



SERIAL SYSTEM LTD

(Company Registration Number: 199202071D)

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**UNAUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2024**

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

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**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	The Group			The Group		
		6 months	6 months	Change	12 months	12 months	Change
		ended 31 December 2024 US\$'000	ended 31 December 2023 US\$'000		ended 31 December 2024 US\$'000	ended 31 December 2023 US\$'000	
				%			%
Sales	5	413,947	389,180	6	788,663	758,951	4
Cost of sales	6	(383,314)	(359,836)	7	(730,170)	(700,121)	4
Gross profit		30,633	29,344	4	58,493	58,830	-1
Gross profit margin		7.4%	7.5%	-0.1 pt	7.4%	7.8%	-0.4 pt
Other income		14,933	4,096	265	19,042	7,914	141
Interest income	5	771	1,193	-35	1,675	2,238	-25
Other operating income	5	14,162	2,903	388	17,367	5,676	206
Expenses							
Distribution	6	(18,805)	(17,752)	6	(36,602)	(37,019)	-1
Administrative	6	(4,928)	(4,836)	2	(9,649)	(9,904)	-3
Finance	7	(5,744)	(7,164)	-20	(12,211)	(14,426)	-15
Other:							
Loss allowance on trade and other receivables	6	(1,060)	(2,153)	-51	(1,060)	(3,852)	-72
Other operating	6	(8,599)	(3,190)	170	(17,351)	(18,084)	-4
Total expenses		(39,136)	(35,095)	12	(76,873)	(83,285)	-8
		6,430	(1,655)	NM	662	(16,541)	NM
Share of results of associated companies (after income tax)		3	38	-92	75	66	14
Profit/(Loss) before income tax	6	6,433	(1,617)	NM	737	(16,475)	NM
Income tax expense	9	(546)	(618)	-12	(1,041)	(851)	22
Profit/(Loss) after income tax		5,887	(2,235)	NM	(304)	(17,326)	-98
Attributable to:							
Equity holders of the Company		5,696	(2,105)	NM	516	(14,831)	NM
Non-controlling interests		191	(130)	NM	(820)	(2,495)	-67
		5,887	(2,235)	NM	(304)	(17,326)	-98
Earnings/(Loss) per share attributable to equity holders of the Company:							
Basic	23	0.63 cent	(0.23 cent)	NM	0.06 cent	(1.64 cents)	NM
Diluted	23	0.63 cent	(0.23 cent)	NM	0.06 cent	(1.64 cents)	NM

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

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 profit/(loss) for the period	5,887	(2,235)	(304)	(17,326)
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to profit or loss:				
Defined benefit plans' actuarial gain/(loss)	58	(81)	58	(81)
Share of associated companies' other comprehensive loss	-	(25)	(17)	(35)
	58	(106)	41	(116)
Items that may be reclassified subsequently to profit or loss:				
Share of associated companies' other comprehensive loss	(71)	(94)	(92)	(39)
Currency translation differences	(48)	1,403	(1,969)	1,046
	(119)	1,309	(2,061)	1,007
Other comprehensive (loss)/income for the period, net of tax	(61)	1,203	(2,020)	891
Total comprehensive income/(loss) for the period	5,826	(1,032)	(2,324)	(16,435)
Attributable to:				
Equity holders of the Company	5,462	(1,037)	(1,936)	(14,240)
Non-controlling interests	364	5	(388)	(2,195)
	5,826	(1,032)	(2,324)	(16,435)

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

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		38,312	37,076	771	517
Trade and other receivables	13	174,019	160,056	37,308	38,271
Inventories	14	122,259	126,587	-	-
Financial assets, at fair value through profit or loss	15	9,676	7,655	-	-
Other current assets		5,388	10,285	341	835
		349,654	341,659	38,420	39,623
Non-current assets					
Income tax recoverable		-	1,358	-	-
Loans and other receivables		-	-	27,776	28,879
Financial assets, at fair value through profit or loss	15	20,373	12,332	-	-
Investments in associated companies		2,752	2,814	1,413	1,217
Investment in joint venture		-	-	-	-
Investments in subsidiaries		-	-	63,591	58,994
Property, plant and equipment	16	27,086	29,065	555	269
Investment properties	17	6,463	6,423	-	-
Intangible assets	18	3,314	3,466	24	21
Other assets		962	652	-	-
Deferred income tax assets		1,524	1,709	-	-
		62,474	57,819	93,359	89,380
Total assets		412,128	399,478	131,779	129,003
LIABILITIES					
Current liabilities					
Trade and other payables	19	104,440	70,843	10,619	9,326
Current income tax liabilities		588	1,026	-	-
Borrowings	20	168,926	182,289	9,573	4,314
		273,954	254,158	20,192	13,640
Non-current liabilities					
Other payables		-	-	14,364	14,712
Borrowings	20	3,028	11,988	-	6,062
Defined benefit plans liabilities		210	296	-	-
Deferred income tax liabilities		1,547	1,203	864	543
		4,785	13,487	15,228	21,317
Total liabilities		278,739	267,645	35,420	34,957
NET ASSETS		133,389	131,833	96,359	94,046
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	72,648	72,648	72,648	72,648
Treasury shares	21	(70)	(70)	(70)	(70)
Capital reserve		1,602	1,610	518	518
Defined benefit plans reserve		446	388	-	-
Fair value reserve		(742)	(742)	-	-
Revaluation reserve		227	237	-	-
Other reserve		2,771	(1,862)	-	-
Currency translation reserve		339	2,965	-	-
Retained earnings		50,077	49,561	23,263	20,950
		127,298	124,735	96,359	94,046
Non-controlling interests		6,091	7,098	-	-
TOTAL EQUITY		133,389	131,833	96,359	94,046

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Defined benefit plans reserve	Fair value reserve	Revaluation reserve	Other reserve	Currency translation reserve	Retained earnings	Total attributable to equity holders of the Company		
The Group	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	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
Loss for the period	-	-	-	-	-	-	-	-	(5,180)	(5,180)	(1,011)	(6,191)
Other comprehensive income/(loss):												
Share of associated companies' other comprehensive loss	-	-	(8)	-	-	(8)	-	(22)	-	(38)	-	(38)
Currency translation differences	-	-	-	-	-	-	-	(2,180)	-	(2,180)	259	(1,921)
Other comprehensive loss for the period, net of tax	-	-	(8)	-	-	(8)	-	(2,202)	-	(2,218)	259	(1,959)
Total comprehensive loss for the period	-	-	(8)	-	-	(8)	-	(2,202)	(5,180)	(7,398)	(752)	(8,150)
Others:												
Fair value accounting for Investment in subsidiaries by non-controlling interests upon completion of reverse takeover	-	-	-	-	-	-	782	(134)	-	648	1,128	1,776
Acquisition of additional interests in subsidiaries from non-controlling interest	-	-	-	-	-	-	72	-	-	72	(1,226)	(1,154)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(205)	(205)
Total others	-	-	-	-	-	-	854	(134)	-	720	(303)	417
Balance at 30 June 2024	72,648	(70)	1,602	388	(742)	229	(1,008)	629	44,381	118,057	6,043	124,100
Profit for the period	-	-	-	-	-	-	-	-	5,696	5,696	191	5,887
Other comprehensive income/(loss):												
Defined benefit plans' actuarial gain	-	-	-	58	-	-	-	-	-	58	-	58
Share of associated companies' other comprehensive loss	-	-	-	-	-	-	-	(71)	-	(71)	-	(71)
Currency translation differences	-	-	-	-	-	(2)	-	(219)	-	(221)	173	(48)
Other comprehensive loss for the period, net of tax	-	-	-	58	-	(2)	-	(290)	-	(234)	173	(61)
Total comprehensive income for the period	-	-	-	58	-	(2)	-	(290)	5,696	5,462	364	5,826
Others:												
Fair value accounting for Investment in subsidiaries by non-controlling interests upon completion of reverse takeover	-	-	-	-	-	-	3,779	-	-	3,779	-	3,779
Investments in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	-	80	80
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(396)	(396)
Total others	-	-	-	-	-	-	3,779	-	-	3,779	(316)	3,463
Balance at 31 December 2024	72,648	(70)	1,602	446	(742)	227	2,771	339	50,077	127,298	6,091	133,389

