

**SECURITIES INDUSTRY COUNCIL ("SIC")**

**PRESS STATEMENT**

**SERIAL SYSTEM LTD ("SERIAL SYSTEM" OR THE "COMPANY")**

1 In its press release on 8 Mar 2001 (Appendix 1), the SIC stated that Eddie Chng Weng Wah ("Chng") had not complied with Rule 33 of the Singapore Code on Take-overs and Mergers (the "Take-over Code"), as he had failed to announce a mandatory offer for Serial System on 26 Feb 2001 after increasing his voting rights in the Company beyond 25%.<sup>3</sup> The SIC directed Chng to make a take-over offer and pay compensation to eligible Serial System shareholders who held shares in the Company as at the close of trading on 26 Feb 2001. The SIC acceded to Chng's request for more time, giving him until 8 Apr 2001 to comply with its directions.

2 In response to Chng's queries, the SIC ruled on 12 Mar 2001 that the following persons are parties acting in concert with Chng in respect of their shareholdings in Serial System:

- a) Eric Cheng: in respect of 12 million Serial System shares (4% of the Company's issued capital) that he acquired in the name of his brother-in-law, Hsu Pi-Chun; and
- b) Dackel International Ltd ("Dackel") and its concert parties: in respect of Serial System shares representing 1.42% of the Company's issued capital.

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<sup>3</sup> Chng acquired 2.5% of Serial System on 26 Feb 2001, which raised his total shareholding in the Company to 26.85%. Rule 33 of the Take-over Code requires any person who acquires 25% or more of the voting rights of a company to announce **immediately** a take-over offer for the company.

As at 10 Apr 2001, Chng and his concert parties together owned 97.38 million Serial System shares, representing 32.45% of the Company's issued capital.

3 Chng has applied for another extension of time to procure resources to make the take-over offer and compensation as directed by the SIC. After considering Chng's submission, the SIC has given Chng until **8 May 2001** to comply fully with the SIC's directions set out in the 8 Mar 2001 press statement.

4 The investing public, and Serial System shareholders in particular, should note that **it is still uncertain whether Chng will be able to make the take-over offer or pay the compensation** as directed by the SIC. They should take this into account when dealing in the Company's shares.

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10 Apr 2001

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For media enquiries, please contact:

Mr Daniel Teo

Assistant Secretary

Tel: 2299830

Email: [danielteo@mas.gov.sg](mailto:danielteo@mas.gov.sg)

Mr Wong Nai Seng

Assistant Secretary

Tel: 2299782

Email: [nswong@mas.gov.sg](mailto:nswong@mas.gov.sg)