(Company Registration No.: LL12218)
(Incorporated in in Labuan, Malaysia on 21 August 2015)

ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2025
RESPONSE TO QUESTIONS FROM SIAS

The Board of Directors (the "**Board**") of Serial Achieva Limited (the "**Company**") refers to:

a) the annual report of the Company for the financial year ended 31 December 2024; and

b) the notice of annual general meeting ("**AGM**") issued on 14 April 2025 informing shareholders that the Company's AGM will be convened and held through a physical meeting on Tuesday, 29 April 2025 at 11.00 am.

The announcement sets out the Company's response to questions received from the Securities Investors Association (Singapore) ("**SIAS**").

Q1. The company was listed on the Catalist board of the Singapore Exchange on 14 June 2024 via a reverse takeover of Axington Inc.

For the financial year ended 31 December 2024, the group reported revenue of US$79.5 million, up from US$42.8 million in the previous year. However, gross profit rose only marginally from US$1.46 million to US$1.64 million, with gross margin falling from 3.4% to 2.1%.

(i) Given the structurally low gross margins, can management clarify the group's value proposition in the supply chain? To what extent does the group perform value-added services, or is it competing primarily on price?

While our industry is characterised by structurally low gross margins, Serial Achieva delivers value to customers through a comprehensive, one-stop solution. Although pricing remains a competitive factor, our broad product portfolio enables us to offer attractive bundled pricing that many competitors cannot match. For example, we carry both major CPU brands as well as 3 out of the 4 leading motherboard brands, giving us the flexibility to tailor bundled solutions that deliver cost-efficiency and convenience for our partners.

Beyond product offerings, we also provide value-added services. Our sales team maintains close, daily engagement with customers, assisting them in inventory management and procurement planning. By gaining visibility into their current stock levels, we are able to make informed recommendations and help optimise their purchasing decisions. These services enhance operational efficiency for our partners and deepen long-term business relationships.

(ii) Is the group an exclusive or authorised distributor for any of the brands it carries? If not, how does it differentiate itself from other distributors or parallel importers?

We are not an exclusive or sole distributor for any of the brands we carry. However, it is important to note that exclusivity does not necessarily equate to higher pricing power or margins. In our industry, selling prices are often influenced or controlled by the suppliers, and there is always competition from other brands offering similar products.

Being a sole distributor also comes with its own set of challenges, particularly the burden of inventory risk. Sole distributors typically bear full responsibility for inventories from the suppliers, which can lead to aging inventories and put pressure on working capital and cash flow.

What differentiates Serial Achieva is our ability to provide value beyond pricing. One of the initiatives we are currently working on is the establishment of our own service and repair centre. This will allow us to enhance after-sales support for our customers and improve turnaround times for product servicing and repairs. It also strengthens our collaboration with suppliers by helping them manage warranty processes more efficiently.

(iii) What sustainable competitive advantages does the group possess within its distribution model?

Please refer to our responses to Q1 (i) and (ii).

The net operating loss for FY2024 was US$(1.4) million, compared to US$(0.4) million in the previous year. This was due to higher foreign exchange loss (US$685,000), allowances for inventory obsolescence (US$147,000) and corporate office costs.
As a result of the US$(6.1) million losses for the year, the group's equity stood at US$4.4 million as at 31 December 2024.

(iv) What specific operational and strategic priorities has management set for FY2025 to achieve a turnaround?

For FY2025, management has identified several key operational and strategic priorities aimed at achieving a turnaround and strengthening the group's financial position.

On the operational front, we are focused on improving gross margins through better product mix and pricing strategies. At the same time, we are undertaking a cost rationalisation exercise, with targeted efforts across human resources, logistics, financing costs, and foreign exchange risk management. This includes optimising workforce efficiency, reviewing supplier arrangements, and exploring hedging strategies to reduce currency exposure.

Strategically, we are actively exploring opportunities to expand our product lines and enter new markets through potential joint ventures and partnerships that can enhance our distribution capabilities, improve service offerings, and create new revenue streams.

Q2. The group has announced a strategic shift from a consumer-focused business model to an enterprise-centric approach. As highlighted in the chairman's message, this pivot includes expanding the product portfolio and growing into new Southeast Asian markets via strategic alliances, mergers, and acquisitions.

(i) What level of commercial due diligence was conducted before committing to the enterprise segment? What is the total addressable market (TAM) and gross margin expectations for the enterprise segment versus the consumer business?

Prior to committing to the enterprise segment, Serial Achieva conducted comprehensive commercial due diligence. This included in-depth market research, engagement with key suppliers, and consultations with prospective enterprise customers to assess demand, product fit, and service requirements. We view this transition as a natural evolution of our business, building upon our established capabilities and relationships in the consumer IT space.

