



SERIAL SYSTEM LTD

Company Registration No.: 199202071D
(Incorporated in Singapore on 22 April 1992)

Unaudited Full Year Financial Statement And Dividend Announcement for the Period Ended 31 December 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF- YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	The Group					
		Fourth Quarter			Year-To-Date		
		4Q2019 US\$'000	4Q2018 US\$'000		31/12/2019 US\$'000	31/12/2018 US\$'000	
Sales		175,773	327,617	-46%	791,637	1,527,107	-48%
Cost of sales		(163,374)	(304,230)	-46%	(737,446)	(1,408,498)	-48%
Gross profit		12,399	23,387	-47%	54,191	118,609	-54%
Gross profit margin		7.1%	7.1%	0 pt	6.8%	7.8%	-1.0 pt
Other income:							
Interest income		787	747	5%	2,614	2,264	15%
Other operating income		6,542	(14)	NM	32,942	22,226	48%
Expenses:							
Distribution		(5,202)	(11,318)	-54%	(36,011)	(53,301)	-32%
Administrative		(1,898)	(2,934)	-35%	(9,396)	(17,303)	-46%
Finance		(1,648)	(3,834)	-57%	(8,944)	(14,318)	-38%
Other:							
Loss allowance on trade and other receivables		(2,127)	(422)	404%	(3,017)	(1,965)	54%
Other operating		(7,820)	(5,641)	39%	(25,233)	(31,171)	-19%
Total expenses		(18,695)	(24,149)	-23%	(82,601)	(118,058)	-30%
		1,033	(29)	NM	7,146	25,041	-71%
Share of results of associated companies (after income tax)		172	(53)	NM	515	(335)	NM
Share of loss of joint venture (after income tax)		(125)	(314)	-60%	(408)	(543)	-25%
Profit/(loss) before income tax	1	1,080	(396)	NM	7,253	24,163	-70%
Income tax expense	2	(392)	543	NM	(697)	(5,706)	-88%
Profit after income tax		688	147	368%	6,556	18,457	-64%
Attributable to:							
Equity holders of the Company		603	156	287%	8,032	17,655	-55%
Non-controlling interests		85	(9)	NM	(1,476)	802	NM
		688	147	368%	6,556	18,457	-64%

Notes :

1. Profit/(loss) before income tax

		The Group					
		Fourth Quarter			Year-To-Date		
		4Q2019	4Q2018		31/12/2019	31/12/2018	
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit/(loss) from operations is arrived at after charging/(crediting) :-							
a.	Depreciation and amortisation	918	974	-6	4,615	3,196	44
b.	Amortisation of distribution rights	4	4	-	14	14	-
c.	Property, plant and equipment written off	5	-	NM	5	3	67
d.	Gain on disposal of property, plant and equipment	-	(26)	NM	-	(13)	NM
e.	Fair value gain on convertible bond	-	(941)	NM	-	(941)	NM
f.	Fair value loss/(gain) on financial assets, at fair value through profit or loss	308	1,093	-72	(850)	2,560	NM
g.	Gain on sale on financial assets, at fair value through profit or loss	(84)	-	NM	(1,024)	(3)	34,033
h.	Dividend income from financial assets, at fair value through profit or loss	-	-	-	(45)	(47)	-4
i.	Impairment losses on goodwill arising from acquisition of subsidiaries	530	-	NM	2,010	4,526	-56
j.	Loss on closure of a subsidiary	39	-	NM	25	-	NM
k.	Loss/(gain) on disposal of an associated company	-	1,448	NM	-	(18,258)	NM
l.	Impairment loss on investment in associated companies	-	-	-	-	5,437	NM
m.	Impairment loss on investment in a joint venture	1,487	-	NM	1,487	-	NM
n.	Currency translation loss/(gain) (net)	148	404	-63	(356)	4,075	NM
o.	(Gain)/loss on derivative financial instruments	(109)	539	NM	4	300	-99
p.	Fair value loss on derivative financial instruments	516	666	-23	516	666	-23
q.	Loss allowance on trade receivables	480	422	14	1,370	1,450	-6
r.	Loss allowance on non-trade receivables (third parties)	1,647	-	NM	1,647	515	220
s.	Allowance/(write-back of allowance) for inventory obsolescence	1,756	(113)	NM	7,274	(1,748)	NM
t.	Write-off of inventories	135	210	-36	233	335	-30
u.	Hong Kong IPO expenses	-	(511)	NM	-	3,082	NM
v.	Consideration in relation to transfer of TI distribution business to an authorized distributor	(5,060)	-	NM	(25,374)	-	NM
		Fourth Quarter			Year-To-Date		
		4Q2019	4Q2018		31/12/2019	31/12/2018	
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
2. Income tax expense							
Over provision in preceding financial years							
- Current income tax		(45)	(1,068)	-96	(328)	(287)	14

