



SERIAL SYSTEM LTD

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

BUSINESS TRANSITION AGREEMENT WITH TEXAS INSTRUMENTS

The Board of Directors (the “**Board**”) of Serial System Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement dated 2 October 2018 in relation to the notice from Texas Instruments (“**TI**”) on the cessation of distribution business (the “**TI Distribution Business**”) with Serial Microelectronics Pte. Ltd. (“**SMPL**”).

The Board wishes to announce that SMPL and TI have entered into a Business Transition Agreement (“**BTA**”) and, subject to the terms of the BTA, TI has consented to the proposed sale of the TI Distribution Business (the “**Proposed TI Business Sale**”).

Subject to the terms of the BTA, the TI Distribution Business shall be extended to 30 June 2019 to facilitate (1) an orderly winding down of SMPL’s distribution of TI products, and (2) the Proposed TI Business Sale. As a condition to the BTA, the Company has executed a corporate guarantee in favour of TI guaranteeing payment by SMPL to TI.

In accordance with the BTA, SMPL envisages that the sale and purchase agreement (“**S&P Agreement**”) relating to the Proposed TI Business Sale will be completed by the first quarter of 2019. The S&P Agreement is expected to provide for a smooth transition of all customers purchasing TI products to the purchaser within the first half of 2019.

SMPL will coordinate with TI to facilitate a smooth transition and transfer of the TI Distribution Business to the purchaser and to minimize supply chain disruptions to customers of TI products.

Shareholders should note that there is no certainty or assurance that any transaction may be consummated in connection with the sale of the TI Distribution Business. Shareholders are advised to read all further announcements by the Company carefully and to exercise caution when dealing in the shares of the Company. Shareholders are advised to consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the action they should take.

The Board will provide updates as and when there is any material development on the matter.

By Order of the Board

Dr. Derek Goh Bak Heng

Executive Chairman and Group CEO

1 November 2018