



SERIAL ACHIEVA LIMITED
(Company Registration Number: LL 12218)
(Incorporated in Labuan, Malaysia)
AND ITS SUBSIDIARIES

UNAUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2024

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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**SERIAL ACHIEVA LIMITED
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**SERIAL ACHIEVA LIMITED
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	The Group			The Group		
		6 months ended 31 December 2024	6 months ended 31 December 2023	Change %	12 months ended 31 December 2024	12 months ended 31 December 2023	Change %
		US\$'000	US\$'000		US\$'000	US\$'000	
Sales	5	59,877	21,403	180%	79,497	42,805	86%
Cost of sales		(58,830)	(20,708)	184%	(77,853)	(41,344)	88%
Gross profit		1,047	695	51%	1,644	1,461	13%
Gross profit margin		1.7%	3.2%	-1.5 pt	2.1%	3.4%	-1.3pt
Other income		470	235	100%	701	674	4%
Interest income	5	10	4	150%	15	7	114%
Other operating income	5	460	231	99%	686	667	3%
Expenses							
Distribution	6	(914)	(420)	118%	(1,314)	(860)	53%
Administrative	6	(215)	(109)	97%	(321)	(178)	80%
Finance	7	(189)	(166)	14%	(356)	(364)	-2%
Other:							
Loss allowance on trade and other receivables	6	(6)	(58)	-90%	(6)	(62)	-90%
Other operating	6	(1,182)	(190)	522%	(1,801)	(1,110)	62%
Total expenses		(2,506)	(943)	166%	(3,798)	(2,574)	48%
Loss before exceptional items		(989)	(13)	7,508%	(1,453)	(439)	231%
Exceptional items:							
Acquisition-related costs ⁽¹⁾		-	-	-	(369)	-	NM
Loss on reverse acquisition ⁽²⁾		-	-	-	(4,246)	-	NM
		-	-	-	(4,615)	-	NM
Loss before income tax	6	(989)	(13)	7,508%	(6,068)	(439)	1,282%
Income tax expense	9	2	1	100%	1	-	NM
Loss after income tax		(987)	(12)	8,125%	(6,067)	(439)	1,282%
Attributable to:							
Equity holders of the Company		(889)	(12)	7,308%	(5,969)	(439)	1,260%
Non-controlling Interests		(98)	-	NM	(98)	-	NM
		(987)	(12)	8,125%	(6,067)	(439)	1,282%
Loss per share attributable to equity holders of the Company:							
Basic	22	(0.52) cent	(0.01) cent	5,600	(3.85) cents	(0.32) cent	1,103
Diluted	22	(0.52) cent	(0.01) cent	5,600	(3.85) cents	(0.32) cent	1,103

⁽¹⁾ This related to introducer fee paid in shares.

⁽²⁾ This related to a one-off accounting loss incurred upon the completion of the reverse takeover on 14 June 2024.

**SERIAL ACHIEVA LIMITED
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group		The Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
Net loss for the period	(987)	(12)	(6,067)	(439)
Other comprehensive income/(loss): Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	264	92	238	30
Other comprehensive income for the period, net of tax	264	92	238	30
Total comprehensive (loss)/income for the period	(723)	80	(5,829)	(409)
Attributable to:				
Equity holders of the Company	(640)	80	(5,746)	(409)
Non-controlling Interests	(83)	-	(83)	-
	(723)	80	(5,829)	(409)

**SERIAL ACHIEVA LIMITED
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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		The Group		The Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Note		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		5,043	1,015	1,043	577
Trade and other receivables	12	26,943	7,994	232	-
Amounts due from related companies and immediate holding company	13	1,154	23	286	30
Inventories	14	12,073	5,809	-	-
Tax recoverable		5	3	-	-
		45,218	14,844	1,561	607
Non-current assets					
Investments in subsidiaries		-	-	23,116	-
Property, plant and equipment	15	238	277	1	-
Investment property	16	112	109	-	-
		350	386	23,117	-
Total assets		45,568	15,230	24,678	607
LIABILITIES					
Current liabilities					
Trade and other payables	17	23,349	2,137	313	480
Amounts due to ultimate, immediate holding company and related companies	18	11,834	6,986	79	-
Borrowings	19	5,888	4,954	-	-
		41,071	14,077	392	480
Non-current liabilities					
Borrowings	19	110	163	-	-
		110	163	-	-
Total liabilities		41,181	14,240	392	480
NET ASSETS		4,387	990	24,286	127
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	14,794	5,648	26,797	1,793
Treasury shares	20	-	-	(1)	(1)
Currency translation reserve		849	626	7	-
Accumulated losses		(11,253)	(5,284)	(2,517)	(1,665)
		4,390	990	24,286	127
Non-controlling interests		(3)	-	-	-
TOTAL EQUITY		4,387	990	24,286	127

**SERIAL ACHIEVA LIMITED
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Share capital US\$'000	Currency translation reserve US\$'000	Accumulated losses US\$'000	Total attributable to equity holders of the Company US\$'000	Non- controlling Interest US\$'000	Total Equity US\$'000
Balance at 1 January 2024	5,648	626	(5,284)	990	-	990
Loss for the period	-	-	(5,080)	(5,080)	-	(5,080)
Other comprehensive income/(loss):						
Currency translation differences	-	(26)	-	(26)	-	(26)
Total comprehensive loss for the period, net of tax	-	(26)	(5,080)	(5,106)	-	(5,106)
Others:						
Consideration shares issued in relation to reverse acquisition	4,062	-	-	4,062	-	4,062
Share-based payment - Introducer fee	369	-	-	369	-	369
Issuance of ordinary shares for intercompany loan and balance capitalisation	3,000	-	-	3,000	-	3,000
Issuance of ordinary shares for compliance placement	1,844	-	-	1,844	-	1,844
Share issue expenses for compliance placement	(129)	-	-	(129)	-	(129)
Total others	9,146	-	-	9,146	-	9,146
Balance at 30 June 2024	14,794	600	(10,364)	5,030	-	5,030
Loss for the period	-	-	(889)	(889)	(98)	(987)
Other comprehensive income/(loss):						
Currency translation differences	-	249	-	249	15	264
Total comprehensive loss for the period, net of tax	-	249	(889)	(640)	(83)	(723)
Others:						
Investments in subsidiaries by non-controlling interests	-	-	-	-	80	80
Total others	-	-	-	-	80	80
Balance at 31 December 2024	14,794	849	(11,253)	4,390	(3)	4,387

