

SERIAL SYSTEM LTD
ANNUAL REPORT 2025



MOMENTUM OPPORTUNITY AND GROWTH



OUR VISION

To be the leading electronic components and consumer products distribution partner, known for our dynamic demand creation activities, extensive network and strong local expertise.

OUR MISSION

To provide a wealth of growth opportunities for our stakeholders.

TOWARDS OUR PARTNERS

We provide market insights to our business partners to enable faster time-to-market. To our suppliers, we help expand their market reach. To our customers, we provide innovative and competitive solutions.

TOWARDS OUR STAFF

By empowering our staff with the right resources and looking after their well-being, we help them to be their best at work, grooming them to be our leaders of tomorrow.

TOWARDS OUR SHAREHOLDERS

We strive to make steady progress in every aspect of our business, providing our shareholders with consistent and favourable dividend yields.

TOWARDS OUR COMMUNITY

By staying in touch with the community, we are able to contribute in ways that are close to their needs.

OUR VALUES

PROGRESSIVENESS

Derived from the drive to achieve our targets and the courage to change for the better.

EMPOWERMENT

Encouraged by giving our staff the power to make decisions.

EFFICIENCY

Arose from working smart, doing our work well, and using our resources effectively to serve our customers and suppliers well.

TEAMWORK

Striving towards a common goal in one spirit - despite our cultural or individual differences.

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CORPORATE PROFILE

Established in 1988, listed since April 1997 and currently traded on the Mainboard of the Singapore Exchange, Serial System owns and operates a synergistic global distribution network built on strong partnerships with suppliers and customers.

Serial System has a customer base of more than 5,000, mostly across Asia, spanning a diverse range of industries such as consumer electronics, telecommunications, household appliances, industrial, electronics manufacturing services, security and surveillance, automotive and medical.

Major suppliers of electronic components distributed by Serial System include ON Semiconductor, Goodix, OSRAM Opto Semiconductors, Renesas, GigaDevice, Allegro MicroSystems, Monolithic Power Systems Inc, Littelfuse SiTimes and TE Connectivity. Serial System has also been progressively expanding its product portfolio to support customers within emerging core technologies, such as 5G, Internet of Things (IoT), artificial intelligence, electric and autonomous vehicles etc.

Serial System also boosts demand for its suppliers' components and supports its customers' product development by adding value through design and other initiatives.

Since its launch in 2014, Serial System's consumer products distribution business has expanded its portfolio to include computers and peripherals and printers and accessories, covering laptops/notebooks, processors, motherboards, SSDs, DRAM, VGA and graphic cards, and printer ink and toner cartridges.

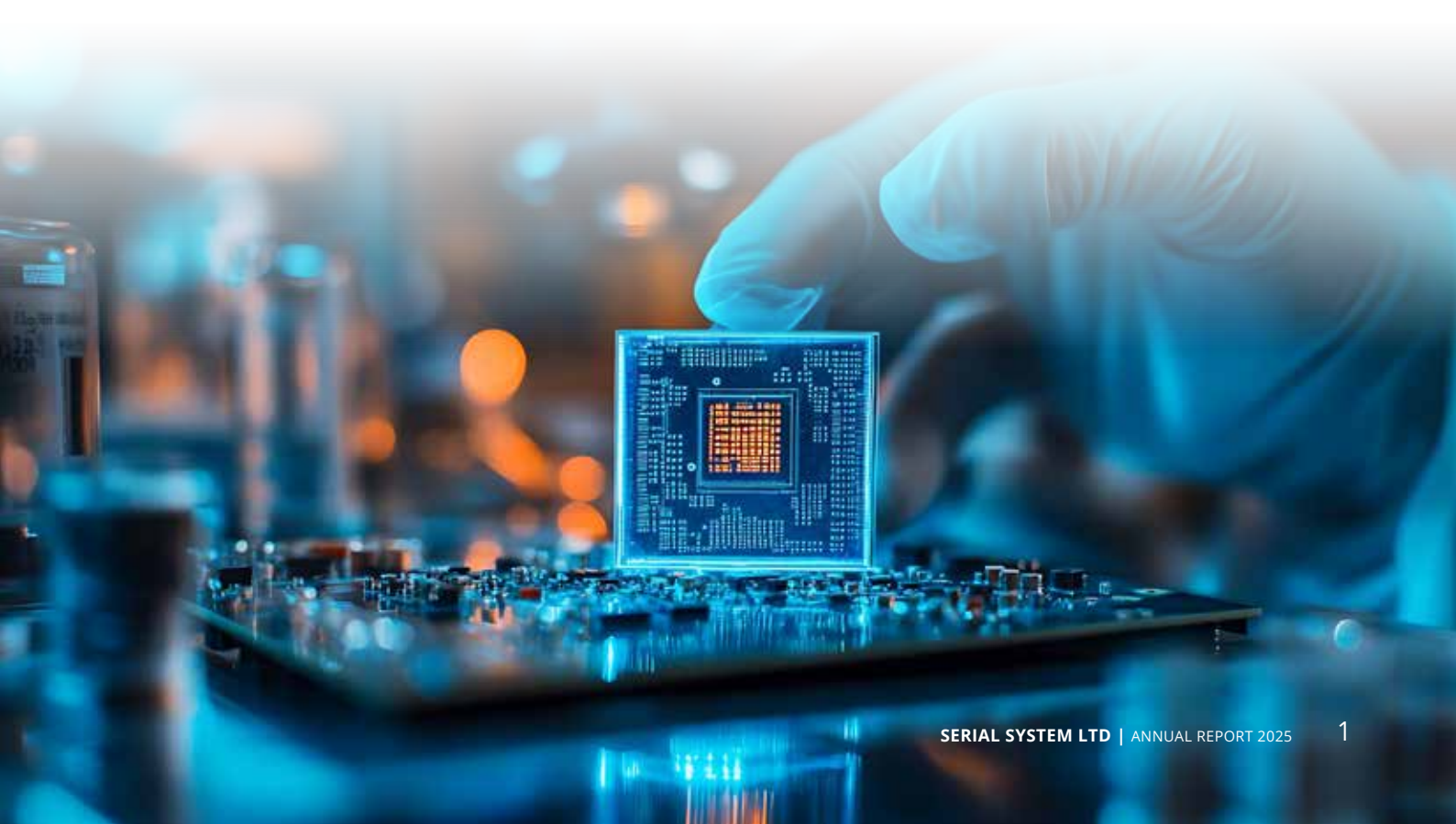
In 2017, Serial System broadened its reach by introducing a new managed print service, supported by distribution networks in Singapore, Indonesia, and Thailand.

Major suppliers of consumer products distributed by Serial System include AMD, MSI, Gigabyte, Intel, Palit, Viewsonic, Apacer, ASRock, Colorful and XFX.

With 20 offices and 13 warehousing facilities in key Asian markets – Singapore, China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, South Korea, Taiwan, Thailand and Vietnam, Serial System has one of the largest and most extensive distribution networks in the region.

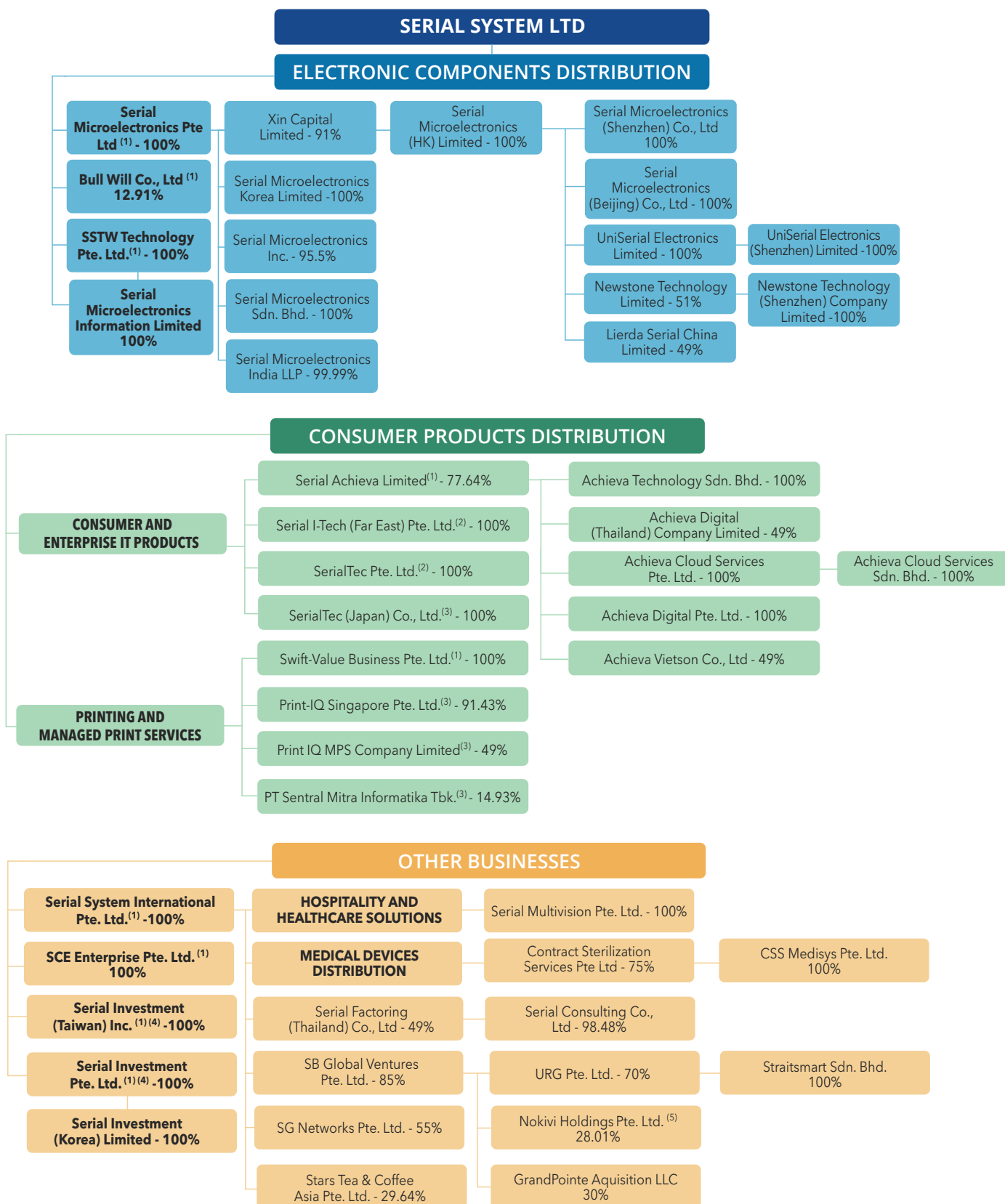
Serial System has been engaged in the assembly and distribution of medical devices, offering a comprehensive range of standard and customized perfusion tubing packs since 2011. These products are widely distributed across the Asia Pacific region and are the preferred choice of many leading hospitals. Serial System is also a key player in Singapore's healthcare and hospitality solutions sector, providing integrated systems that enhance both inpatient and outpatient touchpoints, ultimately improving the overall healthcare experience for patients and medical staff.

Serial System will continue to help its partners to be more competitive in the marketplace, today and in the future.



GROUP STRUCTURE

As at 8 April 2026



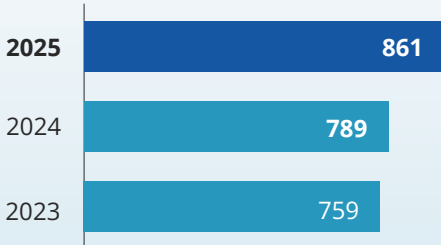
Notes:

- ⁽¹⁾ Entities held by Serial System Ltd
- ⁽²⁾ Entities held by SCE Enterprise Pte. Ltd.
- ⁽³⁾ Entities held by Serial System International Pte. Ltd.
- ⁽⁴⁾ Investment holding and rental of properties
- ⁽⁵⁾ Serial System International Pte. Ltd. holds directly 1.33% in Nokivi Holdings Pte. Ltd.
- ⁽⁶⁾ Excluded entities which are dormant, inactive or in process of closure
- ⁽⁷⁾ Please refer to Note 20, Note 18 and Note 19 of the accompanying notes to financial statements for a full listing of the Group's subsidiaries, associated companies and joint venture

FINANCIAL HIGHLIGHTS

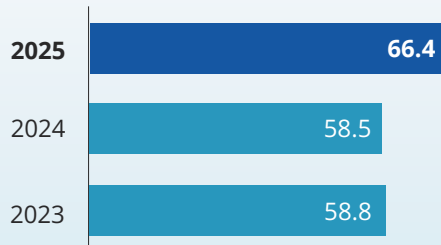
REVENUE (US\$' million)

US\$ **860.5M**



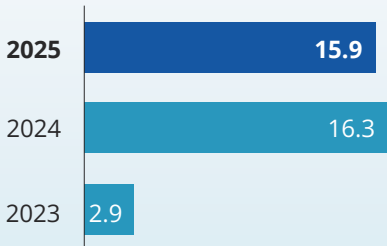
GROSS PROFIT (US\$' million)

US\$ **66.4M**



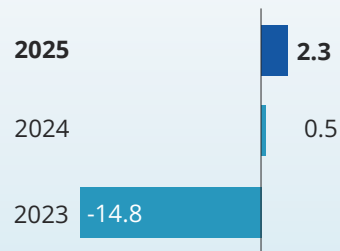
EBITDA (US\$' million)

US\$ **15.9M**

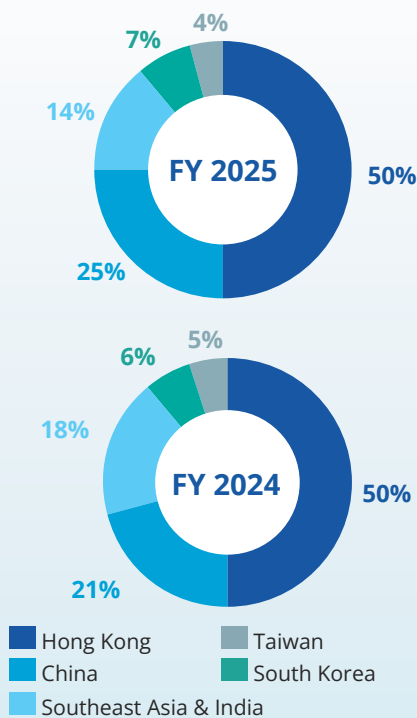


PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS (US\$' million)

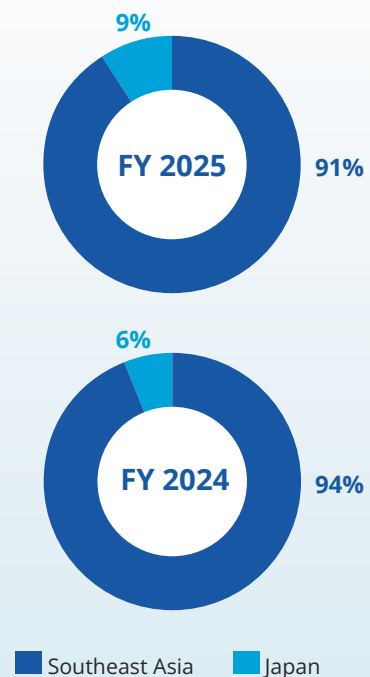
US\$ **2.3M**



REVENUE BY MARKET - ELECTRONIC COMPONENTS DISTRIBUTION



REVENUE BY MARKET - CONSUMER PRODUCTS DISTRIBUTION



FINANCIAL HIGHLIGHTS

	2025 US\$'000	2024 US\$'000	2023 US\$'000
Capital Employed			
Working Capital	86,383	75,700	87,501
Total Assets	456,299	412,128	399,478
Net Assets	139,265	133,389	131,833
Net Assets per Share (US cents) ⁽¹⁾	14.69	14.07	13.79
Net Debts	167,534	133,642	157,201
Share Capital			
Issued and Fully Paid (including Treasury Shares)	72,648	72,648	72,648
Number of Shares Issued ('000)	905,788	905,788	905,788
Number of Treasury Shares ('000)	(946)	(946)	(946)
Number of Shares Issued excluding Treasury Shares ('000)	904,842	904,842	904,842
Earnings and Dividend per Share			
Earnings/(Loss) per Share (US cents) ⁽²⁾	0.25	0.06	(1.64)
Dividend per Share (Singapore cents) ⁽³⁾	0.11	-	-
Dividend Yield (%) ⁽⁴⁾	1.3	-	-
Ratios			
Current Ratio	1.30	1.28	1.34
AR Turnover (days)	77	78	82
AP Turnover (days)	38	32	30
Inventory Turnover (days)	58	62	75
Cash Conversion Cycle (days)	97	108	127
Net Gearing Ratio	1.20	1.00	1.19

Notes:

- ⁽¹⁾ Net Assets per Share is calculated based on the net assets value attributable to the equity holders of the Company on 904,841,914 shares in issue as at 31 December 2025, 31 December 2024 and 31 December 2023.
- ⁽²⁾ Earnings/(Loss) per Share on a fully diluted basis is calculated based on profit/(loss) after tax attributable to the equity holders of the Company on weighted average of 904,841,914 shares in issue for the financial years ended 31 December 2025, 31 December 2024 and 31 December 2023.
- ⁽³⁾ No dividend has been declared for the financial years ended 31 December 2024 and 31 December 2023 as the Board of Directors of the Company deemed it necessary to preserve cash for working capital requirements, taking into consideration the uncertain and challenging financial and economic conditions.
- ⁽⁴⁾ Dividend Yield is calculated based on dividend per share over the Company's share price of S\$0.083 as at 31 December 2025.

CHAIRMAN'S STATEMENT



Guided by the Group's theme, "Momentum, Opportunity and Growth", we will continue to navigate challenges with agility, capitalise on emerging opportunities, and deliver sustainable value to our shareholders and stakeholders.

Dato' Seri Dr. Derek Goh Bak Heng BBM(L)
Executive Chairman & Group Chief Executive Officer

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I present to you the annual report for the financial year ended 31 December 2025 ("FY2025").

FY2025 was a year of stabilisation and strategic recalibration for the semiconductor and electronics distribution industry, set against a backdrop of continued geopolitical tensions and economic uncertainty. Within this operating environment, the Group demonstrated resilience and adaptability by leveraging its established market position, strong supplier relationships, and agile distribution network across Asia.

During the year, the Group sharpened its focus on demand creation, supply chain optimisation, and deeper customer engagement, while maintaining disciplined execution and prudent financial management. These efforts have reinforced the Group's operational resilience and strengthened its foundation for sustainable growth.

Looking ahead, the Board remains confident in the long-term prospects of the industry.

FINANCIAL PERFORMANCE

In FY2025, the Group achieved total turnover of US\$860.5 million, a 9% increase over FY2024, despite a challenging operating environment.

Growth was driven by the core electronic components distribution segment, which rose 10% to US\$741.7 million mainly attributed to strong demand from Hong Kong and China in the mobile, household appliances, automotive and computing sectors as well as AI-related products. The consumer products segment grew 3% to US\$110.2 million, supported by an expanded product mix in Thailand and Japan and continued strong demand for gaming, laptops, data centre and AI-related products in Malaysia. Other businesses segment increased 26% to US\$8.5 million, led by the medical devices distribution, and hospitality and healthcare solutions businesses.

The Group improved its gross profit margin by 0.3 percentage point to 7.7% and returned profitability with a net profit of US\$2.3 million, compared to US\$0.5 million in FY2024. This reflects disciplined execution and effective cost and risk management in a demanding environment.

CHAIRMAN'S STATEMENT

DIVIDEND

The Board has proposed a final cash dividend of 0.11 Singapore cent per share, reflecting its confidence in the Group's improving performance while maintaining a prudent approach to capital management.

OUTLOOK

The operating environment for the semiconductor and electronics distribution industry in Asia is expected to remain challenging in 2026, shaped by ongoing geopolitical tensions, evolving trade policies and continued supply chain adjustments.

The recent escalation of conflict involving the United States, Israel and Iran has added a further layer of uncertainty to the global outlook. The situation has contributed to volatility in energy markets, heightened inflationary pressures and increased risks to global trade flows. These developments may affect business confidence and demand visibility across the markets in which the Group operates. The Board will continue to monitor the situation closely and respond prudently as conditions evolve.

Trade restrictions, tariffs and export controls on advanced semiconductor technologies, particularly in relation to China, remain key areas of concern. At the same time, elevated interest rates, persistent inflation and currency volatility are expected to continue, with potential implications for customer demand, inventory management and working capital.

Notwithstanding these headwinds, structural demand drivers — including artificial intelligence, cloud computing, electric vehicles and renewable energy — are expected to support semiconductor consumption over the medium term. China's continued focus on strengthening domestic semiconductor capabilities may also present opportunities for collaboration and business expansion. The Group will remain focused on broadening its product portfolio and strengthening its position in these growth segments.

The consumer products distribution business is expected to remain competitive amid cautious consumer sentiment and pricing pressures. Through its listed subsidiary, Serial

Achieva Limited, the Group will continue to enhance its offerings in higher-growth segments such as gaming, cloud storage and AI-related solutions. The Group also intends to further diversify its geographic footprint in Southeast Asia and pursue selective partnerships and acquisitions to strengthen resilience and reduce concentration risks. The proposed strategic investment for a 11.01% stake in Serial Achieva Limited for approximately S\$4.6 million and the signed memorandum of understanding with UFCT Technology Co., Limited, announced in March 2026, represent important steps in this direction. Beyond strengthening the Serial Achieva Limited's capital base and working capital position, the partnership provides opportunities for collaboration in artificial intelligence, cloud computing, storage technologies, enterprise business development as well as regional expansion.

In view of the uncertain macroeconomic and geopolitical landscape, the Group will maintain a disciplined approach to operations and capital management. Key priorities include operational efficiency, prudent inventory and credit management, and strong cash flow discipline.

The Board remains confident that the Group's established market position, long-standing supplier relationships and focused execution will enable it to navigate near-term uncertainties and position the business for sustainable growth.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board of Directors and Management, I would like to extend our sincere appreciation to our customers, business partners and employees for their continued trust, collaboration and dedication throughout FY2025. Your strong support and commitment have been instrumental in enabling Serial System to deliver improved performance and profitability during the year.

I would also like to express my heartfelt gratitude to our shareholders for your continued confidence and support. As the Group builds on this positive momentum, we remain committed to strengthening our capabilities, pursuing sustainable growth opportunities

Dato' Seri Dr. Derek Goh Bak Heng BVM(L)
Executive Chairman & Group Chief Executive Officer
April 2026

OPERATIONS AND FINANCIAL REVIEW

REVENUE

For the financial year ended 31 December 2025 (“FY2025”), the Group recorded a turnover of US\$860.5 million, achieving an increase of 9% compared to US\$788.7 million for the same period last year (“FY2024”).

Turnover for the electronic components distribution segment increased by 10% to US\$741.7 million in FY2025. This was mainly attributed to Hong Kong and China, driven by higher sales from the mobile, household appliances, automotive and computing sectors, benefiting from the Chinese government’s economic stimulus program as well as increase in demand for AI-related products. South Korea also recorded higher sales from increase in demand from a product line to existing and new customers in the automotive sector. These increases were partially offset by lower sales in Southeast Asia and India, primarily due to the end-of-life of a supplier’s product and reduction in sales to a customer affected by financial and restructuring challenges faced by our supplier. Taiwan recorded marginally lower sales amid keen competition in the semiconductor sector.

Turnover for the consumer products distribution business increased by 3% to US\$110.2 million in FY2025. Thailand and Japan recorded higher sales, supported by an expanded range of computer peripherals. Malaysia also recorded higher sales from continued strong demand for gaming, notebooks, data centre and AI-related products. These increases were significantly offset by cessation of business in a 55%-owned Singapore subsidiary, Achieva Tech Allianz Pte. Ltd. in FY2025 which contributed US\$13.0 million in the fourth quarter of FY2024 and lower sales of 3D printers and accessories recorded by a Singapore subsidiary, due to intense market competition for its 3D printers.

Turnover for other businesses increased by 26% to US\$8.5 million in FY2025 due to higher sales from the hospitality and healthcare solutions and medical devices assembly and distribution businesses.

PROFIT MARGINS

Overall gross profit margin increased by 0.3 percentage point to 7.7% in FY2025, from 7.4% in FY2024. The improvement was mainly attributed to higher margin achieved by the electronic components distribution business, as the Group focused its sales efforts on higher-margin products and customers. The consumer products distribution business in Malaysia and Thailand also recorded higher margin in FY2025, from strong demand in the gaming, computing, data centre and AI-related segments.

OTHER OPERATING INCOME

Other operating income decreased by US\$7.3 million or 42% to US\$10.0 million in FY2025. The decrease was mainly due to a lower net fair value gain on financial assets, at fair

value through profit or loss of US\$7.2 million and lower write-back of allowances for inventory obsolescence of US\$3.6 million. The decrease was partially offset by net foreign exchange gain of US\$3.9 million in FY2025 as compared to net foreign exchange loss of US\$2.2 million recorded under “Other Operating Expense” in FY2024. The net fair value gain on financial assets, at fair value through profit or loss in FY2024 related to mainly the recognition of fair value gain totalling US\$7.8 million from the Group’s investments in its 15.7% equity interest in Otsaw Limited and 7.0% preference shares in Transwap Private Limited.

Interest income increased by US\$0.2 million, or 10%, to US\$1.8 million in FY2025. This was mainly attributable to the leasing interest income of US\$0.7 million derived from a three-year non-cancellable finance lease agreement entered in September 2025 by the Group’s Malaysia consumer products distribution subsidiary for the sublease of a colocation space for data centre to a third party. The increase was partially offset by lower project financing and factoring income earned by the Group’s Thailand subsidiaries from reduction in projects funded in FY2025.

EXPENSES

The Group recorded total expenses of US\$74.6 million, a decrease of 3% when compared to US\$76.9m in FY2024.

Distribution expenses increased by US\$2.3 million or 6% to US\$38.9 million, mainly due to higher staff and related costs, freight and handling, storage charges, custom and goods and services taxes, and trade credit insurance costs associated with the electronic components distribution business in line with its increase in sales. Higher advertising and promotion expenses incurred by the Thailand consumer products distribution subsidiaries also contributed to the increase in distribution expenses. The increase was partially offset by lower sales commission expense incurred by the Hong Kong and China electronic components distribution subsidiaries.

Administrative expenses increased marginally by US\$0.05 million or 1% to US\$9.7 million, mainly due to higher professional and statutory fees arising from the Group’s Singapore Exchange Catalist-listed, 77.64%-owned Serial Achieva Limited. The increase was substantially offset by lower office rental and utility costs, and lower office supplies and maintenance expenses.

Finance expenses decreased by US\$1.0 million, or 8%, to US\$11.2 million in FY2025. This was mainly due to lower overall interest rates on the Group’s bank borrowings as compared to FY2024. The decrease was partially offset by higher interest expense on lease liabilities arising from a three-year non-cancellable finance lease agreement entered in September 2025 by the Group’s Malaysia consumer products distribution subsidiary for the lease of a colocation space for data centre.

OPERATIONS AND FINANCIAL REVIEW

Other operating expenses decreased by US\$3.6 million or 20% to US\$14.8 million in FY2025. The decrease was mainly due to a one-off fair value accounting loss on the reverse takeover of 77.64%-owned Serial Achieva Limited of US\$3.7 million recorded in FY2024, net foreign exchange loss of US\$2.2 million recorded in FY2024 as opposed to net foreign exchange gain of US\$3.9 million recorded under "Other Operating Income" in FY2025 and lower depreciation charges on property, plant and equipment of US\$0.5 million. The decrease was partially offset by higher loss allowance on trade and non-trade receivables of US\$1.6 million and higher staff and related costs of US\$1.3 million.

ASSOCIATED COMPANIES

The Group's associated companies contributed net profit of US\$20,000 as compared to net profit of US\$75,000 in FY2024. The Group shared profit of US\$81,000 (FY2024: profit of US\$44,000) from 13.02%-owned Bull Will Co., Ltd., substantially offset by share of loss of US\$61,000 (FY2024: profit of US\$31,000) from 15.90%-owned PT Sentral Mitra Informatika Tbk.

NET PROFIT

The Group reported net profit of US\$2.3 million in FY2025 as compared to net profit of US\$0.5 million in FY2024. The improvement in results in FY2025 was mainly due to better performance from improved gross margin and increased sales, net foreign exchange gain of US\$3.9 million and lower finance expenses of US\$1.0 million, partially offset by higher loss allowance on trade and non-trade receivables of US\$1.6 million and lower write-back of allowances for inventory obsolescence of US\$3.6 million.

ASSETS

The Group's cash and cash equivalents stood at US\$37.5 million as of 31 December 2025, compared to US\$38.3 million as of 31 December 2024.

Trade and other receivables increased by US\$19.5 million (net of factored trade receivables) to US\$193.5 million as at 31 December 2025. The Group's Hong Kong and China electronic components distribution subsidiaries recorded

higher trade receivables in line with higher sales. This was substantially offset by reduction in trade receivables due to payment from its customer of the Group's Singapore consumer products distribution subsidiary which has ceased its business during 1H2025. Other receivables increased by US\$4.3 million mainly due to higher value-added tax receivables by the Group's China electronic components distribution subsidiary and higher interest income accrued by a Thailand subsidiary in "Other Businesses" in FY2025. Average turnover days for trade receivables decreased to 77 in FY2025 from 78 in FY2024.

Inventories increased by US\$7.9 million to US\$130.2 million as at 31 December 2025. This was mainly due to higher inventory levels held and purchased by the Group's Hong Kong and China, Singapore and South Korea electronic components distribution subsidiaries, as well as its Thailand and Japan consumer products distribution subsidiaries, in anticipation of higher sales in 1Q2026. The increase was partially offset by lower inventories held by the Group's Malaysia consumer products distribution subsidiary and Taiwan electronic components distribution subsidiary from more prudent inventory management. Average turnover days for inventories decreased to 58 in FY2025 from 62 in FY2024.

Financial assets, at fair value through profit or loss (current assets) decreased by US\$4.6 million to US\$5.0 million as at 31 December 2025. This was due to reduction in factored trade receivables which were included in this asset category.

Financial lease receivables of US\$6.3 million and US\$11.9 million included in current assets and non-current assets respectively as at 31 December 2025 related to a three-year non-cancellable finance lease agreement entered in September 2025 by the Group's Malaysia consumer products distribution subsidiary for the sub-lease of a colocation space for data centre to a third party.

Other current assets of US\$6.6 million as at 31 December 2025 comprised mainly prepayments to suppliers for purchase of inventories of US\$4.7 million, office rental deposits of US\$0.3 million and other prepaid operating and financial expenses of US\$1.6 million. The increase of US\$1.2 million as compared to 31 December 2024

OPERATIONS AND FINANCIAL REVIEW

was mainly due to higher prepayments to suppliers for purchase of inventories and higher other prepaid operating and financial expenses, attributed mainly to the Group's Hong Kong and China electronic components distribution subsidiaries.

Financial assets, at fair value through profit or loss (non-current assets) increased by US\$1.8 million to US\$22.1 million as at 31 December 2025. This was mainly due to additional investments in unlisted equity securities of US\$0.7 million, net fair value gain on the Group's investments in listed equity securities of US\$0.3 million, and currency translation gain of US\$1.0 million, partially offset by disposals of listed equity securities of US\$0.2 million.

Property, plant and equipment decreased by US\$2.7 million to US\$24.4m as at 31 December 2025. This was mainly due to depreciation charges amounting to US\$2.3 million and a reclassification of an office unit owned by a Singapore subsidiary amounting to US\$2.9 million to investment properties. The decrease is partially offset by a fair value gain of US\$0.7 million recognised on the office unit reclassified to investment properties, a net increase in right-of-use assets (included in property, plant and equipment) of US\$0.3 million, additions of US\$0.5 million to property, plant and equipment and currency translation gain of US\$1.0 million in FY2025.

Investment properties increased by US\$3.4 million to US\$9.9 million as at 31 December 2025. The increase was mainly attributable to the reclassification of US\$2.2 million from property, plant and equipment, a fair value gain of US\$0.7 million recognised to other comprehensive income upon the transfer from property, plant and equipment to investment properties, currency translation gain of US\$0.3 million and net fair value gain of US\$0.1 million recorded in FY2025.

LIABILITIES

Trade and other payables increased by US\$4.4 million to US\$108.8 million as at 31 December 2025. Trade payables decreased by US\$5.6 million due to full settlement of trade payables of the Group's Singapore consumer products distribution subsidiary which has ceased its business during

1H2025. Shorter payment days to certain suppliers of the Group's Hong Kong electronic components distribution subsidiary and lower purchases made by the Group's Malaysia and Singapore consumer products distribution subsidiaries also contributed to the decrease in trade payables. The decrease was partially offset by increase in trade payables of the Group's Singapore and South Korea electronic components distribution subsidiaries due to higher purchases and/or longer payment days to certain suppliers. Other payables increased by US\$9.5 million mainly due to higher accruals for sales commission and higher deposits received from customers by the Group's Hong Kong and China electronic components distribution subsidiaries, and higher expense accruals by the Group's Singapore electronic components distribution subsidiary and Singapore and Malaysia consumer products distribution subsidiaries. Average payment days for trade payables increased to 38 in FY2025 from 32 in FY2024.

Borrowings increased by US\$33.0 million to US\$205.0 million as at 31 December 2025. This was mainly due to higher borrowings by the Group's Singapore, Hong Kong and China, and South Korea electronic components distribution subsidiaries and a Malaysia consumer products distribution subsidiary to finance increase in working capital requirements. The increase was also due to the recognition of lease liabilities amounting to US\$18.1 million arising from a three-year finance lease agreement entered in September 2025 by the Group's Malaysia consumer products distribution subsidiary. The increase was partially offset by the full repayment of an interest-bearing loan amounting to S\$5.0 million (US\$3.9 million) to Mr. Goi Seng Hui, a substantial shareholder of the Company in 1H2025. The Company's current portion of a term loan amounting to US\$6.2 million (31 December 2024: US\$5.9 million) was reclassified to non-current borrowings as at 31 December 2025 upon extension of the maturity of the term loan from 30 May 2025 to 31 May 2027.

SHARE CAPITAL

Serial System's total number of issued shares as of 31 December 2025 was 904,841,914 (excluding treasury shares of 946,000), unchanged from the same period a year earlier.



EXTENSIVE DISTRIBUTION NETWORK

One of the largest Asian geographical presence in the electronic components and consumer products distribution industry



800

Employees



20

Offices and Representations



13

Warehouses

ELECTRONIC COMPONENTS DISTRIBUTION PRODUCT LINE CARDS

onsemi.

GOODIX

amul OSRAM

RENESAS


GigaDevice

 **ALLEGRO**
microsystems

MPS

 **Littelfuse**[®]

SiTime


AUTHORIZED DISTRIBUTOR

fitipower

Honeywell

IC⁺

MARS


MICRO CRYSTAL SWITZERLAND

 **NOVOSENSE**
纳芯微电子

 **尚阳通**
Sanrise Tech

 **SGMICRO**

 **SK hynix**

TOSHIBA

 **TT Electronics**

 **u-blox**


北斗星通旗下企业

UTC[™]

 **VARTA**

 **3PEAK**

CONSUMER PRODUCTS DISTRIBUTION CONSUMER AND ENTERPRISE IT PRODUCTS

SERIAL ACHIEVA LIMITED (“Serial Achieva”), a 77.64%-owned subsidiary of Serial System Ltd, successfully completed its reverse takeover of Axington Inc., listed on the Catalist Board of the Singapore Exchange on 14 June 2024 through the acquisition of 100% equity interest in Achieva Technology Sdn. Bhd. and 49% equity interest in Achieva Digital (Thailand) Company Limited.

Serial Achieva is a leading distributor of consumer and enterprise IT products with operations in Malaysia, Thailand and Singapore. The company partners with leading brands such as MSI, Intel, Gigabyte, AMD and Viewsonic to offer a comprehensive range of IT products, including desktop CPUs, motherboards, VGA cards, gaming laptops, and enterprise IT solutions.

Serial Achieva partners closely with its suppliers to deliver efficient distribution solutions, serving retailers and system integrators with high-quality products. By focusing on customer satisfaction, the company ensures timely delivery through a strong warehousing and direct distribution model.

Serial Achieva is committed to driving innovation and growth in Asia’s IT sector by expanding its presence and enhancing its one-stop distribution solutions to meet current and future demands. With strong partnerships and a focus on sustainable value creation, Serial Achieva is well-positioned to capture new opportunities in the fast-changing technology landscape.



PRODUCT LINE CARDS



CONSUMER PRODUCTS DISTRIBUTION PRINTING AND MANAGED PRINT SERVICES



SWIFT-VALUE BUSINESS PTE. LTD. (“Swift-Value”), a wholly-owned subsidiary of the Group, is the leading distributor of printer accessories, primarily ink and toner cartridges. It is the authorized distributor of Kyocera, Hewlett-Packard (HP), Epson and Canon products and also the authorised reseller of products from major brands such as Fuji Xerox and Samsung.

With its extensive reach, efficient supply chain management and reliable sales and technical personnel, Swift-Value enjoys close relationship with customers, thereby offering an extensive and consistent network to its suppliers and partner brands.

PRINT-IQ SINGAPORE PTE. LTD. (“Print-IQ”), a 91.43%-owned subsidiary of the Group, is a Singapore based managed print services company focusing on office automation. Well-versed in HP Managed Print Services (“MPS”) methodology, Print-IQ consultants have helped many businesses realise the benefits of adopting MPS. These include cost savings, reduced wastages, and productivity gains in the form of more efficient use of resources for other business operations.

Print-IQ has been able to deliver innovative projects in the government, education as well as commercial segments. In 2018, Print-IQ was awarded the HP Trailblazer 2018 (Asia Pacific) award in recognition of its strong knowledge, consultancy and application of HP MPS thought leadership. In the same year, Print-IQ also clinched the Fastest Growth 2018 (SEA) award, marking the acceptance and adoption of HP’s A3 print fleet in Southeast Asia. This award is particularly encouraging considering that HP’s print fleet was introduced only in 2017.

With a vision to bring innovation and leadership in HP MPS methodology across Southeast Asia, Print-IQ aims to deliver more innovative projects across various market segments.

The Group also holds a 14.93% equity interest in associated company, Indonesia-listed PT Sentral Mitra Informatika Tbk., the leading HP MPS in Indonesia, and a 49% equity interest in subsidiary, Print IQ MPS Company Limited in Thailand to expand its reach and builds up a strong network in the MPS



PRODUCT LINE CARDS



OTHER BUSINESSES

HOSPITALITY AND HEALTHCARE SOLUTIONS

SERIAL MULTIVISION PTE. LTD. (“Serial Multivision”) is a wholly-owned subsidiary of the Group that specialises in hospitality and healthcare solutions.

Serial Multivision is a leading player in the healthcare and hospitality solutions space, with a remarkable 90% coverage across hospitals in Singapore. It specializes in delivering customized, tailored solutions that focus on enhancing productivity and efficiency in backend operations. By offering integrated systems for both inpatient and outpatient touchpoints, Serial Multivision plays a crucial role in optimizing the healthcare experience for both patients and staff.

Key Offerings

Outpatient Solutions

Serial Multivision provides a range of solutions for the outpatient experience — the journey that begins before and continues after a patient checks into the hospital.

- Registration Systems: Seamless patient and visitor registration processes that minimize waiting time.
- Queue Management: Digital systems for queue numbers that guide patients to different doctors or departments.
- Maps and Navigation: Interactive maps accessible on phones, help patients navigate large hospital complexes. Navigation includes route that is wheelchair friendly.

- Digital Media and Feedback Systems: Engage patients through digital media and establish a structured feedback system to support continuous service improvement.

Inpatient Solutions

Serial Multivision’s inpatient solutions focus on improving the patient experience during their stay in the hospital, along with supporting backend operations.

- Patient Bedside Terminals: Empower patients with access to infotainment and hospital services directly from their bedside, as well as room control assess.
- Patient Info Boards: Real-time updates on patient care, providing clarity to both patients and hospital staff.
- Electronic Meal Ordering: Patients can place meal orders directly from their bedside terminals, which are customized to their dietary needs and medical restrictions.
- Butler Software: A comprehensive service system that allows patients to request services such as housekeeping or assistance, creating a smoother experience.
- Nurse Call System: Enhances efficient communication between patients and nursing staff, ensuring quick response times and better care.

OUTPATIENT SOLUTIONS



INPATIENT SOLUTIONS



OTHER BUSINESSES HOSPITALITY AND HEALTHCARE SOLUTIONS



Signature Electronic Meal Ordering System

One of the key innovations of Serial Multivision is its signature Electronic Meal Ordering System (“eMOS”), which has transformed how hospitals manage patient meals in an error-free, efficient manner. The system is designed to ensure that each patient receives their correct meals, even if there is a change in their bed location during their stay.

Key Features of the eMOS

- **Meal Tagging to Patient Wristbands:** Each patient is assigned a unique wristband, which is tagged with their specific meal preferences, dietary restrictions, and medical information. This wristband follows the patient throughout their stay.
- **Seamless Meal Delivery:** The patient wristbands provide a smooth and accurate meal service through automatic update of the wristband information. This ensures that meal orders are delivered to the correct location even if a patient is moved to a different bed.
- **Error-Proof Integration:** The system is fully integrated with the hospital’s existing software infrastructure, which ensures all data such as dietary restrictions, allergies, and preferences are continuously updated in real-time. This eliminates the possibility of human error, ensuring patients get the meals that are best suited for their health conditions.
- **Automated Order Adjustments:** The system automatically adjusts to prevent unnecessary meals from being prepared, if a patient is discharged early or doesn’t place an order, thereby reducing food wastages.

The error-proof eMOS not only enhances patient satisfaction but also plays a critical role in improving hospital operational efficiency. With real-time updates and automated tracking, the hospital staff can focus more on providing care to the patients, while Serial Multivision’s eMOS takes care of the meal logistics seamlessly.

Serial Multivision has also extended the software for use to third-party healthcare caterers such as Singapore Food Services (“SFS”) to consolidate and manage orders seamlessly from a hospital site to the caterers’ remote kitchen.

In 2024, Serial Multivision marks another major milestone with a contract awarded by Singhealth Cluster to revamp their Meal Ordering System to a centralised version across their hospitals island wide.

Recent Expansion into Schools

Serial Multivision’s innovative solutions have recently expanded into the education sector, addressing a growing problem in schools :- canteen operators are often in short supply, making traditional food service model inefficient. Serial Multivision’s solutions for the schools include:

- **Student Meal Ordering System:** Students can order their meals online, reducing waiting time during peak hours like recess.
- **Automated Meal Dispensing System:** After ordering their meals online, students tap their student ID at a dispenser to retrieve their meals, thereby bypassing long queue and ensuring everyone gets their meals on time.

This system is not only efficient but also helps schools to streamline their operations and enhances the overall student experience.

Serial Multivision’s Impact

By focusing on customized solutions that bridge technology and service, Serial Multivision has become a trusted partner for hospitals and educational institutions, improving operational efficiency, sustainability, and customer satisfaction. Serial Multivision’s commitment to creating seamless experiences for both patients and students continues to drive innovation in the healthcare and education sectors.

OTHER BUSINESSES

MEDICAL DEVICES DISTRIBUTION

CONTRACT STERILIZATION SERVICES PTE LTD (“**Contract Sterilization Services**”) is a 75%-owned subsidiary of the Group that assembles and distributes medical devices. It offers a full range of standard and customised perfusion tubing packs, which are marketed all over the Asia Pacific region and are the preferred choices of many leading hospitals.

Contract Sterilization Services utilises the best components from the United States and Europe, and customises the majority of its products to suit customers’ stringent demands. Its engineers and technicians work closely with customers and clinical consultants to provide the best solutions to complex problems and applications. Contract Sterilization Services abides by the principle of total quality management, from initial contact with clinical professionals to the delivery of sterile finished products that meet stringent requirements. Its reputation for quality and innovative designs is a result of consistent attention to materials, machining and manufacturing techniques. Contract Sterilization Services is ISO 13485-certified and its perfusion products bear the coveted CE certification mark.

Ophthalmic and Cardiovascular custom procedural packs are newly developed products which include the comprehensive list of items required for surgical procedures of the eyes and heart.

Being part of the distribution channels in the highly competitive medical device industry, Contract Sterilization Services proudly distributes the leading brands for Acute Circulatory Support System such as Abbott’s CentriMag™ and PediVAS pump heads. The pump heads can be used not only as a Left Ventricular Assist Device (LVAD) for up to 30 days but also as an ECMO support.

Another milestone in the expansion of Contract Sterilisation Services’ distribution network is the distribution of XVIVO products, which are primarily used for the perfusion of donor organs. This initiative will initially involve the distribution of XVIVO Liver Assist machines in Singapore from 2026, with potential expansion to other organ systems such as kidney, lung and heart transplantation. The XVIVO Liver Assist machine enhances patient outcomes, extends organ preservation time and supports more cost-effective utilisation of donor livers.

Contract Sterilization Services is strategically located at the Medtech Hub@Tulang. The Medtech Hub is a government initiative that aims to promote Singapore as Asia’s medical hub.



OTHER BUSINESSES

BULL WILL CO., LTD. (“**Bull Will**”), a 12.91%-owned associated company of the Group, is listed on the Over-The-Counter Securities Exchange in Taiwan. Bull Will, which started as a passive electronic components distributor, has over the years, transformed itself into a company with capabilities in research and development, design and manufacturing of a full range of magnetic components for electronic products.

Bull Will’s products include choke, common choke, filter, wireless charger, high power inductor and flat copper wire coil components. These components are widely used in power supplies, LCD monitors, smartphones, notebooks, servers, air-conditioners, automotives, solar inverters and more.

Bull Will’s vertical integration, production capacity and technical expertise enable it to quickly adapt to customers’ requirements and achieve the best price, quality and delivery. Bull Will aims to be the leading supplier of magnetic, passive, electromechanical and discrete components with demand-creation capabilities for all tiers of customers in the electronic industry.

Bull Will also holds a wholly-owned Taiwan subsidiary, Trustbond Technology Corp., a well-known spot supplier of electronic components in Taiwan which it acquired in October 2021. Trustbond Technology Corp. has an extensive customer base of more than 1,500. The synergistic effect from Trustbond Technology Corp. will enhance Bull Will’s services to its existing customers and the development of new customers.

Headquartered in Taipei, Taiwan, Bull Will has two manufacturing plants in China and about 140 employees.



FINANCIAL CALENDAR AND CORPORATE INFORMATION

27 February 2025	7 August 2025	15 April 2026
Announcement of Financial Year 2024 Results	Announcement of Half Year 2025 Results	Release of Annual Report 2025
15 April 2025	25 February 2026	30 April 2026
Release of Annual Report 2024	Announcement of Financial Year 2025 Results	Annual General Meeting 2026
30 April 2025		
Annual General Meeting 2025		

BOARD OF DIRECTORS

- **Mr. Derek Goh Bak Heng**
(Executive Chairman & Group Chief Executive Officer)
- **Mr. Teo Ser Luck**
(Non-Executive Deputy Chairman & Lead Independent Director)
- **Mr. Sean Goh Su Teng**
(Executive Director & Deputy Group Chief Executive Officer)
- **Mr. Heng Yeow Meng Michael**
(Independent Director)
- **Mr. Lye Hoong Yip Raymond**
(Independent Director)
- **Mr. Khua Kian Kheng Ivan**
(Independent Director)
- **Mr. Ng Yong Hwee**
(Independent Director)
- **Ms. Victoria Goh Si Hui**
(Non-Independent Non-Executive Director)
- **Mr. Goi Kok Ming Kenneth**
(Non-Independent Non-Executive Director)

AUDIT COMMITTEE

- **Mr. Heng Yeow Meng Michael** (Chairman)
- **Mr. Lye Hoong Yip Raymond**
- **Mr. Ng Yong Hwee**

NOMINATING COMMITTEE

- **Mr. Khua Kian Kheng Ivan** (Chairman)
- **Mr. Lye Hoong Yip Raymond**
- **Mr. Heng Yeow Meng Michael**

REMUNERATION COMMITTEE

- **Mr. Lye Hoong Yip Raymond** (Chairman)
- **Mr. Khua Kian Keng Ivan**
- **Mr. Ng Yong Hwee**

SERIAL SYSTEM EMPLOYEE SHARE OPTION SCHEME 2024 COMMITTEE

- **Mr. Heng Yeow Meng Michael** (Chairman)
- **Mr. Khua Kian Kheng Ivan**
- **Mr. Ng Yong Hwee**
- **Mr. Sean Goh Su Teng**

COMPANY SECRETARY

Mr. Alex Wui Heck Koon

REGISTERED OFFICE

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Serial System Building
Singapore 408554

GROUP WEBSITE

<https://www.serialsystem.com>

REGISTRAR & SHARE TRANSFER OFFICE

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#06-03 Robinson 77
Singapore 068896

AUDITORS

Moore Stephens LLP
Public Accountants and Chartered Accountants
10 Anson Road #29-15
International Plaza
Singapore 079903
Audit Partner: Mr. Christopher Bruce Johnson
(appointed in Year 2023)

PRINCIPAL BANKERS

- Bank of Ningbo Co., Ltd (Shenzhen Branch)
- Bank of Panhsin
- Cathay United Bank
- First Commercial Bank, Ltd
- Hang Seng Bank Limited
- KGI Bank
- Malayan Banking Berhad
- Resona Merchant Bank Asia Limited
- Shanghai Commercial Bank Limited
- Shinhan Bank
- Standard Chartered Bank
- Taichung Bank
- Taishin Bank
- United Overseas Bank Limited

BOARD OF DIRECTORS



DEREK GOH BAK HENG

Executive Chairman & Group Chief Executive Officer

Mr. Derek Goh Bak Heng founded Serial System as a sole proprietorship in 1988, incorporated Serial System Ltd in 1992 and was the founding Chairman and Group Chief Executive Officer when Serial System Ltd was listed in 1997. Mr. Goh is currently the Executive Chairman and Group Chief Executive Officer. As Executive Chairman, Mr. Goh leads the Board in charting the future direction of the Group.

In 1996, Mr. Goh won the “Entrepreneur of the Year Award”, organised by the Rotary Club of Singapore and the Association of Small and Medium Enterprises, supported by the Trade Development Board. In 1997, he was elected the National President of JCI Singapore and was conferred the Singapore Youth Award (Individual) for entrepreneurship, the nation’s highest honour for youths. In 1999, Mr. Goh was conferred the ASEAN Best Young Entrepreneur Award 1999 by the ASEAN Secretariat, and the World Association of Small and Medium Enterprises (WASME) Special Honour Award by the World Association of Small and Medium Enterprises on 29 March 2000. In 2004, he was awarded the Public Service Medal (Pingat Bakti Masyarakat) by the President of the Republic of Singapore and in 2010, the Public Service Star Medal (Bintang Bakti Masyarakat) on the National Day Honours 2010. In 2010, Mr. Goh won the “Asia Pacific Entrepreneurship Awards 2010 Entrepreneur of the Year” organised by Enterprise Asia and APF Group Pte Ltd and in 2011, he won the Ernst & Young Entrepreneur Of The Year® 2011 Singapore Award for the Electronic Components Distribution Category. In 2014, he was elected the President of JCI Senators of South East Asian Nations. In 2015, Mr. Goh was awarded the International-Singapore ASEAN Leading Brand International Entrepreneur of the Year at the ASEAN Outstanding Business Award 2015 and was named the “UN Asia Pacific Most Prominent Entrepreneur” co-organised by the Trade and Industry Association Singapore and the United Nations Association of Singapore. He was also awarded one of the “Top Outstanding Leaders in Asia 2015” in the Asia Corporate Excellence & Sustainability Awards 2015. In 2021, Mr. Goh was awarded the Public Service Star (Bar) Bintang Bakti Masyarakat (Lintang) on the National Day Honours 2021. In 2023, he was elected President of Teochew Poit Ip Huay Kuan. In 2025, Mr. Goh was elected the Founding President of Teochew Business Federation (Singapore) and the Chairman of the 24th Board of Directors, Teochew International Federation.

Mr. Goh obtained a Certificate of Electrical Engineering Technicians from City & Guilds of London Institute.

As at 8 April 2026, Mr. Goh holds 365,997,970 shares (40.45%) in Serial System Ltd. Mr. Goh is a substantial shareholder of Serial System Ltd.



TEO SER LUCK

Non-Executive Deputy Chairman & Lead Independent Director

Mr. Teo Ser Luck joined the Board of Directors on 15 July 2017. He is currently the Non-Executive Deputy Chairman and Lead Independent Director.

Mr. Teo is currently the Independent Non-Executive Chairman of SGX-listed BRC Asia Limited, Lead Independent Director of SGX-listed China Aviation Oil (Singapore) Corporation Ltd, and Independent Director of SGX-listed Straco Corporation Limited and Yanlord Land Group Limited, and HKEX-listed Super Hi International Holding Limited.

Mr. Teo is an entrepreneur and investor with business ventures in various sectors, mainly technology related in the areas of e-commerce, finance, education, food, hardware, general commodities, sports and fitness, event management, and consumer brand and franchise. He is the founding investor of a listed software company.

Mr. Teo was Adviser to the Institute of Singapore Chartered Accountants (“ISCA”) from 2009 to March 2022 and is currently the President of ISCA. He is Chairman of Anti-Doping Singapore, an autonomous government agency. He is also Adviser to the Singapore Fintech Association.

Mr. Teo was a Member of the Parliament (“MP”) of Singapore representing the Pasir Ris-Punggol Group Representation Constituency from May 2006 to July 2020. In his 11 years of full-time political office holder till July 2017, he had served as Minister of State for Trade and Industry, Minister of State for Manpower, Mayor of the North East District of Singapore and coordinating Chairman of Mayors Committee. He was also the Senior Parliamentary Secretary in the Ministry of Community Development, Youth and Sports, and Ministry of Transport. Mr. Teo was the Chairman of Singapore-Shandong Bilateral Business Council and Vice Chairman of Singapore-Jiangsu Bilateral Business Council.

Mr. Teo was recognised as a Young Global Leader by the World Economic Forum for his contribution to the business and community services sectors. He also received the Outstanding Young Alumni Award and subsequently the Outstanding Alumni Award from his alma mater, Nanyang Technological University for continuing to make a difference in public service. While in the private sector, Mr. Teo has also received accolades as a global outstanding manager in business and operational excellence.

Mr. Teo holds a Bachelor of Accountancy degree from the Nanyang Technological University.

BOARD OF DIRECTORS



SEAN GOH SU TENG

Executive Director & Deputy Group Chief Executive Officer

Mr. Sean Goh Su Teng joined the Board of Directors on 5 October 2021. He is currently the Deputy Group Chief Executive Officer.

Apart from Serial System Ltd, Mr. Goh is also the Non-Executive Chairman of SGX Catalist-listed Serial Achieva Limited, a 77.64%-owned subsidiary of Serial System Ltd.

Mr. Goh started as a Sales Engineer with Serial Microelectronics Pte Ltd, a wholly-owned subsidiary of Serial System Ltd, in June 2004. He was appointed Vice President of Regional Marketing in October 2009, Senior Vice President of Corporate Planning, Development and Regional Marketing in July 2011, Group Senior Vice President and Chief Operating Officer, Consumer Products Distribution in July 2018 and Group Chief Operating Officer of Serial System Ltd in June 2019. Mr. Goh was appointed Deputy Group Chief Executive Officer of Serial System Ltd in July 2022.

Mr. Goh served as a member of the Home Detention Advisory Committee under the Ministry of Home Affairs for a three-year term and stepped down in 2024. He was previously appointed by the Ministry of Home Affairs as a Board of Visitor for Drugs Rehabilitation Centre in 2010 and served for a period of ten years before stepping down in 2020.

Mr. Goh holds a Bachelor of Engineering degree with Honours from the Nanyang Technological University.



HENG YEOW MENG MICHAEL

Independent Non-Executive Director

Mr. Heng Yeow Meng Michael joined the Board of Directors on 30 April 2024. He is currently the Chairman of the Audit Committee and a member of the Nominating Committee.

Mr. Heng has more than thirty years of experience in auditing, accounting and tax services and is currently the managing partner of HLSPartnership LLP.

Mr. Heng is a fellow member of the Institute of Singapore Chartered Accountants (ISCA), CPA Australia and the Chartered Institute of Management Accountants (United Kingdom), and a member of the Institute of Internal Auditors Singapore and the Singapore Institute of Directors. He is also a member of ISCA's Investigation and Disciplinary Panel and holds the designation of an Accredited Tax Advisor (ATA) of the Singapore Chartered Tax Professionals.

Mr. Heng holds a Bachelor of Commerce degree from the University of Melbourne in Australia.

BOARD OF DIRECTORS



LYE HOONG YIP RAYMOND
Independent Non-Executive Director

Mr. Lye Hoong Yip Raymond joined the Board of Directors on 9 January 2024. He is currently the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

Apart from Serial System Ltd, Mr. Lye is also the Independent Director of SGX-listed Wee Hur Holdings Ltd.

Mr. Lye has been in legal practice since 1990, first in the State Court before going into private practice. Mr. Lye was an executive director of CitiLegal LLC from April 2010 to December 2013. In January 2014, he founded Union Law LLP and was its managing partner until the firm merged with CNPLaw LLP in October 2025. Mr. Lye is currently a partner at CNPLaw LLP. His areas of expertise are civil and criminal litigation, commercial work, business disputes including shareholder/director/partner/employment law, building and construction law, family law and intellectual property rights.

Mr. Lye is an active volunteer. He is currently the Deputy President of the Strata Titles Boards, a member of the Broadcast, Publications and Arts Appeal Committee (IMDA), Medifund Committee of Khoo Teck Puat Hospital (NHG Health), school boards of Ministry of Education (MOE), and the Honorary Chairman of the Sengkang East Citizens' Consultative Committee. Mr. Lye was awarded the Service to Education Award (MOE) in 2005 and 2010, Public Service Medal (Pingat Bakti Masyarakat) in 1998, the Public Service Star Medal (Bintang Bakti Masyarakat) in 2008 and the Public Service Star (BAR) Bintang Bakti Masyarakat (Lintang) in 2025, the Grand Award for Community Service in 2017 (25 years) and 2022 (30 years), the Dedicated Service Award (MND) in 2017 and 2023 as well as the Meritorious Service Medal in 2022.

Mr. Lye holds a Bachelor of Law degree with Honours from the National University of Singapore (Rodyk and Davidson scholar).



KHUA KIAN KHENG IVAN
Independent Non-Executive Director

Mr. Khua Kian Kheng Ivan joined the Board of Directors on 30 April 2024. He is currently the Chairman of the Nominating Committee and a member of the Remuneration Committee.

Mr. Khua is currently the executive director of Hock Leong Enterprises Pte. Ltd., an oil and gas related servicing company.

Mr. Khua was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 2016 and the Public Service Star Medal (Bintang Bakti Masyarakat) in 2024 by the President of the Republic of Singapore.

Mr. Khua is a member of the Singapore Institute of Arbitrators and the Singapore Institute of Directors.

Mr. Khua holds a Bachelor degree in Building Construction Management (First Class Honours) from the University of New South Wales in Australia.

BOARD OF DIRECTORS



NG YONG HWEE

Independent Non-Executive Director

Mr. Ng Yong Hwee joined the Board of Directors on 30 April 2024. He is currently a member of the Audit Committee and Remuneration Committee.

Apart from Serial System Ltd, Mr. Ng is also the Independent Director of SGX-listed Eneco Energy Limited and HKEX-listed K2 F&B Holdings Limited.

Mr. Ng has worked for both global and Asian multinational corporations and Temasek-linked companies such as Esso, BASF and GE, and was the chief executive officer of City Gas Pte Ltd and Netlink Trust.

Mr. Ng is a Senior Accredited Board Director of the Singapore Institute of Directors.

Mr. Ng holds a Bachelor of Arts and Social Sciences degree from the National University of Singapore and a MBA from the Warwick Business School in the United Kingdom.



VICTORIA GOH SI HUI

Non-Independent Non-Executive Director

Ms. Victoria Goh Si Hui joined the Board of Directors on 26 January 2022. She was re-designated from Executive Director to Non-Executive Director on 1 February 2026.

Apart from Serial System Ltd, Ms. Goh is also the Executive Director and Chief Executive Officer of SGX Catalist-listed Serial Achieva Limited, a 77.64%-owned subsidiary of Serial System Ltd.

Ms. Goh started as a Corporate Development Executive with Serial Microelectronics Pte Ltd, a wholly-owned subsidiary of Serial System Ltd, from August 2015 to February 2016. She worked as a Business Development Executive with Future Electronics Inc. (Distribution) Pte. Ltd. under its Management Trainee Program from February 2016 to December 2016. Ms. Goh rejoined Serial System Ltd as Business Development Executive in January 2017, and was appointed Business Development Manager in June 2018 and Director, Business Development & Marketing in April 2019. She was appointed Vice President, Business Development & Marketing in January 2022, took on an additional role of Chief Operating Officer of Consumer Products Distribution Division of Serial System Ltd in July 2025 and relinquished these roles in February 2026 following her appointment as Chief Executive Officer of Serial Achieva Limited. Ms. Goh continues to oversee and manage the business of Serial Multivision Pte. Ltd., a wholly-owned subsidiary of Serial System Ltd.

Ms. Goh holds a Bachelor of Business degree from the Nanyang Technological University.

