**6.5. Supplementary Retirement Scheme ("SRS") Shareholders**

Persons who bought their Shares previously under the SRS must use monies standing to the credit of their respective SRS accounts for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares, subject to the applicable SRS rules and regulations. Such persons who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies will need to instruct their respective approved banks, where they hold their accounts under the SRS, to accept the Rights Shares and (if applicable) apply for the Excess Rights Shares on their behalf in accordance with the Offer Information Statement. Any application made directly to CDP or through automated teller machines of any participating bank appointed and named in the Offer Information Statement by such Entitled Shareholders will be rejected. For the avoidance of doubt, monies in SRS accounts may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Such Entitled Shareholders should refer to the Offer Information Statement to be lodged with the SGX-ST acting as an agent on behalf of the Authority for important details relating to the offer procedure in connection with the Rights Issue.

**7. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT**

The provisional allotments of Rights Shares as well as the Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products Regulations 2018)) and Excluded Investment Products (as defined in the Authority's Notice on the Sale of Investment Products (Notice No.: SFA 04-N12) and the Authority's Notice on Recommendations on Investment Products (Notice No.: FAA-N16)).

**8. PRIOR EQUITY FUNDRAISING**

The Company has not undertaken any previous equity fund raising in the past 12 months.

**9. APPROVALS**

9.1. Shareholders should note that the Rights Issue is subject to, *inter alia*, the following conditions:

- (a) the receipt of the LQN from the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
  - (b) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights issue, with the SGX-ST acting as agent on behalf of the Authority; and
  - (c) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue being obtained and not having been revoked or amended before the last time and date for acceptance of and/or excess application and payment and renunciation of the Rights Shares, under the Rights Issue.
- 9.2. An application will be made by the Company, through its Sponsor, to the SGX-ST for the listing and quotation for the Rights Shares on the Catalist board of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the LQN from the SGX-ST.
- 9.3. The Record Date will also be fixed in due course after obtaining the LQN from the SGX-ST, for which an announcement on the Record Date will be separately made by the Company in due course.

## **10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Mr. Soh Chun Bin, Independent Director of the Company, is the founder and managing director of Icon Law LLC (member of the ZICO Law Network), the legal advisers to the Company in connection with the Rights Issue.

Save as disclosed in this announcement and save for their interests arising by way of their respective shareholding interest in the Company and/or directorships in the Group, as the case may be, none of the Directors nor, to the best of the Directors' knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the transactions contemplated in this announcement.

## **11. FURTHER ANNOUNCEMENTS**

The Company will make the appropriate announcement(s) as and when required and/or material developments arise in respect of the Rights Issue

## **12. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully and where in doubt as to the action they should take, they should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional adviser(s) immediately.

## **13. 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 Rights Issue, 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.

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

Anthony Koh Thong Huat  
Executive Director and Chief Executive Officer  
26 June 2023

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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*