



SERIAL SYSTEM LTD

(the “Company”)

(Company Registration No.: 199202071D)

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

ADDITIONAL INVESTMENT IN AN ASSOCIATED COMPANY, TONG CHIANG GROUP PTE. LTD.

1. INTRODUCTION

The Board of Directors of Serial System Ltd (“the Company”) wishes to announce that the Company’s wholly-owned subsidiary, Serial System International Pte. Ltd. (“**Serial System International**”), has increased its investment in associated company, Tong Chiang Group Pte. Ltd. (“**Tong Chiang Group**”), a company principally engaged in the business of manufacturing food products and food catering in Singapore, pursuant to a shares issue totalling S\$10.3 million (US\$7.3 million) undertaken by Tong Chiang Group on 23 February 2017 to finance its expansion and acquisition.

2. CONSIDERATION

The Group has subscribed fully its entitlement of 54,335 shares of Tong Chiang Group at the subscription price of S\$40.00 (US\$28.16) per share totalling about S\$2.2 million (US\$1.5 million) (“**Consideration**”). Mr. Derek Goh Bak Heng, Executive Chairman and Group CEO and a 39.64% substantial shareholder of the Company (“**Derek Goh**”) has also subscribed for his full entitlement of 6,468 shares totaling about S\$0.3 million (US\$0.2 million). The other existing shareholders of Tong Chiang Group have subscribed fully to their entitlement for the balance of 197,935 shares amounting to about S\$7.9 million (US\$5.6 million).

The subscription price per share was arrived at taking into consideration the net assets per share of Tong Chiang Group and the future prospects of Tong Chiang Group. As at 31 December 2016, the attributable net assets based on the unaudited management accounts of Tong Chiang Group amounted to S\$5.2 million (US\$3.7 million).

The Group and Mr Derek Goh’s shareholdings in Tong Chiang Group remained at 21% and 2.5% respectively, before and after the above shares subscription.

The Consideration was funded through internal resources and is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company for the current financial year ending 31 December 2017.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this Announcement, 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 transaction, other than through their respective shareholdings in the Company.

4. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement will be made available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Derek Goh Bak Heng
Executive Chairman/ Group CEO

24 February 2017