

TRANSFORMING CHALLENGES INTO NEW OPPORTUNITIES

**SERIAL SYSTEM LTD
ANNUAL REPORT 2024**





OUR VISION

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

OUR MISSION

To provide a wealth of growth opportunities for our stakeholders.

TOWARDS OUR PARTNERS	TOWARDS OUR STAFF	TOWARDS OUR SHAREHOLDERS	TOWARDS OUR COMMUNITY
We provide market insights to our business partners to enable faster time-to-market. To our suppliers, we help expand their market reach. To our customers, we provide innovative and competitive solutions.	By empowering our staff with the right resources and looking after their well-being, we help them to be their best at work, grooming them to be our leaders of tomorrow.	We strive to make steady progress in every aspect of our business, providing our shareholders with consistent and favourable dividend yields.	By staying in touch with the community, we are able to contribute in ways that are close to their needs.

OUR VALUES

PROGRESSIVENESS	EMPOWERMENT	EFFICIENCY	TEAMWORK
Derived from the drive to achieve our targets and the courage to change for the better.	Encouraged by giving our staff the power to make decisions.	Arose from working smart, doing our work well, and using our resources effectively to serve our customers and suppliers well.	Striving towards a common goal in one spirit - despite our cultural or individual differences.

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CORPORATE PROFILE

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

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

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

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

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

In 2017, Serial System broadened its reach by introducing a new managed print service, supported by distribution networks in Singapore, Indonesia, and Thailand. In 2020, the company ventured into 3D printing by forming a distribution partnership with Netherlands-based UltiMaker for the Asia Pacific region.

Major suppliers of consumer products distributed by Serial System include AMD, MSI, Intel, Gigabyte, PNY, UltiMaker, Viewsonic, Apacer, AOC, Kyocera and BASF.

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

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

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

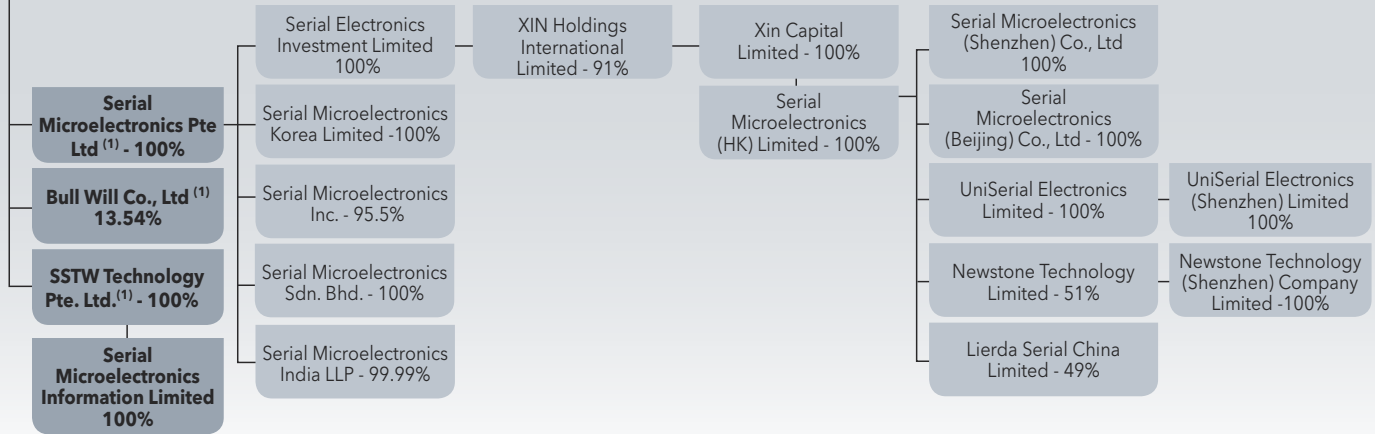


GROUP STRUCTURE

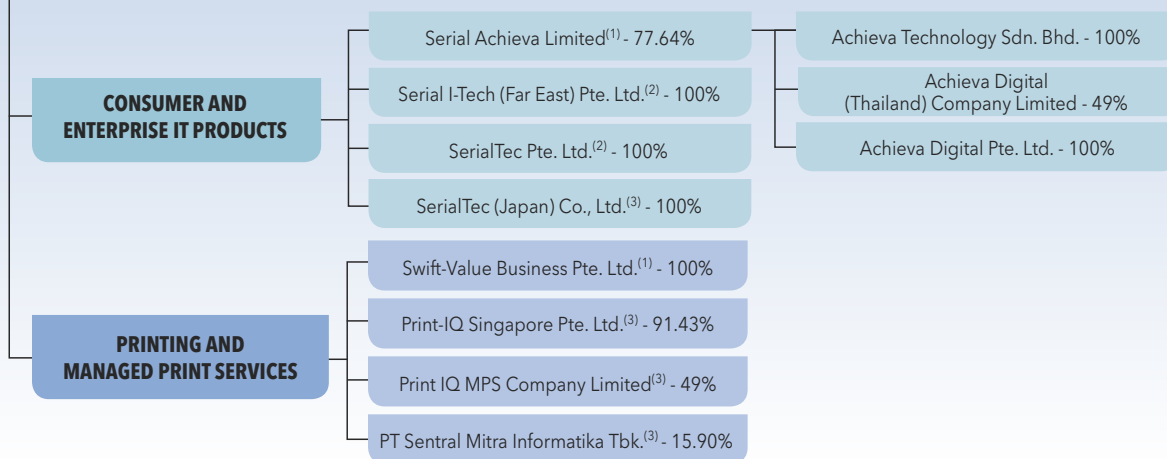
As at 2 April 2025

SERIAL SYSTEM LTD

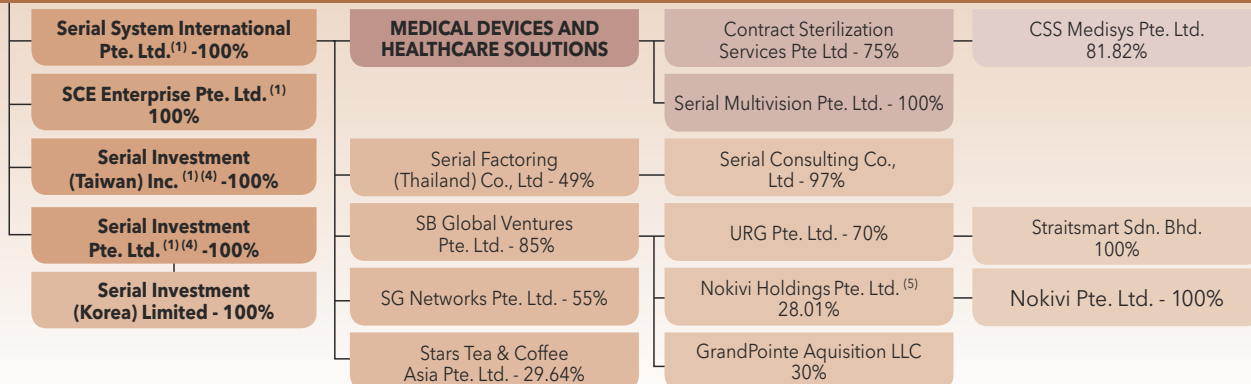
ELECTRONIC COMPONENTS DISTRIBUTION



CONSUMER PRODUCTS DISTRIBUTION



OTHER BUSINESSES



Notes:

(1) Entities held by Serial System Ltd

(2) Entities held by SCE Enterprise Pte. Ltd.

(3) Entities held by Serial System International Pte. Ltd.

(4) Investment holding and rental of properties

(5) Serial System International Pte. Ltd. holds directly 1.33% in Nokivi Holdings Pte. Ltd.

(6) 55%-owned subsidiary, Achieva Tech Allianz Pte. Ltd. of Serial Achieva Limited was excluded as Serial Achieva Limited has terminated the shareholders agreement with its non-controlling interest on 28 February 2025

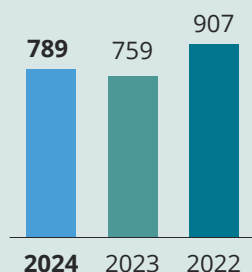
(7) Excluded entities which are dormant, inactive or in process of closure

(8) Please refer to Note 19, Note 17 and Note 18 of the accompanying notes to financial statements for a full listing of the Group's subsidiaries, associated companies and joint venture

FINANCIAL HIGHLIGHTS

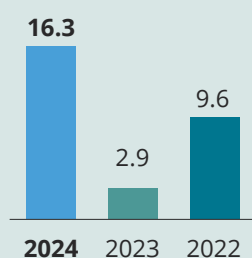
REVENUE (US\$' million)

US\$**788.7M**



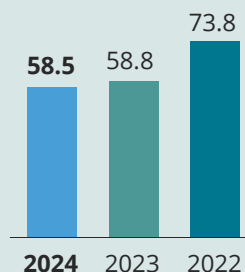
EBITDA (US\$' million)

US\$**16.3M**



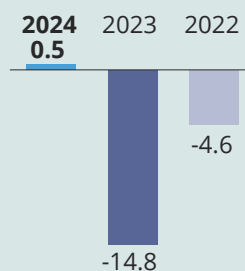
GROSS PROFIT (US\$' million)

US\$**58.5M**

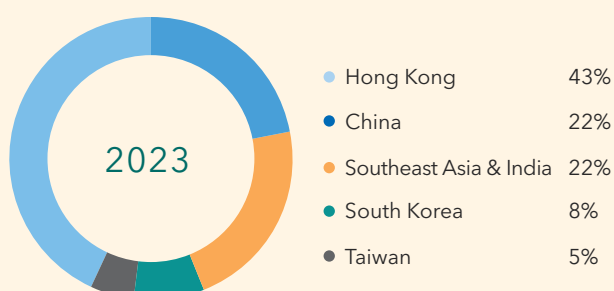
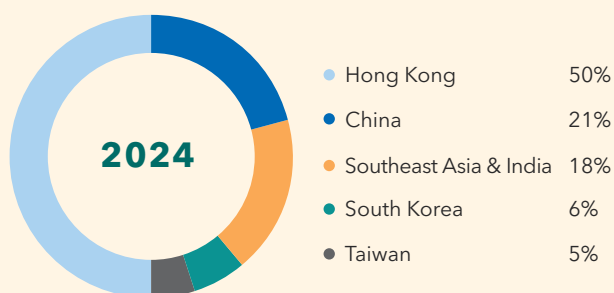


PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS (US\$' million)

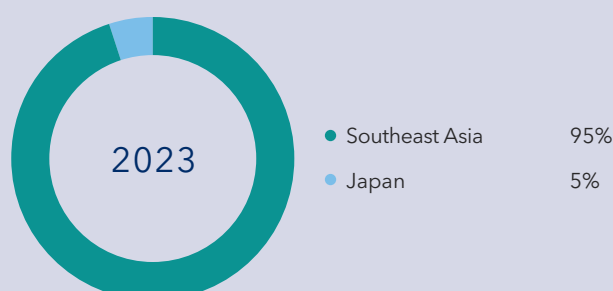
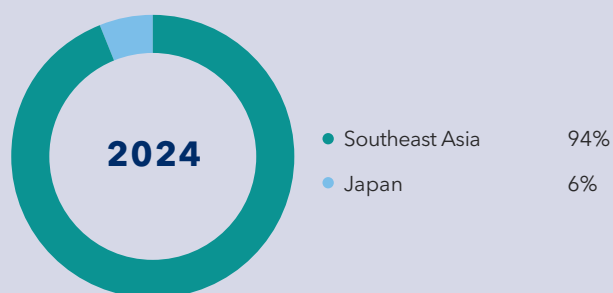
US\$**0.5M**



REVENUE BY MARKET - ELECTRONIC COMPONENTS DISTRIBUTION



REVENUE BY MARKET - CONSUMER PRODUCTS DISTRIBUTION



FINANCIAL HIGHLIGHTS

	2024 US\$'000	2023 US\$'000	2022 US\$'000
Capital Employed			
Working Capital	75,700	87,501	98,123
Total Assets	412,128	399,478	457,518
Net Assets	133,389	131,833	148,633
Net Assets per Share (United States cents) ⁽¹⁾	14.07	13.79	15.36
Net Debts	133,642	157,201	168,206
Share Capital			
Issued and Fully Paid (including Treasury Shares)	72,648	72,648	72,648
Number of Shares Issued (thousands)	905,788	905,788	905,788
Number of Treasury Shares (thousands)	(946)	(946)	(946)
Number of Shares Issued excluding Treasury Shares (thousands)	904,842	904,842	904,842
Earnings and Dividend per Share			
Earnings/(Loss) per Share (United States cents) ⁽²⁾	0.06	(1.64)	(0.51)
Dividend per Share (Singapore cents) ⁽³⁾	-	-	0.11
Dividend Yield (%) ⁽⁴⁾	-	-	1.2
Ratios			
Current Ratio	1.28	1.34	1.33
AR Turnover (days)	78	82	70
AP Turnover (days)	32	30	30
Inventory Turnover (days)	62	75	65
Cash Conversion Cycle (days)	108	127	105
Net Gearing Ratio	1.00	1.19	1.13

Notes:

⁽¹⁾ Net Assets per Share is calculated based on the net assets value attributable to the equity holders of the Company on 904,841,914 shares in issue as at 31 December 2024, 31 December 2023 and 31 December 2022.

