

Company Registration Number: 199202071D

**SERIAL SYSTEM LTD
(Incorporated in Singapore)
AND ITS SUBSIDIARIES**

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

**FOR THE SIX MONTH AND FULL YEAR ENDED
31 DECEMBER 2021**

SERIAL SYSTEM LTD
(Incorporated in Singapore)
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	Increase/ (Decrease) %	12 months	12 months	Increase/ (Decrease) %
		ended 31 December 2021 US\$'000	ended 31 December 2020 US\$'000		ended 31 December 2021 US\$'000	ended 31 December 2020 US\$'000	
Sales	5	457,605	417,113	10%	895,893	731,400	22%
Cost of sales	6	(419,563)	(390,497)	7%	(822,920)	(685,504)	20%
Gross profit		38,042	26,616	43%	72,973	45,896	59%
Gross profit margin		8.3%	6.4%	1.9 pt	8.1%	6.3%	1.8 pt
Other income		8,965	17,926	-50%	15,251	21,208	-28%
Interest income	5	1,071	1,407	-24%	2,325	2,656	-12%
Other operating income	5	7,894	16,519	-52%	12,926	18,552	-30%
Expenses							
Distribution	6	(21,515)	(17,669)	22%	(42,612)	(33,082)	29%
Administrative	6	(4,744)	(4,066)	17%	(8,812)	(7,119)	24%
Finance	7	(2,665)	(2,447)	9%	(5,254)	(5,269)	-0.3%
Other:		-	-				
Loss allowance on trade and other receivables	6	(2,622)	(1,318)	99%	(2,912)	(1,512)	93%
Other operating	6	(8,002)	(11,872)	-33%	(13,877)	(18,252)	-24%
Total expenses		(39,548)	(37,372)	6%	(73,467)	(65,234)	13%
		7,459	7,170	4%	14,757	1,870	689%
Share of results of associated companies (after income tax)		(364)	(293)	24%	(658)	(251)	162%
Profit before income tax	6	7,095	6,877	3%	14,099	1,619	771%
Income tax expense	9	(968)	(421)	130%	(1,510)	(214)	606%
Profit after income tax		6,127	6,456	-5%	12,589	1,405	796%
Attributable to:							
Equity holders of the Company		5,302	4,744	12%	11,139	261	4,168%
Non-controlling interests		825	1,712	-52%	1,450	1,144	27%
		6,127	6,456	-5%	12,589	1,405	796%
Earnings per share attributable to equity holders of the Company:							
Basic	24	0.59 cent	0.53 cent	11%	1.24 cents	0.03 cent	4,033%
Diluted	24	0.59 cent	0.53 cent	11%	1.24 cents	0.03 cent	4,033%

**SERIAL SYSTEM LTD
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group		The Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Net profit after income tax	6,127	6,456	12,589	1,405
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss:				
Defined benefit plans' actuarial (loss)/gain	(9)	308	(9)	308
Share of associated company's other comprehensive income/(loss)	1,180	-	1,305	(11)
Gain on revaluation of property, plant and equipment	4	-	38	141
	1,175	308	1,334	438
Items that may be reclassified subsequently to profit or loss:				
Share of associated companies' other comprehensive income/(loss)	26	(54)	17	(117)
Currency translation differences	(1,077)	4,017	(2,369)	2,471
	(1,051)	3,963	(2,352)	2,354
Other comprehensive income/(loss) for the period	124	4,271	(1,018)	2,792
Total comprehensive income for the period	6,251	10,727	11,571	4,197
Total comprehensive income attributable to:				
Equity holders of the Company	5,520	9,037	10,399	3,164
Non-controlling interests	731	1,690	1,172	1,033
	6,251	10,727	11,571	4,197

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		31	31	31	31
		December 2021 US\$'000	December 2020 US\$'000	December 2021 US\$'000	December 2020 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		50,963	64,739	1,068	4,684
Trade and other receivables	13	169,649	146,608	36,071	33,677
Inventories	14	133,688	107,688	-	-
Financial assets, at fair value through profit or loss	15	10,715	15,907	-	-
Other current assets		8,600	5,840	397	318
		373,615	340,782	37,536	38,679
Non-current assets					
Income tax recoverable		1,667	1,667	-	-
Loans and other receivables		-	-	38,093	27,436
Financial assets, at fair value through profit or loss	15	7,481	3,487	-	-
Investments in associated companies		8,736	7,003	1,217	1,217
Investments in joint ventures		-	-	-	-
Investments in subsidiaries		-	-	57,255	57,263
Property, plant and equipment	16	33,980	33,800	384	419
Investment properties	17	7,187	5,543	-	-
Intangible assets	18	3,343	3,230	14	53
Other assets		787	241	600	-
Deferred income tax assets		1,001	962	-	-
		64,182	55,933	97,563	86,388
Total assets		437,797	396,715	135,099	125,067
LIABILITIES					
Current liabilities					
Trade and other payables	19	89,387	105,424	10,810	9,387
Current income tax liabilities		1,383	949	-	-
Borrowings	20	167,430	127,612	5,293	9,903
		258,200	233,985	16,103	19,290
Non-current liabilities					
Other payables		-	-	16,232	8,740
Borrowings	20	16,778	9,701	6,272	105
Defined benefit plans liabilities		395	392	-	-
Deferred income tax liabilities		1,029	899	479	481
		18,202	10,992	22,983	9,326
Total liabilities		276,402	244,977	39,086	28,616
NET ASSETS		161,395	151,738	96,013	96,451
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)	(736)	(70)	(736)
Capital reserve		2,665	1,276	518	180
Defined benefit plans reserve		328	337	-	-
Fair value reserve		(742)	(742)	-	-
Revaluation reserve		198	175	-	-
Other reserve		(1,457)	(1,665)	-	-
Currency translation reserve		5,204	7,278	-	-
Retained earnings		71,997	63,063	22,917	24,359
		150,771	141,634	96,013	96,451
Non-controlling interests		10,624	10,104	-	-
TOTAL EQUITY		161,395	151,738	96,013	96,451