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	<div>← Attributable to equity holders of the Company →</div>											
	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	Non-controlling interests US\$'000	Total equity US\$'000
The Group												
Balance at 1 January 2023	72,648	(70)	1,616	469	(742)	266	(1,854)	2,258	64,392	138,983	9,650	148,633
Loss for the period	-	-	-	-	-	-	-	-	(12,726)	(12,726)	(2,365)	(15,091)
Other comprehensive income/(loss):												
Share of associated companies' other comprehensive income	-	-	8	-	-	(18)	-	55	-	45	-	45
Currency translation differences	-	-	-	-	-	-	-	(522)	-	(522)	165	(357)
Other comprehensive loss for the period, net of tax	-	-	8	-	-	(18)	-	(467)	-	(477)	165	(312)
Total comprehensive loss for the period	-	-	8	-	-	(18)	-	(467)	(12,726)	(13,203)	(2,200)	(15,403)
Others:												
Investment in a subsidiary by non-controlling interests	-	-	-	-	-	-	2	-	-	2	176	178
Capital reduction in a subsidiary	-	-	-	-	-	-	(10)	-	-	(10)	(9)	(19)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(134)	(134)
Total others	-	-	-	-	-	-	(8)	-	-	(8)	33	25
Balance at 30 June 2023	72,648	(70)	1,624	469	(742)	248	(1,862)	1,791	51,666	125,772	7,483	133,255
Loss for the period	-	-	-	-	-	-	-	-	(2,105)	(2,105)	(130)	(2,235)
Other comprehensive income/(loss):												
Defined benefit plans' actuarial loss	-	-	-	(81)	-	-	-	-	-	(81)	-	(81)
Share of associated companies' other comprehensive loss	-	-	(14)	-	-	(11)	-	(94)	-	(119)	-	(119)
Currency translation differences	-	-	-	-	-	-	-	1,268	-	1,268	135	1,403
Other comprehensive income for the period, net of tax	-	-	(14)	(81)	-	(11)	-	1,174	-	1,068	135	1,203
Total comprehensive loss for the period	-	-	(14)	(81)	-	(11)	-	1,174	(2,105)	(1,037)	5	(1,032)
Others:												
Closure of a subsidiary	-	-	-	-	-	-	-	-	-	-	(178)	(178)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(212)	(212)
Total others	-	-	-	-	-	-	-	-	-	-	(390)	(390)
Balance at 31 December 2023	72,648	(70)	1,610	388	(742)	237	(1,862)	2,965	49,561	124,735	7,098	131,833

**SERIAL SYSTEM LTD
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Company	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
Balance at 1 January 2024	72,648	(70)	518	20,950	94,046
Total comprehensive loss for the period	-	-	-	(680)	(680)
Balance at 30 June 2024	72,648	(70)	518	20,270	93,366
Total comprehensive income for the period	-	-	-	2,993	2,993
Balance at 31 December 2024	72,648	(70)	518	23,263	96,359
Balance at 1 January 2023	72,648	(70)	518	20,009	93,105
Total comprehensive loss for the period	-	-	-	(382)	(382)
Balance at 30 June 2023	72,648	(70)	518	19,627	92,723
Total comprehensive income for the period	-	-	-	1,323	1,323
Balance at 31 December 2023	72,648	(70)	518	20,950	94,046

**SERIAL SYSTEM LTD
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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				
Profit/(loss) before income tax	6,433	(1,617)	737	(16,475)
Adjustments for:				
Amortisation of computer software license costs	33	31	65	58
Amortisation of trademark and know-how	2	7	4	16
Depreciation of property, plant and equipment	1,285	1,454	2,710	3,017
Property, plant and equipment written off	-	-	-	8
Trademark written off	-	61	-	61
(Gain)/loss on disposal of property, plant and equipment	(11)	2	(13)	(28)
Loss on disposal of computer software licenses	28	-	28	-
Fair value (gain)/loss (net) on investment properties	(61)	1	(61)	1
Fair value gain on financial assets, at fair value through profit or loss	(7,310)	(968)	(7,527)	(43)
Gain on sale of financial assets, at fair value through profit or loss	(2)	(253)	(165)	(253)
Dividend income from financial assets, at fair value through profit or loss	(7)	(12)	(26)	(34)
Gain on closure of a subsidiary	-	(125)	-	(160)
Impairment loss on investment in an associated company	-	717	-	717
Loss on dilution on of interest in an associated company	6	1	7	3
Fair value accounting loss on reverse takeover of investment in subsidiaries	3,411	-	3,656	-
Fair value loss/(gain) on derivative financial instruments	65	26	90	(7)
Provision for defined benefit plans liabilities	301	189	656	391
Interest income	(771)	(1,193)	(1,675)	(2,238)
Interest expense	5,744	7,164	12,211	14,426
Share of results of associated companies	(3)	(38)	(75)	(66)
Operating cash flow before working capital changes	9,143	5,447	10,622	(606)
Changes in working capital				
Financial assets, at fair value through profit or loss	(4,276)	1,325	(2,021)	2,154
Trade and other receivables	(14,517)	(469)	(17,547)	17,629
Inventories	(10,794)	16,034	2,284	35,204
Other current assets	6,218	(178)	4,733	874
Other assets (non-current)	1,271	(114)	980	(54)
Trade and other payables	18,376	(12,483)	37,735	(28,427)
Cash from operations	5,421	9,562	36,786	26,774
Income tax paid	(459)	(624)	(1,104)	(1,686)
Net cash generated from operating activities	4,962	8,938	35,682	25,088

**SERIAL SYSTEM LTD
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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 investing activities				
Payments for computer software license costs	(50)	(36)	(50)	(66)
Payments for trademark and know-how	-	(4)	-	(38)
Payments for property, plant and equipment	(678)	(286)	(875)	(742)
Proceeds from disposal of property, plant and equipment	40	10	42	72
Payments for acquisition of additional interests in subsidiaries from non-controlling interests	-	-	(1,154)	-
Payments for investments in financial assets, at fair value through profit or loss	(52)	-	(1,284)	-
Proceeds from sale of financial assets, at fair value through profit or loss	5	73	386	79
Net cashflow on reverse takeover of subsidiaries	-	-	165	-
Net cashflow on step up acquisition from financial assets, at fair value through profit or loss to a subsidiary	-	-	-	169
Closure of a subsidiary	-	(40)	-	(40)
Payments for additional investment in an associated company	-	-	-	(4)
Dividend received from financial assets, at fair value through profit or loss	7	12	26	35
Dividend received from an associated company	21	66	21	66
Interest received	772	1,190	1,680	2,141
Net cash generated from/(used in) investing activities	65	985	(1,043)	1,672
Cash flows from financing activities				
Dividend paid to non-controlling interests of subsidiaries	(396)	(212)	(601)	(346)
Subscription of compliance placement shares (net of expenses) in a subsidiary by non-controlling interests	-	-	1,715	-
Investments in subsidiaries by non-controlling interests	80	-	80	-
Proceeds from bank borrowings	381,269	339,940	746,271	688,111
Proceeds from other borrowings	12,228	11,504	23,786	11,503
Repayment of bank borrowings	(379,335)	(344,599)	(766,368)	(700,445)
Repayment of other borrowings	(10,786)	(7,798)	(24,234)	(8,364)
Principal payment of lease liabilities	(562)	(779)	(1,309)	(1,570)
Interest paid	(5,809)	(7,489)	(12,240)	(14,387)
Pledged fixed deposits	-	(43)	843	(43)
Net cash used in financing activities	(3,311)	(9,476)	(32,057)	(25,541)
Net increase in cash and cash equivalents held	1,716	447	2,582	1,219
Cash and cash equivalents at the beginning of the period	36,419	35,568	36,233	35,177
Effect of currency translation on cash and cash equivalents	177	218	(503)	(163)
Cash and cash equivalents at the end of the period	38,312	36,233	38,312	36,233
Reconciliation:				
Cash and cash equivalents per statement of financial position	38,312	37,076	38,312	37,076
Less: Pledged fixed deposits	-	(843)	-	(843)
Cash and cash equivalents per consolidated statement of cash flows	38,312	36,233	38,312	36,233

