



SERIAL SYSTEM LTD

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

(Registration No. 199202071D)

(the “Company”)

RESPONSE TO REQUEST FROM SGX

The Board of Directors of Serial System Ltd. (the “**Board**”) refers to the Company’s announcements dated 28 June 2018, 5 July 2018, 31 July 2018 and 12 September 2018 (the “**Taiwan Announcement(s)**”), as well as the Company’s announcements dated 13 November 2015 and 16 November 2015 (the “**MAS Announcement(s)**”) (hereinafter collectively referred to as the “**Prior Announcements**”). Unless otherwise defined herein, all capitalized terms shall have the same meaning assigned to them in the Prior Announcements.

In response to SGX’s request, the Nominating Committee (the “**NC**”) has taken into consideration the matters set out in the Prior Announcements, undertook a review and has recommended to the Board that Dr. Derek Goh’s roles and responsibilities as a member of the Board of Directors, and as the Chief Executive Officer, should continue as normal. The reasons are as follows:

- (i) Further to the MAS Announcement on 13 November 2015, wherein Dr. Derek Goh is the subject of investigation, the NC has noted that to-date, no action has been taken against Dr. Derek Goh;
- (ii) In relation to the Taiwan Investigation, the Company had announced on 5 July 2018 that Dr. Derek Goh appears to be a person under investigation, based on the contents of the first letter which Dr. Derek Goh received from the Taiwan authorities, and upon the advice of the Taiwan lawyers. Dr. Derek Goh has sought clarification from the Taiwan lawyers, and understood that it is common for parties related to matters such as that of the Taiwan Investigation to be given a status of “under investigation”. It is therefore unclear as to whether Dr. Derek Goh is the subject of investigation, or whether he is only assisting in the investigation. Furthermore, Dr. Derek Goh had, through the submission of a defense brief on 26 September 2018 by the Taiwan lawyers, requested to be interviewed through telecommunication means, but to-date, he has yet to receive any reply from the Taiwan authorities. As he has yet to attend an interview with the Taiwan authorities, he has limited information on the Taiwan Investigation. There is therefore no substantive development since the Company’s last announcement of 12 September 2018, and the NC has noted that to-date, no action has been taken against Dr. Derek Goh; and
- (iii) Based on facts presented before us, as detailed in (i) and (ii) above, and that the matters set out in the MAS Announcements and the Taiwan Announcements are at the investigative stage and no action has been taken against Dr. Derek Goh, the NC is of the view that he is suitable to serve and should continue to serve as a director and executive officer of the Company.

The Board, excluding Dr. Derek Goh has accepted the NC’s recommendation and will monitor the developments to review Dr. Derek Goh’s roles and responsibilities accordingly.

BY ORDER OF THE BOARD

Alex Wui Heck Koon

Company Secretary

30 August 2019