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Attributable to equity holders of the Company										Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Defined benefit plans reserve US\$'000	Fair value reserve US\$'000	Revaluation reserve US\$'000	Other reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total attributable to equity holders of the Company US\$'000		
2021												
Balance at 1 January 2021	72,648	(736)	1,276	337	(742)	175	(1,665)	7,278	63,063	141,634	10,104	151,738
Profit for the period	-	-	-	-	-	-	-	-	5,837	5,837	625	6,462
Other comprehensive income/(loss):												
Share of associated companies' other comprehensive loss/(income)	-	-	139	-	-	(14)	-	(9)	-	116	-	116
Gain on revaluation of property, plant and equipment transferred to investment property	-	-	-	-	-	34	-	-	-	34	-	34
Currency translation differences	-	-	-	-	-	-	-	(1,108)	-	(1,108)	(184)	(1,292)
Other comprehensive income/(loss) for the period, net of tax	-	-	139	-	-	20	-	(1,117)	-	(958)	(184)	(1,142)
Total comprehensive income/(loss) for the period	-	-	139	-	-	20	-	(1,117)	5,837	4,879	441	5,320
Contributions by and distributions to owners:												
One-tier tax-exempt final cash dividend for year 2020	-	-	-	-	-	-	-	-	(743)	(743)	-	(743)
Total distributions to owners	-	-	-	-	-	-	-	-	(743)	(743)	-	(743)
Others:												
Acquisition of additional interests in subsidiaries from non-controlling interests	-	-	-	-	-	-	(61)	-	-	(61)	(380)	(441)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(110)	(110)
Total others	-	-	-	-	-	-	(61)	-	-	(61)	(490)	(551)
Balance at 30 June 2021	72,648	(736)	1,415	337	(742)	195	(1,726)	6,161	68,157	145,709	10,055	155,764
Profit for the period	-	-	-	-	-	-	-	-	5,302	5,302	825	6,127
Other comprehensive income/(loss):												
Defined benefit plans' actuarial loss	-	-	-	(9)	-	-	-	-	-	(9)	-	(9)
Share of associated companies' other comprehensive income/(loss)	-	-	912	-	-	(1)	269	26	-	1,206	-	1,206
Gain on revaluation of property, plant and equipment transferred to investment property	-	-	-	-	-	4	-	-	-	4	-	4
Currency translation differences	-	-	-	-	-	-	-	(983)	-	(983)	(94)	(1,077)
Other comprehensive income/(loss) for the period, net of tax	-	-	912	(9)	-	3	269	(957)	-	218	(94)	124
Total comprehensive income/(loss) for the period	-	-	912	(9)	-	3	269	(957)	5,302	5,520	731	6,251
Contributions by and distributions to owners:												
One-tier tax-exempt interim cash dividend for year 2021	-	-	-	-	-	-	-	-	(1,462)	(1,462)	-	(1,462)
Total distributions to owners	-	-	-	-	-	-	-	-	(1,462)	(1,462)	-	(1,462)
Others:												
Placement of treasury shares	-	666	338	-	-	-	-	-	-	1,004	-	1,004
Subscription of interests in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	-	92	92
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(224)	(224)
Closure of subsidiaries	-	-	-	-	-	-	-	-	-	-	(30)	(30)
Total others	-	666	338	-	-	-	-	-	-	1,004	(162)	842
Balance at 31 December 2021	72,648	(70)	2,665	328	(742)	198	(1,457)	5,204	71,997	150,771	10,624	161,395

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group (continued)	Attributable to equity holders of the Company											Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Defined benefit plans reserve US\$'000	Fair value reserve US\$'000	Revaluation reserve US\$'000	Other reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total attributable to equity holders of the Company US\$'000			
2020													
Balance at 1 January 2020	72,648	(736)	1,276	29	(804)	45	(1,665)	4,813	63,689	139,295	7,939	147,234	
Loss for the period	-	-	-	-	-	-	-	-	(4,483)	(4,483)	(568)	(5,051)	
Other comprehensive income/(loss):													
Share of associated companies' other comprehensive loss	-	-	-	-	-	(11)	-	(62)	-	(73)	-	(73)	
Gain on revaluation of property, plant and equipment transferred to investment property	-	-	-	-	-	141	-	-	-	141	-	141	
Currency translation differences	-	-	-	-	-	-	-	(1,458)	-	(1,458)	(89)	(1,547)	
Other comprehensive income/(loss) for the period, net of tax	-	-	-	-	-	130	-	(1,520)	-	(1,390)	(89)	(1,479)	
Total comprehensive income/(loss) for the period	-	-	-	-	-	130	-	(1,520)	(4,483)	(5,873)	(657)	(6,530)	
Contributions by and distributions to owners:													
One-tier tax-exempt final cash dividend for year 2019	-	-	-	-	-	-	-	-	(825)	(825)	-	(825)	
Total distributions to owners	-	-	-	-	-	-	-	-	(825)	(825)	-	(825)	
Others:													
Subscription of additional interests in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	-	567	567	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	15	15	
Total others	-	-	-	-	-	-	-	-	-	-	582	582	
Balance at 30 June 2020	72,648	(736)	1,276	29	(804)	175	(1,665)	3,293	58,381	132,597	7,864	140,461	
Profit for the period	-	-	-	-	-	-	-	-	4,744	4,744	1,712	6,456	
Other comprehensive income/(loss):													
Defined benefit plans' actuarial gain	-	-	-	308	-	-	-	-	-	308	-	308	
Share of associated companies' other comprehensive loss	-	-	-	-	-	-	-	(55)	-	(55)	-	(55)	
Currency translation differences	-	-	-	-	-	-	-	4,040	-	4,040	(22)	4,018	
Other comprehensive income/(loss) for the period, net of tax	-	-	-	308	-	-	-	3,985	-	4,293	(22)	4,271	
Total comprehensive income/(loss) for the period	-	-	-	308	-	-	-	3,985	4,744	9,037	1,690	10,727	
Others:													
Transfer of reserve upon disposal of investment	-	-	-	-	62	-	-	-	(62)	-	-	-	
Investment in a subsidiary by a non-controlling interest	-	-	-	-	-	-	-	-	-	-	77	77	
Subscription of additional interests in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	-	458	458	
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	(24)	(24)	
Disposal/closure of subsidiaries	-	-	-	-	-	-	-	-	-	-	39	39	
Total others	-	-	-	-	62	-	-	-	(62)	-	550	550	
Balance at 31 December 2020	72,648	(736)	1,276	337	(742)	175	(1,665)	7,278	63,063	141,634	10,104	151,738	

**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
2021					
Balance at 1 January 2021	72,648	(736)	180	24,359	96,451
Total comprehensive loss for the period	-	-	-	(103)	(103)
One-tier tax-exempt final cash dividend for year 2020	-	-	-	(743)	(743)
Balance at 30 June 2021	72,648	(736)	180	23,513	95,605
Total comprehensive income for the period	-	-	-	866	866
Placement of treasury shares	-	666	338	-	1,004
One-tier tax-exempt interim cash dividend for year 2021	-	-	-	(1,462)	(1,462)
Balance at 31 December 2021	72,648	(70)	518	22,917	96,013
2020					
Balance at 1 January 2020	72,648	(736)	180	27,402	99,494
Total comprehensive income for the period	-	-	-	362	362
One-tier tax-exempt final cash dividend for year 2019	-	-	-	(825)	(825)
Balance at 30 June 2020	72,648	(736)	180	26,939	99,031
Total comprehensive loss for the period	-	-	-	(2,580)	(2,580)
Balance at 31 December 2020	72,648	(736)	180	24,359	96,451