⁽²⁾ Earnings/(Loss) per Share on a fully diluted basis is calculated based on profit/(loss) after tax attributable to the equity holders of the Company on weighted average of 904,841,914 shares in issue for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022.

⁽³⁾ No dividend has been declared for the financial year ended 31 December 2024 as the Board of Directors of the Company deemed it necessary to preserve cash for working capital requirements, taking into consideration the current uncertain and challenging financial and economic conditions.

⁽⁴⁾ Dividend Yield is calculated based on dividend per share over the Company's share price of S\$0.092 as at 31 December 2022.

CHAIRMAN'S STATEMENT



Guided by our theme, "Transforming Challenges into New Opportunities," we continue to adapt, innovate, and deliver value to our customers and stakeholders, ensuring long-term success in an evolving market.

Dato' Seri Dr. Derek Goh Bak Heng BBM(L)

Executive Chairman & Group Chief Executive Officer

April 2025

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I present to you the annual report for the financial year ended 31 December 2024 ("FY2024").

2024 marks another transformative year for the semiconductor industry, as global demand continues to evolve amid rapid technological advancements and shifting supply chain dynamics. As a leading electronic components and consumer products distributor in Asia, particularly in China, we have navigated an increasingly complex landscape shaped by emerging AI applications, electric vehicles, new energy initiatives and industrial automation. Despite ongoing geopolitical and economic challenges marked by persistent high interest rates, inflationary pressures and currency volatility, our focus on demand creation, supply chain optimization and operational resilience has enabled us to maintain stability while positioning for sustainable growth. Through expanded product offerings, enhanced sales strategies, and deeper customer engagement, we have strengthened our market position. Guided by our theme, "Transforming Challenges into New Opportunities," we continue to adapt, innovate, and deliver value to our customers and stakeholders, ensuring long-term success in an evolving market.

FINANCIAL PERFORMANCE

In FY2024, we have achieved a total turnover of US\$788.7 million, a 4% increase over FY2023, even in the face of ongoing global challenges and intense market competition.

Our core electronic components distribution segment, which remains the cornerstone of our business, reported a modest 1% increase in turnover to US\$674.5 million. This steady performance was primarily driven by higher sales in Hong Kong and China, contributed by stronger demand in the mobiles, household appliances, new energy, and AI-related sectors.

Our consumer products distribution segment reported significant growth, with a 31% increase in turnover to US\$107.4 million. The growth was driven by an increasingly diverse consumer product portfolio of IT, computer peripherals, gaming and related products. Meanwhile, other businesses segment declined by 16% to US\$6.8 million, primarily due to reduction in activities in the trading and distribution of fast-moving consumer goods. Turnover of the medical device assembly and distribution business and the hospitality and healthcare solutions business improved, supported by stable customer demand in the medical and healthcare industry.

Despite facing challenging economic conditions and

intense market competition, the Group achieved a gross profit margin of 7.4%, representing a 0.4 point decrease from FY2023.

The Group reported turnaround with a profit of US\$0.5 million in FY2024, a significant improvement from a net loss of US\$14.8 million in the previous year. This achievement reinforces our capacity to drive operational efficiencies and manages costs and risks effectively, even in a tough market environment.

COMPLETION OF THE REVERSE TAKEOVER OF SERIAL ACHIEVA LIMITED

Our strategic initiative to implement a reverse takeover ("RTO") has been a key milestone in our transformation journey. We successfully completed the RTO of Serial Achieva Limited on 14 June 2024. The Group holds a 77.64% equity interest in Serial Achieva Limited, listed on the Catalist Board of Singapore Exchange. While this resulted in a fair value accounting loss of US\$3.7 million to the Group for FY2024, it has strengthened our foundation for long-term shareholder value by creating a more agile and focused organization.

The RTO has enabled us to streamline our IT and computer peripherals distribution division of Achieva Technology Malaysia and Thailand and provides a clearer market identity for our newly independent business segment. Under the umbrella of Serial Achieva Limited, Achieva Technology will be able to access capital markets independently to facilitate their growth and expansion strategy.



CHAIRMAN'S STATEMENT

With a separate listing platform, shareholders of Serial System will continue to benefit from the future potentials of these entities through their indirect shareholding interest. Shareholders of Serial System and new investors will also have the flexibility to decide whether to invest directly in the shares of either or both listed entities, in accordance with their personal preferences and risk appetites, thereby allowing them more opportunities for diversification of their investments.

DIVIDEND

No dividend has been proposed for FY2024 as the Board of Directors of the Company deemed it necessary to preserve cash for working capital requirements, taking into consideration the current uncertain and challenging financial and economic conditions.

OUTLOOK

Looking ahead, we remain cautiously optimistic about the Group's prospects despite persistent global economic challenges. Ongoing supply chain disruptions, geopolitical tensions, high interest rates, inflationary pressures, and currency volatilities continue to create uncertainties. In addition, weaker demand in China, the Group's largest market, particularly in the industrial and certain consumer product sectors, as well as softer domestic and export demand across Southeast Asia, India, South Korea, and Taiwan, pose near-term headwinds. The re-implementation of tariffs and other trade policies by the United States further dampens semiconductor demand across key markets.

Despite these challenges, several bright spots present growth opportunities for the semiconductor industry.

Demand from AI, new energy, and electric vehicle applications continues to expand, offering new and diversified revenue streams. To align with industry shifts, we will focus on strengthening our core electronic components distribution business, with emphasis on AI, new energy, and electric vehicles. China's push for semiconductor self-sufficiency may create new partnership opportunities and strengthen our existing relationships with Chinese semiconductor suppliers, a key strategic effort in recent years.

The Group's consumer products distribution segment remains committed to expanding its product portfolio in gaming, cloud storage, and AI solutions. Additionally, we are accelerating our expansion into new geographical markets beyond Malaysia and Thailand through strategic alliances, mergers, and acquisitions. These initiatives will enhance our market presence, mitigate risks, and drive sustainable growth.

At the same time, we will continue to enhance operational efficiency, optimize inventory and cash flow management, and maintain a disciplined approach to risk management.

With these strategies in place, we are confident in our ability to navigate the evolving business landscape and seize emerging opportunities.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board of Directors and Management, I would like to extend my heartfelt thanks to our customers, business partners and employees for their support and hard work during these challenging times. Your trust and dedication to Serial System have been important to our progress thus far.

Lastly, I wish to express my gratitude to our shareholders for your unwavering faith and support throughout this challenging year. We remain committed to embrace future opportunities to enhance sustainable long-term shareholder value.

Dato' Seri Dr. Derek Goh Bak Heng BBM(L)
Executive Chairman & Group Chief Executive Officer
April 2025



OPERATIONS AND FINANCIAL REVIEW

REVENUE

For the financial year ended 31 December 2024 ("FY2024"), the Group recorded a turnover of US\$788.7 million, achieving an increase of 4% compared to US\$759.0 million for the same period last year ("FY2023").

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

Turnover for the consumer products distribution segment increased by 31% to US\$107.4 million. The significant boost was driven by increased sales of existing and new product ranges of IT, computer peripherals, and other related products in Malaysia, Thailand, and Japan from both existing and new customers. Sales from a newly-established Singapore subsidiary also contributed to the increase in turnover for FY2024.

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

PROFIT MARGINS

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

OTHER OPERATING INCOME

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

EXPENSES

The Group recorded total expenses of US\$76.9 million, a decrease of 8% when compared to US\$83.3m in FY2023.

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

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

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

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

ASSOCIATED COMPANIES

The Group's associated companies contributed a net profit of US\$75,000 in FY2024 versus net profit of US\$66,000 in FY2023. The Group shared profit of US\$44,000 from its 13.54%-owned Bull Will Co., Ltd., lower than the US\$104,000 profit in FY2023 while its 15.90%-owned PT Sentral Mitra Informatika Tbk. contributed profit of US\$31,000 compared to loss of US\$38,000 in FY2023.

NET PROFIT

The Group reported net profit of US\$0.5 million in FY2024, as compared to net loss of US\$14.8 million in FY2023. The improvement in result in FY2024 was mainly due to write-back of allowances for inventory obsolescence of US\$4.1 million, lower loss allowance on trade and non-trade



OPERATIONS AND FINANCIAL REVIEW

receivables of US\$2.8 million, lower finance expenses of US\$2.2 million and lower foreign exchange loss (net) of US\$0.9 million and recognition of net fair value gain on financial assets, at fair value through profit or loss of US\$7.5 million. These were partially offset by a fair value accounting loss on reverse takeover of Serial Achieva Limited of US\$3.7 million.

ASSETS

The Group's cash and cash equivalents stood at US\$38.3 million as of 31 December 2024, compared to US\$37.1 million as of 31 December 2023.

Trade and other receivables increased by US\$14.0 million (net of factored trade receivables) to US\$174.0 million as of 31 December 2024. The Group's Singapore and Malaysia consumer products distribution subsidiaries and Hong Kong and China electronic components distribution subsidiaries recorded higher trade receivables in line with higher sales. The increase was partially offset by lower trade receivables recorded by the Singapore, South Korea and Taiwan electronic components distribution subsidiaries due to lower sales. Average turnover days for trade receivables decreased to 78 in FY2024 from 82 in FY2023.

Inventories decreased by US\$4.3 million to US\$122.3 million as of 31 December 2024. This was mainly due to lower inventories held by the Group's Hong Kong and China electronic components distribution subsidiaries and Thailand consumer products distribution subsidiary from more prudent inventory management and clearance of older inventories. The decrease was partially offset by higher inventories held by the Group's Malaysia consumer products distribution subsidiary. Average turnover days for inventories decreased to 62 in FY2024 from 75 in FY2023.

Other current assets of US\$5.4 million as of 31 December 2024 comprised mainly prepayments to suppliers for purchase of inventories of US\$4.0 million, office rental deposits of US\$0.3 million and other prepaid operating and financial expenses of US\$1.1 million. The decrease of US\$4.9 million when compared to 31 December 2023 was mainly due to lower prepayments to suppliers for purchase of inventories and lower other prepaid operating and financial expenses.

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

Financial assets, at fair value through profit or loss (non-current) increase by US\$8.0 million to US\$20.4 million as of 31 December 2024. This was due to addition of US\$1.2 million via the conversion of a loan to equity capital of the Group's 15.7% equity interest in Otsaw Limited and a US\$7.9 million fair value gain recognition on investments in the Group's 15.7% equity interest in Otsaw Limited

and preference shares in Transwap Private Limited. The increase was partially offset by US\$0.4 million in fair value losses in other listed and non-listed equity investments, disposals of US\$0.2 million and currency translation loss of US\$0.5 million.

The Company's investments in subsidiaries increased by US\$4.6 million to US\$63.6 million as of 31 December 2024. This was due to accounting for the fair value of the purchase consideration recognised following a reverse takeover via a share swap of the Group's 100% equity interest in Achieva Technology Sdn. Bhd. and 49.0% equity interest in Achieva Digital (Thailand) Company Limited for a 77.64% equity interest in Serial Achieva Limited and its subsidiaries.