As at 8 April 2026, Ms. Goh holds 273,300 shares (0.03%) in Serial System Ltd.



GOI KOK MING KENNETH

Non-Independent Non-Executive Director

Mr. Goi Kok Ming Kenneth joined the Board of Directors on 8 May 2019.

Apart from Serial System Ltd, Mr. Goi is also the Executive Director and Chief Operating Officer of SGX-listed GSH Corporation Limited, and Non-Executive and Non-Independent Director of SGX-listed PSC Corporation Ltd and Union Steel Holdings Limited.

Mr. Goi is a director of Acelink Logistics Pte Ltd, a supply chain company with distribution networks in Singapore, Malaysia, Thailand, Hong Kong and China, and Tee Yih Jia Group, a global food and beverage company with operations in Singapore, Malaysia, United States, Europe, Japan and China.

Mr. Goi is active in community services and was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 2018 for his involvement as a member of the Community Development District Council, South East Region, and Patron of Braddell Heights Community Club. He also received the "Entrepreneur of the Year" Award from Enterprise Asia in 2019.

Mr. Goi holds a Bachelor degree in Computer Information System from California State University, Pomona, United States.

MANAGEMENT TEAM



DEREK GOH

Group Chief Executive Officer

As Group Chief Executive Officer, Derek leads the management team in executing strategies to achieve the goals set by the Board of Serial System Ltd.



SEAN GOH

Deputy Group Chief Executive Officer

As Deputy Group Chief Executive Officer, Sean oversees the business and operations of the Group including optimizing the information technology, operational and asset management capabilities. He works with the management team and Board of Serial System Ltd to develop and execute corporate strategies.



ALEX WUI

Group Chief Financial Officer & Group Company Secretary

Alex Wui joined Serial System Ltd in August 2000 and was appointed Group Financial Controller in August 2006. He was re-designated as Group Chief Financial Officer in April 2011.

As Group Chief Financial Officer, Alex is responsible for the Group's accounting, finance, treasury and tax functions. As Group Company Secretary, he ensures the Group complies with all established procedures and relevant statutes and regulations.

Alex is a Chartered Accountant with corporate advisory and public accounting experiences gained with an international accounting firm.

Alex holds a Bachelor of Accountancy degree with Honours from the Nanyang Technological University and a MBA from the Warwick Business School in the United Kingdom.



VINSON SIM

Senior IT Director

Vinson Sim joined Serial System Ltd in November 2018 as Senior IT Director. As Senior IT Director, Vinson oversees the Group's information technology and manages its strategy, deployment and project implementations.

Prior to joining Serial System Ltd, Vinson held various senior positions in systems and change delivery in a global bank.

Vinson holds a Bachelor of Engineering degree with Honours from the Nanyang Technological University.

MANAGEMENT TEAM



KIM SANG YEOL

*President | Serial Microelectronics Korea Limited
South Korea*

SY Kim was appointed President of Serial Microelectronics Korea Limited ("SMKR") in May 1999.

As Country Head of SMKR, SY oversees the Group's electronic components distribution business in South Korea.

SY has over 40 years of experience in the semiconductor and technology field and had held senior level positions at Space Semiconductor Trading Limited and Alpha Technology Industries Limited.

SY holds a Bachelor of Electronics Engineering degree from the KwangWoon University in South Korea.



LAWRENCE HO

*President | Serial Microelectronics (HK) Limited
Hong Kong & China*

Lawrence Ho was appointed President of Serial Microelectronics (HK) Limited ("SMHK") in July 2001.

As Country Head of SMHK, Lawrence oversees the Group's electronic components distribution business in Hong Kong and China.

Prior to joining SMHK, Lawrence owned Innwave Technology Ltd, a company engaged in trading and distribution of electronic components in Hong Kong.

Lawrence holds a Bachelor of Electronics Engineering degree from the Hong Kong Polytechnic University in Hong Kong.



KEN KWAN

*Vice President | Serial Microelectronics Pte Ltd
Southeast Asia & India*

Ken Kwan joined Serial Microelectronics Pte Ltd ("SMPL") in February 2006 as its Field Application Engineer handling key suppliers. He was appointed Director, Product Marketing in March 2017, Senior Director, Sales & Marketing and assumed the role of Country Head of SMPL in May 2021 and Vice President, South Asia Pacific in January 2026.

As Country Head of SMPL, Ken oversees the Group's electronic components distribution business in Southeast Asia and India.

Ken holds a Bachelor of Electrical and Electronics Engineering degree with Honours from the Nanyang Technological University.



JESSE JENG

*President | Serial Microelectronics Inc.
Taiwan*

Jesse Jeng was appointed President of Serial Microelectronics Inc. ("SMTW") in January 2007.

As Country Head of SMTW, Jesse oversees the Group's electronic components distribution business in Taiwan.

Jesse has over 39 years of experience in the electronic trading and distribution industry, including 4 years at Chander Electronics Corp and 11 years at Arrow Electronics (Taiwan) Ltd.

Jesse holds a Bachelor of Electrical Engineering degree from the St. John's University and a Physics degree from the Tamkang University, both in Taiwan.

SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

INTRODUCTION

This is the ninth Group Sustainability Report by Serial System Ltd. It covers the sustainability performance of all subsidiaries for which Serial System Ltd ("**Serial System**" or "**SSL**" together with its subsidiaries, collectively the "**Group**") has management control, unless otherwise stated.

OUR REPORT SCOPE

The Sustainability Report 2025 ("**SR2025**") covers the Group's sustainability strategies, initiatives and performance in relation to Environmental, Social and Governance ("**ESG**") issues for the financial year ended 31 December 2025 ("**FY2025**"). Relevant data material to the Group's overall ESG performance had been consolidated and aligned with the current requirements by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Since 2024, we had partnered with STACS to adopt their ESGpedia System, enhancing our engagement with internal stakeholders and improving data management.

In terms of our supply chain, there were no significant changes during the reporting cycle. Through this report, we hope to share our sustainability commitments with our various stakeholders, including shareholders, business partners, customers, suppliers, staff, the community, government and regulators.

INTERNATIONAL STANDARDS AND GUIDELINES

This report has been prepared in accordance with the sustainability reporting regulatory requirements set out in the SGX-ST's Listing Rules 711A and 711B of the Listing Manual of the SGX-ST. The report incorporates the International Sustainability Standards Board (ISSB) Standards, including the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which build upon the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and industry-based metrics from the Sustainability Accounting Standards Board (SASB). Furthermore, this report aligns with the Global Reporting Initiative (GRI) Universal Standards 2021.

INDEPENDENT ASSURANCE

This report's ESG data is derived from internal records for accuracy. The Group has verified the sustainability processes through internal review, without seeking external assurance.

FEEDBACK

We are fully committed to listening to our stakeholders and welcome feedback on this report, as well as any aspect of our sustainability policies, processes and performance. Please address all feedback to sustain@serialsystem.com. Your feedback will be valuable for us in achieving our goals to build a sustainable and thriving business.

SUSTAINABILITY REPORT

MESSAGE FROM THE BOARD

Amid persistent geopolitical tensions, evolving trade policies and ongoing supply chain realignments, the Group continues to operate in an environment of heightened uncertainty. Recent developments, including tensions in the Middle East, have contributed to energy market volatility, sustained inflationary pressures and increased risks to global trade flows. In parallel, export controls on advanced semiconductor technologies, particularly in relation to China, together with a higher-for-longer interest rate environment and currency volatility, continue to shape industry dynamics.

Against this backdrop, Environmental, Social and Governance (“ESG”) considerations remain central to the Group’s strategy and long-term value creation. The Board provides oversight of sustainability-related risks and opportunities, while management is responsible for the implementation and integration of ESG considerations into the Group’s operations, risk management processes and strategic decision-making, in line with evolving ISSB and TCFD-aligned expectations.

The Group recognises the potential financial and operational impacts arising from climate-related risks. Transition risks include regulatory changes, evolving disclosure requirements, carbon pricing mechanisms, shifts in customer preferences and technological advancements associated with the transition to a lower-carbon economy. Physical risks include acute events such as extreme weather disruptions, as well as chronic changes in climate patterns that may affect supply chain continuity, logistics infrastructure and operating conditions across the regions in which the Group operates. The Group continues to assess and monitor these risks as part of its broader enterprise risk management framework.

In preparation for evolving regulatory requirements and stakeholder expectations, the Group is progressively enhancing its internal controls, documentation and data governance processes to support future external assurance of ESG disclosures. These efforts are aimed at achieving readiness for limited assurance, while improving the reliability, consistency and comparability of sustainability-related metrics and disclosures.

The Group remains committed to building a sustainable enterprise through the continual enhancement of its ESG practices and the integration of sustainability considerations into its operations via its established Sustainability Framework, ensuring resilience in navigating climate-related risks while positioning the Group to capture opportunities arising from structural growth trends.

The Board extends its sincere appreciation to management, employees, partners, customers and stakeholders for their continued support and contributions to the Group’s sustainability journey.

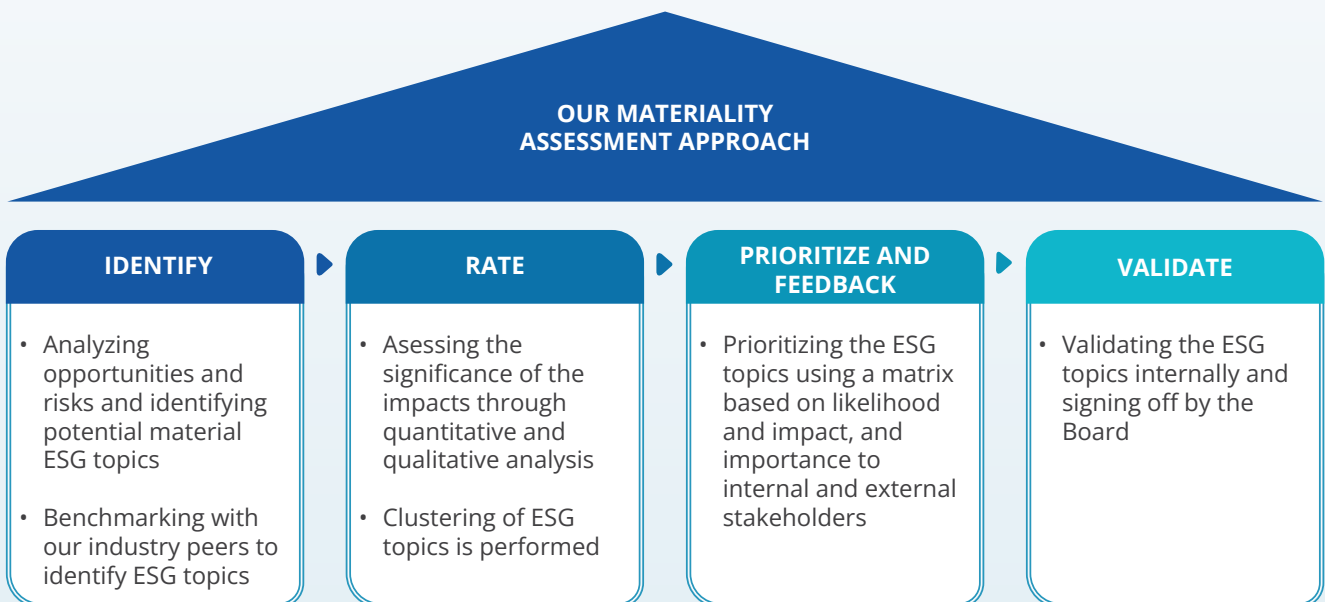


SUSTAINABILITY STRATEGY

OUR ESG APPROACH

OUR SUSTAINABILITY FRAMEWORK

Our sustainability framework articulates how we embed sustainability into our business strategies and reflect our latest stakeholder engagement and materiality assessment. It is comprised of four mutually reinforcing pillars which underpin our vision for sustainability. Besides serving as the compass to direct our actions, this framework seeks to demonstrate how our strategy, governance, programs and performance lead to long-term business growth and value creation for stakeholders while protecting the environment.



SUSTAINABILITY STRATEGY

MATERIAL ESG TOPICS

Using the above assessment, we reviewed our material topics for 2025 and confirmed that the key topics identified in 2024 remain the most relevant to our strategy. These topics continue to reflect our commitment to becoming a leading electronic components and consumer products distribution partner, addressing the key impacts and risks in our value chain.



IDENTIFICATION AND MANAGEMENT OF ESG RISKS

We had integrated the identification and management of ESG risks into our business continuity plan. Our FY2025 assessment of risks and opportunities concluded that the existing framework remains sufficient. Consequently, no additional risks have been added to the register. We will conduct our next annual review in FY2026.

SUSTAINABILITY STRATEGY

As a publicly-listed company in Singapore, Serial System is committed to complying with the SGX-ST's Mandatory Climate Reporting requirements. We align our disclosures with the ISSB International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (SDS) — specifically IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures – which incorporate the established frameworks of TCFD. Recognizing the expectations of our business partners and stakeholders, we are dedicated to advocating for sustainability across our operations. This commitment transforms our business practices, ensuring long-term economic resilience and a positive impact on the environment.

To comply with SGX-ST's requirements, we have included IFRS S1 and S2 Disclosures, which align with the 11 TCFD recommendations, since 2023. Additionally, we formed the Sustainability Steering Committee (“SSC”) to drive our sustainability strategies, performance and best practices in compliance with SGX-ST's regulatory requirements.

Serial System had partnered with third-party logistics providers to ensure sustainable transport, opting the use of sustainable fuels since FY2024 and participation in carbon neutral agreement in FY2025. Our Singapore head office had also successfully completed its solar panel installation and is now operating with solar energy. To ensure continued business with our business partners, we obtained green certifications such as the ICC SME360X Singapore Green Exporter Program Certificate (by SBF/MTI) and STACS ESNB Green Badge Award to show our commitment to sustainability through disclosures on our carbon emissions and sustainable practices. We also actively participate in customers' and suppliers' ESG initiatives by answering their ESG Audit Questionnaires to capture their Scope 3 emissions based on our operations.

KEY STAKEHOLDERS ENGAGEMENT





As part of our Materiality Assessment, we engage with all our internal and external stakeholders who support the business or who are impacted by our operations. Their perspective and feedback provide us information that help prioritize and continuously improve our ESG strategy. We maintain communications with them through various channels to receive their inputs.

Since FY2024, we had partnered with STACS to use their ESGpedia System. This is the Group's initiative to better engage with our key stakeholders. We continue to use it to gather our internal stakeholders' data and consolidate it to group level for FY2025. We plan to extend its usage to our external stakeholders in the near future.

The following illustrates the approach the Group undertakes to engage with our key stakeholders:

Stakeholders	Stakeholders' Key Concerns and Expectations	Engagement and Communication Channels	Our Response
Customers 	<ul style="list-style-type: none"> • Provide quality customer service and experience • Ensure product quality • Solve product-related technical problems • Competitive pricing and reasonable payment terms • On-time delivery • Quality control in place • Streamline business operations in distributing products to customers 	<ul style="list-style-type: none"> • Regular meetings and customer management • Regular communications via phone, email, website and/ or circulars • Contracts and agreements • Business reviews with customers 	<ul style="list-style-type: none"> • Manage key accounts • Build and maintain a good relationship with customers • Expand product lines and ranges • Regularly review to fulfill customers' needs • Seek and provide timely feedback
Business Partners 	<ul style="list-style-type: none"> • Collaborative partnerships and opportunity to nurture and expand the business 	<ul style="list-style-type: none"> • Business meetings • Strategic partnerships 	<ul style="list-style-type: none"> • Engage suitable business partners to pursue business objectives and work towards growth and profitability
Local Communities 	<ul style="list-style-type: none"> • Give back and serve the community • Help the less privileged 	<ul style="list-style-type: none"> • Volunteering initiatives • Donations to charitable organizations 	<ul style="list-style-type: none"> • Organize volunteer activities • Contribute to charitable causes

SUSTAINABILITY STRATEGY

Stakeholders	Stakeholders' Key Concerns and Expectations	Engagement and Communication Channels	Our Response
Government and Regulators 	<ul style="list-style-type: none"> Regulatory compliance Promote workplace health and safety Address pertinent issues 	<ul style="list-style-type: none"> Regulatory filings and submissions through government and regulators websites 	<ul style="list-style-type: none"> Timely announcements on material information and financial results through SGXNet and corporate website Ensure compliance with prevailing laws and regulations Submit annual report or circular
Employees 	<ul style="list-style-type: none"> Competitive remuneration and benefits Career growth and personal development Work-life balance Job security Health and safety in the workplace 	<ul style="list-style-type: none"> Annual performance appraisal system Training and career development programs Employee feedback channels Social and team-building activities Health and safety trainings 	<ul style="list-style-type: none"> Establish and communicate human resource policies and practices which promote work-life balance and safe working environment Reward good performance and long service employees Provide opportunity for career development Establish a platform for submission of staff suggestions and feedback to management
Suppliers 	<ul style="list-style-type: none"> Fulfill contractual obligations and receive timely payments Promote joint efforts on product development and growth Supply good quality products Develop value-added services 	<ul style="list-style-type: none"> Contracts and agreements Regular meetings Monthly/quarterly reviews with suppliers Electronic data interchange 	<ul style="list-style-type: none"> Market the supplier's products Regularly review whether we are meeting supplier's needs Feedback on product development and growth efforts Resolve product quality together with customers Promote demand creation activities for supplier's products Meet and exceed targets set
Investors and Shareholders 	<ul style="list-style-type: none"> Group's strategy and long-term growth Corporate governance Risk management and internal controls Deliver strong economic performance Shareholders' return Timely and accurate release of the Group's business progress and financial report 	<ul style="list-style-type: none"> Timely announcement of financial results and relevant disclosures through SGXNet and corporate website Annual/extraordinary general meeting Annual report or Circular Corporate governance and sustainability reports Meeting analysts and investors 	<ul style="list-style-type: none"> Strive for sustained and long-term growth Adhere to the rules of SGX-ST and other regulatory requirements Embrace good corporate governance, effective risk management and internal controls Ensure timely and accurate disclosure of financial and non-financial information Manage risks and take advantage of opportunities to further business operations

SUSTAINABILITY STRATEGY

ABOUT THE ESGPEDIA SYSTEM

To show our commitment to enhancing stakeholder engagement, we partnered with STACS in 2024 and adopted their ESGpedia System. This comprehensive digital ESG platform supports various sustainability initiatives, including GHG calculations, supplier engagement, sustainability-linked financing, sustainability reporting, ESG assurance, carbon offsetting and green procurement. In addition, it collaborated with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) to launch a digital ESG self-assessment on the ESGpedia platform, partnered with the Sustainable Finance Institute Asia to support the Single AccessPoint for ESG Data (SAFE) Platform, and worked with the United Nations Global Compact to drive corporate adoption. It also contributed to the Monetary Authority of Singapore’s (MAS) Project Greenprint by developing an ESG Registry. Furthermore, it was accepted into the Infocomm Media Development Authority (IMDA) SPARK Program and ADS program. Beyond these initiatives, it has partnered with financial institutions such as DBS, OCBC, and CIMB to leverage ESG financial products, including Green Loans, Sustainability-Linked Loans (SLLs), Supply Chain Finance, Insurance, and Investments. They also award the ESNB Asia-Pacific Green Deal Badge to businesses that have demonstrated their commitment to sustainability by pledging support and completing the digital assessment, complying with SGX List of Core Metrics and IFRS ISSB Standards.



SUSTAINABILITY HIGHLIGHTS AND AWARDS

Sustainability is becoming increasingly critical as environmental challenges intensify. In response, the Singapore government unveiled the Singapore Green Plan 2030, an ambitious and rigorous strategy that outlines the country’s long-term plan to achieve net zero emissions by 2050. To achieve this goal, businesses are required to integrate sustainable practices in their operations, a move spearheaded by the SGX-ST. Consequently, management consultants are actively driving the implementation of sustainability initiatives across the country. We received the ESNB Green Badge which shows our commitment to sustainability through the use of ESGpedia, GoGreen Plus Certificates by using DHL LCL GoGreen Plus Low Emission Transport Services for our ocean and air shipments, UPS Carbon Neutral Agreement Certificate for our air freight shipments, and ICC SME360X Singapore Green Exporter Program Certificate by SBF/MT1 for disclosing our sustainability performance.



GoGreen Plus Certificate through DHL LCL GoGreen Plus Low Emission Transport Services



UPS Carbon Neutral Program Certificate 2025



ESNB Green Badge



ICC SME360X Singapore Green Exporter Program Certificate by SBF/MT1

OUR ECONOMIC

RESPONSIBLE SUPPLY CHAIN MANAGEMENT



OUR VALUE CHAIN APPROACH

We are committed to embrace responsible business practices across our operations and supply chain by collaborating with transparent, ethical, environmentally and socially responsible suppliers. As such, we established a stringent pre-qualification and procurement process to ensure the quality of our supply chain. All our suppliers and customers are required to undergo restricted party screening through our automated denied party screening software which comprises of database from government authorities and international organizations. Since FY2023, we had used a third party trade compliance solution provider to ensure sustainable operations, enabling us to screen customers and monitor product items that would be shipped out in compliance with applicable international export control laws for such transactions. We were awarded the best-in-class TradeFIRST Premium Band and recertified for the Secure Trade Partnership (STP). These achievements align with the European Union (“EU”) Authorized Economic Operator (AEO) concept, which is recognized under Mutual Recognition Arrangements (MRA) with 13 countries across the globe.

GREEN LOGISTICS

Our 3PL logistics service providers are also frequently assessed against their suitability and capability to meet our Group’s requirements, as well as their adherence with government customs requirements. We had considered the technologies and alternatives proposed by both our existing 3PL logistics service providers, such as FedEx’s use of Sustainable Aviation Fuel (SAF) and DHL’s use of electric vehicles in its commercial fleet. In FY2025, Serial System continued to use DHL LCL GoGreen Plus Low Emission Transport Services for ocean shipments, facilitated by sustainable marine fuel. Through this we were able to reduce our ocean freight emissions by 85% compared to when we used fossil energy source. In addition, we had also subscribed to the DHL GoGreen Plus Low Emission Transportation Services for air transportation, facilitated by sustainable aviation fuel and UPS Carbon Neutral Program since August 2025. Through these programs, we had mitigated a total of 43.17 tons CO₂e from their inception until end of 2025.



DHL GoGreen Plus Program



UPS Carbon Neutral Program

OUR ECONOMIC

RESPONSIBLE SUPPLY CHAIN PRACTICES AND SOURCING

As a distributor, we are not directly involved in the manufacturing of the electronic components and consumer products we supply. Consequently, we do not have direct insight into or control over the specific substances used in these products. Nonetheless, we remain committed to upholding environmental and social standards across our value chain. To this end, we source exclusively from franchised suppliers and maintain a dedicated REACH and RoHS compliance page on our corporate website. This page promotes transparency and enables customers and stakeholders to easily access manufacturers' certification documents.

Our SSC actively monitors updates to relevant regulations and standards to ensure continued compliance. Looking ahead to FY2026, we aim to continue strengthening our supply chain processes and contribute to the development of a sustainable global electronics ecosystem. We had implemented the Serial System 3TG (tin, tantalum, tungsten, and gold) policy which addresses the ethical sourcing of these minerals. While we do not manufacture products ourselves, we expect our suppliers to provide proper documentation verifying the origin and sourcing of any conflict minerals used in their supplied products.

SUSTAINABLE SUPPLY CHAIN STEWARDSHIP

In support of the National Environment Agency's (NEA) Packaging Partnership Programme (PPP), we are committed to reducing, reusing, and recycling packaging materials wherever feasible. We consistently comply with NEA's Mandatory Packaging Reporting (MPR) framework. While we do not have direct control over the primary packaging of the products we distribute, we actively manage the elements within our control such as outer cartons and pallets by reusing and recycling them to the fullest extent possible.



OUR ENVIRONMENT

OUR ENVIRONMENTAL STRATEGY

The Group remains committed to minimizing our environmental impact and maximizing resource efficiency. In FY2025, our environmental footprint primarily stemmed from energy consumption in our offices and warehouses, as well as fuel usage for shipments and deliveries. Adhering to the ISSB standards which incorporate TCFD recommendations, our FY2025 climate scenario analysis utilized both NGFS and SSP frameworks to assess risks and opportunities.

Governance

Describe the board's oversight of climate-related risks and opportunities

Describe the management's role in assessing and managing climate-related risks and opportunities

The Board has overall responsibility for the Group's sustainability and ensures that its growth is sustainable in the long term. The Board oversees and monitors the management of Serial System's material ESG factors for the implementation of sustainability strategies, policies, key performance indicators, targets and initiatives.

The Board has established a SSC comprising management team members and other department heads from Singapore in FY2022 and expanded to include a Procurement/Asset Director for procurement, supplier and asset management in the following year. The SSC supports the Board and Management Team to provide oversight on Serial System's overall sustainability performance and drives its sustainability programs across the organization. We set quarterly meetings to discuss updates on the following:

- Material ESG Factors
- Transition and Physical Risks and Opportunities
- Serial System's ESG Performance vs Set Targets

These updates help guide the Board towards making informed decisions in business strategies and financial planning.

To ensure that the Board is up-to-date on these matters, members of the SSC attended trainings conducted by the SGX-ST and other ESG service providers. Important topics for discussion were then relayed to the rest of the SSC.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks

Describe the organization's processes for managing climate-related risks

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

The SSC through the ESG Chair and ESG Engineer identify and assess climate-related risks and opportunities. These are then presented to the rest of the SSC during its quarterly meetings so that they may place their insights and departmental perspectives, resulting to a more holistic view of these risks.

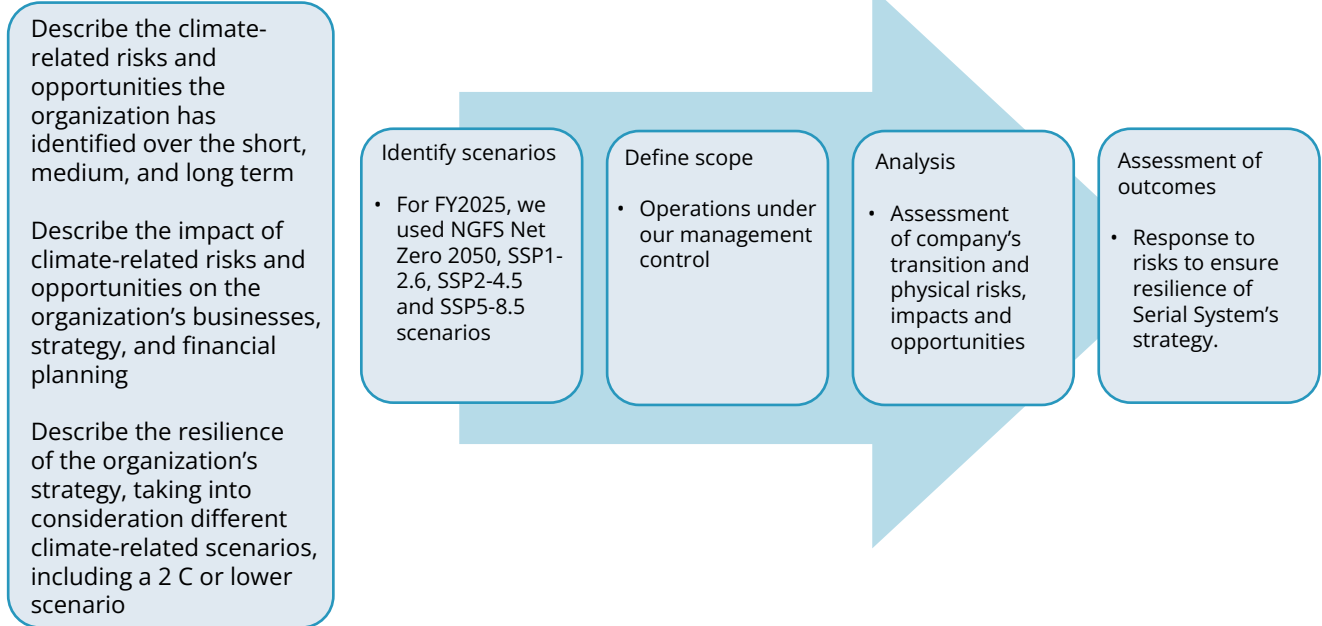
Part of Serial System's efforts to mitigate climate-related risks is to reduce its energy, water and waste (paper and wood) consumptions. We had partnered with ESGpedia to engage our internal stakeholders in reporting their consumption data. We are still planning to expand the platform's use to our external stakeholders moving forward in order to capture relevant data for Scope 3 emissions. This initiative aims to quantify our climate impact, identify areas for process rectification, and manage risks related to transition and compliance. Quantitative targets for FY2025 (set in FY2019 and FY2022 for Scope 3) are monitored, with annual performance evaluations conducted against these targets.

We integrated climate-related risks and opportunities in our overall risk management to ensure regulatory compliance, operational efficiency and business continuity. Upon evaluation from the risk register in the previous year, we concluded that the climate-related risks identified remain significant for FY2025, with no changes to the risk profile.

OUR ENVIRONMENT

Strategy

Climate Scenario Analysis



*Definition of timeframes: short-term (less than 2 years), medium-term (between 2 to 5 years), long-term (more than 5 years)



OUR ENVIRONMENT

Scenarios selected for Climate Scenario Analysis in FY2025

Temperature (Long Term, 2081-2100 ¹)	Temperature (Near Term, 2021-2040 ²)	Transition Risk Scenario	Physical Risk Scenario
1.5°C	1.5°C	NGFS – Net Zero 2050 This scenario limits global warming to 1.5 °C by 2100 through stringent climate policies and innovation, reaching global net zero CO ₂ emissions around 2050 ³ .	
Below 2°C	1.5°C	SSP1-2.6 (“Sustainability”) A ‘Sustainability’ narrative under which there is an immediate reduction in emissions and a rapid transition to ‘net zero’. This SSP is likely to keep global warming to below 2°C relative to pre-industrial time (the main goal of the Paris Agreement) ³ .	
2.7°C	1.5°C		SSP2-4.5 (“Middle-of-the-Road”) A ‘Middle of the Road’ narrative under which emissions start to fall in the middle of the century. This is most similar to current global emissions reductions policies and pledges (assuming that they are met), leading to around 2.1 to 3.5 °C of global warming at 2100 relative to pre-industrial time ³ .
4.4°C	1.6°C		SSP5-8.5 (“Fossil-fueled Development”) A ‘Fossil-fueled development’ narrative under which emissions rise rapidly to roughly double present levels by 2050, a rate now considered to be unrealistically high. This is consistent with warming of 3.3 to 5.7 °C at 2100 relative to pre-industrial time ⁴ .

¹ Taken from IPCC, 2021: Summary for Policymakers. In: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001.

² Taken from Hayez, L., Lécuyer, F., George, M., Ju, Y., Arora, M., Stevanović, M., Anz, J., Bertram, C., Edmonds, J., Fawcett, A., Fuhrman, J., Luderer, G., Piontek, F., Schleussner, C., van Ruijven, B., Zimmer, A., Kriegler, E. (2025). NGFS long-term scenarios, narratives and key findings: Net Zero 2050, Current Policies and Fragmented World. Network for Greening the Financial System. <https://www.ngfs.net/en/publications-and-statistics/publications/explanatory-notes-ngfs-long-term-climate-scenarios>.

³ Taken from Commonwealth Science Industrial Research Organization. (2025). Greenhouse gas scenarios retrieved from <https://www.climatechangeaustralia.gov.au/en/changing-climate/future-climate-scenarios/greenhouse-gas-scenarios/#:-:text=THERE%20ARE%20FOUR%20MAIN%20SSPS,relative%20to%20pre%2Dindustrial%20times>.

⁴ Taken from Greenhouse gas scenarios(2025) retrieved from <https://www.climatechangeaustralia.gov.au/en/changing-climate/future-climate-scenarios/greenhouse-gas-scenarios/#:-:text=THERE%20ARE%20FOUR%20MAIN%20SSPS,relative%20to%20pre%2Dindustrial%20times>

OUR ENVIRONMENT

Transition Risks

Risk	Policy risk – Increasing Carbon Tax
Time Frame	Medium-term
Description	The Singapore government introduced the Carbon Pricing Act (CPA) last 2019 which had increased the tax rates \$5/ton in 2019 to \$25/ton in 2024/25, \$45/ton CO ₂ e in 2026/27, and aiming for \$50-\$80/tons CO ₂ e by 2030. The European Union (EU) will also implement its Carbon Border Adjustment Mechanism (CBAM) in 2026. It is an imposed carbon price on imports and encourages global emissions reduction.
Possible Impact(s)	Increased costs of operation due to carbon tax.
Company's Response	<p>Serial System had implemented the use of more sustainable alternatives in goods transportation such as use of land and sea freight over air freight and better consolidation of orders to minimize transport. In addition, the Company had subscribed to both DHL LCL GoGreen Plus Low Emission Transport Services for ocean shipment and UPS Carbon Neutral Program for shipments using UPS, further lowering carbon emissions from transport.</p> <p>In its offices, energy-saving practices are followed such as turning off electrical equipment when not in use and use of energy-saving options such as LED lighting. In FY2025, our Singapore head office had successfully completed the installation and commissioning of solar PV panels.</p> <p>We also remain committed to complying with all local environmental laws and regulations in every region where we operate. In FY2025, there were no recorded incidents of non-compliance or penalties related to environmental issues.</p>
Opportunities Seen	<ul style="list-style-type: none"> • Total mitigated emissions of 43.43 tons CO₂e from our transport operations due to our subscription in the green initiatives from DHL and UPS. • Purchased electricity consumption from our Singapore head office saw a reduction of 20.1% from FY2024. • Total cost savings of S\$17,690 (76.9 MWh generated electricity) from the use of solar panels at our Singapore head office since it's commissioning in July 2025 until end of 2025.
Risk	Regular severe storms
Time Frame	Short to medium-term
Description	Unprecedented storms had been recorded in recent years and may cause widespread flooding, especially in low-lying areas.
Possible Impact(s)	<ul style="list-style-type: none"> • Flooding may damage goods, as the Serial System group stores electrical components and electronics consumer products, which could lead to financial loss and inability to fulfill customers' orders. • Strong winds and flooding may lead to delayed arrival and shipment of goods. • Employees who reported in the office may become stranded.
Company's Response	<ul style="list-style-type: none"> • For company-owned warehouses, all possible entries of water are secured. For rented warehouses, we ensure that they are in good condition with minimal chances of flooding in the area before continuing with the leasing. • In anticipation of strong typhoons, heavy rains, or flooding, planned shipments are made so that delays are taken into account. If there would be any delays, customers are notified in a timely manner to make alternative arrangements. • For such events, Serial System will closely monitor weather forecasts and the news to advise alternative work arrangements for employees.

OUR ENVIRONMENT

Risk	Acute heatwave
Time Frame	Short to medium-term
Description	Risks that weather events like extreme heat will affect the business (i.e. heat stress on workers which would mean the use of cooling systems, possible damaged goods due to hot temperatures, etc.)
Possible Impact(s)	<ul style="list-style-type: none"> • Heat stress on employees • Use of more electricity for air conditioning
Company's Response	<ul style="list-style-type: none"> • In FY2025, our Singapore head office had successfully completed the installation and commissioning of the solar panel system. Our Thailand office is still looking into this effort. • Employees are encouraged to wear light-coloured shirts and reminded to drink lots of water, especially during hot season. Flexible working hours are also considered.

Physical Risks – Chronic Impact

Risk	Sea level rise
Time Frame	Medium to long-term
Description	Singapore and certain neighboring countries which Serial System operates are in low-lying areas which make them vulnerable to rising sea levels and extreme weather events.
Possible Impact(s)	Affected locations may be submerged over time, resulting to a loss of office or warehouse space.
Company's Response	<ul style="list-style-type: none"> • Serial System widened its footprint by expanding its office and warehouse locations specifically in Asia. In the event that submerging occurs, the operations will be moved to a safer area and transfer of stocks will follow. • Serial System is also exploring long-term infrastructure hardening (e.g., elevated structures, flood barriers) as part of its coastal management strategy.

Risk	Chronic heat
Time Frame	Medium to long-term
Description	Risks associated with prolonged and more severe droughts can affect the business (i.e. increased costs due to water scarcity).
Possible Impact(s)	Water scarcity leads to higher water costs and operational shutdowns.
Company's Response	Implement water conservation practices, such as sending reminders to all employees on the importance of water conservation to raise awareness.

OUR ENVIRONMENT

Metrics and Targets

Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

Describe Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against targets

Serial System reports its consumption in absolute and/or intensity values, specifically for greenhouse gas emissions, energy consumption, water consumption and waste generation (specifically on office paper). Greenhouse gas emissions were calculated using the GHG Protocol Corporate Accounting and Reporting Standard.

In FY2025, we finalized the evaluation of our performance against the 2019 baseline sustainability targets. As seen in the table below, we had achieved our targets for Scope 2 absolute GHG emissions, Scope 1 & 2 intensity by revenue, absolute energy consumption, and absolute water consumption.

These targets were integral to our risk management strategy regarding transition risks. Following this achievement, we will be conducting a comprehensive review of these material topics to establish more ambitious targets. These will be disclosed in our next reporting cycle.

Material Topics		2025 Targets (%Target Improvement from Indicated Base Year Performance)	FY2024 Performance	FY2025 Performance	Target Status (FY2025 Performance vs 2025 Target)
Greenhouse Gas (GHG) Emissions	Scope 1 Absolute GHG Emissions	51.08 tons CO ₂ e (30% Reduction from 2019 Base Year Performance of 72.97 tons CO ₂ e)	59.03 tons CO ₂ e	56.28 tons CO ₂ e	Underway
	Scope 2 Absolute GHG Emissions	749.09 tons CO ₂ e (30% Reduction from 2019 Base Year Performance of 1,070.13 tons CO ₂ e)	751.89 tons CO ₂ e	674.57 tons CO ₂ e	Achieved (37% reduction from 2019 base year performance of 1,070.13 tons CO ₂ e)
	Scope 3 Absolute GHG Emissions	1,511.51 tons CO ₂ e (20% Reduction from 2022 Base Year Performance of 1,889.39 tons CO ₂ e)	1,523.65 tons CO ₂ e	1,585.94 tons CO ₂ e	Increased (Please see explanation under the section "Scope 3 Emissions".)
	Scope 1 Intensity by Revenue	0.07 tons CO ₂ e/US\$M (30% Reduction from 2019 Base Year Performance of 0.10 tons CO ₂ e/US\$M)	0.07 tons CO ₂ e/US\$M	0.07 tons CO ₂ e/US\$M	Achieved (30% reduction from 2019 base year performance of 0.10 tons CO ₂ e/US\$M)
	Scope 2 Intensity by Revenue	1.00 tons CO ₂ e/US\$M (30% Reduction from 2019 Base Year Performance of 1.43 tons CO ₂ e/US\$M)	0.95 tons CO ₂ e/US\$M	0.78 tons CO ₂ e/US\$M	Achieved (45% reduction from 2019 base year performance of 1.43 tons CO ₂ e/US\$M)
	Scope 3 Intensity by Revenue	1.79 tons CO ₂ e/US\$M (20% Reduction from 2022 Base Year Performance of 2.24 tons CO ₂ e/US\$M)	1.93 tons CO ₂ e/US\$M	1.84 tons CO ₂ e/US\$M	Underway

OUR ENVIRONMENT

Material Topics		2025 Targets (%Target Improvement from Indicated Base Year Performance)	FY2024 Performance	FY2025 Performance	Target Status (FY2025 Performance vs 2025 Target)
Energy	Absolute Energy Consumption	1,441.71 MWh (30% Reduction from 2019 Base Year Performance of 2,059.59 MWh)	1,391.89 MWh	1,232.36 MWh	Achieved (40% Reduction from 2019 Base Year Performance of 2,059.59 MWh)
Water	Absolute Water Consumption	5,874.00 m ³ (20% Reduction from 2019 Base Year Performance of 7,342.50 m ³)	7,400.90 m ³	5,055.00 m ³	Achieved (31% Reduction from 2019 Base Year Performance of 7,342.50 m ³)
Material and Waste	Compliance with NEA's MPR Framework	Achieve 100% compliance with NEA's MPR Framework	Maintained 100% compliance by completing the submission of our packaging data and 3R plans on their portal	Maintained 100% compliance by completing the submission of our packaging data and 3R plans on their portal	Achieved
	Absolute Paper Consumption	4.06 tons (30% Reduction from 2019 Base Year Performance of 5.80 tons)	5.12 tons	4.79 tons	Underway

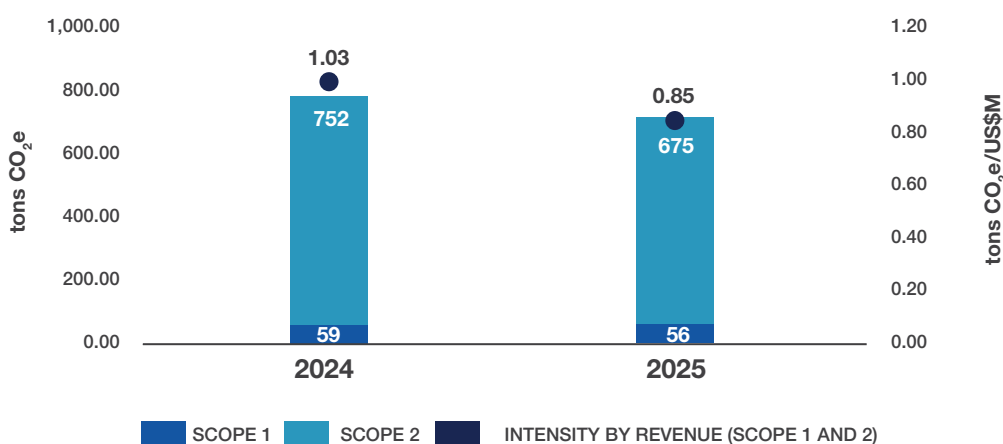
OUR APPROACH TO MANAGING ENVIRONMENTAL IMPACT

GREENHOUSE GAS (GHG) EMISSIONS MANAGEMENT AND REDUCTION STRATEGIES

Scope 1 and Scope 2 Emissions

For FY2025, there was a decrease in absolute GHG emissions and intensity by revenue in both Scope 1 and 2 from FY2024. For Scope 1 emissions, this is largely due to the decrease of our Thailand office's fuel consumption by 21.4%. For Scope 2 emissions, it is largely attributed to the collective efforts from our Singapore head office (20.1% decrease) and subsidiaries: PIQ MPS (58.5% decrease), SMHK (43.8% decrease), and SMKR (16.2% decrease). In terms of the intensity values, our revenue had increased by 9.1% from 2024 which also contributed to the decrease in its value.

SCOPE 1 AND 2 GHG EMISSIONS & INTENSITY BY REVENUE



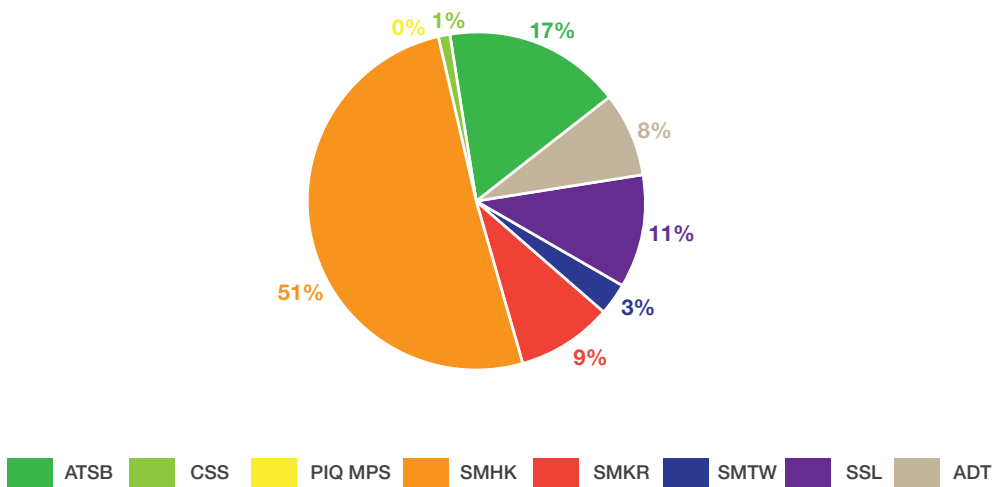
OUR ENVIRONMENT

To reduce our Scope 1 emissions, we continue to consider reducing the number of owned vehicles when possible and to use eco-friendly fuel alternatives such as biofuels or electric vehicles when our existing fleet of trucks' certificate of entitlements (COE) expire. To address our Scope 2 emissions, we had successfully completed and commissioned the solar panel system in our Singapore head office in July 2025. Our Thailand's subsidiary office is still working with their outsourced contractor on the installation of solar panels. Across our offices, we are replacing old fluorescent lightings to LED, and old air-conditioning units with Energy Efficiency 5x Green Ticks Mark. We also continue to remind our employees to practice energy conservation by doing little things such as switching off lights and air conditioners when no one is in the office.

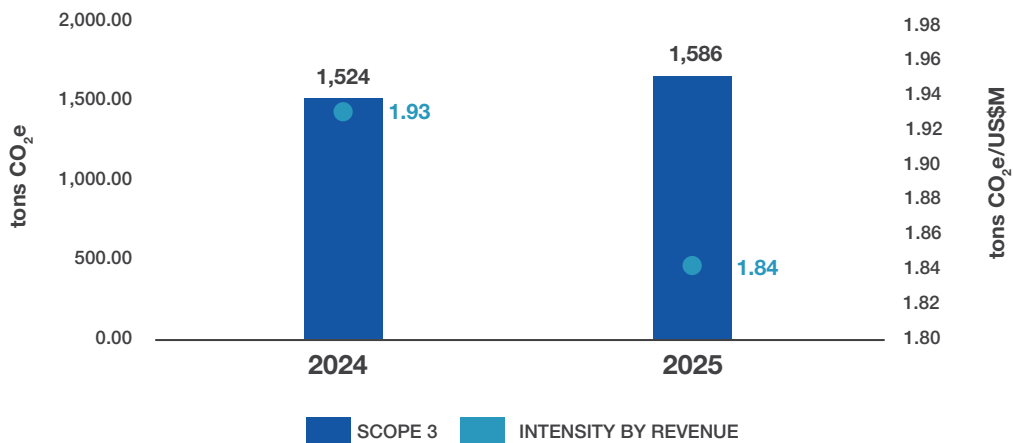
Scope 3 Emissions

For Scope 3 emissions, it consists only of Category 4 (Upstream Transportation and Distribution) and Category 9 (Downstream Transportation and Distribution).

FY2025 SCOPE 3 GHG EMISSIONS PER COMPANY



SCOPE 3 GHG EMISSIONS & INTENSITY BY REVENUE



Our operations saw an increase in absolute emissions but a decrease in emissions intensity by revenue in FY2025. Total emissions rose from 1,523.65 tons CO₂e to 1,585.94 tons CO₂e, while emissions intensity improved from 1.93 tons CO₂e/US\$M to 1.84 tons CO₂e/US\$M. The increase in absolute emissions was mainly driven by higher logistics activity, in line with increased sales, with inbound sea freight and outbound air shipments increasing by 40.5% and 28.2%, respectively. The reduction in emissions intensity was mainly attributable to higher revenue in FY2025.

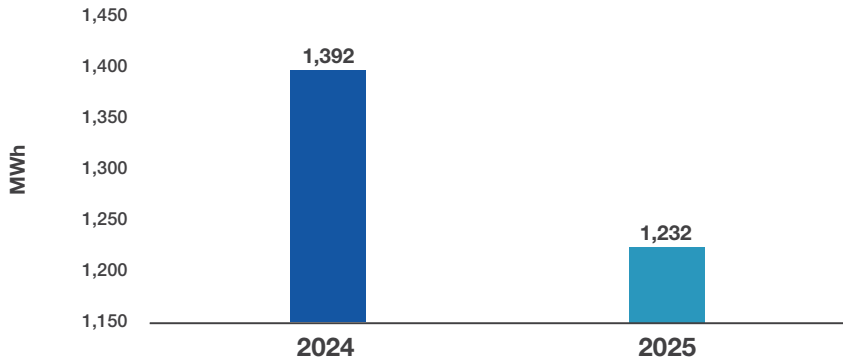
During the year, Serial System continued to utilise DHL LCL GoGreen Plus Low Emission Transport Services for ocean freight, supported by sustainable marine fuel, which delivers an estimated 85% reduction in carbon emissions compared to conventional fossil fuels. The Company also subscribed to DHL GoGreen Plus Low Emission Transport Services for air freight, enabled by sustainable aviation fuel, and adopted the UPS Carbon Neutral Program from August 2025. These initiatives reflect our ongoing commitment to reducing and mitigating transport-related carbon emissions.

OUR ENVIRONMENT

ENERGY MANAGEMENT AND REDUCTION STRATEGIES

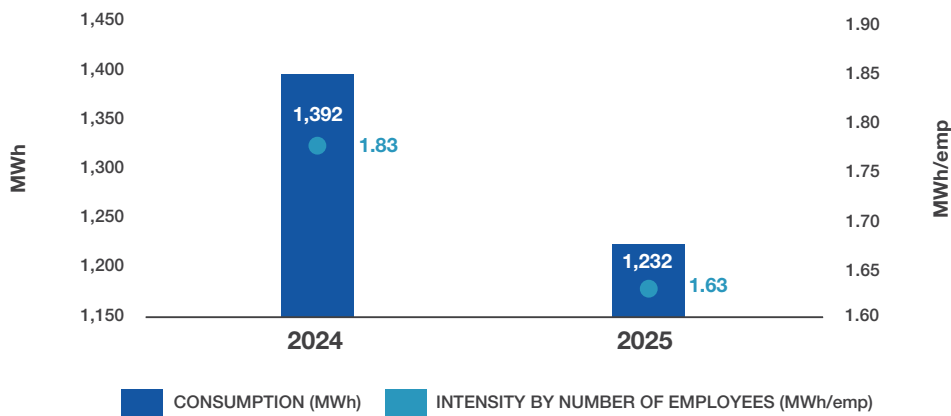
Electricity from the grid is the main and only source of energy consumed at our sites. The Group saw a decrease in electricity consumption from 1,391.89 MWh in FY2024 to 1,232.36 MWh in FY2025. Our offices had made efforts to reduce their electricity consumption from the previous year: PIQ MPS (58.5% decrease), SMHK (43.8% decrease), Singapore head office (20.1% decrease), SMK R (16.2% decrease), SMCN (8.1% decrease), CSS (5.6% decrease) and ATSB (1.2% decrease). This is based on available data through statements from utility providers in the territories that the Group operates in.

ELECTRICITY CONSUMPTION



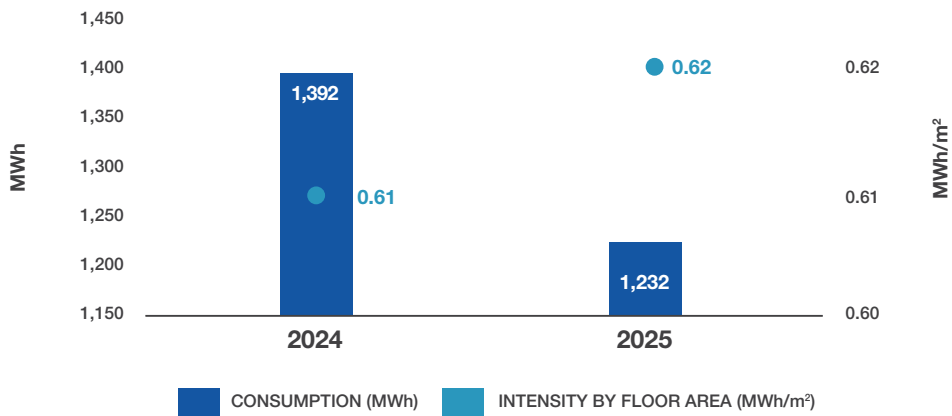
Comparing our performance over the last two years, our energy intensity per employee decreased from 1.83 to 1.63 MWh/employee, while our building energy consumption partially increased from 0.61 to 0.62 MWh/m². The equivalent greenhouse gas (GHG) emission intensity by revenue decreased from 0.95 tons CO₂e/US\$M in FY2024 to 0.78 tons CO₂e/US\$M in FY2025. This represents our Scope 2 emissions.

ELECTRICITY CONSUMPTION & INTENSITY BY EMPLOYEES

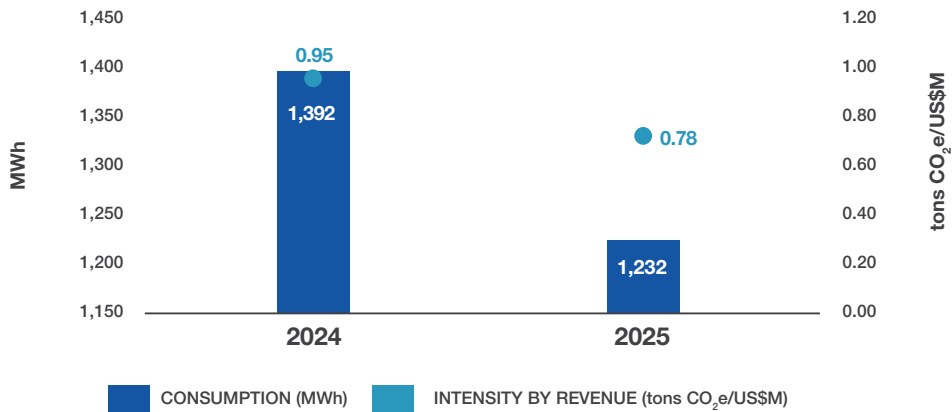


OUR ENVIRONMENT

ELECTRICITY CONSUMPTION & INTENSITY BY FLOOR AREA



ELECTRICITY CONSUMPTION & INTENSITY BY REVENUE



To conserve energy and reduce consumption, we placed reminders throughout our offices in Singapore and overseas, encouraging employees to switch off lights and air conditioners when not in use. Periodic email reminders are also sent to reinforce this practice. In FY2025, we had completed the installation and commissioned the solar panel system in our Singapore head office in July 2025. Until end of 2025, it had generated 76.9 MWh of electricity and generated cost savings of S\$17,690.

As part of our ongoing Green Initiatives, we are replacing T5 fluorescent lighting with energy-efficient LED alternatives and upgrading older air-conditioning units to models with the Energy Efficiency 5x Green Ticks Mark in our Singapore offices, as well as in our overseas offices and warehouses.

OUR ENVIRONMENT

Solar Panel Commissioning

In July 2025, Rezeca had completed the installation and commissioning of the solar panel system at the rooftop of our Singapore head office. The new 120.64 kWp solar panel installation generated 76.9 MWh of electricity and an estimated cost savings of S\$17,690 from July 2025 to end of 2025.



Installed Solar Panels



Installed Solar Panels

Green Initiatives

Since FY2023, our HR department had taken the following green initiatives as a commitment to promote sustainability in our Singapore office. Old air-conditioning units were replaced with energy efficient ones and replacement of fluorescent lightings with LED lightings is in progression.



*Replacing the air-conditioning units with Energy Efficiency
5x Green Ticks Mark*



*Replacing fluorescent lightings with energy-efficient
LED lightings*

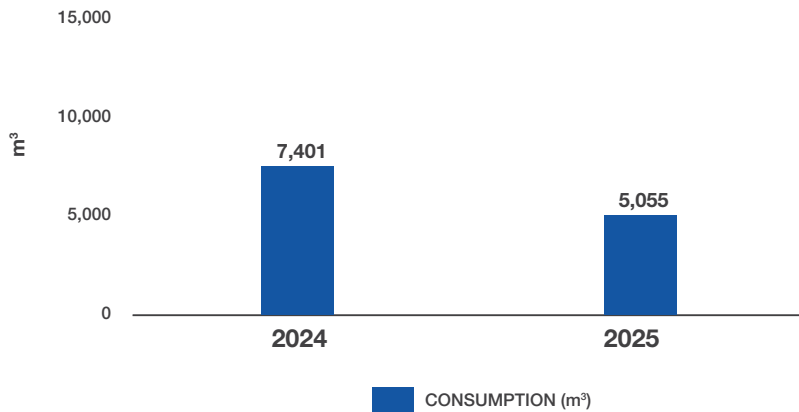


OUR ENVIRONMENT

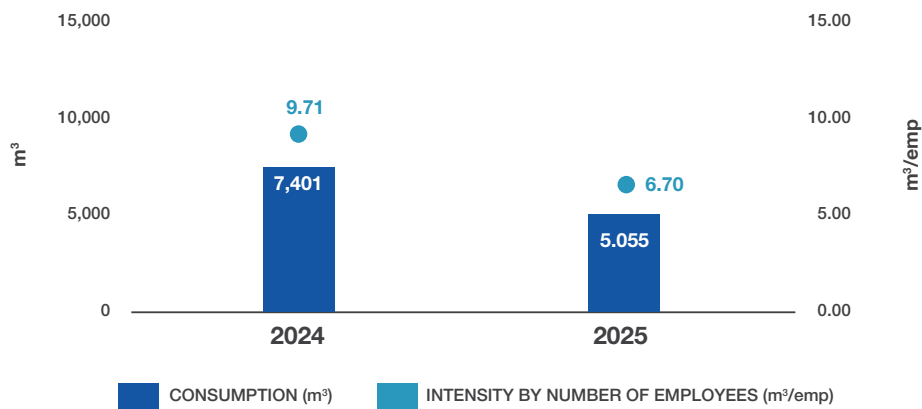
WATER MANAGEMENT AND REDUCTION AND CONSERVATION STRATEGIES

In our offices, we use water for consumption and facility maintenance. Our water consumption significantly decreased from 7,400.90 m³ in FY2024 to 5,055.00 m³ in FY2025. Similarly, our intensity per employee and per floor area decreased from 9.71 m³/employee to 6.70 m³/employee and from 2.23 m³/m² to 2.08 m³/m², respectively. This decrease is largely contributed by our Singapore head office which saw a reduction in their water consumption by 49.7% in FY2025 compared to FY2024.

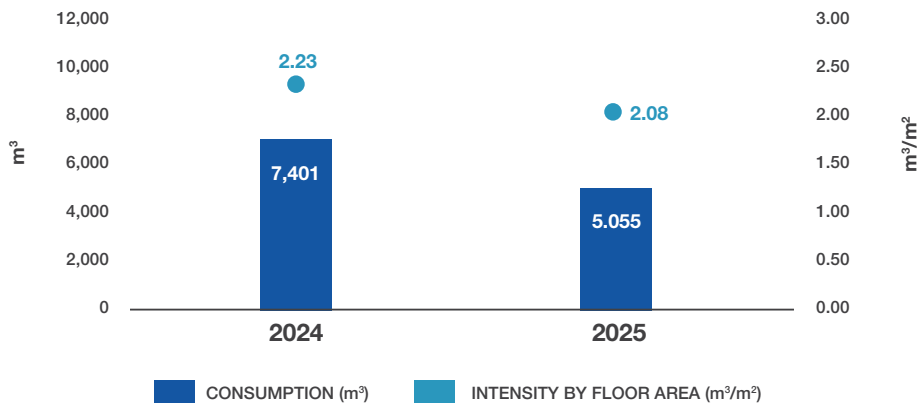
WATER CONSUMPTION



WATER CONSUMPTION & INTENSITY BY EMPLOYEES



WATER CONSUMPTION & INTENSITY BY FLOOR AREA



OUR ENVIRONMENT

In FY2025, we continued our efforts to reduce water consumption across our operations – flush systems were installed at our Singapore head office and reminders on the importance of water conservation are made to raise employee awareness.

Beyond conservation, we also actively contribute to the prevention of water pollution. Recognizing that clean water access and sanitation remain critical in some areas where we operate, we take care to ensure that no harmful substances are improperly disposed of in ways that could contaminate water sources.

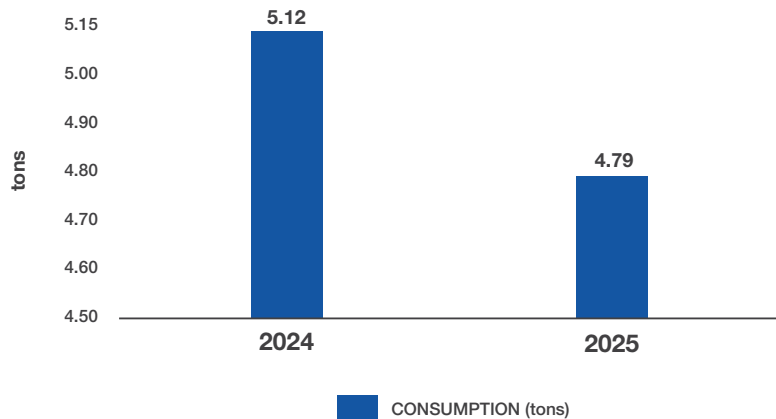
Looking ahead to FY2026, we aim to further reduce our overall water consumption and its corresponding intensity as part of our broader sustainability goals.

MATERIALS AND WASTE MANAGEMENT AND REDUCTION STRATEGIES

Packaging and corporate wastes, particularly paper and wood are key contributors to the waste generated across our Group’s operations and value chain. We remain committed to reducing, reusing, and recycling wherever possible, and fully support the NEA’s Packaging Partnership Programme. Sustainable packaging plays a significant role in reducing our overall carbon footprint, influencing everything from resource use to packaging disposal throughout the value chain. In line with NEA’s MPR framework, we submitted our packaging data and 3R (Reduce, Reuse, Recycle) plans via the Waste and Resource Management System portal. For FY2025, the Group reported using 4,608kg of packaging materials—primarily paper and wood—for MPR compliance. As a distributor, we do not have direct control over the primary packaging of the products we supply. However, for components within our control, such as outer cartons and pallets, we strive to reuse and recycle them to the fullest extent possible.

