



**SERIAL SYSTEM LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199202071D)

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## **DISPOSAL OF WHOLLY-OWNED SUBSIDIARY, JEL DISTRIBUTION (KAZAKHSTAN) LLP**

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The board of directors ("**Board**") of Serial System Ltd ("**Company**") and its subsidiaries ("**Group**") wishes to announce that Serial I-Tech (ME) Pte. Ltd. ("**SIME**"), a wholly owned subsidiary of the Group, have entered into a conditional sale and purchase agreement on 10 April 2017 ("**SPA**") to dispose 100% equity interest in JEL Distribution (Kazakhstan) LLP ("**JDK**"), for an aggregate cash consideration of approximately US\$450,000 (approximately S\$629,000) (the "**Consideration**") to Alma Nurseitova ("**ALMA**") and SAMAL International-F.Z.E ("**SAMAL**") (the "**Purchasers**") (the "**Disposal**"). JDK is engaged in the trading and distribution of fast-moving consumer goods.

The Consideration was arrived at after arm's length negotiations on a "willing-buyer, willing-seller" basis, after taking into consideration, inter alia, the information regarding JDK's business and operations and JDK's financial position. The value of the attributable net assets in JDK is approximately US\$419,000 based on JDK's management accounts as at 29 February 2017. The Consideration has been fully paid as at the date of this announcement.

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 Disposal 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.

The Disposal was for the purpose of aligning the Group's operations with the Group's business direction and strategy. The proceeds from the Disposal will be used for the Group's working capital requirements and/or for the repayment of the Group's bank borrowings. For financial year ended 31 December 2016, JDK generated revenue of US\$362,000 and incurred loss of US\$388,000.

The Disposal 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.

None of the Directors or controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Disposal.

### **BY ORDER OF THE BOARD**

**Derek Goh Bak Heng**

Executive Chairman and Group CEO

12 April 2017