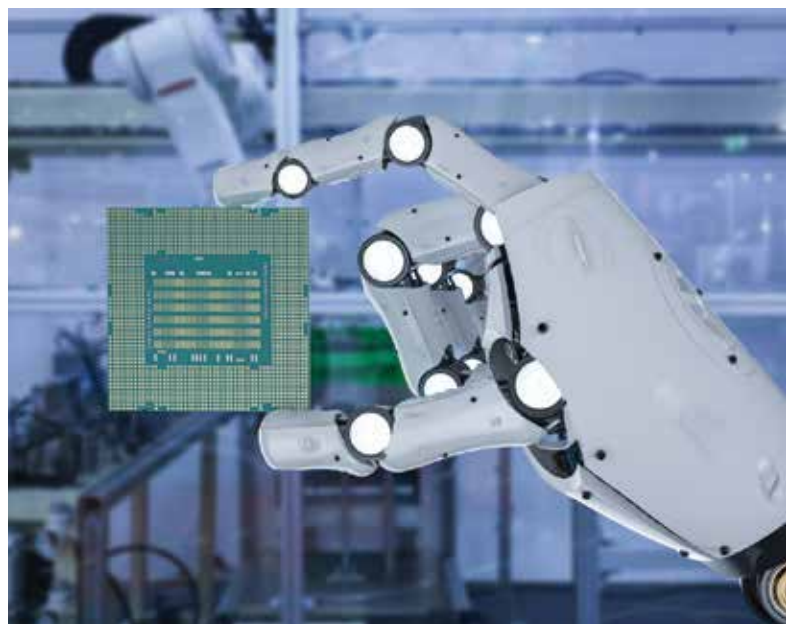
LIABILITIES

Trade and other payables increased by US\$33.6 million to US\$104.4 million as of 31 December 2024. This was mainly due to higher purchases as well as longer payment terms granted by certain suppliers from the Hong Kong and China electronic components distribution subsidiaries, and Malaysia and Singapore consumer products distribution subsidiaries. Average payment days for trade payables increased to 32 in FY2024 from 30 in FY2023.

Borrowings decreased by US\$22.3 million to US\$172.0 million. This was mainly due to lower bank borrowings by the Group's Singapore electronic components distribution subsidiary and Singapore consumer products distribution subsidiary as a result of better management of working capital.

SHARE CAPITAL

Serial System's total number of issued shares as of 31 December 2024 was 904,841,914 (excluding treasury shares of 946,000), unchanged from the same period a year earlier.



EXTENSIVE DISTRIBUTION NETWORK

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



800 Employees



20 Offices and
Representations



13 Warehouses



ELECTRONIC COMPONENTS DISTRIBUTION PRODUCT LINE CARDS






























CONSUMER PRODUCTS DISTRIBUTION CONSUMER AND ENTERPRISE IT PRODUCTS



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

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

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

PRODUCT LINE CARDS

CONSUMER PRODUCTS DISTRIBUTION PRINTING AND MANAGED PRINT SERVICES



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

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

Swift-Value caters timely and cost-efficient solutions to the partners in the Asia Pacific region. With Swift-Value's management expertise in distribution and extensive network, these partners will be able to enjoy a faster time-to-market for their products and have a quicker turnaround time for their end users, providing a better and more holistic brand experience. To this end, Swift-Value partners with UltiMaker, one of the leading 3D-Printer brands operating out of the Netherlands, to serve as their regional distributor in the Asia Pacific region. Besides partnering with UltiMaker, Swift-Value has also partnered with a metal injection moulding house to perform post processing for metal printing, allowing customer to enjoy a full suite of end-to-end solutions. These 3D printers have wide industry usage in automotive, architecture, healthcare, education, and small-scale manufacturing.

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

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

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

Print-IQ also serves as an official distributor of 3D printers in Singapore for UltiMaker, a prominent player in the 3D printing industry, headquartered in the Netherlands. Print-IQ achieved recognition as UltiMaker's Top Revenue Sales under the ASEAN Distributor category in 2021 and was awarded UltiMaker's APAC's largest deal in the Professional Category in 2023.

The Group also holds a 15.90% equity interest in associated company, Indonesia-listed PT Sentral Mitra Informatika Tbk., the leading HP MPS in Indonesia, and a 49% equity interest in subsidiary, Print IQ MPS Company Limited in Thailand which distributes Lexmark printers, to expand its reach and builds up a strong network in the MPS space in Southeast Asia.

PRODUCT LINE CARDS

BASF
We create chemistry

Canon

EPSON



KYOCERA

Lexmark

MakerBot

UltiMaker

OTHER BUSINESSES

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

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

Key Offerings

Outpatient Solutions

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

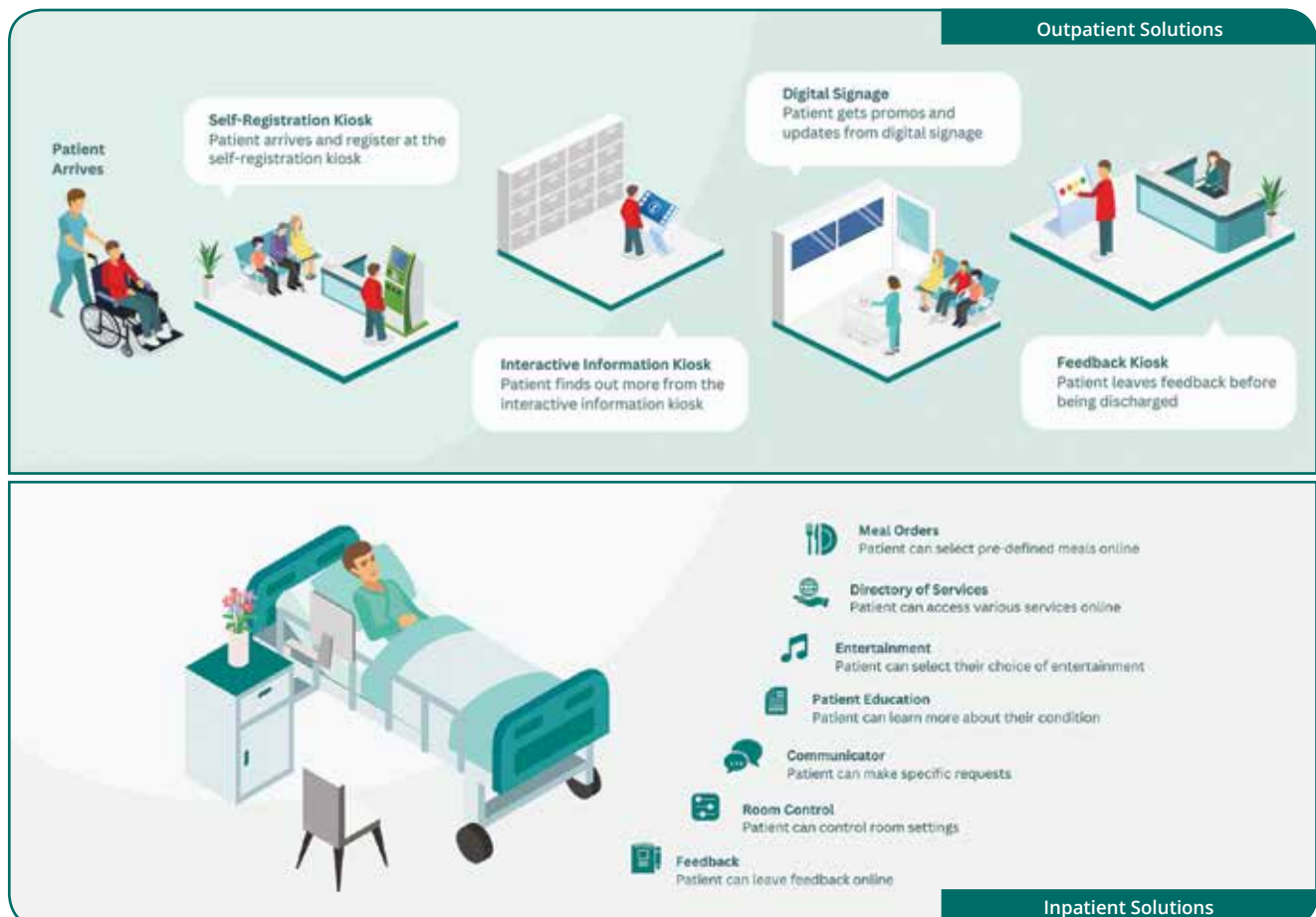
- **Registration Systems:** Seamless patient and visitor registration processes that minimize waiting time.
- **Queue Management:** Digital systems for queue numbers that guide patients to different doctors or departments.
- **Maps and Navigation:** Interactive maps accessible on phones, help patients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

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

Inpatient Solutions

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

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



OTHER BUSINESSES

Signature Electronic Meal Ordering System

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

Key Features of the eMOS

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

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

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

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

Touch Medical Pad eMOS



Recent Expansion into Schools

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

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

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

SMV's Impact

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

OTHER BUSINESSES

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

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

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

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



BULL WILL CO., LTD. (“Bull Will”), a 13.54%-owned associated company of the Group, is listed on the Over-The-Counter Securities Exchange in Taiwan.

Bull Will, which started as a passive electronic components distributor, has over the years, transformed itself into a company with capabilities in research and development, design and manufacturing of a full range of magnetic components for electronic products.

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

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

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

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



CORPORATE SOCIAL RESPONSIBILITY

COMMITMENT TO GIVING BACK

At Serial System, we believe that corporate success goes hand in hand with social responsibility. For over two decades, we have remained committed to making a meaningful impact on the communities we serve. Our Corporate Social Responsibility (“CSR”) initiatives span various sectors, including support for the elderly, poor and needy, healthcare, culture and heritage, education, youth development, and environmental conservation.

In 2024, we donated a total of S\$297,000 to various causes and organizations in Singapore, reinforcing our dedication to building a more inclusive and sustainable society.

EMPOWERING COMMUNITIES

In line with our mission to uplift communities, Serial System contributed S\$100,000 to the Goh Chok Tong Enable Fund to support persons with disabilities, enabling them to actively participate in society and lead fulfilling lives. We also donated S\$100,000 to Ren Ci Hospital to enhance the quality of holistic care for the elderly.

Additionally, S\$97,000 was allocated to various charitable foundations and initiatives, including those supported by the North East and North West Community Development

Councils, Cheng Hong Welfare Service Society, Nam Hwa Opera Limited, and the Singapore Chinese Orchestra.

Beyond financial contributions, our team in Thailand extended their support by visiting the Halfway Home for the Protection and Development of Women with Mental Disabilities, where they provided in-kind donations to support its residents.

CHAMPIONING ENVIRONMENTAL CONSERVATION

As part of our commitment to environmental sustainability, Serial System’s Thailand subsidiary spearheaded an initiative at the Sea Turtle Conservation Center. Our team actively participated in cleaning the turtle ponds and associated facilities, and donated essential cleaning equipment to maintain a safe and hygienic nursery for young or sick turtles, helping them to grow or recover before being released back into the sea.