We also place strong emphasis on reducing and recycling our internal corporate waste to minimize environmental impact across the value chain. A key focus has been lowering paper consumption from printing and photocopying across all our offices. Our total paper consumption decreased from 5.12 tons in FY2024 to 4.79 tons in FY2025. This decrease is largely due to the efforts of our Hong Kong, China and South Korea offices.

PAPER CONSUMPTION



As part of our Group’s ongoing initiatives to go digital, we moved towards electronic transactions to reduce paper usage and boost productivity. Since FY2021, we successfully streamlined current business processes through digitization of employees’ claims submission, as well as the archival of finance and human resources related documents. We also promoted and checked the feasibility of implementing PaperCut MF Integration to our other subsidiaries, following its success in our Singapore head office.

OUR SOCIAL



Serial System Chinese New Year Gala Dinner 2026



SMHK Annual Dinner & Dance 2026

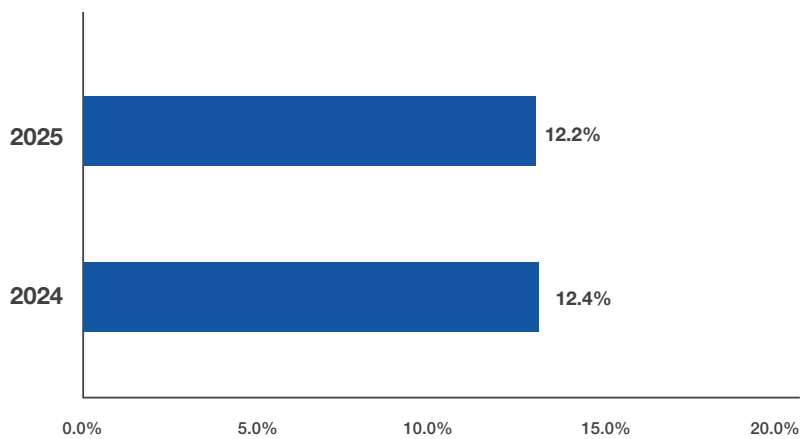
OUR SOCIAL

WORKFORCE PROFILE

	Number
Current Employees	755
New Hires	90
Resigned Employees	105

Our people, our greatest asset, are key to the Group's long-term growth and success. We have a diverse workforce comprising employees across various regions. In FY2025, our total headcount was at 755, a decrease of 0.9% from 762 in FY2024. We also welcomed 90 new employees and bid goodbye to 105 employees. These are equivalent to a new hire rate of 11.9% and turnover rate of 12.2%. The following tables show the Group's workforce profile, as well as its new hires and resigned employees by type of employment, gender, age group and region.

TURNOVER RATE (2025 VS 2024)



OUR SOCIAL

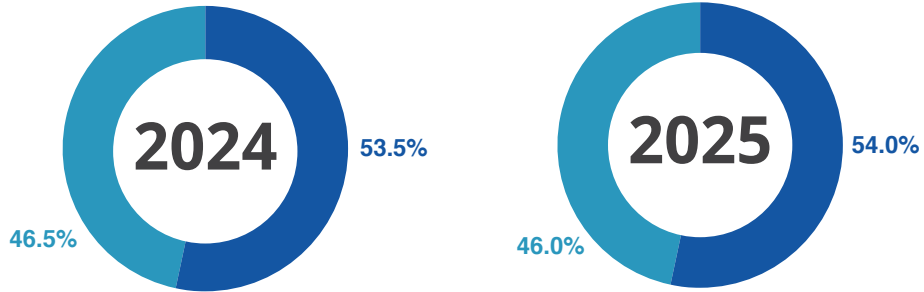
CURRENT EMPLOYEES PROFILE

TYPE OF EMPLOYMENT



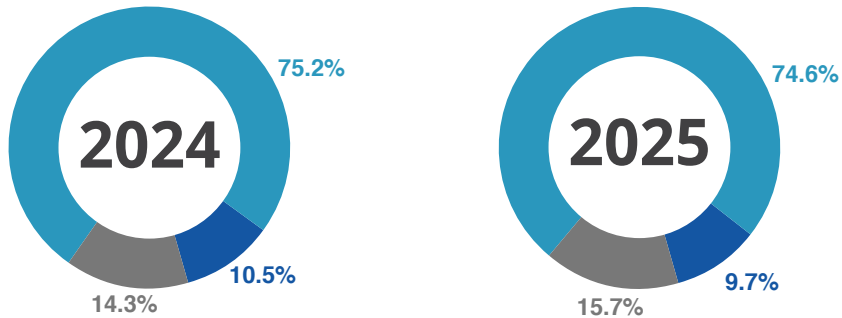
PERMANENT WITH CONTRACT

GENDER



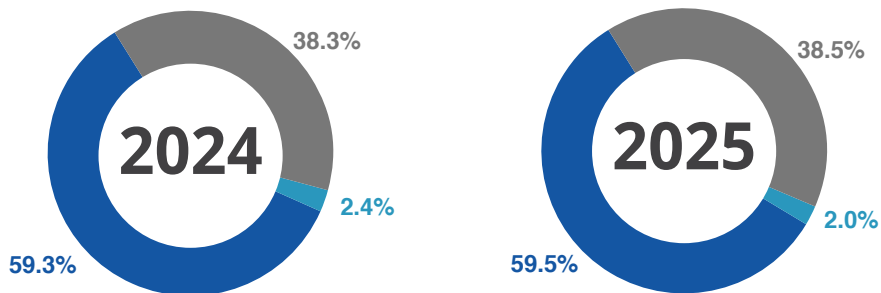
MALE FEMALE

AGE GROUP



UNDER 30 30 TO 50 OVER 50

REGION OF EMPLOYMENT



EAST ASIA SOUTH ASIA SOUTHEAST ASIA

OUR SOCIAL

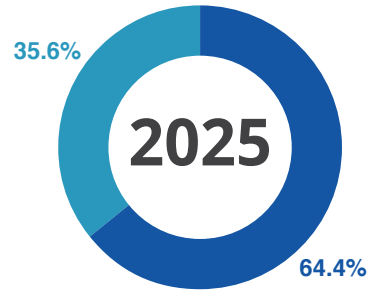
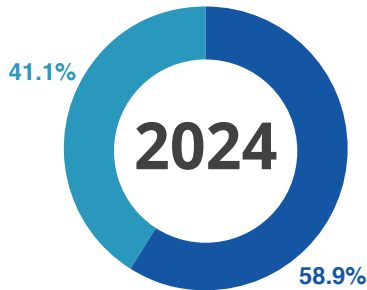
NEW HIRES PROFILE

TYPE OF EMPLOYMENT



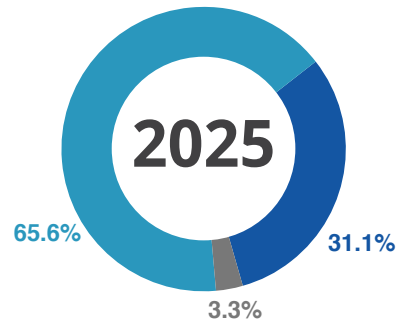
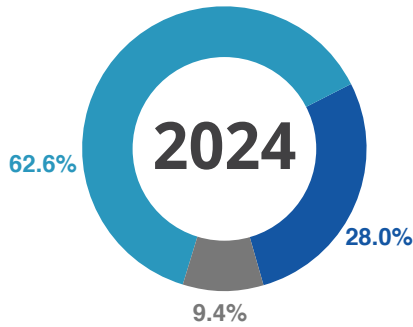
PERMANENT WITH CONTRACT

GENDER



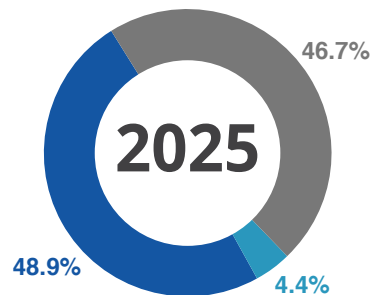
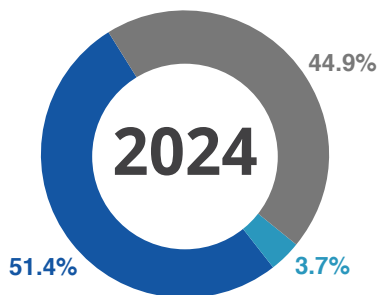
MALE FEMALE

AGE GROUP



UNDER 30 30 TO 50 OVER 50

REGION OF EMPLOYMENT



EAST ASIA SOUTH ASIA SOUTHEAST ASIA

OUR SOCIAL

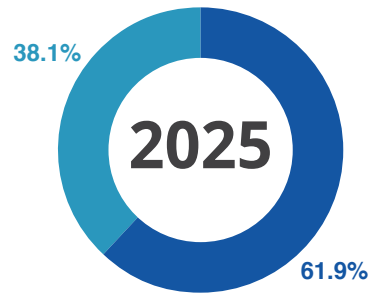
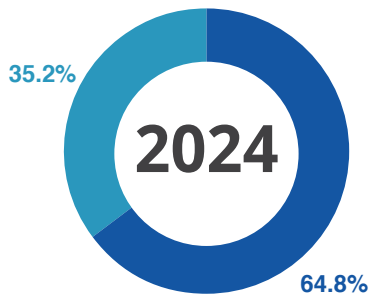
RESIGNED EMPLOYEES PROFILE

TYPE OF EMPLOYMENT



PERMANENT WITH CONTRACT

GENDER



MALE

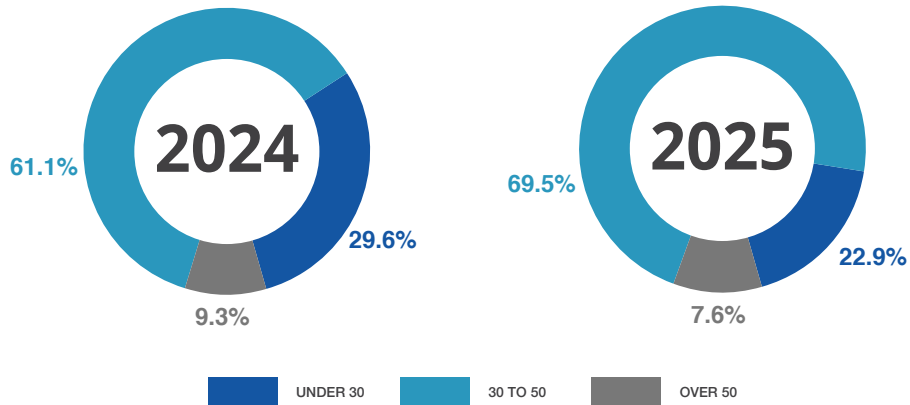
FEMALE



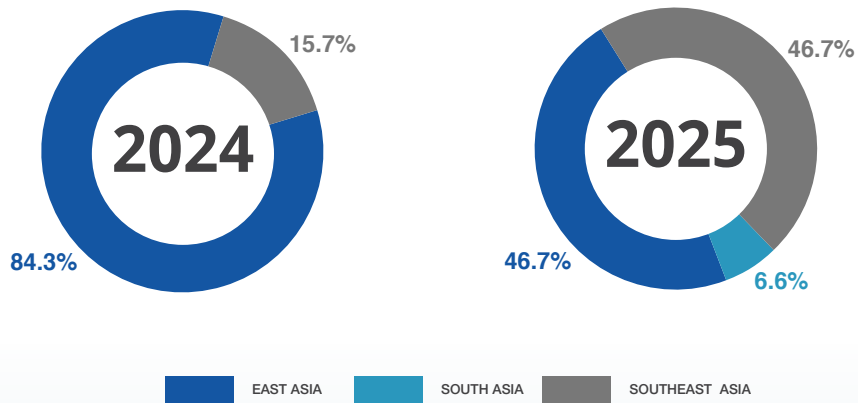
OUR SOCIAL

RESIGNED EMPLOYEES PROFILE

AGE GROUP



REGION OF EMPLOYMENT



OUR SOCIAL

BENEFITS AND WELL-BEING

Our HR department regularly reviews benefit offerings and aligns our package to ensure market competitiveness while meeting employees' needs. We provide benefits that support our employees' physical, financial, professional and emotional well-being. These benefits include:

- Insurance coverage (hospital and surgical)
- Annual health check (in Thailand)
- Medical and dental claims
- Continuous training opportunities
- Annual and medical leaves
- Performance bonus
- Continuous training opportunities
- Company activities such as team building, Christmas/annual dinners, visits to charitable organizations etc.
- Parental leaves (maternity and paternity leaves)

EMPLOYEE ENGAGEMENT

At Serial System, we are committed to providing our employees with the right platforms to support their career growth and development. Annual performance appraisals are conducted to offer constructive feedback based on individual performance, goals set at the beginning of the year, and a framework of shared leadership competencies. High-performing employees are recognized through promotions and performance-linked rewards.

We have established a Long Service Award to honor the dedication and contributions of our employees over the years. This initiative, overseen by our HR department, highlights our appreciation for the long-term commitment of our employees. In FY2025, a total of 32 employees received the Long Service Award for serving at least five years with the Group — the longest tenure being 25 years.



Serial System FY2025 Long Service Awardees

We also conducted various activities in our different offices such as Annual dinners, Christmas dinner, Outings, Team building activities, etc.



Serial System Lunar New Year Opening Day Celebration 2026



Serial System Headquarter Festival Praying

OUR SOCIAL



SMTW Year-End Party



SMPH Annual Christmas Dinner



ADT Songkran Festival



SFT New Office Blessing Ceremony



SFT Town Hall Meeting

OUR SOCIAL



SMKR Climbing of Mt. Cheonggyesan



SMKR Gapyeong Survival Game



SFT Outing



ATSB Tioman Retreat



SMTW Company Outing at Yakcheonsa Temple, Jeju, South Korea



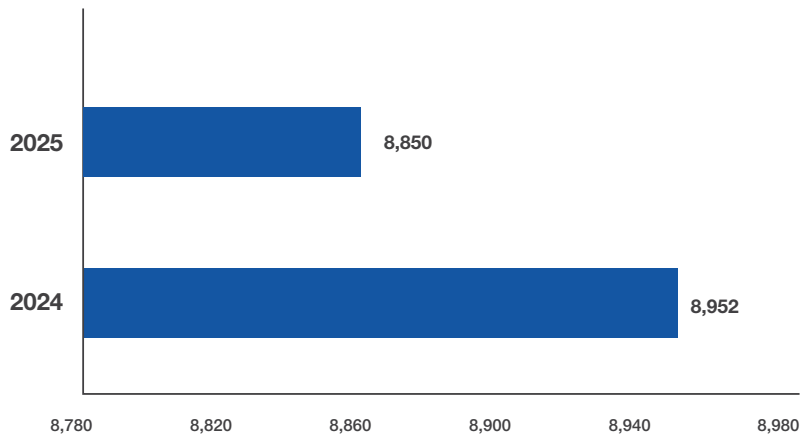
SMTW Company Outing at Twenty-Four Eyes Movie Village, Shodoshima, Japan

OUR SOCIAL

TRAINING AND DEVELOPMENT

Training and development within our Group is a decentralized function as each country adopts its own approach based on employees' needs and resources. We actively encourage our employees to enhance and continuously develop their skills and knowledge. We do this by providing sponsorship to those that express a desire to attend external courses and seminars. By empowering our staff with equitable access to the right resources and looking after their well-being, we help them become their best at work and groom them to be our future leaders. Apart from these external/formal trainings, our employees also receive in-house and on-the-job trainings to develop their technical knowledge and relevant skill sets. We continue to explore other means to enhance their knowledge and skills to build a resilient workforce.

TRAINING HOURS (2025 vs 2024)



In FY2025, our employees had benefited from a total of 8,850 hours of training with 10.77 hours per female employee and 12.53 hours per male employee, averaging to 11.72 hours per employee. Across the whole Group, trainings on ITC awareness, anti-bribery and anti-corruption, fire safety, and product education were conducted. We aim to further increase this number in FY2026.

SMHK Product Trainings



OUR SOCIAL

DIVERSITY, EQUALITY AND INCLUSION

We are committed to providing an inclusive workplace with equal opportunities throughout employment including remuneration, training, and promotion of staff regardless of age, gender, race, nationality and family status.

Our Group has a diversified workforce across all age groups. In FY2025, 50.5% (FY2024: 49.7%) of our workforce consists of millennials who have helped infuse new perspectives, passion and efficiency. We maintained a female to male ratio of 46:54 in our workforce across all regions. Comparing our FY2025 performance from FY2024, the new hire rate of female employees in our Group decreased from 41.1% to 35.6%, while the hiring rate of new employees under 30 increased from 28.0% to 31.1%.

We respect and support the international principles on human rights. Our HR policies ban child labor, forced or compulsory labor, as well as discrimination. Clear guidelines on workplace abuse, harassment and disciplinary matters are established and communicated to all employees. They are also encouraged to report any grievances to their immediate supervisor should they experience any of the stated offenses. Further assistance and investigation will be handled by the HR department. In FY2025, one case of harassment was reported. Our HR department and management took immediate and appropriate action to resolve the matter.

OCCUPATIONAL HEALTH AND SAFETY

Our employees' occupational health and safety is of utmost importance to us. Effective Occupational Health and Safety ("OH&S") Management is part of risk management and expects to enhance business efficiency and staff morale. Across our Group, we adopt and comply with ISO 45001:2018 OH&S standards, along with its respective policies, which were put in place to guide the implementation of its initiatives. We also follow ISO 22301:2019 (Business Continuity Management System) standards, requiring us to measure, monitor, evaluate and analyze our OH&S. Proactively tracking and taking accountability of reportable and reported incidents help create awareness on the importance of a safe and healthy workplace.

To ensure compliance, we constantly communicate the importance of complying with all relevant laws and legislations in countries where we operate to all our business divisions through trainings, drills, and reminders. Any case of non-compliance will be directly reported to our HR department and management for prompt follow-up actions. In FY2025, our offices in Singapore, Hong Kong, Taiwan and South Korea conducted fire drills in accordance to the fire prevention laws of each country. In addition, occupational health and safety trainings were conducted in Singapore, Hong Kong and South Korea.

In FY2025, we recorded zero fatalities, severe injuries and ill health. We plan on keeping this track record for FY2026 and continue to conduct safety trainings and drills, including first aid and responses to fire.



Serial System Fire Drill/Training

OUR SOCIAL

SMHK Fire Drill/Training



SMTW Fire Safety and Health Training



OUR SOCIAL

LOCAL COMMUNITY ENGAGEMENT

COMMITMENT TO GIVING BACK

At Serial System, we believe that corporate success goes hand in hand with social responsibility. For over two decades, we do this through our various Corporate Social Responsibility (“CSR”) initiatives spanning various sectors, including support for the elderly, poor and needy, healthcare, culture and heritage, education, youth development, and environmental conservation.

In FY2025, we donated a total of S\$111,000 to various causes and organizations in Singapore, reinforcing our dedication to building a more inclusive and sustainable society.

EMPOWERING COMMUNITIES

In line with our commitment to uplifting communities, Serial System contributed S\$74,000 to various Citizens’ Consultative Committees and Community Development Councils in support of welfare programmes benefiting underprivileged and vulnerable families.

In addition, S\$37,000 was donated to charitable organisations and institutions, including Xinmin Secondary School, Singapore University of Social Sciences, SingaCare Medical and Love-Link Service Society, supporting a broad range of social and community initiatives.

Beyond financial contributions, the Group strengthened community engagement through meaningful initiatives across its operating regions. In Thailand, our staff from SFT and ADT supported the Karunvej Home for People with Disabilities through the provision of meals and essential goods, and contributed to Hat Yai flood relief efforts. ADT staff also visited the Children’s Village School in Kanchanaburi in FY2025, interacting with children and donating toys, and continuing local cultural traditions through temple donations and hosting monks for blessings and food offerings. In Singapore, our staff visited the Tai Pei Old People’s Home to celebrate Lunar New Year with senior residents, distributing festive goodie bags and red packets—marking the resumption of a long-standing annual initiative paused during the COVID-19 pandemic.

OUR ONGOING DEDICATION

At Serial System, corporate responsibility is more than just a commitment—it is a core value that drives us to create a positive and lasting impact. We will continue to uphold our ethos of giving back, working closely with organizations and communities to foster a more inclusive, compassionate, and sustainable world.



SFT Visit to Karunvej Home for People with Disabilities



ADT Fill Your Life with Love, Provide Nourishment, and Share Smiles with the Children

OUR SOCIAL



Serial System Visit to Tai Pei Old People's Home

OUR GOVERNANCE

OUR CORPORATE GOVERNANCE

Serial System is committed to achieving high standards of corporate governance, to promote corporate transparency, protect the interests of its stakeholders and enhance shareholder value. The Board of Directors (the “Board”) and Management Team believe that sound corporate governance supports long-term value creation. To this end, the Group has in place a set of well-defined policies and processes to enhance corporate performance and accountability. The Group remains focused in complying with the principles of the Code of Corporate Governance 2018 (Code) while achieving operational excellence and delivering long-term strategic objectives.

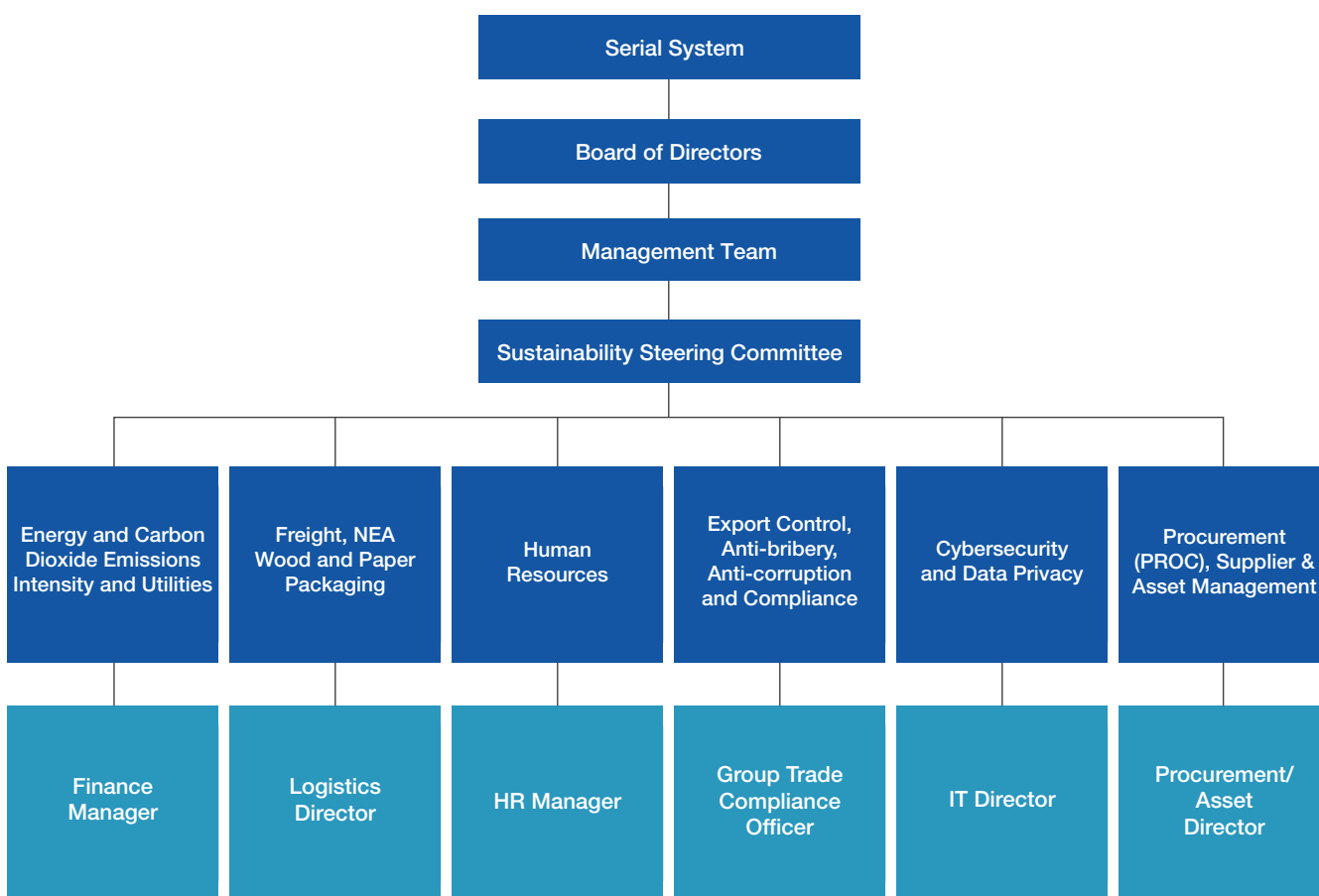
Serial System scored 90.4 points and ranked 37 in 2025 from 467 listed companies in the Singapore Governance and Transparency Index (“SGTI”) 2025 by CPA Australia, NUS Centre for Governance and Sustainability, and Singapore Institute of Directors (“SID”). This is a significant jump from our 69th ranking in FY2024.

Rank 2025	Company Name	Base Score	Adjustments for Bonuses/Penalties	Overall SGTI 2025 Score
37	Serial System	69.4	21	90.4

Source: Singapore Governance and Transparency Index 2025 - General Category from <https://www.cpaaustralia.com.au/-/media/project/cpa/corporate/documents/tools-and-resources/environmental-social-governance/singapore-transparency-index/cgs-sgti-2025-general-category-ranking-results-by-scorespdf.pdf>

Please refer to the “Corporate Governance Report” section on pages 80 to 109 of the Annual Report 2025 for detailed disclosures on how the Company applies the corporate governance practices. Explanations for any deviations from the principles of the Code are provided in the Corporate Governance Report.

CORPORATE STRUCTURE AND PROFILE UNDER SUSTAINABILITY



OUR GOVERNANCE

OUR BOARD OF DIRECTORS AND ITS DEMOGRAPHICS

The Board had considered the diversity of each member’s skills, industry and business experiences, professional knowledge and experiences, core competencies, gender, age, educational background, and tenure of service, maintaining the view that the current Board’s size and structure are adequate for the existing business operations of the Group.

Each director has been appointed on the strength of his/her calibre, experience and stature and is expected to bring valuable range of experience and expertise to contribute to the development of the Group’s long-term strategy and business performance. The Board comprises 9 Directors with 5 Independent Directors (55.6%) and 1 Female Director (11.1%).

The Board is committed to fostering diversity and inclusion, aiming to strengthen female representation by 2030. The Nominating Committee will continue to identify and recommend qualified candidates to ensure balanced representation and sustained progress.

For detailed disclosure on the “Board Composition and Guidance”, please refer to the “Corporate Governance Report” section on pages 86 to 89 of the Annual Report 2025.

ROLES AND RESPONSIBILITIES OF THE BOARD

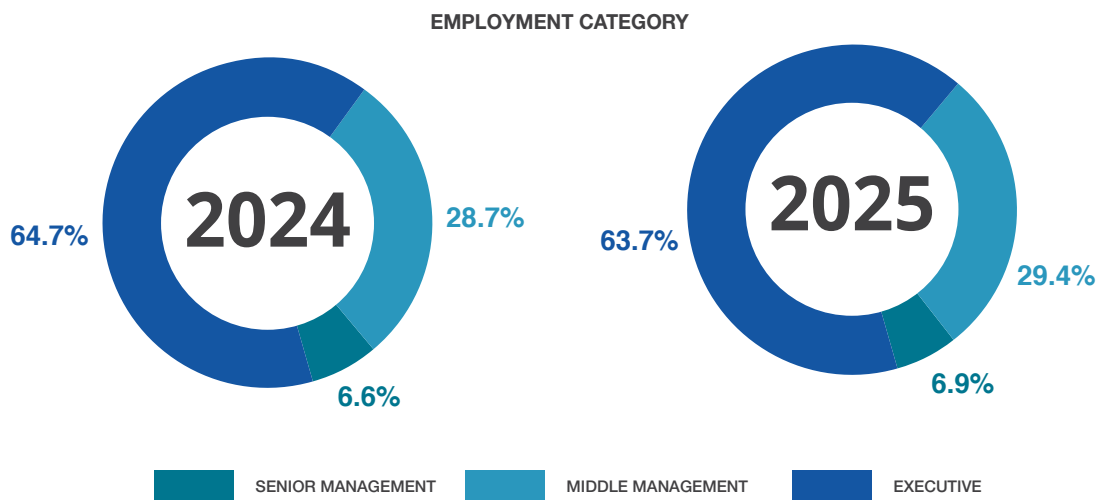
The Board has overall responsibility for the Group’s sustainability and ensures that its growth is sustainable in the long term. The Board oversees and monitors the management of Serial System’s material ESG factors for the implementation of sustainability strategies, policies key performance indicators, targets and initiatives. The SSC comprising management team members and other department heads from Singapore was established in FY2022 to support and aid the Board in discharging its roles and responsibilities.

MANAGEMENT TEAM AND OTHER EMPLOYEES

The SSC under the Management Team is in charge of implementing sustainability policies and practices in the Group. They are tasked to consistently look for ways or options to make sure that our operations are sustainable in the long-term. The SSC supports the Board to provide oversight on Serial System’s overall sustainability performance and drives its sustainability programs across the organization. To ensure the Board has effective oversight over the Group’s sustainability matters, the Management Team keeps the Board updated on the Group’s sustainability performance by reporting to them on such matters at least once a year. At the same time, senior management also ensures timely communications with both our internal and external stakeholders on sustainability issues, as and when these are required.

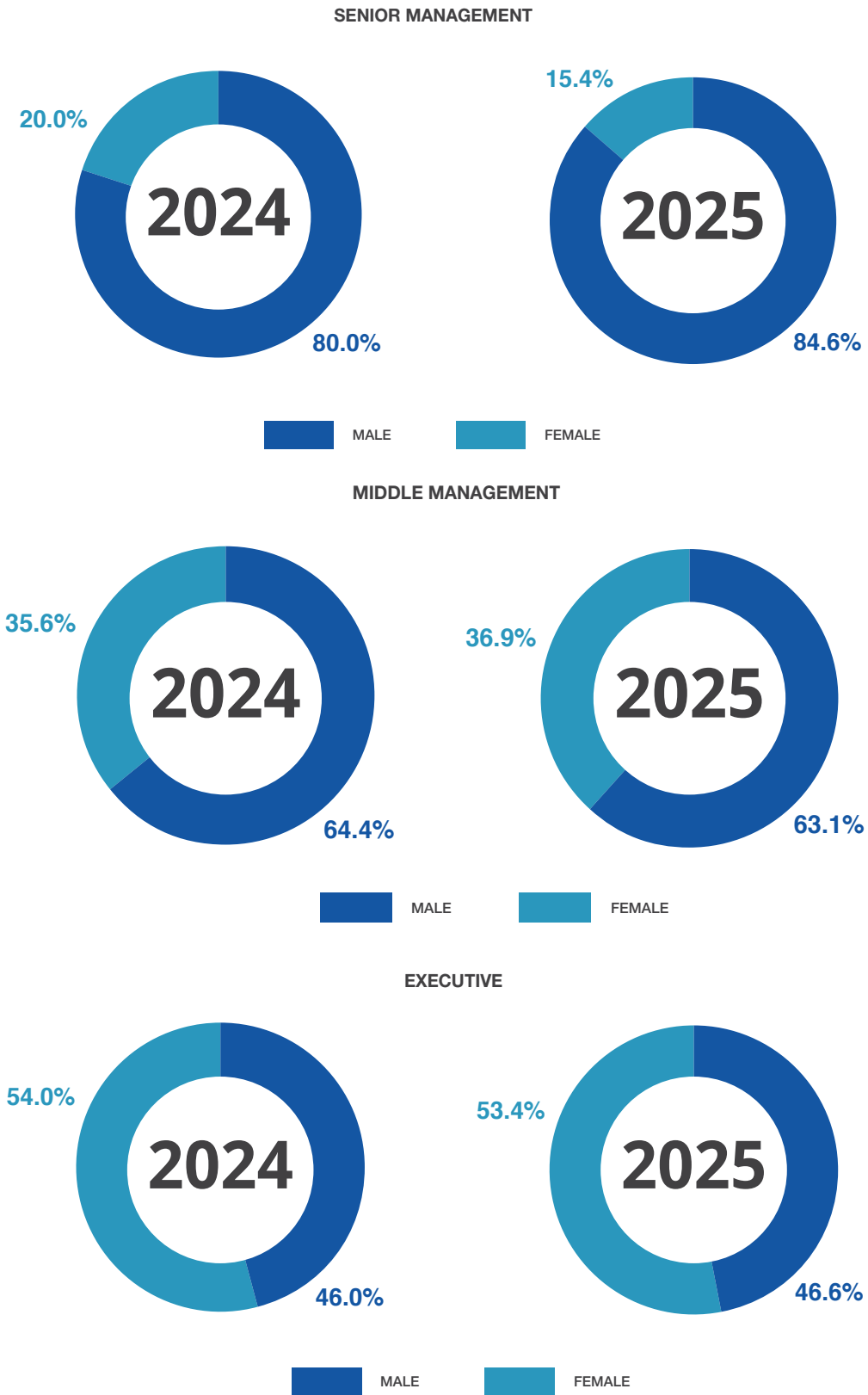
These updates guide the Board towards making informed decisions in business strategies and financial planning. To ensure that the Board is up-to-date on these matters, members of the SSC attended mandatory trainings conducted by the SGX-ST. Important topics for discussion were then relayed to the rest of the SSC.

Supporting the Management Team are our employees which are categorized into three levels:



OUR GOVERNANCE

Further categorizing by gender:



Based on the charts above, the Gender Diversity spread for Senior and Middle Management is still quite significant. SSL will look for opportunities to achieve an overall more balance gender spread of employees for Senior and Middle Management in the coming years.

OUR GOVERNANCE

BUSINESS CODE OF ETHICS

Our business principles and practices regarding subjects that may face ethical implications are outlined in our internal code of business and ethical conduct. The Code of Conduct provides clear guidance for employees to observe our principles such as integrity, honesty, responsibility and accountability across all levels of our organization in the course of carrying out their duties. It is published on our corporate website and is easily accessible by all employees and stakeholders. The Code of Conduct provides guidance on matters such as:

- Conflict of interest and their appropriate disclosures
- Maintaining fair dealings in the conduct of our business and in our relationship with customers, suppliers and employees
- Our stance against bribery and corruption
- Safeguarding personal data and proper handling of confidential information
- Compliance with applicable laws and regulations including those relating to insider trading and personal data protection

New hires, as part of their induction program, are oriented with information about our Code of Conduct as well as other related corporate policies, including anti-bribery and anti-corruption, whistleblowing and business continuity. In FY2025, there were no incidents of major disputes. We aim to keep this track record in subsequent reporting periods.

ANTI-BRIBERY AND ANTI-CORRUPTION

Corruption can result in significant damage to the organization, such as loss of financial and social capital. We adopt a zero-tolerance approach towards corruption and continue to manage the exposure to these risks by applying and emphasizing good corporate governance, business ethics, and transparency while applying robust internal controls.

At Serial System, we prohibit corruption in any form, including but not limited to extortion and bribery. We require all employees, officers and directors to conduct business worldwide with integrity, transparency, and in compliance with all applicable legal requirements relating to anti-bribery, anti-corruption, anti-money laundering and anti-terrorism financing. This has been made clear to all employees, customers, suppliers and business partners.

We have a whistleblowing policy in place which enables an employee to report or raise concerns over any wrongdoings across the Group related to unlawful conduct, financial malpractice or dangers to the public or environment directly to the Chairman of the Audit Committee. The whistleblower who had acted in good faith is provided confidentiality, as well as victimization and harassment protection. The whistleblowing channels for our employees are accessible through our whistleblowing policy. External stakeholders can also directly raise their concerns by contacting us via our corporate website: <https://www.serialsystem.com>. Wrongdoings include fraud, corruption, theft, abuse of authority, breach of regulations or non-compliance with the Group's internal controls and procedures. This policy is covered during employee trainings and is communicated quarterly via e-mail to all employees as part of the Group's efforts to promote awareness on anti-corruption and fraud prevention.

We regularly review our policies on anti-bribery and anti-corruption, as well as on whistleblowing to ensure that they are updated, taking into account any related changes in legal and regulatory requirements. Besides this, we also conduct internal audits to ensure the efficiency and effectiveness of our internal controls, risk management and governance processes. To ensure all of our employees are knowledgeable and comply with our anti-bribery and anti-corruption policies, we conduct Foreign Corrupt Practice Act (FCPA) Awareness Training regularly. On 9-10 May, 2025, an external training was conducted by a professional trainer to our Malaysia office. Subsequent refresher trainings will be conducted in 2026.

In FY2025, there were no incidents of corruption within the Group. We aim to keep this track record in subsequent reporting periods

OUR GOVERNANCE



ATSB Anti-bribery and Anti-corruption Training

REGULATORY COMPLIANCE

The Group has not been subjected to any fines or sanctions for contravention of any laws or regulations globally, including those relating to infringements of environment, health and safety, anti-money laundering, anti-terrorism financing and international trade compliance. We strive to maintain this track record and ensure all queries/allegations received are promptly investigated and addressed, failure of which may result in either public allegations of non-compliance or significant fines being levied on the Group.

Through our Materiality Assessment, we recognize that our core business faces increased risks related to export control laws, anti-bribery and anti-corruption, and data governance due to its nature and workforce presence across various countries and regions. We are committed to comply with all existing laws and regulations wherever the Group operates in. Regular training and communication are provided to keep employees updated on compliance issues that may affect their functions.

The Group had introduced various policies to guide its business conduct, including Export Control Compliance Policy (“ECC” Policy), Anti-Bribery and Anti-Corruption Policy (“ABAC” Policy), Personal Data Protection Policy (“PDP” Policy) and Anti-Money Laundering and Prevention of Financing of Terrorism Policy in our corporate website.

INTERNATIONAL TRADE COMPLIANCE

We support international peace and security by implementing robust, country-specific Internal Compliance Programs (ICPs). This framework of operational controls and protocols ensures that all business transactions across our divisions adhere to relevant export control laws.

To enhance our screening process, we partnered with an ISO-certified trade compliance solution provider. This collaboration integrates real-time regulatory updates directly into our ERP system, driving high levels of automation as part of our Group’s digital transformation. Furthermore, this cloud-based approach aligns with our efficiency goals and Singapore’s green technology initiatives.

By transitioning from on-premise hardware to the cloud, we have reduced infrastructure costs while providing stakeholders with complete audit transparency. This allows for swift decision-making — essential for orders flagged as critical matches. Consequently, we have attained Singapore Customs’ Best-In-Class “TradeFIRST” Premium Band accreditation and Secure Trade Partnership (STP) status (a program aligned with the EU’s Authorized Economic Operator (AEO) framework), recognized via Mutual Recognition Arrangements (MRAs) with 13 countries to date.

Our International Trade Compliance (ITC) Team periodically reviews and communicates crucial updates to regional ITC gatekeepers and management on a need-to-know basis. To strengthen our compliance culture and minimize risks, the Group requires all new employees to undergo export control awareness training. Additionally, existing employees must attend refresher training every eighteen months to stay informed on compliance issues relevant to their roles. In FY2025, our team in Hong Kong, South Korea, Taiwan, and Singapore conducted an internal training for ITC and SCS (Supply Chain Security) awareness.

OUR GOVERNANCE

Throughout FY2025, we complied with all relevant export control laws, working closely with suppliers, customers, third-party logistics providers, and regulatory authorities to ensure business continuity. We remain committed to maintaining this high standard of compliance.

Trade compliance is vital for safeguarding the security of the countries where we operate and ensuring our products do not reach unauthorized parties. Given the inherent risks of international fraud and non-compliance in our distribution business, Serial System has appointed a Group ITC Officer to ensure compliance with international trade laws, provide regulatory updates to management, and lead ISO quality accreditation initiatives. Please see “List of Certifications” in Appendix A.

CYBERSECURITY

The rapid pace of digital transformation continues to outpace the evolution of regulations governing data privacy and protection, leaving organizations increasingly vulnerable to cyber threats. Data breaches and compromises not only disrupt operations but can also lead to significant financial losses and reputational damage. Recognizing these risks, we remain committed to strengthening our cybersecurity framework and adopting proactive measures to address emerging threats in an ever-evolving digital environment.

Our approach encompasses robust investments in cybersecurity infrastructure and the implementation of comprehensive safeguards to protect the confidentiality, integrity, and availability of data. Through ongoing efforts, we align with industry standards and best practices, including compliance with the ISO22301:2019 Business Continuity Management System (BCMS).

Key measures we have undertaken include:

- **Strengthened Access Controls and Monitoring Tools:** implemented advanced access controls, data security measures, and real-time system monitoring to detect and respond to unusual activities.
- **Employee Cybersecurity Awareness Initiatives:** regularly educate employees about the latest cybersecurity trends, phishing tactics, and prevention strategies, including targeted communication campaigns such as alerts and training materials.
- **Social Engineering Awareness Training:** In addition to phishing training, employees are educated on broader social engineering tactics, including impersonation scams, ensuring they are better equipped to recognize and resist human-targeted attacks.
- **Business Continuity and Disaster Recovery Testing:** An annual disaster recovery exercise is conducted to ensure readiness and alignment with business recovery objectives in the event of a cyber incident or system disruption.
- **Periodic Vulnerability Assessments and Penetration Testing (VAPT):** Collaborate with certified external cybersecurity experts to perform vulnerability assessments and penetration tests on our systems, enabling us to identify and mitigate potential weaknesses.
- **Continuous System Upgrades and Patching:** System hardware and software are regularly upgraded and patched to address vulnerabilities and ensure resilience against emerging attack vectors.
- **Mandatory Multi-Factor Authentication (MFA):** Implemented MFA across all critical systems, introducing additional layers of protection beyond passwords to help prevent unauthorized access.

DATA SECURITY AND PRIVACY

Safeguarding our stakeholders’ personal data is of utmost importance to us. We conduct our business in compliance with the Personal Data Protection Act (PDPA) in Singapore. Accordingly, we had put in place a PDP Policy which governs the collection, use, disclosure and care of personal data. This policy is available to the public on our corporate website.

In accordance with the PDPA, we have designated a Data Protection Officer (“DPO”) to enact this regulation. He had undergone training and is supported by 2x backup DPOs.

All new employees are required to go through our PDP Policy and acknowledge their understanding over the prevailing risks, handling and protection of sensitive corporate data. We continue to educate our employees by conducting trainings, especially when there are changes in the legislation.

In FY2025, apart from no major cybersecurity incidents, there was zero substantiated complaint from outside parties and from the Personal Data Protection Commission in Singapore. We will continue to improve our existing processes to safeguard personal data and confidential information through periodic review of our PDP Policy.

APPENDIX A

LIST OF CERTIFICATIONS

TRADE CERTIFICATIONS

- Serial Microelectronics Pte Ltd–SG Customs TradeFIRST Premium Band certification, valid until 31 December 2026
- Serial Microelectronics Pte Ltd–SG Customs Secure Trade Partnership (STP) certification, valid until 31 December 2026
- Serial Microelectronics Korea Limited–South Korea Ministry of Trade, Industry & Energy (MOTIE) Internal Compliance Program (ICP) Accreditation re-certified on 19 March 2024 and valid until 18 March 2027
- Serial Microelectronics Inc. – Taiwan International Trade Administration (formerly Bureau of Foreign Trade), Ministry of Economics Affairs Internal Compliance Program (ICP) certification on 6 December 2016, re-certified on 3 March 2025

ISO CERTIFICATIONS

- Serial Microelectronics Pte Ltd–ISO9001:2015 Quality Management System (QMS) certified since 7 February 2019, re-certified on 7 February 2025 and valid until 6 February 2028
- Serial Microelectronics (HK) Limited–ISO9001:2015 Quality Management System (QMS) certified since 7 August 2018, re-certification on 7 August 2024 and valid until 6 August 2027
- Serial Microelectronics Pte Ltd–ISO22301:2019 Business Continuity Management System (BCMS) certified since 31 October 2018, re-certified on 31 October 2024 and valid until 30 October 2027
- Serial Microelectronics Korea Limited–ISO14001:2015 Environmental Management System (EMS) certified since 20 November 2019, re-certified on 20 November 2025 and valid until 19 November 2028
- Serial Microelectronics Korea Limited–ISO45001:2018 Occupational Health & Safety Management System (OH&S) certified since 20 November 2019, re-certified on 20 November 2025 and valid until 19 November 2028
- Contract Sterilization Services Pte Ltd – ISO 13485:2016 Medical Devices Quality Management System (QMS) certified since 15 August 2005, re-certified on 15 May 2023 and valid until 14 May 2026

SUSTAINABILITY/GREEN CERTIFICATES

- Serial Microelectronics Pte Ltd–ICC SME360 X Singapore Green Exporter Program Certificate by SBF/MT1 on 3 August 2023, re-certified on 3 July 2025
- Serial System Ltd–ESBN Green Badge by STACS on 2 July 2024
- Serial System–GoGreen Plus Certificate by using DHL LCL GoGreen Plus Low Emission Transport Services (for ocean shipments)
- Serial System–GoGreen Plus Certificate by using DHL GoGreen Plus Low Emission Transportation Services (for air transportation) facilitated by sustainable aviation fuel.
- Serial System – Carbon Neutral Program Certificate 2025 by UPS

APPENDIX B

CALCULATION METHODS USED

This section explains the definitions, calculation boundaries, methodologies, and assumptions used in the computation of Serial System’s greenhouse gas (GHG) emissions, energy, water, materials and waste, and employee-related information.

ENVIRONMENT

Serial System adopts the Operational Control Approach, as outlined in the GHG Protocol Corporate Standard, which was used to determine organizational boundaries. This means that the Company accounts for 100% of the emissions from operations over which it or one of its subsidiaries has operational control. As at 31 December 2025, the Group accounted for our offices in Singapore, Malaysia, Thailand, China, Hong Kong, Taiwan, and South Korea.

Climate – Greenhouse Gas (GHG) Emissions (Scope 1, 2 and 3)

Scope 1 emission was calculated from the consumption of diesel fuel, expressed in tons CO₂e. Data came from seven offices of our Group.

Scope 2 emission was calculated based on the Group’s energy consumption, expressed in tons CO₂e.

Scope 3 emission was calculated based on the shipment data from all our Group’s offices, expressed in tons CO₂e.

GHG Emission Factors

For Scope 1 and 3: We had used the emission factors from the UK Government GHG Conversion Factors for Company Reporting.

Type of Transportation	Activity	Value*	Unit
Land	Diesel (100% mineral diesel)	2.66155	kgCO ₂ e/L
	HGV (diesel), Rigid (>3.5 to 7.0 tons), Average-laden	0.52761	kg CO ₂ e/tonne-km
	Railway	0.02779	kg CO ₂ e/tonne-km
Sea	Container Ship	0.01612	kg CO ₂ e/tonne-km
Air	Air Freight	0.89939	kg CO ₂ e/tonne-km

*The value used here already accounts for CO₂, CH₄ and N₂O emissions.

For Scope 2:

Country	Electricity Factor (kgCO ₂ e/kWh)	Source
Singapore	417.0	Energy Market Authority (Singapore Energy Statistics 2022)
Malaysia	758.0	Malaysia Energy Information Hub (Grid Emission Factor (GEF) in Malaysia, 2017-2021)
Thailand	408.0	Energy Policy and Planning Office (CO ₂ Statistics) by the Ministry of Energy (Thailand)
Beijing	941.9	Ministry of Ecology and Environment of the People’s Republic of China (2019 Annual Emission Reduction Projects China Regional Power Grid Baseline Emission Factors)
Shanghai	792.1	
Shenzhen	804.2	
Hong Kong	630.0	CLP Group Sustainability Report 2022
Taiwan	484.1	IFI TWG (Harmonized IFI Default Grid Factors 2021 v3.2)
South korea	555.4	

APPENDIX B

CALCULATION METHODS USED

Electricity Consumption

The Group consumes energy from purchased electricity and is expressed in megawatt-hour (MWh).

Water Consumption

The Group consumes municipal water and is expressed in cubic meters (m³).

Materials and Waste - Conversion of sheets of paper to tons

Since FY2024, we had taken the sum of all office paper consumption from the Serial System group and reported this value. Previously, this value was separated between the Singapore head office and the rest of the group.

This part only accounts for office paper use (printing and photocopying). For the calculations, the following assumptions were made:

- A4-sized papers are used which weigh 5g per sheet.
- For offices that have the actual number of printed sheets, it was assumed that 20% of the time they had used back-to-back printing. This means that for every 10 prints, 9 papers were used (8 were used one-sided and 1 was used back-to-back).
- For offices that only have the number of reams bought, it was assumed that 75% of the total papers were used.

SOCIAL

Hire and Turnover Rate

These are calculated as follows:

$$\text{Hire rate} = \frac{\text{Number of New Hires}}{\text{Number of Current Employees}} \times 100\%$$

$$\text{Turnover rate} = \frac{\text{Number of Resigned Employees}}{\text{Number of Current Employees} + \text{Number of Resigned Employees}} \times 100\%$$

Training Hours (Per Employee and Per Gender)

These are calculated as follows:

$$\text{Number of Training Hours per Employee} = \frac{\text{Total Conducted Hours of Training}}{\text{Number of Current Employees}}$$

$$\text{Number of Training Hours per Male Employee} = \frac{\text{Total Conducted Hours of Training to Male Employees}}{\text{Number of Current Male Employees}}$$

$$\text{Number of Training Hours per Female Employee} = \frac{\text{Total Conducted Hours of Training to Female Employees}}{\text{Number of Current Female Employees}}$$

APPENDIX C

ESG PERFORMANCE SUMMARIES

Description	2025 Target	FY2024	FY2025	Target Status (FY2025 Performance vs 2025 Target)
Sustainable supply chain management	Expand the scope of verification for better transparency of the value and supply chain	Regular monitoring and updating of REACH/ RoHS certifications	Regular monitoring and updating of REACH/ RoHS certifications	Achieved and Maintained
Absolute GHG Emissions (Scope 1 only)	51.08 tons CO ₂ e (30% Reduction from 2019 Base Year Performance of 72.97 tons CO ₂ e)	59.03 tons CO ₂ e	56.28 tons CO ₂ e	Underway
Absolute GHG Emissions (Scope 2 only)	749.09 tons CO ₂ e (30% Reduction from 2019 Base Year Performance of 1,070.13 tons CO ₂ e)	751.89 tons CO ₂ e	674.57 tons CO ₂ e	Achieved
Absolute GHG Emissions (Scope 3 only)	1,511.51 tons CO ₂ e (20% Reduction from 2022 Base Year Performance of 1,889.39 tons CO ₂ e)	1,523.65 tons CO ₂ e	1,585.94 tons CO ₂ e	Increased (Please see explanation under the section "Scope 3 Emissions".)
Intensity by Revenue (Scope 1 only)	0.07 tons CO ₂ e/US\$M (30% Reduction from 2019 Base Year Performance of 0.10 tons CO ₂ e/US\$M)	0.07 tons CO ₂ e/US\$M	0.07 tons CO ₂ e/US\$M	Achieved
Intensity by Revenue (Scope 2 only)	1.00 tons CO ₂ e/US\$M (30% Reduction from 2019 Base Year Performance of 1.43 tons CO ₂ e/US\$M)	0.95 tons CO ₂ e/US\$M	0.78 tons CO ₂ e/US\$M	Achieved
Intensity by Revenue (Scope 3 only)	1.79 tons CO ₂ e/US\$M (20% Reduction from 2022 Base Year Performance of 2.24 tons CO ₂ e/US\$M)	1.93 tons CO ₂ e/US\$M	1.84 tons CO ₂ e/US\$M	Underway
Absolute Energy Consumption	1,441.71 MWh (30% Reduction from 2019 Base Year Performance of 2,059.59 MWh)	1,391.89 MWh	1,232.36 MWh	Achieved
Absolute Water Consumption	5,874.00 m ³ (20% Reduction from 2019 Base Year Performance of 7,342.50 m ³)	7,400.90 m ³	5,055.00 m ³	Achieved
Compliance with National Environment Agency (NEA) mandatory packaging reporting (MPR) framework	Achieve 100% compliance with NEA's MPR Framework	Maintained 100% compliance by completing the submission of our packaging data and 3R plans on their portal	Maintained 100% compliance by completing the submission of our packaging data and 3R plans on their portal	Achieved and Maintained
Absolute Paper Consumption	4.06 tons (30% Reduction from 2019 Base Year Performance of 5.80 tons)	5.12 tons	4.79 tons	Underway
Total turnover (%)	25%	12.4%	12.2%	Achieved and Maintained
Non-discrimination and Equal Opportunity	Maintain zero incidents of harassment or unlawful discrimination against employee	Zero incidents	One incident	Reported and appropriately resolved by HR and Management

APPENDIX C

ESG PERFORMANCE SUMMARIES

Description	2025 Target	FY2024	FY2025	Target Status (FY2025 Performance vs 2025 Target)
Occupational Health and Safety	Maintain a workplace injury rate below the national all-time industry average	No recorded incidents of severe injuries or cases of ill health	No recorded incidents of severe injuries or cases of ill health	Achieved and Maintained
	Maintain zero fatality	Zero fatality	Zero fatality	Achieved and Maintained
Local Community Involvement	Sustain our annual commitment to provide support and contributions to various charitable organizations and programs across diverse sectors	Total donations of S\$297,000 to various causes and organizations in Singapore	Total donations of S\$110,662 to various causes and organizations in Singapore	Maintained
Total Number of Training Hours	8,692 hours (30% increase from 2021 baseline of 6,686 hours)	8,952 hours	8,850 hours	Achieved
Board Independence	Maintain majority Board Independence	55.6%	55.6%	Achieved and Maintained
Women on the Board	The Nominating Committee will continue to identify and evaluate suitable candidates to maintain gender diversity on the Board.	11.1%	11.1%	Not available
Women in the (senior) Management Team	Increase female representation in senior management	20.0%	15.4%	Underway
Business Code of Ethics	Uphold high standards of responsible business practices with no major disputes and no incidents of regulatory fines and/or sanctions	Upheld high standards of responsible business practices and had no major disputes and no incidents of regulatory fines and/or sanctions	Upheld high standards of responsible business practices and had no major disputes and no incidents of regulatory fines and/or sanctions	Achieved and Maintained
Anti-Bribery and Anti-Corruption	Maintain zero incidents	No confirmed incidents of corruption	No confirmed incidents of corruption	Achieved and Maintained
Regulatory Compliance	Prevent any non-compliance of laws and regulations, including Export Control Laws and International Trade Compliance	No incidents of non-compliance	No incidents of non-compliance	Achieved and Maintained
Cybersecurity and Data Privacy	Uphold high standards of data privacy protection and cybersecurity measures in adherence to Personal Data Protection Act in Singapore with zero major incidents	Adhered to data protection laws in Singapore and had no incidents of major cybersecurity and personal data breach	Adhered to data protection laws in Singapore and had no incidents of major cybersecurity and personal data breach	Achieved and Maintained

APPENDIX D

SGX LIST OF CORE METRICS

Topic	Metric	Unit	Page number(s)
Environmental			
Greenhouse Gas Emissions ("GHG")	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tons CO ₂ e	Page 40-42
	Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tons CO ₂ e/revenue US\$M	Page 40-42
Energy Consumption	Total energy consumption	MWh	Page 41, 43
	Energy consumption intensity	MWh/m ² MWh/employee	Page 41, 43-44
Water Consumption	Total water consumption	m ³	Page 41,46
	Water consumption intensity	m ³ /m ² m ³ /employee	Page 41,46
Waste	Total waste generated	tons	Page 41,47
Social			
Gender Diversity	Current employees by gender	Percentage (%)	Page 50
	New hires and turnover by gender	Percentage (%)	Page 51
Age-Based Diversity	Current employees by age groups	Percentage (%)	Page 50
	New hires and turnover by age groups	Percentage (%)	Page 51
Employment	Total turnover	Number and Percentage (%)	Page 49
	Total number of employees	Number	Page 49
Development & Training	Average training hours per employee	Hours/employee	Page 57
	Average training hours per employee by gender	Hours/employee	Page 57
Occupational Health & Safety	Fatalities	Number of cases	Page 58
	High-consequence injuries	Number of cases	Page 58
	Recordable injuries	Number of cases	Page 58
	Recordable work-related ill health cases	Number of cases	Page 58
Governance			
Board Composition	Board independence	Percentage (%)	Page 63
	Women on the board	Percentage (%)	Page 63
Management Diversity	Women in the management team	Percentage (%)	Page 64
Ethical Behavior	Anti-corruption disclosures	Discussion and number of standards	Page 65
	Anti-corruption training for employees	Number and Percentage (%)	Page 65
Certifications	List of relevant certifications	List	Page 68
Alignment with Frameworks	Alignment with frameworks and disclosure practices	ISSB/ IFRS S1/ IFRS S2/ SASB/ TCFO/ GRI/ others	Page 26-30
Assurance	Assurance of sustainability report	Internal/External/None	The Company did not seek external assurance on this report but had relied on internal review of the sustainability processes.

APPENDIX E

GRI CONTENT INDEX

Statement of Use	Serial System Ltd has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Title	Page number(s)	
Organizational Profile				
GRI 2: General Disclosures 2021	2-1	Organizational details	Page 1-17	
	2-2	Entities included in the organization's sustainability reporting	Page 2, 166, 172-179	
	2-3	Reporting period, frequency and contact point	Page 26	
	2-4	Restatements of information	Page 26 This is the ninth year of reporting and there were no restatements.	
	2-5	External assurance	The Company did not seek external assurance on this report but plans to do so in the future	
	Activities and Workers			
	2-6	Activities, value chain and other business relationships	Page 1, 10-17, 33-34	
	2-7	Employees	Page 49	
	2-8	Workers who are not employees	Page 49 There were no workers who are not employees.	
	Governance			
	2-9	Governance structure and composition	Page 62-63, 80-109	
	2-10	Nomination and selection of the highest governance body	Page 62, 90-93	
	2-11	Chair of the highest governance body	Page 62-63, 89-90	
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 27, 62-63, 85-86	
	2-13	Delegation of responsibility for managing impacts	Page 62-63, 80-83	
	2-14	Role of the highest governance body in sustainability reporting	Page 62-63, 82	
	2-15	Conflicts of interest	Page 63, 82, 251-261	
	2-16	Communication of critical concerns	Page 27, 30-32, 65	
2-17	Collective knowledge of the highest governance body	Page 19-22		
2-18	Evaluation of the performance of the highest governance body	Page 93-94		

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GRI CONTENT INDEX

GRI Standard	Disclosure	Title	Page number(s)
	2-19	Remuneration policies	Page 94-95
	2-20	Process to determine remuneration	Page 95-97
	2-21	Annual total compensation ratio	Unable to disclose due to confidentiality reasons. However, the Company has disclosed the remuneration of Directors and Group CEO, and the remuneration band of the top five key management personnel (excluding the Directors or the Group CEO) in page 97-98 of the Annual Report 2025.
	Strategies, Policies and Practices		
	2-22	Statement on sustainable development strategy	Page 27-32
	2-23	Policy commitments	Page 27-32
	2-24	Embedding policy commitments	Page 27-32
	2-25	Processes to remediate negative impacts	Page 27-32
	2-26	Mechanisms for seeking advice and raising concerns	Page 28
	2-27	Compliance with laws and regulations	Page 65-67
	2-28	Membership associations	Page 32
	Stakeholder Engagement		
	2-29	Approach to stakeholder engagement	Page 30-31
2-30	Collective bargaining agreements	There were no collective bargaining agreements.	
Identification of Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 27-30
	3-2	List of material topics	Page 29
	3-3	Management of material topics	Page 28-30

APPENDIX E

GRI CONTENT INDEX

GRI Standard	Disclosure	Title	Page number(s)
Material Topics			
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 33-34, 118-231
	201-2	Financial implications and other risks and opportunities due to climate change	Page 35-41, 69-70
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	Page 34
Energy			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Page 41, 43
	302-3	Energy intensity	Page 43-44
	302-4	Reduction of energy consumption	Page 44-45
Greenhouse Gas Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 40-42
	305-2	Energy indirect (Scope 2) GHG emissions	Page 40-42
	305-3	Other indirect (Scope 3) GHG emissions	Page 40-42
	305-4	GHG emissions intensity	Page 40-42
	305-5	Reduction of GHG emissions	Page 41-42
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	NOx is accounted for in the calculations of freight emissions.
Water			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Page 41, 46-47
	303-5	Water consumption	Page 41, 46-47
Materials and Waste			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Page 41, 47
Human Capital			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 49

APPENDIX E

GRI CONTENT INDEX

GRI Standard	Disclosure	Title	Page number(s)
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 58
	403-2	Hazard identification, risk assessment, and incident investigation	Page 58
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 58
	403-5	Worker training on occupational health and safety	Page 58
	403-6	Promotion of worker health	Page 58
	403-8	Workers covered by an occupational health and safety management system	Page 58
	403-9	Work-related injuries	Page 58
	403-10	Work-related ill health	Page 58
Training and Development			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 57
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 57
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 57
Diversity			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 58
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Page 58
Human Rights			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Page 58 No incidents of child labor by suppliers in FY2025
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 58 No incidents of force or compulsory labor by suppliers in FY2025
Local Community Involvement			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Page 60
Business Ethics			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Page 65-67
	205-2	Communication and training about anti-corruption policies and procedures	Page 65-67
	205-3	Confirmed incidents of corruption and actions taken	Page 65-67

APPENDIX E

GRI CONTENT INDEX

GRI Standard	Disclosure	Title	Page number(s)
Compliance			
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Page 66-67
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 67
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Page 65-67

APPENDIX F

ABBREVIATIONS

SUBSIDIARIES OF SERIAL SYSTEM LTD

ADT – Achieva Digital (Thailand) Company Limited

ATSB – Achieva Technology Sdn. Bhd.

