

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

RENOUNCEABLE RIGHTS ISSUE (THE “RIGHTS ISSUE”) OF 60,776,270 NEW ORDINARY SHARES OF S\$0.10 EACH (THE “RIGHTS SHARES”) IN THE CAPITAL OF SERIAL SYSTEM LTD (THE “COMPANY”) AT AN ISSUE PRICE OF S\$0.12 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) 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 TO BE DISREGARDED

USE OF RIGHTS ISSUE PROCEEDS

As mentioned in the Company’s announcement dated 27 December 2005, the Company has raised net proceeds of approximately S\$7.0 million (after deducting estimated expenses of approximately S\$0.3 million) from the Rights Issue.

The Board of Directors of the Company wishes to announce that out of the net proceeds from the Rights Issue:-

- (i) an amount of S\$2,000,000 has been disbursed by the Company, in the form of a shareholder’s loan, to one of its North Asian subsidiaries, Serial Microelectronics (HK) Limited, to fund its operations in the People’s Republic of China, Hong Kong and/or South Korea; and
- (ii) an amount of S\$918,500 has been disbursed by the Company, in the form of a shareholder’s loan, to its wholly-owned subsidiary, Serial Microelectronics Pte Ltd, for its working capital needs.

The Company will continue to make periodic announcements on the utilisation of the balance of the net proceeds from the Rights Issue as and when such proceeds are materially deployed.

By Order of the Board

Dr. Derek Goh Bak Heng
Executive Chairman and Group Chief Executive Officer
16 January 2006
Singapore