NOTES TO THE CONDENSED INTERIM 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 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:

- (a) Distribution of electronic components;
- (b) Distribution of consumer products, information technology, computer peripherals, parts, software and related products;
- (c) Hospitality and healthcare solutions;
- (d) Assembly and distribution of medical devices and ethylene oxide sterilization, manufacturing and sales of medical disposables and surgical supplies, and distribution of medical equipment;
- (e) Provision of managed print services and the administrative, maintenance and distribution of copiers and printers, toners and papers;
- (f) Distribution of 3D printers and filaments;
- (g) Project financing in the form of leasing, hire purchase, factoring and loan;
- (h) Trading and distribution of fast-moving consumer goods;
- (i) Research and experimental development on biotechnology, life and medical science, and trading and distribution of scientifically proven healthy food products;
- (j) Communications and power line construction;
- (k) Investment holding and trading;
- (l) Rental of investment properties;
- (m) Retail sale of beverages; and
- (n) Manufacturing and retail sale of organically grown health products.

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(I)”) 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\$), 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 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:

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

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

Management has determined the operating segments based on the reports reviewed to make strategic decisions. Management considers the business from both operating and geographical 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

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. The operating segments are formed by aggregating across the results of the Group's entities whose principal activities fall within the same operating segment as listed above. Management monitors the operating results of the 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 after 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.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.1 Operating segments

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
Segment results - 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 results of associated companies (after income tax)	44	31	-	-	75
Profit before income tax					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
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	128	-	1,156	-	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	735	-	2,710
Fair value loss/(gain) on investment properties	105	-	(166)	-	(61)
Fair value loss/(gain) 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
Recovery of trade receivables previously written off	(87)	(227)	-	-	(314)
Loss allowance on trade receivables	480	246	269	-	995
Loss allowance on non-trade receivables (associated company/third party)	-	-	65	-	65

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.1 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
2023					
Sales – external	687,080	82,241	8,433	(18,803)	758,951
Segment results - operating profit/(loss)	502	(2,495)	(2,357)	-	(4,350)
Unallocated loss	(3)	-	-	-	(3)
Finance income	1,199	819	2,299	(2,079)	2,238
Finance expense	(12,273)	(2,393)	(1,839)	2,079	(14,426)
Share of results of associated companies (after income tax)	104	(38)	-	-	66
Loss before income tax					(16,475)
Income tax expense					(851)
Loss after income tax					(17,326)
Segment assets	368,884	49,109	59,503	(82,541)	394,955
Investments in associated companies	1,452	1,362	-	-	2,814
Deferred income tax assets					1,709
Consolidated total assets					399,478
Segment liabilities	77,195	25,260	51,225	(82,541)	71,139
Borrowings	152,298	25,459	16,520	-	194,277
Current and deferred income tax liabilities					2,229
Consolidated total liabilities					267,645
Capital expenditure on property, plant and equipment	1,813	314	206	-	2,333
Capital expenditure on computer software license costs	60	-	6	-	66
Capital expenditure on trademark and know-how	34	-	4	-	38
Amortisation of computer software license costs	43	-	15	-	58
Amortisation of trademark and know-how	3	-	13	-	16
Depreciation of property, plant and equipment	2,116	245	657	-	3,018
Fair value loss/(gain) on investment properties	42	-	(41)	-	1
Gain on closure of a subsidiary	-	-	(160)	-	(160)
Impairment loss on investment in an associated company	-	717	-	-	717
Fair value loss/(gain) on financial assets, at fair value through profit or loss	51	-	(94)	-	(43)
Gain on sale of financial assets, at fair value through profit or loss	(4)	-	(249)	-	(253)
Fair value gain on derivative financial instruments	(7)	-	-	-	(7)
Recovery of trade receivables previously written off	(13)	-	-	-	(13)
(Reversal of loss allowance)/loss allowance on trade receivables	(148)	74	3,926	-	3,852

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.1 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
2H2024					
Sales – external	349,081	67,805	4,176	(7,115)	413,947
Segment results - operating profit/(loss)	6,428	(1,437)	6,418	-	11,409
Unallocated loss	(6)	-	-	-	(6)
Finance income	659	254	722	(864)	771
Finance expense	(4,580)	(946)	(1,082)	864	(5,744)
Share of results of associated companies (after income tax)	13	(10)	-	-	3
Profit before income tax					6,433
Income tax expense					(546)
Profit after income tax					5,887
2H2023					
Sales – external	351,622	41,641	4,845	(8,928)	389,180
Segment results - operating profit/(loss)	4,399	67	(149)	-	4,317
Unallocated loss	(1)	-	-	-	(1)
Finance income	797	387	1,148	(1,139)	1,193
Finance expense	(6,032)	(1,200)	(1,071)	1,139	(7,164)
Share of results of associated companies (after income tax)	54	(16)	-	-	38
Loss before income tax					(1,617)
Income tax expense					(618)
Loss after income tax					(2,235)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.2 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, Indonesia, Vietnam 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, Indonesia, Philippines and Vietnam) and Japan.

Other businesses in Southeast Asia and India (mainly Singapore, Malaysia and Thailand) and Taiwan include investment holding and trading, rental of investment properties, hospitality and healthcare solutions, assembly and distribution of medical devices and ethylene oxide sterilization, manufacturing and sales of medical disposables and surgical supplies, distribution of medical equipment, project financing in the form of leasing, hire purchase, factoring and loan, trading and distribution of fast-moving consumer goods, communications and power line construction, research and experimental development on biotechnology, life and medical science, and trading and distribution of scientifically proven healthy food products, retail sale of beverages and manufacturing and retail sale of organically grown health products.