**SERIAL SYSTEM LTD
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group		The Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Cash flows from operating activities				
Profit before income tax	7,095	6,877	14,099	1,619
Adjustments for:				
Amortisation of computer software license costs	52	62	104	129
Amortisation of distribution rights	-	5	-	12
Depreciation of property, plant and equipment	1,433	1,704	2,848	3,724
Property, plant and equipment written off	207	2	216	3
Gain on disposal of property, plant and equipment	(13)	(33)	(43)	(33)
Fair value gain on investment properties	(427)	(56)	(427)	(56)
Fair value gain on financial assets, at fair value through profit or loss	(623)	(392)	(917)	(481)
Gain on sale of financial assets, at fair value through profit or loss	(209)	(45)	(239)	(43)
Fair value loss on financial assets, at fair value through profit or loss	-	-	-	43
Dividend income from financial assets, at fair value through profit or loss	(7)	(1)	(17)	(20)
Fair value (gain)/loss on derivative financial instruments	(439)	978	(1,441)	62
Impairment losses on goodwill arising from acquisition of subsidiaries	-	3,620	-	4,220
Gain on closure/disposal of subsidiaries	(104)	(2)	(104)	-
Gain on disposal of interests in associated companies	(306)	-	(306)	-
Gain on dilution of interest in an associated company	(6)	-	(15)	-
Loss on re-measuring previously held equity in a joint venture	165	-	165	-
Provision for defined benefit plans liabilities	222	136	354	241
Reversal of other borrowings/other payables due to previous shareholder/shareholders of subsidiaries	-	(4,813)	-	(4,813)
Interest income	(1,071)	(1,407)	(2,325)	(2,656)
Interest expense	2,665	2,447	5,254	5,269
Share of results of associated companies	364	293	658	251
Operating cash flow before working capital changes	8,998	9,375	17,864	7,471
Changes in working capital				
Trade and other receivables	(11,558)	(30,982)	(26,581)	(19,215)
Financial assets, at fair value through profit or loss	11,596	2,485	5,093	17,965
Inventories	(36,538)	17,039	(25,382)	13,286
Other current assets	(1,538)	(962)	(2,889)	(2,167)
Other assets (non-current)	9	(23)	(546)	(18)
Trade and other payables	7,199	14,059	(16,451)	(2,942)
Cash (used in)/from operations	(21,832)	10,991	(48,892)	14,380
Income tax paid	(357)	(296)	(936)	(1,717)
Net cash (used in)/from operating activities	(22,189)	10,695	(49,828)	12,663
Cash flows from investing activities				
Payments for intangible assets (computer software license costs)	(5)	(7)	(20)	(7)
Payments for property, plant and equipment	(524)	(420)	(982)	(613)
Proceeds from disposal of property, plant and equipment	14	26	177	26
Proceeds from sale of financial assets, at fair value through profit or loss	712	286	868	1,034
Net cash outflow on disposal/closure of subsidiaries	-	(64)	-	(126)
Proceeds from disposal of interests in an associated company	841	-	841	-
Net cash inflow on step up acquisition from a joint venture to a subsidiary	100	-	100	-
Payments for financial assets, at fair value through profit or loss	(1,872)	(408)	(3,758)	(537)
Payments for additional investment in associated companies	(147)	(253)	(147)	(3,101)
Dividend received from an associated company	-	-	-	50
Dividend received from financial assets, at fair value through profit or loss	7	1	17	20
Interest received	1,071	1,409	2,325	2,666
Net cash from/(used in) investing activities	197	570	(579)	(588)

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group		The Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Cash flows from financing activities				
Proceeds from placement of treasury shares	1,004	-	1,004	-
Subscription of interests in subsidiaries by non-controlling interests	92	535	92	1,102
Payment for acquisition of additional interests in a subsidiary from non-controlling interest	-	-	(441)	-
Net cash inflow from non-controlling interest on closure of a subsidiary	-	54	-	54
Dividend paid to shareholders of the Company	(1,462)	-	(2,205)	(825)
Dividend paid to non-controlling interests	(224)	(24)	(334)	(24)
Proceeds from bank borrowings	341,040	244,040	561,203	490,628
Proceeds from other borrowings	3,212	10,027	12,937	17,970
Repayment of bank borrowings	(308,409)	(239,482)	(513,796)	(480,407)
Repayment of other borrowings	(3,623)	(5,515)	(15,129)	(15,931)
Principal payments of lease liabilities	(689)	(930)	(1,323)	(2,064)
Refund of bank deposits pledged for overdraft facility	-	1,000	-	1,000
Interest paid	(2,635)	(2,405)	(5,226)	(5,410)
Net cash from financing activities	28,306	7,300	36,782	6,093
Net increase/(decrease) in cash and cash equivalents held	6,314	18,565	(13,625)	18,168
Cash and cash equivalents at the beginning of the period	44,659	45,421	64,739	46,110
Effect of currency translation on cash and cash equivalents	(10)	753	(151)	461
Cash and cash equivalents at the end of the period	50,963	64,739	50,963	64,739

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 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 2021 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;
- (e) Provision of managed print services and the administrative, maintenance and distribution of copiers and printers;
- (f) Project financing;
- (g) Trading and distribution of fast-moving consumer goods;
- (h) Communications and power line construction;
- (i) Investment holding and trading;
- (j) Rental of investment properties;
- (k) Manufacture, sale and leasing of industrial and security robots and automated guided vehicles, and provision of artificial intelligence and robotic solutions and services for security, delivery and mobility applications; and
- (l) Retail sale of beverages

2. Basis of Preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with 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 2020.

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

2.2. New and amended standards adopted by the Group

The following amendments to SFRS(I)s took effect from financial year beginning 1 January 2021:

- Amendments to SFRS(I) 16 Covid-19-Related Rent Concessions

The Group has elected to early adopt the amendments to SFRS(I) 16 in the previous financial year ended 31 December 2020, which provided a practical expedient to simplify the accounting for lease concessions that meet all of the following criteria for a lessee to elect not to assess whether a rent concession is a lease modification:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. Basis of Preparation (continued)

2.2. New and amended standards adopted by the Group (continued)

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 16, Interest Rate Benchmark Reform - Phase 2

The adoption of the amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 16, Interest Rate Benchmark Reform - Phase 2 is assessed to have no material financial effect on the results and financial position of the Group and the Company for the financial year ended 31 December 2021. Accordingly, it has no material impact on the earnings per share of the Group and the Company.

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 Group's 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 2020.

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 a geographic and business segment perspective. The Group has three reportable segments, as described below, which are the Group's strategic business units based on different products 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 CEO and CFO 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
2021					
Sales – external	831,931	73,601	7,972	(17,611)	895,893
Segment results - operating profit	17,580	636	(545)	-	17,671
Unallocated gain	6	-	9	-	15
Finance income	757	381	2,459	(1,272)	2,325
Finance costs	(4,306)	(741)	(1,479)	1,272	(5,254)
Share of results of associated companies (after income tax)	27	2	(687)	-	(658)
Profit before income tax					14,099
Income tax expense					(1,510)
Profit after income tax					12,589
Segment assets	403,112	40,072	58,281	(73,405)	428,060
Investments in associated companies	1,879	2,241	4,616	-	8,736
Deferred income tax assets					1,001
Consolidated total assets					437,797
Segment liabilities	96,676	16,037	50,474	(73,405)	89,782
Borrowings	144,832	20,558	18,818	-	184,208
Current and deferred income tax liabilities					2,412
Consolidated total liabilities					276,402
Capital expenditure on property, plant and equipment	731	174	77	-	982
Capital expenditure on intangible assets (computer software license costs)	16	-	4	-	20
Investments in associated companies	-	-	1,519	-	1,519
Investments in financial assets, at fair value through profit or loss	91	-	3,667	-	3,758
Depreciation of property, plant and equipment	1,923	308	617	-	2,848
Amortisation of computer software license costs	102	-	2	-	104
Fair value (gain)/loss on investment properties	(429)	2	-	-	(427)
Fair value loss/(gain) on financial assets, at fair value through profit or loss	235	-	(1,152)	-	(917)
Fair value gain on derivative financial instruments	(1,441)	-	-	-	(1,441)
Gain on sale of financial assets, at fair value through profit or loss	(44)	-	(195)	-	(239)
(Reversal of loss allowance)/loss allowance on trade receivables	(39)	130	556	-	647
Loss allowance on non-trade receivables (joint venture/ third parties)	-	-	2,265	-	2,265