NM – Not Meaningful

1(a)(ii) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group					
	Fourth Quarter			Year-To-Date		
	4Q2019 US\$'000	4Q2018 US\$'000		31/12/2019 US\$'000	31/12/2018 US\$'000	
Net profit after income tax	688	147	368%	6,556	18,457	-64%
Other comprehensive income/(loss) for the period:						
Items that will not be reclassified subsequently to profit or loss:						
Fair value loss on financial assets, at fair value through other comprehensive income	(62)	(742)	-92%	(62)	(742)	-92%
Defined benefit plans' actuarial gain/(loss)	235	(57)	NM	235	(57)	NM
Share of associated company's other comprehensive income/(loss)	1	-	NM	(14)	-	NM
	174	(799)	NM	159	(799)	NM
Items that may be reclassified subsequently to profit or loss:						
Share of associated companies' other comprehensive income/(loss)	95	97	-2%	157	(365)	NM
Cumulative share of an associated company's other comprehensive income reclassified from equity upon disposal	-	-	-	-	269	NM
Share of joint venture's other comprehensive income/(loss)	36	(2)	NM	30	(78)	NM
Currency translation differences	1,759	(447)	NM	(12)	(5,487)	-100%
	1,890	(352)	NM	175	(5,661)	NM
Other comprehensive income/(loss) for the period	2,064	(1,151)	NM	334	(6,460)	NM
Total comprehensive income/(loss) for the period	2,752	(1,004)	NM	6,890	11,997	-43%
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	2,523	(990)	NM	8,210	11,491	-29%
Non-controlling interests	229	(14)	NM	(1,320)	506	NM
	2,752	(1,004)	NM	6,890	11,997	-43%

NM – Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	47,106	59,180	6,341	8,057
Trade and other receivables	126,535	181,161	23,916	18,418
Inventories	120,078	144,995	-	-
Financial assets, at fair value through profit or loss	34,917	70,953	-	-
Other current assets	3,581	2,232	271	261
	332,217	458,521	30,528	26,736
Non-current assets				
Income tax recoverable	1,667	1,667	-	-
Loans and other receivables	-	-	38,278	34,970
Financial assets, at fair value through profit or loss	3,285	3,506	-	-
Financial assets, at fair value through other comprehensive income	129	1,995	-	-
Investments in associated companies	4,330	3,742	1,390	1,390
Investments in joint ventures	-	1,815	-	-
Investments in subsidiaries	-	-	56,574	68,653
Property, plant and equipment ⁽¹⁾	35,276	35,323	534	720
Investment properties	4,510	4,402	-	-
Intangible assets	7,368	9,062	117	58
Other assets	223	566	-	-
Deferred income tax assets	652	481	-	-
	57,440	62,559	96,893	105,791
Total Assets	389,657	521,080	127,421	132,527
LIABILITIES				
Current liabilities				
Trade and other payables	109,264	156,621	9,964	13,766
Current income tax liabilities	2,435	3,438	93	163
Borrowings ⁽¹⁾	119,000	211,443	2,651	6,496
	230,699	371,502	12,708	20,425
Non-current liabilities				
Other payables	-	-	8,794	12,028
Borrowings ⁽¹⁾	10,372	3,594	6,091	208
Defined benefit plans liabilities	642	863	-	-
Deferred income tax liabilities	710	660	334	288
	11,724	5,117	15,219	12,524
Total Liabilities	242,423	376,619	27,927	32,949
Net Assets	147,234	144,461	99,494	99,578

	The Group		The Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	US\$'000	US\$'000	US\$'000	US\$'000
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	72,648	72,648	72,648	72,648
Treasury shares	(736)	(736)	(736)	(736)
Capital reserve	1,276	1,276	180	180
Defined benefit plans reserve	29	(206)	-	-
Fair value reserve	(804)	(742)	-	-
Revaluation reserve	45	59	-	-
Other reserve	(1,665)	(765)	-	-
Currency translation reserve	4,813	4,794	-	-
Retained earnings ⁽¹⁾	63,689	60,401	27,402	27,486
	139,295	136,729	99,494	99,578
Non-controlling interests	7,939	7,732	-	-
Total Equity	147,234	144,461	99,494	99,578

⁽¹⁾ The effect on adoption of the SFRS(I) 16 has resulted in an increase in right-of-use assets (included in property, plant and equipment) of approximately US\$4,810,000, an increase in lease liabilities of US\$5,080,000 (included in current borrowings of US\$2,335,000 and non-current borrowings of US\$2,745,000), with a corresponding decrease in retained earnings of US\$270,000 as at 1 January 2019 (see Section 5 below). The right-of-use assets and lease liabilities were further reduced by US\$2,543,000 and US\$2,614,000 respectively in FY2019.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

31/12/2019		31/12/2018	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
US\$'000	US\$'000	US\$'000	US\$'000
6,378	112,622	8,811	202,632

Amount repayable after one year

31/12/2019		31/12/2018	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
US\$'000	US\$'000	US\$'000	US\$'000
9,198	1,174	3,594	-

