



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

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## **PROPOSED ACQUISITION OF 70% EQUITY INTERESTS IN PRINT IQ SINGAPORE PTE. LTD.**

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### **1. INTRODUCTION**

- 1.1 The board of directors (“**Board**”) of Serial System Ltd and its subsidiaries (“**Group**”) is pleased to announce that the Company’s wholly-owned subsidiary, Serial System International Pte. Ltd. (“**SSIPL**”) has on 5<sup>th</sup> April 2017 entered into a conditional sale and purchase agreement (“**SPA**”) with Mr. Ong Chin Teng (“**Mr. Ong Chin Teng**”) to acquire 70%, of the issued and paid-up capital of Print IQ Singapore Pte. Ltd. (“**Print IQ**”) (collectively, “**Sale Shares**” and “**Proposed Acquisition**”). Mr. Goh Su Teng, a director of SSIPL, and Mr. Phillip Foster Warren, Vice President of Serial Microelectronics Pte. Ltd., a wholly-owned subsidiary of the Group, have also entered in the same SPA on the same terms and conditions to acquire 5% each of Print IQ from Mr. Ong Chin Teng.
- 1.2 Conditional upon the satisfaction (or waiver thereof) of the conditions precedent customary for transactions of such nature on or before 1<sup>st</sup> May 2017 (“**Completion Date**”) set out in the SPA, the completion of the Proposed Acquisition (“**Completion**”) shall take place on the Completion Date or such other date as the parties may mutually agree in writing.

### **2. INFORMATION ON PRINT IQ**

- 2.1 Print IQ, a private exempt company incorporated in Singapore with an issued and paid up capital of S\$200,000 (US\$143,000) is principally engaged in the business of providing managed print services, and the administration, maintenance and distribution of copiers and printers (“**Business**”).

### **3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION**

#### **3.1 Purchase Consideration**

The purchase consideration to be paid by SSIPL to Mr. Ong Chin Teng (“**Purchase Consideration**”) is approximately S\$331,000 (US\$236,700), subject to any adjustments that may arise, upon the completion of financial due diligence exercise on Print IQ. As at 28 February 2017, Print IQ’s unaudited net tangible assets were approximately S\$247,000 (US\$177,000). The Purchase Consideration was arrived at on a willing buyer, willing seller basis, taking into account, *inter alia*, the adjusted net assets, business and operations, and future prospect of Print IQ. The Purchase Consideration will be funded by internal funds and/or bank borrowings.

The Proposed Acquisition 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 2017.

On the same basis as above, Mr Goh Su Teng's and Mr Phillip Foster Warren's acquisition of the 5% issued and paid-up share capital of Print IQ, will amount to approximately S\$21,000 (US\$15,000) respectively.

### 3.2 Payment

The Purchase Consideration shall be payable by SSIPL to Mr. Ong Chin Teng as follows:

- (a) S\$225,700 (US\$161,400) to be paid on Completion Date;
- (b) S\$53,100 (US\$38,000) to be paid six months from Completion Date; and
- (c) balance of approximately S\$52,200 (US\$37,300) to be paid one year from Completion Date.

## 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 Proposed Acquisition using the applicable bases of comparison set out in Rule 1006 of the Listing Manual do not exceed 5%. Accordingly, the sale is a "non-discloseable" transaction under Chapter 10 of the Listing Manual.

## 5. RATIONALE FOR THE PROPOSED ACQUISITION

The Directors of the Company believe that the Proposed Acquisition 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 consumer products distribution business and in line with the Group's strategy to acquire companies which may capitalise on the Group's competitive strengths and extensive distribution network.

The Proposed Acquisition provides an avenue for Print IQ to leverage on the Group's extensive expertise in distribution, wide distribution networks and customer base, as well as operational synergies and economies of scale. This will in turn expand the business, operations and improve the financial performance of the Group's consumer products distribution business.

## 6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr. Goh Su Teng is a director of SSIPL and the Group's Senior Vice President of Corporate Planning, Development and Regional Marketing, with interest (including his spouse), representing 0.094% of the total issued and paid-up capital of the Company. He is also the cousin of Dr. Derek Goh Bak Heng, Executive Chairman/Group Chief Executive Officer and substantial shareholder of the Company.

Mr Goh Su Teng will be acquiring 5% of the issued and paid-up share capital of Print IQ, amounting to approximately S\$21,000 (US\$15,000).

7. **SERVICE AGREEMENTS**

No person will be appointed to the Board in connection with the Proposed Acquisition and no service contracts in relation thereto will be entered into by the Company.

8. **FUTURE ANNOUNCEMENTS**

The Company will make further announcements on the Proposed Acquisition as appropriate or when there are further developments on the same.

9. **DOCUMENTS FOR INSPECTION**

A copy of the SPA 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

**Dr. Derek Goh Bak Heng**

Executive Chairman and Group CEO

5 April 2017