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 ⁽¹⁾	
	6 months	6 months	12 months	12 months	31	31
	ended 31	ended 31	ended 31	ended 31	December	December
	December	December	December	December	2024	2023
The Group	2024	2023	2024	2023	US\$'000	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000		
Southeast Asia and India	125,594	120,625	228,997	235,644	10,644	10,228
Hong Kong	176,606	151,642	339,713	288,086	3,141	5,053
China	70,208	74,826	138,234	145,688	11,828	12,826
South Korea	22,529	24,533	43,265	51,464	3,800	4,398
Taiwan	15,067	15,165	32,168	33,600	8,373	8,450
Japan	3,943	2,381	6,286	4,461	39	9
Others	-	8	-	8	-	-
Southeast Asia and India - Associated company	-	-	-	-	1,306	1,362
Taiwan - Associated company	-	-	-	-	1,446	1,452
Total	413,947	389,180	788,663	758,951	40,577	43,778

Note:

⁽¹⁾ Non-current assets exclude financial assets, at fair value through profit or loss and deferred income tax assets

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Revenue

	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
Sales of goods and services	413,947	389,180	788,663	758,951
Other operating income	14,162	2,903	17,367	5,676
Interest income	771	1,193	1,675	2,238
	428,880	393,276	807,705	766,865
Performance obligations satisfied at a point in time:				
Sales of goods:				
- Electronic components	342,597	343,210	674,512	669,032
- Consumer products	67,671	41,430	107,375	81,897
- Others	3,497	4,240	6,400	7,507
	413,765	388,880	788,287	758,436
Performance obligations satisfied over time:				
Services rendered	182	300	376	515
Total sales of goods and services	413,947	389,180	788,663	758,951

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Revenue (continued)

	The Group		The Group	
	6 months	6 months	12	12
	ended 31	ended 31	months	months
	December	December	ended 31	ended 31
	2024	2023	December	December
	US\$'000	US\$'000	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Other operating income:				
Commission and service income	968	1,294	2,089	2,708
Rebate income from suppliers	1,217	1,099	2,429	2,049
Warehouse management and rental income	67	68	135	137
Gain on sale of financial assets, at fair value through profit or loss	2	253	165	253
Fair value (loss)/gain on financial assets, at fair value through profit or loss:				
- listed equity securities	(426)	(103)	(209)	(103)
- unlisted equity securities	7,736	146	7,736	146
- derivative financial instruments	(90)	(26)	(90)	7
Dividend income from financial assets, at fair value through profit or loss	7	12	26	35
Write-back of allowances for inventory obsolescence	4,069	-	4,069	-
Gain on closure of a subsidiary	-	125	-	160
Fair value gain (net) on investment properties	61	-	61	-
Gain/(loss) on disposal of property, plant and equipment	11	(2)	13	28
Recovery of trade receivables previously written off	263	13	314	13
Government grants received	23	14	71	46
Sundry income	254	10	558	197
Total other operating income	14,162	2,903	17,367	5,676
Interest income:				
Project financing, factoring and leasing	738	880	1,454	1,714
Bank balances	33	313	221	524
Total interest income	771	1,193	1,675	2,238

**SERIAL SYSTEM LTD
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

6. Profit/(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:				
Amortisation charges for computer software license costs *	33	31	65	58
Amortisation of trademark and know-how*	2	7	4	16
Depreciation of property, plant and equipment*	1,285	1,454	2,710	3,017
Loss on disposal of computer software licenses*	28	-	28	-
Property, plant and equipment written off*	-	-	-	8
Fair value gain on financial assets, at fair value through profit or loss*:				
- listed equity securities	-	(146)	-	-
- unlisted equity securities	-	(779)	-	-
- derivative financial instruments	(25)	-	-	-
Fair value loss (net) on investment properties*	-	1	-	1
Impairment loss on investment in an associated company*	-	717	-	717
Loss on dilution of interest in an associated company*	6	1	7	3
Fair value accounting loss on reverse takeover of investment in subsidiaries*	3,411	-	3,656	-
Loss allowance:				
- trade receivables (third parties)*	995	2,153	995	3,852
- non-trade receivables (associated company/third party)*	65	-	65	-
Inventories:				
- cost of inventories recognised as an expense (included in 'cost of sales')	383,271	359,813	730,106	700,081
- (write-back of allowances)/allowances for inventory obsolescence*	(10)	(1,491)	-	2,199
- write-off of inventories*	82	361	83	384
Cost of services (included in 'cost of sales')	43	23	64	40
Employee benefits expense	15,230	16,145	30,446	32,214
Rental expense - operating leases (short term leases)	947	846	1,717	1,779
Freight and handling charges	1,991	2,012	3,711	4,495
Travelling and transportation expenses	1,090	1,134	2,052	2,158
Sales commission expense	3,287	881	5,341	3,434
Foreign exchange (gain)/loss (net)*	(881)	(1,656)	2,188	3,107
Other expenses (included in distribution, administrative and other expenses)	5,856	6,260	11,594	11,417
Total cost of sales, distribution, administrative and other expenses	416,706	387,767	794,832	768,980

Note:

*Included in "other operating expenses"

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Finance expenses

	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:				
Bank borrowings	905	1,116	1,883	2,322
Trust receipts	2,806	3,226	5,709	6,593
Factoring	1,624	2,290	3,518	4,410
Lease liabilities	72	71	145	129
Loan from an associated company	37	35	74	65
Loan from a substantial shareholder of the Company	95	93	188	186
Others	205	333	694	721
Total	5,744	7,164	12,211	14,426

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.

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 associated companies:				
Sales of goods to an associated company	-	38	5	71
Purchases of goods from an associated company	-	7	4	14
Rental received from an associated company	33	34	67	69
Dividend income received from an associated company	21	66	21	66
Interest expense paid to an associated company	37	35	74	65
With director and substantial shareholder:				
Service fees paid to an entity associated with a director of the Company ⁽¹⁾	-	33	7	46
Interest expense paid to a substantial shareholder of the Company	95	93	188	186

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

Note:

⁽¹⁾ The director has ceased to be a director of the Company on 30 April 2024. The service fees for the financial year ended 31 December 2024 were for the period from 1 January 2024 to 30 April 2024.

8.2 Share options granted to/exercised by Directors of the Company

There were no share options granted to or exercised by Directors of the Company during the financial year ended 31 December 2024 and 31 December 2023. There were no outstanding share options granted to the Directors of the Company as at 31 December 2024 and 31 December 2023.

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 – Singapore	74	69	154	154
Current income tax – Foreign	670	893	896	1,243
	744	962	1,050	1,397
Deferred income tax	281	(463)	283	(533)
	1,025	499	1,333	864
(Over)/under provision in preceding financial periods:				
Current income tax	(504)	276	(452)	296
Deferred income tax	25	(157)	160	(309)
Total	546	618	1,041	851

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	38,312	37,076	771	517
Trade and other receivables, loans and other receivables	174,006	160,056	65,084	67,150
Deposits	1,476	1,886	-	420
Total	213,794	199,018	65,855	68,087
Financial liabilities at amortised cost:				
Trade and other payables	104,440	70,752	24,983	24,038
Borrowings	171,954	194,277	9,573	10,376
Total	276,394	265,029	34,556	34,414

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

11. Dividends paid

No dividends were paid during the financial year ended 31 December 2024 and 31 December 2023.

12. Net assets value

	The Group		The Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net assets backing per ordinary share based on the existing issued share capital as at the end of the year reported on (in US\$)	14.07 cents	13.79 cents	10.65 cents	10.39 cents

Net assets backing per ordinary share as at 31 December 2024 and 31 December 2023 are calculated based on the net assets value attributable to the equity holders of the Company as at the end of the respective year and the respective aggregate number of ordinary shares of 904,841,914.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

13. 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
Trade receivables:				
Third parties	175,104	163,723	-	-
Subsidiaries	-	-	9,988	9,575
	175,104	163,723	9,988	9,575
Loss allowance	(8,890)	(10,607)	(19)	(21)
Net trade receivables	166,214	153,116	9,969	9,554
Other receivables:				
Third parties	8,594	6,584	444	446
Loss allowance	(2,248)	(2,248)	(42)	(42)
	6,346	4,336	402	404
Derivative financial instruments	13	-	-	-
Due from:				
Subsidiaries	-	-	30,608	30,412
Associated companies	2,590	3,690	292	1,790
Joint venture	2,613	2,536	-	-
	5,203	6,226	30,900	32,202
Loss allowance	(3,757)	(3,622)	(3,963)	(3,889)
	1,446	2,604	26,937	28,313
Net other receivables	7,805	6,940	27,339	28,717
Total	174,019	160,056	37,308	38,271

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 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 amount of consideration that is 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 losses.