OUR ONGOING DEDICATION

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

SG Enable



North East Community Development Council



North East Community Development Council



Nam Hwa Opera



仁慈三十周年庆典晚宴 Ren Ci 30th Anniversary Gala Dinner

Guest-of-Honour
President Tharman Shanmugaratnam

12 October 2024



FINANCIAL CALENDAR AND CORPORATE INFORMATION

23 February 2024	12 August 2024	15 April 2025
Announcement of Financial Year 2023 Results	Announcement of Half Year 2024 Results	Release of Annual Report 2024
15 April 2024	27 February 2025	30 April 2025
Release of Annual Report 2023	Announcement of Financial Year 2024 Results	Annual General Meeting 2025
30 April 2024		
Annual General Meeting 2024		

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

SERIAL SYSTEM EMPLOYEE SHARE OPTION SCHEME 2024 COMMITTEE

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

COMPANY SECRETARY

Mr. Alex Wui Heck Koon

REGISTERED OFFICE

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

GROUP WEBSITE

<https://www.serialsystem.com>

REGISTRAR & SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

AUDITORS

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

PRINCIPAL BANKERS

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

BOARD OF DIRECTORS



DEREK GOH BAK HENG

Executive Chairman & Group Chief Executive Officer

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

In 1996, Mr. Goh won the “Entrepreneur of the Year Award”, organised by the Rotary Club of Singapore and the Association of Small and Medium Enterprises, supported by the Trade Development Board. In 1997, he was elected the National President of JCI Singapore and was conferred the Singapore Youth Award (Individual) for entrepreneurship, the nation’s highest honour for youths. In 1999, Mr. Goh was conferred the ASEAN Best Young Entrepreneur Award 1999 by the ASEAN Secretariat, and the World Association of Small and Medium Enterprises (WASME) Special Honour Award by the World Association of Small and Medium Enterprises on 29 March 2000. In 2004, He was awarded the Public Service Medal (Pingat Bakti Masyarakat) by the President of the Republic of Singapore and in 2010, the Public Service Star Medal (Bintang Bakti Masyarakat) on the National Day Honours 2010. In 2010, Mr. Goh won the “Asia Pacific Entrepreneurship Awards 2010 Entrepreneur of the Year” organised by Enterprise Asia and APF Group Pte Ltd and in 2011, he won the Ernst & Young Entrepreneur Of The Year® 2011 Singapore Award for the Electronic Components Distribution Category. In 2014, He was elected the President of JCI Senators of South East Asian Nations. In 2015, He was awarded the International-Singapore ASEAN Leading Brand International Entrepreneur of the Year at the ASEAN Outstanding Business Award 2015 and was named the “UN Asia Pacific Most Prominent Entrepreneur” co-organised by the Trade and Industry Association Singapore and the United Nations Association of Singapore. Mr. Goh was also awarded one of the “Top Outstanding Leaders in Asia 2015” in the Asia Corporate Excellence & Sustainability Awards 2015. In 2021, He was awarded the Public Service Star (Bar) Bintang Bakti Masyarakat (Lintang) on the National Day Honours 2021. In 2023, Mr. Goh was elected President of Teochew Poit Ip Huay Kuan. In 2024, Mr. Goh was named the President of Teochew Business Federation (Singapore), an independent organisation established by prominent Teochew entrepreneurs and business leaders in Singapore. Mr. Goh obtained a Certificate of Electrical Engineering Technicians from City & Guilds of London Institute.

As at 2 April 2025, Mr. Goh holds 365,997,970 shares (40.45%) in Serial System Ltd. Mr. Goh is a substantial shareholder of Serial System Ltd.



TEO SER LUCK

Non-Executive Deputy Chairman & Lead Independent Director

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

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

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

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

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

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

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

BOARD OF DIRECTORS



SEAN GOH SU TENG

*Executive Director &
Deputy Group Chief Executive Officer*

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

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

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

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

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



VICTORIA GOH SI HUI

*Executive Director &
Vice President, Business Development & Marketing*

Ms. Victoria Goh Si Hui joined the Board of Directors on 26 January 2022. She is currently the Vice President, Business Development & Marketing.

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

Ms. Goh started as a Corporate Development Executive with Serial Microelectronics Pte Ltd, a wholly-owned subsidiary of Serial System Ltd, from August 2015 to February 2016. She worked as a Business Development Executive with Future Electronics Inc. (Distribution) Pte. Ltd. under its Management Trainee Program from February 2016 to December 2016. Ms. Goh rejoined Serial System Ltd as Business Development Executive in January 2017, and was appointed Business Development Manager in June 2018 and Director, Business Development & Marketing in April 2019. Ms. Goh was appointed Vice President, Business Development & Marketing in January 2022.

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

As at 2 April 2025, Ms. Goh holds 273,300 shares (0.03%) in Serial System Ltd.

BOARD OF DIRECTORS



HENG YEOW MENG MICHAEL
Independent Non-Executive Director

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

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

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

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



LYE HOONG YIP RAYMOND
Independent Non-Executive Director

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

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

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

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

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

BOARD OF DIRECTORS



KHUA KIAN KHENG IVAN

Independent Non-Executive Director

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

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

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

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

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



NG YONG HWEЕ

Independent Non-Executive Director

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

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

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

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

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



GOI KOK MING KENNETH

Non-Executive Director

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

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

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

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

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

MANAGEMENT TEAM



DEREK GOH

Group Chief Executive Officer

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



SEAN GOH

Deputy Group Chief Executive Officer

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



VICTORIA GOH

Vice President, Business Development & Marketing

As Vice President, Business Development & Marketing, Victoria manages the business and operations of the Printing and Managed Print Services, and Hospitality and Healthcare Solutions Divisions as well as supply chain and inventory management of the Group. She works with the management team and Board of Serial System Ltd on corporate development and strategic planning of the Group.

MANAGEMENT TEAM



ALEX WUI

Group Chief Financial Officer & Group Company Secretary

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

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

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

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



VINSON SIM

Senior IT Director

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

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

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



KIM SANG YEOL

*President | Serial Microelectronics Korea Limited
South Korea*

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

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

SY has over 39 years of experience in the semiconductor and technology field and had held senior level positions at Space Semiconductor Trading Limited and Alpha Technology Industries Limited.

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

MANAGEMENT TEAM



LAWRENCE HO

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

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

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

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

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



KEN KWAN

Senior Director | Serial Microelectronics Pte Ltd
Southeast Asia & India

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

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

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



JESSE JENG

President | Serial Microelectronics Inc.
Taiwan

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

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

Jesse has over 38 years of experience in the electronic trading and distribution industry, including 4 years at Chander Electronics Corp and 11 years at Arrow Electronics (Taiwan) Ltd.

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

CORPORATE GOVERNANCE REPORT

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

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

This report outlines the Group’s corporate governance practices that were in place during the financial year ended 31 December 2024 (“**FY2024**”) with specific reference to the principles of the Code. The Board is pleased to confirm that it had adhered to the principles and provisions of the Code as highlighted and explained in the report. In so far as there are any deviations from any principles and/or provisions, appropriate reasons have been provided.

1. Board Matter

The Board’s Conduct of Affairs

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

Principal Functions of the Board

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

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

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

- (a) oversee and approve the formulation of the Group’s overall long-term strategic objectives and directions, corporate strategy and objectives;
- (b) decide on matters in relation to the Group’s operations which are of significant nature, including decisions on the approval of business plans, major investments and divestments;
- (c) oversee and review the management of the Group’s business affairs, including financial controls, annual budget, financial performance reviews, key operational initiatives, resource allocation, compliance and corporate governance practices;
- (d) establish a framework of effective controls to assess and manage risks, safeguard shareholders’ interests and the Group’s assets;
- (e) ensure that the necessary financial and human resources are available for the Group to meet its objectives;
- (f) set the Group’s values and standards and ensure that obligations to stakeholders are understood and met;
- (g) review Management’s performance and remuneration packages;
- (h) consider sustainability issues including environmental, social and governance (“**EGS**”) factors as part of the Group’s overall strategy as well as oversee the Group’s sustainability reporting framework by monitoring the EGS issues that impact the Group’s sustainability of its business;

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

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

Principal Functions of the Board (continued)

- (i) oversee, through the Nominating Committee, the appointments, re-election and resignation of Directors and the Management;
- (j) oversee, through the Remuneration Committee, the design and operation of an appropriate remuneration framework;
- (k) approve the release of the Group's half-year and full-year financial results and interested person transactions, oversee the processes for risk management, financial reporting and compliance and evaluate the adequacy and effectiveness of internal controls, as may be recommended by the Audit Committee, including safeguarding of shareholders' interests and the Company's assets; and
- (l) monitor the Group's risk of becoming subject to, or violating, any Sanctions Law and ensures timely and accurate disclosures to Singapore Exchange and other relevant authorities.

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

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

- (a) strategic business plans;
- (b) joint ventures, investments, acquisitions and divestments exceeding certain threshold limits;
- (c) annual operating budgets and financial plans of the Group;
- (d) annual and half yearly financial reports;
- (e) sales and purchases of shares in the Group, its associated companies and other companies;
- (f) the Group's risk appetite and risk tolerance for different categories of risk, as well as risk management strategies and execution;
- (g) capital expenditure and disposal of assets exceeding S\$2.0 million (approximately US\$1.5 million);
- (h) borrowing exceeding S\$5.0 million (approximately US\$3.7 million);
- (i) interested person transactions for an amount equal to or more than S\$100,000 (approximately US\$74,000);
- (j) declaration of dividend by the Company; and
- (k) appointment of Management, including reviewing their performance and remuneration packages.

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

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

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

Disclosure of Interest

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

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

Delegation by the Board

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

Board Attendance

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

The Board met three times in FY2024, of which two were the regular half-year and full-year financial results review and approval meetings and one meeting was held to review, discuss and approve the FY2023 financial results and FY2024 annual budget as well as important and strategic matters.

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

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

Board Attendance (continued)

During FY2024, the attendance of the Directors at meetings of the Board, Board Committees and general meeting, and the frequency of such meetings, are disclosed below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	General Meeting
Number of meetings held in FY2024	3	3	2	1	1
Name of Director	Number of meetings attended				
Mr. Derek Goh Bak Heng	3	NA	NA	NA	1
Mr. Teo Ser Luck	3	2 ⁽¹⁾	NA	NA	1
Mr. Sean Goh Su Teng	3	NA	NA	NA	1
Ms. Victoria Goh Si Hui	3	NA	NA	NA	1
Mr. Heng Yeow Meng Michael ⁽³⁾	1	2	NA	NA	NA
Mr. Lye Hoong Yip Raymond ⁽²⁾	3	3	NA	NA	1
Mr. Khua Kian Kheng Ivan ⁽³⁾	1	NA	NA	NA	NA
Mr. Ng Yong Hwee ⁽³⁾	1	2	NA	NA	NA
Mr. Goi Kok Ming Kenneth	3	2 ⁽¹⁾	NA	NA	1

Notes:

NA – Not applicable

(1) Attendance by invitation.

(2) Mr. Lye Hoong Yip Raymond was appointed as Director of the Company on 9 January 2024.

(3) Mr. Heng Yeow Meng Michael, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee were appointed as Directors of the Company on 30 April 2024.

(4) Two Board meetings, one Audit Committee meeting, two Nominating Committee meetings, one Remuneration Committee meeting and one Annual General Meeting held in FY2024, were attended by the previous Directors namely Mr. Tan Lye Heng Paul, Mr. Ravindran s/o Ramasamy and Mr. Ng Cher Yan who retired on 30 April 2024.

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

Continuous Training and Development of Directors

The Directors are updated regularly on regulatory changes that will have an important relevance on the Group's or Director's obligations. Such changes are also updated and discussed during Board meetings. As part of the Directors' ongoing training, Directors are also encouraged to actively engage in informal discussions on subjects which are relevant to the Group's businesses and at the Company's expense, attend relevant training programmes or seminars in areas of directors' duties and responsibilities, continuing listing obligations, corporate governance, changes in financial reporting standards, insider trading and changes in the Companies Act. A new Director who has no prior experience as a director of an issuer listed on the SGX-ST must also go through mandatory training in his/her roles and responsibilities as advised by the SGX-ST.

CORPORATE GOVERNANCE REPORT

1. Board Matter (continued)

The Board's Conduct of Affairs (continued)

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

Orientation for New Directors

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

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

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

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

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

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

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

2. Board Composition and Guidance

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

Independence

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

CORPORATE GOVERNANCE REPORT

2. Board Composition and Guidance (continued)

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

Independence (continued)

Throughout FY2024, the Independent Directors made up more than half and majority of the Board and the Company has complied with Provision 2.2 of the Code for Independent Directors to make up a majority of the Board where the Chairman is not independent.

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

The NC, having considered the completed annual declaration of independence by the Independent Directors and assessed their past contributions and suitability of requisite knowledge, capabilities, experiences and independency to assume the responsibilities, is of the view that the current Board has an appropriate level of independence to enable it to make decisions in the best interests of the Group. After rigorous review, the NC with the concurrence of the Board, has determined that Mr. Teo Ser Luck, Mr. Heng Yeow Meng Michael, Mr. Lye Hoong Yip Raymond, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee remain independent in character and judgement, taking into account there were no relationships with the Group, its related corporations, its substantial shareholders, its officers or circumstances which were likely to affect, or could appear to affect their independence. Each member of the NC had abstained from deliberations in respect of the assessment of his independence. The Board also reviewed the performance of Mr. Teo Ser Luck, Mr. Heng Yeow Meng Michael, Mr. Lye Hoong Yip Raymond, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee and considered that they, who had good understanding of the Group's businesses and operations, will continue to bring invaluable expertise, experience and knowledge to the Board. The NC and Board are therefore satisfied with their performance and continued independence. The NC together with the concurrence of the Board, confirmed that Mr. Teo Ser Luck, Mr. Heng Yeow Meng Michael, Mr. Lye Hoong Yip Raymond, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee are Independent Directors under the Code.

