



SERIAL SYSTEM LTD

RENOUNCEABLE RIGHTS ISSUE (THE “WARRANTS ISSUE”) OF 75,968,779 WARRANTS (THE “WARRANTS”) AT AN ISSUE PRICE OF S\$0.045 FOR EACH WARRANT, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW ORDINARY SHARE OF S\$0.10 EACH (“NEW SHARE”) IN THE CAPITAL OF SERIAL SYSTEM LTD (THE “COMPANY”) AT AN EXERCISE PRICE OF S\$0.12 FOR EACH NEW SHARE, ON THE BASIS OF ONE WARRANT FOR EVERY FOUR EXISTING ORDINARY SHARES OF S\$0.10 EACH IN THE CAPITAL OF THE COMPANY HELD BY THE ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS BEING DISREGARDED

Unless otherwise defined, terms used in this announcement bear the same meanings as defined in the offer information statement of the Company dated 14 January 2005 relating to the Warrants Issue.

The Board of Directors of the Company wishes to announce that, as at the close of the Warrants Issue on 2 February 2005 (the “**Closing Date**”), valid acceptances and excess applications for a total of 250,394,536 Warrants, representing 329.6% of the total number of Warrants offered under the Warrants Issue, were received.

Details of the valid acceptances and excess applications for the Warrants are as follows:-

- (a) valid acceptances were received for a total of 59,906,442 Warrants, representing approximately 78.9% of the total number of Warrants offered under the Warrants Issue; and
- (b) excess applications were received for a total of 190,488,094 Warrants, representing approximately 250.7 % of the total number of Warrants offered under the Warrants Issue.

The balance of the provisional allotments of 16,062,337 Warrants not taken up by Entitled Shareholders and/or purchasers pursuant to the Warrants Issue will be allotted to satisfy excess applications for the Warrants as the Directors may, in their absolute discretion, deem fit in the interest of the Company, provided that in the allotment of any excess Warrants, preference will be given to the rounding of odd lots and that the Directors and substantial shareholders (including their direct and deemed interest) of the Company will rank last in priority for the allotment of such excess Warrants.

All the provisional allotments of 224,150 Warrants which would have been provisionally allotted to Foreign Shareholders were sold “nil-paid” on the SGX-ST. The net proceeds from such sales, after deduction of all expenses therefrom, will be pooled and thereafter

distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of the net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP in connection therewith.

As the Warrants Issue has been fully subscribed, the Company has raised net proceeds of approximately S\$2.9 million (before the exercise of the Warrants and after deducting estimated expenses of approximately S\$500,000) from the Warrants Issue. The Company intends to utilise the net proceeds of the Warrants Issue for payment of the deemed interest cost of the Transferable Loan Facility granted to the Company by the Lenders. Any remaining proceeds of the Warrants Issue after payment of the deemed interest cost of the Transferable Loan Facility may, at the discretion of the Directors, be applied towards payment of the Group's borrowings (including borrowings under the Transferable Loan Facility), used as working capital and/or for such other purposes as the Directors may deem fit.

Pending deployment of the net proceeds of the Warrants Issue for the purposes mentioned above, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate.

As and when the Warrants are exercised, the proceeds arising from the issue of the New Shares may, at the discretion of the Directors, be applied towards payment of the Group's borrowings (including borrowings under the Transferable Loan Facility), used as working capital and/or for such other purposes as the Directors may deem fit.

Where any acceptances and/or excess applications for Warrants is unsuccessful or invalid, or where the number of excess Warrants allotted is less than that applied for, the amount paid on acceptance and/or application will be refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date of 2 February 2005, by crediting their accounts with the relevant Participating Banks at their own risk (if they accepted/applied by way of Electronic Application through an ATM of a Participating Bank), or by means of a crossed cheque drawn on a bank in Singapore and sent to them by ordinary post and at their own risk (if they accepted /applied through CDP).

The Company will be releasing an announcement to advise on the dates for the listing of and quotation of the Warrants in due course. The New Shares arising from the exercise of the Warrants will, upon allotment and issue, be listed on the SGX-ST.

Submitted by Derek Goh Bak Heng, Executive Chairman/Group Chief Executive Officer
by Order of the Board on 07/02/2005 to the SGX-ST