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Share capital US\$'000	Currency translation reserve US\$'000	Accumulated losses US\$'000	Total attributable to equity holders of the Company US\$'000	Non- controlling Interest US\$'000	Total Equity US\$'000
Balance at 1 January 2023	5,648	596	(4,845)	1,399	-	1,399
Loss for the period	-	-	(427)	(427)	-	(427)
Other comprehensive income/(loss):						
Currency translation differences	-	(62)	-	(62)	-	(62)
Total comprehensive loss for the period	-	(62)	(427)	(489)	-	(489)
Balance at 30 June 2023	5,648	534	(5,272)	910		910
Loss for the period	-	-	(12)	(12)	-	(12)
Other comprehensive income/(loss):	-	92	-	92	-	92
Currency translation differences	-	92	-	92	-	92
Total comprehensive income for the period	-	92	(12)	80	-	80
Balance at 31 December 2023	5,648	626	(5,284)	990	-	990

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Company	Share capital US\$'000	Treasury shares US\$'000	Currency translation reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2024	1,793	(1)	-	(1,665)	127
Loss for the period	-	-	-	(680)	(680)
Currency translation differences	-	-	1	-	1
Total comprehensive loss for the period	-	-	1	(680)	(679)
Others:					
Consideration shares issued in relation to reverse acquisition	19,920	-	-	-	19,920
Share-based payment - Introducer fee	369	-	-	-	369
Issuance of ordinary shares for intercompany loan and balance capitalisation	3,000	-	-	-	3,000
Issuance of ordinary shares for compliance placement	1,844	-	-	-	1,844
Share issue expenses for compliance	(129)	-	-	-	(129)
Total others	25,004	-	-	-	25,004
Balance at 30 June 2024	26,797	(1)	1	(2,345)	24,452
Loss for the period	-	-	-	(172)	(172)
Currency translation differences	-	-	6	-	6
Total comprehensive loss for the period	-	-	6	(172)	(166)
Balance at 31 December 2024	26,797	(1)	7	(2,517)	24,286
Balance at 1 January 2023	1,793	(1)	-	(610)	1,182
Total comprehensive loss for the period	-	-	-	(739)	(739)
Balance at 30 June 2023	1,793	(1)	-	(1,349)	443
Total comprehensive loss for the period	-	-	-	(316)	(316)
Balance at 31 December 2023	1,793	(1)	-	(1,665)	127

**SERIAL ACHIEVA LIMITED
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group		The Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
Cash flows from operating activities				
Loss before income tax	(989)	(13)	(6,068)	(439)
Adjustments for:				
Acquisition-related costs	-	-	369	-
Loss on reverse acquisition	-	-	4,246	-
Allowances/(reversal of allowances) for inventory obsolescence	92	(155)	147	(92)
Depreciation of right-of-use assets	53	48	103	99
Depreciation of property, plant and equipment	8	7	14	16
Inventories written off	3	2	3	2
Loss allowance on trade receivables	6	59	6	63
Fair value (gain)/loss on derivative financial instruments	(49)	86	(139)	(126)
Unrealised foreign exchange loss/(gain)	324	(260)	450	(86)
Interest income	(10)	(4)	(15)	(7)
Interest expense	189	166	356	364
Operating cash flow before working capital changes	(373)	(64)	(528)	(206)
Changes in working capital				
Trade and other receivables	(20,263)	(103)	(18,535)	(1,347)
Inventories	(4,566)	(835)	(6,075)	886
Trade and other payables	21,566	1,114	20,622	717
Immediate holding company	1,137	249	-	(1,510)
Related companies	2,252	1,817	2,563	1,263
Cash (used in)/from operations	(247)	2,178	(1,953)	(197)
Income tax refund/(paid)	-	1	(1)	(1)
Net cash (used in)/from operating activities	(247)	2,179	(1,954)	(198)
Cash flows from investing activities				
Payments for property, plant and equipment	(13)	(15)	(13)	(17)
Interest received	10	4	15	7
Net cash (used in)/from investing activities	(3)	(11)	2	(10)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares for compliance placement	-	-	1,844	-
Share issue expenses for compliance placement	-	-	(129)	-
Investments in subsidiaries by non-controlling interests	80	-	80	-
Proceeds from bank borrowings	15,037	-	32,391	20,795
Repayment of bank borrowings	(16,029)	(1,938)	(31,640)	(21,278)
Principal payment of lease liabilities	(51)	(49)	(98)	(102)
Repayment to ultimate holding company	-	(80)	-	(290)
Advances from immediate holding company	-	3	-	263
Advances from/(Repayment to) related companies	3,812	(33)	3,813	852
Interest paid	(189)	(166)	(356)	(364)
Net cash from/(used in) financing activities	2,660	(2,263)	5,905	(124)
Net increase/(decrease) in cash and cash equivalents held	2,410	(95)	3,953	(332)
Cash and cash equivalents at the beginning of the period	2,561	918	1,015	1,343
Effect of currency translation on cash and cash equivalents	72	192	75	4
Cash and cash equivalents at the end of the period	5,043	1,015	5,043	1,015

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General information

Serial Achieva Limited (the “**Company**”) is incorporated and domiciled in Labuan, Malaysia. The address of its registered office and principal place of business is as follows:

Registered office:-

Lot A020, Level 1
Podium Level, Financial Park
Jalan Merdeka
87000 Labuan F.T., Malaysia

Principal place of business:

2.03, 2nd Floor
Wisma Academy
No. 4A, Jalan 19/1
46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia

The Company is listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

These condensed interim financial statements as at and for the six months and full year ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries.