Composition and Size of the Board

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

CORPORATE GOVERNANCE REPORT

2. Board Composition and Guidance (continued)

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

Composition and Size of the Board (continued)

A summary of the composition of the Board and its Committees as at the date of this report is set out below:

Name of Director	Age	Date of appointment	Date of last re-election	Board Status	Position	Audit Committee Position	Nominating Committee Position	Remuneration Committee Position
Mr. Derek Goh Bak Heng ⁽¹⁾	63	9 January 2024	30 April 2024	Non-Independent / Executive	Chairman	-	-	-
Mr. Teo Ser Luck ⁽²⁾	56	15 July 2017	28 April 2023	Lead Independent / Non-Executive	Deputy Chairman	-	-	-
Mr. Sean Goh Su Teng ⁽³⁾	45	5 October 2021	28 April 2022	Non-Independent / Executive	Member	-	-	-
Ms. Victoria Goh Si Hui ⁽⁴⁾	31	26 January 2022	28 April 2022	Non-Independent / Executive	Member	-	-	-
Mr. Heng Yeow Meng Michael	52	30 April 2024	NA	Independent / Non-Executive	Member	Chairman	Member	-
Mr. Lye Hoong Yip Raymond	59	9 January 2024	30 April 2024	Independent / Non-Executive	Member	Member	Member	Chairman
Mr. Khua Kian Kheng Ivan	49	30 April 2024	NA	Independent / Non-Executive	Member	-	Chairman	Member
Mr. Ng Yong Hwee	60	30 April 2024	NA	Independent / Non-Executive	Member	Member	-	Member
Mr. Goi Kok Ming Kenneth ⁽⁵⁾	51	8 May 2019	28 April 2022	Non-Independent / Non-Executive	Member	-	-	-

Notes:

NA – Not applicable

- (1) Mr. Derek Goh Bak Heng was Executive Chairman from 26 October 1998 to 5 October 2021. He re-joined the Board as Executive Chairman on 9 January 2024 and holds the position of Group Chief Executive Officer.
- (2) Mr. Teo Ser Luck relinquished his position as Acting Chairman and was re-designated as Deputy Chairman on 9 January 2024.
- (3) Mr. Sean Goh Su Teng holds the position of Deputy Group Chief Executive Officer and is the cousin of Mr. Derek Goh Bak Heng and uncle of Ms. Victoria Goh Si Hui.
- (4) Ms. Victoria Goh Si Hui holds the position of Vice President, Business Development & Marketing and is the daughter of Mr. Derek Goh Bak Heng and niece of Mr. Sean Goh Su Teng.
- (5) Mr. Goi Kok Ming Kenneth is the son of Mr. Goi Seng Hui, a substantial shareholder of the Company.

CORPORATE GOVERNANCE REPORT

2. Board Composition and Guidance (continued)

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

Board Diversity

The Company has put in place a board diversity policy in recognition of the importance and benefits of a diverse Board to enhance the quality of the performance of the Board. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to skills, industry and business experiences, professional knowledge and experiences, core competencies, gender, age, educational background, and tenure of service. All Director appointments will be based on meritocracy, and candidates will be considered against these objective criteria, having due regards for the benefits of diversity and needs of the Board. The Board does not propose to set specific diversity targets or concrete timelines for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity is an ongoing process which may need to be updated as the business of the Group develops. The NC will discuss and agree annually the relevant measurable objectives for promoting and achieving diversity on the Board and make its recommendations for consideration and approval by the Board as and when the need arises. The objectives may involve at any given time, one or more aspects of board diversity with different timelines for achievement.

The composition of the Board is reviewed annually by the NC to ensure that the Board has the appropriate level of independence and mix of industry, business and professional knowledge, expertise and experiences, and collectively possesses the necessary core competencies to enable it to make decisions in the best interests of the Group. The Board has reviewed and believed that its composition reflects an appropriate diversity of skills, experiences and knowledge of the Group, with core competencies in accounting and finance, legal expertise, corporate governance, risk management, sustainability, digital/information technology, business and management experience, industry knowledge, strategic planning and customer-based knowledge and experience. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The Board is satisfied that the objectives of the board diversity policy continues to be met.

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

3. Chairman and Chief Executive Officer

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

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

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

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

CORPORATE GOVERNANCE REPORT

3. Chairman and Chief Executive Officer (continued)

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

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

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

4. Board Membership

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

Nominating Committee and Terms of Reference

The NC comprises the following three Independent Directors:

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

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

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

CORPORATE GOVERNANCE REPORT

4. Board Membership (continued)

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

Nominating Committee and Terms of Reference (continued)

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

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

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

The NC, with the respective interested Director abstained from the deliberations, recommended Mr. Heng Yeow Meng Michael, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee who will retire pursuant to Article 88 of the Company's Constitution, and Mr. Sean Goh Su Teng, Ms. Victoria Goh Si Hui and Mr. Goi Kok Ming, Kenneth who will retire pursuant to Article 89 of the Company's Constitution, be nominated for re-election at the forthcoming AGM to be held on 30 April 2025. All retiring Directors have offered themselves for re-election at the forthcoming AGM. Further, in FY2024, pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, Mr. Tan Lye Heng Paul, Mr. Ravindran s/o Ramasamy and Mr. Ng Cher Yan whose tenure of Independent Directors on the Board exceeded the nine-year limit and would not be considered independent, retired as Directors of the Company at the AGM on 30 April 2024.

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

Alternate Directors

Currently, there is no Alternate Director on the Board.

Process for Selection of New Directors

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

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

CORPORATE GOVERNANCE REPORT

4. Board Membership (continued)

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

Director's Time Commitment

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

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

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

Succession Planning

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

In FY2024, the NC completed the search process for candidates to replace the three Independent Directors, namely, Mr. Tan Lye Heng Paul, Mr. Ravindran s/o Ramasamy and Mr. Ng Cher Yan who have served as Independent Directors for more than nine years to take into consideration the new requirement of nine-year limit for Independent Directors under the listing rules of the SGX-ST, following the appointment of Mr. Heng Yeow Meng Michael, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee as Independent Directors of the Company on 30 April 2024. On 9 January 2024, Mr. Lye Hoong Yip Raymond was also appointed as an Independent Director of the Company.

Key Information on Directors

The profiles of the Directors and their respective shareholdings in the Company are set out on pages 20 to 23 of the Annual Report 2024.

5. Board Performance

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

Board Performance

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

The NC reviews and assesses the effectiveness of the Board, its Board Committees and individual Directors as a whole, on an annual basis, based on performance criteria as agreed by the Board. Following the review in FY2024, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

CORPORATE GOVERNANCE REPORT

5. Board Performance (continued)

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

Board Evaluation Process

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

Performance Criteria for Board Evaluation

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

Individual Director Evaluation

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

6. Remuneration Matters

Procedures for Developing Remuneration Policies

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

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

Remuneration Committee and Terms of Reference

The RC comprises the following three Independent Directors:

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

CORPORATE GOVERNANCE REPORT

6. Remuneration Matters (continued)

Procedures for Developing Remuneration Policies (continued)

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

Remuneration Committee and Terms of Reference (continued)

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

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

RC's Access to Advice on Remuneration Matters

The RC has full authority to engage any external professional to advise on matters relating to remuneration as and when the need arises. In FY2024, the RC did not require the service of external remuneration professionals.

7. Level and Mix of Remuneration

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

Remuneration of Executive Director and Key Management Personnel

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

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

CORPORATE GOVERNANCE REPORT

7. Level and Mix of Remuneration (continued)

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

Remuneration of Executive Director and Key Management Personnel (continued)

The RC considered and approved remuneration packages which includes salary, incentive bonus, benefits-in-kind and director fee of the Executive Chairman and Group Chief Executive Officer, Mr. Derek Goh Bak Heng, the Executive Directors, Mr. Sean Goh Su Teng and Ms. Victoria Goh Si Hui after considering the individual performances and the financial performance of the Group. For director fee, the RC considered their level of contributions, taking into account factors such as effort and time spent for serving the Board, as well as their responsibilities and obligations as Directors. In addition, in FY2024, the Company contributed a total of S\$786,079 to a long term incentive scheme (deferred compensation) comprising two insurance plans for Mr. Derek Goh Bak Heng which was approved by the RC and the Board as disclosed in the Company's Annual Report for the financial year ended 31 December 2016.

The Board recommends to the shareholders for approval at the forthcoming AGM on 30 April 2025 the fees payable to the Executive Directors for the financial year ending 31 December 2025.

Long Term Incentive Scheme

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

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

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

Contractual Provisions Protecting the Company's Interests

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

Remuneration of Non-Executive Directors

The Board concurred with the RC that the Non-Executive Directors' fees were appropriate and that the Non-Executive Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The Board recommends to shareholders for approval at the forthcoming AGM on 30 April 2025 the fees payable to the Non-Executive Directors for the financial year ending 31 December 2025.

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

CORPORATE GOVERNANCE REPORT

7. Level and Mix of Remuneration (continued)

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

Remuneration of Non-Executive Directors (continued)

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

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

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

8. Disclosure of Remuneration

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

Disclosure on Remuneration of Directors

Details of the remuneration of Directors for FY2024 are as follows:

	Director Fee (%)	Salary ⁽¹⁾ (%)	Incentive Bonus (%)	Other Benefits (%)	Total Remuneration (S\$)
Executive Director					
Mr. Derek Goh Bak Heng (Group Chief Executive Officer)	2.8	42.5	–	54.7	1,582,141 ⁽²⁾
Mr. Sean Goh Su Teng (Deputy Group Chief Executive Officer)	7.1	78.5	–	14.4	629,834 ⁽³⁾
Ms. Victoria Goh Si Hui	21.4	63.7	–	14.9	210,123 ⁽³⁾
Non-Executive & Independent Director					
Mr. Teo Ser Luck	100.0	–	–	–	62,000
Mr. Heng Yeow Meng Michael	100.0	–	–	–	32,131 ⁽⁴⁾
Mr. Lye Hoong Yip Raymond	100.0	–	–	–	46,951 ⁽⁵⁾
Mr. Khua Kiang Kheng Ivan	100.0	–	–	–	32,131 ⁽⁴⁾
Mr. Ng Yong Hwee	100.0	–	–	–	30,123 ⁽⁴⁾
Non-Executive & Non-Independent Director					
Mr. Goi Kok Ming Kenneth	100.0	–	–	–	45,000

Notes:

- (1) Included employer's CPF contribution.
- (2) Included a deferred compensation of S\$786,079 (Other Benefits) as detailed in "Remuneration of Executive Director and Key Management Personnel" above.
- (3) Included director fees (Other Benefits) received/receivable from subsidiaries.
- (4) Prorated from their date of appointment as Directors of the Company of 30 April 2024 to 31 December 2024.
- (5) Prorated from his date of appointment as Director of the Company of 9 January 2024 to 31 December 2024.
- (6) The three previous Directors of the Company namely Mr. Tan Lye Heng Paul, Mr. Ravindran s/o Ramasamy and Mr. Ng Cher Yan who retired on 30 April 2024 were each paid director fee of S\$15,869 from 1 January 2024 to 30 April 2024.

CORPORATE GOVERNANCE REPORT

8. Disclosure of Remuneration (continued)

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

Disclosure on Remuneration of Key Management Personnel

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

The annual aggregate remuneration paid to the top five key Management personnel (excluding the Directors or the Chief Executive Officer) in FY2024 was S\$1,535,193. The remuneration bands for FY2024 are presented in deviation from Provision 8.1 of the Code as follows:

Remuneration Band	Number of Executive ⁽¹⁾
S\$250,000 to S\$499,999	4
S\$0 to S\$249,999	1

Note:

(1) Included executives of overseas subsidiaries.

