

SECURITIES INDUSTRY COUNCIL ("SIC")
PRESS STATEMENT
SERIAL SYSTEM LTD ("SERIAL SYSTEM" OR THE "COMPANY")

On 23 May 2001, the Securities Industry Council ("SIC") directed Eddie Chng Weng Wah ("Chng") to compensate (the "Compensation") Serial System shareholders as at the close of trading on 26 Feb 2001 (the "Affected Shareholders") prejudiced by Chng's failure to make a general offer for the Company required by the old Rule 33¹ of the Singapore Code on Take-overs and Mergers ("Take-over Code"). The SIC also directed Chng and his concert parties not to deal in the Serial System shares that they hold or control in any manner nor exercise the voting rights attached to those Serial System shares pending satisfactory completion of the Compensation.

2 To implement the Compensation, Chng appointed, with the SIC's consent, Deloitte & Touche ("DT") as the administrator of the Compensation. Chng also transferred his Serial System shares into an escrow account (the "Escrow Account") maintained by DT for the purposes of the Compensation.

3 On 3 Dec 2001, DT announced the details of the Compensation. DT wrote to all the Affected Shareholders to inform them of their entitlements to the Serial System shares (the "Compensation Shares") that Chng had made available for the purposes of the Compensation. Affected Shareholders were given two months, until 31 Jan 2002, to submit legal

¹ Rule 14 under the revised Singapore Code on Take-overs and Mergers which came into effect on 1 Jan 2002.

release letters (“LRLs”) to DT to accept their Compensation. Affected Shareholders who disputed DT’s computation of their entitlements under the Compensation were given the opportunity to submit counter-claims. Subsequently, DT credited the appropriate number of Compensation Shares into the CDP securities accounts of those Affected Shareholders who had submitted valid LRLs within the stated time period. A total of 75,705,785 Compensation Shares were credited into 4,952 CDP securities accounts.

4 DT has confirmed to the SIC that it is satisfied that the Compensation had been completed in accordance with the SIC’s directions of 23 May 2001. Accordingly, the remaining Serial System shares in the Escrow Account can now be transferred back to Chng. In addition, Chng and his concert parties can henceforth deal freely in the Serial System shares that they hold or control and exercise the voting rights attached to those Serial System shares.

5 As determined by the SIC on 23 May 2001, Chng will be barred from being director of any company listed on the Singapore Exchange Ltd (“SGX”) until after 22 May 2003. Further, he and his concert parties cannot make a take-over offer (whether pursuant to Rule 14 of the revised Take-over Code or otherwise) or incur a bid obligation for any public company in Singapore until after 22 May 2003.

Issued by Securities Industry Council
2 Jul 2002

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