The principal activities of the Group are the distribution and marketing of information technology, computer peripherals, parts, software and related products, and system integration services.

The holding company of the Company is Serial System Ltd, an entity listed on the Mainboard of SGX-ST.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months and full year ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards International (“**SFRS(1)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in United States Dollar (**US\$**). The Company's functional currency is Singapore Dollar (**S\$**). All values are rounded to the nearest thousand (**US\$'000**) except when otherwise indicated.

Completion of reverse takeover and presentation of condensed interim financial statements

The Group has completed its reverse takeover (“**RTO**”) or reverse acquisition via the acquisition of 100% equity interest in Achieva Technology Sdn. Bhd. (“**Achieva Technology Malaysia**”) and 49.0% equity interest in Achieva Digital (Thailand) Company Limited (“**Achieva Digital Thailand**”) on 14 June 2024 (the “**Completion**”).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. Basis of preparation (continued)

2.1 Statement of compliance (continued)

Following the Completion of the RTO, the Company's legal subsidiary, Achieva Technology Malaysia is regarded as the accounting acquirer and the Company as the accounting acquiree, for accounting purpose. As such, the condensed interim consolidated financial statements have been prepared and presented as a continuation of Achieva Technology Malaysia.

Accordingly, the condensed interim consolidated financial statements comprising the condensed interim consolidated statement of profit or loss, the condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of financial position, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the half year period ended 30 June 2024 and full year ended 31 December 2024 have been presented as a continuation of Achieva Technology Malaysia, in accordance with the following:

- (1) The assets and liabilities of the accounting acquirer, Achieva Technology Malaysia, are recognised and measured in the condensed interim consolidated statement of financial position at their pre-acquisition carrying amount;
- (2) The assets and liabilities of the accounting acquiree, the Company, are recognised and measured in accordance with their acquisition date fair value;
- (3) Achieva Digital Thailand was incorporated in May 2023 and has been inactive until 1 July 2024;
- (4) The retained earnings and other equity balances recognised in the condensed interim consolidated financial statements of the Group are the retained earnings and other equity balances of Achieva Technology Malaysia immediately before the RTO;
- (5) The amount recognised in the issued equity interest in the consolidated interim consolidated financial statements of the Group is computed by adding the issued equity of Achieva Technology Malaysia immediately before the RTO to the cost of the reverse acquisition of the Company (legal parent) determined in accordance with SFRS(I) 3. However, the equity structure presented in the condensed interim consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the combination;
- (6) The cost of the reverse acquisition deemed to be incurred by Achieva Technology Malaysia for its interests in the Company is based on the number of equity interests that Achieva Technology Malaysia would have to issue to the shareholders of the Company to give the shareholders of the Company the same percentage equity interest in the enlarged group that results from the RTO and will be determined using the fair value of the issued shares of Achieva Technology Malaysia immediately before the RTO;
- (7) The comparative figures presented in these condensed interim consolidated financial statements of the Group are those of consolidated financial statements of Achieva Technology Malaysia; and
- (8) The condensed interim consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in SFRS(I) 3, but it does not result in the recognition of goodwill as the Company did not have any operating business and activity to generate cash to meet its obligations. Accordingly, the Company does not constitute a business as set out in SFRS(I) 3. Instead, the transaction falls within the scope of SFRS(I) 2 Share-based Payment, which requires the deemed shares issued by Achieva Technology Malaysia to be recognised at fair value. Any difference in the fair value of the shares issued by Achieva Technology Malaysia and the fair value of the Company's identifiable net liabilities represents the value in exchange for the listing status which is recognised as an expense in profit or loss. Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. In the Company's separate financial statements, the investments in subsidiaries are accounted for at costs less any accumulated impairment losses.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. Basis of preparation (continued)

2.2. New and amended standards adopted by the Group

The following are the amendments to SFRS(I)s, that took effect from financial year beginning on or after 1 January 2024:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Non-Current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7 Statement of Cash Flows and Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024

The amendments to SFRS(I) 1-7 and SFRS(I) 7 clarify the characteristics of supplier finance arrangements and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects of an entity's liabilities, cash flows and the exposure to liquidity risk. There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. The disclosures are only required for annual periods during the first year of application and not interim financial statements.

The adoption of the above amendments to SFRS(I)s did not have a material impact on the condensed interim financial statements.

2.3. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited annual financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

4.1 Operating segments

Management has determined the Company and Group as one reportable segment as the Company and Group are only involved in the distribution and marketing of information technology, computer peripherals, parts, software and related products.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.2 Geographical segments

The geographical segments comprised three broad primary geographic areas, namely: Malaysia (the home and principal operating country of the Group) Thailand, and Singapore which reflect the current business process and monitoring in these primary geographic business segments in which the Group operates in. Management considers the business from the geographical segment's perspective based on the reports reviewed to make strategic decisions. The geographical 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 geographical segments.

Performance is measured based on sales, gross profit and profit after tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer and Financial Controller 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 geographical segment. Inter-segment transactions are determined on an arm's length basis.

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		Sales		Non-current assets	
	6 months ended 31 December 2024	6 months ended 31 December 2023	12 months ended 31 December 2024	12 months ended 31 December 2023	31 December 2024	31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	The Group					
Malaysia	32,753	21,403	52,373	42,805	349	386
Thailand	14,105	-	14,105	-	1	-
Singapore	13,019	-	13,019	-	-	-
Total	59,877	21,403	79,497	42,805	350	386

5. Revenue

	The Group		The Group	
	6 months ended 31 December 2024	6 months ended 31 December 2023	12 months ended 31 December 2024	12 months ended 31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000
	The Group			
Sales of goods	59,877	21,403	79,497	42,805
Other operating income	460	231	686	667
Interest income	10	4	15	7
	60,347	21,638	80,198	43,479
Sales of goods:				
Performance obligations satisfied at a point in time:				
Consumer products	59,877	21,403	79,497	42,805

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Revenue (continued)

