



(Registration No. 199202071D)

(Incorporated in the Republic of Singapore on 22 April 1992)

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**ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL OF SINGAPORE  
EXCHANGE SECURITIES TRADING LIMITED**

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Pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), the Board of Directors (the “**Board**”) of Serial System Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) wishes to announce the following transactions that occurred during financial year ended 31 December 2021 and financial year ending 31 December 2022:

**(1) CHANGE OF INTEREST IN AN ASSOCIATED COMPANY**

The Group’s equity interest in associated company, Stars Tea & Coffee Asia Pte. Ltd. (“**Stars Tea**”) was diluted from 30.56% to 29.64% following the issue of 50,000 new ordinary shares to an employee of Stars Tea for a cash consideration of S\$50,000 (US\$38,000) on 15 February 2021. The Group recorded a gain on dilution of US\$9,000. Derek Goh Bak Heng’s (Group CEO and Substantial Shareholder of the Company) equity interest in Stars Tea was also diluted from 31.91% to 30.94%.

The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

Except as disclosed above, none of the Directors and to the best of the Directors’ knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

**(2) INVESTMENT IN AN ASSOCIATED COMPANY**

The Group’s wholly owned subsidiary, Serial System International Pte. Ltd. has acquired a 3.32% equity interest in Otsaw Technology Solutions Pte. Ltd. (“**OTS**”) via a purchase of 21,887 new ordinary shares for cash consideration of S\$199,000 (US\$149,000) on 1 March 2021. The unaudited net liabilities of OTS at the date of acquisition is approximately S\$377,000 (US\$283,000). The consideration is arrived at on a willing buyer, willing seller basis, taking into account, inter alia, the business and operations, and future prospect of OTS. OTS is a subsidiary of Otsaw Digital Pte Ltd which is a 19.9% owned associated company of the Group. Goh Si Hui Victoria, daughter of Derek Goh Bak Heng, Group CEO and Substantial Shareholder of the Company has acquired a 0.85% equity interest in OTS for cash consideration of S\$51,000 (US\$38,000) on 1 March 2021.

The principal activity of OTS is investment holding in entities that provide security services and manage commercial and industrial estate.

The investment of S\$199,000 (US\$149,000) was funded through internal resources. The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

Except as disclosed above, none of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

### **(3) CLOSURE OF A SUBSIDIARY**

The Group has deregistered its wholly owned subsidiary, Achieva Technology Australia Pty Ltd ("**ATPY**") on 11 August 2021. The Group recognised a net gain of US\$74,000 on the closure of ATPY.

The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

### **(4) INCORPORATION OF A SUBSIDIARY**

The Group's wholly owned subsidiary, Contract Sterilization Services Pte. Ltd. has acquired a 75% equity interest in a newly incorporated Singapore company, CSS Medisys Pte. Ltd. ("**CSS Medisys**") on 1 September 2021.

The issued and paid-up capital of CSS Medisys is S\$300,000 (US\$223,000) comprising 300,000 ordinary shares at S\$1 each. 75% equity interest comprising 225,000 ordinary shares amounting to S\$225,000 (US\$167,000) is held by Contract Sterilization Services Pte. Ltd. , and the remaining 25% equity interest comprising 75,000 ordinary shares amounting to S\$75,000 (US\$56,000) is held by a Singapore individual, Mr. Cheong Wee Lim, Daniel.

The principal activities of CSS Medisys are manufacturing of medical disposables and surgical supplies.