Details of any collateral

- a) A term loan of the Company amounting to US\$5.9 million (31 December 2018: US\$6.4 million) which was re-financed to be payable on 31 May 2021, 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.
- b) Bank borrowing of US\$0.4 million (31 December 2018: US\$0.4 million) taken by a wholly owned Malaysia subsidiary, Serial Microelectronics Sdn. Bhd., to part finance the acquisition of a property in Malaysia is secured by a first legal mortgage of the property and guarantee by a subsidiary of the Group.
- c) Bank borrowing of US\$5.0 million (31 December 2018: US\$5.1 million) taken by a wholly owned Taiwan subsidiary, Serial Investment (Taiwan) Inc., to part finance the acquisition of a property in Taiwan and for working capital requirements is secured by a first legal mortgage of the property.
- d) Bank borrowings of US\$4.0 million taken up by a wholly owned South Korea subsidiary, Serial Microelectronics Korea Limited with two banks in FY2019 for working capital requirements, are secured by a first legal mortgage of its property in South Korea.
- e) Finance lease liabilities of US\$0.31 million (31 December 2018: US\$0.40 million) are secured on the Group's assets acquired under finance lease agreements.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Fourth Quarter		Year-To-Date	
	4Q2019	4Q2018	31/12/2019	31/12/2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit/(loss) before income tax	1,080	(396)	7,253	24,163
Adjustments for:				
Amortisation of computer software license costs	35	64	144	266
Amortisation of distribution rights	4	4	14	14
Depreciation of property, plant and equipment	883	909	4,471	2,930
Property, plant and equipment written off	5	-	5	3
Gain on disposal of property, plant and equipment	-	(26)	-	(13)
Fair value gain on convertible bond	-	(941)	-	(941)
Fair value loss/(gain) on financial assets, at fair value through profit or loss	308	1,093	(850)	2,560
Gain on sale of financial assets, at fair value through profit or loss	(84)	-	(1,024)	(3)
Dividend income from financial assets, at fair value through profit or loss	-	-	(45)	(47)
Impairment losses on goodwill arising from acquisition of subsidiaries	530	-	2,010	4,526
Loss on closure of a subsidiary	39	-	25	-
Loss/(gain) on disposal of an associated company	-	1,448	-	(18,258)
Impairment loss on investment in associated companies	-	-	-	5,437
Impairment loss on investment in a joint venture	1,487	-	1,487	-
Fair value loss on derivative financial instruments	516	666	516	666
Consideration in relation to transfer of TI distribution business to an authorized distributor	(5,060)	-	(25,374)	-
Provision for defined benefit plans liabilities	136	135	643	497
Interest income	(787)	(747)	(2,614)	(2,264)
Interest expense	1,648	3,834	8,944	14,318
Share of results of associated companies	(172)	53	(515)	335
Share of loss of joint venture	125	314	408	543
Operating cash flow before working capital changes	693	6,410	(4,502)	34,732
Changes in working capital				
Trade and other receivables	6,225	94,348	60,258	38,796
Financial assets, at fair value through profit or loss	(3,779)	(70,224)	36,352	(70,224)
Inventories	(18,239)	4,206	25,374	23,425
Other current assets	(1,165)	1,175	(1,325)	444
Other assets (non-current)	276	(28)	343	(8)
Trade and other payables	12,012	(22,803)	(28,399)	(12,028)
Cash (used in)/from operations	(3,977)	13,084	88,101	15,137
Income tax paid	(394)	(1,659)	(1,828)	(4,475)
Net cash (used in)/provided by operating activities	(4,371)	11,425	86,273	10,662

	Fourth Quarter		Year-To-Date	
	4Q2019	4Q2018	31/12/2019	31/12/2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from investing activities				
Payments for intangible assets (computer software license costs)	(53)	30	(205)	(265)
Payments for property, plant and equipment	(90)	(302)	(326)	(1,534)
Proceeds from disposal of property, plant and equipment	1	66	1	92
Proceeds from sale of financial assets, at fair value through profit or loss	397	36	3,251	542
Proceeds from disposal of interests in an associated company	-	29,053	-	29,055
Net cash inflow on step up acquisition from an associated company to a subsidiary	16	-	16	-
Payments for financial assets, at fair value through profit or loss	(800)	-	(1,483)	(1,777)
Payment for additional investment in a joint venture	-	-	(49)	-
Proceeds from refund of financial assets, at fair value through other comprehensive income	1,800	-	1,800	-
Payments for financial assets, at fair value through other comprehensive income	-	-	-	(1,800)
Dividends received from financial assets, at fair value through profit or loss	-	-	45	47
Interest received	789	748	2,620	2,261
Net cash provided by investing activities	2,060	29,631	5,670	26,621
Cash flows from financing activities				
Subscription of interests in subsidiaries by non-controlling interests	233	20	724	60
Payment for acquisition of additional interests in subsidiaries from non-controlling interests	-	-	(43)	(35)
Net cash inflow from a non-controlling interest on closure of a subsidiary	39	-	39	-
Dividends paid to shareholder of the Company	(1,448)	(6,553)	(4,474)	(12,289)
Dividend paid to non-controlling interest of a subsidiary	(93)	(22)	(93)	(287)
Proceeds from bank borrowings	111,848	251,540	554,894	969,669
Proceeds from other borrowings	7,515	-	13,693	-
Repayment of bank borrowings	(110,706)	(271,574)	(650,457)	(993,511)
Repayment of other borrowings	(4,303)	-	(6,785)	-
Principal payment of lease liabilities	(624)	(109)	(2,500)	(44)
Interest paid	(1,654)	(4,025)	(9,137)	(14,399)
Net cash provided by/(used in) financing activities	807	(30,723)	(104,139)	(50,836)
Net (decrease)/increase in cash and cash equivalents held	(1,504)	10,333	(12,196)	(13,553)
Cash and cash equivalents at the beginning of the period	47,302	47,828	58,254	72,157
Effect of currency translation on cash and cash equivalents	312	93	52	(350)
Cash and cash equivalents at the end of the period	46,110	58,254	46,110	58,254
Reconciliation:				
Cash and cash equivalents per statement of financial position	47,106	59,180	47,106	59,180
Less: Bank deposits pledged for overdraft facility	(996)	(926)	(996)	(926)
Cash and cash equivalents per consolidated cash flow statement	46,110	58,254	46,110	58,254