	The Group		The Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
Other operating income:				
Rebate income from suppliers	301	134	430	347
Rental income	2	2	4	4
Foreign exchange gain	107	86	107	86
Fair value gain/(loss) on derivative financial instruments	49	(86)	139	126
Reversal of allowances for inventory obsolescence	-	92	-	92
Sundry income	1	3	6	12
Total other operating income	460	231	686	667
Interest income:				
Bank balances	10	4	15	7
Total interest income	10	4	15	7
Total	60,347	21,638	80,198	43,479

6. Loss before income tax

	The Group		The Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
This is arrived at after charging:				
Depreciation of property, plant and equipment*	8	7	14	16
Depreciation of right-of-use assets*	53	48	103	99
Loss allowance on trade receivables*	6	59	6	63
Inventories written off*	3	2	3	2
Allowances/(Reversal of allowances) for inventory obsolescence*	92	(63)	147	-
Employee benefits expense	822	292	1,126	604
Management fees*	228	281	488	505
Freight and handling charges	167	91	259	192
Travelling and transportation expenses	75	28	97	58
Foreign exchange loss/(gain) (net)*	484	(128)	685	412
Other expenses (included in distribution, administrative and other operating expenses)	379	160	514	259
Total distribution, administrative and other operating expenses	2,317	777	3,442	2,210

* Included in "other operating
expenses"

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Finance expense

	The Group		The Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
Interest expenses:				
Bankers' acceptance	166	150	311	331
Letter of credit	16	15	31	30
Lease liabilities	7	1	14	3
	189	166	356	364

8. 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.

Related parties in these financial statements refer to the holding company, Serial System Ltd and its group of companies, including wholly-owned subsidiaries, Serial I-Tech (Far East) Pte. Ltd., Serial Microelectronics Pte. Ltd. and SerialTec (Japan) Co., Ltd.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

8. Related party transactions (continued)

8.1 Sales and purchases of goods and services

In addition to the information disclosed elsewhere in the condensed interim financial statements, the following transactions took place between the Group and related parties during the financial period at terms agreed between the parties:

	The Group		The Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
With ultimate holding company ⁽¹⁾ :				
- Sales of goods	1	-	1	1
- Finance expenses	1	-	31	30
- Management fee expenses	71	54	124	102
With immediate holding company ⁽²⁾ :				
- Sales of goods	-	-	-	-
- Purchases of goods	-	8,282	-	18,660
- Finance expenses	-	-	-	-
- Management fee expenses	-	168	-	326
With related companies ⁽³⁾ :				
- Sales of goods	17	45	17	57
- Purchases of goods	21,079	6,148	40,708	12,207
- Management fee expenses	156	36	364	72
- Intercompany loans	5,758	-	5,758	-
- Intercompany loan and balance capitalisation	-	-	3,000	-

Sales and purchases of goods and services were carried out on commercial terms and conditions as agreed between the parties.

Note:

- (1) Ultimate holding company refers to Serial System Ltd before the Completion of RTO. After Completion, Serial System Ltd becomes the holding company of the Company and ultimate holding company of the Company's subsidiaries.
- (2) Immediate holding company refers to Serial I-Tech (Far East) Pte. Ltd. before the Completion of RTO. After Completion, Serial I-Tech (Far East) Pte. Ltd. becomes related company of the Company and the Group.
- (3) Related companies include Serial Microelectronics Pte. Ltd., SerialTec (Japan) Co., Ltd., and all subsidiaries of Serial System Ltd. and also include Serial I-Tech (Far East) Pte. Ltd. after the Completion of RTO. Relationship with the Company and the Group remains unchanged before and after the Completion of RTO.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

9. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the total annual profit. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group		The Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
Tax expense attributable to profit is made up of:				
Current income tax – Malaysia	(2)	(1)	(1)	-
Total	<u>(2)</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>

10. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2024 and 31 December 2023:

	The Group		The Company	
	31 December 2024 US\$'000	31 December 2023 US\$'000	31 December 2024 US\$'000	31 December 2023 US\$'000
Financial assets at amortised cost:				
Cash and bank balances	5,043	1,015	1,043	577
Trade and other receivables	26,943	7,994	232	-
Amounts due from related companies and immediate holding company	1,154	23	286	30
Total	<u>33,140</u>	<u>9,032</u>	<u>1,561</u>	<u>607</u>
Financial liabilities at amortised cost:				
Trade and other payables	23,349	2,046	313	480
Borrowings	5,998	5,117	-	-
Amounts due to ultimate, immediate holding company and related companies	11,834	6,986	79	-
Total	<u>41,181</u>	<u>14,149</u>	<u>392</u>	<u>480</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

11. Net assets value

	The Group		The Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net assets value (US\$'000)	4,390	990	24,286	127
Number of issued ordinary shares	169,774,380	186,710,300	169,774,380	186,710,300
Net assets value per ordinary share (US cents)	2.59	0.53	14.30	0.07

12. Trade and other receivables

	The Group		The Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Current				
Trade receivables	25,953	8,128	-	-
Loss allowance	(160)	(381)	-	-
Net trade receivables	25,793	7,747	-	-
Other receivables	936	150	232	-
Deposits	69	62	-	-
Prepayments	145	35	-	-
	1,150	247	232	-
Total	26,943	7,994	232	-

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 IFRS 15 and records the amounts of consideration as trade receivables for its sales arrangements with the customers.

The Group generally grants a credit period that ranges from 0 to 90 days to its customers. Trade receivables are recognised initially at the amounts of consideration that are unconditional unless they contain significant financing components, of which they will be recognised at fair value. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit loss.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. 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 head of operation, and finance department and at the Group level by the corporate finance and management team.

The Group purchased credit insurance to reduce credit risk from extension of credit to certain customers.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

13. Amounts due from related companies and immediate holding company

	The Group		The Company	
	31 December 2024 US\$'000	31 December 2023 US\$'000	31 December 2024 US\$'000	31 December 2023 US\$'000
Amount due from immediate holding company ⁽¹⁾				
Non trade	-	-	-	30
Amounts due from subsidiaries				
Non trade	-	-	286	-
Amounts due from related companies ⁽¹⁾				
Trade	24	47	-	-
Non trade ⁽²⁾	1,154	-	-	-
	1,178	47	-	-
Loss allowance	(24)	(24)	-	-
	1,154	23	-	-
Total	1,154	23	286	30

The amounts due from subsidiaries are unsecured, interest bearing at 7.40% per annum and repayable on demand.