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

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

Save for Ms. Victoria Goh Si Hui, who is the daughter of Mr. Derek Goh Bak Heng and whose remuneration in FY2024 has been disclosed in "Disclosure on Remuneration of Directors" above, no other employees of the Company whose remuneration exceeded S\$100,000 in FY2024 were immediate family members of any Director or the Group Chief Executive Officer or substantial shareholders of the Company.

9. Accountability and Audit

Risk Management and Internal Control

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

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's businesses. During FY2024, the AC together with the internal auditor assisted the Board in overseeing the Group's risk management framework and policies. The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. However, the Board is also of the view that any internal control system is designed to manage rather than totally eliminates the risk of failure to achieve business objectives. A cost effective internal control system can only provide reasonable and not total assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

9. Accountability and Audit (continued)

Risk Management and Internal Control (continued)

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

Risk Management

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

The internal auditor also assists the AC to follow up with the Management to ensure that the existing and new counter measures are implemented accordingly. As part of the Group's approach towards risk management, the Group will conduct, on an annual basis, a risk assessment exercise where the key risks of the Group will be identified, updated, evaluated and ranked. The exercise also allows the Group to address the changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process on an ongoing basis. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, will be reported to the AC and the Board. The Group's approach to the management of key business risks is set out under "Risk management" in the "Additional Requirements of Singapore Exchange Securities Trading Limited's Listing Manual" section on page 162 of the Annual Report 2024.

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

Internal Controls

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

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

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

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

CORPORATE GOVERNANCE REPORT

9. Accountability and Audit (continued)

Risk Management and Internal Control (continued)

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

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

Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, as well as reviews performed by external and internal auditors, the Board with the concurrence of AC, is of the view that the internal control systems of the Group were adequate as at 31 December 2024 to address the financial, operational, compliance, information technology and sanction-related risks, which the Group considers relevant and material to its operations.

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

10. Audit Committee

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

Audit Committee and Terms of Reference

The AC comprises the following three Independent Directors:

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

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

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

- (a) reviews with the Group's external auditors, their audit plan, evaluation of the internal accounting controls, audit report, and any matters which the external auditors wish to discuss;
- (b) reviews the financial reports of the Group to ensure that they comply with the Companies Act, listing rules of the SGX-ST, and other regulatory requirements;
- (c) reviews the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (d) reviews adequacy and effectiveness of the Company's internal controls;
- (e) reviews the audit scope, results and effectiveness of the internal audit function;
- (f) reviews the audit scope, results and effectiveness of the external audit, and the independence and objectivity of the external auditors annually, and the nature and extent of non-audit services supplied by the external auditors so as to maintain independence and objectivity;

CORPORATE GOVERNANCE REPORT

10. Audit Committee (continued)

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

Audit Committee and Terms of Reference (continued)

- (g) makes recommendations to the Board on the appointment, re-appointment, removal, remuneration and terms of engagement of external auditors;
- (h) oversees the establishment and operation of the whistleblowing process of the Company;
- (i) oversees any internal investigation into cases of fraud and irregularities;
- (j) reviews interested person transactions;
- (k) approves the hiring, removal, evaluation and compensation of the head of the internal audit function;
- (l) ensures that the internal audit function is adequately resourced to discharge its functions properly and has an appropriate standing within the Company; and
- (m) ensures that a compliance adviser in relation to sanction-related risks has been appointed to continuously monitor the validity of the information provided to shareholders and Singapore Exchange.

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

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

The AC has reviewed the financial statements with the Management and external auditors before the announcement of the Group's full-year results. In the process, the AC reviewed the key areas of management's estimates and judgement applied for key financial issues, critical accounting policies and any other significant matters that might affect the integrity of the financial statements. Significant matters that were discussed with Management and external auditors and included as key audit matter ("KAM") in the Independent Auditor's Report for FY2024 are set out on page 56 of the Annual Report 2024. The AC concluded that the Group's accounting treatment and estimates in the significant matter were appropriate and is of the view that the Company and Group's financial statements for FY2024 are properly drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial positions of the Company and of the Group as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended.

AC to Keep Abreast of Changes to Accounting Standards

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

Independence of External Auditors

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

CORPORATE GOVERNANCE REPORT

10. Audit Committee (continued)

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

Independence of External Auditors (continued)

The AC has recommended to the Board that the external auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, be nominated for re-appointment as external auditors at the forthcoming AGM on 30 April 2025. The aggregate amounts of fees paid/payable to the external auditors in respect of the audit of the financial statements of the Group and non-audit services for FY2024 were S\$540,000 (97%) and S\$18,000 (3%) respectively.

The external auditors of the Company's subsidiaries, associated companies and joint venture are disclosed in Note 19, Note 17 and Note 18 in the financial statements of the Annual Report 2024. The Company confirms that Listing Rule 712, Rule 715 and Rule 716 of the Listing Manual of the SGX-ST are complied with.

Whistle-blowing Policy

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

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

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

Internal Auditors

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

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

For FY2024, the AC is satisfied that the IA had been able to discharge its duties effectively as he has unfettered access to all documents, records, properties and personnel, including access to the AC. The IA has adequate resources to perform its functions effectively and he is independent from the activities that he audits and has appropriate standing within the Group.

The scope of the internal audit covers key aspects of the Group's internal controls established to address financial, operational, compliance and information technology risks. For FY2024, after having reviewed the internal audit reports and remedial actions implemented by Management, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE REPORT

10. Audit Committee (continued)

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

Meeting with External and Internal Auditors

The AC meets regularly with the Group's external auditors and IA. At least once a year, the AC would meet with the Group's external auditors and IA without the presence of the Management to discuss audit findings and recommendations, and ensure that there are no unresolved areas of concern. The AC had one meeting with the external auditors and IA without the presence of the Management in FY2024.

11. Shareholder Rights and Engagement

Shareholder Rights and Conduct of General Meetings

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

Sufficient Information to Shareholders

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

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

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

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

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

Resolutions at General Meetings

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

CORPORATE GOVERNANCE REPORT

11. Shareholder Rights and Engagement (continued)

Shareholder Rights and Conduct of General Meetings (continued)

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

Resolutions at General Meetings (continued)

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

Attendees at General Meetings

The Directors are invited to attend all general meetings of the Company, and the external auditors will also be present to assist in addressing queries raised by shareholders relating to the conduct of audit, and the preparation and the content of the auditor's report. All Directors, the Group Chief Financial Officer (who is also the Company Secretary) and the external auditors were present at the last AGM held on 30 April 2024.

A physical meeting will be held for the forthcoming AGM on 30 April 2025 at the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554. There will be no option for shareholders to participate virtually.

Absentia Voting at General Meetings

Due to security concerns, the Company will not be exercising absentia voting methods such as mail, electronic mail or facsimile.

Minutes of General Meetings

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

Dividend Policy

The Company does not have a concrete dividend policy at present. The form, frequency and amount of dividends payable each year will take into consideration the actual profitability and ability to pay dividends in the relevant financial year, the operating cash flow requirements, financing commitments, anticipated capital expenditure, any future expansion and investment plans, and such factors that the Board may, in its sole and absolute discretion, deem necessary or appropriate. No dividend has been proposed for FY2024 as the Board deemed it necessary to preserve cash for working capital requirements, taking into consideration the current uncertain and challenging financial and economic conditions.

12. Engagement with Shareholders

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

Communication with Shareholders

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

CORPORATE GOVERNANCE REPORT

12. Engagement with Shareholders (continued)

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

Communication with Shareholders (continued)

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

Timely Information to Shareholders

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

Regular Dialogue with Shareholders and Soliciting and Understanding Views of Shareholders

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

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

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

Investor Relations Policy

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

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

CORPORATE GOVERNANCE REPORT

13. Managing Stakeholders Relationships

Engagement with Stakeholders

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

Relationship with Stakeholders

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

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

The basis for and methods of engagement with stakeholders, along with the key areas of focus for each stakeholder group, can be found in our Sustainability Report 2024 ("SR2024"). Our SR2024 highlights the Group's sustainability strategies, initiatives and performance in relation to Environmental, Social and Governance ("ESG") issues for FY2024, in accordance with the sustainability reporting regulatory requirements set out in the Listing Manual Rules 711A and 711B of the SGX-ST, and the International Sustainability Standards Board ("ISSB") which includes the Sustainable Accounting Standards Board ("SASB"), Global Reporting Initiative ("GRI") Universal Standards 2021 and the Task Force on Climate-related Financial Disclosures ("TCFD").

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

More information on the Group's efforts on sustainability can be found in the standalone SR2024, which will be published and uploaded on the Company's corporate website as well as on SGXNET, no later than 30 April 2025.

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

Other Corporate Governance Matters

Dealing in Securities

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

CORPORATE GOVERNANCE REPORT

13. Managing Stakeholders Relationships (continued)

Engagement with Stakeholders (continued)

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

Code of Conduct

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

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

Interested Person Transactions

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

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

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST. Disclosure on "related party transactions" is set out on pages 155 to 156 of the Annual Report 2024.

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DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors present their statement to the members together with the audited financial statements of Serial System Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

In the opinion of the directors,

- the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial positions of the Company and of the Group as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Derek Goh Bak Heng	(Appointed on 9 January 2024)
Teo Ser Luck	
Sean Goh Su Teng	
Victoria Goh Si Hui	
Heng Yeow Meng Michael	(Appointed on 30 April 2024)
Lye Hoong Yip Raymond	(Appointed on 9 January 2024)
Khua Kian Kheng Ivan	(Appointed on 30 April 2024)
Ng Yong Hwee	(Appointed on 30 April 2024)
Goi Kok Ming Kenneth	

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Holdings registered in name of director or nominees			Deemed interest holdings		
	At 21.1.2025	At 31.12.2024	At date of appointment/ 1.1.2024	At 21.1.2025	At 31.12.2024	At date of appointment/ 1.1.2024
The Company						
(Number of ordinary shares)						
Derek Goh Bak Heng	365,826,970	365,826,970	365,826,970	171,000	171,000	171,000
Victoria Goh Si Hui	171,000	171,000	171,000	102,300	102,300	102,300

- None of the directors holding office at the end of the financial year had share options to subscribe for ordinary shares of the Company granted pursuant to the Serial System Employee Share Option Scheme 2024.
- Derek Goh Bak Heng, who by virtue of his interest of not less than 20% of the issued share capital of the Company, was deemed to have an interest as at 31 December 2024, in the whole of the issued share capital of the Company's wholly owned subsidiaries and in the partially owned subsidiaries as disclosed in Note 19(g) to the financial statements.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Share options

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

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

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

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

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

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

For incentive share options, share options are granted at a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price. Shareholders of the Company have authorised, in a separate resolution, the making of offers and grants of such share options under the 2024 Share Option Scheme at a discount not exceeding the maximum discount of 20% of the Market Price at the annual general meeting held on 30 April 2024.

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

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

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

There were no share options granted pursuant to the 2024 and 2014 Share Option Schemes during the financial years ended 31 December 2024 and 31 December 2023 respectively.

(b) Outstanding share options

There are no share options outstanding at the end of the financial year ended 31 December 2024.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Share options (continued)

(c) Other information required by SGX-ST

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

- (i) the members of the Committee administering the 2024 Share Option Scheme at the end of the financial year are Heng Yeow Meng Michael (Chairman), Khua Kian Kheng Ivan, Ng Yong Hwee and Sean Goh Su Teng.
- (ii) there were no share options granted to and exercised by directors of the Company during the financial year and no share options outstanding at the end of the financial year.
- (iii) no share options have been granted to controlling shareholders of the Company or their associates, directors and employees of the parent company (as defined in the Listing Manual of the SGX-ST) and its subsidiaries and no such employee has received 5% or more of the total number of share options available under the 2024 Share Option Scheme during the financial year.
- (iv) no other director or employee of the Company and its subsidiaries (as defined in the Listing Manual of the SGX-ST) has received 5% or more of the total number of share options available to all directors and employees of the Company and its subsidiaries under the 2024 Share Option Scheme during the financial year.
- (v) no share options were granted at a discount during the financial year.