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 does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with trade receivables amounting to US\$2,060,000 (31 December 2023: US\$2,067,000) is mitigated because these are secured by properties with fair value estimated to be US\$14,396,000 (31 December 2023: US\$7,499,000) and personal guarantee. The Group is not permitted to sell or repledge the properties in the absence of default.

The Group purchases 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 Group's trade receivables include note receivables amounting to US\$8,509,000 (31 December 2023: US\$9,407,000) which mature within six months from 31 December 2024 (31 December 2023: six months from 31 December 2023).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

The Group's other receivables (including amounts due from associated companies and joint venture) are considered to have low credit risk as there is no significant increase in the risk of default on the receivables since initial recognition. 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 amounts of US\$6,005,000 (31 December 2023: US\$5,870,000), of the Group and amounts of US\$4,005,000 (31 December 2023: US\$3,931,000) of the Company, which are measured based on lifetime expected credit loss in line with the significant change in credit risk of the debtors.

14. Inventories

	The Group	
	31 December 2024	31 December 2023
	US\$'000	US\$'000
Finished goods	121,048	125,190
Work in progress	43	187
Raw materials	1,168	1,210
Total	122,259	126,587

During the financial year, the Group wrote back allowances for inventory obsolescence amounting to US\$4,069,000 (31 December 2023: allowances for inventory obsolescence of US\$2,199,000).

15. Financial assets, at fair value through profit or loss

	The Group	
	31 December 2024	31 December 2023
	US\$'000	US\$'000
Current	9,676	7,655
Non-current	20,373	12,332
	30,049	19,987
Comprised:		
Listed equity securities:		
Singapore	148	299
South Korea	816	953
Taiwan	607	682
	1,571	1,934
Unlisted equity securities:		
Singapore	12,104	6,024
Preference shares:		
Singapore ⁽¹⁾	4,759	583
Thailand	1,925	1,925
	6,684	2,508
Convertible bonds – Singapore ⁽¹⁾	-	1,766
Derivative receivables – Singapore	14	100
Trade receivables (current) ⁽²⁾	9,676	7,655
	9,690	9,521
Total	30,049	19,987

Note:

⁽¹⁾During the financial year, the Group exercised its right to convert its convertible bonds of US\$1,766,000 to preference shares (7.5% of total issued share capital) in Transwap Private Limited. The Group recognised a fair value gain of US\$2,712,000 on this investment during the financial year.

⁽²⁾Trade receivables which are subjected to factoring agreements arrangement with banks to obtain bank financing are categorised under "Financial assets, at fair value through profit or loss" as they do not meet the criteria of trade receivables for measurement at either amortised cost or fair value through other comprehensive income under the SFRS(I) 9, as the objective of the Group's business model is achieved by selling these assets to banks.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

16. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment amounting to US\$1,991,000 (31 December 2023: US\$2,333,000), of which US\$1,116,000 (31 December 2023: US\$1,591,000) were related to right-of-use assets. Cash payments of US\$875,000 (31 December 2023: US\$742,000) were made to purchase property, plant and equipment.

17. Investment properties

	The Group	
	31 December 2024 US\$'000	31 December 2023 US\$'000
Beginning of financial year	6,423	6,457
Fair value gain/(loss)	61	(1)
Additions	316	-
Currency translation differences	(337)	(33)
End of financial year	6,463	6,423

17.1 Valuation

Investment properties are carried at fair value, determined annually by independent professional valuers based on the investment properties' 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.

18. Intangible assets

	The Group		The Company	
	31 December 2024 US\$'000	31 December 2023 US\$'000	31 December 2024 US\$'000	31 December 2023 US\$'000
Goodwill arising from acquisition of subsidiaries	3,119	3,162	-	-
Computer software license costs	166	269	24	21
Trademark and know-how	29	35	-	-
Total	3,314	3,466	24	21

Goodwill arising from acquisition of subsidiaries comprised those arising from the Group's electronic components distribution subsidiaries in Hong Kong and China amounting to US\$1,656,000 (31 December 2023: US\$1,656,000) and the Group's other businesses' subsidiary in Singapore amounting to US\$1,463,000 (31 December 2023: US\$1,506,000). No impairment charges was made during the financial year (31 December 2023: Nil).

During the financial year, the Group acquired computer software license costs amounting to US\$50,000 (31 December 2023: US\$66,000).

The Group acquired trademark and know-how amounting to US\$38,000 with cash payments and acquired trademark amounting to US\$74,000 via business combination upon the reclassification of financial assets, at fair value through profit or loss to investments in subsidiaries during the financial year ended 31 December 2023.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

19. 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	84,162	45,682	-	-
Other payables and accrued operating expenses	15,654	15,874	817	1,001
Contract liabilities	3,611	8,183	-	-
Derivative financial instruments	-	91	-	-
Due to subsidiaries	-	-	8,275	6,719
Due to an associated company	1,013	1,013	1,013	1,013
Financial guarantee contracts	-	-	514	593
Total	104,440	70,843	10,619	9,326

20. 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:				
Secured	29,869	22,862	5,891	525
Unsecured	139,057	159,427	3,682	3,789
	168,926	182,289	9,573	4,314
Amount repayable after one year:				
Secured	1,608	8,581	-	6,062
Unsecured	1,420	3,407	-	-
	3,028	11,988	-	6,062
Total	171,954	194,277	9,573	10,376

20.1 Details of any collateral

- (i) A term loan of the Company amounting to US\$5,891,000 (31 December 2023: US\$6,062,000) which is payable on 30 May 2025, is secured by the following:
- a first legal mortgage on the leasehold land and building ('Mortgaged Property') held by a wholly-owned Singapore subsidiary, Serial Investment Pte Ltd;
 - an assignment of all rights and benefits relating to the Mortgaged Property;
 - an assignment of all rights, title interest and benefits in tenancy agreements, relating to the Mortgaged Property;
 - an assignment of all rights and benefits under the insurance policies taken in relation to the Mortgaged Property; and
 - joint and several guarantees of certain subsidiaries of the Group.
- (ii) Bank borrowing of US\$102,000 (31 December 2023: US\$155,000) due by a wholly-owned Malaysia subsidiary, Serial Microelectronics Sdn. Bhd., to partially finance the acquisition of its freehold building in Malaysia is secured by a first legal mortgage of the property.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

20. Borrowings (continued)

- (iii) Bank borrowing of US\$3,264,000 (31 December 2023: US\$3,751,000) due by a wholly-owned Taiwan subsidiary, Serial Investment (Taiwan) Inc., to partially finance the acquisition of its freehold building in Taiwan and for working capital is secured by a first legal mortgage of the property. In addition, bank borrowing of US\$1,580,000 (31 December 2023: US\$1,350,000) due by Serial Investment (Taiwan) Inc. for working capital, is secured by a cash security deposit of US\$642,000 (31 December 2023: US\$358,000) placed with the financial institution.
- (iv) Bank borrowing of US\$5,995,000 (31 December 2023: US\$4,460,000) due by a wholly-owned South Korea subsidiary, Serial Microelectronics Korea Limited for working capital, is secured by a first legal mortgage of its freehold land and building in South Korea.
- (v) Bank borrowing of US\$14,645,000 (31 December 2023: US\$15,133,000) due by a 91.0%-owned China subsidiary, Serial Microelectronics (Shenzhen) Co., Ltd for working capital, is secured by a first legal mortgage of its leasehold buildings in China.
- (vi) Bank borrowing of US\$525,000 as at 31 December 2023 due by the Company was secured by a cash security deposit of US\$420,000 placed with the financial institution. The cash security deposit was uplifted upon full repayment of the bank borrowing during the financial year.
- (vii) Lease liabilities of US\$7,000 as at 31 December 2023 were secured on office equipment and motor vehicles of the Group.