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

	← Attributable to equity holders of the Company →											
	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
Balance at 1 January 2019	72,648	(736)	1,276	(206)	(742)	59	(765)	4,794	60,401	136,729	7,732	144,461
Effect of change in accounting policy on adoption of SFRS(I) 16	-	-	-	-	-	-	-	-	(270)	(270)	-	(270)
Balance at 1 January 2019 (restated)	72,648	(736)	1,276	(206)	(742)	59	(765)	4,794	60,131	136,459	7,732	144,191
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	1,083	3,178	4,261	(380)	3,881
Subscription of interests in a subsidiary by a non-controlling interest	-	-	-	-	-	-	-	-	-	-	1	1
Balance at 31 March 2019	72,648	(736)	1,276	(206)	(742)	59	(765)	5,877	63,309	140,720	7,353	148,073
Total comprehensive (loss)/income for the period	-	-	-	-	-	(14)	-	(898)	2,251	1,339	(497)	842
One-tier tax-exempt final cash dividend for year 2018	-	-	-	-	-	-	-	-	(3,026)	(3,026)	-	(3,026)
Balance at 30 June 2019	72,648	(736)	1,276	(206)	(742)	45	(765)	4,979	62,534	139,033	6,856	145,889
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(1,913)	2,000	87	(672)	(585)
Subscription of interests in a subsidiary by a non-controlling interest	-	-	-	-	-	-	-	-	-	-	490	490
Acquisition of additional interests in a subsidiary from a non-controlling interest	-	-	-	-	-	-	-	-	-	-	(43)	(43)
Balance at 30 September 2019	72,648	(736)	1,276	(206)	(742)	45	(765)	3,066	64,534	139,120	6,631	145,751
Total comprehensive income/(loss) for the period	-	-	-	235	(62)	-	-	1,747	603	2,523	229	2,752
One-tier tax-exempt interim cash dividend for year 2019	-	-	-	-	-	-	-	-	(1,448)	(1,448)	-	(1,448)
Subscription of additional interest in a subsidiary by a non-controlling interest	-	-	-	-	-	-	(900)	-	-	(900)	900	-
Subscription of interests in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	-	233	233
Closure of a subsidiary	-	-	-	-	-	-	-	-	-	-	39	39
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(93)	(93)
Balance at 31 December 2019	72,648	(736)	1,276	29	(804)	45	(1,665)	4,813	63,689	139,295	7,939	147,234

Consolidated Statement of Changes in Equity [cont'd]

	Attributable to equity holders of the Company											
	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
Balance at 1 January 2018	72,648	(736)	1,276	(149)	-	59	(765)	10,159	55,035	137,527	7,488	145,015
Total comprehensive income for the period	-	-	-	-	-	-	-	2,253	5,190	7,443	1,181	8,624
Subscription of interests in a subsidiary by a non-controlling interest	-	-	-	-	-	-	-	-	-	-	40	40
Balance at 31 March 2018	72,648	(736)	1,276	(149)	-	59	(765)	12,412	60,225	144,970	8,709	153,679
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(5,091)	2,042	(3,049)	20	(3,029)
One-tier tax-exempt final cash dividend for year 2017	-	-	-	-	-	-	-	-	(3,115)	(3,115)	-	(3,115)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(265)	(265)
Balance at 30 June 2018	72,648	(736)	1,276	(149)	-	59	(765)	7,321	59,152	138,806	8,464	147,270
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(2,180)	10,267	8,087	(681)	7,406
One-tier tax-exempt interim cash dividend for year 2018	-	-	-	-	-	-	-	-	(2,621)	(2,621)	-	(2,621)
Acquisition of additional interest in a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	-	-	(35)	(35)
Balance at 30 September 2018	72,648	(736)	1,276	(149)	-	59	(765)	5,141	66,798	144,272	7,748	152,020
Total comprehensive (loss)/income for the period	-	-	-	(57)	(742)	-	-	(347)	156	(990)	(14)	(1,004)
One-tier tax-exempt special interim cash dividend for year 2018	-	-	-	-	-	-	-	-	(6,553)	(6,553)	-	(6,553)
Investment in a subsidiary by a non-controlling interest	-	-	-	-	-	-	-	-	-	-	20	20
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(22)	(22)
Balance at 31 December 2018	72,648	(736)	1,276	(206)	(742)	59	(765)	4,794	60,401	136,729	7,732	144,461

Statement of Changes in Equity - 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 2019	72,648	(736)	180	27,486	99,578
Total comprehensive income for the period	-	-	-	31	31
Balance at 31 March 2019	72,648	(736)	180	27,517	99,609
Total comprehensive income for the period	-	-	-	309	309
One-tier tax-exempt final cash dividend for year 2018	-	-	-	(3,026)	(3,026)
Balance at 30 June 2019	72,648	(736)	180	24,800	96,892
Total comprehensive income for the period	-	-	-	393	393
Balance at 30 September 2019	72,648	(736)	180	25,193	97,285
Total comprehensive income for the period	-	-	-	3,657	3,657
One-tier tax-exempt interim cash dividend for year 2019	-	-	-	(1,448)	(1,448)
Balance at 31 December 2019	72,648	(736)	180	27,402	99,494
Balance at 1 January 2018	72,648	(736)	180	35,284	107,376
Total comprehensive loss for the period	-	-	-	(518)	(518)
Balance at 31 March 2018	72,648	(736)	180	34,766	106,858
Total comprehensive income for the period	-	-	-	3,204	3,204
One-tier tax-exempt final cash dividend for year 2017	-	-	-	(3,115)	(3,115)
Balance at 30 June 2018	72,648	(736)	180	34,855	106,947
Total comprehensive loss for the period	-	-	-	(652)	(652)
One-tier tax-exempt interim cash dividend for year 2018	-	-	-	(2,621)	(2,621)
Balance at 30 September 2018	72,648	(736)	180	31,582	103,674
Total comprehensive income for the period	-	-	-	2,457	2,457
One-tier tax-exempt special interim cash dividend for year 2018	-	-	-	(6,553)	(6,553)
Balance at 31 December 2018	72,648	(736)	180	27,486	99,578

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no ordinary shares issued since the end of the financial period ended 30 September 2019.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares since the end of the financial year ended 31 December 2018.

