



(Company Registration No.: 199202071D)
(Incorporated in the Republic of Singapore on 22 April 1992)

THE PROPOSED DISPOSAL BY THE GROUP OF THE ENTIRE SHAREHOLDING INTEREST IN ACHIEVA TECHNOLOGY SDN. BHD. – AMENDMENTS TO THE SPA

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of Serial System Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") refers to:
- (i) the Company's announcement made on 2 September 2022 (the "**Disposal Announcement**") in respect of the SPA entered into by SIFE and the Purchaser; and
 - (ii) the Company's announcement made on 17 November 2022 in respect of the Company's consultations with the SGX-ST and the requirement for shareholders' approval of the Proposed Disposal.
- 1.2 Capitalised terms not defined in this announcement have the meanings set out in the Disposal Announcement.
- 1.3 The Board wishes to announce that SIFE has on 3 April 2023, in respect of the SPA, entered into an amendment letter (the "**Amendment Letter**") with the Purchaser to modify, amend and vary certain terms and conditions of the SPA. Saved as amended by the Amendment Letter, all other terms and conditions of the SPA remain in full force and effect.

2. RATIONALE

In the course of preparation for the Proposed Disposal and to facilitate (a) the resolution of any potential conflicts of interest between the Purchaser and the Group; and (b) SIFE's application for the SIC waiver (as set out in Section 3.3(i) of the Disposal Announcement), amongst others, the Board wishes to update the Company's shareholders that the parties to the SPA have now agreed on:

- (i) the final amounts of the Purchaser Ascribed Value and the Sale Shares Consideration, being S\$5.5 million and S\$27.0 million respectively;

- (ii) the manner in which the Group will transfer its Business in Thailand (the "**Thai Business**") to the Purchaser in order to resolve the conflict of interest situation at Completion, being that SIFE will, on Completion, transfer the shares in the Target Thai Company to the Purchaser. Accordingly, and for avoidance of doubt, the subject of the Proposed Disposal shall be for (a) 100% shareholding interest in Achieva Technology Sdn. Bhd. (the "**Target Company**"), and (b) 49% shareholding interest in the Target Thai Company; and
- (iii) including the Thai Business in the Purchaser's Independent Valuation such that the Purchaser's Independent Valuation will cover both the Target Company's business as well as the Thai Business to be transferred to the Purchaser on Completion, in order to facilitate the Purchaser's compliance with the applicable requirements under Chapter 10 of the Catalist Rules.

3. MODIFICATIONS, AMENDMENTS AND VARIATIONS TO THE SPA

Pursuant to the Amendment Letter, the material modifications, amendments and variations to the SPA are as follows:

(i) Amendments to the Issue Price

The existing definition of Issue Price in the SPA (as set out in Section 3.2 of the Disposal Announcement) shall be replaced with the following:

"Issue Price" shall be determined based on the following formula:-

$$\text{Issue Price} = \frac{\text{Purchaser Ascribed Value}}{\text{Total Number of Shares}}$$

- (a) *"Purchaser Ascribed Value" means S\$5,500,000 being the ascribed value of the Purchaser as agreed between the Parties; and*
- (b) *"Total Number of Shares" means the total number of Shares in issue immediately preceding the Completion Date, subject to adjustment in the event of a Share Consolidation.*

(ii) Amendments to the definition of Sale Shares

The existing definition of "Sale Shares" in the SPA (as set out in Section 1.1 of the Disposal Announcement) shall be amended, such that "Sale Shares" shall mean (i) all of the ordinary shares in the Target Company and (ii) such number of ordinary shares representing 49.0% of the share capital of the Target Thai Company.

(iii) Amendments to the definition of Sale Shares Consideration

The Sale Shares Consideration be fixed at S\$27,000,000, in place of the definition set out in Section 3.1 of the Disposal Announcement.

(iv) Amendments to the Condition Precedent relating to the Independent Valuation

The Condition Precedent set out in Section 3.3(h) of the Disposal Announcement be replaced with the following:

Independent Valuation: the Purchaser having obtained at its own cost and expense an independent valuation report in respect of the valuation of the Target Group Companies, the Business and/or any real property owned by a Target Group Company (if required) (the "**Independent Valuation**") and the valuation as ascribed by the Independent Valuation not being less than the Sale Shares Consideration.

4. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA and the Amendment Letter will be made available for inspection during normal business hours at the registered office of the Company at 8 Ubi View #05-01 Serial System Building Singapore 408554 for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Derek Goh Bak Heng
Group Chief Executive Officer
3 April 2023