20.2 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 complied with covenants entered with various banks, except for certain banks, which have the right to call for immediate repayment of outstanding current borrowings of US\$7,586,000 (31 December 2023: US\$10,335,000), included in current liabilities. As at the date of this report, borrowings of US\$4,910,000 have been repaid and the bank has not called for any immediate repayment for the remaining amount. 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 announcement.

21. Share capital and treasury shares

	Issued number of shares		Total share capital	
	Share capital '000	Treasury shares '000	Share capital US\$'000	Treasury shares US\$'000
The Group and The Company				
2024				
At 1 January 2024 and 31 December 2024	905,788	(946)	72,648	(70)
2023				
At 1 January 2023 and 31 December 2023	905,788	(946)	72,648	(70)

There were no ordinary shares issued since the end of the financial year ended 31 December 2023.

There were 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

22. Review

The condensed interim statements of financial position of Serial System Ltd 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.

23. Earnings/(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 ended 31 December 2024	6 months ended 31 December 2023	12 months ended 31 December 2024	12 months ended 31 December 2023
Based on the weighted average number of ordinary shares in issue (in US\$); and	0.63 cent	(0.23 cent)	0.06 cent	(1.64 cents)
On a fully diluted basis (in US\$)	0.63 cent	(0.23 cent)	0.06 cent	(1.64 cents)

Earnings/(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 904,841,914 (six months and full year ended 31 December 2023 of 904,841,914).

Earnings/(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 904,841,914 (six months and full year ended 31 December 2023 of 904,841,914) after adjusting assumed conversion of all potential dilutive ordinary shares.

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

24. 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\$788.7 million for the full year ended 31 December 2024 ("FY2024"), an increase of 4% compared to US\$759.0 million for the same period last year ("FY2023").

Turnover for the electronic components distribution business increased 1% to US\$674.5 million. The increase was attributed to higher sales by Hong Kong and China as a result of increase in demand from the mobiles, household appliances, new energy and AI-related sectors. This increase was partially offset by lower sales in Southeast Asia and India, South Korea and Taiwan impacted by soft domestic and export demand, amid keen competition in these countries. Cessation of a supplier's product line also contributed to the decrease in sales for Southeast Asia and India.

Turnover for the consumer products distribution business increased by 31% to US\$107.4 million, driven by increased sales of existing and new product ranges of IT, computer peripherals and related products in Malaysia, Thailand and Japan to both new and existing customers. The increase was also contributed by sales of US\$13.0 million from Serial Achieva Limited's newly established 55%-owned subsidiary, Achieva Tech Allianz Pte. Ltd., an entity focusing on providing high-quality GPU solutions for the AI industry.

Turnover for other businesses decreased by 16% to US\$6.8 million mainly attributed to lower sales from the trading and distribution of fast-moving consumer goods.

Overall gross profit margin declined by 0.4 percentage point to 7.4% from 7.8% in FY2023, mainly due to lower margin achieved by the consumer products distribution business due to a higher proportion of sales of lower-margin businesses, coupled with intense market competition in a challenging operating environment. The electronic components distribution business recorded slightly lower gross profit margin of 7.3% versus 7.4% in FY2023, mainly due to lower margin achieved by Southeast Asia and India, and South Korea, impacted by soft demand and keen competition.

Other operating income increased by US\$11.7 million or 206% to US\$17.4 million. The higher income in FY2024 was mainly due to higher net fair value gain on financial assets, at fair value through profit or loss of US\$7.5 million, and write-back of allowances for inventory obsolescence of US\$4.1 million as opposed to allowances for inventory obsolescence of US\$2.5 million included under "Other Operating Expenses" in FY2023. The 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\$7.9 million from the Group's investments in 15.7% equity interest in Otsaw Limited and preference shares in Transwap Private Limited.

Distribution expenses decreased by US\$0.4 million or 1% to US\$36.6 million, mainly due to lower staff and related costs, freight and handling charges and trade credit insurance cost, partially offset by higher sales commission expense, associated with the electronic components distribution business.

Administrative expenses decreased by US\$0.3 million or 3% to US\$9.6 million, mainly due to lower office rental and utility costs, and lower professional and statutory fees. The decrease was partially offset by higher office maintenance expenses.

Finance expenses decreased by US\$2.2 million or 15% to US\$12.2 million, mainly due to lower average borrowings, lower utilisation of trade facilities and overall lower interest rates as compared to FY2023.

Condensed Interim Consolidated Statement of Profit or Loss (continued)

Other operating expenses decreased by US\$3.5 million or 16% to US\$18.4 million. The decrease was mainly due to lower loss allowance on trade and non-trade receivables of US\$2.8 million, lower foreign exchange loss (net) of US\$0.9 million, lower inventories written off of US\$0.3 million and lower depreciation charges of US\$0.3 million in FY2024. Allowances for inventory obsolescence of US\$2.2 million in FY2023 (FY2024: Write-back of allowances for inventory obsolescence of US\$4.1 million included in "Other Operating Income") and impairment loss on investment in an associated company of US\$0.7 million in FY2023 (FY2024: Nil) also contributed to the decrease in other operating expenses in FY2024. The decrease was partially offset by a fair value accounting loss on reverse takeover of Serial Achieva Limited of US\$3.7 million.

The Group recorded a fair value accounting loss on reverse takeover of Serial Achieva Limited of US\$3.7 million (included in "Other Operating Expenses") following completion on 14 June 2024. The Company holds a 77.64% equity interest in Serial Achieva Limited, listed on the Catalist Board of the SGX-ST.

The Group's associated companies contributed net profit of US\$75,000 as compared to net profit of US\$66,000 in FY2023. The Group shared profit of US\$44,000 (FY2023: profit of US\$104,000) from 13.54%-owned Bull Will Co., Ltd. and profit of US\$31,000 (FY2023: loss of US\$38,000) from 15.90%-owned PT Sentral Mitra Informatika Tbk.

The Group reported net profit of US\$0.5 million in FY2024, as compared to net loss of US\$14.8 million in FY2023. The improvement in result in FY2024 was mainly due to write-back of allowances for inventory obsolescence of US\$4.1 million, lower loss allowance on trade and non-trade receivables of US\$2.8 million, lower finance expenses of US\$2.2 million and lower foreign exchange loss (net) of US\$0.9 million and recognition of net fair value gain on financial assets, at fair value through profit or loss of US\$7.5 million. These were partially offset by a fair value accounting loss on reverse takeover of Serial Achieva Limited of US\$3.7 million.

Results for Second Half Year Ended 31 December 2024

The Group recorded turnover of US\$413.9 million for the second half year ended 31 December 2024 ("2H2024"), an increase of 6% when compared to US\$389.2 million for the same period last year ("2H2023").

Turnover for the electronic components distribution business reported slight decrease of 0.2% to US\$342.6 million. The decrease was mainly due to lower sales in Southeast Asia and India, South Korea and Taiwan as a result of soft domestic and export demand, amid keen competition in these countries. Cessation of a supplier's product line also contributed to the decrease in sales for Southeast Asia and India. Hong Kong and China achieved higher sales from the mobiles, household appliances, new energy and AI-related sectors which mitigated the decline in sales from other Asian countries

Turnover for the consumer products distribution business increased by 63% to US\$67.7 million, due to higher sales of existing and new product ranges of IT, computer peripherals and related products in Malaysia, Thailand and Japan to both new and existing customers. The increase was also contributed by sales of US\$13.0 million from Serial Achieva Limited's newly established 55%-owned subsidiary, Achieva Tech Allianz Pte. Ltd., an entity focusing on providing high-quality GPU solutions for the AI industry.

Turnover for other businesses decreased by 19% to US\$3.7 million mainly due to lower sales from the trading and distribution of fast-moving consumer goods. The decrease was partially offset by higher sales from the medical device assembly and distribution business.