CSS – Contract Sterilization Services Pte Ltd

PIQ MPS – Print-IQ MPS Company Limited

SMCN – Serial Microelectronics (Shenzhen) Co., Ltd

SMHK – Serial Microelectronics (HK) Limited

SMKR – Serial Microelectronics Korea Limited

SMPH – Serial Microelectronics Pte Ltd (Philippines)

SMTW – Serial Microelectronics Inc.

SVB – Swift-Value Business Pte Ltd

SFT – Serial Factoring (Thailand) Company Limited

CORPORATE GOVERNANCE REPORT

Serial System Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) is committed to achieving high standards of corporate governance, to promote corporate transparency, to protect the interests of its stakeholders and to enhance shareholder value. The Board of Directors (the “**Board**”) and Management believe that sound corporate governance supports long-term value creation. To this end, the Group has in place a set of well-defined policies and processes to enhance corporate performance and accountability.

The Listing Manual Mainboard Rules of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) require all listed companies to describe in their Annual Reports, their corporate governance practices, with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”).

This report outlines the Group’s corporate governance practices that were in place during the financial year ended 31 December 2025 (“**FY2025**”) with specific reference to the principles of the Code, its related practice guidance and the disclosure guide developed by SGX-ST in January 2015. The Board is pleased to confirm that it had adhered to the principles and provisions of the Code as highlighted and explained in the report. In so far as there are any deviations from any principles and/or provisions, appropriate reasons have been provided.

1. Board Matter

The Board’s Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Principal Functions of the Board

The Company is headed by its Board comprising professionals from various disciplines who are entrusted with the responsibilities for the overall management of the Group. All Directors recognise that they have to discharge their duties and responsibilities in the best interests of the Company and to act in good faith, honestly and diligently exercising his/her independent judgement in overseeing the business and affairs of the Company.

The Board is collectively responsible for creating value for shareholders, ensuring the long-term success of the Group and providing overall strategy and business direction to the Management and the Group. Additionally, the Board has established ethics policies within the Group, which set out a code of conduct and ethical standards for Management and staff to adhere to.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, inter alia, are as follows:

- (a) oversees and approves the formulation of the Group’s overall long-term strategic objectives and directions, corporate strategy and objectives;
- (b) decides on matters in relation to the Group’s operations which are of significant nature, including decisions on the approval of business plans, major investments and divestments;
- (c) oversees and reviews the management of the Group’s business affairs, including financial controls, annual budget, financial performance reviews, key operational initiatives, resource allocation, compliance and corporate governance practices;
- (d) establishes a framework of effective controls to assess and manage risks, safeguard shareholders’ interests and the Group’s assets;

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company. (continued)

Principal Functions of the Board (continued)

- (e) ensures that the necessary financial and human resources are available for the Group to meet its objectives;
- (f) set the Group's values and standards and ensure that obligations to stakeholders are understood and met;
- (g) reviews Management's performance and remuneration packages;
- (h) considers sustainability issues including environmental, social and governance ("ESG") factors as part of the Group's overall strategy as well as oversees the Group's sustainability reporting framework by monitoring the ESG issues that impact the Group's sustainability of its business;
- (i) oversees, through the Nominating Committee, the appointments, re-election and resignation of Directors and the Management;
- (j) oversees, through the Remuneration Committee, the design and operation of an appropriate remuneration framework;
- (k) approves the release of the Group's half-year and full-year financial results and interested person transactions, oversees the processes for risk management, financial reporting and compliance and evaluates the adequacy and effectiveness of internal controls, as may be recommended by the Audit Committee, including safeguarding of shareholders' interests and the Company's assets; and
- (l) monitors the Group's risk of becoming subject to, or violating, any Sanctions Law and ensures timely and accurate disclosures to Singapore Exchange and other relevant authorities.

The Group has established financial authorisation limits for matters such as operating and capital budgets, credit limits, procurement of goods and services, and the acquisition and disposal of investments. The Board approves transactions exceeding a certain threshold limit, while delegating the authority for transactions below those limit to Management in order to optimise operational efficiency.

Matters requiring the Board's decision and approval include but are not limited to:

- (a) strategic business plans;
- (b) joint ventures, investments, acquisitions and divestments exceeding certain threshold limits;
- (c) annual operating budgets and financial plans of the Group;
- (d) annual and half yearly financial reports;
- (e) sales and purchases of shares in the Group, its associated companies and other companies;
- (f) the Group's risk appetite and risk tolerance for different categories of risk, as well as risk management strategies and execution;

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company. (continued)

Principal Functions of the Board (continued)

Matters requiring the Board's decision and approval include but are not limited to: (continued)

- (g) capital expenditure and disposal of assets exceeding S\$2.0 million (approximately US\$1.6 million);
- (h) borrowing exceeding S\$5.0 million (approximately US\$3.9 million);
- (i) interested person transactions for an amount equal to or more than S\$100,000 (approximately US\$78,000);
- (j) declaration of dividend by the Company; and
- (k) appointment of Management, including reviewing their performance and remuneration packages.

The matters which are decided and approved by the Board are clearly documented in the minutes of meetings and board resolutions, and kept with the Company.

Disclosure of Interest

Directors shall maintain transparency at all times. Each Director is aware of the requirements in respect of his/her disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information.

There is a requirement for Directors to declare the nature of their direct and indirect interests in a transaction or proposed transaction to the Company in accordance with the Companies Act 1967 of Singapore (the "**Companies Act**"). Each Director must disclose any conflict of interest in any discussions, transactions or proposed transactions as soon as he/she becomes aware of the conflict, to the Board directly or the Company Secretary. The Company Secretary will inform Board members immediately upon receipt of such notification. The respective Director must not participate in the discussion and decision-making involving the interest at stake.

Delegation by the Board

To assist the Board in the discharge of its oversight function, various Board committees, namely the Audit Committee (the "**AC**"), Nominating Committee (the "**NC**"), and Remuneration Committee (the "**RC**"), have been constituted to function within clearly defined written terms of reference. Each Board Committee, chaired by an Independent Director actively engages and plays an important role in ensuring good corporate governance within the Group. The Board is apprised of the decisions made by the Board Committees.

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company. (continued)

Delegation by the Board (continued)

As at the date of this report, the composition of the Board and Board Committees is set out below:

Name of Director	Age	Date of appointment	Date of last re-election	Board		Audit Committee Position	Nominating Committee Position	Remuneration Committee Position
				Status	Position			
Mr. Derek Goh Bak Heng ⁽¹⁾	64	9 January 2024	30 April 2024	Non-Independent / Executive	Chairman	-	-	-
Mr. Teo Ser Luck	57	15 July 2017	28 April 2023	Lead Independent / Non-Executive	Deputy Chairman	-	-	-
Mr. Sean Goh Su Teng ⁽²⁾	46	5 October 2021	30 April 2025	Non-Independent / Executive	Member	-	-	-
Mr. Heng Yeow Meng Michael	53	30 April 2024	30 April 2025	Independent / Non-Executive	Member	Chairman	Member	-
Mr. Lye Hoong Yip Raymond	60	9 January 2024	30 April 2024	Independent / Non-Executive	Member	Member	Member	Chairman
Mr. Khua Kian Kheng Ivan	50	30 April 2024	30 April 2025	Independent / Non-Executive	Member	-	Chairman	Member
Mr. Ng Yong Hwee	61	30 April 2024	30 April 2025	Independent / Non-Executive	Member	Member	-	Member
Ms. Victoria Goh Si Hui ⁽³⁾	32	26 January 2022	30 April 2025	Non-Independent / Non-Executive	Member	-	-	-
Mr. Goi Kok Ming Kenneth ⁽⁴⁾	52	8 May 2019	30 April 2025	Non-Independent / Non-Executive	Member	-	-	-

Notes:

- (1) Mr. Derek Goh Bak Heng was Executive Chairman from 26 October 1998 to 5 October 2021. He re-joined the Board as Executive Chairman on 9 January 2024 and holds the position of Group Chief Executive Officer.
- (2) Mr. Sean Goh Su Teng holds the position of Deputy Group Chief Executive Officer and is the cousin of Mr. Derek Goh Bak Heng and uncle of Ms. Victoria Goh Si Hui.
- (3) Ms. Victoria Goh Si Hui was re-designated from Executive Director to Non-Independent Non-Executive Director and relinquished her roles as Group Vice President, Business Development & Marketing and Chief Operating Officer of Consumer Products Distribution Division of the Company, with effect from 1 February 2026. She is the daughter of Mr. Derek Goh Bak Heng and niece of Mr. Sean Goh Su Teng.
- (4) Mr. Goi Kok Ming Kenneth is the son of Mr. Goi Seng Hui, a substantial shareholder of the Company.

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company. (continued)

Board Attendance

The Board meets at least on a half yearly basis. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances. If Directors are unable to attend meetings in person, participation by telephonic or electronic means of communication (including online meeting) is permitted. Agendas are circulated in advance, with board papers and related materials released before the meetings, to allow members of the Board and its committees to prepare for the meetings and contribute to meaningful discussions. The Board papers may include information such as business strategies, financial information, risk analysis, industry trends and other information deemed relevant to the matters tabled for discussion.

The Board met three times in FY2025, of which two meetings were the regular review and approval of the half-year and full-year financial results and one meeting was the review, discussion and approval of the FY2024 forecasted financial results and FY2025 annual budget as well as important and strategic matters. Ad-hoc matters which require the approval of the Board or Board Committees are dealt with through telephone, email, instant messaging services and circular resolutions, when necessary.

During FY2025, the attendance of the Directors at meetings of the Board, Board Committees and general meetings, and the frequency of such meetings, are disclosed below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	General Meeting
Number of meetings held in FY2025	3	3	1	1	1
Name of Director	Number of meetings attended				
Mr. Derek Goh Bak Heng	3	–	–	–	1
Mr. Teo Ser Luck	3	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1
Mr. Sean Goh Su Teng	3	1 ⁽¹⁾	–	–	1
Mr. Heng Yeow Meng Michael	3	3	1	1 ⁽¹⁾	1
Mr. Lye Hoong Yip Raymond	2	3	1	1	1
Mr. Khua Kian Kheng Ivan	3	1 ⁽¹⁾	1	1	1
Mr. Ng Yong Hwee	3	3	1 ⁽¹⁾	1	1
Ms. Victoria Goh Si Hui	3	–	–	–	1
Mr. Goi Kok Ming Kenneth	3	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1

Note:

(1) Attendance by invitation.

Directors with multiple board representations on various listed companies and other principal commitments will ensure that sufficient time and attention are given to the business affairs of the Group.

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company. (continued)

Continuous Training and Development of Directors

The Directors are updated regularly on regulatory changes that will have an important relevance to the Group's or Director's obligations. Such changes are also updated and discussed during Board meetings. As part of the Directors' ongoing training, Directors are also encouraged to actively engage in informal discussions on subjects which are relevant to the Group's businesses and at the Company's expense, attend relevant training programmes or seminars in areas of directors' duties and responsibilities, corporate governance, insider trading and, changes and updates in financial reporting standards and the listing rules of SGX-ST and other regulatory requirements relevant to the Company.

All newly appointed Directors are also required to attend the "Listed Company Director Essentials: Understanding the Regulatory Environment in Singapore – What Every Director Ought to Know" course conducted by the Singapore Institute of Directors. Further to this, for new Directors who do not have prior experience as a director of a public listed company in Singapore, they are required to attend training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST within one year from the date of their respective appointment to the Board.

As at the date of this report, all Directors have relevant experience as directors of public-listed companies in Singapore and are familiar with the roles and responsibilities of a director of a public-listed company in Singapore. All the Directors have undertaken training on ESG matters as prescribed by the SGX-ST.

Orientation for New Directors

Upon the appointment of a new Director, he/she is provided with a formal letter setting out his/her key duties and obligations under the Group's policies, processes and best practices in corporate governance. Orientation programmes, briefings and/or events will be organised during the year for new incoming Director to ensure that he/she is informed on the Group's key businesses and corporate governance practices. This also allows new Director to get familiar with existing Directors and Management, thereby facilitating board interaction and independent access to Management.

Access to Complete, Adequate and Timely Information, Management and Company Secretary

The Board and Management are given opportunities to engage in open and constructive debate and Directors may, at any time, request for further meetings or informal discussions on any matter related to the Group's operations or business issues with Management. All Directors are supplied with relevant, complete, adequate and timely information prior to Board meetings and on an on-going basis to enable them to discharge their duties efficiently and effectively.

The Board receives quarterly management reports pertaining to the operational and financial performance of the Group. The Board also receives regular updates on the industry and technological developments. Minutes of the previous meetings are tabled and confirmed at Board meetings for the Directors' information.

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company. (continued)

Access to Complete, Adequate and Timely Information, Management and Company Secretary (continued)

The Board has at all times separate and independent access to Management through face-to-face meetings, telephone, electronic mail, instant messaging services and is entitled at all times to request for any additional information needed to make sound decisions. Likewise, key management staff, the Company's external auditors or external consultants are invited to attend Board and Board Committees meetings to update and provide independent professional advice on specific issues, where necessary.

The Company Secretary attends all Board and Board Committees meetings and is responsible for ensuring that established procedures and the relevant statutes and regulations are complied with. Additionally, the Company Secretary assists in coordinating the flow of information within the Board and Board Committees as well as between Management and the Board. The Company Secretary also assists the Board in enforcing and strengthening corporate governance practices and processes. The appointment and removal of the Company Secretary are subject to the approval of the Board. Directors have separate and independent access to the Company Secretary through face-to-face meetings, telephone, electronic mail, and instant messaging services.

If need be, the Board and Board Committees have the right to seek professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as directors.

2. Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Independence

As at the date of this report, the Board comprises nine Directors of which two are Executive Directors, two are Non-Independent Non-Executive Directors and the remaining five are Independent Directors, thus representing a strong independence element on the Board, capable of open and constructive debates on relevant issues affecting the business affairs of the Group.

Throughout FY2025, the Independent Directors made up more than half and majority of the Board and the Company has complied with Provision 2.2 of the Code for Independent Directors to make up a majority of the Board where the Chairman is not independent.

The NC, in defining the independence concept, takes into account the criteria set out in the Listing Manual of the SGX-ST and the Code, the presence of any relationships between such Director and the Group, its related corporations, its substantial shareholders and its officers that could interfere, with the exercise of such Director's independent judgement. Under the Listing Manual of the SGX-ST, a Director will not be deemed independent if he is employed by the Group or its related corporations for the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Group or its related corporations for the past three financial years, and whose remuneration is or was determined by the RC.

CORPORATE GOVERNANCE REPORT

2. Board Composition and Guidance (continued)

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. (continued)

Independence (continued)

The NC, having considered the completed annual declaration of independence by the Independent Directors and assessed their past contributions and suitability of requisite knowledge, capabilities, experiences and independence to assume the responsibilities, is of the view that the current Board has an appropriate level of independence to enable it to make decisions in the best interests of the Group.

The Independent Directors of the Board during FY2025 have confirmed that they do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement to enable it to make decisions in the best interests of the Company.

The NC with the concurrence of the Board, has determined that Mr. Teo Ser Luck, Mr. Heng Yeow Meng Michael, Mr. Lye Hoong Yip Raymond, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee remain independent in character and judgement, taking into account there were no relationships with the Group, its related corporations, its substantial shareholders, its officers or circumstances which were likely to affect, or could appear to affect their independence. The Board also reviewed the performance of Mr. Teo Ser Luck, Mr. Heng Yeow Meng Michael, Mr. Lye Hoong Yip Raymond, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee and considered that they, who had gained good understanding of the Group's businesses and operations, will continue to bring invaluable expertise, experience and knowledge to the Board. The NC and Board are therefore satisfied with their performance and continued independence. Each member of the NC had abstained from deliberations in respect of the assessment of his own independence. The NC together with the concurrence of the Board, confirmed that Mr. Teo Ser Luck, Mr. Heng Yeow Meng Michael, Mr. Lye Hoong Yip Raymond, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee are Independent Directors under the Code.

Composition and Size of the Board

The NC, after performing an annual review on the composition of the Board and considering the benefits of diversity of skills, industry and business experiences, professional knowledge and experiences, core competencies, age, gender, educational background, and tenure of service, maintains the view that the current Board size and structure are adequate for the existing business operations of the Group. Each Director has been appointed on the strength of his/her calibre, experience and stature and is expected to bring valuable range of experience and expertise to contribute to the development of the Group's strategies and the performance of its businesses.

Board Diversity

The Company recognises that a diverse Board supports effective decision-making and strong corporate governance. The Board has adopted a Board Diversity Policy and considers diversity holistically in determining its composition, taking into account factors such as skills and experience, industry knowledge, core competencies, gender, age, tenure and independence. All Director appointments will be based on meritocracy, and candidates will be considered against these objective criteria, having due regards for the benefits of diversity and needs of the Board.

CORPORATE GOVERNANCE REPORT

2. Board Composition and Guidance (continued)

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. (continued)

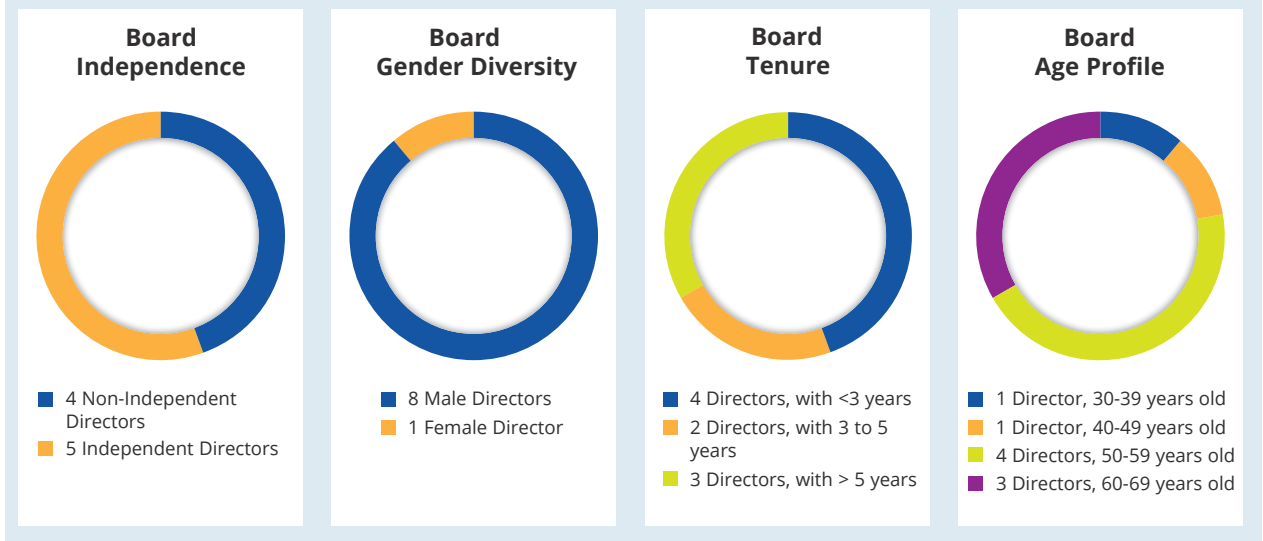
Board Diversity (continued)

In line with Listing Rule 710A(2) of the Listing Manual of the SGX-ST, the Board has established measurable objectives to support diversity, including maintaining at least one female director, ensuring that independent directors make up more than half and majority of the Board, and maintaining an appropriate balance of skills, experience and knowledge aligned with the Group's strategic direction. The Nominating Committee ("NC") reviews the Board composition annually and, where appropriate, recommends the appointment of new directors to address identified gaps. These objectives are pursued on an ongoing basis over the medium term through Board renewal and succession planning.

The Board is of the view that it has made meaningful progress towards its diversity objectives and continues to maintain an appropriate level of diversity. This diversity of skills, experience and perspective enables the Board to provide effective oversight and strategic guidance to Management, exercise independent judgement and constructive challenge, and support the long-term growth and development of the Group. Details of the Board's composition, including skill sets, independence, gender diversity, tenure and age profile, are set out below which the NC takes these factors into account in its annual assessment to ensure that the Board remains well-balanced and effective.

Board Skill Sets		
<ul style="list-style-type: none"> • Audit/Accounting and Finance • Strategic planning • Regional background and experience 	<ul style="list-style-type: none"> • Legal • Risk management • Digital/Information Technology 	<ul style="list-style-type: none"> • Sustainability and governance • Business entrepreneurship • Human resource

As at 31 December 2025, details of the Board composition are as follows:



CORPORATE GOVERNANCE REPORT

2. Board Composition and Guidance (continued)

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. (continued)

Board Diversity (continued)

The Board considers that its current composition reflects a satisfactory level of diversity, having regard to the breadth of competencies, experience and perspectives required to support the Group's operations and strategic objectives. The NC will continue to review the Board Diversity Policy and its implementation annually and will make recommendations to further enhance diversity where appropriate.

When the need arises or appropriate, the Non-Executive Directors communicated among themselves without the Management's presence to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes and succession planning.

3. Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr. Derek Goh Bak Heng is currently the Executive Chairman and Group Chief Executive Officer following his re-appointment as Executive Chairman on 9 January 2024.

The Board is aware it has deviated from Provision 3.1 of the Code which states that the Chairman and Chief Executive Officer are separate persons to ensure an appropriate balance of power, increase accountability and greater capacity of the Board for independent decision making.

Mr. Derek Goh Bak Heng is the Founder of the Company, playing a pivotal and instrumental role in developing the Group's businesses and providing the Group with strong leadership and vision. In addition to the day-to-day running of the Group, he is responsible for the overall leadership of the Board and engages Management regularly on pertinent issues. He sets the agenda items for Board meetings, with the assistance of the Company Secretary, and ensures that adequate time is available for discussion on all agenda items, especially strategic issues, and that complete, adequate and timely information are made available to the Board. He encourages constructive relations between the Board and Management and ensures effective communication with shareholders. He also takes on a leading role in ensuring the Group complies and maintains a high standard of corporate governance practices. In the best interests of the Group to ensure decision-making process would not be unnecessarily hindered, the Board views that Mr. Derek Goh Bak Heng should continue to be Chairman of the Board and Group Chief Executive Officer. Mr. Derek Goh Bak Heng's performance and appointment as Chairman of the Board will be reviewed periodically by the NC and his remuneration package is reviewed by the RC.

To ensure an appropriate balance of power, increase accountability, and greater capacity of the Board for independent decision making, more than half of the Board are currently independent. Further, the AC, NC and RC comprise entirely of Independent Directors. In view that the Chairman of the Board is not independent, Mr. Teo Ser Luck as an Independent Director, holds the position of Deputy Chairman and Lead Independent Director to co-ordinate and lead the Board in situations where the Chairman is conflicted, and provides enriched discussions and debates within the Board. He is also available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman and Group Chief Executive Officer or Group Chief Financial Officer has failed to resolve or is inappropriate. The Board is satisfied that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable power or influence.

CORPORATE GOVERNANCE REPORT

3. Chairman and Chief Executive Officer (continued)

Principle 3: There is a clear division of responsibilities between leadership of the Board and Management, and no one individual has unfettered powers of decision-making. (continued)

Based on the above reasons, the Board is of the view that the practices adopted by the Company are consistent with the Intent of Principle 3 of the Code.

The Board has no dissenting view on the Chairman's statement to the Shareholders for FY2025.

4. Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board.

Nominating Committee and Terms of Reference

The NC comprises the following three Independent Directors:

Mr. Khua Kian Kheng Ivan (Chairman of the NC)
Mr. Lye Hoong Yip Raymond
Mr. Heng Yeow Meng Michael

The NC has its terms of reference which set out its authority and duties. The principal functions of the NC are to establish a formal and transparent process for:

- (a) making recommendations to the Board on all board appointments (including alternate directors, if any), including re-nominations, having regard, to the Director's competencies, commitment, contribution and performance;
- (b) reviewing the structure, size and composition (balance of skills, knowledge, experience, independence, and diversity) of the Board and the Board Committees;
- (c) making recommendations to the Board in respect of its review of Board succession plans for Directors, training and professional development programmes for the Board and the Directors, and the process and criteria for evaluation of the performance of the Board, the Board Committees and the Directors;
- (d) determining on an annual basis, whether or not a Director is independent and providing its views to the Board for the Board's consideration;
- (e) reviewing the performance of Directors having multiple board representations on various listed companies and other principal commitments, deciding whether or not such Directors are able to and/or have been adequately carrying out his or her duties as Directors;
- (f) assessing the performance and effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman of the Board and each individual Director to the Board, including the proposal of the objective performance criteria; and
- (g) generally undertaking such other functions and duties as may be required by statute, the listing rules of the SGX-ST and/or the Code as may be amended, varied or supplemented from time to time.

CORPORATE GOVERNANCE REPORT

4. Board Membership (continued)

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board. (continued)

Nominating Committee and Terms of Reference (continued)

The Company believes that Board renewal must be an ongoing process, to ensure good governance and to maintain relevance to the business and changing needs of the Company.

Pursuant to Rule 720(5) of the Listing Manual of the SGX-ST, all Directors must submit themselves for re-nomination and re-appointment at least once every three years. Pursuant to Article 89 of the Company's Constitution, at each annual general meeting ("**AGM**"), at least one-third of the Directors for the time being are required to retire by rotation and submit themselves for re-election at each AGM of the Company at regular intervals and at least once every three years. In addition, pursuant to Article 88 of the Company's Constitution, new Directors appointed during the financial year, either to fill a casual vacancy or as an additional Director, are required to submit themselves for re-election at the next AGM.

On the nomination of re-election of retiring Directors, the NC would assess the performance and contribution of the Directors and subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Directors to the Board for its consideration and approval.

The NC, with the respective interested Director abstained from the deliberations, recommended Mr. Derek Goh Bak Heng, Mr. Teo Ser Luck and Mr. Lye Hoong Yip Raymond who will retire pursuant to Article 89 of the Company's Constitution, be nominated for re-election at the forthcoming AGM to be held on 30 April 2026. All retiring Directors have offered themselves for re-election at the forthcoming AGM.

The Board, with the concurrence of the NC, having considered the completed annual declaration of independence by the Independent Directors, and evaluated their participation in Board and Board Committees meetings, are of the view that the current Board has an appropriate level of independence to enable it to think, exercise objective judgement and make decisions on corporate matters in the best interests of the Group. The Board and the NC confirmed that Mr. Teo Ser Luck, Mr. Heng Yeow Meng Michael, Mr. Lye Hoong Yip Raymond, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee are Independent Directors in accordance with the Code. Mr. Heng Yeow Meng Michael, Mr. Lye Hoong Yip Raymond and Mr. Ng Yong Hwee, members of the AC are considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Alternate Directors

Currently, there is no Alternate Director on the Board.

CORPORATE GOVERNANCE REPORT

4. Board Membership (continued)

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board. (continued)

Process for Selection of New Directors

The Group has in place a process for selecting and appointing new Directors. This process includes, inter alia, an evaluation of the candidate's capabilities and how the candidate fits into the overall desired competency matrix of the Board. Some of the selection criteria used are integrity, independent-mindedness, diversity in line with the Company's board diversity policy, level of commitment to the Board, track record of good decision-making, experience in high-performing companies, financial and legal knowledge. The NC and each individual Director will try to source for suitable candidates based on their networks and are empowered to engage external parties, such as professional search firms, to identify potential candidates or to undertake research on or assessment of candidates as they deem necessary. Short-listed candidates would be required to furnish their curriculum vitae stating in detail their personal data, qualification, working experience and employment history to enable the NC to assess the candidates' independence status and compliance with the Company's established internal guidelines.

New Directors will be appointed by way of Board resolution or during Board meeting, after the Board has taken into consideration the evaluation criteria and recommendation by the NC. The NC also ensures that the newly appointed Directors are aware of their duties and obligations.

In FY2025, no new Directors were appointed.

Director's Time Commitment

All Directors are required to declare their board representations. When a Director has multiple board representations and heavy principal commitments, the NC will consider whether the Director is able to adequately carry out his/her duties as a Director of the Company.

The NC, together with the Board, has reviewed each of the Directors' external directorships, their principal commitments, their involvements, if any, in companies with adverse track records or currently under investigation by regulators, as well as each of the Directors' attendance and contributions to the Board. Though some Directors hold multiple directorships in non-Group entities, the NC is satisfied that these Directors spent adequate time and attention to the Company's affairs and have discharged their responsibilities.

Considering the composition and mix of the current Board of Directors, the Board is of the view that it is not necessary to stipulate the maximum number of board directorships in listed company which any Director may hold, for the year under review. Nevertheless, the Board will annually examine the need for such policy to be implemented.

Succession Planning

The NC is of the view that succession planning is an important part of corporate governance. The appointments of Mr. Sean Goh Su Teng on 5 October 2021 and Ms. Victoria Goh Si Hui on 26 January 2022 as Directors of the Company are part of the succession plan to ensure progressive renewal of the Board. Further, as part of the Group's succession plan, Mr. Sean Goh Su Teng was appointed as Deputy Group Chief Executive Officer on 8 July 2022 and will work under the leadership of the Executive Chairman and Group Chief Executive Officer, Mr. Derek Goh Bak Heng.

CORPORATE GOVERNANCE REPORT

4. Board Membership (continued)

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board. (continued)

Key Information on Directors

The profiles of the Directors and their respective shareholdings in the Company are set out on pages 19 to 22 of the Annual Report 2025.

5. Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committee and individual Directors.

Board Performance

The Board's performance is associated with the overall performance of the Group. The Board ensures that the Company is in compliance with applicable laws, and Board members are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC reviews and assesses the effectiveness of the Board, its Board Committees and individual Directors as a whole, on an annual basis, based on performance criteria as agreed by the Board. Following the review in FY2025, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Board Evaluation Process

The Board evaluation process involves having all Directors complete a questionnaire seeking their views on the various aspects of the performance of the Board and Board Committees which contributed to the overall effectiveness of the Board. The completed evaluation forms are submitted to the Company Secretary who collates the responses confidentially. The consolidated responses are presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness.

Performance Criteria for Board Evaluation

The NC assesses the performance of the Board as a whole, based on performance criteria (determined by the NC and approved by the Board), such as the composition and size, access to timely and accurate information, processes, internal controls and risk management, accountability, standard of conduct, performance of principal functions and fiduciary duties, and guidance to and communication with Management and stakeholders. The performance criteria do not change unless the NC opines the need for change, for example, in order to align with any changes in the Code.

The Board has taken the view that the recommendations under the Code to include financial indicators as part of the performance criteria for Board evaluation is not appropriate as it is more of a measurement of Management's performance and therefore, less applicable to the Board as a whole.

CORPORATE GOVERNANCE REPORT

5. Board Performance (continued)

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committee and individual Directors. (continued)

Individual Director Evaluation

The individual Director's performance is evaluated annually through a peer and self-evaluation. Performance criteria include factors like Director's attendance, the degree of preparedness, fairness, participation and value of contribution at Board meetings, industry and business knowledge, functional expertise, and commitment. The results of the peer and self-evaluation are compiled by the Company Secretary and present to the NC and Board Chairman, who informally assess the performance of the individual Director and hold internal discussions, if necessary.

6. Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and Executive remuneration, and for fixing the remuneration packages of individual Directors and key Management personnel. No Director is involved in deciding his or her own remuneration.

Remuneration of the Board members, key Management personnel and employees who are related to the substantial shareholders, the Chief Executive Officer, the Directors (if any) are handled by the RC whose responsibilities are to ensure that a formal and transparent procedure is in place on these remuneration matters. The RC's recommendations are made in consultation with the Executive Chairman and Executive Directors and submitted for endorsement by the Board. The RC also ensures that no Director is involved in deciding his/her own remuneration.

Remuneration Committee and Terms of Reference

The RC comprises the following three Independent Directors:

Mr. Lye Hoong Yip Raymond (Chairman of the RC)
Mr. Khua Kian Keng Ivan
Mr. Ng Yong Hwee

The RC has its terms of reference which set out its authority and duties. The functions of the RC include the following:

- (a) reviews and recommends to the Board a framework of remuneration for Board members and key Management personnel, and the specific remuneration packages for each Director (Executive and Non-Executive) and key Management personnel;
- (b) reviews and recommends to the Board on the adequacy and form of compensation of the Board members and key Management personnel of the Group, to ensure that the compensation commensurates with their responsibilities and performance;
- (c) reviews and proposes to the Board on the fee for Directors, taking into account factors such as the effort, contribution and time spent by and the responsibilities of the Directors;
- (d) reviews the Company's aspects of remuneration and obligations in the event of termination of the Executive Directors' and key Management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous; and
- (e) performs such other related functions as the Board may determine.

CORPORATE GOVERNANCE REPORT

6. Remuneration Matters (continued)

Procedures for Developing Remuneration Policies (continued)

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and Executive remuneration, and for fixing the remuneration packages of individual Directors and key Management personnel. No Director is involved in deciding his or her own remuneration. (continued)

RC's Access to Advice on Remuneration Matters

The RC has full authority to engage any external professional to advise on matters relating to remuneration as and when the need arises. In FY2025, the RC did not require the service of external remuneration professionals.

7. Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key Management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Remuneration of Executive Director and Key Management Personnel

The Board believes that it is imperative to remunerate Executive Directors and key Management personnel equitably to attract and retain individuals with the necessary talents and capabilities.

The Company's structure of remuneration of the Executive Directors and key Management personnel ensures that the remuneration of the Executive Directors and key Management personnel commensurates with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group, prevailing economic situation, pay and employment conditions within similar industry and in comparable companies. The remuneration packages of the Executive Directors and key Management personnel comprise both basic salary and variable component. The variable component, which is the annual incentive bonus, is linked to the performance of the Group as a whole and the individual performance of the Executive Directors and key Management personnel in respect of their duties and responsibilities and the regions or business units they take charge. The remuneration framework is designed to align with the interests of shareholders and some stakeholders so as to promote long-term success and sustainability of the Group.

The RC considered and approved remuneration packages which includes salary, incentive bonus, benefits-in-kind and director fee of Mr. Derek Goh Bak Heng, Mr. Sean Goh Su Teng and Ms. Victoria Goh Si Hui after considering the individual performances and the financial performance of the Group. For director fee, the RC considered their level of contributions, taking into account factors such as effort and time spent for serving the Board, as well as their responsibilities and obligations as Directors. In addition, in FY2025, the Company contributed a total of S\$774,556 to a long term incentive scheme (deferred compensation) comprising two insurance plans for Mr. Derek Goh Bak Heng which was approved by the RC and the Board as disclosed in the Company's Annual Report for the financial year ended 31 December 2016.

The Board recommends to the shareholders for approval at the forthcoming AGM on 30 April 2026 the fees payable to the Executive Directors for the financial year ending 31 December 2026.

CORPORATE GOVERNANCE REPORT

7. Level and Mix of Remuneration (continued)

Principle 7: The level and structure of remuneration of the Board and key Management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.
(continued)

Long Term Incentive Scheme

The Company has put in place a Serial System Employee Share Option Scheme 2024 ("**2024 Share Option Scheme**"), duly approved by shareholders at the AGM held on 30 April 2024. The 2024 Share Option Scheme replaces the previous 2014 Share Option Scheme which expired on 25 April 2024.

The 2024 Share Option Scheme will continue to provide the opportunity presented by the previous 2014 Share Option Scheme for all employees who have contributed significantly to the growth and performance of the Group. In particular, it enables the Company to motivate employees to optimize their performance standards and efficiency and to maintain a high level of contribution to the Group and helps to develop a participatory style of management which promotes greater commitment and dedication amongst the employees, thereby instilling loyalty and a stronger sense of identification with the success and long term well-being of the Group. It also makes total employee remuneration sufficiently competitive to recruit and retain key executives whose contributions are important to the long-term well-being and growth of the Group.

For the year under review, no share options has been granted to Executive Directors and key Management personnel under the 2024 Share Option Scheme.

Contractual Provisions Protecting the Company's Interests

Having reviewed and considered the variable components of the Executive Directors and key Management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years. In addition, the Executive Directors and key Management personnel owe fiduciary duties to the Company and the Group and the Company and the Group should be able to avail itself to remedy against these Executive Directors and key Management personnel in the event of such breach of fiduciary duties.

Remuneration of Non-Executive Directors

The Board concurred with the RC that the Non-Executive Directors' fees were appropriate and that the Non-Executive Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The Board recommends to shareholders for approval at the forthcoming AGM on 30 April 2026 the fees payable to the Non-Executive Directors for the financial year ending 31 December 2026.

The Company also extends its 2024 Share Option Scheme as mentioned above, to Non-Executive Directors in recognition of their contributions. The provision of share options to the Non-Executive Directors will ensure that the Company will be able to continue to attract onto its Board, Directors who will be able to assist in furthering the business interests of the Group. This will help enhance the growth and long-term profitability of the Group.

For the year under review, no share options has been granted to Non-Executive Directors under the 2024 Share Option Scheme.

CORPORATE GOVERNANCE REPORT

7. Level and Mix of Remuneration (continued)

Principle 7: The level and structure of remuneration of the Board and key Management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.
(continued)

Remuneration of Employees related to the Directors / Group Chief Executive Officer / Substantial Shareholders

The remuneration packages of employees related to the Directors or Group Chief Executive Officer or substantial shareholders of the Company are in line with the Group's staff remuneration guidelines and commensurate with their respective job scope and level of responsibility.

8. Disclosure of Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.

Disclosure on Remuneration of Directors

Details of the remuneration of Directors for FY2025 are as follows:

	Director Fee (%)	Salary ⁽¹⁾ (%)	Incentive Bonus (%)	Other Benefits (%)	Total Remuneration (S\$)
Executive Director					
Mr. Derek Goh Bak Heng (Group Chief Executive Officer)	2.8	45.3	-	51.9	1,604,954 ⁽²⁾
Mr. Sean Goh Su Teng (Deputy Group Chief Executive Officer)	6.5	78.1	-	15.4	688,340 ⁽³⁾
Ms. Victoria Goh Si Hui ⁽⁴⁾	17.6	65.6	-	16.8	256,306 ⁽³⁾
Independent Non-Executive Director					
Mr. Teo Ser Luck	100.0	-	-	-	62,000
Mr. Heng Yeow Meng Michael	100.0	-	-	-	48,000
Mr. Lye Hoong Yip Raymond	100.0	-	-	-	48,000
Mr. Khua Kian Kheng Ivan	100.0	-	-	-	48,000
Mr. Ng Yong Hwee	100.0	-	-	-	45,000
Non-Independent Non-Executive Director					
Mr. Goi Kok Ming Kenneth	100.0	-	-	-	45,000

Notes:

- (1) Included employer's CPF contribution.
- (2) Included a deferred compensation of S\$774,556 (Other Benefits) as detailed in "Remuneration of Executive Director and Key Management Personnel" above.
- (3) Included director fees (Other Benefits) received/receivable from subsidiaries.
- (4) Ms. Victoria Goh Si Hui was Executive Director and Vice President, Business Development & Marketing during FY2025 and took on an additional role of Chief Operating Officer of Consumer Products Distribution Division of the Company from 1 July 2025. She was re-designated to Non-Executive Director, with effect from 1 February 2026.

CORPORATE GOVERNANCE REPORT

8. Disclosure of Remuneration (continued)

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation. (continued)

Disclosure on Remuneration of Key Management Personnel

The Board is aware that Provision 8.1 of the Code requires the remuneration of at least the top five key Management personnel of the Company (excluding the Directors or the Chief Executive Officer) to be disclosed. However, the Board, after careful deliberation, believes that such information is best kept confidential as disclosing the same would be prejudicial to the Group's businesses given the highly competitive business environment. There are other expected disadvantages such as potential staff motivational and retention issues that such detailed disclosures may bring. With the Company's disclosure of their remuneration in bands of not wider than S\$250,000, shareholders have been provided with an insight into the level of remuneration paid to the top five key Management personnel.

The annual aggregate remuneration paid to the top five key Management personnel (excluding the Directors or the Chief Executive Officer) in FY2025 was S\$1,569,228. The remuneration bands for FY2025 are presented in deviation from Provision 8.1 of the Code as follows:

Remuneration Band	Number of Executive ⁽¹⁾
S\$250,000 to S\$499,999	3
S\$0 to S\$249,999	2

Note:

(1) Included executives of overseas subsidiaries.

The Board is of the view that the practices adopted by the Company are consistent with the intent of Principle 8 of the Code.

Disclosure on Employees related to Directors / Group Chief Executive Officer / Substantial Shareholders

Save for Ms. Victoria Goh Si Hui, who is the daughter of Mr. Derek Goh Bak Heng and whose remuneration in FY2025 has been disclosed in "Disclosure on Remuneration of Directors" above, no other employees of the Company whose remuneration exceeded S\$100,000 in FY2025 were immediate family members of any Director or the Group Chief Executive Officer or substantial shareholders of the Company.

CORPORATE GOVERNANCE REPORT

9. Accountability and Audit

Risk Management and Internal Control

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's businesses. During FY2025, the AC together with the internal auditor assisted the Board in overseeing the Group's risk management framework and policies. The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. However, the Board is also of the view that any internal control system is designed to manage rather than totally eliminates the risk of failure to achieve business objectives. A cost effective internal control system can only provide reasonable and not total assurance against material misstatement or loss.

Risk Management

The Management periodically reviews the Group's business and operational activities to identify areas of significant business risks and the appropriate measures to control and mitigate these risks. The review also takes into account changes in the business and operating environments as well as evolving corporate governance requirements. Identified risks that affect the achievement of the business objectives and financial performance of the Group over a short-medium term are summarised in the Group's risk register and are ranked according to their likelihood and consequential impact to the Group as a whole. The key risks identified, control measures and management actions are continually identified and monitored by the operational units and reviewed by the Management. Management then applies appropriate controls and mitigating steps to manage the risk to an acceptable level.

The internal auditor also assists the AC to follow up with the Management to ensure that the existing and new counter measures are implemented accordingly. As part of the Group's approach towards risk management, the Group will conduct, on an annual basis, an enterprise risk assessment exercise where the key risks of the Group will be identified, updated, evaluated and ranked. The exercise also allows the Group to address the changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process on an ongoing basis. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, will be reported to the AC and the Board. The Group's approach to the management of key business risks is set out under "Risk management" in the "Additional Requirements of Singapore Exchange Securities Trading Limited's Listing Manual" section on page 238 of the Annual Report 2025.

The Group recognises risk management as a collective effort from every subsidiaries, business units, operational units and ultimately Management and the Board, working as a team.

CORPORATE GOVERNANCE REPORT

9. Accountability and Audit (continued)

Risk Management and Internal Control (continued)

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders. (continued)

Internal Controls

The AC, together with the assistance of the internal auditor oversee and ensure that the system of internal controls has been appropriately implemented and monitored. On an annual basis, the internal auditor prepares the internal audit plan taking into consideration the risks identified through enterprise risk assessment, which is approved by the AC. During the year under review, the AC reviewed the reports submitted by the internal auditor relating to the audits conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems that are put in place, including financial, operational, compliance and information technology controls. Any material non-compliances or lapses in internal controls, together with recommendations for improvement are reported to the AC. A copy of the report is also issued to the relevant departments for their follow-up actions. Major control weaknesses on financial reporting identified in the course of the statutory audit, if any, are also highlighted by the external auditors to the AC.

Board's Comments on Adequacy and Effectiveness of Risk Management and Internal Controls

The Board has received assurance from the Group Chief Executive Officer and the Group Chief Financial Officer on the following:

- (a) the Group's risk management and internal control systems in place are adequate and effective in addressing the key financial, operational, compliance and information technology risks of the Group in its current business environment;
- (b) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (c) there has been no material change in the Group's risk of being subject to any Sanctions Law.

Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, as well as reviews performed by external and internal auditors, the Board with the concurrence of AC, is of the view that the internal control systems of the Group were adequate as at 31 December 2025 to address the financial, operational, compliance, information technology and sanction-related risks, which the Group considers relevant and material to its operations.

The Board is also of the view that any internal control system is designed to manage rather than totally eliminates the risk of failure to achieve business objectives. A cost effective internal control system can only provide reasonable and not total assurance against the occurrence of material misstatement, poor judgment in decision-making, human error, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

10. Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Audit Committee and Terms of Reference

The AC comprises the following three Independent Directors:

Mr. Heng Yeow Meng Michael (Chairman of the AC)
Mr. Lye Hoong Yip Raymond
Mr. Ng Yong Hwee

The AC members bring with them professional expertise and experience in the accounting, financial management and legal domains. The NC and Board are satisfied that the members of the AC have sufficient accounting and financial management knowledge and experience to discharge the AC's functions.

The AC has its terms of reference which set out its authority and duties. The functions of the AC include the following:

- (a) reviews with the Group's external auditors, their audit plan, evaluation of the internal accounting controls, audit report, and any matters which the external auditors wish to discuss;
- (b) reviews the financial reports of the Group to ensure that they comply with the Companies Act, listing rules of the SGX-ST, and other regulatory requirements;
- (c) reviews the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (d) reviews adequacy and effectiveness of the Company's internal controls;
- (e) reviews the audit scope, results and effectiveness of the internal audit function;
- (f) reviews the audit scope, results and effectiveness of the external audit, and the independence and objectivity of the external auditors annually, and the nature and extent of non-audit services supplied by the external auditors so as to maintain independence and objectivity;
- (g) makes recommendations to the Board on the appointment, re-appointment, removal, remuneration and terms of engagement of external auditors;
- (h) oversees the establishment and operation of the whistleblowing process of the Company;
- (i) oversees any internal investigation into cases of fraud and irregularities;
- (j) reviews interested person transactions;
- (k) approves the hiring, removal, evaluation and compensation of the head of the internal audit function;
- (l) ensures that the internal audit function is adequately resourced to discharge its functions properly and has an appropriate standing within the Company; and
- (m) ensures that a compliance adviser in relation to sanction-related risks has been appointed to continuously monitor the validity of the information provided to shareholders and Singapore Exchange.

CORPORATE GOVERNANCE REPORT

10. Audit Committee (continued)

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.
(continued)

Audit Committee and Terms of Reference (continued)

The AC has the authority to investigate any matter within its terms of reference, has full access to and co-operation by Management, and full discretion to invite any key executive officer to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The AC has explicit authority to investigate whistle-blowing complaints and all whistle-blower complaints are reviewed by the AC pursuant to the Company's whistle-blowing policy to ensure independent and thorough investigation and adequate follow-up has been carried out.

The AC has reviewed the financial statements with the Management and external auditors before the announcement of the Group's full-year results. In the process, the AC reviewed the key areas of management's estimates and judgement applied for key financial issues, critical accounting policies and any other significant matters that might affect the integrity of the financial statements. Significant matters that were discussed with Management and external auditors and included as key audit matter ("**KAM**") in the Independent Auditor's Report for FY2025 are set out on page 114 to 115 of the Annual Report 2025. The AC concluded that the Group's accounting treatment and estimates in the significant matter were appropriate and is of the view that the Company and Group's financial statements for FY2025 are properly drawn up in accordance with the provisions of the Companies Act and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the financial positions of the Company and of the Group as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended.

AC to Keep Abreast of Changes to Accounting Standards

In addition to the activities undertaken to fulfil its responsibility, the AC is kept abreast by the Management, external auditors and internal auditor on changes to accounting standards, listing rules of the SGX-ST and other codes and regulations which could have an impact on the Group's businesses and financial statements.

Independence of External Auditors

The AC has discussed on the performance of the external auditors taking into consideration the Audit Quality Indicators Disclosure Framework recommended by Accounting and Corporate Regulatory Authority ("**ACRA**") as reference. It has reviewed all non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors, before confirming their re-nomination.

The AC has recommended to the Board that the external auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, be nominated for re-appointment as external auditors at the forthcoming AGM on 30 April 2026. The aggregate amounts of fees paid/payable to the external auditors in respect of the audit of the financial statements of the Group and non-audit services for FY2025 were S\$640,000 (96%) and S\$25,000 (4%) respectively.

The external auditors of the Company's subsidiaries, associated companies and joint venture are disclosed in Note 20, Note 18 and Note 19 in the financial statements of the Annual Report 2025. The Company confirms that Listing Rules 712, 715 and 716 of the Listing Manual of the SGX-ST are complied with.

CORPORATE GOVERNANCE REPORT

10. Audit Committee (continued)

Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.
(continued)

Whistle-blowing Policy

As a further enhancement to internal risk control processes, the Company has put in place a whistle-blowing policy in compliance with Rule 1207(18B) of the Listing Manual of the SGX-ST. Under this whistle-blowing policy, the Company has procedures and clear channels through which staff and other persons may, in confidence, report or raise concerns over any “wrongdoings” across the Group relating to unlawful conduct, financial malpractice or dangers to the public or the environment to the chairman of the AC, with the “whistleblower” who has acted in good faith, being provided confidentiality, victimisation and harassment protection. “Wrongdoings” can include fraud, corruption, theft, abuse of authority, breach of regulations or non-compliance with the Group’s internal controls and procedures. On an ongoing basis, the whistle-blowing policy is covered during staff training and periodic communication including email sent quarterly to all staff as part of the Group’s efforts to promote awareness of fraud prevention. All newly recruited employees are briefed on the whistle-blowing policy during their induction. The Company’s internal arrangements and processes ensure an independent and thorough investigation by the Company of whistle-blowing incidents and appropriate follow-through actions. The Company discloses its commitment to ensure protection of the whistleblower against detrimental or unfair treatment. The AC coordinates all investigations, with the legal counsel, if required, evaluates the follow-up investigations undertaken and monitors resolution. The whistle-blowing policy is reviewed by the AC periodically to assess the effectiveness of the processes in place and to ensure that the said policy is updated to take into account any related changes in legal and regulatory requirements.

Cooling Off Period for Partners or Directors of the Company’s Auditing Firm

No former partner or director of the Company’s existing auditing firm or auditing corporation is a member of the AC.

Internal Auditors

The AC’s responsibilities over the Group’s internal controls and risk management are complemented by the role of the Company’s internal auditor (“IA”). The Company has hired an in-house IA who reports directly to the AC. The Company’s internal audit function is independent of the activities it audits. The in-house IA is a certified internal auditor by Institute of Internal Auditors and has more than a decade of experience in the field of accounting and auditing.

The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC’s review of the adequacy and effectiveness of the Group’s risk management and internal control systems.

For FY2025, the AC is satisfied that the IA had been able to discharge its duties effectively as he has unfettered access to all documents, records, properties and personnel, including access to the AC. The IA has adequate resources to perform its functions effectively and he is independent from the activities that he audits and has appropriate standing within the Group.

The scope of the internal audit covers key aspects of the Group’s internal controls established to address financial, operational, compliance and information technology risks. For FY2025, after having reviewed the internal audit reports and remedial actions implemented by Management, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE REPORT

10. Audit Committee (continued)

Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.
(continued)

Meeting with External and Internal Auditors

The AC meets regularly with the Group’s external auditors and IA. At least once a year, the AC would meet with the Group’s external auditors and IA without the presence of the Management to discuss audit findings and recommendations, and ensure that there are no unresolved areas of concern. The AC had one meeting with the external auditors and IA without the presence of the Management in FY2025.

11. Shareholder Rights and Engagement

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Sufficient Information to Shareholders

It is the Board’s policy that all shareholders should be treated equally and timely informed of material developments. The Company does not practise selective disclosure. To facilitate shareholders’ ownership rights, the Company ensures that all material information is disclosed in a comprehensive, accurate and timely manner via the SGXNet and the Company’s corporate website, especially information pertaining to the Group’s business development and financial performance which could have a material impact on the share price of the Company, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Providing Opportunity for Shareholders to Participate and Vote Effectively at General Meetings

The Company encourages shareholder participation, and ensures that shareholders have the opportunity to participate effectively at general meetings. Shareholders are informed of general meetings through notices contained in annual reports or circulars at least fourteen days before the scheduled dates of such meetings in accordance with the nature of the business to be transacted. These notices are published in The Business Times, posted on the SGXNet and the Company’s corporate website, and are sent by post to the shareholders. Shareholders are invited to submit questions in advance of, or put forth any questions they may have on the motions to be debated and decided upon at the general meetings.

The Company will endeavour to address all substantial and relevant questions received from Shareholders before the general meetings on the SGXNet and the Company’s corporate website. Where there are substantially similar questions, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

CORPORATE GOVERNANCE REPORT

11. Shareholder Rights and Engagement (continued)

Shareholder Rights and Conduct of General Meetings (continued)

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects. (continued)

Providing Opportunity for Shareholders to Participate and Vote Effectively at General Meetings (continued)

All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company's Constitution allows each shareholder to appoint up to two proxies to attend and vote on their behalf at the general meetings. A proxy needs not be a member of the Company. In addition, pursuant to the Company's Constitution and Section 181(1C) of the Companies Act, a shareholder who is a custodial institution or relevant intermediary entitled to attend the meeting and vote, is entitled to appoint more than two proxies to attend and vote in his/her/its stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two proxies, the number of shares to be represented by each proxy must be stated.

Resolutions at General Meetings

The Company ensures that sufficient explanations of all resolutions are included in the notices of general meetings.

Separate resolutions on each distinct issue are tabled at the general meetings. "Bundling" of resolutions is kept to a minimum and executed only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications involved.

Attendees at General Meetings

The Directors are invited to attend all general meetings of the Company, and the external auditors will also be present to assist in addressing queries raised by shareholders relating to the conduct of audit, and the preparation and the content of the auditor's report. All Directors, the Group Chief Financial Officer (who is also the Company Secretary) and the external auditors were present at the last AGM held on 30 April 2025.

A physical meeting will be held for the forthcoming AGM on 30 April 2026 at the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554. There will be no option for shareholders to participate virtually.

Absentia Voting at General Meetings

The Constitution of the Company allows the Board, at its sole direction, to implement voting in absentia (such as voting via mail, email or fax). As the authentication of shareholder identity and the system supporting such voting manner remains a concern, the Board has decided not to implement voting in absentia for the time being.

CORPORATE GOVERNANCE REPORT

11. Shareholder Rights and Engagement (continued)

Shareholder Rights and Conduct of General Meetings (continued)

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects. (continued)

Minutes of General Meetings

The minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board are available to shareholders within one month after the general meetings, on the SGXNet, the Company's corporate website and at the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554 during normal business hours upon written request.

Dividend Policy

The Company does not have a concrete dividend policy at present. The form, frequency and amount of dividends payable each year will take into consideration the actual profitability and ability to pay dividends in the relevant financial year, the operating cash flow requirements, financing commitments, anticipated capital expenditure, any future expansion and investment plans, and such factors that the Board may, in its sole and absolute discretion, deem necessary or appropriate. The Board would consider establishing a dividend policy at the appropriate time.

On 25 February 2026, the Company has proposed a Final Cash Dividend (One-tier tax exempt) of 0.11 Singapore cent per ordinary share for FY2025, for shareholders' approval at the forthcoming AGM on 30 April 2026.

12. Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Communication with Shareholders

In line with the continuous disclosure obligations under the listing rules of the SGX-ST, the Companies Act and the SFRS(I), the Board informs shareholders promptly of all major developments that may have material impact on the Group. Material information including half-year and full-year financial results are released through the SGXNet and the Company's corporate website.

The Company may also hold briefings with analysts to coincide with the release of the Group's half-year and full-year financial results, and related presentation slides and press releases will be made available on the SGXNet and the Company's corporate website. The Company's annual report and notice of general meetings which contain, amongst others, information required to be disclosed by the Companies Act, the SGX-ST, and the SFRS(I), are accessible by all shareholders via the SGXNet and the Company's corporate website. Shareholders can assess information on the Group through the Company's website at <https://www.serialsystem.com> which provides the Company's corporate announcements, press releases and profiles etc.

CORPORATE GOVERNANCE REPORT

12. Engagement with Shareholders (continued)

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.
(continued)

Timely Information to Shareholders

The Company communicates with its shareholders through timely release of announcements to the SGX-ST via the SGXNet. Financial results of the Group are released within forty-five (45) days from the end of each half year and within sixty (60) days from the end of each full financial year. Annual reports are made available to shareholders at least fourteen (14) days before the general meetings on the SGXNet and the Company's corporate website.

Regular Dialogue with Shareholders and Soliciting and Understanding Views of Shareholders

The Board recognises that the general meetings provide an excellent platform for communicating with shareholders. Besides actively encouraging shareholders to participate during the general meetings, time will also be allocated for greater shareholders' participation at general meetings as well as to provide shareholders with the opportunity to communicate their views on matters affecting the Group.

The Company communicates with its shareholders on a regular basis. Notices of general meetings are sent by post to shareholders and are also accessible by shareholders via the SGXNet and the Company's corporate website, and advertised in The Business Times. The chairmen of the AC, NC, and RC are normally available at these meetings to address questions. The Company also maintains a corporate website and provides regular updates on the latest news and results to improve the communication with shareholders and investors.

To promote greater transparency and more equitable participation in general meetings which support the Company in enhancing shareholders engagement, the resolutions of the Company transacted at general meetings are carried out and voted by poll where shareholders are accorded rights proportionate to their shareholding and all votes are counted in accordance with the provisions of the Company's Constitution. The information on the total number of votes cast for or against each resolution are incorporated into the announcement released on the SGXNet and the Company's corporate website, on the same day after the general meetings.

Investor Relations Policy

The Company has adopted an investor relations policy to establish the principles and practices that the Company applies to provide current and prospective investors with accurate and necessary information to make well-informed investment decisions.

In order to facilitate shareholders' access to pertinent information, a dedicated investor relations' email: ecomm@serialsystem.com is available to facilitate communication. All enquiries will be promptly handled by our dedicated investor relations team.

CORPORATE GOVERNANCE REPORT

13. Managing Stakeholders Relationships Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Relationship with Stakeholders

The Board adopts a balanced approach towards the needs and interests of its material stakeholders, taking into account the best interests of the Company. The Company, whilst striving for long-term success of the Group, has engaged its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. The identified key stakeholders of the Group include customers, suppliers, employees, community, investors and regulators.

The Board has overall responsibility for the Group's sustainability issues and exercises oversight of the identification, management and implementation of material environmental, social and governance factors through the Sustainability Steering Committee, under the Board's guidance.

The basis for and methods of engagement with stakeholders, along with the key areas of focus for each stakeholder group, can be found in the Sustainability Report section on pages 30 to 31 of the Annual Report 2025. Our Sustainability Report highlights the Group's sustainability strategies, initiatives and performance in relation to Environmental, Social and Governance ("ESG") issues for FY2025, in accordance with the sustainability reporting regulatory requirements set out in the Listing Rules 711A and 711B of the Listing Manual of the SGX-ST, and the International Sustainability Standards Board ("ISSB"), including the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which build upon the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations and industry-based metrics from the Sustainability Accounting Standards Board ("SASB"). The Sustainability Report also aligns with the Global Reporting Initiative ("GRI") Standards 2021.

As part of the Company's sustainability efforts and to ensure more efficient engagement, the Company encourages all shareholders to give their express consent to receive communications to shareholders, including statutory notices for general meetings and other circulars, via email and digital platforms.

More information on the Group's efforts on sustainability can be found in the Sustainability Report on page 25 to 79 of the Annual Report 2025.

To facilitate the exercise of shareholders' rights, the Company ensures that all material information is disclosed in a comprehensive, accurate and timely manner via SGXNet. The Company also maintains an updated corporate website, <https://www.serialsystem.com> to communicate and engage with stakeholders.

CORPORATE GOVERNANCE REPORT

13. Managing Stakeholders Relationships Engagement with Stakeholders (continued)

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. (continued)

Other Corporate Governance Matters

Dealing in Securities

The Company has adopted an internal code on dealings in securities. The Company and the Group's Directors and officers who have access to price sensitive, financial or confidential information, or unpublished price-sensitive information on the Group, are not permitted to deal in the Company's securities during the periods commencing one month before the announcement of the Group's half-year and full-year financial results and ending on the date of announcement of such results. In addition, the Company, its Directors and officers are advised not to deal in the Company's securities for short term considerations and are expected to observe the insider trading laws at all times even when dealing in the Company's securities within the permitted trading periods. Directors and officers are to consult with the Company Secretary before trading in Company's securities and to confirm annually that they have complied with and not in breach of the internal code on dealings in securities. The Board is kept informed when a Director trades in the Company's securities.

In view of the processes in place, in the opinion of the Board, the Company has complied with Rule 1207(19) of the Listing Manual of the SGX-ST on dealing in securities.

Code of Conduct

The Company has established a Code of Conduct which is made available for easy access in the Company's corporate website. The Company's Code of Conduct provides guidance to employees' conduct in areas such as integrity in conducting business, prohibition on disclosure of confidential information, avoidance of conflict of interest, prohibition on accepting gifts/benefits from business associates etc. The Code of Conduct is presented to all new employees during the induction programme and any subsequent updates are notified to employees through email.