The investment of S\$225,000 (US\$167,000) was funded through internal resources. The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **(5) INVESTMENT IN A SUBSIDIARY**

The Group's 85% owned subsidiary, SB Global Ventures Pte. Ltd. ("**SB Global**") has invested a 51% equity interest in a Singapore subsidiary, Nokivi Pte. Ltd. ("**Nokivi**") via the purchase of 510 ordinary shares of Nokivi at a consideration of S\$51 (US\$38) from a Swedish Company, Siccona AB, on 1 September 2021. The net assets of Nokivi based on the unaudited management accounts as at 31 August 2021 were S\$14,000 (US\$10,000). The consideration is arrived at on a willing buyer, willing seller basis, taking into account, inter alia, the business and operations, and future prospect of Nokivi. Another 39% equity interests in Nokivi were invested by three (3) other corporations, namely Malaysia incorporated, Sunfresh Fruit Hub Sdn Bhd for 10%, Singapore incorporated FVC-Nokivifoods Pte. Ltd. for 19% and Sweden incorporated, Nokivi AB for 10%, amounting to S\$10 (US\$7), S\$19 (US\$14) and S\$10 (US\$7) respectively.

The principal activities of Nokivi are research and experimental development on biotechnology, life and medical science and trading and distribution of scientifically proven healthy food products.

On 1 September 2021, Nokivi increased its issued and paid up share capital from S\$100 (US\$74), comprising 1,000 ordinary shares to S\$100,000 (US\$74,000), comprising 1,000,000 ordinary shares, pursuant to the issuance of 999,000 new ordinary shares. SB Global subscribed to its full entitlement of 509,490 ordinary shares issued by Nokivi. The consideration of S\$51,000 (US\$38,000) was funded through internal resources. The balance of 489,510 new ordinary shares were fully subscribed by the 49% non-controlling shareholders of Nokivi.

The Group has an effective equity interest of 43.4% in Nokivi before and after the new shares issue.

The transactions have no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **(6) CLOSURE OF A SUBSIDIARY**

The Group has deregistered its 91% owned subsidiary, Serial Automotive Limited ("**HKSA**") on 20 September 2021. The Group recognised a net gain of approximately US\$30,000 on the closure of HKSA.

The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **(7) CAPITAL REDUCTION OF A SUBSIDIARY**

The Group's wholly owned subsidiary, SerialTec Pte. Ltd. has undertaken a capital reduction exercise on 27 October 2021 to reduce its issued and paid up share capital from US\$27,245,787 to US\$200,000 by way of cancelling US\$27,045,787 which had been lost and unrepresented by available assets.

The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **(8) INVESTMENT IN AN ASSOCIATED COMPANY**

The Group's 85% owned subsidiary, SB Global Ventures Pte. Ltd. ("**SB Global**") has entered into a subscription agreement with Grandpointe Acquisition LLC ("**Grandpointe**"), a newly incorporated company in the United States on 29 October 2021 whereby SB Global has agreed to swap US\$1,371,000 owing from Hemp Health LLC, a limited liability company in the United States for a 30% equity interest in Grandpointe. The attributable net assets of Grandpointe based on the unaudited management accounts as at 30 September 2021 were US\$51,000. The investment in 30% equity interest in Grandpointe is arrived at on a willing buyer, willing seller basis, taking into account, inter alia, the business and operations, and future prospect of Grandpointe.

The Group has an effective equity interest in Grandpointe of 25.5% following the subscription of the 30% equity interest in Grandpointe.

The principal activities of Grandpointe are the manufacturing and retail sale of organically grown health products under the "evo hemp" brand.

The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **(9) CHANGE OF INTEREST IN AN ASSOCIATED COMPANY**

The Company's equity interest in its 19.02% owned associated company, Bull Will Co., Ltd ("**Bull Will**") was diluted from 19.02% to 18.30% following the exercise of 604,000 share options by employees of Bull Will in November 2021. The Group recorded a gain on dilution of US\$6,000.

The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **(10) CHANGE OF INTEREST IN AN ASSOCIATED COMPANY**

The Group's wholly owned subsidiary, Serial System International Pte Ltd, has disposed 1,549 ordinary shares in its associated company, Otsaw Technology Solutions Pte. Ltd. ("**OTS**") for a cash consideration of S\$124,000 (US\$92,000) to a third party on 24 November 2021.

