

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Serial System Ltd (the “Company”) will be held at 8 Ubi View #05-01 Serial System Building Singapore 408554, on Friday, 22 April 2016 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1.

To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Directors' Statement and the Independent Auditors' Report thereon.

(Resolution 1)
2.

To declare a one-tier tax-exempt Final Cash Dividend of S\$0.50 cent per ordinary share for the financial year ended 31 December 2015 (2014: One-tier tax-exempt Final Cash Dividend of S\$0.75 cent per ordinary share).

(Resolution 2)
3.

To approve the payment of Directors' Fees of S\$252,000 (US\$184,000) for the financial year ended 31 December 2015 [2014: S\$243,000 (US\$192,000)].

(Resolution 3)
4.

To re-elect Mr. Tan Lye Heng Paul as Director, who retires by rotation pursuant to Article 89 of the Company's Articles of Association.

Mr. Tan Lye Heng Paul will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

(Resolution 4)
5.

To re-elect Mr. Goi Kok Neng Ben as Director, who retires by rotation pursuant to Article 89 of the Company's Articles of Association.

Mr. Goi Kok Neng Ben will, upon re-election as a Director of the Company, remain a Non-Executive Director of the Company and will be considered non-independent.

(Resolution 5)
6.

To re-appoint Messrs Moore Stephens LLP as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, and to authorise the Directors to fix their remuneration.

(Resolution 6)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolution No. 7, Resolution No. 8 and Resolution No. 9 as Ordinary Resolutions:

7.

Share Issue Mandate

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares (“Shares”) whether by way of rights, bonus or otherwise, and/or grant offers, agreements of options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a)

the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the share capital of the Company;

(b)

for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) of the Company as at the date of the passing of this Resolution, after adjusting for:

(i)

new shares arising from the conversion or exercise of any convertible securities;

(ii)

new shares arising from exercising share options outstanding at the time this Resolution is passed; and

(iii)

any subsequent bonus issue, consolidation or subdivision of shares;

(c)

and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the term of such convertible securities.

(See Explanatory Note (i) below)

(Resolution 7)

8.

Authority to offer and grant share options and to allot and issue Shares under the Serial System Employee Share Option Scheme 2014

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be and are hereby authorised to offer and grant share options in accordance with the provisions of the Serial System Employee Share Option Scheme 2014 (the “2014 Scheme”), and to allot and issue from time to time such number of Shares in the Company as may be required to be issued pursuant to the exercise of share options granted under the 2014 Scheme, provided that the aggregate number of Shares issued and issuable pursuant to the 2014 Scheme, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of the Company, shall not exceed fifteen per centum (15%) of the total issued share capital of the Company from time to time and provided also that, subject to such adjustments as may be made to the 2014 Scheme as a result of any variation in the capital structure of the Company.

(See Explanatory Note (ii) below)

(Resolution 8)

9.

Proposed renewal of the Share Buyback Mandate

THAT:

(a)

for the purposes of the Companies Act, Chapter 50 of Singapore (the “Act”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company (“Shares”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i)

market purchases (each a “Market Purchase”) on the Singapore Exchange Securities Trading Limited (“SGX-ST”); and/or

(ii)

off-market purchases (each an “Off-Market Purchase”) effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buyback Mandate”);

(b)

the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i)

the date on which the next annual general meeting of the Company is held or is required by law to be held;

(ii)

the date on which the share buybacks have been carried out to the full extent of the Share Buyback Mandate; or

(iii)

the date on which the authority contained in the Share Buyback Mandate is varied or revoked;

(c)

in this Resolution:

“Prescribed Limit” means 80,632,791 Shares;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i)

in the case of a Market Purchase: 105% of the Average Closing Price; and

(ii)

in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, in the case of a Market Purchase, preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from its shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d)

the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

(See Explanatory Note (iii) below)

(Resolution 9)

10.

To transact any other ordinary business which may be properly transacted at an Annual General Meeting of the Company.

Explanatory Notes on Special Business to be transacted:

(i)

The proposed Ordinary Resolution No.7, if passed, will empower the Directors of the Company from the date of the above Annual General Meeting until the date of the next Annual General Meeting, to allot and issue ordinary shares and convertible securities in the Company up to an amount not exceeding fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis. For the purpose of this resolution, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options outstanding at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii)

The proposed Ordinary Resolution No.8, if passed, will empower the Directors of the Company to offer and grant share options under the 2014 Scheme (which was approved at an Extraordinary General Meeting of the Annual General Meeting on 26 April 2014) and to allot and issue Shares pursuant to the exercise of share options under the 2014 Scheme up to an amount which, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of Company, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares) of the Company from time to time and provided also that, subject to such adjustments as may be made to the 2014 Scheme as a result of any variation in the capital structure of the Company.

(iii)

The proposed Ordinary Resolution No.9, if passed, will authorise the Directors of the Company from the date of the above Annual General Meeting to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Buyback Mandate does not exceed the Prescribed Limit, and at such price or prices as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price. The information relating to this proposed Ordinary Resolution is set out in the Appendix 1 enclosed together with the Annual Report.

Notes:-

1.

The Chairman of the Annual General Meeting will be exercising his right under Article 59 of the Company's Articles of Association to demand a poll in respect of the resolutions to be put to the vote of members at the Annual General Meeting and at any adjournment thereof. Accordingly, the resolutions at the Annual General Meeting will be voted on by way of poll.

2.

A member of the Company (other than a relevant intermediary*) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company. Where a member of the Company (other than a relevant intermediary*) appoints more than one proxy, the proportion of shares to be represented by each proxy must be stated.

3.

A relevant intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

4.

A member of the Company which is a corporation is entitled to appoint its authorized representative or proxies to vote on its behalf. If the member is a corporation, the instrument appointing a proxy must be executed under common seal or the hand of its duly authorized officer or attorney.

5.

The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the Company's registered office at 8 Ubi View #05-01 Serial System Building Singapore 408554 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting in order for the proxy or proxies to be entitled to attend and vote at the Annual General Meeting.

6.

A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for the holding of the Annual General Meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.

*A relevant intermediary means:

(a)

a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b)

a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

(c)

the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act, Chapter 36 of Singapore, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the proxy(ies) and/or representative(s) appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2016 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544 up to 5.00 p.m. on 5 May 2016 will be registered to determine shareholders' entitlements to the proposed dividend.

Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares at 5.00 p.m. on 5 May 2016 will be entitled to the proposed dividend.

The proposed dividend, if approved by the members at the Annual General Meeting to be held on 22 April 2016, will be paid on 20 May 2016.

By Order of the Board

Alex Wui Heck Koon
Company Secretary

Singapore
7 April 2016