Overall gross profit margin declined by 0.1 percentage point to 7.4% from 7.5% in 2H2023, mainly due to lower margins achieved by the consumer products distribution business due to a higher sales mix of lower-margin businesses and reduced margins across most product categories, impacted by intense market competition in a challenging operating environment. The electronic components distribution business recorded higher gross profit margin of 7.6% versus 7.2% in 2H2023, mainly due to higher margin achieved by Hong Kong and China as the Group took efforts to focus on high margin products and customers.

Other operating income increased by US\$11.3 million or 388% to US\$14.2 million. The higher income in 2H2024 was mainly due to net fair value gain on financial assets, at fair value through profit or loss of US\$7.3 million and write-back of allowances for inventory obsolescence of US\$4.1 million. This contrasted with 2H2023, where the Group recorded fair value gain on financial assets, at fair value through profit or loss of US\$0.9 million and write-back of allowances for inventory obsolescence of US\$1.5 million, included under "Other Operating Expenses" in 2H2023. The net fair value gain on financial assets, at fair value through profit or loss in 2H2024 related to mainly the recognition of fair value gain totalling US\$7.9 million from the Group's investments in 15.7% equity interest in Otsaw Limited and preference shares in Transwap Private Limited.

Condensed Interim Consolidated Statement of Profit or Loss (continued)

Distribution expenses increased by US\$1.1 million or 6% to US\$18.8 million mainly due to higher sales commission expense and storage charges, partially offset by lower staff and related costs and advertising and promotional expenses, associated with the electronic components distribution business.

Administrative expenses increased by US\$0.1 million or 2% to US\$4.9 million, mainly due to higher office maintenance expenses and staff related costs. The increase was partially offset by lower office rental and utility costs.

Finance expenses decreased by US\$1.4 million or 20% to US\$5.7 million, mainly due to lower average borrowings, lower utilisation of trade facilities and overall lower interest rates as compared to 2H2023.

Other operating expenses increased by US\$4.3 million or 81% to US\$9.7 million. The increase was mainly due to a fair value accounting loss on reverse takeover of Serial Achieva Limited of US\$3.4 million in 2H2024, and higher write-back of allowances for inventory obsolescence of US\$1.5 million, higher foreign exchange gain (net) of US\$0.8 million as well as fair value gain on financial assets, at fair value through profit or loss of US\$0.9 million in 2H2023 when compared to 2H2024. Lower loss allowance on trade and non-trade receivables of US\$1.1 million, lower inventories written off of US\$0.3 million and absence of a US\$0.7 million impairment loss on investment in an associated company in 2H2024 negated the impact on the increase in other operating expenses.

The Group's associated companies contributed net profit of US\$3,000 as compared to net profit of US\$38,000 in 2H2023. The Group shared profit of US\$13,000 from 13.54%-owned Bull Will Co., Ltd. (2H2023: profit of US\$54,000), partially offset by share of loss of US\$10,000 from 15.90%-owned PT Sentral Mitra Informatika Tbk (2H2023: loss of US\$16,000).

The Group reported net profit of US\$5.7 million in 2H2024, as compared to net loss of US\$2.1 million in 2H2023. The improvement in result in 2H2024 was mainly due to higher write-back of allowances for inventory obsolescence of US\$2.6 million, lower loss allowance on trade and non-trade receivables of US\$1.1 million, lower finance expenses of US\$1.4 million and higher net fair value gain on financial assets, at fair value through profit or loss of US\$6.3 million. These were partially offset by a fair value accounting loss on reverse takeover of Serial Achieva Limited of US\$3.4 million and lower foreign exchange gain of US\$0.8m.

Condensed Interim Statements of Financial Position

Trade and other receivables increased by US\$14.0 million (net of factored trade receivables) to US\$174.0 million. The Group's Singapore and Malaysia consumer products distribution subsidiaries and Hong Kong and China electronic components distribution subsidiaries recorded higher trade receivables in line with higher sales. The increase was partially offset by lower trade receivables recorded by the Singapore, South Korea and Taiwan electronic components distribution subsidiaries as a result of lower sales. Average turnover days for trade receivables decreased to 78 in FY2024 from 82 in FY2023.

Inventories decreased by US\$4.3 million to US\$122.3 million. This was mainly due to lower inventories held by the Group's Hong Kong and China electronic components distribution subsidiaries and Thailand consumer products distribution subsidiaries from more prudent inventory management and clearance of older inventories. The increase was partially offset by higher inventories held by the Group's Malaysia consumer products distribution subsidiary. Average turnover days for inventories decreased to 62 in FY2024 from 75 in FY2023.

Financial assets, at fair value through profit or loss (current assets) increased by US\$2.0 million to US\$9.7 million. This was due to increase in factored trade receivables which were included in this asset category.

Other current assets of US\$5.4 million comprised mainly prepayments to suppliers for purchase of inventories of US\$4.0 million, office rental deposits of US\$0.3 million and other prepaid operating and financial expenses of US\$1.1 million. The decrease of US\$4.9 million when compared to 31 December 2023 was mainly due to lower prepayments to suppliers for purchase of inventories and lower other prepaid operating and financial expenses.

Income tax recoverable of US\$1.4 million in FY2023 relating to Transfer Pricing audit on the transactions between the Group's subsidiaries in Hong Kong and China was recovered in full from the Hong Kong's Inland Revenue Department in September 2024.

Condensed Interim Statements of Financial Position (continued)

Financial assets, at fair value through profit or loss (non-current assets) increased by US\$8.0 million to US\$20.4 million. This was due to addition of US\$1.2 million via the conversion of a loan to equity capital of the Group's 15.7% equity investment in Otsaw Limited and the recognition of fair value gain totalling US\$7.9 million on the Group's investments in 15.7% equity interest in Otsaw Limited and preference shares in Transwap Private Limited. The increase was partially offset by fair value losses in the Group's investments in other listed and non-listed security investments of US\$0.4 million, disposals of US\$0.2 million and currency translation loss of US\$0.5 million.

The Company's investments in subsidiaries increased by US\$4.6 million to US\$63.6 million. This was due to accounting for the fair value of the purchase consideration recognised following 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 and its subsidiaries.

Trade and other payables increased by US\$33.6 million to US\$104.4 million. This was mainly attributable to the Group's Hong Kong and China electronic components distribution subsidiaries and Malaysia and Singapore consumer products distribution subsidiaries, due to higher purchases as well as longer payment terms granted by certain suppliers. Average payment days for trade payables increased to 32 in FY2024 from 30 in FY2023.

As at 31 December 2024, the Group's current ratio (current assets divided by current liabilities) was 1.28 (31 December 2023: 1.34).

Borrowings decreased by US\$22.3 million to US\$171.9 million. This was mainly due to lower bank borrowings by the Group's Singapore electronic components distribution subsidiary and Singapore consumer products distribution subsidiary as a result of better management of working capital. The Company's non-current portion of a secured term loan amounting to US\$5.9 million, which was payable on 30 May 2025, was reclassified from non-current borrowings to current borrowings as at 31 December 2024. Included in the Company's current borrowings was an interest-bearing loan amounting to S\$5.0 million (US\$3.7 million) [31 December 2023: S\$5.0 million (US\$3.8 million)] from a substantial shareholder of the Company, Mr. Goi Seng Hui.

As at 31 December 2024, the Group's net gearing ratio was 100.2% (31 December 2023: 119.2%). 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 reduction in total borrowings in FY2024.

Other reserve increased by US\$4.6 million to US\$2.8 million mainly due to accounting for the fair value of the investment in subsidiaries by non-controlling interests of Serial Achieva Limited upon completion of the reverse takeover.

