



SERIAL SYSTEM LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199202071D)
(the “**Company**”)

ACQUISITION OF SHARES IN PT SENTRAL MITRA INFORMATIKA

1. INTRODUCTION

- 1.1 The board of directors (“**Board**”) of Serial System Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company’s wholly-owned subsidiary, Serial System International Pte. Ltd. (“**SSIPL**”) has on 28 November 2018 acquired 143,149,940 of the issued shares (the “**Shares**”) in PT Sentral Mitra Informatika (“**PT SMI**”), representing 20.0% of PT SMI’s share capital.
- 1.2 SSIPL acquired the shares through the conversion of the convertible bonds (“**Bonds**”) issued by PT SMI to SSIPL pursuant to a Convertible Bond Subscription Agreement (“**CBSA**”) entered into between SSIPL and PT SMI (the “**Transaction**”).

2. INFORMATION ON PT SMI

- 2.1 PT SMI, a company incorporated in the Republic of Indonesia whose shares are listed on the Development Board of the Stock Exchange of Indonesia (“**IDX**”), is principally engaged in the business of providing managed print services, including the administration, maintenance and distribution of copiers and printers on a fee or contractual basis to customers (“**Business**”).

3. PRINCIPAL TERMS OF THE TRANSACTION

- 3.1 The subscription price of the Bonds is in the aggregate principal amount of IDR25,000,000,000 (US\$1,718,000), and was arrived at on a willing-buyer, willing-seller basis, taking into account, *inter alia*, the information regarding PT SMI’s business, operations, financial results and financial position, and the future prospect of PT SMI.
- 3.2 Under the CBSA, following the listing date of the shares of PT SMI on the Development Board of the IDX, the MCB shall convert into 20.0%, equivalent to 143,149,940 issued shares of PT SMI on a fully-diluted basis. The total shares of 715,749,700 of PT SMI was listed on the Development Board of the IDX on 28 November 2018. PT SMI’s market capitalization as at 28 November 2018 was IDR 306,340,871,600 (US\$21,051,000) or IDR 428 (US\$0.03) per share. As at 30 September 2018, PT SMI’s unaudited net tangible asset was IDR 71,043,490,013 (US\$4,882,000).
- 3.3 The Transaction was financed by internal funds and will not have a material impact on the net tangible assets or earnings per share of the Group for the current financial year ending 31 December 2018.

4. RATIONALE FOR THE TRANSACTION

The Board believes that the Transaction may provide additional income streams for the Group with a view to enhancing shareholders' value over the long term.

The Company is of the view that the Business is complementary to the Group's business in the distribution of consumer products in managed print services and strengthen our position with a common supplier.

The Transaction provides an avenue for PT SMI to leverage on the Group's extensive expertise in distribution, wide distribution networks and customer base, to expand and improve the business, operations and financial performance of PT SMI which will benefit the Group's financial performance.

4. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Chapter 10 of the listing manual of the SGX-ST ("**Listing manual**") governs the continuing listing obligations in respect of acquisitions and realisations. The relative figures of the Transaction using the applicable bases of comparison set out in Rule 1006 of the Listing Manual do not exceed 5%. Accordingly, the Transaction is a "non-disclosable" transaction under Chapter 10 of the Listing Manual.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors has, and to the best of the Directors' knowledge, there are no controlling shareholders of the Company who have, any interest, direct or indirect, in the Transaction, save in respect of their shareholdings (if any) in the Company.

BY ORDER OF THE BOARD

Dr Derek Goh Bak Heng

Executive Chairman and Group CEO

28 November 2018