The Board stresses the importance of professionalism and integrity when conducting business. Employees are required to embrace and practise these values in the course of performing their duties at work, and to act in the best interests of the Group at all times.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC for review that transactions are carried out fairly and at arm's length.

The AC reviews all interested person transactions at a minimum, on a half-yearly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures and to ensure that the prevailing rules and regulations in particular, Chapter 9 of the Listing Manual of the SGX-ST are complied with.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST. Disclosure on "related party transactions" is set out on pages 227 to 229 of the Annual Report 2025.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2025

The directors present their statement to the members together with the audited financial statements of Serial System Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial positions of the Company and of the Group as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Derek Goh Bak Heng
Teo Ser Luck
Sean Goh Su Teng
Heng Yeow Meng Michael
Lye Hoong Yip Raymond
Khua Kian Kheng Ivan
Ng Yong Hwee
Victoria Goh Si Hui
Goi Kok Ming Kenneth

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" in this statement.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2025

Directors' interests in shares or debentures

- (a) According to the register of directors' shareholdings, the interests of the directors holding office at the end of the financial year in the issued share capital of the Company and related corporations were as follows:

	Holdings registered in					
	name of director or nominees			Deemed interest holdings		
	At 21.1.2026	At 31.12.2025	At 1.1.2025	At 21.1.2026	At 31.12.2025	At 1.1.2025
The Company						
(Number of ordinary shares)						
Derek Goh Bak Heng	365,826,970	365,826,970	365,826,970	171,000	171,000	171,000
Victoria Goh Si Hui	171,000	171,000	171,000	102,300	102,300	102,300

- (b) None of the directors holding office at the end of the financial year had share options to subscribe for ordinary shares of the Company granted pursuant to the Serial System Employee Share Option Scheme 2024.
- (c) Derek Goh Bak Heng, who by virtue of his interest of not less than 20% of the issued share capital of the Company, was deemed to have an interest as at 31 December 2025, in the whole of the issued share capital of the Company's wholly-owned subsidiaries and in the partially-owned subsidiaries as disclosed in Note 20(g) to the financial statements.

Share options

- (a) Serial System Employee Share Option Scheme 2024 (the "2024 Share Option Scheme")

The 2024 Share Option Scheme was approved by the shareholders at the annual general meeting of the Company held on 30 April 2024. It replaced the previous Serial System Employee Share Option Scheme 2014 (the "2014 Share Option Scheme"), which expired on 25 April 2024. Any share options granted and accepted under the 2014 Share Option Scheme (if any) have been fully exercised upon expiry of the 2014 Share Option Scheme on 25 April 2024.

Under the 2024 Share Option Scheme, share options are granted to the following persons at the absolute discretion of the 2024 Share Option Scheme's Committee (the "Committee"):

- (i) confirmed full-time employees of the Company and its subsidiaries who have attained the age of 21 years on or before the date of grant of the share options;
- (ii) executive directors of the Company;
- (iii) non-executive directors of the Company; and
- (iv) employees who qualify under (i) above and are seconded to an associated company or a company outside the Group in which the Company and/or Group has an equity interest, and who, in the absolute discretion of the Committee are selected to participate in the 2024 Share Option Scheme.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2025

Share options (continued)

(a) Serial System Employee Share Option Scheme 2024 (the "2024 Share Option Scheme") (continued)

For the purpose of paragraph (iv) above, the secondment of an employee to another company shall not be regarded as a break in his/her employment or his/her having ceased employment as a full-time employee of the Group by reason only of such secondment.

For non-incentive share options, the exercise price of the granted share options is to be determined by the Committee, in its absolute discretion, at a price equal to the average of the last dealt prices for an ordinary share of the Company determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited ("SGX-ST") for a period of five consecutive trading days ("Market Price") immediately prior to the date of offer of the share options.

For incentive share options, share options are granted at a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price.

The share options are vested upon acceptance not later than 30 days after the date of grant of the share options. For non-incentive share options, once vested, they are exercisable at any time after the first year to the tenth year from the date of grant of the share options, and for non-executive directors of the Company, after the first year to the fifth year from the date of grant of the share options, or such other terms determined by the Committee or prescribed under any relevant law, regulation or rule of the SGX-ST from time to time. For incentive share options, once vested, they are exercisable after the second year to the tenth year from the date of grant of the share options, and for non-executive directors of the Company, after the second year to the fifth year from the date of grant of the share options, or such other terms determined by the Committee or prescribed under any relevant law, regulation or rule of the SGX-ST from time to time.

There is no restriction to the eligibility of any persons to whom the share options have been granted, to participate in any other share option or share incentive schemes implemented by the Company, subsidiaries or associated companies.

Particulars of the share options granted in the preceding financial years under the previous share option schemes were set out in the Directors' Statements for the respective financial years.

There were no share options granted pursuant to the 2024 and 2014 Share Option Schemes during the financial years ended 31 December 2025 and 31 December 2024.

(b) Outstanding share options

There are no share options outstanding at the end of the financial year ended 31 December 2025.

(c) Other information required by SGX-ST

Pursuant to clause 852(1) of the Listing Manual of the SGX-ST, in addition to information disclosed elsewhere in this statement, the directors report that:

- (i) the members of the Committee administering the 2024 Share Option Scheme at the end of financial year are Heng Yeow Meng Michael (Chairman), Khua Kian Kheng Ivan, Ng Yong Hwee and Sean Goh Su Teng.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2025

Share options (continued)

- (c) Other information required by SGX-ST (continued)
- (ii) there were no share options granted to and exercised by directors of the Company during the financial year and no share options outstanding at the end of the financial year.
 - (iii) no share options have been granted to controlling shareholders of the Company or their associates, directors and employees of the parent company (as defined in the Listing Manual of the SGX-ST) and its subsidiaries and no such employee has received 5% or more of the total number of share options available under the 2024 Share Option Scheme during the financial year.
 - (iv) no other director or employee of the Company and its subsidiaries (as defined in the Listing Manual of the SGX-ST) has received 5% or more of the total number of share options available to all directors and employees of the Company and its subsidiaries under the 2024 Share Option Scheme during the financial year.
 - (v) no share options were granted at a discount during the financial year.

Audit committee

As at the date of this statement, the members of the Audit Committee comprises the following independent directors:

Heng Yeow Meng Michael (Chairman)
Lye Hoong Yip Raymond
Ng Yong Hwee

The Audit Committee performed the functions specified in Section 201B of The Companies Act 1967 of Singapore, the Listing Manual of the SGX-ST and the Code of Corporate Governance 2018. The functions performed are detailed in the Corporate Governance Report.

The Audit Committee, having reviewed all non-audit services provided by the external auditors to the Group is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

Auditor

The independent auditor, Moore Stephens LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Derek Goh Bak Heng
Director

Heng Yeow Meng Michael
Director

Singapore
8 April 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERIAL SYSTEM LTD

For The Financial Year Ended 31 December 2025

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Serial System Ltd (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Investments in financial assets, at fair value through profit or loss</p> <p>We refer to Note 2.7, Note 4(a)(iii), Note 14 and Note 38 to the financial statements.</p> <p>The carrying value of the financial assets, at fair value through profit or loss amounted to US\$27.2 million. These accounted for approximately 19.5% of the Group's net assets as at 31 December 2025.</p> <p>The Group holds interests in various types of financial instruments, comprising listed and unlisted equity securities and preference shares. Certain trade receivables are also classified at fair value at the end of the reporting period.</p>	<p>Our response</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • review of the valuation of investments including assessing the appropriateness of the valuation methodologies adopted; and • review of the reasonableness of inputs applied, assessing the valuation methodologies, valuation assumptions and inputs used by management and conducting a detailed discussion with the Group's management on the assumptions used. <p>We found the valuation estimates determined by the Group are within a reasonable range of outcomes.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERIAL SYSTEM LTD

For The Financial Year Ended 31 December 2025

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Investments in financial assets, at fair value through profit or loss (continued)</p> <p>This is a key audit matter as these included investments classified as Level 2 or 3 in the fair value hierarchy, which require significant judgements on their inputs. The Group makes maximum use of observable market data as inputs to these valuation models. Where observable market data is not available, the Group has to make use of management estimates for unobservable inputs to the models, and seek to corroborate the estimates to available market data.</p>	

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, considers whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the works we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERIAL SYSTEM LTD

For The Financial Year Ended 31 December 2025

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERIAL SYSTEM LTD

For The Financial Year Ended 31 December 2025

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Christopher Bruce Johnson.

Moore Stephens LLP

Public Accountants and Chartered Accountants

Singapore
8 April 2026

CONSOLIDATED INCOME STATEMENT

For The Financial Year Ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Sales	5	860,468	788,663
Cost of sales	6	(794,045)	(730,170)
Gross profit		66,423	58,493
Other income		11,892	19,042
Interest	5	1,848	1,675
Other operating	5	10,044	17,367
Expenses:			
Distribution	6	(38,925)	(36,602)
Administrative	6	(9,698)	(9,649)
Finance	8	(11,187)	(12,211)
Other:			
Loss allowance on trade and other receivables	6	(2,626)	(1,060)
Other operating	6	(12,176)	(17,351)
Total expenses		(74,612)	(76,873)
		3,703	662
Share of results of associated companies (after income tax)		20	75
Profit before income tax	6	3,723	737
Income tax expense	9	(974)	(1,041)
Profit/(Loss) after income tax		2,749	(304)
Attributable to:			
Equity holders of the Company		2,293	516
Non-controlling interests	34	456	(820)
		2,749	(304)
Earnings per share attributable to equity holders of the Company:			
Basic	10	0.25 cent	0.06 cent
Diluted	10	0.25 cent	0.06 cent

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Net profit/(loss) for the year		2,749	(304)
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit plans' actuarial (loss)/gain	28	(110)	58
Share of associated companies' other comprehensive gain/(loss)		1	(17)
Fair value gain recognised on property, plant and equipment reclassified to investment properties		686	-
		577	41
Items that may be reclassified subsequently to profit or loss:			
Share of associated companies' other comprehensive income/(loss)		47	(92)
Currency translation differences		2,861	(1,969)
		2,908	(2,061)
Other comprehensive income/(loss) for the year, net of tax		3,485	(2,020)
Total comprehensive income/(loss) for the year		6,234	(2,324)
Attributable to:			
Equity holders of the Company		5,659	(1,936)
Non-controlling interests	34	575	(388)
		6,234	(2,324)

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	The Group		The Company	
		2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	37,468	38,312	410	771
Trade and other receivables	12	193,517	174,019	47,653	37,308
Inventories	13	130,153	122,259	-	-
Financial assets, at fair value through profit or loss	14	5,027	9,676	-	-
Finance lease receivables	15	6,261	-	-	-
Other current assets	16	6,635	5,388	356	341
		379,061	349,654	48,419	38,420
Non-current assets					
Loans and other receivables	17	-	-	15,741	27,776
Financial assets, at fair value through profit or loss	14	22,139	20,373	-	-
Investments in associated companies	18	2,802	2,752	1,413	1,413
Investment in joint venture	19	-	-	-	-
Investments in subsidiaries	20	-	-	64,190	63,591
Property, plant and equipment	21	24,416	27,086	600	555
Investment properties	22	9,864	6,463	-	-
Intangible assets	23	3,282	3,314	28	24
Finance lease receivables	15	11,934	-	-	-
Other assets	24	927	962	-	-
Deferred income tax assets	29	1,874	1,524	-	-
		77,238	62,474	81,972	93,359
Total assets		456,299	412,128	130,391	131,779
LIABILITIES					
Current liabilities					
Trade and other payables	25	108,823	104,440	11,716	10,619
Current income tax liabilities	9	1,161	588	-	-
Borrowings	26	182,694	168,926	-	9,573
		292,678	273,954	11,716	20,192
Non-current liabilities					
Other payables	25	-	-	13,888	14,364
Borrowings	26	22,308	3,028	6,231	-
Defined benefit plans liabilities	28	374	210	-	-
Deferred income tax liabilities	29	1,674	1,547	976	864
		24,356	4,785	21,095	15,228
Total liabilities		317,034	278,739	32,811	35,420
NET ASSETS		139,265	133,389	97,580	96,359
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	30	72,648	72,648	72,648	72,648
Treasury shares	30	(70)	(70)	(70)	(70)
Capital reserve	31	1,602	1,602	518	518
Defined benefit plans reserve	31	336	446	-	-
Fair value reserve	31	(56)	(742)	-	-
Revaluation reserve	31	232	227	-	-
Other reserve	31	2,731	2,771	-	-
Currency translation reserve	32	3,124	339	-	-
Retained earnings	33	52,370	50,077	24,484	23,263
		132,917	127,298	97,580	96,359
Non-controlling interests	34	6,348	6,091	-	-
TOTAL EQUITY		139,265	133,389	97,580	96,359

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

Note	Attributable to equity holders of the Company										Total attributable to equity holders of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Defined benefit plans reserve US\$'000	Fair value reserve US\$'000	Revaluation reserve US\$'000	Other reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total attributable to equity holders of the Company US\$'000			
Balance at 1 January 2025	72,648	(70)	1,602	446	(742)	227	2,771	339	50,077	127,298	6,091	133,389	
Profit for the year	-	-	-	-	-	-	-	-	2,293	2,293	456	2,749	
Other comprehensive income/(loss):													
Defined benefit plans' actuarial loss	-	-	-	(110)	-	-	-	-	-	(110)	-	(110)	
Share of associated companies' other comprehensive income	-	-	-	-	-	1	-	47	-	48	-	48	
Fair value gain recognised on property, plant and equipment reclassified to investment properties	-	-	-	-	686	-	-	-	-	686	-	686	
Currency translation differences	-	-	-	-	-	4	-	2,738	-	2,742	119	2,861	
Other comprehensive income for the year, net of tax	-	-	-	(110)	686	5	-	2,785	-	3,366	119	3,485	
Total comprehensive income for the year	-	-	-	(110)	686	5	-	2,785	2,293	5,659	575	6,234	
Others:													
Acquisition of additional interests in subsidiaries from non-controlling interests	34	-	-	-	-	-	(38)	-	-	(38)	32	(6)	
Closure of subsidiaries	34	-	-	-	-	-	-	-	-	-	(126)	(126)	
Disposal of interest in a subsidiary	34	-	-	-	-	-	(2)	-	-	(2)	60	58	
Dividend paid to non-controlling interests of subsidiaries	34	-	-	-	-	-	-	-	-	-	(284)	(284)	
Total others	-	-	-	-	-	-	(40)	-	-	(40)	(318)	(358)	
Balance at 31 December 2025	72,648	(70)	1,602	336	(56)	232	2,731	3,124	52,370	132,917	6,348	139,265	

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

	← Attributable to equity holders of the Company →										Total attributable to equity holders of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Defined benefit plans reserve US\$'000	Fair value reserve US\$'000	Revaluation reserve US\$'000	Other reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Retained earnings US\$'000			
Balance at 1 January 2024	72,648	(70)	1,610	388	(742)	237	(1,862)	2,965	49,561	124,735	7,098	131,833	
Profit/(loss) for the year	-	-	-	-	-	-	-	-	516	516	(820)	(304)	
Other comprehensive income/(loss):													
Defined benefit plans' actuarial gain	-	-	-	58	-	-	-	-	-	58	-	58	
Share of associated companies' other comprehensive loss	-	-	(8)	-	-	(8)	-	(93)	-	(109)	-	(109)	
Currency translation differences	-	-	-	-	-	(2)	-	(2,399)	-	(2,401)	432	(1,969)	
Other comprehensive loss for the year, net of tax	-	-	(8)	58	-	(10)	-	(2,492)	-	(2,452)	432	(2,020)	
Total comprehensive loss for the year	-	-	(8)	58	-	(10)	-	(2,492)	516	(1,936)	(388)	(2,324)	
Others:													
Fair value accounting for investment in subsidiaries by non-controlling interests upon completion of reverse takeover	34	-	-	-	-	-	4,561	(134)	-	4,427	1,128	5,555	
Acquisition of additional interest in a subsidiary from non-controlling interest	34	-	-	-	-	-	72	-	-	72	(1,226)	(1,154)	
Investments in subsidiaries by non-controlling interests	34	-	-	-	-	-	-	-	-	-	80	80	
Dividend paid to non-controlling interests of subsidiaries	34	-	-	-	-	-	-	-	-	-	(601)	(601)	
Total others	-	-	-	-	-	-	4,633	(134)	-	4,499	(619)	3,880	
Balance at 31 December 2024	72,648	(70)	1,602	446	(742)	227	2,771	339	50,077	127,298	6,091	133,389	

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2025

Note	2025 US\$'000	2024 US\$'000
Cash flows from operating activities		
Profit before income tax	3,723	737
Adjustments for:		
Amortisation of computer software license costs	81	65
Amortisation of trademark and know-how	4	4
Depreciation of property, plant and equipment	2,260	2,711
Computer software licenses written off	-	28
Gain on sale of trademark	(21)	-
Gain on disposal of property, plant and equipment	(65)	(13)
Fair value gain on investment properties	(80)	(61)
Fair value gain on financial assets, at fair value through profit or loss	(285)	(7,527)
Fair value (gain)/loss on derivative financial instruments	(19)	90
Gain on sale of financial assets, at fair value through profit or loss	(45)	(165)
Dividend income from financial assets, at fair value through profit or loss	(26)	(26)
Loss on dilution of interest in an associated company	7	7
Gain on closure/disposal of subsidiaries	(1)	-
Fair value accounting loss on reverse takeover of investment in subsidiaries	-	3,656
Impairment of goodwill arising from acquisition of subsidiary	142	-
Provision for defined benefit plans liabilities	445	656
Interest income	(1,860)	(1,675)
Interest expenses	11,187	12,211
Share of results of associated companies	(20)	(75)
Operating cash flow before working capital changes	15,427	10,623
Changes in working capital		
Trade and other receivables	(12,615)	(17,547)
Inventories	(5,567)	2,284
Financial assets, at fair value through profit or loss	4,676	(2,021)
Finance lease receivables	1,961	-
Other current assets	(1,104)	4,733
Other assets (non-current)	72	980
Trade and other payables	(3,799)	37,734
Cash (used in)/from operations	(949)	36,786
Income tax paid	9(b) (661)	(1,104)
Net cash (used in)/generated from operating activities	(1,610)	35,682

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Cash flows from investing activities			
Payments for computer software license costs		(105)	(50)
Payments for property, plant and equipment		(523)	(875)
Proceed from sale of trademark		24	-
Proceeds from disposal of property, plant and equipment		126	42
Payments for investments in financial assets, at fair value through profit or loss		(657)	(1,284)
Proceeds from sale of financial assets, at fair value through profit or loss		169	386
Dividend received from financial assets, at fair value through profit or loss		26	26
Net cashflow on reverse takeover of subsidiaries		-	165
Dividend received from an associated company		11	21
Interest received		1,842	1,680
Net cash generated from investing activities		913	111
Cash flows from financing activities			
Subscription of compliance placement shares (net of expenses) in a subsidiary by non-controlling interests		-	1,715
Investments in subsidiaries by non-controlling interests	34	-	80
Payments for acquisition of additional interests in subsidiaries from non-controlling interests	34	(6)	(1,154)
Dividend paid to non-controlling interests of subsidiaries	34	(284)	(601)
Proceeds from bank borrowings		718,142	746,271
Proceeds from other borrowings		29,656	23,786
Repayment of bank borrowings		(705,655)	(766,368)
Repayment of other borrowings		(29,405)	(24,234)
Principal payments of lease liabilities		(3,415)	(1,309)
Interest paid		(10,271)	(12,240)
Pledged fixed deposits		(1,269)	843
Net cash used in financing activities		(2,507)	(33,211)
Net (decrease)/increase in cash and cash equivalents held		(3,204)	2,582
Cash and cash equivalents at the beginning of the year		38,312	36,233
Effect of currency translation on cash and cash equivalents		1,091	(503)
Cash and cash equivalents at the end of the year	11	36,199	38,312

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Serial System Ltd (the "Company") is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is as follows:

8 Ubi View #05-01
Serial System Building
Singapore 408554

The Company is listed on the Mainboard of the Singapore Exchange.

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are shown in Note 20 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and the provisions of the Companies Act 1967 of Singapore. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

The accounting policies adopted are consistent with those of the previous financial year except that for the financial year ended 31 December 2025, the Group has adopted all the new and revised SFRS(I) issued that are relevant to the Group and effective for annual periods beginning 1 January 2025. The adoption of the new and revised SFRS(I) had no material financial impact on the financial statements of the Group.

2.2 Group accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.2 Group accounting (continued)

(a) Subsidiaries (continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Acquisition of subsidiaries or businesses

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary at the acquisition date.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. All subsequent changes in debt-contingent consideration are recognised in the consolidated income statement, rather than the goodwill.

In determining whether an integrated set of assets and activities is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of assets and activities is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of assets and activities is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

Acquisition-related costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.2 Group accounting (continued)

(b) Acquisition of subsidiaries or businesses (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill on the statement of financial position.

(c) Disposal of subsidiaries

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to the consolidated income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the consolidated income statement.

(d) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised in other reserve within equity attributable to the equity holders of the Company.

(e) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any. Investments in associated companies and joint ventures in the consolidated statement of financial position include goodwill (net of accumulated amortisation) identified on acquisition. Please refer to the paragraph "Intangible assets - Goodwill" in Note 2.14(a) to the financial statements for the Group's accounting policy on goodwill arising from the acquisition of associated companies and joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.2 Group accounting (continued)

(e) Associated companies and joint ventures (continued)

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are recognised in the consolidated income statement and its share of post-acquisition movements in other comprehensive income are recognised in other comprehensive income directly. These post-acquisition movements are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company and joint venture equals or exceeds its interest in the associated company and joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company and joint venture.

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies and joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred. Accounting policies of associated companies and joint ventures have been changed where necessary to ensure consistency with accounting policies adopted by the Group.

Investments in associated companies and joint ventures are derecognised when the Group loses significant influence and joint control respectively. Any retained equity interest in the investment is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence and joint control are lost and its fair value and any proceeds from disposal is recognised in the consolidated income statement.

Gains or losses arising from partial disposals or dilutions in investments in associated companies and joint ventures in which significant influence and joint control respectively are retained, are recognised in the consolidated income statement.

2.3 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States dollar (US\$), which is the Company's functional and presentation currency. All values are rounded to the nearest thousand (US\$'000) except when otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.3 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are recognised at the rates of exchange prevailing at the dates of transactions. At the reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the consolidated income statement, unless they arise from borrowings in foreign currencies, and other currency instruments designated and qualified as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity and transferred to consolidated income statement as part of the gains or losses on disposal of the foreign operations.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity. These currency translation differences are reclassified to the consolidated income statement on disposal (i.e. a disposal involving loss of control) of the entity giving rise to such reserve. Any currency translation differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to consolidated income statement.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (i.e. of associated companies or joint ventures not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and rendering of services in the ordinary course of the Group's activities.

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Control of the goods or services is transferred over time if the Group's performance: (i) provides all the benefits received and consumed simultaneously by the customer; (ii) creates or enhances an asset that the customer controls as the Group performs; or (iii) does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services. Specific criteria where revenue is recognised are described below:

(i) Sales of goods

Sales of goods are recognised when a group entity has transferred control of the products to the customer, the customer has accepted the products, there is no unfulfilled obligation that could affect the customer's acceptance of the products, the amount of sales can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from sales is based on the price specified in the sale contracts, net of estimated volume discounts, if any. Accumulated experience is used to estimate the likelihood and provides for sales return for the goods sold at the time of sale.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Services

Revenue for services rendered is recognised over time, and in accordance with the substance of the relevant agreements.

2.5 Other income

(i) Other operating income

Income derived from commission and service income, rebate income from suppliers and rental income are recognised when the services are rendered over time, and in accordance with the substance of the relevant agreements. Rental income is recognised on a straight-line basis over the period of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.5 Other income (continued)

(ii) Dividend income

Dividend income is recognised at a point in time when the right to receive payment is established.

2.6 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods are recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statement except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax liabilities are recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment property. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses in the consolidated income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.7 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income; and
- (iii) Fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. The Group reclassifies debt instruments when and only when its business model for managing these assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining their cash flows are solely payment of principal and interest.

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated income statement.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

(i) Debt instruments

The subsequent measurement categories depend on the Group's business model for managing the asset and the cash flow characteristics of the asset.

For debt instruments measured at amortised cost, these are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated income statement when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

For debt instruments measured at fair value through profit or loss, the movement in fair values and interest income that is not part of a hedging relationship is recognised in the consolidated income statement in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.7 Financial assets (continued)

(a) Classification and measurement (continued)

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as fair values through profit or loss with movements in their fair values recognised in the consolidated income statement, except where the Group has elected to classify the investments as fair values through other comprehensive income. Dividends from equity investments are recognised in the consolidated income statement.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments measured at amortised cost and financial guarantee contracts.

Loss allowances of the Group are measured on either of the following bases:

- (i) 12-month expected credit losses – represents the expected credit losses that result from default events that are possible within the twelve months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- (ii) Lifetime expected credit losses – represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach – Trade receivables

The Group applies the simplified approach to provide expected credit losses for all trade receivables as permitted by SFRS(I) 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and the economic environment.

General approach – Other financial instruments and financial guarantee contracts

The Group applies the general approach to provide for expected credit losses on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-month expected credit losses at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, a loss allowance is measured at an amount equal to lifetime expected credit losses. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including both historical credit experience and forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.7 Financial assets (continued)

(b) Impairment (continued)

General approach – Other financial instruments and financial guarantee contracts (continued)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month expected credit losses.

The Group considers a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. The evidence includes the observable data about the significant financial difficulty of the debtor and default or past due events.

Measurement of expected credit losses

Expected credit losses are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial assets.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.7 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the financial assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset measured at amortised cost, the difference between the net sale proceeds and its carrying amount is recognised in the consolidated income statement. On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in the consolidated income statement if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that financial asset.

2.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with banks, which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position.

2.9 Financial liabilities

Financial liabilities include borrowings, trade payables, derivative financial instruments and other monetary liabilities. They are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

All financial liabilities, except for financial liabilities, at fair value through profit or loss, are recognised initially at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised, and through the amortisation process. For financial liabilities, at fair value through profit or loss, they are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the consolidated income statement.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated income statement.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Costs are determined using the weighted average basis.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.10 Inventories (continued)

The cost of finished goods comprises raw materials, direct labour and an appropriate proportion of production overhead expenditure. The net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries and associated companies, the difference between the net disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

2.12 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(b) Depreciation

Freehold land is not depreciated. Depreciation on items of property, plant and equipment is calculated using the straight-line method or reducing balance method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives (Years)</u>
Leasehold land and buildings	2 - 54.5
Freehold buildings	40
Renovations	3 - 5
Furniture and fittings	3 - 5
Office equipment	3 - 5
Other equipment	3 - 8
Motor vehicles	5 - 10
Computers	3 - 5

(c) Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the consolidated income statement during the financial year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.12 Property, plant and equipment (continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the consolidated income statement. Any amount in revaluation reserve relating to that item is transferred to retained earnings within equity.

2.13 Investment properties

Investment properties include those portions of the buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in the consolidated income statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to the consolidated income statement. The cost of maintenance, repairs and minor improvements is charged to the consolidated income statement when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use or no future economic benefit is expected from its disposal. Any gain or loss on disposal or retirement of an investment property is recognised in the consolidated income statement in the year of disposal or retirement.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising on re-measurement is recognised in the consolidated income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in the consolidated income statement. When the investment property is sold, the related amount in the revaluation reserve is transferred to retained earnings within equity.

2.14 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill on acquisitions of subsidiaries prior to 1 January 2010 represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.14 Intangible assets (continued)

(a) Goodwill (continued)

Goodwill on acquisitions of associated companies and joint ventures represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill arising from the acquisition of subsidiaries is recognised separately as an intangible asset and carried at cost less accumulated impairment losses. Goodwill arising from the acquisition of associated companies and joint ventures is included in the carrying amount of the investments and assessed for impairment as part of the investments.

(b) Computer software

Acquired computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributed cost of preparing the asset for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintaining computer software are recognised as an expense in the consolidated income statement when incurred.

Acquired computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the consolidated income statement using the straight-line method over their estimated useful lives of three to five years.

(c) Distribution rights, trademarks and know-how

Acquired distribution rights, trademarks and know-how are initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the distribution rights, trademarks and know-how over their estimated useful lives of four years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at each reporting date. The effects of any revision of the amortisation period or amortisation method are included in the consolidated income statement for the financial year in which the changes arise.

2.15 Impairment of non-financial assets

(a) Goodwill

Goodwill is tested annually for impairment, and whenever there is any indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated from the acquisition date, to each of the cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.15 Impairment of non-financial assets (continued)

(a) Goodwill (continued)

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost of disposal and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the consolidated income statement and is not reversed in a subsequent period.

(b) Intangible assets (other than goodwill)

Property, plant and equipment

Investments in subsidiaries, associated companies and joint ventures

Intangible assets (other than goodwill), property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are reviewed for impairment whenever there is any indication or objective evidence that these assets may be impaired. The recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) of the asset is estimated in order to determine the extent of impairment loss (if any), on an individual asset.

For the purpose of impairment testing of these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the consolidated income statement, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss for an asset is recognised in the consolidated income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the consolidated income statement, a reversal of that impairment is also credited to the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.16 Borrowings

(a) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Borrowings due to be settled more than twelve months after the reporting date are presented as non-current borrowings in the statement of financial position.

(b) Borrowing costs

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Other borrowing costs are recognised on a time-proportion basis in the consolidated income statement using the effective interest method.

2.17 Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.18 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Derivatives that are disqualified or do not qualify for hedge accounting

Derivative financial instruments such as foreign exchange forward contracts are used to hedge risks associated with foreign currency fluctuations arising from the long-term loan exposure of foreign subsidiaries. These derivative financial instruments, while providing economic hedges, are not used for trading purposes.

Derivative financial instruments are recognised initially at fair value on the date the contracts are entered into and are subsequently re-measured to fair value at each reporting date. The gain or loss on re-measurement to fair value of derivative financial instruments that are disqualified or do not qualify for hedging accounting is recognised immediately in the consolidated income statement. Derivative financial instruments are carried as financial derivative assets when the fair value is positive and as financial derivative liabilities when the fair value is negative.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.20 Fair value estimation

The carrying amounts of current financial assets and current financial liabilities, carried at amortised cost, are assumed to approximate their fair values.

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices and the quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as estimated discounted cash flows, are also used to determine fair values of the financial instruments.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

The fair values of currency forward contracts are calculated on the present value of the estimated future cash flows discounted using actively quoted forward exchange rates.

2.21 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.22 Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the consolidated income statement on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the consolidated income statement in the period in which they become receivable.

2.23 Financial guarantees

The Company has issued corporate guarantees to banks and suppliers for bank borrowings and purchases respectively of its subsidiaries. These guarantees are financial guarantee as they require the Company to reimburse the banks and suppliers if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings and credit.

Financial guarantees are initially recognised at fair value plus transaction costs and subsequently measure at the higher of: (i) premium received on initial recognition less amortisation over the period of the subsidiaries' bank borrowings; and (ii) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.24 Employee compensation

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore, Mandatory Provident Fund in Hong Kong, Social Security Fund in China, Thailand, Philippines, Vietnam and Japan, Labour Pension Fund in Taiwan, Employees Provident Fund in Malaysia and India and National Pension Fund in South Korea on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Certain entities in the Group have legal obligations to operate severance benefit schemes. Under such schemes, employees and directors with at least one year of service are entitled to receive a lump sum payment upon termination of their employment, based on their length of service and rate of payment at the time of termination.

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the reporting date reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Defined benefit costs comprise the following: (i) service cost (ii) net interest expense or income (iii) re-measurement.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in the consolidated income statement. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest expense or income is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability. Net interest on the net defined benefit liability is recognised as expenses or income in the consolidated income statement.

Re-measurement comprising actual gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on net defined benefit liability) is recognised immediately in other comprehensive income in the period in which it arises. Re-measurement is recognised in retained earnings within equity and is not reclassified to the consolidated income statement in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.24 Employee compensation (continued)

(b) Defined benefit plans (continued)

The Group's right to be reimbursed for some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(d) Share-based compensation

The Group operates equity-settled share-based compensation plans, including share option scheme and performance share awards plan. The fair value of employee services received in exchange for the grant of equity instruments is recognised as an expense in the consolidated income statement over the vesting period, with a corresponding increase in the share-based payment reserve.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the equity instruments granted at the grant date. Non-market vesting conditions are included in the estimation of the number of equity instruments expected to vest. At each reporting date, the Group revises its estimates of the number of equity instruments expected to vest and recognises the impact of the revision in the consolidated income statement, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

When the equity instruments vest and, where applicable, are exercised, the proceeds received (if any), net of any directly attributable transaction costs, together with the related balance previously recognised in the share-based payment reserve, are credited to share capital.

2.25 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of their lease terms.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.25 Leases (continued)

(a) When the Group is the lessee: (continued)

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment" in the statements of financial position. Right-of-use assets which meet the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.13 to the financial statements.

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payment included in the measurement of the lease liability comprises the following:

- (i) fixed payments (including in-substance fixed payment), less any lease incentive receivables;
- (ii) variable lease payments that are based on an index or rate, initially measured using the index or rate at the commencement date;
- (iii) amount expected to be payable under residual value guarantees;
- (iv) the exercise price of a purchase option if it is reasonably certain to exercise the option; and
- (v) payment or penalty for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected not to separate lease and non-lease component for property leases and accounts these as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- (i) there is a change in future lease payments arising from changes in an index or rate;
- (ii) there is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- (iii) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- (iv) there is a modification to the lease term.

Where lease liabilities are re-measured, corresponding adjustments are made against the right-of-use assets. If the carrying amount of the right-of-use assets has been reduced to zero, the adjustments are recorded in the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.25 Leases (continued)

(a) When the Group is the lessee: (continued)

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of twelve months or less and low value leases, except for sub-lease arrangements. Lease payments relating to these leases are expensed to consolidated income statement on a straight-line basis over the lease term.

Variable lease payments that are not based on an index or rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in consolidated income statement in the periods that triggered those lease payments.

(b) When the Group is the lessor:

Lessor – finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases. The leased assets are derecognised and the present value of the lease receivables (net of initial direct costs for negotiating and arranging the lease) are recognised on the statements of financial position as finance lease receivables. The difference between the gross receivables and the present value of the lease receivable is recognised as unearned finance income. Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in the consolidated income statement over the lease term on the same basis as the lease income.

Lessor – operating leases

Leases of investment properties where the Group retains a significant portion of the risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) are recognised in the consolidated income statement on a straight-line basis over the lease term. Contingent rents are recognised as income in the consolidated income statement when earned.

2.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management whose members are responsible for allocating resources and assessing performance of the operating segments.

2.27 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental transaction costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

2. Material accounting policy information (continued)

2.27 Share capital and treasury shares (continued)

When the Company or any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the employee share option scheme and/or share awards plan, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve account within equity.

2.28 Dividends

Interim dividends are recorded in the financial year in which they are declared payable.

Final dividends are recorded in the financial year in which the dividends are approved by the shareholders for payment.

3. New and revised SFRS(I) issued but not yet adopted

At the date of authorisation of the financial statements, the Group has not adopted the following new or revised SFRS(I) that have been issued and which are relevant to the Group but will only be effective for the Group for the annual periods beginning on or after 1 January 2026.

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 and SFRS(I) 7 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to SFRS(I)s Volume 11	1 January 2026
SFRS(I) 18 Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sales or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred indefinitely, early application is permitted

SFRS(I) 18 Presentation and Disclosure in Financial Statements

This standard will replace SFRS(I) 1-1 Presentation of Financial Statements. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the consolidated income statement and consequential impacts on the consolidated statement of cash flows. It will also require the disclosure of the non-SFRS(I) management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

3. New and revised SFRS(I) issued but not yet adopted (continued)

SFRS(I) 18 Presentation and Disclosure in Financial Statements (continued)

An entity is required to apply the amendments to SFRS(I) 1-1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. SFRS(I) 18 requires retrospective application with specific transition provisions.

Other than the above, the management and directors of the Company do not expect any material impact on the financial statements of the Company and the Group from the application of these standards.

4. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management has taken into consideration whether there are indications that any assets may be impacted adversely. If any such indication exists, an estimate will be made on the realisable amount and/or fair value of the relevant assets.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Critical accounting estimates and assumptions

(i) Loss allowance for receivables

The Group measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2.7(b) to the financial statements. In making this estimation and judgement, the Group evaluates, among other factors, the ageing analysis of receivables, the financial health and collection history of individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, changes in macro-economic indicators etc. At the end of the reporting period, historical default rates are updated and changes in the forward-looking estimates are analysed. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

During the financial year, the Group provided loss allowance on trade receivables amounting to US\$1,268,000 (2024: US\$995,000) and non-trade receivables amounting to US\$1,358,000 (2024: US\$65,000) as disclosed in Note 6 and Note 37(b) to the financial statements. The information about the expected credit losses on the Group's trade and other receivables is disclosed in Note 12 and Note 37(b) to the financial statements.

As at the reporting date, the carrying amount of the Group's trade and other receivables amounted to US\$193,517,000 (2024: US\$174,019,000) as disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. Critical accounting estimates, assumptions and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(ii) Estimated useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be between 2 to 54.5 years as disclosed in Note 2.12(b) to the financial statements. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if expectations differ from the original estimates due to changes in the expected level of usage and/or technological developments, such differences will impact the depreciation charges in the period in which such estimates are changed.

During the financial year, the Group provided depreciation charges for property, plant and equipment amounting to US\$2,260,000 (2024: US\$2,711,000) as disclosed in Note 6 and Note 21 to the financial statements.

If depreciation on property, plant and equipment increases/decreases by 10% (2024: 10%) from management's estimates, the Group's profit after tax will decrease/increase by approximately US\$180,000 (2024: US\$225,000).

As at the reporting date, the carrying amount of the Group's property, plant and equipment amounted to US\$24,416,000 (2024: US\$27,086,000) as disclosed in Note 21 to the financial statements.

(iii) Valuation of financial assets, at fair value through profit or loss

The Group is required to reassess the fair value of financial assets, at fair value through profit or loss at the end of each reporting period. In determining the appropriate fair value classified as Level 2 or Level 3 in the fair value hierarchy, the Group makes use of valuation models. The Group makes maximum use of observable market data as inputs to these valuation models. Where observable market data is not available, the Group has to make use of management estimates for unobservable inputs to the models, and seeks to corroborate the estimates to available market data. While the Group believes the assumptions are reasonable and appropriate, significant changes in the assumptions may materially affect the fair value recorded.

The fair value gain/(loss) on the financial assets, at fair value through profit or loss are disclosed in Note 5 to the financial statements. The key unobservable inputs to the valuation models of Level 2 and Level 3 instruments and fair value measurements are disclosed in Note 38 to the financial statements.

As at the reporting date, the carrying amount of the Group's financial assets, at fair value through profit or loss amounted to US\$27,166,000 (2024: US\$30,049,000) as disclosed in Note 14 to the financial statements.

(iv) Valuation of investments in associated companies

The Group determined the recoverable amounts of the individual cash-generating units based on the higher of the fair value less cost of disposal and value-in-use calculations as disclosed in Note 2.15(b) to the financial statements. The calculations require the use of estimates and assumptions. Changes to these estimates and assumptions would result in changes in the carrying amount of the Group's investments in associated companies at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. Critical accounting estimates, assumptions and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(iv) Valuation of investments in associated companies (continued)

During the financial year, based on external and internal sources of information, there are no impairment indicators for the investments in associated companies (2024: US\$ Nil).

If the estimated discount rate applied to the discounted cash flows for the value-in-use calculations increased by 1% (2024: 1%), there will be no additional impairment on investments in associated companies.

As at the reporting date, the carrying amount of the Group's investments in associated companies amounted to US\$2,802,000 (2024: US\$2,752,000) as disclosed in Note 18 to the financial statements.

(v) Estimated impairment of goodwill arising from acquisition of subsidiaries

The Group tested goodwill for impairment annually in accordance with the accounting policy as disclosed in Note 2.15(a) to the financial statements. The recoverable amounts of cash-generating units ("CGUs") have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions. Changes to these estimates and assumptions would result in changes in the carrying amount of goodwill arising from the acquisition of subsidiaries at the reporting date.

During the financial year, the Group provided impairment of goodwill arising from acquisition of subsidiary amounting to US\$142,000 (2024: US\$ Nil) as disclosed in Note 6 and Note 23(a) to the financial statements.

If the estimated discount rate applied to the discounted cash flows for the CGUs increased by 1% (2024: 1%), there will be no additional impairment on goodwill arising from acquisition of subsidiaries.

As at the reporting date, the carrying amount of the Group's goodwill arising from acquisition of subsidiaries amounted to US\$3,062,000 (2024: US\$3,119,000) as disclosed in Note 23(a) to the financial statements.

(b) Critical judgements in applying the Group's accounting policies

(i) Write down of inventories

The Group writes down the cost of inventories whenever the net realisable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on current market conditions and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in end consumer demand and competitor actions in response to changes in market conditions. Management reassesses these estimates at each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. Critical accounting estimates, assumptions and judgements (continued)

(b) Critical judgements in applying the Group's accounting policies (continued)

(i) Write down of inventories (continued)

During the financial year, the Group wrote back allowances for inventory obsolescence amounting to US\$493,000 (2024: US\$4,069,000) as disclosed in Note 5 and Note 13 to the financial statements.

Inventory items identified to be obsolete and unusable are also written off and charged as an expense during the financial year. During the financial year, certain inventories which became obsolete and unusable amounting to US\$46,000 (2024: US\$83,000) have been written off as disclosed in Note 6 to the financial statements.

As at the reporting date, the carrying amount of the Group's inventories amounted to US\$130,153,000 (2024: US\$122,259,000) as disclosed in Note 13 to the financial statements.

(ii) Income taxes

The Group is subject to income taxes in several jurisdictions and significant judgment is required to determine the Group's income tax positions, including the recognition and measurement of current and deferred tax balances, as well as the assessment of the impact of the Pillar Two Global Anti-Base Erosion ("GloBE") Rules and effective tax rate ("ETR").

There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises tax liabilities for uncertain tax positions where it is probable that additional taxes will be payable, based on management's best estimate of the expected outcome. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the period in which the determination is made.

For jurisdictions where full GloBE ETR computation is required, management applies significant judgement in determining the appropriate GloBE income, covered taxes, and prescribed adjustments in accordance with the GloBE Rules. Where the jurisdictional ETR is assessed to be below the minimum rate of 15%, the resulting top-up tax is recognised in the period in which the obligation arises.

As at the reporting date, the carrying amount of the Group's current income tax liabilities amounted to US\$1,161,000 (2024: US\$588,000) as disclosed in Note 9 to the financial statements and deferred income tax assets and deferred income tax liabilities amounted to US\$1,874,000 (2024: US\$1,524,000) and US\$1,674,000 (2024: US\$1,547,000) respectively as disclosed in Note 29 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. Sales and Other income

	The Group	
	2025	2024
	US\$'000	US\$'000
Sales of goods and services	860,468	788,663
Other operating income	10,044	17,367
Interest income	1,848	1,675
	872,360	807,705
Sales		
<i>Performance obligations satisfied at a point in time</i>		
Sales of goods:		
- Electronic components	741,721	674,512
- Consumer products	110,209	107,375
- Others [Note 40(a)]	8,215	6,400
	860,145	788,287
<i>Performance obligations satisfied over time</i>		
Services rendered	323	376
Total sales of goods and services	860,468	788,663

Sales based on the geographical area in which the entities are located are disclosed in Note 40(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. Sales and Other income (continued)

	The Group	
	2025 US\$'000	2024 US\$'000
Other operating income:		
Commission and service income	1,748	2,089
Rebate income from suppliers	2,608	2,429
Rental income	191	135
Gain on sale of financial assets, at fair value through profit or loss	45	165
Fair value gain/(loss) on financial assets, at fair value through profit or loss:		
- listed equity securities [Note 14(b)]	324	(209)
- unlisted equity securities [Note 14(c)]	(39)	5,225
- preference shares [Note 14(d)]	-	2,511
- derivative financial instruments	19	(90)
Dividend income from financial assets, at fair value through profit or loss	26	26
Write-back of allowances for inventory obsolescence (Note 13)	493	4,069
Gain on closure/disposal of subsidiaries (net) [Note 20(c)]	1	-
Fair value gain (net) on investment properties (Note 22)	80	61
Gain on disposal of property, plant and equipment	65	13
Gain on sale of trademark	21	-
Recovery of trade bad debts previously written off	33	314
Government grants received	43	71
Foreign exchange gain (net)	3,889	-
Sundry income	497	558
Total other operating income	10,044	17,367
Interest income:		
Project financing and factoring	922	1,454
Leasing	654	-
Bank balances	272	221
Total interest income	1,848	1,675

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

6. Profit before income tax

	The Group	
	2025 US\$'000	2024 US\$'000
This is arrived at after charging:		
Amortisation charges for computer software license costs* [Note 23(b)]	81	65
Amortisation of trademark and know-how* [Note 23(c)]	4	4
Depreciation of property, plant and equipment* (Note 21)	2,260	2,711
Computer software licenses written off* [Note 23(b)]	-	28
Impairment on goodwill arising from acquisition of subsidiary* [Note 23(a)]	142	-
Loss on dilution of interest in an associated company* [Note 18(b)]	7	7
Fair value accounting loss on reverse takeover of investment in subsidiaries* [Note 20(a)(i)]	-	3,656
Loss allowance:		
- trade receivables (third parties)* [Note 37(b)]	1,268	995
- non-trade receivables (associated companies)* [Note 37(b)]	1,358	65
Inventories:		
- cost of inventories recognised as an expense (included in 'cost of sales')	793,947	730,106
- write-off of inventories*	46	83
Cost of services (included in 'cost of sales')	98	64
Employee benefits expense (Note 7)	33,079	30,446
Rental expense - operating leases (short-term leases)	2,099	1,717
Freight and handling charges	4,234	3,711
Travelling and transportation expenses	1,945	2,052
Sales commission expense	4,785	5,341
Foreign exchange loss (net)*	-	2,187
Other expenses (included in distribution, administrative and other expenses)	12,117	11,594
Total cost of sales, distribution, administrative and other expenses	857,470	794,832

* Included in "other operating expenses"

7. Employee benefits expense

	The Group	
	2025 US\$'000	2024 US\$'000
Wages, salaries and bonuses	28,155	25,370
Employer's contribution to defined contribution plans	3,802	3,752
Defined benefit plans [Note 28(b)]	445	656
Other long-term benefits	677	668
Total (Note 6)	33,079	30,446

Key management personnel compensation is disclosed in Note 39(c) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

8. Finance expenses

	The Group	
	2025	2024
	US\$'000	US\$'000
Interest expenses:		
Bank borrowings	1,742	1,883
Trust receipts	4,979	5,709
Factoring	3,308	3,518
Lease liabilities	599	145
Loan from an associated company	73	74
Loan from a substantial shareholder of the Company	73	188
Others	413	694
Total	11,187	12,211

9. Income taxes

(a) Income tax expense

	The Group	
	2025	2024
	US\$'000	US\$'000
Tax expense attributable to profit is made up of:		
Current income tax – Singapore	469	154
Current income tax – Foreign	609	896
	1,078	1,050
Deferred income tax [Note 29(a)]	186	283
	1,264	1,333
(Over)/under provision in preceding financial years:		
Current income tax [Note 9(b)]	(19)	(452)
Deferred income tax [Note 29(a)]	(271)	160
Total	974	1,041

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

9. Income taxes (continued)

(a) Income tax expense (continued)

The tax expense on the profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group	
	2025	2024
	US\$'000	US\$'000
Profit before income tax	3,723	737
Tax calculated at a tax rate of 17% (2024: 17%)	633	125
Effects of:		
Tax rate differences in other countries	126	(43)
Income not subject to tax	(197)	(1,929)
Expenses not deductible for tax purposes	1,634	1,923
Utilisation of previously unrecognised deferred income tax assets	(1,571)	(323)
Deferred income tax assets not recognised	494	1,492
Tax effect on share of results of associated companies	(3)	(13)
Withholding taxes - foreign	148	101
Over provision of current income tax in preceding financial years	(19)	(452)
(Over)/under provision of deferred income tax in preceding financial years	(271)	160
Tax expense	974	1,041

The income not subject to tax mainly relate to fair value gain on financial assets, at fair value through profit or loss (unlisted equity securities and preference shares), gain on sale of financial assets, at fair value through profit or loss, write-back of allowances for inventory obsolescence, recovery of trade bad debts previously written off and foreign exchange gain arising from revaluation of non-trade balances.

The expenses not deductible for tax purposes mainly relate to fair value accounting loss on reverse takeover of investment in subsidiaries, loss allowance on non-trade receivables, foreign exchange loss arising from revaluation of non-trade balances, impairment of goodwill arising from acquisition of subsidiary, interest expense relating to non-income producing assets, private car expenses, and non-deductible entertainment expenses incurred by certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

9. Income taxes (continued)

(a) Income tax expense (continued)

The corporate income tax rates for the Group's subsidiaries, are calculated at the tax rates applicable in the country/region in which these subsidiaries are assessable for tax, based on existing legislation, interpretations and practices in respect thereof. The corporate income tax rates for the Group's subsidiaries which were subject to tax are as follows:

	2025 %	2024 %
Country/region of the subsidiaries:		
Singapore	17.0	17.0
China	25.0	25.0
Hong Kong	16.5	16.5
Malaysia	24.0	24.0
South Korea	19.0	19.0
Taiwan	20.0	20.0
Thailand	20.0	20.0
India	30.0	30.0
Japan	23.2	23.2

Pillar Two Global Anti-Base Erosion ("GloBE") Rules

The Pillar Two legislation has been enacted or substantively enacted in a number of jurisdictions in which the Group operates, with effect from financial year beginning on or after 1 January 2025. The Group is within the scope of Pillar Two model rules published by Organisation for Economic Co-operation and Development ("OECD"), which requires multinational entities with annual consolidated revenues of at least EUR 750 million (US\$881 million) in two or more of the four preceding financial years, to establish a 15% global minimum effective tax rate. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum tax rate.

For the financial year ended 31 December 2025, the Group assessed the application of the Transitional Country-by-Country Reporting ("CbCR") Safe Harbour relief and expects that most jurisdictions will qualify with no material top-up taxes. However, The People's Republic of China ("China") and Hong Kong jurisdictions did not meet the transitional safe harbour criteria and were therefore subject to a full GloBE effective tax rate ("ETR") computation.

A full GloBE ETR computation was performed for the Group's operations in China and Hong Kong. Based on this computation, the China and Hong Kong jurisdictions' GloBE ETR exceeds the 15% minimum tax rate prescribed under the GloBE Rules. Accordingly, no top-up tax is expected for the China and Hong Kong jurisdictions for the current financial year.

The Group has applied the mandatory temporary exception under the amendments to SFRS(I) 12 to not recognise or disclose deferred tax assets and liabilities arising from Pillar Two top-up taxes. Accordingly, no deferred taxes related to Pillar Two have been recognised for the current financial year. The Group will continue to monitor legislative developments and administrative guidance as jurisdictions further implement the Pillar Two model rules.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

9. Income taxes (continued)

(b) Current income tax liabilities

The movements in current income tax liabilities are as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
Beginning of financial year	588	1,026
Income tax paid	(661)	(1,104)
Offset against deferred income tax assets [Note 29(d)]	43	-
Tax expense on profit [Note 9(a)]	1,078	1,050
Over provision in preceding financial years [Note 9(a)]	(19)	(452)
Currency translation differences	132	68
End of financial year	1,161	588

10. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial years as follows:

	The Group	
	2025	2024
Net profit attributable to equity holders of the Company (US\$'000)	2,293	516
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	904,842	904,842
Basic earnings per share (US\$)	0.25 cent	0.06 cent

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue (excluding treasury shares) is adjusted for the effects of all potential dilutive ordinary shares.

There are no potential dilutive ordinary shares during the financial years ended 31 December 2025 and 31 December 2024. Accordingly, the diluted earnings per share are computed to be the same as the basic earnings per share for the financial years ended 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

11. Cash and cash equivalents

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Cash at bank and on hand	35,964	37,309	409	770
Short-term bank deposits	1,504	1,003	1	1
Cash and bank balances per statements of financial position	37,468	38,312	410	771
Less: Bank deposit pledged	(1,269)	-	-	-
Cash and cash equivalents per consolidated statement of cash flows	36,199	38,312	410	771

- (a) As at the reporting date, the cash and cash equivalents denominated in Chinese Renminbi amounted to US\$4,640,000 (2024: US\$4,789,000). The Chinese Renminbi is not freely convertible into other currencies. However, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Chinese Renminbi for other currencies through banks authorised to conduct foreign exchange business.

As at the reporting date, the bank deposit of US\$1,269,000 is pledged as security to a bank for issuance of letter of guarantee to the third-party lessor for the three-year non-cancellable lease agreement in relation to the leasing of data centre colocation space [Note 26(a)(xi)]. This deposit is not freely remissible for use by the Group, and is excluded from cash and cash equivalents in the consolidated statement of cash flows.

- (b) As at the reporting date, short-term bank deposits matured on varying dates within three months to twelve months (2024: seven days to twelve months) from the end of the financial year with the following weighted average effective interest rates:

	The Group		The Company	
	2025 %	2024 %	2025 %	2024 %
Singapore Dollar	0.10	2.11	0.10	0.10
New Taiwan Dollar	1.50	1.50	-	-
United States Dollar	0.21	-	-	-
Malaysian Ringgit	-	2.45	-	-

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

12. Trade and other receivables

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Trade receivables:				
Third parties	192,200	175,104	-	-
Subsidiaries	-	-	11,954	9,988
	192,200	175,104	11,954	9,988
Loss allowance [Note 37(b)]	(10,350)	(8,890)	(23)	(19)
Net trade receivables	181,850	166,214	11,931	9,969
Other receivables:				
Third parties	13,668	8,594	452	444
Loss allowance [Note 37(b)]	(2,248)	(2,248)	(42)	(42)
	11,420	6,346	410	402
Derivative financial instruments [Note 25(b)]	-	13	-	-
Due from:				
Subsidiaries [Note 12(d)]	-	-	39,816	30,608
Associated companies [Note 12(e)]	2,744	2,590	292	292
Joint venture [Note 12(f)]	2,869	2,613	-	-
	5,613	5,203	40,108	30,900
Loss allowance [Note 37(b)]	(5,366)	(3,757)	(4,796)	(3,963)
	247	1,446	35,312	26,937
Net other receivables	11,667	7,805	35,722	27,339
Total	193,517	174,019	47,653	37,308

- (a) The Group has an unconditional right to consideration in exchange for goods or services that it has transferred to its customers. Accordingly, the Group has no contract asset as defined in SFRS(I) 15 and records the amount of consideration as trade receivables for its sales arrangements with the customers.

The Group generally grants a credit period that ranges from 7 to 90 days to its customers. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, whereby they will be recognised at fair value. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit loss. The details are disclosed in Note 37(b) to the financial statements.

- (b) As at the reporting date, the trade receivables include notes receivables amounting to US\$2,778,000 (2024: US\$8,509,000) which mature within six months from 31 December 2025 (2024: six months from 31 December 2024).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

12. Trade and other receivables (continued)

- (c) As at the reporting date, other receivables including amounts due from subsidiaries, associated companies and joint venture, are considered to have high credit risk as there are significant increases in the risk of default on these receivables since initial recognition. Details of the loss allowance for other receivables of US\$7,614,000 (2024: US\$6,005,000) of the Group and US\$4,838,000 (2024: US\$4,005,000) of the Company, measured based on lifetime expected credit loss, are disclosed in Note 37(b) to the financial statements.
- (d) As at the reporting date, the non-trade amounts due from subsidiaries are unsecured, interest-free and are repayable in cash, on demand, except for an amount of US\$5,945,000 (2024: US\$5,366,000) which bears interest at a weighted average effective rate of 6.53% (2024: 7.31%) per annum. There was a loss allowance for amounts due from subsidiaries of US\$4,796,000 (2024: US\$3,963,000), measured based on lifetime expected credit loss.
- (e) As at the reporting date, the non-trade amounts due from associated companies are unsecured, interest-free and are repayable in cash, on demand. There was a loss allowance for amounts due from associated companies of US\$2,498,000 (2024: US\$1,144,000), measured based on lifetime expected credit loss.
- (f) As at the reporting date, the non-trade amount due from a joint venture is repayable in cash, on demand. There was a loss allowance for amount due from joint venture of US\$2,868,000 (2024: US\$2,613,000), measured based on lifetime expected credit loss. The details of the litigation relating to the joint venture are disclosed in Note 41(b) to the financial statements.

13. Inventories

	The Group	
	2025	2024
	US\$'000	US\$'000
Finished goods	128,915	121,048
Work-in-progress	81	43
Raw materials	1,157	1,168
	130,153	122,259

During the financial year, the Group wrote back allowances for inventory obsolescence amounting to US\$493,000 (2024: US\$ 4,069,000) (Note 5).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

14. Financial assets, at fair value through profit or loss

	The Group	
	2025 US\$'000	2024 US\$'000
Current	5,027	9,676
Non-current	22,139	20,373
	27,166	30,049
Comprised:		
Current		
Trade receivables [Note 14(a)]	5,027	9,676
Non-current		
Listed equity securities [Note 14(b)]:		
- Singapore	346	148
- South Korea	863	816
- Taiwan	550	607
	1,759	1,571
Unlisted equity securities [Note 14(c)]:		
- Singapore	389	368
- Cayman Islands	12,715	11,736
- Thailand	317	-
	13,421	12,104
Preference shares [Note 14(d)]:		
- Singapore	5,034	4,759
- Thailand	1,925	1,925
	6,959	6,684
Derivative receivables - Singapore [Note 14(e)]	-	14
	22,139	20,373
Total	27,166	30,049

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

14. Financial assets, at fair value through profit or loss (continued)

- (a) The Group entered into factoring agreements with certain banks so as to obtain bank financing. Financial assets, at fair value through profit or loss are trade receivables that do not meet the criteria for measurement at either amortised cost or fair value through other comprehensive income, as the objective of the Group's business model is achieved by selling these assets. As at the reporting date, the fair value of the trade receivables amounted to US\$5,027,000 (2024: US\$9,676,000). During the financial year, changes in fair values of these financial assets, at fair value through profit or loss amounting to US\$48,000 (2024: US\$12,000) are recorded under finance expenses in the consolidated income statement.

As at the reporting date, trade receivables of US\$18,767,000 (2024: US\$12,606,000) had been transferred to the banks in accordance with the relevant non-recourse factoring agreements. Under these arrangements, the Group is not exposed to default risk of the trade receivables after the transfer, and subsequent to the transfer, the Group did not retain any rights on the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. Accordingly, these trade receivables measured at fair value through profit or loss as at 31 December 2025 and 31 December 2024, were de-recognised.

- (b) The movements in the listed equity securities are as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
Beginning of financial year	1,571	1,934
Additions	-	128
Fair value gain/(loss), net (Note 5)	324	(209)
Disposals	(157)	(222)
Currency translation differences	21	(60)
End of financial year	1,759	1,571

- (c) As at the reporting date, the Group has investments totalling US\$13,421,000 (2024: US\$12,104,000) in unlisted equity securities incorporated in Singapore, Cayman Islands and Thailand (2024: Singapore and Cayman Islands).

During the financial year, the Group recognised a fair value loss of US\$39,000 in its Thailand's unlisted equity security in the consolidated financial statement (Note 5).

During the financial year ended 31 December 2024, an investment in a Singapore unlisted equity security amounting to US\$5,646,000 as at 31 December 2023, was swapped at the same carrying amount to an unlisted equity security in the Cayman Islands, being its holding company pursuant to a restructuring exercise. The Group increased its investment in the Cayman Islands' unlisted equity security via the conversion of a loan into equity capital amounting to US\$1,156,000. In addition, a fair value gain of US\$5,225,000 was recognised on this investment in the consolidated income statement during the financial year ended 31 December 2024 (Note 5). The fair value gain was based on discounted cashflow valuation techniques performed by an independent qualified valuer [Note 38(b)].

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

14. Financial assets, at fair value through profit or loss (continued)

- (d) As at the reporting date, the Group has investments in preference shares totalling US\$6,959,000 (2024: US\$6,684,000) issued by third party entities in Singapore and Thailand (2024: Singapore and Thailand).

During the financial year ended 31 December 2024, the Group exercised its right to convert its convertible bonds of US\$1,766,000 to preference shares of a third party Singapore entity. The Group recognised a net fair value gain on the investments in preference shares amounting to US\$2,511,000 in the consolidated income statement (Note 5) in which the fair value gain of US\$2,712,000 on the investment in a third party Singapore entity was based on discounted cashflow valuation techniques performed by an independent qualified valuer [Note 38(b)] and this was offset with fair value losses of US\$201,000 fully recognised on the investments in two third-party Singapore entities following the commencement of liquidation for these entities.

- (e) As at 31 December 2024, derivative receivables related to foreign exchange forward contracts entered for a subsidiary's non-current bank borrowings denominated in Singapore dollar.