The non-trade amounts due from immediate holding company and related companies are unsecured, non-interest bearing and repayable on demand. The trade amounts due from related companies are unsecured, interest free with a credit term of 30 to 60 days.

Note:

⁽¹⁾ Refer to 8.1 Note (2) and (3) for the definition of immediate holding company and related companies.

⁽²⁾ It was related to rebates from suppliers.

14. Inventories

	The Group	
	31 December 2024 US\$'000	31 December 2023 US\$'000
Finished goods	12,073	5,809

During the financial year, the Group made allowances for inventory obsolescence amounting to US\$147,000 (31 December 2023: Reversal of allowances for inventory obsolescence amounting to US\$92,000).

15. Property, plant and equipment

The Group's property, plant and equipment related to right-of-use assets of US\$210,000 (31 December 2023: US\$248,000) arose from rental of office and warehouse. Cash payments of US\$13,000 (31 December 2023: US\$17,000) were made to purchase property, plant and equipment.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

16. Investment property

	The Group	
	31 December 2024 US\$'000	31 December 2023 US\$'000
Beginning of financial year	109	114
Currency translation differences	3	(5)
End of financial year	112	109

16.1 Valuation

Investment property is carried at fair value, determined annually by independent professional valuer based on the investment property's highest-and-best use value using the Direct Market Comparison Method and if required, adjusted with appropriate adjustments, such as location, date of transaction and size of property. Changes in fair values are recognised in the consolidated statement of profit or loss.

17. Trade and other payables

	The Group		The Company	
	31 December 2024 US\$'000	31 December 2023 US\$'000	31 December 2024 US\$'000	31 December 2023 US\$'000
Current				
Trade payables - Third parties	22,036	1,466	-	-
Other payables and accrued operating expenses	906	284	313	480
Contract liabilities	407	296	-	-
Derivative financial instruments	-	91	-	-
Total	23,349	2,137	313	480

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

18. Amounts due to ultimate, immediate holding company and related companies

	The Group		The Company	
	31 December 2024 US\$'000	31 December 2023 US\$'000	31 December 2024 US\$'000	31 December 2023 US\$'000
Amount due to ultimate holding company ⁽¹⁾				
Non trade	-	79	-	-
Amounts due to immediate holding company ⁽¹⁾				
Trade	-	2,729	-	-
Non trade	73	74	5	-
	73	2,803	5	-
Amount due to subsidiary				
Non trade	-	-	5	-
Amounts due to related companies ⁽¹⁾				
Trade	7,647	3,092	-	-
Non trade	4,114	1,012	69	-
	11,761	4,104	-	-
Total	11,834	6,986	79	-

The non-trade amounts due to the ultimate and immediate holding company, subsidiary and related companies are unsecured, interest free, and repayable on demand.

The trade amount due to the immediate holding company is unsecured, interest free and repayable on demand. The trade amounts due to related companies are unsecured, interest free with a credit term of 30 to 90 days.

Note:

⁽¹⁾ Refer to 8.1 Note (1), (2) and (3) for the definition of ultimate holding company, immediate holding company and related companies.

19. Borrowings

	The Group		The Company	
	31 December 2024 US\$'000	31 December 2023 US\$'000	31 December 2024 US\$'000	31 December 2023 US\$'000
Amount repayable within one year or on demand:				
Unsecured	5,888	4,954	-	-
Amount repayable after one year:				
Unsecured	110	163	-	-
Total	5,998	5,117	-	-

19.1 Details of guarantees

Current bank borrowings of US\$5,544,000 (31 December 2023: US\$4,869,000) are supported by corporate guarantee provided by the holding company, Serial System Ltd and a subsidiary of Serial System Ltd, and a bank's irrevocable standby letter of credit provided by Serial System Ltd.

The remaining current bank borrowings of US\$239,000 (31 December 2023: US\$ Nil) excluding lease liabilities are supported by corporate guarantee provided by Serial System Ltd.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

19. Borrowings (continued)

19.2 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 31 December 2024, the Group did not comply with the covenants entered with banks, which the banks have the right to call for immediate repayment of outstanding current borrowings of US\$5,783,000 (31 December 2023: US\$4,869,000). As at the date of this report, current borrowings of US\$3,530,000 have been repaid and these banks have not called for any immediate repayment for the remaining amount. The Group's subsidiary has been servicing the repayments of the borrowings and its interests as and when they fall due and the utilisation of the borrowing facilities continues as usual as of the date of this announcement.

20. Share capital

	Issued number of shares		Total share capital	
	Share capital '000	Treasury shares '000	Share capital US\$'000	Treasury shares US\$'000
The Group				
2024				
As at 1 January 2024	186,710	-	5,648	-
Share consolidation	(163,372)	-	-	-
Consolidation shares issued in relation to reverse acquisition	114,407	-	4,062	-
Share-based payment – Introducer fee	2,119	-	369	-
Issuance of ordinary shares for intercompany loan and balance capitalisation	17,410	-	3,000	-
Issuance of ordinary shares for compliance placement	12,500	-	1,844	-
Share issue expenses for compliance	-	-	(129)	-
As at 31 December 2024	169,774	-	14,794	-
2023				
As at 1 January 2023 and 31 December 2023	186,710	-	5,648	-
	Issued number of shares		Total share capital	
	Share capital '000	Treasury shares '000	Share capital US\$'000	Treasury shares US\$'000
The Company				
2024				
As at 1 January 2024	186,710	10	1,793	(1)
Share consolidation	(163,372)	-	-	-
Consolidation shares issued in relation to reverse acquisition	114,407	-	19,920	-
Share-based payment – Introducer fee	2,119	-	369	-
Issuance of ordinary shares for intercompany loan and balance capitalisation	17,410	-	3,000	-
Issuance of ordinary shares for compliance placement	12,500	-	1,844	-
Share issue expenses for compliance	-	-	(129)	-
As at 31 December 2024	169,774	10	26,797	(1)
2023				
As at 1 January 2023 and 31 December 2023	186,710	10	1,793	(1)

