

## 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

### **ADJUSTMENTS TO THE EXERCISE PRICE AND THE NUMBER OF WARRANTS HELD BY EACH WARRANTHOLDER**

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On 23 September 2005, Serial System Ltd (the “**Company**”) announced a 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 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 (the “**Shares**”) held by the entitled shareholders as at 1 December 2005.

Pursuant to the terms and conditions of the Instrument executed by the Company by way of a deed poll on 13 January 2005 (the “**Instrument**”) constituting the 75,968,779 warrants which were issued by the Company on 7 February 2005 and which will expire on 6 February 2009 (the “**Warrants**”), the Rights Issue constitutes an event that may give rise to an adjustment to the exercise price of each Warrant (the “**Exercise Price**”) and/or the number of Warrants held by each warrantholder of the Company (the “**Warrantholder**”), and any such adjustments will be effective from the commencement of the market day next following the closing date for the Rights Issue (*i.e.* from 21 December 2005) (the “**Effective Date**”).

#### **Existing Exercise Price and Number of Warrants**

Existing Exercise Price	=	S\$0.12
Number of Warrants outstanding as at the date of this announcement	=	75,962,547

#### **New Exercise Price and Adjusted Number of Warrants**

Pursuant to the terms and conditions of the Instrument, the new Exercise Price and the adjusted number of Warrants outstanding as at the Effective Date shall be:-

New Exercise Price	=	S\$0.1208
Adjusted number of Warrants outstanding as at the Effective Date	=	75,437,762

Under the terms and conditions of the Instrument, it is provided that in no event shall any adjustment (otherwise than upon the consolidation of Shares into shares of a larger nominal value) involve an increase in the Exercise Price. Accordingly, as the new Exercise Price of S\$0.1208 is higher than the existing Exercise Price of S\$0.12, the Company has determined that no adjustment is required to be made to the existing Exercise Price.

If the adjustment to the number of Warrants as set out above is effected, it would result in each Warrantholder holding fewer Warrants than the number of Warrants that such Warrantholder currently holds. In view thereof, the Company has determined that no adjustment will be made to the number of Warrants held by each Warrantholder.

As required by the terms and conditions set out in the Instrument, the computations of the new Exercise Price and the adjusted number of Warrants as set out above (the "Computations") have been checked by the Company's auditors to be in accordance with the formulae set out in Condition 5(b)(iv) of the Instrument. The scope of the auditors' work is limited to checking the mathematical accuracy of the Computations in accordance with the Singapore Standard of Related Services 4400 - Engagements to perform Agreed Upon Procedures Regarding Financial Information, and does not extend to an assessment of the appropriateness and reasonableness of the formulae set out in Condition 5(b)(iv) of the Instrument.

By Order of the Board

Dr. Derek Goh Bak Heng  
Executive Chairman and Group Chief Executive Officer  
20 December 2005  
Singapore