There were no outstanding share options as at 31 December 2019 (31 December 2018: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as the end of the immediately preceding year.

	<u>31/12/2019</u>	<u>31/12/2018</u>
Total number of issued shares	905,787,914	905,787,914
Total number of treasury shares	(9,946,000)	(9,946,000)
Total number of issued shares excluding treasury shares	895,841,914	895,841,914

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Please refer to 1(d)(ii)

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The financial statements have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the financial year ended 31 December 2018 except as described in section 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the following changes in accounting standards for the current reporting financial year:

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than twelve months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group has adopted SFRS(I) 16 on 1 January 2019 based on a permitted transition approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group has also adopted an expedient offered by SFRS(I) 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

- The Group has entered into various operating lease arrangements as at 31 December 2018. The effect on adoption of the SFRS(I) 16 has resulted in an increase in right-of-use assets (included in property, plant and equipment) of approximately US\$4,810,000, an increase in lease liabilities of US\$5,080,000 (included in borrowings), with a corresponding decrease in retained earnings of US\$270,000 as at 1 January 2019. The nature of expenses related to those leases had also changed as SFRS(I) 16 replaced the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expenses on lease liabilities.

6. 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.

	The Group			
	Fourth Quarter		Year-To-Date	
	4Q2019	4Q2018	31/12/2019	31/12/2018
	Based on the weighted average number of ordinary shares in issue (in US\$); and	0.07 cent	0.02 cent	0.90 cent
On a fully diluted basis (in US\$)	0.07 cent	0.02 cent	0.90 cent	1.97 cents

Earnings per ordinary share on existing issued share capital are computed based on the weighted average number of shares in issue during the period/year of 895,841,914 (4Q2018/ Year-To-Date 31/12/2018: 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 period/year of 895,841,914 (4Q2018/ Year-To-Date 31/12/2018: 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 2019 and 31 December 2018.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net assets backing per ordinary share based on the existing issued share capital as at the end of the period reported on (in US\$)	15.55 cents	15.26 cents	11.11 cents	11.11 cents

Net assets value per ordinary share as at 31 December 2019 and 31 December 2018 is calculated based on the net assets value attributable to the owners of the Company as at the end of the respective period and the respective aggregate number of ordinary shares of 895,841,914.

8. **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.

Income Statement

Results for Twelve Months Ended 31 December 2019

The Group recorded turnover of US\$791.6 million for the twelve months ended 31 December 2019 ("FY2019"), a decrease of 48% compared to US\$1.53 billion the previous year ("FY2018").

Turnover for the electronic components distribution business declined by 49% to US\$750.3 million, mainly due to the termination of the distribution business with Texas Instruments ("TI") which has impacted sales in all markets in Asia. Excluding the impact of the decline in turnover due to TI termination and the discontinuation of a product line in March 2018, turnover for the electronic components distribution business would have increased by 14%. This increase, in spite of the trade tensions between China and United States which have dampened overall market sentiment, can be attributed to the Group's ongoing efforts to grow its existing product lines and contribution from new product lines which the Group secured post-TI termination.

Turnover for the consumer products distribution business declined 33% to US\$36.6 million, mainly due to the weak demand and keen competition in the markets (Singapore and Malaysia) in which the Group operates and the Group's continued rationalisation and exit of non-profitable products.

Overall gross profit margin decreased to 6.8% from 7.8% in FY2018, due to lower margins achieved by both the electronic components distribution and consumer products distribution businesses as a result of keen market competition in a challenging environment.

Other income increased by US\$11.1 million or 45%. In FY2019, there was a net consideration of US\$25.4 million in relation to the transfer of the distribution business with TI to an authorized distributor, gain on sale and fair value gain on financial assets, at fair value through profit or loss of US\$1.0 million and US\$0.9 million respectively and higher rebates and commission income of US\$2.2 million from suppliers. A gain of US\$18.3 million on disposal of the Group's 27.34%-owned SPL Holdings (Australia) Pty Ltd and a fair value gain of US\$0.9 million on conversion of convertible bond to 20% equity shares of PT Sentral Mitra Informatika ("PT SMI") in FY2018 offset the overall increase in other operating income in FY2019.

Distribution expenses decreased by US\$17.3 million or 32%, mainly due to lower staff and related costs, freight and handling charges, storage charges, custom duties and taxes, and other sales-related expenses associated with the electronic components distribution business as a result of the reduction of sales in FY2019.

Administrative expenses decreased by US\$7.9 million or 46%. The decrease was mainly due to the absence of legal and professional fees in relation to SMHK's Hong Kong IPO which amounted to US\$3.1 million in FY2018, and lower staff-related costs and bank charges associated with the electronic components distribution business.

Finance expenses decreased by US\$5.4 million or 38%. The decrease was mainly due to lower bank borrowings, in line with the decrease in sales.

