

(Translation)

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PALTEK Corporation announces agreement on termination of the sales representation agreement with PMC-Sierra, Inc.

PALTEK Corporation reached the agreement with PMC-Sierra, Inc. on termination of the sales representation agreement.

1. Reasons of Termination

PALTEK's strategic alteration concerning product portfolio and PMC-Sierra's sales strategy alteration are the reasons of the termination of the sales representation agreement.

2. Schedule

As for the schedule of the termination of the sales representation agreement is under the process. We will inform the concrete schedule to our customers and related parties as soon as we determined.

3. Impact on PALTEK's Q4 Results

We estimate no impact derive from this termination on our Q4 results.

4. Projections

PALTEK has been working on acceleration of new business. Under this strategy, we try to expand the product portfolio which widely cover the communication market segment. And at the same time, we keep reviewing current product line. We project to broaden product portfolio in near future, so the impact of this termination on our business might be minimum.

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Questions concerning this Press Release:

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