20. Share capital and treasury shares (continued)

On 14 June 2024, the Company completed the RTO. Pursuant to the Completion, the Company:

- undertook a share consolidation in June 2024 where every eight existing ordinary shares were consolidated into one ordinary share from 186,710,300 ordinary shares to 23,338,788 ordinary shares;
- allotted and issued 114,406,780 ordinary shares to its holding company, Serial System Ltd at an issue price of S\$0.236 (US\$0.174) per share, in full satisfaction of the total consideration of S\$27.0 million (US\$19.9 million) for the acquisition of the 100% equity interest in Achieva Technology Malaysia and 49% equity interest in Achieva Digital Thailand;
- allotted and issued 2,118,644 ordinary shares at an issue price of S\$0.236 (US\$0.174) per share, as introducer shares to Mr. Kho Wee Hong George as arranger fee for the RTO. The value of these shares issued amounted to S\$500,000 (US\$369,000) and this was charged to the statement of profit or loss during the financial year ended 31 December 2024;
- allotted and issued 17,410,169 ordinary shares to Serial System Ltd being Interco Shares comprising 5,803,390 Interco Loan Shares and 11,606,779 Interco Balance Shares at an issue price of S\$0.236 (US\$0.174) per share, in full satisfaction of the intercompany loan of S\$1.36 million (US\$1 million) and intercompany balances of S\$2.72 million (US\$2 million) owing by Achieva Technology Malaysia to a related company; and
- allotted and issued 12,500,000 ordinary shares for compliance placement at an issue price of S\$0.20 (US\$0.147) per share for proceeds of approximately S\$2.5 million (US\$1.84 million). Net proceeds received after deducting direct expenses relating to the compliance placement of approximately S\$175,000 (US\$129,000) was approximately S\$2.33 million (US\$1.72 million).

As at 31 December 2024, the Group does not own treasury shares and subsidiary holdings.

There was no outstanding share options as at 31 December 2024 and 31 December 2023.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares and subsidiary holdings during the financial year ended 31 December 2024.

OTHER INFORMATION

21. Whether the figures have been audited or reviewed and in accordance with which auditing or practice

The condensed interim statements of financial position of Serial Achieva Limited and its subsidiaries as at 31 December 2024 and the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six months and full year ended 31 December 2024 and certain explanatory notes have not been audited or reviewed.

22. Loss per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Second Half Year		Full Year	
	6 months	6 months	12 months	12 months
	ended 31	ended 31	ended 31	ended 31
	December 2024	December 2023	December 2024	December 2023
Based on the weighted average number of ordinary shares in issue (in US\$); and	(0.52) cent	(0.01) cent	(3.85) cents	(0.32) cent
On a fully diluted basis (in US\$)	(0.52) cent	(0.01) cent	(3.85) cents	(0.32) cent

Loss per ordinary share on existing issued share capital are computed based on the weighted average number of shares in issue during the six months and full year ended 31 December 2024 of 169,774,380 and 154,959,478 respectively (six months and full year ended 31 December 2023 of 137,745,567 respectively).

Loss per ordinary share on a fully diluted basis are computed based on the weighted average number of shares in issue during the six months and full year ended 31 December 2024 of 169,774,380 and 154,959,478 respectively (six months and full year ended 31 December 2023 of 137,745,567 respectively).

There were no potential dilutive ordinary shares for the financial year ended 31 December 2024 and 31 December 2023.

23. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Condensed Interim Consolidated Statement of Profit or Loss

Results for Full Year Ended 31 December 2024

The Group recorded turnover of US\$79.5 million for the full year ended 31 December 2024 ("FY2024"), an increase of 86% compared to US\$42.8 million for the same period last year ("FY2023").

The substantial growth was primarily driven by the commencement of business operations in Thailand in July 2024, which contributed US\$14.1 million in revenue and the sales of AI-related products of US\$13.0 million by a newly established 55%-owned Singapore subsidiary. In addition, the Group experienced steady sales growth in the Malaysian market, contributing higher revenue of US\$9.6 million. These factors collectively played a key role in driving the strong turnover performance for the year.

Overall gross profit margin declined by 1.3 percentage points to 2.1% in FY2024 from 3.4% in FY2023. This was primarily due to a higher proportion of sales of lower-margin businesses, coupled with intensified market competition in a challenging operating environment.

Interest income increased by US\$8,000 or 114% to US\$15,000, primarily due to interest earned from the placement of short-term bank deposits in FY2024.

Other operating income increased by US\$0.02 million or 3% to US\$0.7 million in FY2024, mainly due to higher supplier rebates of US\$0.1 million mainly attributed to the Group's new operations in Thailand and higher fair value gain from derivative financial instruments of US\$0.01 million. The increase was substantially offset by absence of reversal of allowances for inventory obsolescence as opposed to US\$0.09 million in FY2023.

Distribution expenses increased by US\$0.5 million or 53% to US\$1.3 million, mainly due to costs incurred from the Group's newly established business operations in Thailand. Expenses from the Malaysia business operations remained consistent with the previous year.

Administrative expenses increased by US\$0.1 million or 80% to US\$0.3 million, mainly attributed to US\$0.2 million in costs related to the newly established Thailand operations and corporate office, as well as an increase of US\$0.1 million in bank charges related to the laptop distribution business in Malaysia. These increases were substantially offset by government grants of US\$0.2 million to defray professional fees related to the RTO exercise.

Finance expenses decreased by US\$0.01 million or 2% to US\$0.35 million mainly due to lower utilisation of bank facilities to finance the Group's working capital in 1H2024.

Other operating expenses increased by US\$0.7 million or 62% to US\$1.8 million, mainly due to higher foreign exchange loss of US\$0.3 million and allowances for inventory obsolescence of US\$0.1 million. The increase was also contributed by US\$0.3 million in higher corporate expenses compared to the previous year, driven by expenses associated with establishing the new group.