Other operating expenses decreased by US\$4.9 million or 15%. The decrease was mainly due to the absence of an impairment loss on investment in associated companies and a fair value loss on financial assets, at fair value through profit or loss which amounted to US\$5.4 million and US\$2.6 million respectively in FY2018. A currency translation gain in FY2019 as opposed to a loss in FY2018, lower staff costs and impairment losses on goodwill arising from acquisition of consumer products distribution subsidiaries also contributed to the reduction in other operating expenses. An allowance for inventory obsolescence in FY2019 as opposed to a write-back in FY2018, an impairment loss on investment in the Group's 27.5%-owned joint venture, Musang Durians Frozen Food (M) Sdn. Bhd. and higher loss allowance for non-trade receivables (third parties) partially offset the decrease in other operating expenses.

The Group's 19.02%-owned Bull Will Co., Ltd and 20%-owned PT SMI contributed to the share of net profit from associated companies of US\$515,000 in FY2019.

The Group's 27.5%-owned Musang Durians Frozen Food (M) Sdn. Bhd. contributed mainly to the share of loss of joint venture of US\$408,000 in FY2019. The lower loss in FY2019 when compared to the previous year was mainly due to lower operating expenses in FY2019.

The Group reported a net profit after tax of US\$8.0 million, a decrease of 55% as compared to US\$17.7 million in FY2018 mainly due to lower gross profit earned as a result of lower sales and gross profit margin. The net profit after tax for FY2019 included a US\$25.4 million net consideration in relation to the transfer of TI distribution business to an authorized distributor whereas the net profit after tax for FY2018 included a gain of US\$18.3 million on disposal of the Group's 27.34% stake in SPL Holdings (Australia) Pty Ltd. The Group posted a net margin of 1.0% compared to 1.2% in the previous year.

Results for Fourth Quarter Ended 31 December 2019

The Group recorded a turnover of US\$175.8 million for the fourth quarter ended 31 December 2019 ("4Q2019"), a decrease of 46% compared to US\$327.6 million for the same period last year ("4Q2018").

Turnover for the electronic components distribution business declined 48% to US\$165.1 million, mainly due to the TI termination. Excluding the impact of the decline in turnover due to the TI termination, turnover for the electronic components distribution business would have increased by 14%, in spite of the pro-longed trade tensions between China and United States which have affected demand in China and Hong Kong. The increase was due to higher sales for certain existing product lines and contribution from new product lines as the Group realigned its resources to grow these product lines following the TI termination.

Turnover for the consumer products distribution business declined marginally by 2% to US\$9.4 million, mainly due to weak demand in the Singapore market in which the Group operates in and the Group's continued rationalisation and exit of non-profitable products. The lower turnover in Singapore was cushioned by higher turnover achieved in the Malaysia market mainly due to increased sales for certain existing product lines and contribution from new product lines in 4Q2019.

Overall gross profit margin remained the same at 7.1%. The higher gross profit margin earned by the Group's Hong Kong electronic components distribution subsidiary mitigated the impact of lower margin achieved by the other subsidiaries in the electronic components distribution and consumer products distribution businesses, which were affected by keen competition in their markets.

Other income increased by US\$6.6 million or 900%, mainly due to a recognition in 4Q2019 of a net consideration of US\$5.1 million in relation to the transfer of the distribution business with TI to an authorized distributor and higher rebates and commission income of US\$0.8 million from suppliers.

Distribution expenses decreased by US\$6.1 million or 54%, mainly due to lower staff and related costs, freight and handling charges, storage charges, custom duties and taxes and other sales-related expenses associated with the electronic components distribution business as a result of the reduction in sales in 4Q2019.

Administrative expenses decreased by US\$1.0 million or 35%. The decrease was mainly due to lower staff-related costs and bank charges associated with the electronic components distribution business.

Finance expenses decreased by US\$2.2 million or 57%. The decrease was mainly due to lower bank borrowings, in line with the decrease in sales.

Other operating expenses increased by US\$3.9 million or 64%. The increase was mainly due to higher loss allowance for non-trade receivables (third parties), and impairment losses on investment in the Group's 27.5%-owned joint venture, Musang Durians Frozen Food (M) Sdn. Bhd. and goodwill arising from acquisition of consumer products distribution subsidiaries. An allowance for inventory obsolescence in 4Q2019 as opposed to a write-back in the previous period, also contributed to the overall increase. A lower fair value loss on financial assets, at fair value through profit or loss and lower loss on currency translation and derivative financial instruments in 4Q2019 partially offset the increase in other operating expenses.

The Group's 19.02%-owned Bull Will Co., Ltd and 20% owned PT SMI contributed to the share of net profit from associated companies of US\$125,000 in 4Q2019.

The Group shared a lower net loss of US\$76,000 in 27.5%-owned Musang Durians Frozen Food (M) Sdn. Bhd. compared to US\$314,000 in the previous period, mainly due to lower operating expenses in 4Q2019. The Group's 49%-owned new joint venture, Lierda Serial China Limited, contributed a net loss of US\$49,000 in 4Q2019.

The Group reported a net profit after tax of US\$0.6 million compared to US\$0.2 million in 4Q2018. The higher net profit after tax was mainly due to a US\$5.1 million net consideration in relation to the transfer of TI distribution business to an authorized distributor which was offset by lower gross profit earned as a result of lower sales in 4Q2019 compared with 4Q2018. The Group posted a net margin of 0.3% in 4Q2019, compared to 0.1% in the previous period.

Statement of Financial Position

Trade and other receivables decreased by US\$54.6 million (net of factored trade receivables), mainly due to lower sales achieved by the Group's electronic components distribution subsidiaries in FY2019. The decrease is partially offset by longer payment terms for certain customers of the Group's electronic components distribution subsidiaries in FY2019. Average turnover days for trade receivables increased to 87 in FY2019 from 54 in FY2018.