15. Finance lease receivables

	The Group	
	2025 US\$'000	2024 US\$'000
Current	6,261	-
Non-current	11,934	-
Total	18,195	-

The Group sub-leases its leased data centre colocation space to a third party under a three-year non-cancellable lease arrangement which has no provision for any early termination options. The Group's exposure to residual value risk is not significant as the sub-lease is specifically assigned to the underlying data centre colocation space and the key terms of the sub-lease agreement are substantially aligned with those of the lessor's head lease agreement. Lease payments are fixed and do not include any variable lease payments.

As at the reporting date, the maturity of the finance lease receivables is as follows:

	The Group	
	2025 US\$'000	2024 US\$'000
Within one year	7,809	-
Between one and two years	7,809	-
Between two and three years	5,205	-
Total undiscounted lease payments	20,823	-
Less unearned finance income	(2,628)	-
	18,195	-

There have not been any significant changes in the carrying amount of the finance lease receivables as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

15. Finance lease receivables (continued)

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The weighted average effective interest rate contracted is approximately 10% per annum.

The loss allowance on finance lease receivables is measured based on lifetime expected credit loss. As at the reporting date, none of the finance lease receivables is past due or credit-impaired, and taking into account the future prospects of the industries in which the lessee operates, the Group considers that the expected credit loss allowance on the finance lease receivables to be insignificant.

16. Other current assets

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Prepayments	1,918	772	356	341
Advances to suppliers	4,104	3,998	-	-
Deposits	613	618	-	-
	6,635	5,388	356	341

(a) The prepayments and advances to suppliers are denominated in the following currencies:

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Singapore Dollar	358	722	240	213
United States Dollar	3,555	2,108	109	121
Chinese Renminbi	730	549	7	7
New Taiwan Dollar	485	826	-	-
Thailand Baht	429	39	-	-
Korean Won	237	392	-	-
Malaysian Ringgit	79	10	-	-
Hong Kong Dollar	47	99	-	-
Others	102	25	-	-
	6,022	4,770	356	341

(b) Details of the deposits are disclosed in Note 24(b) to the financial statements. The currency exposure for deposits is disclosed under "other financial assets" in Note 37(a)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

17. Loans and other receivables

	The Company	
	2025	2024
	US\$'000	US\$'000
Loans to subsidiaries:		
Interest bearing [Note 17(a)]		
Gross amount	16,296	21,649
Loss allowance [Note 37(b)]	(555)	(567)
	15,741	21,082
Non-interest bearing [Note 17(b)]		
Gross amount	-	7,194
Loss allowance [Note 37(b)]	-	(500)
Less: Fair value adjustment to investments in subsidiaries	-	(345)
Add: Imputed interest recognised in Company's income statement	-	345
	-	6,694
Total	15,741	27,776

- (a) As at the reporting date, the weighted average effective interest rate of the interest-bearing unsecured loans to subsidiaries based on prevailing market interest rates is 6.40% (2024: 7.02%) per annum.
- (b) During the financial year, the non-interest-bearing unsecured loans to subsidiaries were reclassified to current non-interest-bearing unsecured loans and became repayable in cash, on demand. As at 31 December 2024, the non-interest-bearing unsecured loans to subsidiaries were repayable on 31 December 2026 and were adjusted to be measured at fair value at the date of inception.

18. Investments in associated companies

	The Group		The Company	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Listed equity shares, at cost	9,481	9,492	1,413	1,413
Unlisted equity shares, at cost	1,724	1,724	-	-
	11,205	11,216	1,413	1,413
Share of post-acquisition results and reserves	(5,840)	(5,872)	-	-
Impairment loss	(2,013)	(2,013)	-	-
Currency translation differences	(550)	(579)	-	-
	2,802	2,752	1,413	1,413
Market value of listed equity shares	2,872	2,503	1,876	1,863

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

18. Investments in associated companies (continued)

(a) The details of the associated companies held by the Group and the Company are as follows:

Name of associated companies	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by the Group and Company				
(2) Bull Will Co., Ltd (listed on the Over-The-Counter Securities Exchange in Taiwan)	Manufacturing and sale of passive electronic components and trading of electronic components	Taiwan	13.0	13.5
Held by the Group				
(1) Stars Tea & Coffee Asia Pte. Ltd.	Retail sale of beverages	Singapore	29.6	29.6
(3) PT Sentral Mitra Informatika Tbk. (listed on the Development Board of the Indonesia Stock Exchange)	Provision of managed print services and distribution of copiers and printers	Indonesia	15.9	15.9
(4) Grandpointe Acquisition LLC	Inactive	United States	25.5	25.5
(4) Globaltronics International Pte. Ltd.	Inactive	Singapore	45.0	45.0
Edith-United International Pte. Ltd.	In process of being struck off	Singapore	21.0	21.0
Imperial Kitchen Catering Pte. Ltd.	In process of being struck off	Singapore	21.0	21.0

(1) Audited by Moore Stephens LLP, Singapore.

(2) Audited by member firm of Moore Global Network Limited of which Moore Stephens LLP, Singapore is a member.

(3) Audited by KAP Krisnawan, Nugroho & Fahmy, a member of IECnet, an international association of accountants, auditors and tax consultants, in compliance with SGX-ST's Listing Rule 716(2).

(4) Reviewed by Moore Stephens LLP, Singapore for the purposes of consolidation.

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For The Financial Year Ended 31 December 2025

18. Investments in associated companies (continued)

- (b) Bull Will Co., Ltd is accounted as an associated company although the Company holds less than 20% of its equity shares, and has less than 20% of the voting power in its shareholders' meeting as the Company exercises significant influence by virtue of its contractual right to appoint one director to the board of directors of Bull Will Co., Ltd. The Group continues to have board representation in the associated company.

During the financial year, the Company's equity interest in Bull Will Co., Ltd was reduced from 13.5% to 13.0% (2024: 14.4% to 13.5%) following the exercise of 1,025,000 (2024: 1,398,500) share options by its employees, partially offset by a 0.01% increase due to the allocation of 152,866 shares to the Company arising from a stock dividend issue. The Group recorded a loss on dilution of US\$7,000 (2024: US\$7,000) in the consolidated income statement (Note 6).

- (c) PT Sentral Mitra Informatika Tbk is accounted as an associated company although the Group holds less than 20% of its equity shares and has less than 20% of its voting power in shareholders' meeting as the Group exercises significant influence by virtue of its contractual right to appoint one director to the board of directors of PT Sentral Mitra Informatika Tbk. The Group continues to have board representation in the associated company.
- (d) The Group has not recognised losses relating to Stars Tea and Coffee Asia Pte. Ltd., Grandpoint Acquisition LLC, and Globaltronics International Pte. Ltd., where its share of losses exceeded the Group's investments in these associated companies. As at the reporting date, the Group's cumulative share of unrecognised losses of Stars Tea and Coffee Asia Pte. Ltd., Grandpoint Acquisition LLC and Globaltronics International Pte. Ltd., were US\$205,000, US\$905,000, and US\$380,000 (2024: US\$200,000, US\$905,000, and US\$380,000) respectively. The Group has no obligation in respect of these unrecognised losses.
- (e) The following table summarises, in aggregate, the carrying amount, share of profit and other comprehensive income/(loss) of the associated companies that are not individually material to the Group and accounted for using the equity method:

	The Group	
	2025	2024
	US\$'000	US\$'000
Aggregate carrying amount of investments in associated companies	2,802	2,752
Share of:		
Profit from continuing operations	20	75
Other comprehensive income/(loss)	48	(109)
Total comprehensive income/(loss)	68	(34)

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For The Financial Year Ended 31 December 2025

19. Investment in joint venture

	The Group	
	2025	2024
	US\$'000	US\$'000
Unlisted equity shares, at cost	2,344	2,344
Share of post-acquisition results and reserves	(858)	(858)
Impairment loss	(1,487)	(1,487)
Currency translation differences	1	1
	-	-

The Group has a 27.5% (2024: 27.5%) equity interest in Musang Durians Frozen Food (M) Sdn. Bhd., incorporated in Malaysia which is in the business of manufacturing, processing, trading and exporting of durian puree and durian related products. This entity remained inactive during the financial year. The details of the litigation relating to Musang Durians Frozen Food (M) Sdn. Bhd. are disclosed in Note 41(b) to the financial statements.

As at the reporting date, the Group carried out its annual impairment review. An impairment loss of US\$1,487,000 on its 27.5% equity interest in Musang Durians Frozen Food (M) Sdn. Bhd. was recognised during the financial year ended 31 December 2019. The recoverable amount was determined based on fair value less cost of disposal, which approximated its adjusted net assets at the reporting date after considering relevant internal and external factors (Level 3 of fair value measurements).

The Group has not recognised losses relating to the joint venture, Musang Durians Frozen Food (M) Sdn. Bhd. where its share of losses exceeded the Group's investment in this joint venture. As at the reporting date, the Group's cumulative share of unrecognised losses of Musang Durians Frozen Food (M) Sdn. Bhd. was US\$1,050,000 (2024: US\$1,050,000), after the share of loss of US\$Nil (2024: US\$ Nil) during the financial year. The Group has no obligation in respect of these unrecognised losses.

20. Investments in subsidiaries

	The Company	
	2025	2024
	US\$'000	US\$'000
Listed equity shares, at cost	4,079	4,079
Unlisted equity shares, at cost	78,199	77,681
Accounting for financial guarantee contracts	599	518
End of financial year	82,877	82,278
Accumulated impairment losses		
Beginning and end of financial year	(18,687)	(18,687)
Net investment	64,190	63,591
Market value of listed equity shares	12,731	14,269

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(a) Business combination

- (i) During the financial year ended 31 December 2024, the Company completed a reverse takeover of Serial Achieva Limited (previously known as Axington Inc. and listed on the Catalyst Board of Singapore Exchange Securities Trading Limited) on 14 June 2024 via a share swap of the Group's 100% equity interest in Achieva Technology Sdn. Bhd. and 49.0% equity interest in newly incorporated Achieva Digital (Thailand) Company Limited for a 77.6% equity interest in Serial Achieva Limited and its subsidiaries (collectively called "Serial Achieva group") by way of issue of 114,406,780 new ordinary shares in Serial Achieva Limited to the Company at S\$0.236 (US\$0.174) per share amounting to S\$27,000,000 (US\$19,907,000). The Group recorded a fair value accounting loss on reverse takeover of Serial Achieva group of US\$3,656,000 in the consolidated income statement (Note 6) during the financial year ended 31 December 2024, determined using the fair value of the equity of Serial Achieva Limited of S\$0.236 (US\$0.174) per share which represented its market value at 14 June 2024, being completion date of the reverse takeover. The Group holds 77.6% effective equity interest in Serial Achieva Limited and Achieva Technology Sdn. Bhd., respectively and 38.0% effective equity interest in Achieva Digital (Thailand) Company Limited upon completion of the reverse takeover.

(b) Acquisition of additional equity interests in subsidiaries

- (i) On 21 May 2025, the Group's 49.0%-owned subsidiary, Serial Factoring (Thailand) Co., Ltd acquired an additional 1.5% equity interest in its 97.0%-owned Thailand subsidiary, Serial Consulting Co., Ltd for a cash consideration of THB 200,000 (US\$6,000). The Group's effective interest in Serial Consulting Co., Ltd increased from 47.5% to 48.3% following the additional acquisition.
- (ii) On 27 August 2025, the Group's 75.0%-owned subsidiary, Contract Sterilization Services Pte. Ltd. acquired the remaining 18.2% equity interest in its 81.8%-owned Singapore subsidiary, CSS Medisys Pte. Ltd. for a cash consideration of S\$1.00 (US\$0.78). The Group's effective interest in CSS Medisys Pte. Ltd. increased from 61.4% to 75.0% following the additional acquisition.
- (iii) On 22 May 2024, the Group's 91.0%-owned subsidiary, Serial Microelectronics (HK) Limited acquired the remaining 49.0% equity interest in its Hong Kong subsidiary, UniSerial Electronics Limited for a cash consideration of US\$1,154,000 which approximated its carrying amount from the existing shareholder. The Group's effective interest in UniSerial Electronics Limited and its wholly-owned subsidiary, Uniserial Electronics (Shenzhen) Limited increased from 46.4% to 91.0% following the additional acquisition.

(c) Closure/disposal of subsidiaries

- (i) During the financial year, the Group's wholly-owned subsidiary, Serial Microelectronics Pte Ltd struck off its wholly-owned British Virgin Islands subsidiary, Serial Electronics Investment Limited and 91.0%-owned Cayman Islands subsidiary, XIN Holdings International Limited and recognised a net loss on closure of US\$5,000 in the consolidated income statement.

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For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(c) Closure/disposal of subsidiaries (continued)

- (ii) On 10 September 2025, the Group's 25.1%-owned Nokivi Holdings Pte. Ltd. disposed 90.0% equity interest in its wholly-owned Singapore subsidiary, Nokivi Pte. Ltd. to its existing third-party shareholders for a cash consideration of S\$300 (US\$233). The Group's effective interest in Nokivi Pte. Ltd. reduced from 23.8% to 2.4% and Nokivi Pte. Ltd. ceased to be a subsidiary of the Group following the disposal. The Group recognised a net loss on disposal of US\$59,000 in the consolidated income statement and its 2.4% equity interest in Nokivi Pte. Ltd. was accounted under non-current financial assets, at fair value through profit or loss (Singapore unlisted equity security).
- (iii) On 21 December 2025, the Group's 77.6%-owned subsidiary, Serial Achieva Limited struck off its 55.0%-owned Singapore subsidiary, Achieva Tech Allianz Pte. Ltd and recognised a net gain on closure of US\$65,000 in the consolidated income statement.
- (iv) The following table summarises the carrying amount of the major classes of identifiable assets and liabilities disposed:

The Group	Serial Electronics Investment Limited US\$'000	XIN Holdings International Limited US\$'000	Nokivi Pte. Ltd. US\$'000	Achieva Tech Allianz Pte. Ltd. US\$'000	Total US\$'000
2025					
Carrying amount of identifiable assets and liabilities as at the date of closure/disposal:					
Cash and cash equivalents	*	*	-	147	147
Property, plant and equipment (Note 21)	-	-	1	-	1
Total identifiable net assets de-recognised	*	*	1	147	148
Add/(less): Non-controlling interests (Note 34)	-	5	60	(131)	(66)
Less: Other reserve	-	-	(2)	-	(2)
Cash consideration received	*	5	59	16	80
Net (gain)/loss on closure/disposal (Note 5)	*	-	*	(81)	(81)
Effect on cash flow of the Group:					
Cash consideration received	*	-	*	81	81
Less: Cash and cash equivalents disposed of	*	*	-	(147)	(147)
Cash outflow on closure/disposal	-	*	*	(66) ⁽¹⁾	(66)

* Less than US\$1,000

Note:

⁽¹⁾ The US\$66,000 was returned to the non-controlling interest subsequent to the end of the financial year.

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For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

- (d) Incorporation of subsidiaries
- (i) On 30 July 2025, the Company's 77.6%-owned subsidiary, Serial Achieva Limited incorporated a wholly-owned Singapore subsidiary, Achieva Cloud Services Pte. Ltd. with an issued and paid-up share capital of US\$2. The Group holds 77.6% effective equity interest in Achieva Cloud Services Pte. Ltd. following the incorporation.
 - (ii) On 14 August 2025, the Group's 77.6%-owned subsidiary, Achieva Cloud Services Pte. Ltd. incorporated a wholly-owned Malaysia subsidiary, Achieva Cloud Services Sdn. Bhd. with an issued and paid-up share capital of MYR 2 (US\$0.49). The Group holds 77.6% effective equity interest in Achieva Cloud Services Sdn. Bhd. following the incorporation.
 - (iii) On 19 July 2024, the Group's 77.6%-owned subsidiary, Serial Achieva Limited incorporated a wholly-owned Singapore subsidiary, Achieva Digital Pte. Ltd. with an issued and paid-up share capital of US\$100,000. The Group holds 77.6% effective equity interest in Achieva Digital Pte. Ltd. following the incorporation.
 - (iv) On 17 September 2024, the Group's 77.6%-owned subsidiary, Serial Achieva Limited, incorporated a Singapore subsidiary, Achieva Tech Allianz Pte. Ltd. with an issued and paid-up capital of \$200,000 (US\$149,000). Serial Achieva Limited holds a 55.0% equity interest in Achieva Tech Allianz Pte. Ltd. for a cash consideration of S\$110,000 (US\$83,000). The Group holds 42.7% effective equity interest in Achieva Tech Allianz Pte. Ltd. following the incorporation.
- (e) Restructuring of subsidiaries
- (i) On 10 June 2024, the Company's wholly-owned subsidiary, SCE Enterprise Pte. Ltd., transferred its entire 100% equity interest in Serial Multivision Pte. Ltd. to another wholly-owned subsidiary, Serial System International Pte. Ltd., for a cash consideration of S\$872,000 (US\$641,000). There is no change in the Group's effective equity interest in Serial Multivision Pte. Ltd. following the internal restructuring exercise.
 - (ii) On 14 June 2024, the Group's wholly-owned subsidiary, Serial I-Tech (Far East) Pte. Ltd. disposed its entire 100% equity interest in Achieva Technology Sdn. Bhd. to Serial Achieva Limited for a cash consideration of S\$5,500,000 (US\$4,062,000) pursuant to a reverse takeover. On the same date, the Company swapped its 100.0% equity interest in Achieva Technology Sdn. Bhd. and a 49.0% equity interest in newly-incorporated Achieva Digital (Thailand) Company Limited for a 77.64% equity interest in Serial Achieva group [Note 20(a)(i)].
 - (iii) On 25 July 2024, the Company's wholly-owned subsidiary, SCE Enterprise Pte. Ltd., transferred its entire 75.0% equity interest in Contract Sterilization Pte Ltd and its 81.8%-owned subsidiary, CSS Medisys Pte. Ltd. (collectively "CSS group") to another wholly-owned subsidiary, Serial System International Pte. Ltd., for a cash consideration of S\$2,306,000 (US\$1,708,000). There is no change in the Group's effective equity interest in CSS group following the internal restructuring exercise.
 - (iv) On 5 August 2024, the Group's wholly-owned subsidiary, SerialTec Pte. Ltd., transferred its entire 100.0% equity interest in SerialTec (Japan) Co., Ltd, to another wholly-owned subsidiary, Serial System International Pte. Ltd., for a cash consideration of S\$1 (US\$0.74). There is no change in the Group's effective equity interest in SerialTec (Japan) Co., Ltd following the internal restructuring exercise.

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For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(f) Impairment of subsidiaries

As at the reporting date, the Company carried out its annual impairment review and recognised accumulated impairment loss of US\$18,687,000 (2024: US\$18,687,000) in its investments in subsidiaries, based on fair value less cost of disposal, which approximated its adjusted net assets after considering relevant internal and external factors.

(g) The details of the subsidiaries held by the Group and the Company are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by the Company				
(1) Serial Microelectronics Pte Ltd	Investment holding and distribution of electronic and electrical components	Singapore	100.0	100.0
(1) SSTW Technology Pte. Ltd.	Investment holding and distribution of electronic and electrical components and provision of technical support services	Singapore	100.0	100.0
(1) Serial Achieva Limited (listed on the Catalist Board of the Singapore Exchange)	Investment holding and provision of management services	Malaysia	77.6	77.6
(1) SCE Enterprise Pte. Ltd.	Investment holding and trading	Singapore	100.0	100.0
(1) Serial Investment Pte Ltd	Investment holding and rental of investment properties	Singapore	100.0	100.0
(2) Serial Investment (Taiwan) Inc.	Investment holding and rental of investment properties	Taiwan	100.0	100.0
(1) Serial System International Pte. Ltd.	Investment holding	Singapore	100.0	100.0
(1) Swift-Value Business Pte. Ltd.	Distribution of printers and printer accessories	Singapore	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by Serial Microelectronics Pte Ltd				
⁽³⁾ Serial Microelectronics Korea Limited	Distribution of electronic and electrical components	South Korea	100.0	100.0
⁽²⁾ Serial Microelectronics Inc.	Investment holding and distribution of electronic and electrical components	Taiwan	95.5	95.5
⁽²⁾ Serial Microelectronics Sdn. Bhd.	Provision of management, marketing and administrative services	Malaysia	100.0	100.0
⁽²⁾ Serial Microelectronics India LLP	Provision of management, marketing and administrative services	India	99.9	99.9
⁽⁵⁾ Xin Capital Limited	Investment holding	British Virgin Islands	91.0	-
⁽¹⁾ STECH Global Trading Pte. Ltd.	Inactive	Singapore	90.0	90.0
⁽⁵⁾ PT. Serial Microelectronics Indonesia	In process of liquidation	Indonesia	99.0	99.0
Serial Electronics Investment Limited	Struck off	British Virgin Islands	-	100.0
Held by SSTW Technology Pte. Ltd.				
⁽²⁾ Serial Microelectronics Information Limited	Distribution of electronic and electrical components and provision of technical support services	Taiwan	100.0	100.0
Held by Serial Microelectronics Inc.				
⁽²⁾ Teampal Enterprise Corp.	Inactive	Taiwan	95.5	95.5

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by Serial Electronics Investment Limited				
XIN Holdings International Limited	Struck off	Cayman Islands	-	91.0
Held by XIN Holdings International Limited				
Xin Capital Limited	Investment holding	British Virgin Islands	-	91.0
Held by Xin Capital Limited				
⁽²⁾ Serial Microelectronics (HK) Limited	Investment holding and distribution of electronic and electrical components	Hong Kong	91.0	91.0
Held by Serial Microelectronics (HK) Limited				
⁽²⁾ Serial Microelectronics (Shenzhen) Co., Ltd	Distribution of electronic and electrical components	China	91.0	91.0
⁽²⁾ Serial Microelectronics (Beijing) Co., Ltd	Investment holding	China	91.0	91.0
⁽²⁾ Newstone Technology Limited	Investment holding and marketing, promotion, sale, export and distribution of semiconductor components	Hong Kong	46.4	46.4
⁽²⁾ UniSerial Electronics Limited	Investment holding and distribution of electronic and electrical components	Hong Kong	91.0	91.0
⁽²⁾ Lierda Serial China Limited	Distribution of electronic and electrical components	Hong Kong	44.6	44.6
⁽²⁾ Serial Design Limited	Inactive	Hong Kong	91.0	91.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by Newstone Technology Limited				
⁽²⁾ Newstone Technology (Shenzhen) Company Limited	Marketing, promotion, sale, export and distribution of semiconductor components	China	46.4	46.4
Held by UniSerial Electronics Limited				
⁽²⁾ UniSerial Electronics (Shenzhen) Limited	Distribution of electronic and electrical components	China	91.0	91.0
Held by Serial Achieva Limited				
⁽²⁾ Achieva Technology Sdn. Bhd.	Distribution and marketing of information technology, computer peripherals, parts, software and related products	Malaysia	77.6	77.6
⁽²⁾ Achieva Digital (Thailand) Company Limited	Distribution and marketing of information technology, computer peripherals, parts, software and related products	Thailand	38.0	38.0
⁽⁵⁾ Achieva Digital Pte. Ltd.	Trading and distribution of information technology products	Singapore	77.6	77.6
⁽⁵⁾ Achieva Cloud Services Pte. Ltd.	Provision of co-location services, comprising rental of data center space, power supply, and related infrastructure for customers to host their IT equipment	Singapore	77.6	–

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by Serial Achieva Limited (continued)				
Axington Vietnam Limited	In process of closure	Vietnam	54.3	54.3
Achieva Tech Allianz Pte. Ltd.	Struck off	Singapore	-	42.7
Held by Achieva Cloud Services Pte. Ltd.				
⁽²⁾ Achieva Cloud Services Sdn. Bhd.	Leasing and sub-leasing of colocation services, comprising rental of data centre space, power supply, and related infrastructure for customers to host their IT equipment	Malaysia	77.6	-
Held by SCE Enterprise Pte. Ltd.				
⁽¹⁾ Serial I-Tech (Far East) Pte. Ltd.	Investment holding and trading and distribution of information technology and consumer products	Singapore	100.0	100.0
⁽¹⁾ SerialTec Pte. Ltd.	Investment holding	Singapore	100.0	100.0
⁽¹⁾ Hydra & Thermal Pte. Ltd.	Inactive	Singapore	100.0	100.0
⁽⁵⁾ PT. Achieva Technology Indonesia	Inactive	Indonesia	80.0	80.0
Held by Serial Investment Pte. Ltd.				
⁽⁵⁾ Serial Investment (Korea) Limited	Investment holding	South Korea	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by Serial System International Pte. Ltd.				
(1) Print-IQ Singapore Pte. Ltd.	Provision of managed print services and supply of printers, toners and papers	Singapore	91.4	91.4
(2) Print IQ MPS Company Limited	Provision of managed print services and supply of printers, toners and papers	Thailand	49.0	49.0
(2) SerialTec (Japan) Co., Ltd	Trading and distribution of information technology, and consumer products	Japan	100.0	100.0
(1) SG Networks Pte. Ltd.	Communications and power line construction	Singapore	55.0	55.0
(1) Serial Multivision Pte. Ltd.	Hospitality and healthcare solutions	Singapore	100.0	100.0
(1) Contract Sterilization Services Pte Ltd	Investment holding and assembly and distribution of medical devices and ethylene oxide sterilization	Singapore	75.0	75.0
(4) Serial Factoring (Thailand) Co., Ltd.	Investment holding and provision of project financing in the form of leasing, hire purchase, factoring and loan	Thailand	49.0	49.0
(1) SB Global Ventures Pte. Ltd.	Investment holding	Singapore	85.0	85.0
(1) Bast Investment Pte. Ltd.	Investment holding	Singapore	55.0	55.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by Contract Sterilization Services Pte Ltd				
⁽¹⁾ CSS Medisys Pte. Ltd.	Inactive	Singapore	75.0	61.4
Held by Serial Factoring (Thailand) Co., Ltd				
⁽⁴⁾ Serial Consulting Co., Ltd	Provision of financial and legal consultancy services	Thailand	48.3	47.5
Held by SB Global Ventures Pte. Ltd.				
⁽¹⁾ URG Pte. Ltd.	Investment holding and trading and distribution of fast-moving consumer products	Singapore	59.5	59.5
⁽¹⁾ Nokivi Holdings Pte. Ltd.	Investment holding	Singapore	25.1	25.1
Held by Bast Investment Pte. Ltd.				
⁽²⁾ Bast Global Sdn. Bhd.	Investment holding	Malaysia	55.0	55.0
Held by URG Pte. Ltd.				
⁽²⁾ Straitsmart Sdn. Bhd.	Inactive	Malaysia	59.5	59.5
Held by Nokivi Holdings Pte. Ltd.				
Nokivi Pte. Ltd.	Inactive	Singapore	-	25.1

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

20. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2025 %	2024 %
Held by Serial I-Tech (Far East) Pte. Ltd.				
⁽¹⁾ Inkcarts Pte. Ltd.	Inactive	Singapore	100.0	100.0
Serial I-Tech (ME) Pte. Ltd.	Inactive	British Virgin Islands	100.0	100.0
JEL Trading (Bangladesh) Ltd	Inactive	Bangladesh	100.0	100.0

⁽¹⁾ Audited by Moore Stephens LLP, Singapore.

⁽²⁾ Audited by member firms of Moore Global Network Limited ("MGNL") of which Moore Stephens LLP, Singapore is a member.

⁽³⁾ Audited by Samhwa Accounting Corporation, South Korea. This firm was formerly a member of MGNL until financial year ended 31 December 2019. The Board and Audit Committee of the Company in consultation with the Group's auditor, Moore Stephens LLP, Singapore are satisfied that the appointment and audit by Samhwa Accounting Corporation, South Korea did not compromise the standard and effectiveness of the audit of the Group.

⁽⁴⁾ Audited by Pitisevi Co., Ltd, Thailand. This firm was a member of MGNL until financial year ended 31 December 2024. The Board and Audit Committee of the Company in consultation with the Group's auditor, Moore Stephens LLP, Singapore are satisfied that the appointment and audit by Pitisevi Co., Ltd, Thailand did not compromise the standard and effectiveness of the audit of the Group.

⁽⁵⁾ Reviewed by Moore Stephens LLP, Singapore for the purposes of consolidation. These entities are not considered significant subsidiaries pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

21. Property, plant and equipment

The Group	Leasehold land	Leasehold buildings	Freehold land	Freehold buildings	Renovations	Furniture and fittings	Office equipment	Other equipment	Motor vehicles	Computers	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2025											
Cost											
At 1 January	1,560	25,594	1,467	6,791	4,957	1,363	2,104	1,141	1,576	3,999	50,552
Additions	-	626	-	-	101	9	29	82	-	302	1,149
Fair value gain recognised to fair value reserve prior to reclassification to investment properties	-	686	-	-	-	-	-	-	-	-	686
Reclassification to investment properties	-	(3,443)	-	-	-	-	-	-	-	-	(3,443)
Disposal of subsidiary	-	-	-	-	-	-	(3)	-	-	-	(3)
Disposals/write-off	-	(930)	-	-	(141)	(22)	(11)	-	(127)	(16)	(1,247)
Currency translation differences	90	1,161	36	206	203	12	60	42	30	37	1,877
At 31 December	1,650	23,694	1,503	6,997	5,120	1,362	2,179	1,265	1,479	4,322	49,571
Accumulated depreciation											
At 1 January	587	8,010	-	1,284	4,627	1,335	2,024	1,002	1,109	3,488	23,466
Depreciation charges (Note 6)	30	1,480	-	118	127	12	45	66	124	258	2,260
Reclassification to investment properties	-	(566)	-	-	-	-	-	-	-	-	(566)
Disposal of subsidiary	-	-	-	-	-	-	(2)	-	-	-	(2)
Disposals/write-off	-	(580)	-	-	(47)	(22)	(10)	-	(127)	(16)	(802)
Currency translation differences	34	384	-	34	198	11	57	35	15	31	799
At 31 December	651	8,728	-	1,436	4,905	1,336	2,114	1,103	1,121	3,761	25,155
Net book value											
At 31 December	999	14,966	1,503	5,561	215	26	65	162	358	561	24,416

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

21. Property, plant and equipment (continued)

The Group	Leasehold land US\$'000	Leasehold buildings US\$'000	Freehold land US\$'000	Freehold buildings US\$'000	Renovations US\$'000	Furniture and fittings US\$'000	Office equipment US\$'000	Other equipment US\$'000	Motor vehicles US\$'000	Computers US\$'000	Total US\$'000
2024											
Cost											
At 1 January	1,606	28,872	1,673	7,382	5,222	1,381	2,192	1,143	1,597	3,790	54,858
Additions	-	1,116	-	-	127	11	31	21	192	493	1,991
Disposals/write-off	-	(3,669)	-	-	(244)	(2)	(54)	(14)	(183)	(247)	(4,413)
Currency translation differences	(46)	(725)	(206)	(591)	(148)	(27)	(65)	(9)	(30)	(37)	(1,884)
At 31 December	1,560	25,594	1,467	6,791	4,957	1,363	2,104	1,141	1,576	3,999	50,552
Accumulated depreciation											
At 1 January	575	10,073	-	1,286	4,900	1,356	1,984	943	1,082	3,594	25,793
Depreciation charges (Note 6)	29	1,840	-	121	107	11	150	78	202	173	2,711
Disposals/write-off	-	(3,669)	-	-	(244)	(2)	(54)	(14)	(154)	(247)	(4,384)
Currency translation differences	(17)	(234)	-	(123)	(136)	(30)	(56)	(5)	(21)	(32)	(654)
At 31 December	587	8,010	-	1,284	4,627	1,335	2,024	1,002	1,109	3,488	23,466
Net book value											
At 31 December	973	17,584	1,467	5,507	330	28	80	139	467	511	27,086

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

21. Property, plant and equipment (continued)

The Company	Renovations	Furniture and fittings	Office equipment	Other equipment	Motor vehicles	Computers	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2025							
Cost							
At 1 January	446	566	277	138	437	2,023	3,887
Additions	-	-	-	62	-	218	280
At 31 December	446	566	277	200	437	2,241	4,167
Accumulated depreciation							
At 1 January	436	562	266	138	266	1,664	3,332
Depreciation charges	8	1	5	6	43	172	235
At 31 December	444	563	271	144	309	1,836	3,567
Net book value							
At 31 December	2	3	6	56	128	405	600
2024							
Cost							
At 1 January	446	566	270	138	437	1,610	3,467
Additions	-	-	7	-	-	413	420
At 31 December	446	566	277	138	437	2,023	3,887
Accumulated depreciation							
At 1 January	427	561	263	132	223	1,592	3,198
Depreciation charges	9	1	3	6	43	72	134
At 31 December	436	562	266	138	266	1,664	3,332
Net book value							
At 31 December	10	4	11	-	171	359	555

- (a) As at the reporting date, there were no carrying amount of office equipment and motor vehicles held under leasing arrangement for the Group and the Company (2024: US\$Nil).

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class. During the financial year, the additions to property, plant and equipment (leasehold buildings) of the Group included US\$626,000 (2024: US\$1,116,000) of right-of-use assets acquired under leasing arrangement [Note 27(a)].

- (b) The Group's leasehold land and building at 8 Ubi View, Serial System Building, Singapore used by the Group and classified as property, plant and equipment, has a net carrying value amounting to US\$4,103,000 (2024: US\$6,132,000). The leasehold land and building is held as security for bank borrowings of the Company amounting to US\$6,231,000 (2024: US\$5,891,000) [Note 26(a)(i)].

During the financial year, the Group reclassified an office unit (leasehold building) with a carrying value of US\$2,877,000 from property, plant and equipment to investment properties [Note 22(c)].

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

21. Property, plant and equipment (continued)

- (c) The Group's freehold building in Taipei, Taiwan, used by the Group and classified as property, plant and equipment, has a net carrying value amounting to US\$2,990,000 (2024: US\$2,892,000). The freehold building is held as security for the Group's bank borrowings and trust receipts totaling US\$4,687,000 (2024: US\$3,264,000 for bank borrowings, invoice factoring and trust receipts) [Note 26(a)(ii)]. See Note 22(a) to the financial statements for the portion of the freehold building included as investment properties.
- (d) The Group's freehold land and building in Seoul, South Korea used by the Group and classified as property, plant and equipment, has a net carrying value amounting to US\$3,424,000 (2024: US\$3,411,000). The freehold land and building is held as security for the Group's bank borrowings of US\$6,990,000 (2024: US\$5,995,000) [Note 26(a)(iii)].
- (e) The Group's freehold building in Penang, Malaysia used by the Group and classified as property, plant and equipment, has a net carrying value amounting to US\$650,000 (2024: US\$671,000). The freehold building is held as security for the Group's bank borrowings of US\$44,000 (2024: US\$102,000) [Note 26(a)(iv)].
- (f) The Group's leasehold buildings in Shenzhen, Shanghai and Beijing (2024: Shenzhen, Shanghai and Beijing), China used by the Group and classified as property, plant and equipment, have a net carrying value amounting to US\$10,354,000 (2024: US\$10,377,000). The leasehold buildings are held as security for the Group's bank borrowings of US\$13,247,000 (2024: US\$14,645,000) [Note 26(a)(v)]. See Note 22(b) to the financial statements for the portion of the leasehold buildings in Shenzhen and Shanghai, China included as investment properties.

22. Investment properties

	The Group	
	2025	2024
	US\$'000	US\$'000
Beginning of financial year	6,463	6,423
Additions	120	316
Reclassification from property, plant and equipment	2,877	-
Fair value gain (net) (Note 5)	80	61
Currency translation differences	324	(337)
End of financial year	9,864	6,463

- (a) The Group's freehold building in Taipei, Taiwan which is leased to an associated company, Bull Will Co., Ltd, with a fair value of US\$5,156,000 (2024: US\$4,810,000) is held as security for the Group's bank borrowings and trust receipts totalling US\$4,687,000 (2024: Group's bank borrowings, invoice factoring and trust receipts totalling US\$3,264,000) [Note 26(a)(ii)].

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

22. Investment properties (continued)

- (b) The Group's leasehold buildings in Shenzhen and Shanghai, China which are leased to third parties, with a fair value of US\$494,000 and US\$523,000 (2024: US\$718,000 and US\$500,000) respectively, are held as security for the Group's bank borrowings of US\$13,247,000 (2024: US\$14,645,000) [Note 26(a)(v)].
- (c) The Group's office unit (leasehold building) at 8 Ubi View, Serial System Building, Singapore, reclassified from property, plant and equipment during the financial year with a fair value of US\$2,877,000 [Note 21(b)], is leased to a third party. It is held as security for bank borrowings of the Company amounting to US\$6,231,000 (2024: US\$5,891,000) [Note 26(a)(i)].
- (d) The Group has no restrictions on the realisability or the remittance of income and proceeds from disposal of its investment properties and no contractual obligations to construct or develop its investment properties or for repairs, maintenance or enhancements.
- (e) As at the reporting date, investment properties are carried at fair value, determined by independent professional valuers. Valuations are performed annually based on the investment properties' highest-and-best use value using an average of Direct Market Comparison Method and Income Approach and if required, with appropriate adjustments, taking into consideration, factors such as location, date of transaction and size of property (Level 2 or Level 3 of fair value measurements).
- (f) The following amounts in respect of the investment properties are recognised in the consolidated income statement:

	The Group	
	2025	2024
	US\$'000	US\$'000
Rental income (Note 5)	191	135
Direct operating expenses on investment properties that generated rental income	(55)	(12)

23. Intangible assets

	The Group		The Company	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Goodwill arising from acquisition of subsidiaries	3,062	3,119	-	-
Computer software license costs	197	166	28	24
Trademark and know-how	23	29	-	-
	3,282	3,314	28	24

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

23. Intangible assets (continued)

- (a) Goodwill arising from acquisition of subsidiaries

	The Group	
	2025 US\$'000	2024 US\$'000
Cost		
Beginning of financial year	21,323	21,366
Currency translation differences	85	(43)
End of financial year	21,408	21,323
Accumulated impairment loss		
Beginning of financial year	18,204	18,204
Impairment loss (Note 6)	142	-
End of financial year	18,346	18,204
Net book value	3,062	3,119

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to geographical and business segments.

A segment-level geographical summary of the goodwill allocation is presented below:

	Electronic components distribution		Other businesses		Total	
	2025	2024	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group						
Hong Kong	1,514	1,656	-	-	1,514	1,656
Singapore	-	-	1,548	1,463	1,548	1,463
	1,514	1,656	1,548	1,463	3,062	3,119

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on the financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period to the fifth year were extrapolated using the estimated growth rates stated below. The forecasted growth rates are based on management's best estimates from industry research and do not exceed the long-term average growth rate for the electronic components distribution and other businesses in which the CGU operates.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

23. Intangible assets (continued)

(a) Goodwill arising from acquisition of subsidiaries (continued)

Key assumptions used for value-in-use calculations:

	Electronic components distribution Hong Kong		Other businesses Singapore	
	2025 %	2024 %	2025 %	2024 %
Gross margin ⁽¹⁾	6.8	6.9	58.0	57.6
Growth rate ⁽²⁾	7.9	9.0	2.0	2.0
Discount rate ⁽³⁾	14.3	14.3	17.2	17.2

⁽¹⁾ Budgeted gross margin based on management's assumptions with reference to past and expected future performance.

⁽²⁾ Weighted average growth rate used to extrapolate cash flows for the second to fifth year. Thereafter, the terminal growth rate used beyond the fifth year is 1.75%.

⁽³⁾ Pre-tax discount rate applied to the pre-tax cash flow projections estimated based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital.

These assumptions were used for the analysis of each CGU. Management determined budgeted gross margin based on past performance and its expectations of the market development. The weighted average growth rates used were consistent with the forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segment.

As at the reporting date, the Group carried out its annual impairment review. An impairment on goodwill of US\$142,000 (2024: US\$Nil) arising from its 91%-owned subsidiary, Uniserial Electronics Limited was recognised during the financial year ended 31 December 2025, as the carrying amount of the CGU exceeded the recoverable amount determined based on value-in-use calculations (Note 6).

(b) Computer software license costs

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Beginning of financial year	166	269	24	21
Additions	105	50	20	16
Write-off (Note 6)	-	(28)	-	-
Amortisation (Note 6)	(81)	(65)	(16)	(13)
Currency translation differences	7	(60)	-	-
End of financial year	197	166	28	24
Cost	3,786	3,674	2,831	2,811
Accumulated amortisation	(3,589)	(3,508)	(2,803)	(2,787)
Net book value	197	166	28	24

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

23. Intangible assets (continued)

- (c) Trademark and know-how

	The Group	
	2025	2024
	US\$'000	US\$'000
Beginning of financial year	29	35
Sale	(2)	-
Amortisation (Note 6)	(4)	(4)
Currency translation differences	-	(2)
End of financial year	23	29
Cost	47	49
Accumulated amortisation	(24)	(20)
Net book value	23	29

- (d) Distribution rights

	The Group	
	2025	2024
	US\$'000	US\$'000
Cost	11,233	11,233
Accumulated amortisation	(11,233)	(11,233)
Net book value	-	-

24. Other assets

	The Group	
	2025	2024
	US\$'000	US\$'000
Club memberships	106	104
Deposits	821	858
	927	962

- (a) The club memberships are denominated in Korean Won.
- (b) Deposits disclosed in Note 24 and Note 16 relate mainly to refundable deposits placed for the rental of office units for certain subsidiaries. These deposits are refundable upon expiry of the tenancy agreements. The non-current deposits included an amount of US\$701,000 (2024: US\$642,000) placed with a financial institution as security for the Group's bank borrowings of US\$1,849,000 (2024: US\$1,580,000) and is refundable upon full repayment of the bank borrowings [Note 26(a)(vi)].

The Group does not anticipate the carrying amount of the deposits to be significantly different from the value that would eventually be refunded.

The currency exposure for deposits is disclosed under "other financial assets" in Note 37(a)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

25. Trade and other payables

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Current				
Trade payables - third parties	79,069	84,162	-	-
Other payables and accrued operating expenses	23,197	15,654	997	817
Contract liabilities [Note 25(a)]	5,504	3,611	-	-
Derivative financial instruments [Note 25(b)]	33	-	-	-
Due to subsidiaries [Note 25(c)]	-	-	9,127	8,275
Due to an associated company [Note 25(d)]	1,020	1,013	1,020	1,013
Financial guarantee contracts	-	-	572	514
Total	108,823	104,440	11,716	10,619
			The Company	
			2025 US\$'000	2024 US\$'000
Non-current				
Due to subsidiaries [Note 25(e)]			13,888	14,364
Total			13,888	14,364

- (a) Contract liabilities relate to the Group's obligation to transfer goods/render services to customers for which the Group has received consideration. Contract liabilities are recognised as revenue as the Group performs under the contracts.

The significant changes in the contract liabilities during the financial year are as follows:

	The Group	
	2025 US\$'000	2024 US\$'000
Revenue recognised	3,611	8,183
Increase due to cash received, excluding amounts recognised as revenue	(5,504)	(3,611)

The Group expects to recognise US\$5,504,000 (2024: US\$3,611,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2025 (2024: 31 December 2024) during the financial year ending 31 December 2026 (2024: 31 December 2025).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

25. Trade and other payables (continued)

- (b) The Group uses mainly foreign exchange forward contracts to manage exposures to currency risks arising from assets and liabilities denominated in foreign currencies.

As at the reporting date, the outstanding non-hedging derivative financial instruments comprised:

	The Group			
	2025		2024	
	Contract notional amount US\$'000	Fair value liability US\$'000	Contract notional amount US\$'000	Fair value asset US\$'000
Foreign exchange forward contracts	1,108	(33)	1,892	13

The contractual rates of the foreign exchange forward contracts to buy United States Dollar against the Malaysian Ringgit are 4.109 to 4.227 (2024: 4.398 to 4.445). These foreign exchange forward contracts have maturity dates within one to three months (2024: three months) from the reporting date.

- (c) As at the reporting date, the amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and are repayable in cash, on demand, except for amounts of US\$4,928,000 (2024: US\$671,000) which bear interest at a weighted average effective rate of 6.87% (2024: 7.31%) per annum.
- (d) As at the reporting date, the amount due to an associated company is non-trade in nature, unsecured, repayable in cash, on demand, and bears interest at 7.5% (2024: 7.5%) per annum.
- (e) As at the reporting date, the amounts due to subsidiaries are non-trade in nature, unsecured, repayable in cash on 31 December 2027 (2024: 31 December 2026) and bear interest at a weighted average effective rate of 5.82% (2024: 7.02%) per annum.

26. Borrowings

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Current				
Bank borrowings	31,117	39,135	-	5,891
Invoice factoring	48,185	38,069	-	-
Trust receipts	88,397	83,611	-	-
Lease liabilities	7,240	914	-	-
Other borrowings	7,755	7,197	-	3,682
	182,694	168,926	-	9,573
Non-current				
Bank borrowings	9,825	1,795	6,231	-
Lease liabilities	12,432	1,182	-	-
Other borrowings	51	51	-	-
	22,308	3,028	6,231	-
Total	205,002	171,954	6,231	9,573

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

26. Borrowings (continued)

(a) Security/corporate guarantee granted

- (i) As at the reporting date, the balance of a term loan re-financed to be payable on 31 May 2027 by the Company amounting to US\$6,231,000 (2024: US\$5,891,000) included in non-current borrowings (2024: current borrowings) of the Group and the Company is secured by the following:
- a first legal mortgage of the leasehold land and building at 8 Ubi View, Serial System Building, Singapore ("Mortgaged Property") [Note 21(b) and Note 22(c)];
 - an assignment of all rights, title interest and benefits including insurance policies and tenancy agreements relating to the Mortgaged Property; and
 - joint and several guarantees of certain subsidiaries of the Group.
- (ii) As at the reporting date, bank borrowings amounting to US\$3,206,000 (2024: US\$2,711,000), included in current borrowings of US\$1,055,000 (2024: US\$1,537,000) and non-current borrowings of US\$2,151,000 (2024: US\$1,174,000), due by a wholly-owned subsidiary, Serial Investment (Taiwan) Inc. is secured by a first legal mortgage of the freehold building [Note 21(c) and Note 22(a)]. The freehold building was additionally secured for current bank borrowings and trust receipts of the Group amounting to US\$637,000 and US\$844,000 (2024: for invoice factoring and trust receipts of US\$213,000 and US\$340,000) respectively [Note 26(a)(viii) and Note 26(a)(ix)].
- (iii) As at the reporting date, bank borrowings amounting to US\$6,990,000 (2024: US\$5,995,000) included in current borrowings, due by a wholly-owned subsidiary, Serial Microelectronics Korea Limited for working capital, are secured by a first legal mortgage of the freehold land and building [Note 21(d)]. An amount of US\$2,997,000 (2024: US\$2,585,000) is additionally obtained with corporate guarantee of the Company.
- (iv) As at the reporting date, the balance of a ten-year term loan amounting to US\$44,000 (2024: US\$102,000), included in current borrowings of US\$44,000 (2024: US\$58,000) and non-current borrowings of US\$Nil (2024: US\$44,000) due by a wholly-owned subsidiary, Serial Microelectronics Sdn. Bhd. to partially finance the acquisition of a freehold building, is secured by a first legal mortgage of the freehold building [Note 21(e)].
- (v) As at the reporting date, bank borrowings amounting to US\$13,247,000 (2024: US\$14,645,000) included in current borrowings, due by a 91.0%-owned subsidiary, Serial Microelectronics (Shenzhen) Co., Ltd for working capital, are secured by a first legal mortgage of the Shenzhen, Shanghai and Beijing, China's leasehold buildings [Note 21(f) and Note 22(b)].
- (vi) As at the reporting date, bank borrowings amounting to US\$1,849,000 (2024: US\$1,580,000), included in current borrowings of US\$406,000 (2024: US\$1,191,000) and non-current borrowings of US\$1,443,000 (2024: US\$ 389,000) due by a wholly-owned subsidiary, Serial Investment (Taiwan) Inc. are secured by cash security deposit (non-current other assets) of US\$701,000 (2024: US\$642,000) placed with the financial institution [Note 24(b)].
- (vii) As at the reporting date, other than as disclosed in Note 26(a)(i)-(vi) above, bank borrowings amounting to US\$8,041,000 (2024: US\$9,326,000), included in current borrowings of US\$8,041,000 (2024: US\$9,138,000) and non-current borrowings of US\$Nil (2024: US\$188,000) of the Group are obtained with corporate guarantees of the Company and certain subsidiaries of the Group. The remaining current bank borrowings of the Group amounting to US\$697,000 (2024: US\$680,000) are unsecured.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

26. Borrowings (continued)

(a) Security/corporate guarantee granted (continued)

(viii) As at the reporting date, invoice factoring amounting to US\$48,185,000 (2024: US\$37,856,000) of the Group are obtained with corporate guarantees of the Company. An amount of US\$Nil (2024: US\$213,000) is secured by a freehold building [Note 26(a)(ii)].

(ix) As at the reporting date, trust receipts amounting to US\$85,553,000 (2024: US\$81,003,000) of the Group are obtained with corporate guarantees of the Company and certain subsidiaries of the Group. An amount of US\$844,000 (2024: US\$340,000) is secured by a freehold building [Note 26(a)(ii)]. The remaining trust receipts of US\$2,000,000 (2024: US\$2,268,000) are unsecured.

The Group has a supplier financing arrangement with a number of key suppliers. Under this arrangement, once a supplier is enrolled, the banks agree to make immediate upfront payments to the supplier on due date, upon receiving the necessary supporting documents from the Group. The Group then repays the banks at a later date when the trust receipts are due for payment, enabling the suppliers to receive timely payments while allowing the Group to manage its cash flows effectively. As at the reporting date, trust receipts amounting to US\$88,397,000 (2024: US\$83,611,000) of the Group have already been paid to suppliers by the banks. The Group is no longer able to pay those suppliers directly.

The range of payment term for the Group's trade payables that are yet to subject to supplier financing arrangement is 30-60 days (2024: 30-60 days). The payment term of trade payables under the supplier financing arrangement is 90-120 days (2024: 90-120 days). In the consolidated statement of cash flows, payments made by the Group to the banks are included in cash flows used in financing activities.

(x) As at the reporting date, current other borrowings of US\$7,755,000 (2024: US\$7,197,000) of the Group and US\$Nil (2024: US\$3,682,000) of the Company and non-current other borrowings of US\$51,000 (2024: US\$51,000) of the Group are unsecured.

(xi) As at the reporting date, lease liabilities of US\$18,120,000 (2024: US\$Nil) included in current borrowings of US\$6,381,000 (2024: US\$Nil) and non-current borrowings of US\$11,739,000 (2024: US\$Nil) relating to the leasing of data centre colocation space from a third-party lessor are secured by a bank's letter of guarantee which is pledged by a bank deposit of the Company's 77.6%-owned subsidiary, Serial Achieva Limited amounting to US\$1,269,000 (2024: US\$Nil) [Note 11(a)].

(b) Maturity of borrowings

As at the reporting date, the maturity of the borrowings is as follows:

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Within one year	182,694	168,926	-	9,573
Between one and five years	22,308	3,028	6,231	-

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

26. Borrowings (continued)

(c) Interest rate risk

As at the reporting date, the weighted average effective interest rates of the borrowings are as follows:

The Group	United States Dollar	Singapore Dollar	New Taiwan Dollar	Korean Won	Malaysian Ringgit	Thailand Baht	Chinese Renminbi	Hong Kong Dollar	Japanese Yen	Others
	%	%	%	%	%	%	%	%	%	%
2025										
Bank borrowings	6.04	3.27	3.00	4.29	4.96	-	3.54	-	-	-
Invoice factoring	5.80	-	-	-	-	-	-	-	-	-
Trust receipts	6.01	3.41	2.79	4.32	-	-	-	-	-	-
Lease liabilities	6.29	6.14	8.06	-	6.46	5.99	7.72	8.47	6.29	5.99
Other borrowings	8.00	-	-	-	-	7.00	6.00	-	-	-
2024										
Bank borrowings	6.63	4.78	2.83	4.73	5.20	-	3.93	-	-	-
Invoice factoring	6.49	-	-	-	-	-	-	-	-	-
Trust receipts	6.64	-	2.84	5.04	-	-	-	-	-	-
Lease liabilities	6.29	5.02	8.14	-	6.03	-	7.80	8.47	6.29	5.77
Other borrowings	8.00	5.00	-	-	-	7.00	7.00	-	-	-
The Company								Singapore Dollar 2025 %	Singapore Dollar 2024 %	
Bank borrowings								3.08	4.89	
Other borrowing								-	5.00	

(d) Carrying amount and fair value

As at the reporting date, the carrying amount of current borrowings approximates its fair value.

The fair value of non-current borrowings is as follows:

	Carrying amount		Fair value	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
The Group	22,308	3,028	22,112	2,880
The Company	6,231	-	6,125	-

The fair value is determined from discounted cash flow analysis at the borrowing rates which the management expects to be available to the Group and the Company at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

26. Borrowings (continued)

(e) Loan compliance

The Group regularly monitors its compliance with the covenants and is up to date with the scheduled repayments of the borrowings. As at the reporting date, the Group complied with covenants entered with various banks, except for certain banks, which have the right to call for the immediate repayment of the outstanding borrowings of US\$6,808,000 (2024: US\$7,586,000) included in current borrowings. The Group's subsidiaries have been servicing the repayment of the borrowings and its interests as and when they fall due and the utilisation of the borrowing facilities continues as usual as at the date of this report.

(f) Changes in liabilities arising from financing activities

The Group	Bank borrowings US\$'000	Invoice factoring US\$'000	Trust receipts US\$'000	Lease liabilities US\$'000	Other borrowings US\$'000	Total US\$'000
2025						
At 1 January	40,930	38,069	83,611	2,096	7,248	171,954
Proceeds	56,782	175,526	485,834	-	29,656	747,798
Repayment	(58,432)	(165,288)	(481,935)	(3,415)	(29,405)	(738,475)
Non-cash changes:						
Additions	-	-	-	20,770	-	20,770
Interest expense	-	-	-	599	-	599
Currency translation differences	1,662	(122)	887	(378)	307	2,356
At 31 December	40,942	48,185	88,397	19,672	7,806	205,002
2024						
At 1 January	44,889	44,560	94,765	2,141	7,922	194,277
Proceeds	152,005	148,970	445,296	-	23,786	770,057
Repayment	(154,535)	(155,481)	(456,352)	(1,309)	(24,234)	(791,911)
Non-cash changes:						
Additions	-	-	-	1,116	-	1,116
Interest expense	-	-	-	145	-	145
Currency translation differences	(1,429)	20	(98)	3	(226)	(1,730)
At 31 December	40,930	38,069	83,611	2,096	7,248	171,954

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

27. Lease liabilities

(a) The Group as a lessee

The Group has made periodic lease payments for leasehold buildings for the purpose of office and warehouse usage. These are recognised within property, plant and equipment (Note 21).

The Group also leases a data centre colocation space from a third-party lessor under a three-year non-cancellable lease arrangement which has no provision for any early termination options. This lease is not recognised as right-of-use assets as the leased data centre colocation space is sub-leased to a third party with key terms substantially aligned to the head lease agreement with the lessor (Note 15).

The lease liabilities of the Group are disclosed in Note 26 to the financial statements.

The carrying amount of right-of-use assets classified within property, plant and equipment is as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
Leasehold buildings - offices and warehouses	1,508	2,048

Additions of right-of-use assets classified within property, plant and equipment (leasehold buildings) during the financial year are US\$626,000 (2024: US\$1,116,000) [Note 21(a)].

Depreciation charges on right-of-use assets classified within property, plant and equipment during the financial year are as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
Leasehold buildings	1,191	1,524

Amounts recognised in the consolidated income statement and consolidated statement of cash flows are as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
Interest expense on lease liabilities (Note 8)	599	145
Rental expense – short-term leases (Note 6)	2,099	1,717
Total cash outflows for leases (exclude short-term leases)	912	1,309

(b) The Group as a lessor

The Group has leased out its freehold building in Taipei, Taiwan to an associated company, Bull Will Co., Ltd and leasehold buildings in Shenzhen and Shanghai, China to third parties. Undiscounted lease payments from the operating leases to be received after the reporting date are disclosed in Note 36(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. Defined benefit plans liabilities

The Group has defined benefit pension plans for certain subsidiaries which require contributions to be made to separately administered funds. The Group provides employees with a minimum severance lump sum benefit equivalent to one month salary for each year of service upon termination for any reason. It is permissible under the current severance pay system for the employer to cash out in whole or in part of the accrued severance benefits to employees who remain in service. The Group funds the employee benefits by setting aside external funds via insurance policies ("plan assets").

(a) The amounts recognised in the statement of financial position are determined as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
Present value of defined benefit obligations	1,582	1,253
Fair value of plan assets	(1,208)	(1,043)
	374	210

(b) Changes in present value of defined benefit obligations are as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
Beginning of financial year	1,253	1,362
Interest costs – charged to consolidated income statement	33	35
Current service costs – charged to consolidated income statement (Note 7)	445	656
Remeasurement loss/(gain) arising from changes in:		
- demographic assumptions	91	(24)
- financial assumptions	9	(46)
Benefits paid	(103)	(411)
Currency translation differences	(146)	(319)
End of financial year	1,582	1,253

(c) Changes in fair value of plan assets are as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
Beginning of financial year	1,043	1,066
Interest income – credited to consolidated income statement	10	12
Remeasurement losses – return on plan assets	(10)	(12)
Contribution by the Group	243	224
Benefits paid	(103)	(411)
Currency translation differences	25	164
End of financial year	1,208	1,043

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. Defined benefit plans liabilities (continued)

- (d) Independent actuarial valuation of the defined benefit plans liabilities was performed and the principal actuarial assumptions used in the actuarial valuation are as follows:

	The Group	
	2025	2024
	%	%
Discount rate	2.8 - 3.0	2.8 - 3.0
Future salary increases	3.5 - 5.0	3.5 - 5.0

- (e) The sensitivity analysis determined based on reasonably possible changes of each significant assumption by 0.25% (2024: 0.25%) on the defined benefit plans liabilities is as follows:

	The Group	
	Defined benefit plans liabilities	
	Increase/(Decrease)	
	2025	2024
	US\$'000	US\$'000
Discount rate		
- increase	(48)	(35)
- decrease	51	37
Future salary		
- increase	50	41
- decrease	(47)	(39)

The methods and types of assumptions used in preparing the sensitivity analysis during the financial year did not change as compared to the financial year ended 31 December 2024.

- (f) The Group expects to contribute US\$270,000 to the defined benefit plans in 2026 (2024: US\$210,000 in 2025).
- (g) As at the reporting date, the average duration of the defined benefit obligation is 6 years (2024: 6 years) for the defined benefit plans liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

29. Deferred income taxes

- (a) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
(Recovered)/settled after one year				
Deferred income tax assets	(1,874)	(1,524)	-	-
Deferred income tax liabilities	1,674	1,547	976	864
	(200)	23	976	864

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Beginning of financial year	23	(506)	864	543
Offset against current income tax liabilities [Note 9(b)]	(43)	-	-	-
Tax charged to consolidated income statement [Note 9(a)]	186	283	112	321
(Over)/under provision in preceding financial years [Note 9(a)]	(271)	160	-	-
Currency translation differences	(95)	86	-	-
End of financial year	(200)	23	976	864

- (b) Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at the reporting date, the Group has the following unrecognised tax losses and capital allowances which can be carried forward and used to offset against future taxable profits, subject to meeting certain statutory requirements by those entities with unrecognised tax losses and capital allowances in their respective countries of incorporation as follows:

	The Group	
	2025 US\$'000	2024 US\$'000
Tax losses	49,103	53,128
Capital allowances	1,717	2,077
	50,820	55,205

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

29. Deferred income taxes (continued)

(b) (continued)

The tax losses and capital allowances that are available for offset against future taxable profits, are subject to the agreement of the relevant tax authorities and compliance with the relevant tax provisions. The deferred income tax assets arising from these tax losses and capital allowances have not been recognised because it is not probable that future taxable profits will be available against which the entities can utilise.

As at the reporting date, included in the tax losses was US\$2,966,000 (2024: US\$3,208,000) arising in China that will expire in one to five years after 31 December 2026 (2024: one to five years after 31 December 2025).

- (c) As at the reporting date, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries of the Group for which no deferred income tax liability has been recognised amounted to US\$17,089,000 (2024: US\$16,844,000) based on the Group's policy as stated in Note 2.6 to the financial statements. The deferred income tax liability not recognised is estimated to be US\$1,840,000 (2024: US\$1,820,000).
- (d) The movements in the deferred income tax assets and liabilities prior to offsetting of balances within the same tax jurisdiction during the financial year are as follows:

Deferred income tax assets

	Provisions	
	2025 US\$'000	2024 US\$'000
The Group		
Beginning of financial year	(1,524)	(1,709)
Offset against current tax liabilities	(43)	-
Charged/(credited) to consolidated income statement	71	(72)
(Under)/over provision in preceding financial years	(271)	160
Currency translation differences	(107)	97
End of financial year	(1,874)	(1,524)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

29. Deferred income taxes (continued)

- (d) The movements in the deferred income tax assets and liabilities prior to offsetting of balances within the same tax jurisdiction during the financial year are as follows: (continued)

Deferred income tax liabilities

The Group	Investment properties US\$'000	Others US\$'000	Total US\$'000
2025			
Beginning of financial year	340	1,207	1,547
Charged to consolidated income statement	46	69	115
Currency translation differences	-	12	12
End of financial year	386	1,288	1,674
2024			
Beginning of financial year	307	896	1,203
Charged to consolidated income statement	33	322	355
Currency translation differences	-	(11)	(11)
End of financial year	340	1,207	1,547
The Company			
2025			
Beginning of financial year	-	864	864
Charged to income statement	-	112	112
End of financial year	-	976	976
2024			
Beginning of financial year	-	543	543
Charged to income statement	-	321	321
End of financial year	-	864	864

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

30. Share capital and treasury shares

The Group and The Company	Issued number of shares		Total share capital	
	Share capital '000	Treasury shares '000	Share capital US\$'000	Treasury shares US\$'000
2025				
At 1 January 2025 and 31 December 2025	905,788	(946)	72,648	(70)
2024				
At 1 January 2024 and 31 December 2024	905,788	(946)	72,648	(70)

(a) All issued ordinary shares are fully paid and do not have a par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Share options

The Serial System Employee Share Option Scheme 2024 (the "2024 Share Option Scheme") was approved by the shareholders at the annual general meeting of the Company held on 30 April 2024. It replaced the previous Serial System Employee Share Option Scheme 2014 (the "2014 Share Option Scheme"), which expired on 25 April 2024. Any share options granted and accepted under the 2014 Share Option Scheme have been fully exercised upon expiry of the 2014 Share Option Scheme on 25 April 2024.