In FY2024, exceptional items of US\$4.62 million related to an accounting loss on RTO of US\$4.25 million and an introducer fee for the RTO paid in shares of US\$0.37 million.

The Group recorded higher net loss of US\$5.97 million in FY2024, compared to net loss of US\$0.44 million in FY2023, primarily due to the exceptional items totalling US\$4.62 million related to the RTO. Excluding these one-off items, the net loss for FY2024 stood at US\$1.35 million, compared to US\$0.44 million in FY2023. The higher net loss was mainly due to higher costs contributed by corporate office, higher foreign exchange loss and allowances for inventory obsolescence as opposed to a reversal of allowances for inventory obsolescence in FY2023.

23. A review of the performance of the group (continued)

Condensed Interim Consolidated Statement of Profit or Loss (continued)

Results for Second Half Year Ended 31 December 2024

The Group recorded turnover of US\$59.9 million for the second half year ended 31 December 2024 ("2H2024"), an increase of 180% when compared to US\$21.4 million for the same period last year ("2H2023").

The strong growth was mainly driven by the commencement of business operations in Thailand in July 2024, contributing US\$14.1 million in revenue and the sales of US\$13.0 million of AI-related products by a newly-established 55%-owned Singapore subsidiary. The Malaysian market also grew, driven primarily by increased demand for CPUs.

Overall gross profit margin decreased by 1.5 percentage points to 1.7% in 2H2024, from 3.2% in 2H2023. The decline was mainly due to a higher sales mix of lower-margin businesses and reduced margins across most product categories, impacted by intense market competition and a challenging business environment.

Interest income increased by US\$6,000 or 150% to US\$10,000, primarily due to interest earned from the placement of short-term bank deposits.

Other operating income increased by US\$0.23 million or 99% to US\$0.46 million, mainly due to higher rebate income from suppliers of US\$0.17 million, an increase in fair value gain on derivative financial instruments of US\$0.13 million, and higher foreign exchange gain of US\$0.02 million. These increase were partially offset by the absence of reversal of allowances for inventory obsolescence as opposed to US\$0.09 million in 2H2023.

Distribution expenses increased by US\$0.5 million or 118% to US\$0.9 million, mainly due to US\$0.4 million in costs related to the Group's newly established business operations in Thailand. Higher freight charges for the Malaysia business operations of US\$0.06 million, in line with higher turnover, also contributed to the increase in distribution expenses.

Administrative expenses increased by US\$0.1 million, or 97%, to US\$0.2 million, primarily due to US\$0.2 million in costs related to the newly established operations in Thailand and higher corporate expenses compared to 2H2023, and an increase of US\$0.1 million in other professional fees. These increases were substantially offset by US\$0.2 million in government grants to defray professional fees related to the RTO exercise.

Finance expenses increased by US\$0.02 million or 14% to US\$0.19 million mainly due to increase in the utilisation of bank facilities for its business growth.

Other operating expenses increased by US\$1.0 million, or 522%, to US\$1.2 million, mainly due to higher foreign exchange loss of US\$0.6 million, higher allowances for inventory obsolescence of US\$0.2 million, and US\$0.2 million in costs related to the Group's newly established business operations in Thailand.

The Group recorded higher net loss of US\$0.89 million in 2H2024 compared to US\$0.01 million in 2H2023. This was mainly due to higher allowances for inventory obsolescence of US\$0.25 million, higher foreign exchange loss of US\$0.59 million, and US\$0.2 million in corporate expenses related to setting up the new group. These were partially offset by higher fair value gain on derivative financial instruments of US\$0.14 million.

Condensed Interim Statements of Financial Position

Trade and other receivables and amounts due from related companies and immediate holding company increased by US\$20.0 million, or 250%, to US\$28.1 million in FY2024 from US\$9.0 million in FY2023, were driven by the Group's higher sales performance compared to the previous year, contributed by the newly established business operations in Thailand and sales of AI-related products from a newly established 55%-owned Singapore subsidiary. Average turnover days for trade receivables increased to 77 days in FY2024 from 59 days in FY2023.

Inventories increased by US\$6.3 million or 108% to US\$12.1 million in FY2024 from US\$5.8 million in FY2023 mainly due to the newly established business operations in Thailand and the sustained growth of the Malaysian market. Average turnover days for inventories decreased to 42 days in FY2024 from 56 days in FY2023.

23. A review of the performance of the group (continued)

Condensed Interim Statements of Financial Position (continued)

Trade and other payables and amounts due to ultimate, immediate holding, and related companies, increased by US\$26.1 million or 286% to US\$35.2 million in FY2024 from US\$9.1 million in FY2023. The increase was due to higher purchases through related companies, as well as contributions by the newly established business operations in Thailand and newly established 55%-owned Singapore subsidiary. Longer payment days to suppliers also contributed to the increase in trade payables. Average payment days for trade payables increased to 84 in FY2024 from 63 in FY2023.

Borrowings increased by US\$0.9 million or 17% to US\$5.9 million in FY2024 from US\$5.1 million in FY2023 mainly driven by increased financing for inventory purchases.

As at 31 December 2024, the Group's net gearing ratio was 22% (31 December 2023: 414%). The net gearing ratio was derived as net debts (total borrowings minus cash and cash equivalents) divided by total equity. The decrease was mainly due to increase in total equity resulting from the increase in share capital following the Completion of RTO on 14 June 2024.

Condensed Interim Consolidated Statement of Cash Flows

In FY2024, the Group recorded negative operating cash flows of US\$2.0 million, due to increase in inventories of US\$6.1 million and trade and other receivables of US\$18.5 million. These outflows were substantially offset by increase in trade and other payables of US\$20.6 million and amounts due to related companies of US\$2.6 million. The loss in FY2024 also contributed US\$0.5 million to negative operating cash flows.

Net cash from investing activities in FY2024 amounted to US\$2,000, mainly due to interest received of US\$15,000, substantially offset by purchase of property, plant and equipment of US\$13,000.