Inventories decreased by US\$24.9 million, mainly due to lower inventories held by the Group's electronic components distribution subsidiaries.

Financial assets, at fair value through profit or loss (current assets) decreased by US\$36.0 million, mainly due to the reduction in reclassification from trade receivables by US\$36.3 million to US\$33.9 million (FY2018: reclassification from trade receivables of US\$70.2 million). This was due to lower sales achieved by the Group's electronic components distribution subsidiaries in FY2019.

The Company's other receivables (current assets) and loans and other receivables (non-current assets) increased by US\$5.5 million and US\$3.3 million respectively, mainly due to additional inter-company loans to the Group's Hong Kong electronic components distribution subsidiary and the Group's Singapore investment holding subsidiaries in FY2019.

The Company's investments in subsidiaries decreased by US\$12.1 million, mainly due to impairment of investments in its Singapore's investment holding subsidiaries and consumer product distribution subsidiaries amounting to US\$12.9 million.

Property, plant and equipment decreased by US\$0.05 million, mainly due to depreciation charges amounting to US\$4.5 million and a currency translation loss of about US\$0.2 million in FY2019. The decrease is offset by an increase in right-of-use assets (included in property, plant and equipment) of US\$4.4 million and additions of US\$0.3 million to property, plant and equipment in FY2019.

Trade and other payables decreased by US\$47.4 million, mainly due to lower purchases by the Group's electronic components distribution subsidiaries. The recognition of contingent consideration received in December 2018 from the authorised distributor for the transfer of the TI business in December 2018 to other income in FY2019 also contributed to the decrease in trade and other payables. Average payment days for trade payables increased to 40 in FY2019 from 29 in FY2018.

The Company's current and non-current other payables decreased by US\$3.8 million and US\$3.2 million respectively mainly due to the offset of these payables with dividends declared by its Singapore subsidiaries during the financial year.

Borrowings decreased by US\$85.7 million, mainly due to lower bank borrowings by the Group's electronic components distribution subsidiaries as the Group utilised funds generated from operations and the consideration received in relation to the transfer of the TI distribution business to an authorized distributor, to reduce its borrowings and to finance its working capital requirements. The Company's current portion of a term loan amounting to US\$5.9 million which was refinanced to be payable on 31 May 2021, was reclassified to non-current borrowings as at 31 December 2019. Included in the Company's current borrowings is a one year interest-bearing loan amounting to S\$3.5 million (US\$2.6 million) from the Company's substantial shareholder, Mr Goi Seng Hui disbursed on 24 December 2019.

Other reserve decreased by US\$0.9 million mainly due to the subscription of new shares issue by the Group's Hong Kong subsidiary to a non-controlling interest at a discounted price.

9. 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.

10. 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 Group continues to closely monitor the state of the Asia markets in which it operates. There is uncertainty in the global market and China market specifically due to the ongoing trade tensions between China and the United States, as well as the recent COVID-19 outbreak which has resulted in a challenging environment that may affect the Group's business over the next 12 months.

Main offices of the Group's China subsidiaries based in Beijing and Shenzhen had obtained government approvals and have resumed work as of 17 February 2020. Its remaining key China office in Shanghai had also obtained government approval and has resumed work on 24 February 2020.

Subsequent to the termination of the agreement with TI, the Group's electronic components distribution business has continued to explore new partnership opportunities with suppliers and revenue streams. In addition, the Group will continue to review its operations to boost efficiency and reduce costs, and be vigilant in managing its inventories and trade credit in light of the challenging environment.

11. 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	0.13 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	Special Interim	Final
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share (in SGD cents)	0.40 cent per ordinary share	1.00 cent per ordinary share	0.46 cent per ordinary share
Optional:- Dividend Rate (in %)			
Par value of shares	Not applicable	Not applicable	Not applicable
Tax Rate	One-Tier Tax-exempt	One-Tier Tax-exempt	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.

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

The proposed final dividend as stated in 11(a) above is subject to shareholders' approval at the forthcoming Annual General Meeting.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Primary reporting - business segments

	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter- segment eliminations US\$'000	Group US\$'000
Year-To-Date 31/12/2019					
The Group					
Sales					
External	757,183	36,622	5,089	(7,257)	791,637
Segment results - operating profit/(loss)	18,965	(3,598)	(1,891)	-	13,476
Finance income	1,332	641	2,458	(1,817)	2,614
Finance costs	(8,312)	(973)	(1,476)	1,817	(8,944)
Share of results of associated companies (after income tax)	426	89	-	-	515
Share of loss of joint venture (after income tax)	(49)	-	(359)	-	(408)
Profit before income tax					7,253
Income tax expense					(697)
Profit after income tax					6,556
Segment assets	357,239	38,457	50,891	(61,912)	384,675
Investments in associated companies	1,309	3,021	-	-	4,330
Investments in joint ventures	-	-	-	-	-
Deferred income tax assets					652
Consolidated total assets					389,657
Segment liabilities	118,367	11,559	41,892	(61,912)	109,906
Borrowings	91,013	23,904	14,455	-	129,372
Current and deferred income tax liabilities					3,145
Consolidated total liabilities					242,423
Capital expenditure on property, plant and equipment	84	187	55	-	326
Capital expenditure on intangible assets (computer software license costs)	205	-	-	-	205
Consideration in relation to transfer of TI distribution business to an authorized distributor	(25,374)	-	-	-	(25,374)
Impairment loss on investment in a joint venture	-	-	1,487	-	1,487
Depreciation of property, plant and equipment	2,702	1,082	687	-	4,471
Amortisation of computer software license costs	139	4	1	-	144
Amortisation of distribution rights	14	-	-	-	14
Fair value gain on financial assets, at fair value through profit or loss	(337)	-	(513)	-	(850)
Gain on sale of financial assets, at fair value through profit or loss	(967)	-	(57)	-	(1,024)
Impairment losses on goodwill arising from acquisition of subsidiaries	-	2,010	-	-	2,010
Loss allowance on trade receivables	1,020	299	51	-	1,370
Loss allowance on non-trade receivables (third parties)	-	-	1,647	-	1,647