Under the 2024 Share Option Scheme, share options are granted to the following persons at the absolute discretion of the 2024 Share Option Scheme's committee (the "Committee"):

- (i) confirmed full-time employees of the Company and its subsidiaries who have attained the age of 21 years on or before the date of grant of the share options;
- (ii) executive directors of the Company;
- (iii) non-executive directors of the Company; and
- (iv) employees who qualify under sub-paragraph (i) above and are seconded to an associated company or a company outside the Group in which the Company and/or Group has an equity interest, and who, in the absolute discretion of the Committee are selected to participate in the 2024 Share Option Scheme.

For the purpose of paragraph (iv) above, the secondment of an employee to another company shall not be regarded as a break in his/her employment or his/her having ceased employment as a full-time employee of the Group by reason only of such secondment.

For non-incentive share options, the exercise price of the granted share options is to be determined by the Committee, in its absolute discretion, at a price equal to the average of the last dealt prices for ordinary share of the Company determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited ("SGX-ST") for a period of five consecutive trading days ("Market Price") immediately prior to the date of offer of the share options.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

30. Share capital and treasury shares (continued)

(b) Share options (continued)

For incentive share options, share options are granted at a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price.

The share options are vested upon acceptance not later than 30 days after the date of grant of the share options. For non-incentive share options, once vested, they are exercisable at any time after the first year to the tenth year from the date of grant of the share options, and for non-executive directors of the Company, after the first year to the fifth year from the date of grant of the share options, or such other terms determined by the Committee or prescribed under any relevant law, regulation or rule of the SGX-ST from time to time. For incentive share options, once vested, they are exercisable at any time after the second year to the tenth year from the date of grant of the share options, and for non-executive directors of the Company, after the second year to the fifth year from the date of grant of the share options, or such other terms determined by the Committee or prescribed under any relevant law, regulation or rule of the SGX-ST from time to time.

No share options were granted during the financial years ended 31 December 2025 and 31 December 2024.

31. Reserves

The Company	Capital reserve US\$'000
2025	
At 1 January 2025 and 31 December 2025	518
2024	
At 1 January 2024 and 31 December 2024	518

The movements in the reserves of the Group are set out in the Consolidated Statement of Changes in Equity.

(a) Capital reserve

Capital reserve represents share of capital reserve of associated companies of the Group and the Company's repurchase of its ordinary shares in the open market in preceding financial years.

(b) Defined benefit plans reserve

Defined benefit plans reserve represents movements in the net defined benefit plans liabilities or assets resulting from remeasurements at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

31. Reserves (continued)

(c) Fair value reserve

Fair value reserve represents the cumulative fair value changes of financial assets, at fair value through other comprehensive income

(d) Revaluation reserve

Revaluation reserve represents increases in the fair value of investment properties, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(e) Other reserve

Other reserve represents the equity recognised on differences between the amount by which the non-controlling interests are adjusted and the fair value of any consideration paid or received, and attributes to the Group when the proportion of the equity held by non-controlling interests changes.

32. Currency translation reserve

The movements in the currency translation reserve of the Group are set out in the Consolidated Statement of Changes in Equity.

33. Retained earnings

(a) As at the reporting date, included in the Group's retained earnings of US\$52,370,000 (2024: US\$50,077,000) are legal reserves amounting to US\$1,200,000 (2024: US\$1,028,000) which are set aside in compliance with local laws of certain overseas subsidiaries and are non-distributable. These legal reserves can only be used upon approval by the relevant authorities, to offset accumulated losses (if any) or increase capital.

(b) The movements in the retained earnings of the Company are as follows:

	The Company	
	2025 US\$'000	2024 US\$'000
Beginning of financial year	23,263	20,950
Total profit	1,221	2,313
End of financial year	24,484	23,263

The movements in the retained earnings of the Group are set out in the Consolidated Statement of Changes in Equity.

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For The Financial Year Ended 31 December 2025

34. Non-controlling interests

	The Group	
	2025 US\$'000	2024 US\$'000
Beginning of financial year	6,091	7,098
Share of results of subsidiaries	456	(820)
Share of currency translation differences	119	432
	575	(388)
Acquisition of additional interests in subsidiaries from non-controlling interests [Note 34(a), Note 34(b) and Note 34(g)]	32	(1,226)
Investments in subsidiaries by non-controlling interests [Note 34(h) and Note 34(i)]	-	80
Fair value accounting for Investment in subsidiaries by non-controlling interests [Note 34(f)]	-	1,128
Dividend paid to non-controlling interests	(284)	(601)
Disposal of a subsidiary [Note 34(c)]	60	-
Closure of subsidiaries [Note 34(d) and Note 34(e)]	(126)	-
End of financial year	6,348	6,091

- (a) On 21 May 2025, the Group increased its equity interest in Serial Consulting Co., Ltd from 97.3% to 98.8% by acquiring an additional 1.5% equity interest from the non-controlling interest for a cash consideration of THB 200,000 (US\$6,000). The difference between the fair value of the consideration and non-controlling interest's adjustments amounting to US\$272 was recorded in "other reserve" in the Group's statement of financial position [Note 20(b)(i)].
- (b) On 27 August 2025, the Group increased its equity interest in CSS Medisys Pte. Ltd. from 81.8% to 100.0% by acquiring the remaining 18.2% equity interest from the non-controlling interest for a cash consideration of S\$1.00 (US\$0.78). The difference between the fair value of the consideration and non-controlling interest's adjustments amounting to (US\$38,000) was recorded in "other reserve" in the Group's statement of financial position [Note 20(b)(ii)].
- (c) On 10 September 2025, the Group disposed 90.0% equity interest in its 23.8%-owned subsidiary, Nokivi Pte. Ltd. to non-controlling interests of its holding company, Nokivi Holdings Pte. Ltd. for a cash consideration of S\$300 (US\$233). The non-controlling interests holds 90.0% equity interest in Nokivi Pte. Ltd. after the acquisition [Note 20(c)(ii)].
- (d) During the financial year, the Group struck off its wholly-owned subsidiary, Serial Electronics Investment Limited and 91.0%-owned subsidiary, XIN Holdings International Limited. Serial Electronics Investment Limited's non-controlling interest held 9.0% in XIN Holdings International Limited [Note 20(c)(i)].
- (e) On 21 December 2025, the Group struck off its 42.7%-owned subsidiary, Achieva Tech Allianz Pte. Ltd. The non-controlling interest held 45.0% equity interest in Achieva Tech Allianz Pte. Ltd [Note 20(c)(iii)].
- (f) On 14 June 2024, the Company undertook a reverse takeover via a share swap of the Group's 100% equity interest in Achieva Technology Sdn. Bhd. and 49.0% equity interest in Achieva Digital (Thailand) Company Limited for a 77.64% equity interest in Serial Achieva Limited. The non-controlling interests hold 22.36% in Serial Achieva Limited after the reverse takeover [Note 20(a)(i)].

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

34. Non-controlling interests (continued)

- (g) On 22 May 2024, the Group increased its equity interest in UniSerial Electronics Limited from 51.0% to 100.0% by acquiring the remaining 49.0% equity interest from the non-controlling interest for a cash consideration of US\$1,154,000. The difference between the fair value of the consideration and non-controlling interest's adjustments amounting to US\$72,000 was recorded in "other reserve" in the Group's statement of financial position [Note 20(b)(iii)].
- (h) On 14 June 2024, the non-controlling interest subscribed for a 51.0% equity interest in Achieva Digital (Thailand) Company Limited, a newly incorporated Thailand company for a cash consideration of US\$14,000 [Note 20(a)(i)].
- (i) On 17 September 2024, the non-controlling interest subscribed for a 45.0% equity interest in Achieva Tech Allianz Pte Ltd, a newly-incorporated Singapore company for a cash consideration of S\$90,000 (US\$66,000) [Note 20(d)(iv)].

35. Dividends

At the forthcoming Annual General Meeting on 30 April 2026, a one-tier tax-exempt final cash dividend of 0.11 Singapore cent (0.09 US cent) per share will be recommended for approval by shareholders of the Company. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2026, subject to shareholders' approval at the forthcoming Annual General Meeting on 30 April 2026.

No dividends were paid during the financial year ended 31 December 2024.

36. Contingencies and commitments

- (a) Guarantees

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Unsecured guarantees provided by the Company for/to:				
- banking facilities of subsidiaries	-	-	147,691	131,429
- suppliers of subsidiaries	-	-	40,040	21,231
Unsecured bank guarantees provided by subsidiaries to suppliers of subsidiaries	155	148	-	-
	155	148	187,731	152,660

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

36. Contingencies and commitments (continued)

(b) Operating lease commitments - where the Group is a lessor

The Group leases out certain investment properties to an associated company and third parties under non-cancellable operating leases [Note 27(b)]. These leases have varying terms and renewal rights but no purchase option clauses.

As at the reporting date, undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	The Group	
	2025 US\$'000	2024 US\$'000
Within one year	330	140
Between two to five years	140	-

37. Financial risk management

The Group's activities expose it to a variety of market risks (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The directors of the Company provide guidelines for overall risk management. Management reviews and agrees on policies for managing the various financial risks.

Financial assets and financial liabilities

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Financial assets at amortised cost:				
Cash and bank balances	37,468	38,312	410	771
Trade and other receivables, loans and other receivables	193,517	174,006	63,394	65,084
Finance lease receivables	18,195	-	-	-
Deposits	1,434	1,476	-	-
	250,614	213,794	63,804	65,855
Financial liabilities at amortised cost:				
Borrowings	205,002	171,954	6,231	9,573
Trade and other payables	108,790	104,440	25,604	24,983
	313,792	276,394	31,835	34,556

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(a) Market risk

(i) Currency risk

Currency risk arises from transactions denominated in currencies other than the respective functional currencies of the entities in the Group.

The Group's businesses conduct the majority of their sale and purchase transactions in the same currency, mainly United States Dollar (US\$). The Group monitors its foreign currency exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases.

In addition, the Group operates internationally and is exposed to currency translation risk arising from various currency exposures, primarily with respect to the Singapore Dollar (S\$), Korean Won (KRW), Hong Kong Dollar (HK\$), Chinese Renminbi (RMB), New Taiwan Dollar (NT\$), Malaysian Ringgit (MYR), Thailand Baht (THB) and Japanese Yen (JPY). Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investments in foreign operations are denominated in a currency that is not the entity's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

- (a) Market risk (continued)
- (i) Currency risk (continued)

The Group's currency exposure is as follows:

	United States Dollar	Singapore Dollar	Korean Won	Hong Kong Dollar	Chinese Renminbi	New Taiwan Dollar	Malaysian Ringgit	Thailand Baht	Japanese Yen	Others	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group											
2025											
Financial assets											
Cash and cash equivalents and financial assets, at fair value through profit or loss	40,702	6,447	1,349	474	4,640	2,537	4,095	3,629	334	427	64,634
Trade and other receivables	100,806	2,526	5,571	1	48,176	2,216	9,876	22,128	1,404	813	193,517
Finance lease receivables	-	-	-	-	-	-	18,195	-	-	-	18,195
Other financial assets	16	223	119	47	101	794	76	9	34	15	1,434
	141,524	9,196	7,039	522	52,917	5,547	32,242	25,766	1,772	1,255	277,780
Financial liabilities											
Borrowings	(124,800)	(10,952)	(8,124)	(2,995)	(21,581)	(11,209)	(25,103)	(211)	(3)	(24)	(205,002)
Trade and other payables	(91,579)	(3,446)	(552)	(919)	(4,257)	(1,763)	(2,802)	(2,243)	(996)	(266)	(108,823)
	(216,379)	(14,398)	(8,676)	(3,914)	(25,838)	(12,972)	(27,905)	(2,454)	(999)	(290)	(313,825)
Net financial assets/(liabilities)	(74,855)	(5,202)	(1,637)	(3,392)	27,079	(7,425)	4,337	23,312	773	965	(36,045)
Add/Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	3,522	(562)	2,814	3,588	(122,417)	8,323	(4,301)	(10,285)	(786)	82	(120,022)
Currency exposure	(71,333)	(5,764)	1,177	196	(95,338)	898	36	13,027	(13)	1,047	(156,067)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows:

	United States Dollar US\$'000	Singapore Dollar US\$'000	Korean Won US\$'000	Hong Kong Dollar US\$'000	Chinese Renminbi US\$'000	New Taiwan Dollar US\$'000	Malaysian Ringgit US\$'000	Thailand Baht US\$'000	Japanese Yen US\$'000	Others US\$'000	Total US\$'000
The Group											
2024											
Financial assets											
Cash and cash equivalents and financial assets, at fair value through profit or loss	47,164	7,408	1,002	534	4,789	2,405	2,104	2,549	235	171	68,361
Trade and other receivables	97,468	2,094	6,146	1	33,621	2,070	6,068	23,400	1,994	1,157	174,019
Other financial assets	44	205	217	48	84	742	66	20	34	16	1,476
	144,676	9,707	7,365	583	38,494	5,217	8,238	25,969	2,263	1,344	243,856
Financial liabilities											
Borrowings	(109,154)	(15,222)	(6,676)	(2,998)	(19,282)	(12,420)	(6,100)	(54)	(39)	(9)	(171,954)
Trade and other payables	(57,438)	(3,605)	(479)	(17)	(13,102)	(2,400)	(25,097)	(1,259)	(707)	(336)	(104,440)
	(166,592)	(18,827)	(7,155)	(3,015)	(32,384)	(14,820)	(31,197)	(1,313)	(746)	(345)	(276,394)
Net financial assets/(liabilities)	(21,916)	(9,120)	210	(2,432)	6,110	(9,603)	(22,959)	24,656	1,517	999	(32,538)
Add/Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(9,860)	(1,191)	690	3,143	(74,509)	9,756	23,887	(15,709)	(1,470)	137	(65,126)
Currency exposure	(31,776)	(10,311)	900	711	(68,399)	153	928	8,947	47	1,136	(97,664)

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For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure is as follows:

The Company	United States Dollar US\$'000	Singapore Dollar US\$'000	Hong Kong Dollar US\$'000	Thailand Baht US\$'000	New Taiwan Dollar US\$'000	Total US\$'000
2025						
Financial assets						
Cash and cash equivalents	207	113	-	1	89	410
Trade and other receivables	32,087	12,001	-	3,565	-	47,653
Loans and other receivables	8,411	287	1,283	5,760	-	15,741
	40,705	12,401	1,283	9,326	89	63,804
Financial liabilities						
Borrowings	-	(6,231)	-	-	-	(6,231)
Trade and other payables	(14,623)	(10,981)	-	-	-	(25,604)
	(14,623)	(17,212)	-	-	-	(31,835)
Net financial assets/(liabilities)	26,082	(4,811)	1,283	9,326	89	31,969
Less: Net financial assets denominated in the Company's functional currency	(26,082)	-	-	-	-	(26,082)
Currency exposure	-	(4,811)	1,283	9,326	89	5,887
2024						
Financial assets						
Cash and cash equivalents	368	316	-	1	86	771
Trade and other receivables	26,228	7,902	-	3,178	-	37,308
Loans and other receivables	16,409	4,186	1,283	5,898	-	27,776
	43,005	12,404	1,283	9,077	86	65,855
Financial liabilities						
Borrowings	-	(9,573)	-	-	-	(9,573)
Trade and other payables	(14,165)	(10,818)	-	-	-	(24,983)
	(14,165)	(20,391)	-	-	-	(34,556)
Net financial assets/(liabilities)	28,840	(7,987)	1,283	9,077	86	31,299
Less: Net financial assets denominated in the Company's functional currency	(28,840)	-	-	-	-	(28,840)
Currency exposure	-	(7,987)	1,283	9,077	86	2,459

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the foreign currencies strengthen/weaken against the United States Dollar by the following percentages:

	The Group	
	2025	2024
	%	%
Singapore Dollar	5	5
Korean Won	5	5
Hong Kong Dollar	1	1
Chinese Renminbi	5	5
New Taiwan Dollar	5	5
Malaysian Ringgit	10	10
Thailand Baht	10	10
Japanese Yen	5	5

with all other variables including the tax rate being held constant, the effects arising from the net financial asset/(liability) position will be as follows:

The Group	2025		2024	
	Profit after income tax Increase/ (Decrease) US\$'000	Equity Increase/ (Decrease) US\$'000	Profit after income tax Increase/ (Decrease) US\$'000	Equity Increase/ (Decrease) US\$'000
Singapore Dollar				
- strengthened	(229)	28	(458)	60
- weakened	229	(28)	458	(60)
Korean Won				
- strengthened	47	(141)	40	(35)
- weakened	(47)	141	(40)	35
Hong Kong Dollar				
- strengthened	2	(36)	6	(31)
- weakened	(2)	36	(6)	31
Chinese Renminbi				
- strengthened	(3,794)	6,121	(3,039)	3,725
- weakened	3,794	(6,121)	3,039	(3,725)
New Taiwan Dollar				
- strengthened	36	(416)	7	(488)
- weakened	(36)	416	(7)	488
Malaysian Ringgit				
- strengthened	3	430	82	(2,389)
- weakened	(3)	(430)	(82)	2,389
Thailand Baht				
- strengthened	1,037	1,029	795	1,571
- weakened	(1,037)	(1,029)	(795)	(1,571)
Japanese Yen				
- strengthened	(1)	39	2	74
- weakened	1	(39)	(2)	(74)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	Profit after income tax Increase/ (Decrease)	Profit after income tax Increase/ (Decrease)
	2025 US\$'000	2024 US\$'000
The Company		
Singapore Dollar		
- strengthened	(200)	(331)
- weakened	200	331
Hong Kong Dollar		
- strengthened	11	11
- weakened	(11)	(11)
Thailand Baht		
- strengthened	774	753
- weakened	(774)	(753)
New Taiwan Dollar		
- strengthened	4	4
- weakened	(4)	(4)

(ii) Price risk

The Group is exposed to market risk of its listed equity securities which are classified on the Group's statement of financial position as financial assets, at fair value through profit or loss (Note 14). These investments are not hedged.

If prices for listed equity securities increase/decrease by 10% (2024: 10%), with all other variables including tax rate being held constant, the profit after income tax will increase/decrease by:

	Profit after income tax 2025 US\$'000	Profit after income tax 2024 US\$'000
	The Group	
Financial assets, at fair value through profit or loss		
Listed equity securities:		
Singapore	35	15
South Korea	86	82
Taiwan	55	61

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risk mainly arises from bank borrowings and various trade and loan financing facilities. These facilities are from reputable banks and financial institutions with favourable interest rates available in the market. The Group has funds that are placed with reputable banks and financial institutions. The interest rates of these funds are at prevailing rates.

For the Group's borrowings at variable rates on which effective hedges have not been entered into, if the interest rates increase/decrease by 1% (2024: 1%) with all other variables including the tax rate being held constant, the profit after income tax will decrease/increase by approximately US\$1,316,000 (2024: US\$1,410,000) as a result of higher/lower interest expense on these borrowings.

The table below set out the Group's and the Company's exposure to interest rate risks. Included in the table are the financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	← Variable rates →			← Fixed rates →			Non-interest bearing	Total
	Less than 6 months	6 to 12 months	1 to 5 years	Less than 6 months	6 to 12 months	1 to 5 years		
The Group	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2025								
Financial assets								
Cash and cash equivalents	-	-	-	1,504	-	-	35,964	37,468
Trade and other receivables	15,315	-	-	247	-	-	177,955	193,517
Financial assets, at fair value through profit or loss	-	-	-	-	-	-	27,166	27,166
Finance lease receivables	-	-	-	3,058	3,203	11,934	-	18,195
Other financial assets	-	-	-	-	-	701	733	1,434
	15,315	-	-	4,809	3,203	12,635	241,818	277,780
Financial liabilities								
Borrowings	165,509	50	9,338	11,504	4,999	13,602	-	205,002
Trade and other payables	-	-	-	-	1,020	-	107,803	108,823
	165,509	50	9,338	11,504	6,019	13,602	107,803	313,825

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

	← Variable rates →			← Fixed rates →			Non-interest bearing	Total
	Less than 6 months	6 to 12 months	1 to 5 years	Less than 6 months	6 to 12 months	1 to 5 years		
The Group	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2024								
Financial assets								
Cash and cash equivalents	-	-	-	994	9	-	37,309	38,312
Trade and other receivables	21,353	-	-	1,506	-	-	151,160	174,019
Financial assets, at fair value through profit or loss	-	-	-	-	-	-	30,049	30,049
Other financial assets	-	-	-	-	-	642	834	1,476
	21,353	-	-	2,500	9	642	219,352	243,856
Financial liabilities								
Borrowings	154,024	4,355	1,174	5,052	5,308	2,041	-	171,954
Trade and other payables	-	-	-	-	1,013	-	103,427	104,440
	154,024	4,355	1,174	5,052	6,321	2,041	103,427	276,394

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

	← Variable rates →			← Fixed rates →			Non-interest bearing	Total
	Less than 6 months	6 to 12 months	1 to 5 years	Less than 6 months	6 to 12 months	1 to 5 years		
The Company	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2025								
Financial assets								
Cash and cash equivalents	-	-	-	1	-	-	409	410
Trade and other receivables	-	5,945	-	-	-	-	41,708	47,653
Loans and other receivables	-	-	9,436	-	-	6,305	-	15,741
	-	5,945	9,436	1	-	6,305	42,117	63,804
Financial liabilities								
Borrowings	-	-	6,231	-	-	-	-	6,231
Trade and other payables	-	4,928	13,888	-	1,020	-	5,768	25,604
	-	4,928	20,119	-	1,020	-	5,768	31,835
2024								
Financial assets								
Cash and cash equivalents	-	-	-	1	-	-	770	771
Trade and other receivables	-	5,366	-	-	-	-	31,942	37,308
Loans and other receivables	-	-	15,206	-	-	5,876	6,694	27,776
	-	5,366	15,206	1	-	5,876	39,406	65,855
Financial liabilities								
Borrowings	5,891	-	-	3,682	-	-	-	9,573
Trade and other payables	-	671	14,364	-	1,013	-	8,935	24,983
	5,891	671	14,364	3,682	1,013	-	8,935	34,556

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's and Company's major classes of financial assets are cash and cash equivalents, trade and other receivables, and loans and other receivables.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who are internationally dispersed. Due to these factors, management believes that no additional credit risk beyond the amount of allowance for impairment made is inherent in the Group's trade receivables. As at the reporting date, the Group's trade receivables comprised six debtors (2024: six debtors) that individually represented 2.3% to 5.6% (2024: 2.0% to 7.8%) of the Group's total trade receivables.

Credit exposure to an individual counterparty is restricted by credit limit that is approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective heads of operation and finance department and at the Group level by the corporate finance and management team.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as disclosed in the financial statements and as follows:

- (i) The Group does not hold any collaterals or other credit enhancements to cover its credit risk associated with its financial assets, except that the credit risk associated with trade receivables amounting to US\$5,708,000 (2024: US\$2,060,000) is mitigated because these are secured by personal guarantee. Trade receivables amounting to US\$3,884,000 (2024: US\$2,060,000) are further secured by properties with fair value estimated to be US\$14,509,000 (2024: US\$14,396,000). The Group is not permitted to sell or repledge the properties in the absence of default.
- (ii) The Group purchased credit insurance to reduce credit risk from extension of credit to the majority of its customers in the electronic components distribution business and certain customers in the consumer products distribution business.

The credit risk for trade receivables is as follows:

	The Group	
	2025	2024
	US\$'000	US\$'000
By geographical areas:		
Southeast Asia and India	45,900	59,504
Hong Kong	61,727	46,736
China	57,703	43,560
South Korea	7,708	7,065
Taiwan	7,455	7,333
Japan	1,357	2,016
	181,850	166,214

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(b) Credit risk (continued)

Credit risk grading guideline

The internal credit risk grading which is used to report the Group's credit risk exposure to key management personnel for credit risk management purposes is as follows:

Internal rating grade	Definition	Basis of recognition of expected credit loss
(i) Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month expected credit loss
(ii) Under-performing	There has been a significant increase in credit risk since initial recognition (i.e. interest and/or principal repayment are more than 30 days to 90 days past due)	Lifetime expected credit loss (not credit impaired)
(iii) Non-performing	There is evidence indicating that the asset is credit impaired (i.e. interest and/or principal repayment are more than 90 days to 180 days past due)	Lifetime expected credit loss (credit impaired)
(iv) Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty (i.e. interest and/or principal repayment are more than 180 days past due)	Asset is written off

The Group has no under-performing and non-performing financial assets except as disclosed in the financial statements.

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk rating rates are presented as follows:

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit rating of the counterparties. Cash and cash equivalents are placed with bank and financial institution counterparties, assessed as low credit risk and rated Ba1 to Aa1, based on rating agencies' ratings. The amount of impairment allowance on cash and cash equivalents is immaterial. The gross and net carrying amount of cash and cash equivalents are disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables

For trade receivables, the Group adopts the policy of dealing with customers of good financial standing and good credit rating based on in-house credit assessments performed in accordance to corporate credit policies and procedures and if available, professional credit reports and sufficient security are obtained, where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with good credit quality counterparties.

The Group applies the SFRS(I) 9 simplified approach to measure expected credit losses which uses a lifetime expected credit loss allowance for trade receivables carried at amortised cost. The expected credit loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the unemployment rate of the countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical credit loss rates based on expected changes in this factor.

As at the reporting date, the loss allowance for trade receivables carried at amortised cost was determined as follows:

	Lifetime expected credit loss rate %	Gross carrying amount US\$'000	Lifetime expected credit losses US\$'000	Net carrying amount US\$'000
The Group				
2025				
Current	0.17	139,959	(242)	139,717
Past due:				
1 to 30 days	0.25	26,534	(66)	26,468
31 to 60 days	0.93	2,787	(26)	2,761
Over 61 days	43.70	22,920	(10,016)	12,904
		192,200	(10,350)	181,850
2024				
Current	0.17	125,490	(217)	125,273
Past due:				
1 to 30 days	0.40	28,249	(114)	28,135
31 to 60 days	0.77	4,140	(32)	4,108
Over 61 days	49.50	17,225	(8,527)	8,698
		175,104	(8,890)	166,214

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there are no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables (continued)

Loss allowance on trade receivables is presented as net loss allowance. Subsequent recovery of amounts previously written off is credited against the same line item.

The movements in the loss allowance on trade receivables are as follows:

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Beginning of financial year	8,890	10,607	19	21
Loss allowance made/(reversal of loss allowance made) (Note 6)	1,268	995	4	(2)
Impairment written off	(103)	(2,800)	-	-
Currency translation differences	295	88	-	-
End of financial year (Note 12)	10,350	8,890	23	19

Other receivables

For other receivables and loans and other receivables, the Group and the Company categorised them as performing debts where the counterparties have a low risk of default and do not have any past-due amounts. The loss allowance is measured at an amount equal to 12-month expected credit loss which reflects the low credit risk of the exposures, except for an amount of US\$7,614,000 (2024: US\$6,005,000) of the Group and an amount of US\$5,393,000 (2024: US\$5,072,000) of the Company which are measured on lifetime expected credit loss in line with the significant change in the credit risk of the debtors. The gross and net carrying amount of other receivables, and loans and other receivables are set out in Note 12 and Note 17 respectively to the financial statements.

The movements in the loss allowance on other receivables and loans and other receivables are as follows:

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Beginning of financial year	6,005	5,870	5,072	4,881
Loss allowance made (Note 6)	1,358	65	321	191
Impairment written off	-	(6)	-	-
Currency translation differences	251	76	-	-
End of financial year (Note 12 and Note 17)	7,614	6,005	5,393	5,072

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount US\$'000	Cash flow		
		Contractual cash flow US\$'000	Less than 1 year US\$'000	1 to 5 years US\$'000
The Group				
2025				
Trade and other payables	108,823	108,823	108,823	-
Borrowings	205,002	207,378	184,830	22,548
Financial guarantee contracts [Note 36(a)]	-	155	155	-
	313,825	316,356	293,808	22,548
2024				
Trade and other payables	104,440	104,440	104,440	-
Borrowings	171,954	173,839	170,843	2,996
Financial guarantee contracts [Note 36(a)]	-	148	148	-
	276,394	278,427	275,431	2,996
The Company				
2025				
Trade and other payables	25,032	28,614	13,004	15,610
Borrowings	6,231	6,503	192	6,311
Financial guarantee contracts [Note 25 and 36(a)]	572	187,731	187,731	-
	31,835	222,848	200,927	21,921
2024				
Trade and other payables	24,469	27,017	11,636	15,381
Borrowings	9,573	9,764	9,764	-
Financial guarantee contracts [Note 25 and 36(a)]	514	152,660	152,660	-
	34,556	189,441	174,060	15,381

Liquidity risk is managed while maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

37. Financial risk management (continued)

(c) Liquidity risk (continued)

As at the reporting date, the Group had at its disposal cash and cash equivalents amounting to US\$36,199,000 (2024: US\$38,312,000) (Note 11).

The amount included for financial guarantee contracts is the maximum amount the Group and the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparties to the guarantees. Based on expectations as at the reporting date, the Group and the Company consider that it is unlikely that such an amount will be payable under the arrangement. However, this estimate is subjected to change depending on the probability of the counterparties claiming under the guarantees which is a function of the likelihood that the financial receivables held by the counterparties which are guaranteed suffer credit losses.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a net gearing ratio. Management's strategy, which was unchanged for the financial year ended 31 December 2025, is to maintain a net gearing ratio not exceeding 150% (2024: 150%) for the Group and the Company.

The net gearing ratio calculated as net debts divided by total equity is as follows:

	The Group		The Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Total borrowings	205,002	171,954	6,231	9,573
Less: Cash and cash equivalents	(37,468)	(38,312)	(410)	(771)
Net debts	167,534	133,642	5,821	8,802
Total equity	139,265	133,389	97,580	96,359
Net gearing ratio	120.3	100.2%	6.0%	9.1%

As disclosed in Note 33(a), certain overseas subsidiaries of the Group are required to contribute and maintain a non-distributable reserve fund whose utilisation is subject to approval by the relevant authorities. The Group was in compliance with all externally imposed capital requirements for the financial years ended 31 December 2025 and 31 December 2024, except as disclosed in Note 26(e) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

38. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets measured at fair value

The following table presents the assets measured at fair value as at the reporting date:

The Group	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	US\$'000
2025				
Recurring fair value measurements				
Financial assets				
Financial assets, at fair value through profit or loss:				
Listed equity securities	1,759	-	-	1,759
Unlisted equity securities [Note 38(b)(i) and Note 38(b)(ii)]	-	-	13,421	13,421
Preference shares [Note 38(b)(iii) and Note 38(b)(iv)]	-	-	6,959	6,959
Trade receivables [Note 38(b)(iv)]	-	-	5,027	5,027
	1,759	-	25,407	27,166
Non-financial assets				
Investment properties [Note 38(b)(iv)]	-	4,708	5,156	9,864

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

38. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value (continued)

The following table presents the assets measured at fair value as at the reporting date: (continued)

The Group	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	US\$'000
2024				
Recurring fair value measurements				
Financial assets				
Financial assets, at fair value through profit or loss:				
Listed equity securities	1,571	-	-	1,571
Unlisted equity securities [Note 38(b)(ii)]	-	-	12,104	12,104
Preference shares [Note 38(b)(iii) and Note 38(b)(iv)]	-	-	6,684	6,684
Trade receivables [Note 38(b)(iv)]	-	-	9,676	9,676
Derivative financial instruments:				
Foreign exchange forward contracts	-	14	-	14
	1,571	14	28,464	30,049
Non-financial assets:				
Investment properties	-	6,463	-	6,463

Level 1 fair value measurements

The fair value of listed equity securities traded in active markets is based on quoted market prices as at the reporting date. The quoted market prices used for the listed equity securities held by the Group are the closing prices as at the reporting date.

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

Derivative financial instruments

The fair value of foreign exchange forward contracts that are not traded in an active market is determined using forward market exchange rates as at the reporting date.

Investment properties

The valuation of investment properties is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

38. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value (continued)

Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements:

2025

Valuation techniques and key inputs	Significant unobservable inputs	Rates		Relationship of unobservable inputs to fair value
		2025	2024	
(i) Precedent transaction analysis Unlisted equity security - Cayman Islands	By reference to recent subscription of new ordinary shares at an average price of US\$2.70 per share, with adjustments to account for control and marketability	-	-	The higher the recent subscription prices, the higher the fair value.
(ii) Discounted cash flow (Note 1) Unlisted equity securities - Singapore - Cayman Islands - Thailand	Long-term revenue growth rate in 5 years' forecast	83.0%	82.0%	The higher the revenue growth rate, the higher the fair value.
	Long-term pre-tax operating margin in 5th year	23.8%	26.0%	The higher the pre-tax operating margin, the higher the fair value.
	Weighted average cost of capital, determined using a Capital Asset Pricing Model	12.9%	12.5%	The higher the weighted average cost of capital, the lower the fair value.
	Discount rate for lack of marketability, determined by reference to the share price of listed entities in similar industries	20.4%	17.3%	The higher the discount rate, the lower the fair value.
(iii) Discounted cash flow (Note 2) Preference shares in Singapore third-party entities	Long-term revenue growth rate in 5 years' forecast	73.0%	74.0%	The higher the revenue growth rate, the higher the fair value.
	Long-term pre-tax operating margin in 5th year	17.0%	29.0%	The higher the pre-tax operating margin, the higher the fair value.
	Weighted average cost of capital, determined using a Capital Asset Pricing Model	9.3%	10.7%	The higher the weighted average cost of capital, the lower the fair value.
	Discount rate for lack of marketability, determined by reference to the share price of listed entities in similar industries	20.4%	17.3%	The higher the discount rate, the lower the fair value.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

38. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value (continued)

Level 3 fair value measurements (continued)

Valuation techniques and key inputs	Significant unobservable inputs	Rates		Relationship of unobservable inputs to fair value
		2025	2024	
(iv) Income approach				
Preference shares in Thailand third-party entity	Expected future dividend based on total profits after tax derived from the underlying projects	-	-	The higher the profits with estimated net margins of about 15% to 25% from the underlying projects, the higher the fair value.
Trade receivables	Expected factoring charges to be received by the banks for the factoring arrangements upon maturity	-	-	The higher the factoring charges, the lower the fair value.
Investment property	Expected rental earned from investment property	-	-	The higher the rental earned the higher the fair value.

Note 1: If the unobservable input (weighted average cost of capital) applied to the valuation models were higher/lower by 2% with all other variables including the tax rate being held constant, the carrying amount of the unlisted equity securities would decrease/increase by US\$3,203,000 (2024: US\$2,562,000).

Note 2: If the unobservable input (weighted average cost of capital) applied to the valuation models were higher/lower by 2% (2024: 2%) with all other variables including the tax rate being held constant, the carrying amount of the preference shares would decrease/increase by US\$1,438,000 (2024: US\$962,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

38. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value (continued)

Level 3 fair value measurements (continued)

The movements in Level 3 assets measured at fair value, are as follows:

The Group	Financial assets, at fair value through profit or loss		Investment property
	US\$'000		US\$'000
2025			
At 1 January	28,464		-
Transfer from Level 2	-		4,810
Net decrease	(3,991)		-
Fair value adjustment (Note 5)	(39)		139
Currency translation differences	973		207
At 31 December	25,407		5,156
2024			
At 1 January	17,954		-
Net increase	3,177		-
Fair value adjustments (Note 5)	7,736		-
Currency translation differences	(403)		-
At 31 December	28,464		-

During the financial year, the Group transferred its investment property in Taiwan from Level 2 to Level 3 of the fair value hierarchy, as the valuation incorporated significant unobservable inputs, including comparable market transactions for similar properties and estimates of future rental income to be generated from the investment property.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

38. Fair value of assets and liabilities (continued)

(c) Assets and liabilities not carried at fair value but for which fair values are disclosed

The Group	Quoted prices in active markets for identical instruments	Significant unobservable inputs	Total	Carrying amount
	Level 1 US\$'000	Level 3 US\$'000	US\$'000	US\$'000
2025				
Assets				
Investments in associated companies	2,872	-	2,872	2,802
Financial liabilities				
Borrowings (non-current)	-	22,112	22,112	22,308
2024				
Assets				
Investments in associated companies	2,503	-	2,503	2,752
Financial liabilities				
Borrowings (non-current)	-	2,880	2,880	3,028
The Company				
2025				
Assets				
Investment in an associated company	1,876	-	1,876	1,413
Financial liabilities				
Borrowings (non-current)	-	6,125	6,125	6,231
2024				
Assets				
Investment in an associated company	1,863	-	1,863	1,413

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

38. Fair value of assets and liabilities (continued)

- (c) Assets and liabilities not carried at fair value but for which fair values are disclosed (continued)

The fair values of bank borrowings, lease liabilities and other borrowings are estimated using discounted expected future cash flows at market incremental lending rates for similar-type borrowings or leasing arrangements at the reporting date.

The carrying amount of other financial assets and liabilities with maturity of less than one year at the reporting date, approximates their fair value due to their short-term maturities.

The carrying amount of the non-current loans to and from subsidiaries, which bear interest at prevailing market interest rates (Level 2 fair value measurements), is approximation of fair value.

- (d) Valuation policies and procedures

The Chief Financial Officer ("CFO") oversees the financial reporting valuation process and is responsible for setting and documenting the valuation policies and procedures, including the measurement of Level 3 fair value.

The CFO's team regularly reviews significant unobservable inputs and valuation adjustments. If third party information are used to measure fair value, the team assesses and documents the evidences obtained from third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy the resulting fair value estimates should be classified. The CFO reports to the Audit Committee of the Company for significant valuation issues.

39. Related party transactions

A related party is a person or entity who is related to the entity that is preparing its financial statements ("reporting entity").

Parties are considered to be related if (a) a person or a close member of that person's family is related to a reporting entity, if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity and (b) an entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity; and (viii) the entity or any member of a group of which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

39. Related party transactions (continued)

- (a) Sales and purchases of goods and services and other transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties during the financial year at terms agreed between the parties:

	The Group	
	2025	2024
	US\$'000	US\$'000
With associated companies:		
Sales of goods to an associated company	22	5
Purchases of goods from an associated company	4	4
Rental received from an associated company	69	67
Dividend income received from an associated company	11	21
Interest expense paid to an associated company	73	74
With director and substantial shareholder:		
Service fees paid to an entity associated with a director of the Company	6	-
Service fees paid to an entity associated with an ex-director of the Company ⁽¹⁾	-	7
Interest expense paid to a substantial shareholder of the Company ⁽²⁾	73	188

Sales and purchases of goods and services and other transactions were carried out on commercial terms and conditions as agreed between the parties. As at the reporting date, outstanding balances arising from sales and purchases of goods and services and other transactions, are disclosed in Note 12 and Note 25 respectively.

Notes:

⁽¹⁾ The director ceased to be a director of the Company on 30 April 2024. The service fees were for the period from 1 January 2024 to 30 April 2024.

⁽²⁾ The Company entered into a loan agreement of S\$5,000,000 (US\$3,682,000) with Mr. Goi Seng Hui on 23 May 2024. The loan bore interest at 5.0% per annum and has been fully repaid on 22 May 2025. (Note 26).

- (b) Share options granted/exercised by directors of the Company

There were no share options granted to or exercised by directors of the Company during the financial years ended 31 December 2025 and 31 December 2024. There were no outstanding share options granted to the directors of the Company as at 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

39. Related party transactions (continued)

- (c) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	The Group	
	2025 US\$'000	2024 US\$'000
Salaries and other short-term benefits	2,766	2,529
Post employment benefits contribution to defined contribution plans	195	141
Other long-term benefits	649	641
	3,610	3,311

Included in the above are remuneration (salaries, incentive bonuses, other short-term and long-term benefits, directors' fees) paid/payable to directors of the Company. Fees paid/payable to directors of the Company amounted to US\$330,000 (2024: US\$322,000).

Additional information on the directors' remuneration is disclosed in Note 1 of the Additional Requirements of Singapore Exchange Securities Trading Limited's Listing Manual.

40. Segment information

- (a) Operating segments

Management has determined the operating segments based on the reports reviewed to make strategic decisions. Management considers the business from both a business and geographic segment perspective. The Group has three reportable segments, as described below, which are the Group's strategic business units based on different product ranges targeting at different market channels:

- Electronic components distribution
- Consumer products distribution
- Other businesses

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

40. Segment information (continued)

(a) Operating segments (continued)

Other businesses include hospitality and healthcare solutions, assembly and distribution of medical devices and ethylene oxide sterilization, project financing in the form of leasing, hire purchase, factoring and loan, communications and power line construction, trading and distribution of fast-moving consumer products. Investment holding and trading, and investment holding and rental of investment properties.

The operating segments are formed by aggregating across the results of the Group's entities whose principal activities fall within the same operating segment. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Performance is measured based on sales, gross profit and profit before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer and Chief Financial Officer on a monthly basis. These criteria are used to measure performance as management believes that such information are the most relevant in evaluating the results of each entity within the same operating segment. Inter-segment transactions are determined on an arm's length basis.

Segment assets comprise cash and cash equivalents, trade and other receivables, inventories, financial assets, at fair value through profit or loss, finance lease receivables, other current assets, loans to associated companies and joint venture, investments in associated companies, investment in joint venture, property, plant and equipment, investment properties, intangible assets and other assets. Segment assets exclude deferred income tax assets.

Segment liabilities comprise trade and other payables, borrowings and defined benefit plans liabilities. Segment liabilities exclude current income tax liabilities and deferred income tax liabilities.

Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible assets such as computer software license costs, trademark and know-how.

The investments in associated companies and joint venture, as disclosed in Note 18 and Note 19 to the financial statements, are accounted for by the equity method. The investments and the share of results of the associated companies and joint venture are shown in the respective segments, in line with their principal activities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

40. Segment information (continued)

(a) Operating segments (continued)

The Group	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter- segment eliminations US\$'000	Total US\$'000
2025					
Sales – external	763,344	110,584	8,731	(22,191)	860,468
Operating profit/(loss)	15,465	(2,220)	(196)	-	13,049
Unallocated loss	(7)	-	-	-	(7)
Finance income	147	1,165	1,036	(500)	1,848
Finance expense	(8,181)	(2,184)	(1,322)	500	(11,187)
Share of profit/(loss) of associated companies (after income tax)	81	(61)	-	-	20
Segment results – profit/(loss) before income tax	7,505	(3,300)	(482)	-	3,723
Income tax expense					(974)
Profit after income tax					2,749
Segment assets	396,022	81,711	65,277	(91,387)	451,623
Investments in associated companies	1,590	1,212	-	-	2,802
Deferred income tax assets					1,874
Consolidated total assets					456,299
Segment liabilities	110,186	37,715	52,683	(91,387)	109,197
Borrowings	167,562	25,243	12,197	-	205,002
Current and deferred income tax liabilities					2,835
Consolidated total liabilities					317,034
Cost of inventories	706,657	106,105	3,376	(22,191)	793,947
Cost of services	-	-	98	-	98
Capital expenditure on property, plant and equipment	622	50	477	-	1,149
Capital expenditure on computer software license costs	56	30	19	-	105
Investments in financial assets, at fair value through profit or loss	-	-	657	-	657
Amortisation of computer software license costs	69	9	3	-	81
Amortisation of trademark and know-how	3	-	1	-	4
Depreciation of property, plant and equipment	1,178	213	869	-	2,260
Fair value (gain)/loss on investment properties	255	-	(335)	-	(80)
Fair value gain on financial assets, at fair value through profit or loss	(203)	-	(82)	-	(285)
Fair value gain on derivative financial Investments	(19)	-	-	-	(19)
Gain on sale of financial assets, at fair value through profit or loss	(45)	-	-	-	(45)
Impairment of goodwill arising from acquisition of subsidiary	142	-	-	-	142
Employee benefits expense	26,850	3,147	3,082	-	33,079
Recovery of trade bad debts previously written off	(33)	-	-	-	(33)
Loss allowance/ (reversal of loss allowance) on trade receivables	(48)	(12)	1,328	-	1,268
Loss allowance on non-trade receivables (associated companies)	-	-	1,358	-	1,358

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

40. Segment information (continued)

(a) Operating segments (continued)

The Group	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter-segment eliminations US\$'000	Total US\$'000
2024					
Sales – external	693,800	107,694	7,697	(20,528)	788,663
Operating profit/(loss)	7,177	(3,330)	7,358	-	11,205
Unallocated loss	(7)	-	-	-	(7)
Finance income	833	563	1,654	(1,375)	1,675
Finance expense	(9,736)	(2,032)	(1,818)	1,375	(12,211)
Share of profit of associated companies (after income tax)	44	31	-	-	75
Segment results - profit/(loss) before income tax	(1,689)	(4,768)	7,194	-	737
Income tax expense					(1,041)
Loss after income tax					(304)
Segment assets	354,188	71,582	63,997	(81,915)	407,852
Investments in associated companies	1,446	1,306	-	-	2,752
Deferred income tax assets					1,524
Consolidated total assets					412,128
Segment liabilities	88,846	45,640	52,079	(81,915)	104,650
Borrowings	133,923	22,515	15,516	-	171,954
Current and deferred income tax liabilities					2,135
Consolidated total liabilities					278,739
Cost of inventories	644,554	102,944	3,136	(20,528)	730,106
Cost of services	-	-	64	-	64
Capital expenditure on property, plant and equipment	1,021	150	820	-	1,991
Capital expenditure on computer software license costs	34	-	16	-	50
Investments in financial assets, at fair value through profit or loss	-	-	1,284	-	1,284
Amortisation of computer software license costs	53	-	12	-	65
Amortisation of trademark and know-how	3	-	1	-	4
Depreciation of property, plant and equipment	1,752	223	736	-	2,711
Fair value (gain)/loss on investment properties	105	-	(166)	-	(61)
Fair value (gain)/loss on financial assets, at fair value through profit or loss	33	-	(7,560)	-	(7,527)
Gain on sale of financial assets, at fair value through profit or loss	(165)	-	-	-	(165)
Fair value loss on derivative financial instruments	90	-	-	-	90
Fair value accounting loss on reverse takeover of investment in subsidiaries	-	3,656	-	-	3,656
Employee benefits expense	24,704	2,875	2,867	-	30,446
Recovery of trade bad debts previously written off	(87)	(227)	-	-	(314)
Loss allowance on trade receivables	480	246	269	-	995
Loss allowance on non-trade receivable (associated company)	-	-	65	-	65

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

40. Segment information (continued)

(b) Geographical segments

The geographical segments comprised six broad primary geographic areas, namely: Southeast Asia and India [consisting of Singapore (the home and principal operating country of the Group), Malaysia, Thailand, Philippines, Vietnam, Indonesia and India], Hong Kong, China, South Korea, Taiwan and Japan which reflect the current business process and monitoring in these primary geographic business segments in which the Group operates in.

All geographic locations, except Japan, are engaged in the electronic components distribution business. Consumer products distribution business is located in Southeast Asia and India (comprising mainly Singapore, Malaysia, Thailand, Philippines, Vietnam and Indonesia) and Japan.

Other businesses in Southeast Asia and India (mainly Singapore, Malaysia and Thailand) and Taiwan include hospitality and healthcare solutions, assembly and distribution of medical devices and ethylene oxide sterilization, project financing in the form of leasing, hire purchase, factoring and loan, communications and power line construction, trading and distribution of fast-moving consumer goods, investment holding and trading, and investment holding and rental of investment properties.

Sales are based on the geographical area in which the entities are located. Non-current assets are shown by the geographical area where the assets are located.

	Sales		Non-current assets ⁽¹⁾	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
The Group				
Southeast Asia and India	213,561	228,997	11,945	10,644
Hong Kong	373,207	339,713	2,322	3,141
China	183,303	138,234	11,630	11,828
South Korea	49,061	43,265	3,692	3,800
Taiwan	31,382	32,168	8,891	8,373
Japan	9,954	6,286	9	39
Others	-	-	-	-
Southeast Asia and India - Associated company	-	-	1,212	1,306
Taiwan - Associated company	-	-	1,590	1,446
	860,468	788,663	41,291	40,577

Note:

⁽¹⁾ Non-current assets exclude financial assets, at fair value through profit or loss, finance lease receivables and deferred income tax assets.

(c) Information about major customers

Sales of US\$78,421,000 (2024: US\$57,707,000) during the financial year were derived from two external customers (2024: two external customers). These sales were attributed to the electronic components distribution segment in Hong Kong.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

41. Contingent liabilities

- (a) On 10 October 2024, the Company's wholly-owned subsidiary, Serial Microelectronics Pte Ltd ("SMPL"), received protective tax assessment notices from the Inland Revenue Authority of Singapore ("IRAS") amounting to S\$6,930,000 (US\$5,410,000) comprising S\$1,038,000 (US\$810,000) for the year of assessment 2019 ("YA2019") and S\$5,892,000 (US\$4,600,000) for the year of assessment 2020 ("YA2020") (collectively "Tax Assessments").

The YA2019 tax assessment notice related to the marked-to-market fair value gain of US\$4,454,000 from SMPL's 7.15% equity investment in Unitron Tech Co., Limited ("Unitron"), a South Korea company listed in February 2016 on the Korean Securities Dealers Automated Quotations of the Korean Exchange. SMPL has treated the gain as capital in nature and not trading gain on the grounds that the investment has been held for long-term strategic purposes since March 2004 as a subsidiary till March 2011 and not for trading sale.

The YA2020 tax assessment notice related to a one-off amount of US\$24,274,000 received in connection with the sale of SMPL's Texas Instruments' ("TI") distribution business to an authorised TI distributor. SMPL has treated the amount as capital in nature and not a transaction arising in the ordinary course of business on grounds that SMPL and its subsidiaries had been authorised TI distributors since 1993 and the sale arose from TI's termination of its distributorship with SMPL, which was beyond SMPL's control.

On 25 March 2025, IRAS agreed and accepted SMPL's position that the one-off receipt of US\$24,274,000 is capital in nature and revised the YA2020 tax assessment of S\$5,892,000 (US\$4,600,000). IRAS however maintained its view that the marked-to-market fair value gain of US\$4,454,000 from SMPL's investment in Unitron is on revenue account. Pending further resolution on this and related tax matters, the existing tax assessment for YA2019 of S\$1,038,000 (US\$810,000) stands. SMPL will continue to work together with its tax adviser to provide additional information to resolve the outstanding matter on the marked-to-market fair value gain relating to its investment in Unitron with IRAS.

No provision for the Tax Assessments has been made in the financial statements for the financial years ended 31 December 2024 and 31 December 2025.

- (b) On 14 January 2022, a writ of summons and statement of claim were filed in the High Court of Malaya, Kuala Lumpur, Malaysia ("High Court"), by the Group's subsidiary, Bast Investment Pte. Ltd. ("Bast") (the "Litigation") against the Group's joint venture, Musang Durians Frozen Food (M) Sdn. Bhd. ("MDFF") for the breach of the terms of the shareholder agreement ("Agreement") and sought to recover the outstanding loan amount and unpaid interest totaling MYR15.45 million (US\$3.68 million) (the "Claim"). Bast also sued Dato' John Lee Siew Neng ("Dato' John"), the managing director and 40% shareholder of MDFF, for breach of the personal guarantee clause in the Agreement, to pay the guaranteed amount of MYR7.73 million (US\$1.84 million), being 50% of the Claim. On 11 March 2022, Bast received a statement of defence and counterclaim from MDFF and Dato' John of MYR3.92 million (US\$0.93 million) for alleged outstanding amounts being loss of remuneration and outstanding rental owed by Bast. On 18 September 2024, the High Court delivered judgement in favour of Bast and dismissed the counterclaim from MDFF and Dato' John whereby, amongst others: (i) MDFF is to pay Bast a sum of MYR 15.45 million (US\$3.47 million) being the full amount of the Claim; (ii) Dato' John is to pay a sum of MYR 7.73 million (US\$1.74 million) to Bast; (iii) interest of 5% per annum on the sums adjudged in (i) and (ii) above to be calculated from 1 December 2021 until 18 September 2024 to be paid to Bast by MDFF and/or Dato' John; (iv) interest of 5% per annum on the sums adjudged in (i) and (ii) above to be calculated from 18 September 2024 until the date of full and final settlement of the sums adjudged in (i) and (ii) above to be paid to Bast by MDFF and/or Dato' John; (v) Messrs. Xavier & Koh Partnership to remit a stakeholder sum of MYR 3.0 million (US\$675,000) as settlement of the

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

41. Contingent liabilities (continued)

(b) (continued)

sums adjudged in (i) to Bast within 14 days from 18 September 2024; and (vi) MDFF and Dato' John to jointly pay MYR 110,000 (US\$25,000) being the costs of the court proceedings to Bast. On 20 September 2024, MDFF and Dato' John appealed against the High Court's decision ("Appeal"). The hearing of the Appeal took place on 13 January 2026, and the Court of Appeal of Malaysia, Putrajaya upheld the decision of the High Court. Additionally, MDFF and Dato' John were ordered to jointly pay to Bast, the cost of the proceedings amounting to MYR 50,000 (US\$12,000). On 13 February 2026, MDFF and Dato' John filed a notice of motion for leave to appeal ("Second Appeal") to the Federal Court of Malaysia on the decision delivered by the Court of Appeal of Malaysia, Putrajaya. The hearing of this Second Appeal is fixed on 14 July 2026.

The Group has made full provision for the Claim in financial years ended 31 December 2021 and 31 December 2020. Based on the Group's assessment and after taking into consideration the advice of its lawyers in Malaysia, the Group is confident of success in the Second Appeal. The Group also believes that the defence and counterclaim have no sufficient basis. No contingent assets and no provision for any liability have been made in these financial statements.

(c) On 23 February 2017, the Group received notice that the Securities and Futures Investors Protection Center of Taiwan ("SFIPC") has filed a civil suit against the Company and three of its senior executives amounting to NT\$113.7 million (US\$3.5 million) ("Suit"). The Suit arose due to charges brought by the public prosecutor of New Taipei District Prosecutor Office against the Group's associated company, Bull Will Co., Ltd's former chairman, Peter Ho I-Chin, concerning alleged financial statement fraud.

In June 2021, Bull Will Co., Ltd received the court written judgement of the Suit. According to the court written judgement, the Taiwan Shilin District Court dismissed the Suit on the basis that the alleged charges by SFIPC were without merit and the court's litigation costs were ordered to be borne by SFIPC. SFIPC filed a civil statement appeal on 13 July 2021 and Bull Will Co., Ltd responded to the ground of appeal by SFIPC on 5 November 2021. The Taiwan High Court dismissed the civil statement appeal by SFIPC on 20 August 2025 and SFIPC was ordered to pay the court's litigation costs. On 16 September 2025, SFIPC filed a final appeal to the Supreme Court of Taiwan. On 14 January 2026, the appeal was dismissed by the Supreme Court of Taiwan and its decision is final and conclusive. The court's litigation costs were ordered to be borne by SFIPC.

42. Events occurring after the reporting period

- (a) On 27 February 2026, the Company's 77.6%-owned subsidiary, Serial Achieva Limited acquired 49.0% equity interest in newly-incorporated Achieva Vietson Co., Ltd with an issued and paid-up share capital of US\$100,000, for a total cash consideration of US\$49,000. The Group has one board representation in Achieva Vietson Co., Ltd.
- (b) On 11 March 2026, the Company's 77.64%-owned subsidiary, Serial Achieva Limited, entered into a subscription agreement with UFCT Technology Co., Limited, a Hong Kong-incorporated company, for the subscription of 21,004,873 new ordinary shares in the capital of Serial Achieva Limited at an issue price of S\$0.22 (US\$0.17) per share, for an aggregate consideration of S\$4,621,000 (US\$3,621,000). Upon completion of the issuance of the subscription shares, the Company's equity interest in Serial Achieva Limited will be diluted to 69.09% and UFCT Technology Co., Limited will hold 11.01% equity interest in Serial Achieva Limited. As at the date of this report, the proposed subscription has not been completed.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

43. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors of Serial System Ltd on 8 April 2026.

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S LISTING MANUAL

For The Financial Year Ended 31 December 2025

1. Directors' remuneration

The following information relates to remuneration of directors of the Company during the financial year:

	2025	2024
Number of directors of the Company in remuneration bands:		
S\$1,500,000 to S\$1,749,999	1	1
S\$500,000 to S\$749,999	1	1
S\$250,000 to S\$499,999	1	-
S\$0 to S\$249,999	6	7
Total	9	9

During the financial year ended 31 December 2024, three directors retired on 30 April 2024 and total director fees paid to them amounted to US\$36,000 (S\$48,000).

2. Auditors' remuneration

The following information relates to remuneration of auditors of the Company and the Group during the financial year:

	2025 US\$'000	2024 US\$'000
Audit remuneration paid/payable to:		
Auditors of the Company	269	199
Other auditors who are network firms of auditors of the Company	144	168
Other auditors who are non-network firms of auditors of the Company	61	30
Non-audit-related services paid/payable to:		
Other auditors who are network firms of auditors of the Company	13	5
Other auditors who are non-network firms of auditors of the Company	6	13

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S LISTING MANUAL

For The Financial Year Ended 31 December 2025

3. Risk management

(a) Operational risk

The Group's electronic components distribution, consumer products distribution and other businesses face constant market risks from technology obsolescence, competition, business and market condition changes. As the Group is engaged in a wide range of products and has a good mix of business serving various industries, it is unlikely that there is a significant concentration of risks in any particular area. The Group operates primarily in Singapore, Hong Kong, China, South Korea, Taiwan, Malaysia, Thailand, Philippines, India, Indonesia, Vietnam and Japan. The Group has no reasons to believe these regions/countries are politically unstable. The management team oversees and manages the operations with regular business reviews and meetings with operation executives.

(b) Investment risk

The Group invests to enhance growth as well as for strategic alliances and risk diversifications. The management team and key executives of its subsidiaries constantly review its investment portfolios. The non-executive directors serve as advisers and collectively the board of directors of the Company reviews and approves all material investment decisions. Impairment in investments is constantly reviewed and necessary allowances are made when required.

As in all business acquisitions, there is always an adjustment period before the systems of the new business can be fully integrated into the Group's operations. To minimise disruption and to ensure continuity in the operations of the Group's acquired entities after the acquisitions, the Group takes appropriate steps to ensure minimum disruption to the existing business structure of the acquired entities and that key personnel will continue to be employed by the Group where appropriate.

4. Material contracts

There is no material contract entered into by the Company or any of its subsidiaries involving the interest of the chief executive officer, any director or controlling shareholder of the Company, either still subsisting at the end of the financial year or entered into since the end of the previous financial year, except for a loan agreement dated 23 May 2024 between the Company and Mr. Goi Seng Hui, a substantial shareholder of the Company for an aggregate principal amount of S\$5,000,000 (US\$3,682,000) at an interest rate of 5.0% per annum. The loan of S\$5,000,000 (US\$3,682,000) was fully repaid on 23 May 2025.