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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
2020					
Sales					
External	685,323	52,726	9,790	(16,439)	731,400
Segment results - operating profit/(loss)*	2,673	1,412	398	-	4,483
Finance income	698	490	2,565	(1,097)	2,656
Finance costs	(4,122)	(735)	(1,509)	1,097	(5,269)
Share of results of associated companies (after income tax)	54	(31)	(274)	-	(251)
Profit before income tax					1,619
Income tax expense					(214)
Profit after income tax					1,405
Segment assets	366,690	38,106	54,242	(70,288)	388,750
Investments in associated companies	1,423	2,727	2,853	-	7,003
Deferred income tax assets					962
Consolidated total assets					396,715
Segment liabilities	114,291	13,472	48,341	(70,288)	105,816
Borrowings	101,732	19,925	15,656	-	137,313
Current and deferred income tax liabilities					1,848
Consolidated total liabilities					244,977
Capital expenditure on property, plant and equipment	265	594	321	-	1,180
Capital expenditure on intangible assets (computer software license costs)	7	-	-	-	7
Investments in associated companies	-	-	3,101	-	3,101
Investments in financial assets, at fair value through profit or loss	212	-	325	-	537
Depreciation of property, plant and equipment	2,258	829	637	-	3,724
Amortisation of computer software license costs	127	-	2	-	129
Amortisation of distribution rights	12	-	-	-	12
Fair value gain on an investment property	-	-	(56)	-	(56)
Fair value (gain)/loss on financial assets, at fair value through profit or loss	(578)	-	97	-	(481)
(Gain)/loss on sale of financial assets, at fair value through profit or loss	(47)	-	4	-	(43)
Impairment loss on goodwill arising from acquisition of subsidiaries	860	3,360	-	-	4,220
Loss allowance on trade receivables/ (Write-back of loss allowance)	(344)	36	670	-	362
Loss allowance on non-trade receivables (third parties)	-	22	1,128	-	1,150
Reversal of other borrowings/other payables due to previous shareholder/shareholders of subsidiaries	-	(3,833)	(980)	-	(4,813)

* The Group has restated its segment results – operating profit/(loss) for 2020, arising from the reversal of allowance for impairment losses on intercompany loans and receivables, in order to conform to the same basis of presentation in 2021. The reclassification has resulted in a decrease of US\$3,007,000 in the Electronic components distribution segment, an increase of US\$145,000 in the Consumer products distribution segment and an increase of US\$2,862,000 in the Other businesses segment.

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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
2H2021					
Sales – external	427,339	36,818	2,760	(9,312)	457,605
Segment results - operating profit/(loss)	10,053	(396)	(619)	-	9,038
Unallocated gain	6	-	9	-	15
Finance income	507	183	1,200	(819)	1,071
Finance costs	(2,181)	(415)	(888)	819	(2,665)
Share of results of associated companies (after income tax)	61	11	(436)	-	(364)
Profit before income tax					7,095
Income tax expense					(968)
Profit after income tax					6,127

The Group	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter-segment eliminations US\$'000	Total US\$'000
2H2020					
Sales – external	391,490	29,664	5,222	(9,263)	417,113
Segment results - operating profit/(loss)	6,473	1,770	(33)	-	8,210
Finance income	528	206	1,312	(639)	1,407
Finance costs	(1,850)	(341)	(895)	639	(2,447)
Share of results of associated companies (after income tax)	52	(71)	(274)	-	(293)
Profit before income tax					6,877
Income tax expense					(421)
Profit after income tax					6,456

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: South East 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 (which include provision of managed print services and the administrative, maintenance and distribution of copiers and printers) are located in South East Asia and India (comprising mainly Singapore, Malaysia, Thailand and Indonesia) and Japan.

Other businesses in South East Asia and India (mainly Singapore, Malaysia and Thailand), Taiwan and China include investment holding and trading, rental of investment properties, hospitality and healthcare solutions, assembly and distribution of medical devices and ethylene oxide sterilization, project financing, trading and distribution of fast-moving consumer goods, communications and power line construction, manufacturing, sale and leasing of industrial and security robots and automated guided vehicles, and provision of artificial intelligence and robotic solutions and services for security, delivery and mobility applications and retail sale of beverages.

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	6 months	12 months	12 months	31	31
	ended 31	ended 31	ended 31	ended 31	December	December
	December	December	December	December	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group						
South East Asia and India	112,233	127,337	229,307	229,905	11,550	12,844
Hong Kong	217,682	177,495	418,183	312,825	6,081	3,717
China	72,636	53,572	136,533	92,803	15,834	16,030
South Korea	25,975	22,270	52,924	34,806	4,541	4,956
Taiwan	25,752	36,439	54,188	61,061	8,956	6,934
Japan	3,327	-	4,758	-	2	-
South East Asia and India - Associated company	-	-	-	-	5,532	5,579
Taiwan - Associated company	-	-	-	-	1,879	1,424
United States of America - Associated company	-	-	-	-	1,325	-
Total	457,605	417,113	895,893	731,400	55,700	51,484

* Non-current assets exclude financial assets, at fair value through profit or loss and deferred income tax assets.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Revenue

	The Group		The Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Sales of goods	457,605	417,113	895,893	731,400
Other operating income	7,894	16,519	12,926	18,552
Interest income	1,071	1,407	2,325	2,656
	466,570	435,039	911,144	752,608
Performance obligations satisfied at a point in time				
Sales of goods:				
- electronic components	418,131	382,137	814,612	668,884
- consumer products	36,936	29,830	73,047	52,692
- others	2,252	5,060	7,700	9,540
	457,319	417,027	895,359	731,116
Performance obligations satisfied over time				
Service rendered	286	86	534	284
Total	457,605	417,113	895,893	731,400

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Revenue (continued)

	The Group		The Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Other operating income:				
Commission and service income	1,858	878	2,693	1,735
Rebate income from suppliers	1,176	1,614	2,354	2,747
Warehouse management and rental income	170	404	237	807
Gain on sale of financial assets, at fair value through profit or loss	209	43	239	43
Fair value gain/(loss) on financial assets, at fair value through profit or loss				
- quoted securities	11	44	305	133
- unquoted security	612	-	612	-
- derivative financial instruments	439	(568)	1,441	348
Dividend income from financial assets, at fair value through profit or loss	7	1	17	20
Reversal of other borrowings/other payables due to previous shareholder/shareholders of subsidiaries	-	4,813	-	4,813
Write-back of allowances for inventory obsolescence	2,336	5,393	3,128	3,027
Government grants received	70	725	476	1,680
Recovery of bad debts (trade) previously written off	-	93	-	93
Gain on closure of subsidiaries	104	-	104	-
Gain on disposal of interest in an associated company	306	-	306	-
Gain on dilution of interest in associated companies	15	-	15	-
Fair value gain on investment properties	427	56	427	56
Gain on disposal of property, plant and equipment	13	33	43	33
Foreign exchange gain (net)	-	2,712	-	2,419
Sundry income	141	278	529	598
Total other operating income	7,894	16,519	12,926	18,552
Interest income:				
- project financing, factoring and leasing	1,084	1,067	2,238	2,044
- bank balances	41	107	77	293
- loan to a joint venture	(54)	233	10	319
Total interest income	1,071	1,407	2,325	2,656