Audit committee

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

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

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

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

Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Derek Goh Bak Heng
Director

Heng Yeow Meng Michael
Director

2 April 2025

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

For the financial year ended 31 December 2024

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Serial System Ltd (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of The Companies Act 1967 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Investments in financial assets, at fair value through profit or loss</p> <p>We refer to Note 2.7, Note 4(a)(iii), Note 14 and Note 37 to the financial statements.</p> <p>The carrying value of the financial assets, at fair value through profit or loss amounted to US\$30.0 million. These accounted for approximately 22.5% of the Group's net assets as at 31 December 2024.</p> <p>The Group holds interests in various types of financial instruments, comprising listed and unlisted equities and debt securities, and preference shares. Certain trade receivables are also classified at fair value at the end of the reporting period.</p> <p>This is a key audit matter as these included investments classified as Level 2 or 3 in the fair value hierarchy, which require significant judgements on their inputs. The Group makes maximum use of observable market data as inputs to these valuation models. Where observable market data is not available, the Group has to make use of management estimates for unobservable inputs to the models, and seek to corroborate the estimates to available market data.</p>	<p>Our response</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • review of the valuation of investments including assessing the appropriateness of the valuation methodologies adopted; and • review of the reasonableness of inputs applied, assessing the valuation methodologies, valuation assumptions and inputs used by management and conducting a detailed discussion with the Group's management on the assumptions used. <p>We found the valuation estimates determined by the Group are within a reasonable range of outcomes.</p>

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

For the financial year ended 31 December 2024

Report on the audit of the financial statements (continued)

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

For the financial year ended 31 December 2024

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

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

Moore Stephens LLP

Public Accountants and Chartered Accountants

Singapore
2 April 2025

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
Sales	5	788,663	758,951
Cost of sales	6	(730,170)	(700,121)
Gross profit		58,493	58,830
Other income		19,042	7,914
Interest	5	1,675	2,238
Other operating	5	17,367	5,676
Expenses:			
Distribution	6	(36,602)	(37,019)
Administrative	6	(9,649)	(9,904)
Finance	8	(12,211)	(14,426)
Other:			
Loss allowance on trade and other receivables	6	(1,060)	(3,852)
Other operating	6	(17,351)	(18,084)
Total expenses		(76,873)	(83,285)
		662	(16,541)
Share of results of associated companies (after income tax)		75	66
Profit/(Loss) before income tax	6	737	(16,475)
Income tax expense	9	(1,041)	(851)
Loss after income tax		(304)	(17,326)
Attributable to:			
Equity holders of the Company		516	(14,831)
Non-controlling interests	33	(820)	(2,495)
		(304)	(17,326)
Earnings/(Loss) per share attributable to equity holders of the Company:			
Basic	10	0.06 cent	(1.64 cents)
Diluted	10	0.06 cent	(1.64 cents)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
Net loss for the year		(304)	(17,326)
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit plans' actuarial gain/(loss)	27	58	(81)
Share of associated companies' other comprehensive loss		(17)	(35)
		41	(116)
Items that may be reclassified subsequently to profit or loss:			
Share of associated companies' other comprehensive loss		(92)	(39)
Currency translation differences		(1,969)	1,046
		(2,061)	1,007
Other comprehensive (loss)/income for the year, net of tax		(2,020)	891
Total comprehensive loss for the year		(2,324)	(16,435)
Attributable to:			
Equity holders of the Company		(1,936)	(14,240)
Non-controlling interests	33	(388)	(2,195)
		(2,324)	(16,435)

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		The Group		The Company	
	Note	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	38,312	37,076	771	517
Trade and other receivables	12	174,019	160,056	37,308	38,271
Inventories	13	122,259	126,587	-	-
Financial assets, at fair value through profit or loss	14	9,676	7,655	-	-
Other current assets	15	5,388	10,285	341	835
		349,654	341,659	38,420	39,623
Non-current assets					
Income tax recoverable	9	-	1,358	-	-
Loans and other receivables	16	-	-	27,776	28,879
Financial assets, at fair value through profit or loss	14	20,373	12,332	-	-
Investments in associated companies	17	2,752	2,814	1,413	1,217
Investment in joint venture	18	-	-	-	-
Investments in subsidiaries	19	-	-	63,591	58,994
Property, plant and equipment	20	27,086	29,065	555	269
Investment properties	21	6,463	6,423	-	-
Intangible assets	22	3,314	3,466	24	21
Other assets	23	962	652	-	-
Deferred income tax assets	28	1,524	1,709	-	-
		62,474	57,819	93,359	89,380
Total assets		412,128	399,478	131,779	129,003
LIABILITIES					
Current liabilities					
Trade and other payables	24	104,440	70,843	10,619	9,326
Current income tax liabilities	9	588	1,026	-	-
Borrowings	25	168,926	182,289	9,573	4,314
		273,954	254,158	20,192	13,640
Non-current liabilities					
Other payables	24	-	-	14,364	14,712
Borrowings	25	3,028	11,988	-	6,062
Defined benefit plans liabilities	27	210	296	-	-
Deferred income tax liabilities	28	1,547	1,203	864	543
		4,785	13,487	15,228	21,317
Total liabilities		278,739	267,645	35,420	34,957
NET ASSETS		133,389	131,833	96,359	94,046
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	29	72,648	72,648	72,648	72,648
Treasury shares	29	(70)	(70)	(70)	(70)
Capital reserve	30	1,602	1,610	518	518
Defined benefit plans reserve	30	446	388	-	-
Fair value reserve	30	(742)	(742)	-	-
Revaluation reserve	30	227	237	-	-
Other reserve	30	2,771	(1,862)	-	-
Currency translation reserve	31	339	2,965	-	-
Retained earnings	32	50,077	49,561	23,263	20,950
		127,298	124,735	96,359	94,046
Non-controlling interests	33	6,091	7,098	-	-
TOTAL EQUITY		133,389	131,833	96,359	94,046

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

Attributable to equity holders of the Company												
Note	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	Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2024												
	72,648	(70)	1,610	388	(742)	237	(1,862)	2,965	49,561	124,735	7,098	131,833
Profit/(loss) for the year	-	-	-	-	-	-	-	-	516	516	(820)	(304)
Other comprehensive income/(loss):												
Defined benefit plans' actuarial gain	-	-	-	58	-	-	-	-	-	58	-	58
Share of associated companies' other comprehensive loss	-	-	(8)	-	-	(8)	-	(93)	-	(109)	-	(109)
Currency translation differences	-	-	-	-	-	(2)	-	(2,399)	-	(2,401)	432	(1,969)
Other comprehensive loss for the year, net of tax	-	-	(8)	58	-	(10)	-	(2,492)	-	(2,452)	432	(2,020)
Total comprehensive loss for the year	-	-	(8)	58	-	(10)	-	(2,492)	516	(1,936)	(388)	(2,324)
Others:												
Fair value accounting for investment in subsidiaries by non-controlling interests upon completion of reverse takeover	33	-	-	-	-	-	4,561	(134)	-	4,427	1,128	5,555
Acquisition of additional interests in subsidiaries from non-controlling interest	33	-	-	-	-	-	72	-	-	72	(1,226)	(1,154)
Investments in subsidiaries by non-controlling interests	33	-	-	-	-	-	-	-	-	-	80	80
Dividend paid to non-controlling interests of subsidiaries	33	-	-	-	-	-	-	-	-	-	(601)	(601)
Total others	-	-	-	-	-	-	4,633	(134)	-	4,499	(619)	3,880
Balance at 31 December 2024	72,648	(70)	1,602	446	(742)	227	2,771	339	50,077	127,298	6,091	133,389

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATES IN EQUITY

For the financial year ended 31 December 2024

		Attributable to equity holders of the Company										Total 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	Non- controlling interests US\$'000	Total equity US\$'000	Total equity US\$'000
	Balance at 1 January 2023	72,648	(70)	1,616	469	(742)	266	(1,854)	2,258	64,392	9,650	148,633	148,633
	Loss for the year	-	-	-	-	-	-	-	-	(14,831)	(2,495)	(17,326)	(17,326)
	Other comprehensive income/(loss):												
	Defined benefit plans' actuarial loss	-	-	-	(81)	-	-	-	-	-	-	(81)	(81)
	Share of associated companies' other comprehensive loss	-	-	(6)	-	-	(29)	-	(39)	-	-	(74)	(74)
	Currency translation differences	-	-	-	-	-	-	-	746	-	300	1,046	1,046
	Other comprehensive income for the year, net of tax	-	-	(6)	(81)	-	(29)	-	707	-	591	891	891
	Total comprehensive loss for the year	-	-	(6)	(81)	-	(29)	-	707	(14,831)	(2,195)	(16,435)	(16,435)
	Others:												
	Investment in a subsidiary by non-controlling interests	33	-	-	-	-	-	2	-	-	2	176	178
	Capital reduction in a subsidiary	33	-	-	-	-	-	(10)	-	-	(10)	(9)	(19)
	Closure of a subsidiary	33	-	-	-	-	-	-	-	-	-	(178)	(178)
	Dividend paid to non-controlling interests of subsidiaries	33	-	-	-	-	-	-	-	-	-	(346)	(346)
	Total others	-	-	-	-	-	-	(8)	-	-	(8)	(357)	(365)
	Balance at 31 December 2023	72,648	(70)	1,610	388	(742)	237	(1,862)	2,965	49,561	7,098	131,833	131,833

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
Cash flows from operating activities			
Profit/(loss) before income tax		737	(16,475)
Adjustments for:			
Amortisation of computer software license costs		65	58
Amortisation of trademark and know-how		4	16
Depreciation of property, plant and equipment		2,711	3,017
Property, plant and equipment written off		-	8
Computer software licenses written off		28	-
Trademark written off		-	61
Gain on disposal of property, plant and equipment		(13)	(28)
Fair value (gain)/loss on investment properties		(61)	1
Fair value gain on financial assets, at fair value through profit or loss		(7,527)	(43)
Gain on sale of financial assets, at fair value through profit or loss		(165)	(253)
Dividend income from financial assets, at fair value through profit or loss		(26)	(34)
Fair value loss/(gain) on derivative financial instruments		90	(7)
Gain on closure of a subsidiary		-	(160)
Impairment loss on investment in an associated company		-	717
Loss on dilution of interest in an associated company		7	3
Fair value accounting loss on reverse takeover of investment in subsidiaries		3,656	-
Provision for defined benefit plans liabilities		656	391
Interest income		(1,675)	(2,238)
Interest expense		12,211	14,426
Share of results of associated companies		(75)	(66)
Operating cash flow before working capital changes		10,623	(606)
Changes in working capital			
Financial assets, at fair value through profit or loss		(2,021)	2,154
Trade and other receivables		(17,547)	17,629
Inventories		2,284	35,204
Other current assets		4,733	874
Other assets (non-current)		980	(54)
Trade and other payables		37,734	(28,427)
Cash from operations		36,786	26,774
Income tax paid	9(c)	(1,104)	(1,686)
Net cash generated from operating activities		35,682	25,088

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
Cash flows from investing activities			
Payments for computer software license costs		(50)	(66)
Payments for trademark and know-how		-	(38)
Payments for property, plant and equipment		(875)	(742)
Proceeds from disposal of property, plant and equipment		42	72
Payments for investments in financial assets, at fair value through profit or loss		(1,284)	-
Proceeds from sale of financial assets, at fair value through profit or loss		386	79
Net cashflow on reverse takeover of subsidiaries		165	-
Net cashflow on step up acquisition from financial assets, at fair value through profit or loss to a subsidiary	19(a)(ii)	-	169
Closure of a subsidiary	19(c)(iii)	-	(40)
Payments for additional investment in an associated company	17(c)	-	(4)
Dividend received from financial assets, at fair value through profit or loss	5	26	35
Dividend received from an associated company	38(a)	21	66
Interest received		1,680	2,141
Net cash generated from investing activities		111	1,672
Cash flows from financing activities			
Dividend paid to non-controlling interests of subsidiaries	33	(601)	(346)
Subscription of compliance placement shares (net of expenses) in a subsidiary by non-controlling interests		1,715	-
Payments for acquisition of additional interests in subsidiaries from non-controlling interest	33(a)	(1,154)	-
Investments in subsidiaries by non-controlling interests	33	80	-
Proceeds from bank borrowings		746,271	688,111
Proceeds from other borrowings		23,786	11,503
Repayment of bank borrowings		(766,368)	(700,445)
Repayment of other borrowings		(24,234)	(8,364)
Principal payments of lease liabilities		(1,309)	(1,570)
Interest paid		(12,240)	(14,387)
Pledged fixed deposits		843	(43)
Net cash used in financing activities		(33,211)	(25,541)
Net increase in cash and cash equivalents held		2,582	1,219
Cash and cash equivalents at the beginning of the year		36,233	35,177
Effect of currency translation on cash and cash equivalents		(503)	(163)
Cash and cash equivalents at the end of the year	11	38,312	36,233

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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”).

