



**SERIAL SYSTEM LTD**  
新暉科技有限公司

*Company Reg No.: 199202071D*

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## **QUERY REGARDING TRADING ACTIVITY**

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We refer to the verbal enquiry of the Exchange in the afternoon of 22 June 2007 as regards the trading activity of the Company's shares.

The Company's management was at a very preliminary stage of conceptualizing on a section 44 tax credits distribution at that time when it received the telephone enquiry from the Exchange. The Company's management immediately called for a trading halt. Details of the proposed tax credits distribution were incomplete at that time without the input of the Company's financial and tax advisers and the concurrence of the Board, and the Company was in no position to make any definitive announcement.

The Company's management only had the first meeting with its financial advisers and the Board of Directors on Sunday, 24 June 2007 on the proposed exercise, where it was discussed for the first time the proposed tax credits distribution, a special tax-exempt interim dividends payment and a rights cum warrants issue (the "Proposed Exercises").

Details of the Proposed Exercises have only been firmed up this evening, and a detailed announcement thereof has been contemporaneously announced together with this lifting of the trading halt announcement.

In the premise, the Company affirms that it has at all times been in compliance with the listing rules, in particular, Clause 703 of the listing manual.

By Order of the Board

Derek Goh Bak Heng  
Executive Chairman/Group CEO  
SERIAL SYSTEM LTD