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6. Profit before income tax

	The Group		The Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
This is arrived at after charging:				
Amortisation charges for intangible assets*				
- computer software license costs	52	62	104	129
- distribution rights	-	5	-	12
Depreciation of property, plant and equipment*	1,433	1,704	2,848	3,724
Property, plant and equipment written off*	207	2	216	3
Fair value loss on financial assets, at fair value through profit or loss*	-	-	-	43
Fair value loss on derivative financial instruments*	-	62	-	62
Loss on re-measuring previously held equity in a joint venture	165	-	165	-
Impairment loss on goodwill arising from acquisition of subsidiaries*	-	3,620	-	4,220
Loss allowance:				
- trade receivables (third parties)*	357	168	647	362
- non-trade receivables (joint venture/third parties)*	2,265	1,150	2,265	1,150
Inventories:				
- cost of inventories recognised as an expense (included in 'cost of sales')	419,547	390,482	822,886	685,485
- write-off of inventories*	1,567	2,548	1,634	2,581
Cost of services (included in 'cost of sales')	16	15	34	19
Employee benefits expense	17,049	13,889	35,301	28,520
Rental expense - operating leases (short term lease)	970	1,173	2,138	2,061
Freight and handling charges	2,907	2,793	6,227	5,009
Travelling and transportation expenses	905	748	1,664	1,359
Sales commission expense	1,936	1,517	4,014	2,312
Foreign exchange loss (net)*	231	293	231	-
Other expenses (included in distribution, administrative and other expenses)	6,839	5,191	10,759	8,418
Total cost of sales, distribution, administrative and other expenses	456,446	425,422	891,133	745,469

* Included in "other operating expenses"

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Finance expense

	The Group		The Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Interest expense:				
Bank borrowings	762	619	1,435	1,225
Trust receipts	1,046	806	1,853	1,995
Factoring	434	618	1,041	1,335
Lease liabilities	59	45	99	117
Loan from an associated company	13	48	55	96
Others	351	311	771	501
Total	2,665	2,447	5,254	5,269

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 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
With associated companies:				
Sales of goods to associated companies	472	8	482	9
Purchases of goods from an associated company	4	4	11	4
Rental received from an associated company	39	40	77	76
Interest income received from an associated company	5	-	5	-
Interest expense paid to an associated company	13	48	55	96
With directors and substantial shareholder:				
Service fees paid to an entity associated with a director of the Company	30	8	73	27
Purchases of goods from an entity which a director of a subsidiary is a director and shareholder	(3)	608	287	775
Interest expense paid to a substantial shareholder of the Company*	84	83	109	161

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

*Interest expenses on unsecured principal amount of S\$5,000,000 (US\$3,718,000) as at 31 December 2021 [(31 December 2020: S\$5,000,000 (US\$3,791,000))] included in borrowings of the Group and the Company.

8.2 Share options granted/exercised by directors of the Company

There were no share options granted to or exercised by directors of the Company during the financial period ended 31 December 2021 and 31 December 2020. There were no outstanding share options granted to the Directors of the Company as at 31 December 2021 and 31 December 2020.

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 expected 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 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Tax expense attributable to profit is made up of:				
Current income tax – Singapore	142	24	305	83
Current income tax – Foreign	859	662	1,315	796
	1,001	686	1,620	879
Deferred income tax	(10)	(52)	(52)	(95)
	991	634	1,568	784
(Over)/under provision in preceding financial years				
Current income tax	(21)	(222)	(55)	(579)
Deferred income tax	(2)	9	(3)	9
Total	968	421	1,510	214

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 2021 and 31 December 2020:

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets at amortised cost:				
Cash and bank balances	50,963	64,739	1,068	4,684
Trade and other receivables, loans and other receivables	169,649	146,608	74,164	61,113
Deposits	2,251	2,783	600	-
Total	222,863	214,130	75,832	65,797
Financial liabilities at amortised cost:				
Trade and other payables	89,387	103,654	27,042	18,127
Borrowings	184,208	137,313	11,565	10,008
Total	273,595	240,967	38,607	28,135

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11. Dividends paid

	The Group and the Company		The Group and the Company	
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Ordinary dividends paid:				
One-tier tax-exempt interim cash dividend of 0.22 SGD cent (0.16 USD cent) per share paid in respect of the financial year ended 31 December 2021	1,462	-	1,462	-
One-tier tax-exempt final cash dividend of 0.11 SGD cent (0.08 USD cent) per share paid in respect of the financial year ended 31 December 2020	-	-	743	-
One-tier tax-exempt final cash dividend of 0.13 SGD cent (0.09 USD cent) per share paid in respect of the financial year ended 31 December 2019	-	-	-	825
Total	1,462	-	2,205	825

The Company has proposed a one-tier tax-exempt final cash dividend of 0.45 SGD cent (0.33 USD cent) per share for financial year ended 31 December 2021, which is subjected to shareholders' approval at the forthcoming Annual General Meeting in 2022.

12. Net assets value

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net assets value per ordinary share based on the existing issued share capital as at the end of the period reported on (in US\$)	16.66 cents	15.81 cents	10.61 cents	10.77 cents

Net assets value per ordinary share as at 31 December 2021 and 31 December 2020 are calculated based on the net assets value attributable to the equity holders of the Company as at the end of the respective period and the respective aggregate number of ordinary shares of 904,841,914 and 895,841,914 respectively.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

13. Trade and other receivables

	The Group		The Company	
	31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	31 December 2020 US\$'000
Current				
Trade receivables:				
Third parties	165,115	140,312	-	-
Subsidiaries	-	-	5,704	2,896
	165,115	140,312	5,704	2,896
Loss allowance	(5,979)	(5,516)	(257)	(279)
Net trade receivables	159,136	134,796	5,447	2,617
Other receivables:				
Third parties	10,240	7,592	447	91
Loss allowance	(2,248)	(1,648)	(42)	(42)
	7,992	5,944	405	49
Due from:				
Subsidiaries	-	-	31,847	30,744
Associated companies	2,276	2,239	1,781	1,779
Joint ventures	3,547	5,285	-	-
	5,823	7,524	33,628	32,523
Loss allowance	(3,302)	(1,656)	(3,409)	(1,512)
	2,521	5,868	30,219	31,011
Net other receivables	10,513	11,812	30,624	31,060
Total	169,649	146,608	36,071	33,677

The Group has unconditional right to the 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 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 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.

14. Inventories

	The Group	
	31 December 2021 US\$'000	31 December 2020 US\$'000
Finished goods	132,739	106,601
Work in progress	30	19
Raw materials	919	1,068
Total	133,688	107,688

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

14. Inventories (continued)

During the financial year, the Group wrote back allowances for inventory obsolescence amounting to US\$3,128,000 (31 December 2020: US\$3,027,000).

The written back of allowances for inventory obsolescence during the financial year mainly resulted from the focus efforts to sell older inventories and return of older inventories to suppliers through various inventory programs with these suppliers. Accordingly, the net realisable value of such inventories was reversed to their cost and the provision made for these older inventories was written back to the consolidated statement of profit or loss.

