



**SERIAL SYSTEM LTD**

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**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**

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#### **USE OF WARRANTS ISSUE PROCEEDS**

*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.*

As mentioned in the Company’s announcement dated 7 February 2005, 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 Board of Directors of the Company wishes to announce that out of the net proceeds of the Warrants Issue, the Company has utilised approximately S\$2,868,000 to pay the deemed interest cost of the Transferable Loan Facility granted to the Company by the Lenders.

The balance of the net proceeds of the Warrants Issue of approximately S\$50,000 is intended for use as working capital by the Company.

Submitted by Derek Goh Bak Heng, Executive Chairman/Group Chief Executive Officer by Order of the Board on 15/02/2005 to the SGX-ST