	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter- segment eliminations US\$'000	Group US\$'000
Year-To-Date 31/12/2018					
The Group					
Sales					
External	1,472,291	54,982	5,727	(5,893)	1,527,107
Segment results - operating profit/(loss)	30,422	(6,232)	12,905	-	37,095
Finance income	2,503	602	2,127	(2,968)	2,264
Finance costs	(13,919)	(788)	(2,579)	2,968	(14,318)
Share of results of associated companies (after income tax)	(272)	14	(77)	-	(335)
Share of loss of joint venture (after income tax)	-	-	(543)	-	(543)
Profit before income tax					24,163
Income tax expense					(5,706)
Profit after income tax					18,457
Segment assets	487,582	34,162	50,818	(57,520)	515,042
Investments in associated companies	914	2,828	-	-	3,742
Investment in joint venture	-	-	1,815	-	1,815
Deferred income tax assets					481
Consolidated total assets					521,080
Segment liabilities	161,603	10,169	43,232	(57,520)	157,484
Borrowings	179,549	23,361	12,127	-	215,037
Current and deferred income tax liabilities					4,098
Consolidated total liabilities					376,619
Capital expenditure on property, plant and equipment	1,474	360	51	-	1,885
Capital expenditure on intangible assets (computer software license costs)	265	-	-	-	265
Investment in financial assets, at fair value through profit or loss	-	-	1,777	-	1,777
Gain on disposal of an associated company	-	-	(18,258)	-	(18,258)
Impairment loss on investment in associated companies	-	-	5,437	-	5,437
Depreciation of property, plant and equipment	1,877	465	588	-	2,930
Amortisation of computer software license costs	247	18	1	-	266
Amortisation of distribution rights	14	-	-	-	14
Fair value gain on convertible bond	(941)	-	-	-	(941)
Fair value loss on financial assets, at fair value through profit or loss	2,554	-	6	-	2,560
Impairment losses on goodwill arising from acquisition of subsidiaries	-	4,526	-	-	4,526
Loss allowance/(write-back of loss allowance) on trade receivables	1,484	(93)	59	-	1,450
Loss allowance on non-trade receivables (third parties)	-	-	515	-	515

Secondary reporting - geographical segments

	The Group			
	Turnover		Non-current assets*	
	Year-To-Date			
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	US\$'000	US\$'000	US\$'000	US\$'000
South Asia	238,484	311,570	16,403	16,665
Hong Kong	375,883	891,527	4,647	3,368
China	92,031	164,955	15,742	17,014
South Korea	26,302	65,399	5,599	6,173
Taiwan	58,937	93,656	6,653	7,800
Indonesia - Associated company	-	-	3,022	2,828
Taiwan - Associated company	-	-	1,308	716
Hong Kong - Associated company	-	-	-	197
Malaysia – Joint venture	-	-	-	1,816
	791,637	1,527,107	53,374	56,577

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

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

15. A breakdown of sales.

	The Group		
	Year-To-Date		%
	31/12/2019	31/12/2018	
	US\$'000	US\$'000	Change
Sales reported for first half year	431,252	813,923	-47
Operating profit after tax before deducting minority interests reported for first half year	4,353	8,288	-47
Sales reported for second half year	360,385	713,184	-49
Operating profit after tax before deducting minority interests reported for second half year	2,203	10,169	-78

16. 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.

17. 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.

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

Year-To-Date		
	31/12/2019 US\$'000	31/12/2018 US\$'000
Ordinary	2,312	12,200
Preference	-	-
Total:	2,312	12,200

19. 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
Goh Su Teng	40	Cousin of Derek Goh Bak Heng. Derek Goh Bak Heng is the Executive Chairman, Chief Executive Officer and Substantial Shareholder of Serial System Ltd	<p>Current Position Group Chief Operating Officer (Year 2019)</p> <p>Duties Responsible for developing and executing corporate development strategies and overseeing the Group's business operations and optimizing the Group's information technology, operational and asset management capabilities.</p>	Goh Su Teng was promoted from Group Senior Vice President & Chief Operating Officer, Consumer Products Distribution Business to Group Chief Operating Officer on 1 June 2019

Goh Si Hui Victoria	27	Daughter of Derek Goh Bak Heng.	<p><u>Current Position</u> Director, Business Development & Marketing of Serial System Ltd (Year 2019)</p> <p><u>Duties</u> Responsible for overseeing and managing the business and operation of the consumer products distribution business as well as supplier management and supply chain management of the Group</p>	Goh Si Hui Victoria was promoted from Business Development & Marketing Manager to Director, Business Development & Marketing on 1 April 2019.
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BY ORDER OF THE BOARD

Dr Derek Goh Bak Heng
Executive Chairman/Group CEO
26 February 2020