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S LISTING MANUAL

For The Financial Year Ended 31 December 2025

5. Investment properties

Major properties of the Group held for investment as at the reporting date were:

Location	Description	Existing use	Tenure	Unexpired term of lease
3rd Floor 8 Ubi View Serial System Building Singapore	1 storey of a 5-storey light industrial building	Commercial	Leasehold	33 years
3rd Floor No.193,195,197,199, Ruei Hu Street, Neihu,Taipei, Taiwan	1 storey of a 5-storey commercial building	Commercial	Freehold	-
5th Floor Room 515, Building B3, Fortune Plaza, No.3 Shihua Road, Futian Free Trade Zone, Futian District, Shenzhen, People's Republic of China	1 unit of a 7-storey commercial building	Commercial	Leasehold	17 years
15th Floor No. 1506, Building 4, 5 Central Times Square, China Railway Lane 299, Jiangchang West Road, Jing'an District, Shanghai, People's Republic of China	1 unit of a 18-storey commercial building	Commercial	Leasehold	33 years
No. 249, Jalan Dagang 1/9, Taman Dagang, 68000 Ampang, Selangor Darul Ehsan, Malaysia	3 stories linked house residential building	Residential	Leasehold	79 years
Moo 3, Soi Ban Non Yao (off Suwannasorn Road, Highway 33), Prachantakham Subdistrict, Prachantakham District, Prachinburi Province, Thailand	1 story residential building	Residential	Freehold	-
Moo 9, Phahonyothin Road (Highway No. 1), Khao Phra Ngam Subdistrict, Mueang Lopburi District, Lopburi Province, Thailand	1 story residential building	Residential	Freehold	-

STATISTICS OF SHAREHOLDINGS

As at 8 April 2026

Issued and Fully Paid-Up Capital (including Treasury Shares)	:	US\$ 72,648,475
Issued and Fully Paid-Up Capital (excluding Treasury Shares)	:	US\$ 72,578,471
Number of Issued Shares (excluding Treasury Shares)	:	904,841,914
Number/Percentage of Treasury Shares	:	946,000 (0.10%)
Number/Percentage of Subsidiary Holdings	:	0 (0%)
Class Of Shares	:	Ordinary share
Voting Rights	:	One vote per ordinary share

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	598	11.50	20,996	0.00
100 – 1,000	648	12.46	384,123	0.04
1,001 - 10,000	2,120	40.75	9,276,187	1.03
10,001- 1,000,000	1,786	34.33	142,735,781	15.77
1,000,001 and above	50	0.96	752,424,827	83.16
Total	5,202	100.00	904,841,914	100.00

Top Twenty Largest Shareholders

Name of Shareholder	Number of Shares	%
United Overseas Bank Nominees Pte Ltd	160,454,184	17.74
Goi Seng Hui	131,293,738	14.51
Derek Goh Bak Heng	84,492,954	9.34
Hong Leong Finance Nominees Pte Ltd	80,630,000	8.91
UOB Nominees (2006) Pte Ltd	51,334,016	5.67
Tee Yih Jia Food Manufacturing Pte Ltd	24,862,800	2.75
Ho Yung	24,576,200	2.72
UOB Kay Hian Pte Ltd	22,471,690	2.48
Goh Tiong Yong	21,200,000	2.34
DBS Nominees Pte Ltd	17,685,587	1.95
Chin Yeow Hon	11,076,542	1.22
Kim Sang Yeol	10,807,920	1.19
Yu Jie	8,649,064	0.96
Goh Lip Ming	7,500,000	0.83
Phillip Securities Pte Ltd	7,461,648	0.82
OCBC Securities Pte Ltd	6,495,826	0.72
Chen Seow Phun John	5,210,000	0.58
Moomoo Financial Singapore Pte Ltd	5,189,226	0.57
Chng Seng Chye @ Chng Hung Seng	4,716,100	0.52
Ong Beng Huat	4,662,700	0.52
Total	690,770,195	76.34

STATISTICS OF SHAREHOLDINGS

As at 8 April 2026

Substantial Shareholders

(including shares held under nominees accounts)

Name of Substantial Shareholder	Direct Interest Number of Shares	Deemed Interest Number of Shares	Total Interest Number of Shares	%
Derek Goh Bak Heng	365,826,970	171,000 ⁽¹⁾	365,997,970	40.45
Goi Seng Hui	131,293,738	24,862,800 ⁽²⁾	156,156,538	17.26

(1) Derek Goh Bak Heng is deemed to have an interest in the 171,000 shares held by his daughter, Victoria Goh Si Hui.

(2) Goi Seng Hui is deemed to have an interest in 24,862,800 shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Companies Act 1967 of Singapore.

As at 8 April 2026, approximately 37.92% of the Company's ordinary shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. The Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Serial System Ltd (the “Company”) will be held at 8 Ubi View, #05-01, Serial System Building, Singapore 408554, on Thursday, 30 April 2026 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2025 together with the Auditor’s Report thereon. **(Resolution 1)**
2. To declare a one-tier tax-exempt Final Cash Dividend of 0.11 Singapore cent per ordinary share for the financial year ended 31 December 2025 (2024: Nil). **(Resolution 2)**
3. To approve the Directors’ Fees of S\$431,000 for the financial year ending 31 December 2026, payable quarterly in arrears (2025: S\$431,000). **(Resolution 3)**
4. To re-elect Mr. Derek Goh Bak Heng who is retiring pursuant to Article 89 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (i) below) **(Resolution 4)**
5. To re-elect Mr. Teo Ser Luck, who is retiring pursuant to Article 89 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (i) below) **(Resolution 5)**
6. To re-elect Mr. Lye Hoong Yip Raymond, who is retiring pursuant to Article 89 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (i) below) **(Resolution 6)**
7. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorize the Directors of the Company to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares

THAT pursuant to Section 161 of The Companies Act 1967 of Singapore, the Constitution of the Company and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to:-
 - (a) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise, and/or

NOTICE OF ANNUAL GENERAL MEETING

- (b) make or grant offers, agreements or 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 and (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided that:

- (i) the aggregate number of Shares to be issued (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below) or such other limit as may be prescribed by the SGX-ST for the time being in force as at the date of this Resolution;
- (ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities which are outstanding or subsisting at the time this Resolution is passed;
- (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Charter 8 of the Listing Manual of the SGX-ST; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), The Companies Act 1967 of Singapore, and the Constitution for the time being of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (iv) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note (ii) below)

(Resolution 8)

- 9. Authority to offer and grant share options and to allot and issue or transfer shares under the Serial System Employee Share Option Scheme 2024

THAT pursuant to Section 161 of The Companies Act 1967 of Singapore, the Directors of the Company be and are hereby authorised to:

- (a) offer and grant share options in accordance with the provisions of the Serial System Employee Share Option Scheme 2024 (the **"2024 Share Option Scheme"**), and to allot and issue or transfer from time to time such number of shares in the capital of the Company (**"Shares"**) as may be required to be issued or transferred pursuant to the exercise of share options granted under the 2024 Share Option Scheme, provided that the aggregate number of Shares issued and issuable pursuant to the 2024 Share Option Scheme, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of the Company (if any), shall not exceed 15% of the total issued Shares (excluding treasury shares and subsidiary holdings) from time to time;
- (b) subject to the same being allowed by law, apply any Shares purchased or acquired under any share purchase mandate and deliver such existing Shares (including any Shares held as treasury shares) towards the satisfaction of the share options granted under the 2024 Share Option Scheme; and
- (c) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note (iii) below).

(Resolution 9)

- 10. Renewal of the Share Buyback Mandate

THAT:

- (a) for the purposes of The Companies Act 1967 of Singapore (the **"Companies Act"**), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued 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 purchase(s) (each a **"Market Purchase"**) on the Singapore Exchange Securities Trading Limited (**"SGX-ST"**); and/or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) off-market purchase(s) (each an **“Off-Market Purchase”**) effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies 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) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt in accordance with the Companies Act,
- (c) 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 revoked or varied in general meeting;

- (d) in this Resolution:

“Prescribed Limit” means 89,632,791 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:

- (i) in the case of a Market Purchase, 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, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the date of the Market Purchase; or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) in the case of an Off-Market Purchase, 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, preceding 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 during the relevant 5-day period and the date of the making of the offer pursuant to the Off-Market Purchase; 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 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

- (e) 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 (iv) below)

(Resolution 10)

- 11. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Alex Wui Heck Koon
Company Secretary

Singapore
15 April 2026

Explanatory Notes on Ordinary Business and Special Business to be transacted:

- (i) Ordinary Resolutions 4 to 6 are to re-elect Mr. Derek Goh Bak Heng, Mr. Teo Ser Luck and Mr. Lye Hoong Yip Raymond, who will be retiring by rotation pursuant to Article 89 of the Company's Constitution.

Mr. Derek Goh Bak Heng will, upon re-election as a Director of the Company, remain as the Executive Chairman of the Company and Chief Executive Officer of the Group.

Mr. Teo Ser Luck will, upon re-election as a Director of the Company, remain as the Independent and Non-Executive Deputy Chairman and Lead Independent Director of the Company. Mr. Teo Ser Luck is independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

Mr. Lye Hoong Yip Raymond will, upon re-election as a Director of the Company, remain as the Independent and Non-Executive Director of the Company, Chairman of the Remuneration Committee, a member of the Audit Committee and the Nominating Committee. Mr. Lye Hoong Yip Raymond is independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

Detailed information on the above-mentioned Directors can be found under the sections titled “Board of Directors”, “Corporate Governance Report” and “Additional Information On Directors Seeking Re-election” of the Company's Annual Report 2025.

NOTICE OF ANNUAL GENERAL MEETING

- (ii) Ordinary Resolution 8, if passed, will authorise the Directors of the Company to allot and issue Shares and/or make or grant Instruments convertible into new Shares and to issue new Shares pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), may be issued other than on a pro-rata basis to the existing Shareholders of the Company. For the purpose of this Resolution, the total number of issued Shares (excluding treasury shares and subsidiary holdings) is based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 or share awards outstanding at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares. This authority will continue to be in force until the conclusion of the next AGM or the date of which the AGM is required by law to be held, whichever is the earlier, unless the authority is revoked or varied by the Company in general meeting.
- (iii) Ordinary Resolution No. 9, if passed, will authorise the Directors of the Company to offer and grant share options under the 2024 Share Option Scheme (which was approved at the AGM of the Company held on 30 April 2024) and to allot and issue or transfer Shares pursuant to the exercise of share options under the 2024 Share Option Scheme up to a number which, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. This authority will continue to be in force until the conclusion of the next AGM or the date of which the AGM is required by law to be held, whichever is the earlier, unless the authority is revoked or varied by the Company in general meeting.
- (iv) Ordinary Resolution 10, if passed, will authorise the Directors of the Company to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate. This authority will continue to be in force until the conclusion of the next AGM or the date of which the AGM is required by law to be held, whichever is the earlier, unless the authority is revoked or varied by the Company in general meeting. Please refer to the Appendix 1 enclosed together with the Company's Annual Report 2025 for more details.

Notes:

General

1. The members of the Company are invited to attend physically at the AGM. There will be no option for the members to participate virtually. The Notice of AGM together with the Proxy Form, the Company's Annual Report 2025 and the Appendix 1 to Shareholders dated 15 April 2026 in relation to the proposed renewal of the Share buyback Mandate will be made available to members by electronic means on the Company's corporate website at <https://www.serialsystem.com> and is also made available on SGXNet at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice of AGM and the Proxy Form will be sent by post to the members of the Company. Printed copy of the Company's Annual Report 2025 will NOT be despatched to the members of the Company.

Members who wish to obtain a printed copy of the Company's Annual Report 2025 should send an email to ecomm@serialsystem.com, stating (a) their full name; (b) identification/registration number; (c) current mailing address; (d) contact number; (e) number of Shares held and (f) the manner in which the Shares are held (e.g. via CDP, CPF or SRS). A printed copy of the Company's Annual Report 2025 will be mailed to such member(s) within five (5) working days upon receiving such request.

2. Members including Central Provident Fund Investment Scheme investors ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") may participate the AGM by:
 - (a) attending the AGM in person;
 - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
 - (c) voting at the AGM; (i) themselves personally; or (ii) through their duly appointed proxy or proxies.

CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11.00 a.m. on 21 April 2026, being seven (7) working days prior to the date of the AGM.

3. Please bring along your NRIC/passport so as to enable the Company to verify your identity.
4. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell.

NOTICE OF ANNUAL GENERAL MEETING

Voting by Proxy

5. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

Where such member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

6. A proxy needs not be a member of the Company.
7. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of The Companies Act 1967 of Singapore:

- (a) a banking corporation licensed under the Banking Act 1970, 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; or
- (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act 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 the subsidiary legislation.

8. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstention from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstention from voting in respect of a resolution in the Proxy Form or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

9. The Chairman of the AGM, as proxy, needs not be a member of the Company.
10. The instrument appointing the proxy or proxies, duly executed, must be submitted either:

- (a) by post, to the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554; or
- (b) by email to ecomm@serialsystem.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF),

in either case, by 11.00 a.m. on 27 April 2026 (“**Proxy Deadline**”), and in default the Proxy Form shall not be treated as valid.

11. Members are strongly encouraged to submit the completed Proxy Form electronically via email.
12. The proxy/proxies must bring along his/her/their NRIC/passport so as to enable the Company to verify his/her/their identity during the AGM.
13. The instrument appointing the proxy or proxies must be executed under the hand of the appointor or attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or by an officer duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
14. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).
15. In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

Submission of questions in advance of the AGM

16. Members may submit questions related to the resolutions to be table at the AGM in advance of the AGM in the following manner, no later than 22 April 2026:

- (a) by post, to the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554; or
- (b) by email to ecomm@serialsystem.com.

When submitting the questions, please provide the Company with the following details, for verification purpose:

- (i) full name;
- (ii) identification/registration number;
- (iii) email address; and
- (iv) contact number.

Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will endeavour to address all substantial and relevant questions from members who are verified against the Depository Register or the Register of Members, either before the AGM on SGXNet and the Company's corporate website by 25 April 2026, or during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

17. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's corporate website and the minutes of the AGM will include the responses to the substantial and relevant questions raised during the AGM.

The Company's Annual Report 2025 may also be accessed at:

https://serialsystem.com/wp-content/uploads/2026/04/SSL_AR_2025.pdf or by scanning the QR code on the right.



Personal Data Privacy:

By (a) attending the AGM and/or any adjournment thereof, or (b) submitting an instrument appointing the proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (c) submitting any questions prior to the AGM in accordance with this Notice of AGM, 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 or service providers) for the following purposes: processing of the registration for the purpose of granting access to members to the AGM (including any adjournment thereof); processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof); addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and in order for the Company (or its agents or service providers) 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 or service providers), 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 or service providers) 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 Shareholders of the Company will be closed on 25 May 2026 at 5.00 p.m. to determine the shareholders' entitlement to the proposed dividend.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on 25 May 2026 will be registered to determine shareholders' entitlements to the proposed dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 25 May 2026 will be entitled to the proposed dividend.

The proposed dividend, if approved by the shareholders at the Annual General Meeting to be held on 30 April 2026, will be paid on 8 June 2026.

By Order of the Board

Alex Wui Heck Koon
Company Secretary

Singapore
15 April 2026

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The required disclosures under Rule 720(6) as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited of the Directors of the Company who will be retiring and standing for re-election at the Annual General Meeting of the Company are set out below:-

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
Date of appointment	9 January 2024 ⁽¹⁾	15 July 2017	9 January 2024
Date of last re-appointment	30 April 2024	28 April 2023	30 April 2024
Age	64	57	60
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Derek Goh Bak Heng for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Teo Ser Luck for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Lye Hoong Yip Raymond for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. Mr. Lye Hoong Yip Raymond, a member of the Nominating Committee has recused himself from the discussion and decision on his re-election as Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr. Derek Goh Bak Heng will continue his role as Executive Chairman to lead the Board in charting the future direction of the Group and as Group Chief Executive Officer to lead the management team in executing strategies to achieve the goals set by the Board.	Non-Executive	Non-Executive

Note:

- (1) Mr. Derek Goh Bak Heng joined the Board on 19 March 1997 and retired on 5 October 2021. He rejoined the Board on 9 January 2024.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Executive Chairman Group Chief Executive Officer 	<ul style="list-style-type: none"> Independent and Non-Executive Deputy Chairman Lead Independent Director 	<ul style="list-style-type: none"> Independent and Non-Executive Director Chairman of the Remuneration Committee Member of the Audit Committee Member of the Nominating Committee
Professional qualifications	Certified Electrical Engineering Technicians from City & Guilds of London Institute	Bachelor of Accountancy degree from Nanyang Technological University	Bachelor of Law degree with Honours from the National University of Singapore (Rodyk and Davidson Scholar)
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the listed issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>Mr. Derek Goh Bak Heng is the cousin of Mr. Sean Goh Su Teng, Executive Director and Deputy Group Chief Executive Officer of Serial System Ltd and Non-Executive Chairman of SGX Catalist-listed Serial Achieva Limited, a 77.64%-owned subsidiary of Serial System Ltd.</p> <p>Mr. Derek Goh Bak Heng is the father of Ms. Victoria Goh Si Hui, Non-Executive Director of Serial System Ltd and Executive Director and Chief Executive Officer of Serial Achieva Limited.</p> <p>Mr. Derek Goh Bak Heng is a substantial shareholder of Serial System Ltd.</p>	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> Executive Chairman of Serial System Ltd Group Chief Executive Officer of Serial System Ltd 	<ul style="list-style-type: none"> Founder of business ventures in various technology-related sectors and founding investor of a listed software company President of the Institute of Singapore Chartered Accountants and Adviser of The Singapore FinTech Association Former Member of Parliament of Singapore and former Minister of various Ministries and Mayor of the North East District of Singapore Chairman of Singapore-Shandong Bilateral Business Council Vice-Chairman of Singapore-Jiangsu Bilateral Business Council 	<ul style="list-style-type: none"> Partner of CNPLaw LLP Former Managing Partner of Union Law LLP
Shareholding interest in the listed issuer and its subsidiaries	Yes	No	No
Shareholding details	365,997,970 shares (40.45%) in Serial System Ltd Deemed interest in shares of Serial System Ltd's subsidiaries	Not applicable	Not applicable
Other Principal Commitments* including Directorships			
* "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018			
Past (for the last 5 years)	Director of: <ul style="list-style-type: none"> Achieva Technology Australia Pty Ltd Asian Prosperity Singapore Pte. Ltd. Bast Global Sdn. Bhd. Bast Investment Pte. Ltd. 	Director of: <ul style="list-style-type: none"> Helicap Pte Ltd Nufin Data Pte Ltd Vicduo Tech Pte Ltd Independent and Non-Executive Director of former SGX-listed United Engineers Limited	Managing Partner of Union Law LLC Independent and Non-Executive Director of SGX-listed Goodland Group Limited, 800 Super Holdings Ltd and SK Jewellery Group Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
	<ul style="list-style-type: none"> • Bull Will Co., Ltd • Bull Will Trading (S) Pte. Ltd. • C & G Investment Pte. Ltd. • Chindocbcc International Co., Limited • Contract Sterilization Services Pte. Ltd. • Global Voice Pte. Ltd. • GNK Global Pte. Ltd. • Musang Durians Frozen Food (M) Sdn. Bhd. • Nam Hwa Opera Limited • Newstone Technology Limited • Nuline Marketing Singapore Pte. Ltd. • SCE Enterprise Pte. Ltd. • Serial Electronics Investment Limited • Serial Design Limited • Serial Investment (Korea) Limited • Serial Investment Pte Ltd • Serial Investment Taiwan Inc. • Serial Microelectronics (HK) Limited • Serial Microelectronics (Shenzhen) Co., Ltd • Serial Microelectronics Inc. • Serial Microelectronics Korea Limited • Serial Microelectronics Pte. Ltd. 		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
	<ul style="list-style-type: none"> Serial Netcom Co., Ltd. Serial System International Pte. Ltd. Teabrary International Pte. Ltd. Teabrary Investment Pte. Ltd. TeamPal Enterprise Corp. 		
Present	<ul style="list-style-type: none"> Executive Chairman and Group Chief Executive Officer of Serial System Ltd President of Teochew Poit Ip Huay Kuan Founding President of Teochew Business Federation (Singapore) Chairman of the 24th Board of Directors, Teochew International Federation 	<ul style="list-style-type: none"> President of the Institute of Singapore Chartered Accountants Adviser of The Singapore FinTech Association Director of: <ul style="list-style-type: none"> – 2YSL Pte Ltd – F4U Pte. Ltd. Independent and Non-Executive Director of SGX-listed BRC Asia Limited, China Aviation Oil (Singapore) Corporation Ltd, Mindchamps Preschool Limited, Straco Corporation Limited and Yanlord Land Group Limited, and HKEX-listed Super Hi International Holding Ltd 	<ul style="list-style-type: none"> Partner of CNPLaw LLP Independent and Non-Executive Director of SGX-listed Wee Hur Holdings Ltd
Information Required Pursuant to Listing Rule 704(7)			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be partner?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	In March 2019, Tong Chiang Group Pte. Ltd., an associated company of the Group was ordered by the High Court of Singapore to be wound up. Mr. Derek Goh Bak Heng was a Director of Tong Chiang Group Pte. Ltd. from 28 August 2015 to 14 September 2018.	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	(1) In November 2015, Mr. Derek Goh Bak Heng was requested by the Monetary Authority of Singapore ("MAS") to assist in the investigations involving him concerning Sections 197 and 198 of the Securities and Futures Act. The investigation was closed in September 2021 and Mr. Derek Goh Bak Heng was given a conditional warning by the MAS. The conditional warning required that he shall not act as a company director for a period of 24 months and the personal payment of a financial sum of S\$50,000. Mr. Derek Goh Bak Heng had stepped down as director of companies for a period of twenty-four (24) months (the "Relevant Period") from 5 October 2021 and had relinquished his directorship as well as Executive Chairman and Director of Serial System Ltd and its subsidiaries, associated companies and related corporations during the Relevant Period. Further, per MAS, the conditional warning does not amount to a conviction for an offence or a finding of guilt by a court of law, nor does it constitute a criminal record.	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
	<p>(2) In June 2018 and September 2018, Mr. Derek Goh Bak Heng was requested by the Taiwan Taipei District Prosecutors Office and the Investigation Bureau, Ministry of Justice of Taiwan to assist in certain investigations concerning Bull Will Co., Ltd, an associated company of the Group, under the Securities and Exchange Act of Taiwan. The investigation has been concluded in April 2020 with no further action being taken with respect to Mr. Derek Goh Bak Heng. Mr. Derek Goh Bak Heng was a Non-Executive Legal Representative Director of Bull Will Co., Ltd from 13 June 2007 to 5 October 2021.</p>		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	In February 2017, a civil suit was initiated by the Securities and Futures Investors Protection Center of Taiwan ("SFIPC") against amongst others; Bull Will Co., Ltd, its directors, independent directors, supervisors, accounting supervisors, legal shareholder, and external auditors. In June 2021, the civil suit was dismissed by the Taiwan Shilin District Court on the basis that they were without merit. SFIPC filed an appeal with the Taiwan High Court in July 2021 which was dismissed in August 2025. SFIPC appealed against the Taiwan High Court's decision with the Supreme Court of Taiwan in September 2025. In January 2026, the Supreme Court of Taiwan dismissed the appeal by SFIPC and the decision of the Supreme Court of Taiwan is final and conclusive. Mr. Derek Goh Bak Heng was a Non-Executive Legal Representative Director of Bull Will Co., Ltd from 13 June 2007 to 5 October 2021.	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	Refer to e (1) above	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	Refer to e (1) above	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	Refer to e (2) above No	No No	No No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Derek Goh Bak Heng	Teo Ser Luck	Lye Hoong Yip Raymond
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Refer to (e) (1) and (e) (2) above	No	No

APPENDIX TO SHAREHOLDERS DATED 15 APRIL 2026

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Appendix is circulated to the shareholders (the “Shareholders”) of Serial System Ltd (the “Company”) together with the Company’s annual report for the financial year ended 31 December 2025 (the “Annual Report 2025”). Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders’ approval for, the renewal of the Share Buyback Mandate (as defined in this Appendix) to be tabled at the annual general meeting (“AGM”) of the Company to be held on 30 April 2026 at 11.00 a.m. at 8 Ubi View, #05-01, Serial System Building, Singapore 408554.

The ordinary resolution proposed to be passed in respect of the renewal of the Share Buyback Mandate is set out in the notice of AGM. The notice of the AGM and a proxy form are enclosed with the Annual Report 2025.

The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

The legal adviser appointed by the Company for the purpose of the corporate action set out in this Appendix is AEI Legal LLC.

If you have sold all your Shares (as defined in this Appendix), you should immediately forward the Notice of AGM and proxy form to the purchaser or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.



SERIAL SYSTEM LTD

(Company Registration Number: 199202071D)
(Incorporated in the Republic of Singapore on 22 April 1992)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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DEFINITIONS

For the purpose of this Appendix, the following definitions have, where appropriate, been used:

“2011 EGM”	:	The extraordinary general meeting of the Company held on 23 April 2011
“2026 AGM”	:	The annual general meeting of the Company to be held on 30 April 2026 at 11.00 a.m. at 8 Ubi View, #05-01, Serial System Building, Singapore 408554, notice of which is enclosed with the Annual Report 2025
“AGM”	:	The annual general meeting of the Company
“Annual Report 2025”	:	The annual report of the Company for FY2025
“Approval Date”	:	Has the meaning ascribed to it in Section 1.3.1 of this Appendix
“Associates”	:	Shall bear the meaning assigned to it by the Listing Manual
“Average Closing Price”	:	Has the meaning ascribed to it in Section 1.3.4 of this Appendix
“Board”	:	The board of the Directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act 1967 (Singapore), as amended, modified or supplemented from time to time
“Company”	:	Serial System Ltd
“Constitution”	:	The Constitution of the Company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“CPF”	:	The Central Provident Fund of Singapore
“CPF Agent Banks”	:	Agent banks included under the CPF Investment Scheme
“CPF Investors”	:	Investors who have purchased Shares using their CPF savings under the CPF Investment Scheme
“date of the making of the offer”	:	Has the meaning ascribed to it in Section 1.3.4 of this Appendix
“Directors”	:	Directors of the Company for the time being
“EPS”	:	Earnings per Share
“Form 2”	:	Has the meaning ascribed to it in Section 1.9.4.3 of this Appendix

“Full Share Purchase”	:	Has the meaning ascribed to it in Section 1.9.4.2 of this Appendix
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	8 April 2026, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Section 1.3.3(a) of this Appendix
“Maximum Price”	:	Has the meaning ascribed to it in Section 1.3.4 of this Appendix
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in Section 1.3.3(b) of this Appendix
“Ordinary Resolution”	:	The ordinary resolution relating to the renewal of the Share Buyback Mandate, as set out in the notice of the 2026 AGM
“Prescribed Limit”	:	Has the meaning ascribed to it in Section 1.3.1 of this Appendix
“public”	:	Shall bear the meaning assigned to it by the Listing Manual
“Registrar”	:	Has the meaning ascribed to it in Section 4 of the Companies Act
“Relevant Period”	:	Has the meaning ascribed to it in Section 1.3.2 of this Appendix
“Securities Account”	:	Securities account maintained by a Depositor with CDP but not including securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	The Securities and Futures Act 2001 (Singapore), as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback”	:	The buyback of Shares by the Company pursuant to the terms of the Share Buyback Mandate
“Share Buyback Mandate”	:	The general mandate to enable the Company to purchase or otherwise acquire its Shares, the terms of which are set out in Section 1 of this Appendix
“Shareholders”	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts with CDP are credited with the Shares

“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council
“SRS”	:	The Supplementary Retirement Scheme
“SRS Investors”	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
“SRS Operators”	:	Bank operators who manage the SRS accounts under the SRS
“subsidiaries”	:	The subsidiaries of a company (as defined in Section 5 of the Companies Act) and “subsidiary” shall be construed accordingly
“Substantial Shareholder”	:	A Shareholder whose interests in the Company’s issued share capital (excluding treasury shares and subsidiary holdings in the Company) is equal to or more than 5%
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

Currencies and others

“S\$”	:	Singapore dollars
“US\$”	:	United States dollar, being the lawful currency of the United States of America
“%” or “per cent”	:	Per centum or percentage

Any references in this Appendix to: (a) Mr. Derek Goh shall refer to Mr. Derek Goh Bak Heng; (b) Ms. Victoria Goh shall refer to Ms. Victoria Goh Si Hui; (c) Mr. Sean Goh shall refer to Mr. Sean Goh Su Teng; and (d) Ms. Victoria Goh’s spouse shall refer to Mr. Magno Miguel Baskinas Guidote.

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term **“treasury share”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall, where applicable, include corporations.

Any reference to a time of a day in this Appendix is a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

SERIAL SYSTEM LTD
(Company Registration Number: 199202071D)
(Incorporated in the Republic of Singapore on 22 April 1992)

Directors:

Mr. Derek Goh Bak Heng (Executive Chairman and Group Chief Executive Officer)
Mr. Teo Ser Luck (Non-Executive Deputy Chairman and Lead Independent Director)
Mr. Sean Goh Su Teng (Executive Director and Deputy Group Chief Executive Officer)
Mr. Heng Yeow Meng Michael (Independent Director and Audit Committee Chairman)
Mr. Lye Hoong Yip Raymond (Independent Director and Remuneration Committee Chairman)
Mr. Khua Kian Kheng Ivan (Independent Director and Nominating Committee Chairman)
Mr. Ng Yong Hwee (Independent Director)
Ms. Victoria Goh Si Hui (Non-Executive Director)
Mr. Goi Kok Ming Kenneth (Non-Executive Director)

Registered Office:

8 Ubi View, #05-01,
Serial System Building
Singapore 408554

15 April 2026

To: The Shareholders of Serial System Ltd

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

Dear Shareholder,

1. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1.1 Introduction

The purpose of this Appendix is to provide Shareholders with relevant information pertaining to, and to seek Shareholders' approval at the 2026 AGM for, *inter alia*, the renewal of the Share Buyback Mandate.

Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Constitution of the Company and such other laws and regulations as may for the time being be applicable.

At the 2011 EGM, the Shareholders had approved the Share Buyback Mandate to enable the Company to purchase or otherwise acquire Shares. The mandate was last renewed at the AGM held on 30 April 2025, and will unless renewed again, expire on the date of the 2026 AGM.

In this regard, approval is now being sought from Shareholders for the renewal of the Share Buyback Mandate at the 2026 AGM. The Ordinary Resolution will be proposed, pursuant to which authority will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate.

If approved, the renewal of the Share Buyback Mandate will take effect from the date of the 2026 AGM and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held, whichever is the earlier, unless prior thereto, Share Buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting.

The SGX-ST takes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

1.2 Rationale

The Directors are of the view that a Share Buyback, conducted at an appropriate price level, may enhance the return on equity of the Group and increase Shareholders' value. Share Buybacks are a cost-efficient and effective method of returning to the Shareholders surplus cash over and above the Company's ordinary capital requirements, and provide the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA value per Share.

The Directors are also of the view that Share Buybacks may help mitigate short-term market volatility and offset the effects of short-term speculation, as well as bolster the confidence of Shareholders.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of cash available and the prevailing market conditions. The Directors do not propose to carry out Share Buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares and/or the financial position of the Group, taking into account the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

1.3 Terms of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

1.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The Companies Act provides that the total number of shares that may be purchased or acquired by a company shall not exceed that number of shares representing not more than 10% of the issued ordinary share capital of the company (excluding treasury shares and subsidiary holdings) as at the date of the general meeting at which the renewal of its share buyback mandate is approved (the "**Approval Date**") (unless the company has effected a reduction of the share capital of the company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the company shall be taken to be the number of the issued ordinary shares of the company as altered, excluding any treasury shares and subsidiary holdings that may be held by the company from time to time). Shares which are held as treasury shares or subsidiary holdings will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, assuming that the Company has 904,841,914 Shares as at the date of the 2026 AGM (being the number of Shares as at the Latest Practicable Date, excluding treasury shares and subsidiary holdings and assuming no change in the number of Shares on or prior to the date of the 2026 AGM), not more than 90,484,191 Shares representing approximately 10% of the Company's existing issued ordinary share capital (excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company, pursuant to the limits set out in the Companies Act.

Notwithstanding the above, subject to the limits under Section 761(1) of the Companies Act in respect of a company's shares held in treasury, the maximum number of Shares that the Company can purchase or acquire and hold in treasury (assuming no change in the number of Shares held in treasury on or prior to the 2026 AGM) will be 89,632,791 Shares, instead of the aforesaid 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), i.e. 90,484,191 Shares. As such, the Company is seeking a Share Buyback Mandate to enable the Company to purchase or otherwise acquire Shares of up to a maximum of 89,632,791 Shares (the "**Prescribed Limit**") at the 2026 AGM. Please refer to Section 1.7.2 of this Appendix for further details.

1.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next AGM of the Company is held or is required by law to be held;
- (b) the date on which the Share Buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in general meeting,

(the “**Relevant Period**”).

1.3.3 Manner of purchase of Shares

Purchases of Shares may be made by way of, *inter alia*:

- (a) on-market purchases (“**Market Purchase**”) transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of Shares are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Buyback;

- (d) the consequences, if any, of Share Buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share Buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

1.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),

(the **"Maximum Price"**) in either case, excluding related expenses of the purchase.

For the above purposes:

"Average Closing Price" means:

- (i) in the case of a Market Purchase, 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, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the date of the Market Purchase; or
- (ii) in the case of an Off-Market Purchase, 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, preceding 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 during the relevant 5-day period and the date of the making of the offer pursuant to the Off-Market Purchase; 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.

1.4 **Status of purchased Shares under the Share Buyback Mandate**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

1.5 Treasury shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

1.5.1 Maximum holdings

The aggregate number of Shares held as treasury shares cannot at any time exceed 10% of the total number of Shares.

In the event that the number of treasury shares held by the Company exceeds 10% of the total number of Shares, the Company shall dispose of or cancel the excess Shares within six (6) months of the day on which such contravention occurs, or such further period as the Registrar may allow.

1.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Furthermore, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury shares before the subdivision or consolidation, as the case may be.

1.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Pursuant to Rule 704(28) of the Listing Manual, the Company will immediately announce any sale, transfer, cancellation and/or use of treasury shares, including the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use;

- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

1.6 Sources of funds for Share Buyback

The Companies Act permits the Company to make payment, pursuant to the purchase or acquisition of its own Shares, out of capital as well as from its distributable profits, so long as the Company is solvent. Under the Companies Act, the Company is solvent if at the date of the relevant payment, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal resources, external borrowings or a combination of both to finance purchases or acquisitions of Shares pursuant to the Share Buyback Mandate.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the Group's working capital, current dividend policy and/ or ability to service its debts would be adversely affected.

1.7 Financial effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, how the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2025, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 January 2025 for the purpose of computing the financial effects on the EPS of the Group and the Company;
- (b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 January 2025 for the purpose of computing the financial effects on the Shareholders' equity, NTA per Share, gearing and current ratio of the Group and the Company; and
- (c) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

1.7.1 Purchase or acquisition out of capital or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the amounts paid by the Company for the purchase or acquisition of Shares are made out of profits, such amounts will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the amounts paid by the Company for the purchase or acquisition of Shares are made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by such amounts. The total amount of the purchase or acquisition price shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the Shares which is paid out of the Company's capital or profits.

1.7.2 Number of Shares acquired or purchased

Assuming there is no change in the number of Shares, and the number of Shares held in treasury on or prior to the date of the 2026 AGM:

- (i) as at the Latest Practicable Date, the Company has 904,841,914 issued Shares (excluding treasury shares and subsidiary holdings);
- (ii) the Company may purchase or acquire up to 90,484,191 Shares under the Companies Act (being 10% of its issued Shares (excluding treasury shares and subsidiary holdings));
- (iii) as at the Latest Practicable Date, the Company has 946,000 Shares held in treasury;
- (iv) the Company may hold up to 90,578,791 Shares in treasury (being 10% of its total number of Shares) pursuant to Section 76I(1) of the Companies Act; and
- (v) the Company may purchase or acquire up to 89,632,791 Shares under the renewed Share Buyback Mandate to be held as treasury shares.

For illustrative purposes, the Company has assumed that it will only purchase or acquire up to 89,632,791 Shares under the Share Buyback Mandate, to be held as treasury shares.

1.7.3 Maximum price paid for Shares acquired or purchased

In the case of Market Purchases by the Company:

Assuming the Company purchases or acquires 89,632,791 Shares at the maximum price of S\$0.0710 (equivalent to US\$0.0550) for one (1) Share (being the price equivalent to 5% above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 89,632,791 Shares is approximately US\$4,929,804.

In the case of Off-Market Purchases by the Company:

Assuming the Company purchases or acquires 89,632,791 Shares at the maximum price of S\$0.0811 (equivalent to US\$0.0629) for one (1) Share (being the price equivalent to 20% above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 89,632,791 Shares is approximately US\$5,637,903.

1.7.4 Illustrative financial effects

For illustrative purposes only, and on the basis of the assumptions set out below, the financial effects of the:

- (i) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares; and
- (ii) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and cancelled,

based on the audited financial statements of the Group and the Company for FY2025 are set out in the sections below.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Appendix.

Scenario 1(A)

Market Purchases of 89,632,791 Shares out of capital and held in treasury

As at 31 December 2025	Group		Company	
	Before the Share Buyback US\$'000	After the Share Buyback US\$'000	Before the Share Buyback US\$'000	After the Share Buyback US\$'000
Share Capital	72,648	72,648	72,648	72,648
Treasury Shares	(70)	(5,000)	(70)	(5,000)
Capital Reserve	1,602	1,602	518	518
Defined Benefit Plans Reserve	336	336	-	-
Fair Value Reserve	(56)	(56)	-	-
Revaluation Reserve	232	232	-	-
Other Reserve	2,731	2,731	-	-
Currency Translation Reserve	3,124	3,124	-	-
Retained Earnings	52,370	52,370	24,484	24,484
Non-Controlling Interests	6,348	6,348	-	-
Shareholders' Equity	139,265	134,335	97,580	92,650
NTA	129,635	124,705	97,552	92,622
Current Assets	379,061	376,596	48,419	45,954
Current Liabilities	292,678	295,143	11,716	14,181
Working Capital	86,383	81,453	36,703	31,773
Total Borrowings ⁽¹⁾	205,002	207,467	6,231	8,696
Cash and Cash Equivalents ⁽¹⁾	37,468	35,003	410	(2,055)
Net Profit	2,293	2,293	1,221	1,221
Number of Shares ⁽²⁾	904,841,914	815,209,123	904,841,914	815,209,123
Weighted Average Number of Shares	904,841,914	815,209,123	904,841,914	815,209,123
Financial Ratios				
NTA per Share (US cents)	14.33	15.30	10.78	11.36
Basic EPS (US cents) ⁽³⁾	0.25	0.28	0.13	0.15
Gearing % ⁽⁴⁾	147	154	6	9
Current Ratio (times) ⁽⁵⁾	1.30	1.28	4.13	3.24

Notes:

- (1) Assuming the Share Buyback will be funded 50% by internal resources and 50% by external borrowings.
- (2) Number of Shares excludes treasury shares and assumes no change in the number of Shares on or prior to the date of the 2026 AGM.
- (3) Basic EPS is computed based on FY2025 net profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current Ratio equals current assets divided by current liabilities.

Scenario 1(B)***Off-Market Purchases of 89,632,791 Shares out of capital and held in treasury***

As at 31 December 2025	Group		Company	
	Before the Share Buyback US\$'000	After the Share Buyback US\$'000	Before the Share Buyback US\$'000	After the Share Buyback US\$'000
Share Capital	72,648	72,648	72,648	72,648
Treasury Shares	(70)	(5,708)	(70)	(5,708)
Capital Reserve	1,602	1,602	518	518
Defined Benefit Plans Reserve	336	336	-	-
Fair Value Reserve	(56)	(56)	-	-
Revaluation Reserve	232	232	-	-
Other Reserve	2,731	2,731	-	-
Currency Translation Reserve	3,124	3,124	-	-
Retained Earnings	52,370	52,370	24,484	24,484
Non-Controlling Interests	6,348	6,348	-	-
Shareholders' Equity	<u>139,265</u>	<u>133,627</u>	<u>97,580</u>	<u>91,942</u>
NTA	129,635	123,997	97,552	91,914
Current Assets	379,061	376,242	48,419	45,600
Current Liabilities	292,678	295,497	11,716	14,535
Working Capital	86,383	80,745	36,703	31,065
Total Borrowings ⁽¹⁾	205,002	207,821	6,231	9,050
Cash and Cash Equivalents ⁽¹⁾	37,468	34,649	410	(2,409)
Net Profit	2,293	2,293	1,221	1,221
Number of Shares ⁽²⁾	904,841,914	815,209,123	904,841,914	815,209,123
Weighted Average Number of Shares	904,841,914	815,209,123	904,841,914	815,209,123
<u>Financial Ratios</u>				
NTA per Share (US cents)	14.33	15.21	10.78	11.27
Basic EPS (US cents) ⁽³⁾	0.25	0.28	0.13	0.15
Gearing % ⁽⁴⁾	147	156	6	10
Current Ratio (times) ⁽⁵⁾	1.30	1.27	4.13	3.14

Notes:

- (1) Assuming the Share Buyback will be funded 50% by internal resources and 50% by external borrowings.
- (2) Number of Shares excludes treasury shares and assumes no change in the number of Shares on or prior to the date of the 2026 AGM.
- (3) Basic EPS is computed based on FY2025 net profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current Ratio equals current assets divided by current liabilities.

Scenario 2(A)

Market Purchases of 89,632,791 Shares out of capital and cancelled

As at 31 December 2025	Group		Company	
	Before the Share Buyback US\$'000	After the Share Buyback US\$'000	Before the Share Buyback US\$'000	After the Share Buyback US\$'000
Share Capital	72,648	67,718	72,648	67,718
Treasury Shares	(70)	(70)	(70)	(70)
Capital Reserve	1,602	1,602	518	518
Defined Benefit Plans Reserve	336	336	-	-
Fair Value Reserve	(56)	(56)	-	-
Revaluation Reserve	232	232	-	-
Other Reserve	2,731	2,731	-	-
Currency Translation Reserve	3,124	3,124	-	-
Retained Earnings	52,370	52,370	24,484	24,484
Non-Controlling Interests	6,348	6,348	-	-
Shareholders' Equity	139,265	134,335	97,580	92,650
NTA	129,635	124,705	97,552	92,622
Current Assets	379,061	376,596	48,419	45,954
Current Liabilities	292,678	295,143	11,716	14,181
Working Capital	86,383	81,453	36,703	31,773
Total Borrowings ⁽¹⁾	205,002	207,467	6,231	8,696
Cash and Cash Equivalents ⁽¹⁾	37,468	35,003	410	(2,055)
Net Profit	2,293	2,293	1,221	1,221
Number of Shares ⁽²⁾	904,841,914	815,209,123	904,841,914	815,209,123
Weighted Average Number of Shares	904,841,914	815,209,123	904,841,914	815,209,123
Financial Ratios				
NTA per Share (US cents)	14.33	15.30	10.78	11.36
Basic EPS (US cents) ⁽³⁾	0.25	0.28	0.13	0.15
Gearing % ⁽⁴⁾	147	154	6	9
Current Ratio (times) ⁽⁵⁾	1.30	1.28	4.13	3.24

Notes:

- (1) Assuming the Share Buyback will be funded 50% by internal resources and 50% by external borrowings.
- (2) Number of Shares excludes treasury shares and assumes no change in the number of Shares on or prior to the date of the 2026 AGM.
- (3) Basic EPS is computed based on FY2025 net profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current Ratio equals current assets divided by current liabilities.

Scenario 2(B)

Off-Market Purchases of 89,632,791 Shares out of capital and cancelled

As at 31 December 2025	Group		Company	
	Before the Share Buyback US\$'000	After the Share Buyback US\$'000	Before the Share Buyback US\$'000	After the Share Buyback US\$'000
Share Capital	72,648	67,010	72,648	67,010
Treasury Shares	(70)	(70)	(70)	(70)
Capital Reserve	1,602	1,602	518	518
Defined Benefit Plans Reserve	336	336	-	-
Fair Value Reserve	(56)	(56)	-	-
Revaluation Reserve	232	232	-	-
Other Reserve	2,731	2,731	-	-
Currency Translation Reserve	3,124	3,124	-	-
Retained Earnings	52,370	52,370	24,484	24,484
Non-Controlling Interests	6,348	6,348	-	-
Shareholders' Equity	139,265	133,627	97,580	91,942
NTA	129,635	123,997	97,552	91,914
Current Assets	379,061	376,242	48,419	45,600
Current Liabilities	292,678	295,497	11,716	14,535
Working Capital	86,383	80,745	36,703	31,065
Total Borrowings ⁽¹⁾	205,002	207,821	6,231	9,050
Cash and Cash Equivalents ⁽¹⁾	37,468	34,649	410	(2,409)
Net Profit	2,293	2,293	1,221	1,221
Number of Shares ⁽²⁾	904,841,914	815,209,123	904,841,914	815,209,123
Weighted Average Number of Shares	904,841,914	815,209,123	904,841,914	815,209,123
Financial Ratios				
NTA per Share (US cents)	14.33	15.21	10.78	11.27
Basic EPS (US cents) ⁽³⁾	0.25	0.28	0.13	0.15
Gearing % ⁽⁴⁾	147	156	6	10
Current Ratio (times) ⁽⁵⁾	1.30	1.27	4.13	3.14

Notes:

- (1) Assuming the Share Buyback will be funded 50% by internal resources and 50% by external borrowings.
- (2) Number of Shares excludes treasury shares and assumes no change in the number of Shares on or prior to the date of the 2026 AGM.
- (3) Basic EPS is computed based on FY2025 net profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current Ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements for FY2025 and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire Shares up to the Prescribed Limit, the Company may not necessarily purchase or acquire or be able to purchase or acquire Shares up to the Prescribed Limit. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

1.8 Listing status of the Shares

Rule 723 of the Listing Manual requires a listed company to ensure that at least 10% of its total number of issued shares excluding treasury shares must be held by public shareholders. As at the Latest Practicable Date, approximately 37.92% of the issued Shares (excluding treasury shares and subsidiary holdings) are held by public Shareholders. As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the Prescribed Limit pursuant to the renewed Share Buyback Mandate, approximately 31.10% of the issued Shares (excluding treasury shares and subsidiary holdings) will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the Prescribed Limit pursuant to the renewed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

1.9 Take-over implications

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

1.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

1.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;

- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of that individual, companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, a company is an "associated company" of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

1.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. The Directors and their concert parties will be exempted from the obligation to make a take-over offer subject to certain conditions, including, *inter alia*, the submission by each of the Directors of an executed form prescribed by the SIC within seven (7) days of the passing of the resolution to authorise the renewal of the Share Buyback Mandate.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be obliged to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Buyback Mandate.

1.9.4 Application of the Take-over Code

Details of the holdings in Shares by the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in Section 2 below.

1.9.4.1 *Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse*

For the purposes of the Take-over Code, Mr. Derek Goh, our Executive Chairman and Group Chief Executive Officer, Mr. Sean Goh, Mr. Derek Goh's cousin and an Executive Director and our Deputy Group Chief Executive Officer, Ms. Victoria Goh, Mr. Derek Goh's daughter and a Non-Executive Director, and Ms. Victoria Goh's spouse, may be presumed to be acting in concert.

As at the Latest Practicable Date, the combined shareholding of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse in the Company amounts to 366,100,270 Shares, representing approximately 40.46% of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company.

1.9.4.2 *Consequence of Share Buybacks*

Based on 904,841,914 issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the exercise in full of the Share Buyback Mandate, given the limits under Section 76I(1) of the Companies Act in respect of the Company's Shares held in treasury, up to the Prescribed Limit would result in the purchase of 89,632,791 Shares.

If the exercise in full of the Share Buyback Mandate by the Company ("**Full Share Purchase**") causes the aggregate voting rights of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, to increase by more than 1% (assuming such increases occur within six (6) months), Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, would thereby incur an obligation to make a general offer under Rule 14 of the Take-over Code.

Based on the direct holdings of Shares of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse as at the Latest Practicable Date and assuming that:

- (a) the Company undertakes Share Buybacks under the Share Buyback Mandate up to the Prescribed Limit as permitted by the Share Buyback Mandate;
- (b) there is no change in Mr. Derek Goh's, Mr. Sean Goh's, Ms. Victoria Goh's, and Ms. Victoria Goh's spouse's direct holdings of Shares between the Latest Practicable Date and the date of the 2026 AGM; and
- (c) there is no change in Mr. Derek Goh's, Mr. Sean Goh's, Ms. Victoria Goh's, and Ms. Victoria Goh's spouse's direct holdings of Shares between the date of the 2026 AGM and the date of the Full Share Purchase,

the aggregate voting rights of Mr. Derek Goh, Mr. Sean Goh and Ms. Victoria Goh in the Company will increase from approximately 40.45% to approximately 44.90% and the aggregate voting rights of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse in the Company will increase from approximately 40.46% to approximately 44.91%.

In such event, Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, will, unless exempted, thereby incur an obligation to make a general offer under Rule 14 of the Take-over Code.

1.9.4.3 Exemption under Section 3(a) of Appendix 2 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, would be eligible to be exempted from the obligation to make a general offer for the Company under Rule 14 of the Take-over Code as a result of the Company buying back its Shares pursuant to the renewed Share Buyback Mandate, subject to the following conditions:

- (a) the circular to Shareholders on the Ordinary Resolution contains advice to the effect that by voting to approve the renewal of the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, who, as a result of the Share Buybacks, would increase their voting rights by more than 1% in any period of six (6) months;
- (b) the circular to Shareholders discloses the names of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, and their voting rights at the time of the 2026 AGM and after the Company exercises the renewed Share Buyback Mandate in full;
- (c) the Ordinary Resolution is approved by a majority of those Shareholders present and voting at the 2026 AGM on a poll who could not become obliged to make a general offer for the Company as a result of the Company purchasing Shares under the Share Buyback Mandate;
- (d) Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, will abstain from voting on the Ordinary Resolution in respect of all their Shares as of the date of the 2026 AGM and/or abstain from making a recommendation to Shareholders to vote in favour of the Ordinary Resolution;
- (e) within seven (7) days after the passing of the Ordinary Resolution, each of Mr. Derek Goh, Mr. Sean Goh, and Ms. Victoria Goh submits to the SIC a duly signed form as prescribed by the SIC; and
- (f) Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, together holding between 30% and 50% of the Company's voting rights, have not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate is imminent and the earlier of:
 - (i) the date on which authority for the renewed Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces it has (a) bought back such number of Shares as authorised by Shareholders at the 2026 AGM, or (b) decided to cease buying back its Shares,

as the case may be, if such acquisitions, taken together with the Share Buybacks under the renewed Share Buyback Mandate, would cause the aggregate voting rights held by Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, in the Company to increase by more than 1% in the preceding six (6) months.

If the aggregate voting rights held by Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, increase by more than 1% solely as a result of the Company buying back Shares as authorised by the Share Buyback Mandate, and none of them has acquired any Shares during the period as defined in Section 1.9.4.3(f) above, then Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, would be eligible for the SIC's exemption from the obligation to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

Shareholders should note that by voting in favour of the Ordinary Resolution at the forthcoming 2026 AGM, Shareholders are waiving their rights to a general offer at the required price from Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable.

One of the conditions for exemption from the obligation to make a general offer under Rule 14 of the Take-over Code is the submission by each of Mr. Derek Goh, Mr. Sean Goh, and Ms. Victoria Goh to the SIC of a duly signed form as prescribed by the SIC ("**Form 2**"). As at the Latest Practicable Date, each of Mr. Derek Goh, Mr. Sean Goh, and Ms. Victoria Goh has informed the Company that he/ she will be submitting a Form 2 to the SIC within seven (7) days after the passing of the Ordinary Resolution.

The Company understands that Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, have not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate is imminent and the earlier of:

- (i) the date on which authority for the renewed Share Buyback Mandate expires; and
- (ii) the date on which the Company announces it has (a) bought back such number of Shares as authorised by Shareholders at the 2026 AGM, or (b) decided to cease buying back its Shares,

as the case may be, if such acquisitions, taken together with the Share Buybacks under the renewed Share Buyback Mandate, would cause the aggregate voting rights held by Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, in the Company to increase by more than 1% in the preceding six (6) months.

Save as disclosed above, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the renewed Share Buyback Mandate.

Appendix 2 of the Take-over Code requires that the resolution to authorise the renewal of the Share Buyback Mandate be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make a take-over offer under the Take-over Code as a result of the Share Buyback(s). Accordingly, the Ordinary Resolution is proposed to be taken on a poll, and Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse, if applicable, will abstain, and will procure their concert parties (if any) to abstain, from voting on the Ordinary Resolution.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buyback pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buyback Mandate is in force.

1.10 Reporting requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve the proposed Share Buyback Mandate, the Directors shall lodge a copy of the relevant Shareholders' resolution with the Registrar.

The Directors shall lodge with the Registrar a notice of share purchase within thirty (30) days of a share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of, *inter alia*, the total number of shares purchased or acquired, the purchase price per share or the highest and lowest prices paid for such shares, as applicable. Such announcement will be made in the form prescribed by the Listing Manual.

1.11 No purchases during price-sensitive developments

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices on dealings in securities under Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial statements.

1.12 Shares purchased by the Company in the twelve (12) months preceding the Latest Practicable Date

The Company has not purchased or acquired any Shares in the twelve (12) months preceding the Latest Practicable Date.

2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the Shares (as extracted from the Register of Directors' shareholdings), and the interests of the Substantial Shareholders in the Shares (as extracted from the Register of Substantial Shareholders) are as follows:

	←————— Number of Shares —————→					
	Direct Interest ⁽¹⁾	% ⁽²⁾	Deemed Interest	% ⁽²⁾	Total Interest	% ⁽²⁾
Directors						
Derek Goh Bak Heng ⁽³⁾	365,826,970	40.43	171,000	0.02	365,997,970	40.45
Teo Ser Luck	-	-	-	-	-	-
Sean Goh Su Teng	-	-	-	-	-	-
Heng Yeow Meng Michael	-	-	-	-	-	-
Lye Hoong Yip Raymond	-	-	-	-	-	-
Khua Kian Kheng Ivan	-	-	-	-	-	-
Ng Yong Hwee	-	-	-	-	-	-
Victoria Goh Si Hui ⁽⁴⁾	171,000	0.02	102,300	0.01	273,300	0.03
Goi Kok Ming Kenneth	-	-	-	-	-	-
Substantial Shareholders						
Derek Goh Bak Heng ⁽³⁾	365,826,970	40.43	171,000	0.02	365,997,970	40.45
Goi Seng Hui ⁽⁵⁾	131,293,738	14.51	24,862,800	2.75	156,156,538	17.26

Notes:

- (1) Including Shares held under nominees accounts.
- (2) "%" is based on 904,841,914 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (3) Mr. Derek Goh Bak Heng is deemed interested in the 171,000 Shares held by his daughter, Ms. Victoria Goh Si Hui.
- (4) Ms. Victoria Goh Si Hui is deemed interested in the 102,300 Shares held by her spouse.
- (5) Mr. Goi Seng Hui is deemed interested in the 24,862,800 Shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Companies Act.

Save as disclosed above, none of the Directors and Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the Share Buyback Mandate.

3. ACTION TO BE TAKEN BY SHAREHOLDERS

The 2026 AGM will be held in a wholly physical format at 8 Ubi View, #05-01, Serial System Building, Singapore 408554 on 30 April 2026 at 11.00 a.m. for the purpose of, *inter alia*, considering and, if thought fit, passing with or without modification the Ordinary Resolution as set out in the notice of the 2026 AGM.

Shareholders who are unable to attend the 2026 AGM and wish to appoint a proxy or proxies to attend and vote at the 2026 AGM on their behalf should complete, sign and return the proxy form attached to the notice of the 2026 AGM in accordance with the instruction printed therein. The duly executed instrument of proxy must be submitted either:

- (a) by post, to the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554; or
- (b) by email to ecomm@serialsystem.com (by enclosing a clear, scanned, completed and signed proxy form in PDF),

in either case, by 11.00 a.m. on 27 April 2026, being no later than seventy-two (72) hours before the time appointed for holding the 2026 AGM, and in default the instrument of proxy shall not be treated as valid. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2026 AGM if he so wishes to, in place of the proxy, if he finds that he is able to do so. In such event, the relevant proxy form will be deemed to be revoked.

CPF/SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11.00 a.m. on 21 April 2026, being seven (7) working days prior to the date of the 2026 AGM.

4. DIRECTORS' RECOMMENDATIONS

Save that Mr. Derek Goh, Mr. Sean Goh, and Ms. Victoria Goh have abstained from making any recommendation in respect of the proposed renewal of the Share Buyback Mandate, the Directors, having carefully considered, *inter alia*, the terms and rationale of the Share Buyback Mandate, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that the Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Share Buyback Mandate to be proposed at the 2026 AGM.

5. ABSTENTION FROM VOTING

In respect of the proposed renewal of the Share Buyback Mandate, Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse, if applicable, will abstain, and will procure their concert parties (if any) to abstain, from voting in respect of their holdings of Shares on the Ordinary Resolution, and will not accept any appointment as proxies or otherwise for voting on the Ordinary Resolution unless specific instructions have been given in the proxy form(s) on how the votes are to be cast in respect of the Ordinary Resolution.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

7. CONSENT

The legal adviser to the Company as to the proposed renewal of the Share Buyback Mandate, AEI Legal LLC, has given and has not withdrawn its written consent to the issue of this Appendix with the inclusion of its name herein and all references thereto in the form and context in which it appears in this Appendix and to act in such capacity in relation to this Appendix.

8. DOCUMENTS FOR INSPECTION

The Annual Report 2025 may be accessed at the Company's website at <https://serialsystem.com>.

A copy of the Constitution of the Company is available for inspection at the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554 during normal business hours, from the date of this Appendix up to and including the date of the 2026 AGM.

Yours faithfully
For and on behalf of the Board of Directors of
SERIAL SYSTEM LTD

Mr. Derek Goh Bak Heng
Executive Chairman and Group Chief Executive Officer

SERIAL SYSTEM LTD

(Company Registration Number:199202071D)
(Incorporated in the Republic of Singapore)

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT:

1. Relevant Intermediaries (as defined in Section 181 of The Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use by investors who hold shares through Relevant Intermediaries, including Central Provident Fund Investment Scheme (such investors, the "CPF Investors") and/or Supplementary Retirement Scheme (such investors, "SRS Investors") and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Investors who hold Shares through Relevant Intermediaries (including CPF Investors and SRS Investors) who wish to vote should approach their Relevant Intermediaries (including their respective CPF Agent Banks and SRS Agent Banks) to submit their voting instructions by 11.00 a.m. on 21 April 2026.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2026.

I/We* _____ (Name)

_____ (NRIC/Passport/Co. Registration No.)

of _____ (Address)

being a member/members* of Serial System Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or if no proxy is named, the Chairman of the Annual General Meeting ("**AGM**") as my/our* proxy/proxies* to attend, speak and vote on my/our* behalf at the AGM of the Company to be held at 8 Ubi View, #05-01, Serial System Building, Singapore 408554 on Thursday, 30 April 2026 at 11.00 a.m. and at any adjournment thereof.

I/We* have directed my/our* proxy/proxies* to vote for or against the resolutions or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specified directions as to voting are given, the proxy/proxies* may vote or abstain from voting at his/her/their* discretion as he/she/ they* will on any other matters arising at the AGM and at any adjournment thereof.

Please note that where the Chairman of the AGM is appointed as proxy, the proxy form appointing the Chairman of the AGM must be directed, i.e. the member must indicate for the respective resolutions whether the Chairman of the AGM is directed to vote "For" or "Against" or "Abstain" from voting. If no specific directions as to voting are given, the appointment of the Chairman of the AGM as proxy for the respective resolutions will be treated as invalid at the AGM and at any adjournment thereof.

Voting would be conducted by poll. Please indicate your vote "For", "Against" or "Abstain", on the resolutions with a tick [✓] within the boxes provided below. Alternatively, if you wish to exercise some of your votes "For" or some of your votes "Against" or some of your votes "Abstain" on the resolutions, please insert the relevant number of votes in the relevant boxes provided below.

No.	Ordinary Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
1	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025 together with the Auditors' Report thereon			
2	Declaration of Final Cash Dividend as recommended by the Directors			
3	Approval of Directors' Fees of S\$431,000 for the financial year ending 31 December 2026, payable quarterly in arrears			
4	Re-election of Mr. Derek Goh Bak Heng as a Director of the Company			
5	Re-election of Mr. Teo Ser Luck as a Director of the Company			
6	Re-election of Mr. Lye Hoong Yip Raymond as a Director of the Company			
7	Re-appointment of Moore Stephens LLP as Auditors of the Company and authorisation for the Directors to fix their remuneration			
	Special Business			
8	Authority to allot and issue shares			
9	Authority to offer and grant share options and to allot and issue or transfer shares under the Serial System Employee Share Option Scheme 2024			
10	Renewal of the Share Buyback Mandate			

Dated this ____ day of _____ 2026

Total No. of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member who is not a Relevant Intermediary (which has the meaning ascribed to it in Section 181 of The Companies Act 1967 of Singapore) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A proxy need not be a member of the Company. Where such member's form of proxy appoints two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. If no such number of shares is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such Relevant Intermediary's form of proxy appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. In relation to a Relevant Intermediary who wishes to appoint more than two (2) proxies, please annex, to the form of proxy, the list(s) of proxies, setting out, in respect of each proxy, the name, address, NRIC/passport and number of shares in relation to which each proxy has been appointed.
4. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.
5. Investors who hold Shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") and wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 11.00 a.m. on 21 April 2026) in order to allow sufficient time for their respective Relevant Intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf no later than 11.00 a.m. on 27 April 2026.
6. The instrument appointing the proxy or proxies, duly executed, must be submitted either:
 - (a) by post, to the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554; or
 - (b) by email to ecomm@serialsystem.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF),in either case, by 11.00 a.m. on 27 April 2026 ("**Proxy Deadline**"), and in default the Proxy Form shall not be treated as valid.
7. Members are strongly encouraged to submit the completed Proxy Form electronically via email.
8. The proxy/proxies must bring his/her/their NRIC/passport so as to enable the Company to verify his/her/their identity during the AGM.
9. Completion and return of the instrument appointing the proxy or proxies by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy or proxies for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing the proxy or proxies to the AGM.
10. The instrument appointing the proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or an officer duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter of power of attorney or a duly certified copy thereof must be lodged with the instrument appointing the proxy or proxies, failing which the instrument appointing the proxy or proxies may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the proxy or proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 15 April 2026.



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<https://serialsystem.com>