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

	The Group	
	31 December 2021 US\$'000	31 December 2020 US\$'000
Classified as:		
Current	10,715	15,907
Non-current	7,481	3,487
	18,196	19,394
Comprised:		
Listed equity securities:		
- Singapore	478	650
- South Korea	1,113	1,431
- Taiwan	1,304	732
	2,895	2,813
Unlisted equity securities:		
- Sweden	620	-
	620	-
Preference shares:	469	103
- Singapore	1,925	223
- Thailand	100	-
- Hong Kong	2,494	326
Trade receivables	10,715	15,807
Convertible loan/bond – Singapore and Hong Kong	1,374	100
Derivative receivables – Singapore	98	348
	12,187	16,255
Total	18,196	19,394

16. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment amounting to US\$4,481,000 (31 December 2020: US\$1,180,000), of which US\$3,499,000 (31 December 2020: US\$567,000) were related to right-of-use assets. Cash payments of US\$982,000 (31 December 2020: US\$613,000) were made to purchase property, plant and equipment.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

17. Investment properties

	The Group	
	31 December 2021	31 December 2020
	US\$'000	US\$'000
Beginning of financial year	5,543	4,510
Additions	-	132
Transfer from property, plant and equipment	1,025	454
Revaluation gain arising from the transfer	38	141
Fair value gain	427	56
Currency translation differences	154	250
End of financial year	7,187	5,543

17.1 Valuation

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use value using the direct market comparison method and if required, adjusted with appropriate adjustments, such as locations, date of transactions and size of properties. Changes in fair values are recognised in the consolidated statement of profit or loss.

18. Intangible assets

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Goodwill arising from acquisition of subsidiaries	3,126	2,938	-	-
Computer software license costs	217	292	14	53
Distribution rights	-	-	-	-
Total	3,343	3,230	14	53

As at 31 December 2021, goodwill arising from acquisition of subsidiaries arose from the Group's electronic components distribution subsidiaries in Hong Kong amounting to US\$1.6 million and the Group's other businesses' subsidiary in Singapore amounting to US\$1.5 million respectively. No impairment charges were provided during the financial year (31 December 2020: US\$4,220,000).

The Group acquired computer software license costs amounting to US\$20,000 (31 December 2020: US\$7,000) during the financial year.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

19. Trade and other payables

	The Group		The Company	
	31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	31 December 2020 US\$'000
	Current			
Trade payables	66,063	70,770	-	-
Other payables and accrued operating expenses	19,346	30,278	1,396	830
Contract liabilities	2,972	598	-	-
Derivative financial instruments	-	1,770	-	-
Due to subsidiaries	-	-	7,591	5,752
Due to an associated company	1,006	2,008	1,004	2,008
Financial guarantee contracts	-	-	819	797
Total	89,387	105,424	10,810	9,387

20. Borrowings

	The Group		The Company	
	31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	31 December 2020 US\$'000
	<u>Amount repayable within one year or on demand</u>			
Secured	23,910	28,341	54	6,111
Unsecured	143,520	99,271	5,239	3,792
<u>Amount repayable after one year</u>				
Secured	8,511	2,974	5,967	105
Unsecured	8,267	6,727	305	-
Total	184,208	137,313	11,565	10,008

20.1 Details of any collateral

- (i) A term loan of the Company amounting to US\$5,918,000 (31 December 2020: US\$6,056,000) which is payable on 31 May 2023, is secured on 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\$287,000 (31 December 2020: US\$358,000) taken by a wholly owned Malaysia subsidiary, Serial Microelectronics Sdn. Bhd., to part finance the acquisition of a freehold building in Malaysia is secured by a first legal mortgage of the property and guarantee by a subsidiary of the Group.
- (iii) Bank borrowing of US\$7,654,000 (31 December 2020: US\$6,690,000) taken by two Taiwan subsidiaries, Serial Investment (Taiwan) Inc. and Serial Microelectronics Inc., to part finance the acquisition of a freehold building in Taiwan and for working capital is secured by a first legal mortgage of the property.
- (iv) Bank borrowing of US\$5,567,000 (31 December 2020: US\$6,488,000) taken up 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

20. Borrowings (continued)

20.1 Details of any collateral (continued)

- (v) Bank borrowing of US\$12,843,000 (31 December 2020: US\$11,486,000) taken up by the Group's 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) Lease liabilities of US\$151,000 (31 December 2020: US\$238,000) are secured on the Group's office equipment and motor vehicles acquired under leasing agreements.

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 2021, the Group complied with covenants entered with various banks, except for certain banks, which have the right to call for immediate repayment of outstanding borrowings of US\$4,830,000 (31 December 2020: US\$3,097,000). The Group obtained waivers from compliance from the relevant banks for borrowings of US\$4,830,000 (31 December 2020: US\$3,097,000) subsequent to 31 December 2021 (31 December 2020: subsequent to 31 December 2020).

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				
2021				
1 January 2021	905,788	(9,946)	72,648	(736)
Placement of treasury shares	-	9,000	-	666
31 December 2021	905,788	(946)	72,648	(70)
2020				
1 January 2020 and 31 December 2020	905,788	(9,946)	72,648	(736)

There were no ordinary shares issued since the end of the financial year ended 31 December 2020.

There were no outstanding share options as at 31 December 2021 and 31 December 2020.

There were no purchase, sale, transfer, disposal, cancellation and use of subsidiary holdings during the financial year ended 31 December 2021. On 13 July 2021, the Company sold by way of placement of 9,000,000 ordinary shares in the capital of the Company from its treasury shares to three unrelated corporations at a placement price of S\$0.15 (US\$0.11) per ordinary share totalling S\$1,350,000 (US\$1,004,000). The Company's treasury shares reduced from 9,946,000 ordinary shares to 946,000 ordinary shares following the placement.

22. Update on use of proceed from share placement

On 13 July 2021, the Company sold 9,000,000 ordinary shares in the capital of the Company by way of placement from its treasury shares at a placement price of S\$0.15 (US\$0.11) per ordinary share, raising a net proceed of approximately S\$1,350,000 (US\$1,004,000).

On 5 August 2021, the Company utilised approximately US\$855,000 (S\$1,158,000) of the net proceed to invest in a convertible loan in Transwap Private Limited ("Transwap"), a Singapore incorporated fintech company. On 30 November 2021, the Company utilised the remaining net proceed from the share placement of S\$192,000 (US\$142,000) to invest in another convertible loan issued by Transwap amounting to S\$700,000 (US\$512,000). The balance investment amount of S\$508,000 (US\$370,000) was funded through internal resources.

As at the date of this announcement, the Company has fully utilized the S\$1,350,000 (approximately US\$997,000) of the net proceed from the share placement. The utilization of the net proceed is in line with the intended use as set out in the announcement of SGXNET on 12 July 2021.

OTHER INFORMATION

23. Review

The condensed interim statements of financial position of Serial System Ltd and its subsidiaries as at 31 December 2021 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 2021 and certain explanatory notes have not been audited or reviewed.

24. Earnings 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 Ended	
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
Based on the weighted average number of ordinary shares in issue (in US\$); and	0.59 cent	0.53 cent	1.24 cents	0.03 cent
On a fully diluted basis (in US\$)	0.59 cent	0.53 cent	1.24 cents	0.03 cent

Earnings 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 2021 of 896,481,258 and 900,083,010 respectively (six months and full year ended 31 December 2020: 895,841,914).

Earnings 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 2021 of 896,481,258 and 900,083,010 respectively (six months and full year ended 31 December 2020: 895,841,914) after adjusting assumed conversion of all potential dilutive ordinary shares.

There were no potential dilutive ordinary shares for the financial year ended 31 December 2021 and 31 December 2020.

OTHER INFORMATION

25. **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.

Consolidated Statement of Profit or Loss

Results for Full Year Ended 31 December 2021

The Group recorded turnover of US\$895.9 million for the full year ended 31 December 2021 ("FY2021"), an increase of 22% compared to US\$731.4 million for the same period last year ("FY2020").