Based on the unaudited consolidated management accounts of OTS as at 31 October 2021, the attributable net assets of the disposal was approximately S\$3,000 (US\$2,000).

The consideration was arrived at after arm's length negotiations on a "willing-buyer, willing-seller" basis between the parties. The Group recorded a gain on disposal of S\$110,000 (US\$82,000). The Group has utilised the net proceed from the disposal to fund the working capital of the Group

Following the disposal, the Group's equity interest in OTS was reduced from 3.32% to 2.82%.

The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **(11) CHANGE OF INTEREST IN AN ASSOCIATED COMPANY**

The Group's wholly owned subsidiary, Serial System International Pte. Ltd., has disposed a total of 29,865,400 shares in its associated company, PT Sentra Mitra Informatika ("**PTSMI**") from 30 November 2021 to 11 January 2022, totalling 4.17% of PTSMI in the open market of the Development Board of the Stock Exchange of Indonesia, through its broker, for a total cash consideration of IDR 13,185,601,000 (US\$924,000), excluding brokerage fees and bank charges ("**the Disposals**").

The Disposals were conducted on arms' length basis and at the prevailing average market price of IDR 442 (US\$0.042) per share. The Group recorded a gain on the Disposals of US\$306,000 in financial year ended 31 December 2021 and US\$85,000 in financial year ending 31 December 2022. The Group has utilised the net proceed from the Disposals to fund the working capital of the Group.

Following the Disposals, the Group's equity interest in PTSMI was reduced from 20.00% to 15.83%.

The transaction has no material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021 and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ending 31 December 2022.

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **(12) FINAL UTILIZATION OF PROCEED FROM THE PLACEMENT OF 9,000,000 TREASURY SHARES IN THE CAPITAL OF THE COMPANY**

On 30 November 2021, the Company had utilised the remaining net proceed of S\$192,000 (US\$142,000) to invest in a convertible loan amounting to S\$700,000 (US\$512,000) in Transwap Private Limited (“**TranSwap**”), a Singapore incorporated fintech company, pursuant to a convertible loan agreement dated 30 November 2021. The balance investment amount of S\$508,000 (US\$370,000) was funded through internal resources.

TranSwap operates a cross-border payment platform for businesses and everyday people who seek to make payments overseas while reducing forex costs and complexity. The investment is part of the corporate strategy of the Company for long term growth to provide shareholders with diversified returns. In light of the scope of TranSwap’s businesses in fintech, the Board of the Company believes that the investment in an innovative technology startup may provide new market opportunities and enhance shareholder value of the Company.

As at the date of this announcement, the Company has fully utilized the S\$1,350,000 (US\$997,000) from the placement and the utilization of the net proceed is in line with the intended use as set out in the Announcement on SGXNET on 12 July 2021 .

## **(13) INVESTMENT IN A SUBSIDIARY**

The Company’s wholly owned subsidiary, SSTW Technology Pte. Ltd. (“**SSTW**”) (previously known as UniSerial Electronics Pte. Ltd.), has invested a 100% equity interest in a Taiwan subsidiary, Serial Microelectronics Information Limited (“**SMI**”) via the acquisition of 1,500,000 ordinary shares of SMI at a consideration of NTD1,500,000 (US\$54,000) from a Taiwanese individual, Cheng Hao Chang on 23 December 2021. The net assets of SMI based on its unaudited management accounts as at 30 November 2021 were NTD 1,501,000 (US\$54,000).

The principal activities of SMI are the distribution of electronic and electrical components and provision of technical support services.

The investment was funded through internal resources. The transaction has no impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2021.

None of the Directors and to the best of the Directors’ knowledge, none of the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the transaction, save in respect of their respective shareholdings (if any) in the Company.

## **BY ORDER OF THE BOARD**

Derek Goh Bak Heng  
Group CEO  
23 February 2022