



SERIAL SYSTEM LTD

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

(Registration No. 199202071D)

(the “**Company**”)

PLACEMENT OF AN AGGREGATE OF 9,000,000 TREASURY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

The board of directors (the “**Board**”) of Serial System Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 12 July 2021, placed out an aggregate of 9,000,000 treasury shares in the capital of the Company (“**Placement Shares**”), at a placement price of S\$0.15 (“**Placement Price**”) for each Placement Share (the “**Placement**”), representing approximately 1.00% of the total number of issued ordinary shares (excluding treasury shares) of the Company (“**Shares**”) as at the date of this announcement, to the placees listed under paragraph 2 below (the “**Placees**”).

2. PLACEES

Details on the Placees and the number of Placement Shares are as set out in the table below:

No.	Name of Placee	Number of Placement Shares	Rationale for the Placee’s subscription of the Placement Shares
1.	Pheim Asset Management (Asia) Pte Ltd ^(a)	2,500,000	For investment purposes
2.	Pheim Asset Management Sdn. Bhd. ^(a)	2,500,000	For investment purposes
3.	Evolve Capital Management Pte Ltd ^(b)	4,000,000	For investment purposes
	TOTAL	9,000,000	

A brief description of the Placees are as follows:

- (a) Pheim Asset Management (Asia) Pte Ltd and Pheim Asset Management Sdn. Bhd., founded in 1994 and 1995 respectively, specialize in investing in quoted securities of ASEAN markets, and the broader Asia ex-Japan region. They are one of the oldest fund management houses in the region with long standing track record, having won multiple awards across Singapore and Malaysia over the years.

- (b) Evolve Capital Management Pte Ltd is a MAS regulated fund manager with mandate to invest in growth capital opportunities across South-East Asia.

Each of the Placees has no connection (including business relationship) with the Company, its Directors and substantial shareholders and is not a person to whom the Company is prohibited from placing Shares to, as provided for under Rule 812(1) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual.

No placement agent has been appointed in relation to the Placement.

The Company was introduced to the Placees through an introducer, Evolve Capital Advisory Pte Ltd., an affiliate of Evolve Capital Management Pte Ltd. There is no referral fee for the Placement.

3. THE PLACEMENT SHARES

The 9,000,000 Placement Shares represent approximately 1.00% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement and will represent approximately 0.99% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company upon completion of the Placement.

The Placement Price represents a discount of approximately 1.3% of the weighted average price of S\$0.152 per Share of the Company for trades done for the full market day on 7 July 2021 and up to the trading halt of the Shares of the Company at 4.15 p.m. on 8 July 2021.

The Placement Shares will be allotted from the Company’s treasury shares. As at the date of this announcement, the Company has 9,946,000 treasury shares. Upon completion of the Placement, the Company’s treasury shares will be 946,000.

The Company confirms that the placement of the Placement Shares to each Placee will not transfer a controlling interest without prior approval of the Company’s shareholders in general meeting.

The Company will not be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Mainboard of the SGX-ST as the Placement Shares will be allotted from the Company’s treasury shares.

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Future Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Placement.

4. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS

The rationale for the Placement is to strengthen the capital base of the Company, and increase the Company’s public spread, which may in turn improve the level of trading liquidity of its shares.

The estimated net proceeds (excluding transaction costs which are not material) (“**Net Proceeds**”) from the Placement will amount to approximately S\$1,350,000 (approximately US\$1,004,000).

The Company intends to use the Net Proceeds from the Placement to invest in new corporate ventures in the technology space, focusing on the fintech aspect.

Pending the deployment of the proceeds, such proceeds may be placed as deposits with banks or financial institutions or invested in short-term money markets or debt instruments as the Directors may in their absolute discretion deem fit in the interests of the Company, from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and, whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's annual report. Where there is material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

As at the date of this announcement, the Company's issued and paid-up share capital (excluding treasury shares) is US\$71,912,470 comprising 895,841,914 Shares. Upon completion of the Placement, the Company's issued and paid-up share capital (excluding treasury shares) will be US\$72,578,471 comprising 904,841,914 Shares.

The Directors are of the opinion that after taking into consideration the Group's operating cash flows, present banking facilities before the Placement and the Net Proceeds after the placement, the working capital available to the Company respectively is sufficient to meet its present requirements.

5. FINANCIAL EFFECTS OF THE PLACEMENT

The financial effects of the Placement on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position or performance of the Company or the Group after completion of the Placement. The pro forma financial effects have been prepared based on the audited financial statements of the Company for the financial year ended 31 December 2020 ("FY2020").

5.1 Net Tangible Asset ("NTA") per Share

Had the Placement been completed on 31 December 2020, the Placement would have had the following financial effects on the Group's NTA per Share for FY2020:

As at 31 December 2020	Before the Placement	After the Placement
NTA (US\$'000) ⁽¹⁾	138,404	139,408 ⁽²⁾
Number of Shares	895,841,914	904,841,914
NTA per Share (US cents)	15.45	15.41

Notes:

- (1) NTA means total assets less total liabilities, non-controlling interests and intangible assets.
(2) Net proceeds of S\$1.35 million based on an exchange rate of S\$1.00 : US\$0.744.

5.2 Earnings per Share

Had the Placement been completed on 1 January 2020, the Placement would have had the following financial effect on the Group's earnings per Share for FY2020:

FY2020	Before the Placement	After the Placement
Net profit attributable to equity holders of the Company (US\$'000)	261	261 ⁽¹⁾
Weighted average number of Shares	895,841,914	904,841,914
Earnings per Share (US cents)	0.03	0.03

Note:

- (1) The Net Proceeds from the Placement exclude transaction costs which are not material.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors has any interest, direct or indirect, in the Placement. The Directors are not aware of any substantial shareholder of the Company having any interest, direct or indirect, in the Placement and has not received any notification of any interest in this transaction from any substantial shareholder.

7. 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 Placement and the Group, 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

Derek Goh Bak Heng
Executive Chairman / Group CEO

12 July 2021