



(Registration No. 199202071D)

(Incorporated in the Republic of Singapore on 22 April 1992)
(the “Company”)

DISPOSAL OF SUBSIDIARIES

The board of directors (“**Board**”) of Serial System Ltd and its subsidiaries (“**Group**”) wishes to announce that its 91% owned Hong Kong subsidiary, Serial Microelectronics (HK) Limited, had entered into a share purchase agreement (“**SPA**”) with CX Technology Limited to dispose its entire 70% equity interests (the “**Sale Shares**”) in Xuanhong Automotive Electronics Limited (“**HKXH**”) and HKXH’s wholly owned subsidiary Xuanli Automotive Electronics Co., Ltd (collectively “**HKXH group**”), for an aggregate cash consideration of US\$1.00 (“**Consideration**”) (the “**Disposal**”). HKXH group is previously engaged in the distribution of semiconductor components focusing on automotive segment. HKXH group was primarily inactive for the financial year ended 31 December 2019 and remained inactive to the date of this announcement. The net liability of HKXH group as at 29 February 2020 amounted to approximately US\$51.00. The Group recognised an attributable net loss of approximately US\$2,000 on the Disposal. CX Technology Limited is the 30% minority shareholder of HKXH.

The Consideration was arrived at after arm’s length negotiations on a “willing-buyer, willing-seller” basis, after taking into consideration, inter alia, HKXH group’s inactive status and its financial position.

The Disposal has no material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2020.

None of the Directors or controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the above transactions, other than through their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Derek Goh Bak Heng

Executive Chairman and Group CEO

24 April 2020