



(Registration No. 199202071D)
(Incorporated in the Republic of Singapore on 22 April 1992)
(the “Company”)

DISPOSAL OF SHARES IN SUBSIDIARIES

The board of directors (“**Board**”) of Serial System Ltd and its subsidiaries (“**Group**”) wishes to announce that its 95.5% owned Taiwan subsidiary, Serial Microelectronics Inc. (“**SMTW**”), had entered into a share purchase agreement (“**SPA**”) with Avaloki Electronics Inc to dispose 100% equity interest (the “**Sale Shares**”) in New Chinese Corporation (“**NCC**”) and NCC’s wholly owned subsidiary, Bridge Electronics (Shenzhen) Co., Ltd (“**Bridge**”) (collectively “**NCC group**”), for an aggregate cash consideration of approximately US\$300,000 (“**Consideration**”) (the “**Disposal**”). NCC is an investment holding company whilst Bridge is engaged in the distribution of electronic and electrical components in China.

The Consideration will be received by SMTW in the following manner:

- (a) the sum of US\$100,000 on a date not later than thirty (30) days from the date of the SPA; and
- (b) the sum of US\$200,000 on a date not later than one hundred and eighty days (180) days from the date of the SPA.

Based on the unaudited consolidated management accounts of NCC group as at 30 November 2017, the net assets of the Sale Shares was approximately US\$183,000.

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 NCC group’s business and operations and its financial position.

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 will not have a material impact on the net tangible assets or earnings per share of the Group for the financial year ended 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, other than through their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Derek Goh Bak Heng
Executive Chairman and Group CEO
5 January 2018