Currency translation reserve decreased by US\$2.6 million to US\$0.3 million mainly due to decrease in the value of the Group's investments in its South Korea and Singapore subsidiaries, arising from the strengthening of the United States Dollar against these subsidiaries' functional currencies of Korean Won and Singapore Dollar.

Foreign exchange management

The Group's financial statements are presented in United States Dollar, which is also the functional and presentation currency of the Company. The Company has foreign exchange hedging policies for the Group's subsidiaries with significant exposure to foreign currencies in Chinese Renminbi, Malaysian Ringgit, Thailand Baht, Japanese Yen and Singapore Dollar. These policies were discussed and concurred by the Audit Committee of the Company. For FY2024, approximately US\$1.7 million of the foreign exchange loss (net), was unrealised, and accounted for 76% of the total foreign exchange loss (net) of US\$2.2 million. These foreign exchange loss arose mainly from the United States Dollar inter-company payables due by the China, Malaysia, Japan and Thailand subsidiaries whose respective currencies have weakened against the United States Dollar during FY2024. The Group monitored on a daily basis the direction of these currencies to make decision whether to enter into foreign exchange forward contract and/or spot transactions to mitigate its currency exposures. As the cash flows from these subsidiaries to repay the United States Dollar inter-company payables from collections of trade receivables and sales of inventories are not certain, the Group enters into foreign exchange forward contract and/or spot transactions in accordance to its monthly requirements for United States Dollar, rather than hedging the entire amount of the United States Dollar inter-company payables exposure with these subsidiaries.

Condensed Interim Statements of Financial Position (continued)

Short-term financial obligations

The Board after taking into consideration the Group's cash and cash equivalents, the cashflow generated from its operating activities, the net current assets and continued support from the Group's lenders and vendors, is of the opinion that the Group is able to meet its short term financial obligations due within the next 12 months.

Contingent liability

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 relates 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, 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 as opposed to trading gain on the grounds that the investment has been held for long term strategic purposes since March 2004 and not for trading sale.

The YA2020 tax assessment notice relates to a one-off amount of US\$24,274,000 received in connection with the sale of SMPL's Texas Instrument's ("TI") distribution business to an authorised TI distributor. SMPL has treated the amount as capital in nature as opposed to revenue in nature 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, beyond SMPL's control.

SMPL has engaged a tax advisor to support in its appeal with the IRAS on the Tax Assessments. SMPL should have reasonable grounds to object to the Tax Assessments. SMPL through its tax advisor has submitted objection letter to IRAS in December 2024 and will work closely with its tax advisor to resolve these matters.

No provision for the Tax Assessments has been made in the financial statements for the financial year ended 31 December 2024.

25. 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.

26. 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 outlook for semiconductor industry in Asia where the Group operates its core business of electronic components distribution is shaped by challenges, uncertainties but also opportunities. Key headwinds include ongoing supply chain disruptions, geopolitical tensions, weaker demand in China, the Group's largest market, in the industrial and certain consumer product sectors, softer domestic and export demand for consumer products for Southeast Asia and India, South Korea and Taiwan. The tariffs and other trade policies re-initiated by the United States will negatively impact demand across markets and ultimately semiconductor chips' demand. Despite these challenges, several bright spots remain. Demand from AI, new energy and electric vehicle applications continues to grow, offering new/expanded revenue streams for the Group. We will focus our efforts on these promising sectors to achieve positive long-term results. In addition, China's push for semiconductor self-sufficiency may create new partnership opportunities as well as expand our businesses with existing Chinese semiconductor suppliers which we have taken efforts to grow the relationship for the past years.

OTHER INFORMATION

The Group's consumer products distribution business will continue to push forward to expand its range of product offerings and enhance its portfolio in gaming, cloud storage and AI solution. Additionally, it plans to extend its presence in Southeast Asia, beyond Malaysia and Thailand, through strategic alliances, and/or mergers and acquisitions. These efforts will help to diversify the Group's product offerings and markets and balance its product and market risk.

The economic and financial environment remain 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. The Group will continue to review its operations to boost efficiency and productivity and be vigilant in inventory, credit and cash flow management.

27. 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

28. If no dividend has been declared/recommendeded, a statement to that effect.

No final dividend has been declared or recommended for the current financial period reported on as the Board of Directors of the Company deemed it necessary to preserve cash for working capital requirements, taking into consideration the current uncertain and challenging financial and economic conditions.

29. Interested person transactions

Pursuant to Rule 907 of the Listing Manual of the SGX-ST (the "Listing Manual"), the Board of Directors of the Company would like to announce the following Interested Person Transactions ("IPTs") for FY2024 as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during FY2024 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all IPTs during FY2024 conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
		US\$'000	US\$'000
Goi Seng Hui	Substantial shareholder of the Company	188	Not applicable

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 bears interest at 5.0% per annum and is repayable to Mr. Goi Seng Hui on 22 May 2025.

OTHER INFORMATION

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

No general mandate from shareholders has been obtained for IPTs.

- 31. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under 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 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

- 32. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

- 33. 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(13) of the Listing Manual of the SGX-ST. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, we submit the following report giving information on persons holding managerial position who are relative of a director, chief executive officer or substantial shareholder of the Company or its principal subsidiaries.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Derek Goh Bak Heng	63	Cousin of Sean Goh Su Teng and father of Victoria Goh Si Hui. Derek Goh Bak Heng is a Substantial Shareholder of Serial System Ltd	<p><u>Current Position</u> Executive Chairman of Serial System Ltd (Year 2024) and Group Chief Executive Officer (Year 2001)</p> <p><u>Duties</u> Responsible for leading the Board in charting the future direction of the Group and the management team in executing strategies to achieve the goals set by the Board.</p>	Derek Goh Bak Heng was re-appointed Executive Chairman of Serial System Ltd on 9 January 2024.
Mr. Sean Goh Su Teng	45	Cousin of Derek Goh Bak Heng and uncle of Victoria Goh Si Hui.	<p><u>Current Position</u> Deputy Group Chief Executive Officer (Year 2022), Executive Director of Serial System Ltd (Year 2021) and Non-Executive Chairman of Serial Achieva Limited, listed on Catalist Board of the SGX-ST (Year 2024)</p> <p><u>Duties</u> Responsible for overall management of the Group. He also works closely with the Board and the management team on corporate development and strategic planning of the Group.</p>	Sean Goh Su Teng was appointed Non-Executive Chairman of Serial Achieva Limited on 20 June 2024.

OTHER INFORMATION

Ms. Victoria Goh Si Hui	32	Daughter of Derek Goh Bak Heng and niece of Sean Goh Su Teng	<p>Provides leadership and guidance to the board of Serial Achieva Limited and works together with its executive director to set the direction and objectives of the group which include focus on value creation, innovation and sustainability.</p> <p><u>Current Position</u> Vice President, Business Development & Marketing of Serial System Ltd (Year 2022), Executive Director of Serial System Ltd (Year 2022) and Non-Executive Director of Serial Achieva Limited, listed on Catalist Board of the SGX-ST (Year 2024)</p> <p><u>Duties</u> Responsible for overseeing and managing the business and operation of the consumer products distribution business (managed print services and 3D printing) as well as supply chain and inventory management of the Group. She also works closely with the Board and the management team on corporate development and strategic planning of the Group.</p> <p>Provides guidance to the board of Serial Achieva Limited and works together with its executive director to set the direction and objectives of the group which include focus on value creation, innovation and sustainability.</p>	Victoria Goh Si Hui was appointed Non-Executive Director of Serial Achieva Limited on 20 June 2024.
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BY ORDER OF THE BOARD

Mr. Derek Goh Bak Heng

Executive Chairman and Group Chief Executive Officer

27 February 2025