Turnover for the electronic components distribution business increased by 22% to US\$814.6 million, propelled by higher demand for semiconductors, particularly in Hong Kong and China. Globally, the shortage of chips and supply chain disruptions had affected manufacturing activity, which in turn led to some firms rushing to stockpile high-demand chips, contributing to the better performance. The Group's extensive product portfolio and strong presence in Asia also aided in the better performance. Turnover in South Korea, also improved, mainly due to contribution from two new product lines.

Turnover for the consumer products distribution business increased 40% to US\$73.6 million. This was attributed mainly to the Group's Malaysian subsidiary, which recorded revenue growth of 45% due to higher sales of PC and gaming peripherals in Malaysia amid work-from-home measures implemented by the government to contain COVID-19. Sales contribution by a newly incorporated Japan subsidiary also added to the increase in turnover within this segment.

Turnover for other businesses decreased by 20% to US\$7.7 million, attributable mainly to lower sales activity in the trading and distribution of fast-moving consumer goods in the United States. The decrease was partially mitigated by higher sales of fast-moving consumer goods in Singapore, medical devices assembly and distribution, as well as hospitality and healthcare solutions.

Overall gross profit margin increased 1.8 percentage points to 8.1% from 6.3% in FY2020, buoyed by higher margins achieved by the Group's electronic components and consumer products distribution businesses which enjoyed increased demand in its products. Global chip shortage also contributed to the higher margin in both businesses.

Other operating income decreased by US\$5.6 million or 30% to US\$12.9 million. This was mainly due to a one-off gain on reversal of other borrowings/other payables totalling US\$4.8 million due to a previous shareholder/shareholders of Singapore subsidiaries in FY2020, foreign exchange gain of US\$2.4 million in FY2020 as opposed to foreign exchange loss (included in "Other Operating Expenses") of US\$0.2 million in FY2021 and lower pandemic relief-related government grants of US\$1.2 million. The decrease was partially offset by higher fair value gain on financial assets, at fair value through profit or loss totalling US\$1.9m and commission and service income of US\$1.0 million.

Distribution expenses increased by US\$9.5 million or 29% to US\$42.6 million, mainly due to higher staff and related costs, sales commission, freight and handling charges and trade credit insurance costs associated with the electronic components distribution business.

Administrative expenses increased by US\$1.7 million or 24% to US\$8.8 million. The increase was mainly due to higher staff-related costs and professional fees associated with the electronic components distribution business.

Other operating expenses decreased by US\$3.0 million or 15% to US\$16.8 million. Nil impairment losses on goodwill arising from acquisition of subsidiaries in FY2021 (FY2020: impairment loss of US\$4.2 million), and lower depreciation charges of US\$0.9 million and inventories written off of US\$0.9 million contributed mainly to the decrease in other operating expenses. The decrease was partially offset by higher loss allowance on trade and other receivables of US\$1.4 million and staff and related costs of US\$1.4 million.

The Group's associated companies contributed to a total loss of US\$658,000 (FY2020: total loss of US\$251,000) as their sales were unable to cover their operating expenses in FY2021.

The Group reported a net profit after tax of US\$11.1 million in FY2021 as compared to a net profit after tax of US\$0.3 million in FY2020 mainly due to higher gross profit earned as a result of higher sales and improved gross profit margin. The strategies to streamline operations and diversify the Group's supplier base and product portfolio in response to the challenges of the "tech-war" and the COVID-19 pandemic have contributed to a leaner operating model which resulted in better margin efficiency. Total expenses as a percentage of turnover declined to 8.2% in FY2021 from 8.9% in FY2020 as a result of these cost and operational efficiency measures.

Results for Second Half Year Ended 31 December 2021

The Group recorded turnover of US\$457.6 million for the second half year ended 31 December 2021 ("2H2021"), an increase of 10% compared to US\$417.1 million for the same period last year ("2H2020").

Turnover for the electronic components distribution business increased by 9% to US\$418.1 million, mainly due to higher sales in Hong Kong and China. The Group's extensive product portfolio and strong presence in Hong Kong and China continued to play out to the Group's advantage amid the global chip shortages. The Group reported lower sales in Taiwan mainly due to decline in sales for certain product lines. Turnover in South Korea, and South East Asia and India also reported lower sales mainly attributable to long lead times and allocations for certain products as well as certain customers temporarily stopping production-

Turnover for the consumer products distribution business increased 26% to US\$37.2 million boosted by higher sales in Malaysia and contribution from Japan.

Turnover for other businesses decreased by 56% to US\$2.3 million, mainly due to lower sales in the Group's trading and distribution of fast-moving consumer goods in Singapore and the United States.

Overall gross profit margin increased 1.9 percentage points to 8.3% from 6.4% in 2H2020 mainly due to higher margins achieved by the Group's electronic components distribution business and the Group's Malaysian consumer products distribution business. The global chip shortage also contributed to the higher margin in these two businesses.

Other operating income decreased by US\$8.6 million or 52% to US\$7.9 million. This was mainly due to a one-off gain on reversal of other borrowings/other payables totalling US\$4.8 million due to a previous shareholder/shareholders of Singapore subsidiaries, foreign exchange gain of US\$2.7 million recorded in 2H2020 as opposed to foreign exchange loss (included in "Other Operating Expenses") of US\$0.2 million in 2H2021 and lower write-back of allowance for inventory obsolescence of US\$3.1 million and pandemic relief-related government grants of US\$0.7 million. The decrease was partially offset by higher fair value gain on financial assets, at fair value through profit or loss of US\$1.6m and commission and service income of US\$1.0 million.

Distribution expenses increased by US\$3.8 million or 22% to US\$21.5 million, mainly due to higher staff and related costs, sales commission and trade credit insurance costs associated with the electronic components distribution business.

Administrative expenses increased by US\$0.7 million or 17% to US\$4.7 million. The increase was mainly due to higher staff-related costs and professional fees associated with the electronic components distribution business.

Finance expenses increased by US\$0.2 million or 9% to US\$2.7 million. The increase was mainly due to an increase in borrowings arising from higher sales.

Other operating expenses decreased by US\$2.6 million or 19% to US\$10.6 million. Nil impairment losses on goodwill arising from acquisition of subsidiaries in 2H2021 (2H2020: impairment loss of US\$3.6 million) and lower inventories written off of US\$1.0 million contributed mainly to the decrease in other operating expenses. The decrease was partially offset by higher loss allowance on trade and non-trade receivables of US\$1.3 million, and staff and related costs of US\$1.1 million.

The Group's associated companies contributed to a total loss of US\$364,000 (2H2020: total loss of US\$293,000) as their sales were unable to cover their operating expenses in 2H2021.

The Group reported a net profit after tax of US\$5.3 million in 2H2021 as compared to a net profit after tax of US\$4.7 million in 2H2020 mainly due to higher gross profit earned as a result of higher sales and improved gross profit margin. The efforts to improve internal efficiencies have continued to reap positive results contributing to better margin efficiency. Total expenses as a percentage of turnover declined to 8.6% in 2H2021 from 9.0% in 2H2020 as a result of these cost and operational efficiency measures.

Statements of Financial Position

Trade and other receivables increased by US\$23.0 million (net of factored trade receivables), mainly attributed to the higher sales achieved by the Group's Hong Kong and China electronic components distribution subsidiaries. Average turnover days for trade receivables declined to 65 in FY2021 from 72 in FY2020.

