



(Registration No. 199202071D)

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

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited, 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 in respect of the half year ended 30 June 2020:

(1) NOTIFICATION OF STRIKING OFF OF A SUBSIDIARY

The Group has strike off its 91% owned subsidiary, Teampal Microelectronics (Shanghai) Co., Ltd (“**TMS**”). Please refer to SGX Announcement dated 17 Febraury 2020 for more information.

(2) ACQUISITION IN PRINT IQ CO., LTD. (THAI COMPANY)

The Company’s wholly-owned Singapore subsidiary, Serial System International Pte. Ltd. (“**Serial System International**”) has acquired a 49% equity interest in a newly incorporated company in Thailand known as Print IQ Co., Ltd. (“**PIQ Thai**”).

The principal activities of PIQ Thai are managed print services and supply of printers and toners. The acquisition of PIQ Thai is for the purpose of expanding the regional coverage in the Group’s managed print services business.

The issued and paid-up capital of PIQ Thai is Thailand Baht 6,000,000 (US\$192,320) comprising 60,000 ordinary shares at Thailand Baht 100 each. Other than the 49% equity interests comprising of 29,400 ordinary shares and amounting to Thailand Baht 2,940,000 (US\$94,237) held by Serial System International, the remaining 51% equity interests are individually held by two (2) Thailand individual, Ms. Dujdeuan Saetieow and Mr. Jitpichai Chaichit, holding 30,599 ordinary shares (amounting to Thailand Baht 3,059,900 (US\$98,080) and 1 ordinary share (amounting to Thailand Baht 100 (US\$3) respectively. The total investment of Thailand Baht 2,940,000 (US\$94,237) in PIQ Thai by Serial System International will be funded through internal resources. Please refer to SGX Announcement dated 17 Febraury 2020 for more information.

(3) CAPITAL REDUCTION OF SUBSIDIARY

The Group's 51% owned Singapore subsidiary, Uniserial Electronics Pte. Ltd. ("Uniserial"), has undertaken a capital reduction exercise ("Capital Reduction") by way of cancellation of part of its issued and fully paid-up capital which has been lost and unrepresented by available assets, details of which is as follows:

Amount of Capital Reduction S\$	Share Capital before Capital Reduction S\$	Share Capital after Capital Reduction S\$
984,529	2,346,529	1,362,000

The Capital Reduction exercise is an accounting procedure that reduces the existing share capital of Uniserial to write off the accumulated losses and does not entail any outflow of cash or change of assets of Uniserial. Please refer to SGX Announcement dated 24 April 2020 for more information.

(4) DISPOSAL OF SUBSIDIARIES

The Group's 91% owned Hong Kong subsidiary, Serial Microelectronics (HK) Limited, had entered into a share purchase agreement ("SPA") with CX Technology Limited to dispose its entire 70% equity interests (the "Sale Shares") in Xuanhong Automotive Electronics Limited ("HKXH") and HKXH's wholly owned subsidiary Xuanli Automotive Electronics Co., Ltd (collectively "HKXH group"), for an aggregate cash consideration of US\$1.00 ("Consideration") (the "Disposal"). HKXH group is previously engaged in the distribution of semiconductor components focusing on automotive segment. HKXH group was primarily inactive for the financial year ended 31 December 2019 and remained inactive to the date of this announcement. The net liability of HKXH group as at 29 February 2020 amounted to approximately US\$51.00. The Group recognised an attributable net loss of approximately US\$2,000 on the Disposal. CX Technology Limited is the 30% minority shareholder of HKXH.

The Consideration was arrived at after arm's length negotiations on a "willing-buyer, willing-seller" basis, after taking into consideration, inter alia, HKXH group's inactive status and its financial position. Please refer to SGX Announcement dated 24 April 2020 for more information.

The above transactions have no material impact on the earnings per share or net tangible assets per share of the Company and the Group for the financial year ending 31 December 2020.

None of the Directors or controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the above transactions, other than through their respective shareholdings in the Company

BY ORDER OF THE BOARD

Derek Goh Bak Heng

Executive Chairman and Group CEO

11 August 2020