

ANNOUNCEMENT



SERIAL SYSTEM LTD
新暉科技有限公司

(Incorporated in the Republic of Singapore on 22 April 1992)
Company Registration No. 199202071D

Update of Legal Suit between Serial System Ltd and Philips Singapore Pte Ltd, and Philips Electronics Singapore Pte Ltd

The Board of Directors of Serial System Ltd (the “Company”) wishes to announce that the Company has reached an out-of-court settlement with Philips Singapore Pte Ltd and Philips Electronics Singapore Pte Ltd (collectively called “Philips Singapore”).

In the out-of-court settlement, Philips Singapore will pay a sum of S\$2 million within 30 days from 30 March 2006 to the Company, being full and final settlement of all claims, whether now known or otherwise against Philips Singapore.

The Company had on 11 April 2006, the date of this announcement received S\$1 million from Philips Singapore.

The Company will file a Notice of Discontinuance of the legal suit against Philips Singapore within 7 days upon the receipt of the full S\$2 million.

The out-of-court settlement was made without any admission of liability whatsoever by Philips Singapore.

By Order of the Board

Dr Derek Goh Bak Heng
Executive Chairman and Group Chief Executive Officer
11 April 2006