Inventories increased by US\$26.0 million mainly due to higher purchases by the Group's Hong Kong and China electronic components distribution subsidiaries in anticipation of higher sales and certain suppliers prolonging the lead time for the delivery of certain high demand semiconductor components, a result of the global chip shortage.

Financial assets, at fair value through profit or loss (current assets) decreased by US\$5.2 million, mainly due to the reduction in reclassification from trade receivables by US\$5.1 million to US\$10.7 million (FY2020: reclassification from trade receivables of US\$15.8 million). This was due to lower utilisation of the Group's non-recourse factoring bank facilities by the Group's Hong Kong electronic components distribution subsidiary in FY2021 when compared to FY2020.

Financial assets, at fair value through profit or loss (non-current assets) increased by US\$4.0 million, mainly due to investment of US\$1.7 million in a Thailand unlisted entity and investments in certain Singapore unlisted entities totalling US\$2.0 million.

Investments in associated companies increased by US\$1.7 million mainly due to a 30% equity investment in Grandpointe Acquisition LLC, a United States incorporated entity of US\$1.4 million.

Property, plant and equipment increased by US\$0.2 million, mainly due to an increase in right-of-use assets (included in property, plant and equipment) of US\$3.5 million and additions of US\$1.0 million to property, plant and equipment. The increase was offset by depreciation charges amounting to US\$2.8 million, a reclassification of an office unit owned by a China subsidiary amounting to US\$1.0 million to investment properties, disposals of property, plant and equipment of US\$0.4 million and a currency translation loss of US\$0.1 million.

Investment properties increased by US\$1.6 million mainly due to the reclassification of US\$1.0 million from property, plant and equipment as detailed above, fair value gain on investment properties of US\$0.4 million and a currency translation gain of US\$0.2 million.

Trade and other payables decreased by US\$16.0 million. The decrease was mainly attributable to lower trade payables due to shorter payment terms to certain suppliers of the Group's Singapore electronic components distribution subsidiary and lower other payables due to termination of non-recourse bank factoring programme with a bank for the electronic components distribution entities. Average payment days for trade payables decreased to 30 in FY2021 from 37 in FY2020.

Borrowings increased by US\$46.9 million, mainly due to additional borrowings by the Group's Hong Kong, Singapore and Taiwan electronic components distribution subsidiaries and Malaysia consumer products distribution subsidiary to finance increase in working capital requirements. The Company's current portion of a secured term loan amounting to US\$5.9 million as at 31 December 2021 was reclassified to non-current borrowings as at 31 December 2021 upon extension of the expiry of the term loan from 31 May 2021 to 31 May 2023. Included in the Company's current borrowings was an interest-bearing loan amounting to S\$5.0 million (US\$3.7 million) [31 December 2020: S\$5.0 million (US\$3.8 million)] from the Company's substantial shareholder, Mr Goi Seng Hui.

Currency translation reserve decreased by US\$2.1 million mainly due to a decrease in the value of the Group's investments in its South Korea and Thailand subsidiaries, arising from the strengthening of the United States Dollar against these subsidiaries' functional currencies of Korean Won and Thailand Baht.

26. 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.

OTHER INFORMATION

27. 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 improved financial performance in FY2021 reflects the Group's efforts to adapt to the challenges of the COVID-19 pandemic and seize fresh opportunities in the operating environment, buoyed by strong demand for semiconductors amid a continued global shortage.

The Group expects demand for semiconductors to continue growing, as chips with more processing power and memory storage will be needed to support the growing adoption of technologies such as 5G infrastructure, IoT, electric and autonomous vehicles etc. This will continue to support the growth of the Group's electronic components distribution business.

The Group's consumer products distribution business is expected to remain robust, driven by sustained demand for CPUs and VGAs as supply constraints are not expected to ease in the short term. The Group continues to maintain its edge as the leading motherboard and VGA distributor in Malaysia by growing its network and product portfolio offerings. The Group's foray into Japan to distribute AMD products has also made progress, and the Group intends to continue strengthening its foothold in the country.

The Group will build upon the momentum achieved in the last two years to increase revenue and operating efficiency. With increased vaccination rates and gradual easing of travel restrictions, the Group intends to pursue expansion of customer base and product lines for its key business segments.

28. Dividend

a) Current Financial Period Reported On

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

Name of Dividend	Interim	Final (Proposed)
Dividend Type	Cash	Cash
Dividend Amount per Share (in SGD cents)	0.22 cent per ordinary share	0.45 cent per ordinary share
Optional:- Dividend Rate (in %)		
Par value of shares	Not applicable	Not applicable
Tax Rate	One-Tier Tax-exempt	One-Tier Tax-exempt

b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim	Final
Dividend Type	Not applicable	Cash
Dividend Amount per Share (in SGD cents)	Nil	0.11 cent per ordinary share
Optional:- Dividend Rate (in %)		
Par value of shares	Not applicable	Not applicable
Tax Rate	Not applicable	One-Tier Tax-exempt

c) Date payable

Date of proposed final dividend payment will be announced at a later date.

d) Books closure date

Notice of books closure date will be announced at a later date.

OTHER INFORMATION

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

The proposed final dividend as stated in 28(a) above is subject to shareholders' approval at the forthcoming Annual General Meeting.

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.

	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Ordinary	4,474	743
Preference	-	-
Total:	4,474	743

OTHER INFORMATION

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 SGX Listing Manual Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, we submit the following report giving information on persons holding managerial positions who are relatives of a director, chief executive director 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	60	Cousin of Goh Su Teng and father of Goh Si Hui Victoria. Derek Goh Bak Heng is the Group Chief Executive Officer and Substantial Shareholder of Serial System Ltd	<p><u>Current Position</u> Group Chief Executive Officer</p> <p><u>Duties</u> Responsible for leading the management team in executing strategies to achieve the goals set by the Board.</p>	Derek Goh Bak Heng resigned as Executive Chairman of Serial System Ltd on 5 October 2021.
Mr. Goh Su Teng	42	Cousin of Derek Goh Bak Heng and uncle of Goh Si Hui Victoria. Derek Goh Bak Heng is the Group Chief Executive Officer and Substantial Shareholder of Serial System Ltd	<p><u>Current Position</u> Group Chief Operating Officer (Year 2019) and Executive Director of Serial System Ltd (Year 2021)</p> <p><u>Duties</u> Responsible for overseeing the Group's business operations and optimizing the Group's information technology, operational and asset management capabilities. He will also work closely with the management team and the Board on corporate development and strategic planning of the Group.</p>	Goh Su Teng was appointed an Executive Director of Serial System Ltd on 5 October 2021.
Ms. Goh Si Hui Victoria	29	Daughter of Derek Goh Bak Heng and niece of Goh Su Teng	<p><u>Current Position</u> Vice President, Business Development & Marketing of Serial System Ltd (January 2022) and Executive Director of Serial System Ltd (January 2022)</p> <p><u>Duties</u> Responsible for overseeing and managing the business and operation of the consumer products distribution business as well as supply chain and inventory management of the Group. She will also work closely with the management team and the Board on corporate development and strategic planning of the Group.</p>	Goh Si Hui Victoria was promoted from Director, Business Development & Marketing to Vice President, Business Development & Marketing on 1 January 2022 and she was appointed an Executive Director of Serial System Ltd on 26 January 2022.

BY ORDER OF THE BOARD

Dr. Derek Goh Bak Heng
Group CEO
23 February 2022