(Registration No. 199202071D)
(Incorporated in the Republic of Singapore on 22 April 1992)

INCREASE IN PAID UP SHARE CAPITAL OF THE GROUP'S SUBSIDIARIES

The board of directors ("**Board**") of Serial System Ltd ("**Company**") and its subsidiaries ("**Group**") wishes to announce the following :-

(1) The Group's wholly owned Singapore subsidiary, Serial I-Tech (Far East) Pte. Ltd. ("**SIFE**"), has increased its paid up share capital from US$1,052,864 (S$1,418,208), comprising 1,418,208 ordinary shares to US$2,552,864 (S$3,474,708), comprising 3,474,708 ordinary shares, pursuant to the issuance of 2,056,500 new ordinary shares. The consideration is fully satisfied through the capitalization of an amount for US$1,500,000 (S$2,056,500), being amount owing from SIFE to SCE, the holding company of SIFE.

(2) The Group's 46.4% owned China subsidiary, Newstone Technology (Shenzhen) Company Limited has increased its paid up capital from RMB 2,510,790 (U$400,000) to RMB 3,200,695 (US$500,000). The Group's share of the capital increase amounting to RMB 320,116 (US$46,400), was funded through internal resources.

The above transactions are not expected to have any financial impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2018 and current financial year ending 31 December 2019.

None of the Directors or controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the above transactions, other than through their respective shareholdings in the Company

BY ORDER OF THE BOARD

Derek Goh Bak Heng
Executive Chairman and Group CEO
30 January 2019