The Total Addressable Market (TAM) for the enterprise segment is significantly larger, particularly in sectors such as healthcare, finance, education, and logistics, where digital transformation is accelerating across Southeast Asia. Importantly, enterprise products and solutions typically command higher gross margins compared to consumer products, due to their complexity, value-added services, and longer sales cycles supported by contractual arrangements.

This strategic pivot is designed to diversify our revenue streams, reduce margin pressure, and position Serial Achieva for long-term growth. We are actively pursuing strategic alliances, mergers, and acquisitions to accelerate our entry into these high-potential markets and will provide stakeholders with updates as key milestones are achieved.

(ii) Has the board evaluated the capital intensity and risk-return profile of this pivot?

(iii) What is the market entry strategy? If via M&A, is the target search process supported by professional advisers?

Yes, the Board has carefully evaluated the capital intensity and risk-return profile of the group's strategic pivot into the enterprise segment. Recognising that enterprise IT solutions often require greater investment in systems integration, technical expertise, and customer support, the company has adopted a measured approach-focusing on strategic alliances and selective acquisitions rather than building everything in-house.

To support our market entry, we are actively exploring partnerships and acquisition opportunities across Southeast Asia. This process is supported by internal commercial evaluations as well as external professional advisers, including legal and financial consultants if deemed necessary, to ensure alignment with our long-term strategy and to manage associated risks effectively.

(iv) What is the collective experience and domain expertise of the independent directors in enterprise IT and technology distribution? How do they ensure they are adding value to board-level strategy discussions?

Our independent directors collectively bring a wealth of experience and domain knowledge across various fields, including corporate finance, distribution, strategic planning, corporate governance, and risk management. While their backgrounds are not exclusively in enterprise IT, their experiences in managing businesses through various market cycles enables them to offer valuable perspectives on business transformation, risk management, and sustainable growth.

They actively contribute to board-level strategy discussions by leveraging their diverse professional experience to challenge assumptions, ensure robust risk oversight, and guide the company through complex decisions—particularly in areas such as capital allocation, mergers and acquisitions, and expansion planning. This diversity of thought ensures that strategic initiatives, including the pivot to enterprise IT, are approached with rigour and aligned with shareholder interests.

Q3. On 17 September 2024, the company incorporated Achieva Tech Allianz Pte. Ltd. ("ATA") as a majority-owned subsidiary (55% stake), in partnership with A-Speed Infotech Pte. Ltd. ("ASP"). The joint venture aimed to deepen the group's exposure to high-performance computing and AI-driven solutions, enabling the delivery of next-generation enterprise technology offerings.

(i) How was ASP introduced to the group?

(ii) What was the scope and depth of due diligence undertaken on ASP and its principals prior to entering the shareholders' agreement? What were the findings?

A-Speed Infotech Pte. Ltd. (ASP) was introduced to Serial Achieva through one of our shareholders. This connection facilitated an opportunity to explore a strategic joint venture aligned with our expansion into high-performance computing and AI-driven enterprise solutions.

Prior to entering the shareholders' agreement, the company conducted due diligence on ASP, including a review of its business profile, technical capabilities and market credentials. ASP's track record in AI GPU solutions, data centre infrastructure, and supplier relationships-particularly its status as one of the earliest NVIDIA-certified partners in Southeast Asia-was a key consideration. These credentials supported the initial assessment of ASP's expertise and potential to contribute to the joint venture's objectives.

However, on 28 February 2025, the group terminated the shareholders' agreement with ASP after Singapore authorities filed criminal charges against Mr. Alan Wei Zhaolun, a director of ASP, for conspiracy to commit fraud in relation to a supplier of servers.

Previously, on 3 January 2025, ATA announced a US$15.62 million contract1 to supply GPU HGX servers for a new AI training cluster.

(iii) Was the US$15.62 million server contract fulfilled as agreed?

Fulfilment of the US$15.62 million GPU server contact is currently in process. To date, deliveries amounting to US$13.02 million has been completed. We are working closely with both our supplier and the customer to complete the remaining deliveries in accordance with the contractual terms.

(iv) Following the termination of the shareholders' agreement, what is the current legal and operational status of ATA?

Achieva Tech Allianz Pte. Ltd. (ATA) remains an operational entity at this time. We are working with relevant stakeholders to ensure that all contractual obligations are met. Upon completion of these obligations, the Company intends to place ATA into voluntary liquidation, in line with best practices for winding down joint ventures under such circumstances.

(v) Does the group retain the operational ability and capacity to deliver GPU-centric solutions?

The Group retains the ability and capacity to deliver GPU centric solutions. We however note that these abilities are also subjected to continuous market evolutions of the AI GPU space as well as customers and suppliers.

BY ORDER OF THE BOARD
Sim Mong Keang Kenny
Executive Director and Chief Executive Officer
24 April 2025

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Mr. Josh Tan at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.