

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

– RESULTS OF THE RIGHTS ISSUE

1. INTRODUCTION

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 26 June 2023, 17 July 2023, 19 July 2023 and 27 July 2023 (the “**Previous Announcements**”) and the Offer Information Statement dated 27 July 2023 (the “**Offer Information Statement**”) in relation to the 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 held by shareholders of the Company who are eligible to participate in the Rights Issue as at the Record Date, fractional entitlements to be disregarded.

Unless otherwise defined, all capitalized terms used in this announcement shall be the same meanings ascribed to them in the Previous Announcements and the Offer Information Statement.

2. RESULTS OF THE RIGHTS ISSUE

2.1. Level of subscription

The Board wishes to announce that based on the total number of 347,170,931 issued Shares (excluding treasury shares and subsidiary holdings) as at the Record Date, a total of 347,170,931 Rights Shares were available for subscription under the Rights Issue.

As at the close of the Rights Issue on 16 August 2023 (the “**Closing Date**”), valid acceptances (“**Valid Acceptances**”) and valid excess applications (“**Valid Excess Applications**”) for a total of 553,164,623 Rights Shares (inclusive of the Rights Shares accepted by the Undertaking Shareholders pursuant to the Irrevocable Undertakings). This represents approximately 159.33% of the 347,170,931 Rights Shares available for subscription under the Rights Issue were received.

Details of the Valid Acceptances and Valid Excess Applications for the Rights Shares received are as follows:

	Number of Rights Shares	As a percentage of the total number of Rights Shares available for subscription under the Rights Issue
Valid Acceptances	314,141,917	90.49%
Valid Excess Applications	239,022,706	68.85%
Total	553,164,623	159.33%

2.2. Application for the Excess Rights Shares

A total of 239,022,706 Rights Shares (including entitlements to Rights Shares which would have had accrued to Foreign Shareholders, if any, and fractional entitlements which were disregarded in arriving at the Entitled Shareholders' entitlements to the Rights Shares) were not taken up by Entitled Shareholders and/or their Renounees pursuant to the Rights Issue, will be allocated to satisfy the Valid Excess Applications. In compliance with the Company's obligations under the Catalist Rules, in the allotment of the Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and the 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 representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares. The Company will not make any allotment and issuance 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.

2.3. Allotment and Issue of the Rights Shares

CDP will send Entitled Depositors, Purchasers and Entitled Scripholders and their Renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL) with Valid Acceptances and (if applicable) successful applications for the Excess Rights Shares, by ordinary post, at their own risk, to their respective mailing addresses in Singapore as maintained with CDP, a notification letter stating the number of Rights Shares credited to their Securities Account.

In the case of the Entitled Scripholders and their Renounees with Valid Acceptances and successful applications of the Excess Rights Shares and who have failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form in the PAL, share certificate(s) representing such number of Rights Shares will be sent by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar.

2.4. Nil-Paid Rights of Foreign Shareholders

None of the "nil-paid" Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders have been sold on the Catalist. As such, there are no proceeds from the sale of such "nil-paid" Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders.

3. IRREVOCABLE UNDERTAKINGS

Pursuant to the Irrevocable Undertakings, the Undertaking Shareholders namely, ADD Investment Holding Pte. Ltd., Ng Cheng Lian, Koh Thong Huat, and Foo Joon Lye, have subscribed in full for their pro rata entitlement to the Rights Shares under the Rights Issue in relation to Shares held by it as at the Record Date. Based on the final results of the Rights Issue, 143,000,406 Rights Shares will be issued to the Undertaking Shareholders in the following manner.

Undertaking Shareholders	Number of Rights Shares	
	Direct Interest	Deemed Interest
ADD Investment Holding Pte. Ltd. ⁽¹⁾	79,954,406	40,000,000
Ng Cheng Lian ⁽²⁾⁽³⁾	-	127,636,406
Koh Thong Huat ⁽²⁾⁽⁴⁾	-	127,636,406
Foo Joon Lye ⁽²⁾⁽⁵⁾	-	127,636,406

Notes:

- (1) 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.
- (2) 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.
- (3) Ng Cheng Lian 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.
- (4) Koh Thong Huat 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.
- (5) 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.

4. INVALID OR UNSUCCESSFUL ACCEPTANCES AND EXCESS APPLICATIONS

Where any acceptance of the Rights Shares and/or (if applicable) application for the Excess Rights Shares is invalid or unsuccessful, in part or in whole, the amount paid on such acceptance or application, or the surplus application monies, as the case may be, will be refunded to the relevant applicant without interest or any share of revenue or other benefit arising therefrom within three (3) Business Days after the commencement of trading of the Rights Shares by any one or a combination of the following:

- (a) where the acceptance and/or application had been made through Electronic Application through an ATM of the Participating Banks or an Accepted Electronic Service, by crediting the relevant applicant's bank account with the relevant Participating Bank at the relevant applicant's own risk, the receipt by such bank being a good discharge to each of the Company and CDP of their obligations;
- (b) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent by ordinary post at the relevant applicant's own risk to the relevant applicant's mailing address as recorded with the Share Registrar; and/or
- (c) where the acceptance and/or application had been made through CDP, by crediting the relevant applicant's bank account via CDP's Direct Crediting Service or in the case where refunds are to be made to Depository Agents or Member Companies, by means of telegraphic transfer. In the event that an applicant is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and credited to his Cash Ledger and subject to the same terms and conditions as Cash Distributions under CDP's "Terms & Conditions for Operation of Securities Account with The Central Depository (Pte) Limited" ("**Member Company**", "**Cash Ledger**" and "**Cash Distributions**" are as defined therein) (such retention by CDP being a good discharge of the obligations of each of the Company and the Manager).

5. NET PROCEEDS FROM THE RIGHTS ISSUE

After deducting estimated costs and expenses of approximately S\$160,000 incurred in connection with the Rights Issue, the Company has raised Net Proceeds of approximately S\$10.26 million from the Rights Issue. The Company intends to utilise the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$'000)	Percentage of Net Proceeds
General working capital requirements of the Group	7,180	70%

Repayment of banking facilities	3,080	30%
Total Rights Issue Net Proceeds	10,260	100%

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.

Pending the deployment of the Net Proceeds for the use(s) mentioned above, the proceeds may be placed as deposits with financial institutions, or invested in short-term money market or debt instruments, or for any other purposes on a short-term basis as the Directors may deem fit in the interests of the Group.

6. ISSUE AND LISTING OF THE RIGHTS SHARES

The Company expects the 347,170,931 Rights Shares to be allotted and issued on or about 22 August 2023. The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

Following the allotment and issuance of the 347,170,931 Rights Shares, the number of issued and paid-up Shares in the capital of the Company has increased from 347,170,931 Shares to 694,341,862 Shares.

The Rights Shares are expected to be listed and quoted on Catalist with effect from 9.00 a.m. on 24 August 2023. Further announcement(s) on the listing of and quotation for the Rights Shares will be made by the Company in due course.

The Board wishes to take this opportunity to thank all Shareholders for their support for the Company by participating in the Rights Issue and enabling the successful completion of the Rights Issue.

BY ORDER OF THE BOARD ISOTEAM LTD.

Anthony Koh Thong Huat
Executive Director and Chief Executive Officer
21 August 2023

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.

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