



SERIAL SYSTEM LTD

(the “Company”)

(Company Registration No.: 199202071D)

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

INCREASE IN INVESTMENT IN KOREA SUBSIDIARY – SERIAL MICROELECTRONICS KOREA LIMITED

The Board of Directors of Serial System Ltd (“the Company”) wishes to announce that its wholly-owned subsidiary, Serial Microelectronics Pte Ltd (“SMPL”) has increased its investment in its Korean subsidiary, Serial Microelectronics Korea Limited (“SMKR”) from 98.2% to 100% on 7 October 2016. The increase in investment was made via the purchase of an additional 360 ordinary shares of SMKR at Korean Won 919,917 (US\$833) per share totaling about Korean Won 331,170,000 (US\$300,000) from Mr Kim Sang Yeol, an existing shareholder and director of SMKR. Mr Kim Sang Yeol is also a director of SMPL. The consideration was arrived at on a willing buyer willing seller basis, taking into account the future prospects of SMKR. The attributable 1.8% net assets of SMKR based on the unaudited management reports as at 31 August 2016 was Korean Won 267,770,000 (US\$242,600). SMKR became a wholly-owned subsidiary of the Group following the acquisition.

The additional investment in SMKR will be funded through internal resources and is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company for the current financial year ending 31 December 2016.

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

BY ORDER OF THE BOARD

Derek Goh Bak Heng
Executive Chairman/ Group CEO

7 October 2016