Net cash from financing activities amounted to US\$5.9 million, contributed by proceeds from bank borrowings of US\$32.4 million, advances from a related company of US\$3.8 million, and US\$1.84 million raised from the issuance of ordinary shares for compliance placement. These inflows were substantially offset by repayment of bank borrowings of US\$31.6 million, interest payments of US\$0.36 million, and share issue expenses of US\$0.13 million related to the compliance placement.

24. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was previously issued in respect of the current reporting period.

25. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The economic and financial environment remains challenging, marked by high interest rate, inflationary pressure, currency volatility, ongoing geopolitical conflicts and trade tensions, which will impact demand, supply chain and affect the Group's business performance. Additionally, intense competition and rising operational costs may continue to impact profitability.

To navigate these challenges, the Group will focus on boosting operational efficiency and productivity, and exercise prudent inventory and credit management. It will also strengthen and expand its product offerings in high-growth sectors such as gaming, cloud storage, and AI solutions to achieve positive long-term results.

Looking ahead, the Group aims to accelerate its regional expansion into Indonesia, Vietnam, and the Philippines through strategic partnerships, and/or mergers and acquisitions. By broadening its market presence and diversifying revenue streams, the Group seeks to sustain growth and enhance resilience in an uncertain economic landscape.

OTHER INFORMATION

26. Dividend

a) Current Financial Period Reported On

Any dividend declared (recommended) for the current financial period reported on?

No

b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

c) Date payable

Not applicable.

d) Books closure date

Not applicable.

27. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial year ended 31 December 2024 to conserve cash for the Group's business operations and future growth.

28. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Catalyst Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has obtained a general mandate from shareholders for IPTs which was approved at the Company's extraordinary general meeting on 22 January 2024. The IPT mandate will be effective until the conclusion of the Company's next annual general meeting following Completion of the RTO.

Name of interested person	Nature of relationship	Aggregate value of all IPTs during <u>FY2024</u> (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalyst Rules) S\$'000	Aggregate value of all IPTs conducted during <u>FY2024</u> under shareholders' mandate pursuant to Rule 920 of the Catalyst Rules (excluding transactions less than S\$100,000) S\$'000
Serial System Ltd ⁽²⁾	Holding company	-	166
Serial I-Tech (Far East) Pte. Ltd. ^{(1) & (3)}	Related company	-	43,091
Serial Microelectronics Pte. Ltd. ^{(1) & (4)}	Related company	-	19,387

Note:

⁽¹⁾ Wholly-owned subsidiaries of Serial System Ltd.

⁽²⁾ It represents management fee expenses.

⁽³⁾ It represents management fee expenses, purchases of goods, and intercompany loans.

⁽⁴⁾ It represents purchases of goods.

OTHER INFORMATION

29. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Catalist Rule 720(1).

30. Additional information required pursuant to Rules 706A.

The Company completed the RTO on 14 June 2024. Upon Completion, Serial System Ltd, the then existing ultimate shareholder of 100% equity interest in Achieva Technology Malaysia and 49% equity interest in Achieva Digital Thailand becomes the major shareholder and holding company of the Company through its 77.64% equity interest in the Company.

The Company incorporated a 100%-owned subsidiary, Achieva Digital Pte. Ltd., with a share capital of US\$100,000 comprising 100,000 ordinary shares in Singapore on 19 July 2024. Achieva Digital Pte. Ltd.'s principal activity is trading and distribution of IT products.

The Company incorporated a 55%-owned subsidiary, Achieva Tech Allianz Pte Ltd., with its 55% contribution of share capital amounting to US\$110,000 comprising 110,000 ordinary shares in Singapore on 17 September 2024. Achieva Tech Allianz Pte Ltd.'s principal activity is the distribution of information technology products and peripherals as well as system integration services.

31. Update on the use of Compliance Placement proceeds

The Company refers to the announcement made on 25 June 2024 in relation to the completion of the compliance placement ("**Compliance Placement**") of 12,500,000 new ordinary shares at the issue price of S\$0.20 per placement share in the share capital of the Company and Offer Information Statement dated 4 June 2024 ("**OIS**"). Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the meanings ascribed to them in the OIS.

Intended use of proceeds	Amount Allocated S\$'000	Cumulative amount utilised as at 26 February 2025 S\$'000	Balance S\$'000
Business expansion within ASEAN	1,000	268	732
Upgrading business operations capabilities	100	-	100
General working capital ⁽¹⁾	750	538	212
Listing expenses	650	650	-
Total	2,500	1,456	1,044

The use of proceeds from the Compliance Placement as disclosed above is in accordance with the intended uses as disclosed in the OIS.

The Board will continue to provide periodic announcements on the utilisation of the balance of the proceeds from the Compliance Placement as and when the proceeds are materially disbursed and provides a status report on such use in its annual report and its half yearly and full-year financial statements announcements.

Note:

⁽¹⁾ General working capital of S\$538,000 related to payments of personnel costs of S\$339,000 and professional fees of S\$199,000.

OTHER INFORMATION

32. Additional Information Required for Full Year Announcement

- 32.1 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Management has determined the Company and Group as one reportable segment as the Company and Group are only involved in the distribution and marketing of information technology, computer peripherals, parts, software and related products.

Please refer to Note 4 above for details on segment information.

- 32.2 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Management has determined the Company and Group as one reportable segment as the Company and Group are only involved in the distribution and marketing of information technology, computer peripherals, parts, software and related products.

Please refer to Note 23 above for the review of performance of the Group.

- 32.3 A breakdown of sales as follows:

	The Group		
	31 December 2024 US\$'000	31 December 2023 US\$'000	Change %
Sales reported for first half year	19,620	21,402	-8%
Operating loss after tax before deducting non-controlling interests reported for first half year	(5,080)	(427)	1,090%
Sales reported for second half year	59,877	21,403	180%
Operating loss after tax before deducting non-controlling interests reported for second half year	(987)	(12)	8,125%

- 32.4 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable.

- 32.5 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

None of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Sim Mong Keang Kenny
Executive Director and Chief Executive Officer
27 February 2025