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are shown in Note 19 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

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

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

The accounting policies adopted are consistent with those of the previous financial year except that for the financial year ended 31 December 2024, the Group has adopted all the new and revised SFRS(I)s issued that are relevant to the Group and effective for annual periods beginning 1 January 2024. The adoption of the new and revised SFRS(I)s had no material financial impact on the financial statements of the Group.

2.2 Group accounting

(a) Subsidiaries

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.2 Group accounting (continued)

(a) Subsidiaries (continued)

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

(b) Acquisition of subsidiaries or businesses

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(c) Disposal of subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.2 Group accounting (continued)

(c) Disposal of subsidiaries or businesses (continued)

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

(d) Transactions with non-controlling interests

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

(e) Associated companies and joint ventures

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Translation of Group entities’ financial statements

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.4 Revenue recognition

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

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

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

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

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

(i) Sales of goods

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

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

(ii) Services

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

2.5 Other income

(i) Other operating income

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

(ii) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.6 Income taxes

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

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

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

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

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

Deferred income tax is measured:

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

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

2.7 Financial assets

- (a) Classification and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.7 Financial assets (continued)

(a) Classification and measurement (continued)

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

Initial recognition

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

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

Subsequent measurement

(i) Debt instruments

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

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

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

(ii) Equity investments

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

(b) Impairment

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.7 Financial assets (continued)

(b) Impairment (continued)

Simplified approach – Trade receivables

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

General approach – Other financial instruments and financial guarantee contracts

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

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

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

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

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

Credit-impaired financial assets

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

Measurement of expected credit losses

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

Write-off policy

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.7 Financial assets (continued)

(c) Recognition and derecognition

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

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

2.8 Cash and cash equivalents

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

2.9 Financial liabilities

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

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

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

2.10 Inventories

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

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

2.11 Investments in subsidiaries and associated companies

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.12 Property, plant and equipment

(a) Measurement

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

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

(b) Depreciation

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

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

(c) Subsequent expenditure

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

(d) Disposal

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

2.13 Investment properties

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.13 Investment properties (continued)

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

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

2.14 Intangible assets

(a) Goodwill

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

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

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

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

(b) Computer software

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.14 Intangible assets (continued)

(c) Distribution rights, trademarks and know-how

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

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

2.15 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

(b) Intangible assets (other than goodwill)

Property, plant and equipment

Investments in subsidiaries, associated companies and joint ventures

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.15 Impairment of non-financial assets (continued)

- (b) Intangible assets (other than goodwill)
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures (continued)

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

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

2.16 Borrowings

- (a) Borrowings

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

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

- (b) Borrowing costs

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

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

2.17 Trade and other payables

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

2.18 Offsetting financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

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

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

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

2.20 Fair value estimation

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

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

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

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

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

2.21 Provisions

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

2.22 Government grants

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.23 Financial guarantees

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

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

2.24 Employee compensation

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.24 Employee compensation (continued)

(b) Defined benefit plans (continued)

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

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

(c) Employee leave entitlement

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

(d) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the consolidated income statement with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of grant. Non-market vesting conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date. At each reporting date, the Group revises its estimates of the number of shares under option that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the consolidated income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the share options are exercised, the proceeds received (net of any directly attributable transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital when new ordinary shares are issued.

2.25 Leases

(a) When the Group is the lessee:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.25 Leases (continued)

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.25 Leases (continued)

(b) When the Group is the lessor:

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

2.26 Segment reporting

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

2.27 Share capital and treasury shares

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

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

When treasury shares are subsequently cancelled, the cost of treasury shares is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve account within equity.

2.28 Dividends

Interim dividends are recorded in the financial year in which they are declared payable.

Final dividends are recorded in the financial year in which the dividends are approved by the shareholders for payment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. New and revised SFRS(I)s issued but not yet adopted

At the date of authorisation of the financial statements, the Group has not adopted the following new or revised SFRS(I)s that have been issued and which are relevant to the Group but will only be effective for the Group for the annual periods beginning on or after 1 January 2025.

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 <i>The Effect of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to SFRS(I)s <i>Volume 11</i>	1 January 2026
SFRS(I) 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures: Sales or Contribution of Assets between an investor and its Associate or Joint Venture</i>	Deferred indefinitely, early application is permitted

SFRS(I) 18: Presentation and Disclosure in Financial Statements

This standard will replace SFRS(I) 1-1 Presentation of Financial Statements. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Income Statement and consequential impacts on the Statement of Cash Flows. It will also require the disclosure of the non-SFRS(I) management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to SFRS(I) 1-1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. SFRS(I) 18 requires retrospective application with specific transition provisions.

Other than the above, the management and directors of the Company do not expect any material impact on the financial statements of the Company and the Group from the application of these standards.

4. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management has taken into consideration whether there are indications that any assets may be impacted adversely. If any such indication exists, an estimate will be made on the realisable amount and/or fair value of the relevant assets.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Critical accounting estimates, assumptions and judgements (continued)

(a) Critical accounting estimates and assumptions

(i) Loss allowance for receivables

The Group measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2.7(b) to the financial statements. In making this estimation and judgement, the Group evaluates, among other factors, the ageing analysis of receivables, the financial health and collection history of individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, changes in macro-economic indicators etc. At the end of the reporting period, historical default rates are updated and changes in the forward-looking estimates are analysed. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

During the financial year, the Group provided loss allowance on trade receivables amounting to US\$995,000 (2023: US\$3,852,000) and non-trade receivables amounting to US\$65,000 (2023: US\$Nil) as disclosed in Note 6 and Note 36(b) to the financial statements. The information about the expected credit losses on the Group's trade and other receivables is disclosed in Note 12 and Note 36(b) to the financial statements.

As at the reporting date, the carrying amount of the Group's trade and other receivables amounted to US\$174,019,000 (2023: US\$160,056,000) as disclosed in Note 12 to the financial statements.

(ii) Estimated useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be between 2 to 54.5 years as disclosed in Note 2.12(b) to the financial statements. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if expectations differ from the original estimates due to changes in the expected level of usage and/or technological developments, such differences will impact the depreciation charges in the period in which such estimates are changed.

During the financial year, the Group provided depreciation charges for property, plant and equipment amounting to US\$2,711,000 (2023: US\$3,017,000) as disclosed in Note 6 and Note 20 to the financial statements.

If depreciation on property, plant and equipment increases/decreases by 10% (2023: 10%) from management's estimates, the Group's loss after tax will increase/decrease by approximately US\$225,000 (2023: US\$250,000).

As at the reporting date, the carrying amount of the Group's property, plant and equipment amounted to US\$27,086,000 (2023: US\$29,065,000) as disclosed in Note 20 to the financial statements.

(iii) Valuation of financial assets, at fair value through profit or loss

The Group is required to reassess the fair value of financial assets, at fair value through profit or loss at the end of each reporting period. In determining the appropriate fair value classified as Level 2 or Level 3 in the fair value hierarchy, the Group makes use of valuation models. The Group makes maximum use of observable market data as inputs to these valuation models. Where observable market data is not available, the Group has to make use of management estimates for unobservable inputs to the models, and seeks to corroborate the estimates to available market data. While the Group believes the assumptions are reasonable and appropriate, significant changes in the assumptions may materially affect the fair value recorded.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Critical accounting estimates, assumptions and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(iii) Valuation of financial assets, at fair value through profit or loss (continued)

The fair value gain/(loss) on the financial assets, at fair value through profit or loss are disclosed in Note 5 to the financial statements. The key unobservable inputs to the valuation models of Level 2 and Level 3 instruments and fair value measurements are disclosed in Note 37 to the financial statements.

As at the reporting date, the carrying amounts of the Group's financial assets, at fair value through profit or loss amounted to US\$30,049,000 (2023: US\$19,987,000) as disclosed in Note 14 to the financial statements.

(iv) Valuation of investments in associated companies

The Group's management determined the recoverable amounts of the individual cash-generating units based on the higher of the fair value less cost of disposal and value-in-use calculations as disclosed in Note 2.15(b) to the financial statements. The calculations require the use of estimates and assumptions. Changes to these estimates and assumptions would result in changes in the carrying amount of the Group's investments in associated companies at the reporting date.

During the financial year, the Group recognised an impairment loss of US\$ Nil (2023: US\$717,000) on investments in associated companies as its recoverable amounts based on the value-in-use calculations are lower than its carrying amounts as disclosed in Note 17(c) to the financial statements.

If management's estimated discount rate applied to the discounted cash flows for the value-in-use calculations increased by 1%, there will be additional impairment loss on investments in associated companies of US\$Nil (2023: US\$207,000).

As at the reporting date, the carrying amount of the Group's investments in associated companies amounted to US\$2,752,000 (2023: US\$2,814,000) as disclosed in Note 17 to the financial statements.

(v) Estimated impairment of goodwill arising from acquisition of subsidiaries

The Group tested goodwill for impairment annually in accordance with the accounting policy as disclosed in Note 2.15(a) to the financial statements. The recoverable amounts of cash-generating units ("CGUs") have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions. Changes to these estimates and assumptions would result in changes in the carrying amount of goodwill arising from the acquisition of subsidiaries at the reporting date.

During the financial year, no impairment loss on goodwill arising from acquisition of subsidiaries was provided (2023: US\$ Nil) as disclosed in Note 22(a) to the financial statements.

If management's estimated discount rate applied to the discounted cash flows for the CGUs increased by 1% (2023: 1%), there is no impairment loss on goodwill arising from acquisition of subsidiaries (2023: US\$ Nil).

As at the reporting date, the carrying amount of the Group's goodwill arising from acquisition of subsidiaries amounted to US\$3,119,000 (2023: US\$3,162,000) as disclosed in Note 22(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Critical accounting estimates, assumptions and judgements (continued)

(b) Critical judgements in applying the Group's accounting policies

(i) Write down of inventories

The Group writes down the cost of inventories whenever the net realisable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on current market conditions and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in end consumer demand and competitor actions in response to changes in market conditions. Management reassesses these estimates at each reporting period.

During the financial year, the Group wrote back allowances for inventory obsolescence amounting to US\$4,069,000 (2023: provided allowances for inventory obsolescence of US\$2,199,000) as disclosed in Note 5, Note 6 and Note 13 to the financial statements.

Inventory items identified to be obsolete and unusable are also written off and charged as an expense during the financial year. During the financial year, certain inventories which became obsolete and unusable amounting to US\$83,000 (2023: US\$384,000) have been written off as disclosed in Note 6 to the financial statements.

As at the reporting date, the carrying amount of the Group's inventories amounted to US\$122,259,000 (2023: US\$126,587,000) as disclosed in Note 13 to the financial statements.

5. Sales and other income

	The Group	
	2024 US\$'000	2023 US\$'000
Sales of goods and services	788,663	758,951
Other operating income	17,367	5,676
Interest income	1,675	2,238
	807,705	766,865
Sales		
<i>Performance obligations satisfied at a point in time</i>		
Sales of goods:		
- Electronic components	674,512	669,032
- Consumer products	107,375	81,897
- Others [Note 39(a)]	6,400	7,507
	788,287	758,436
<i>Performance obligations satisfied over time</i>		
Service rendered	376	515
Total sales of goods and services	788,663	758,951

Sales based on the geographical area in which the entities are located are disclosed in Note 39(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Sales and other income (continued)

	The Group	
	2024 US\$'000	2023 US\$'000
Other income		
Other operating income:		
Commission and service income	2,089	2,708
Rebate income from suppliers	2,429	2,049
Rental income	135	137
Gain on sale of financial assets, at fair value through profit or loss	165	253
Fair value gain/(loss) on financial assets, at fair value through profit or loss:		
- listed equity securities [Note 14(b)]	(209)	(103)
- unlisted equity securities [Note 14(c)]	5,225	146
- preference shares [Note 14(d)]	2,511	-
- derivative financial instruments	(90)	7
Dividend income from financial assets, at fair value through profit or loss	26	35
Write-back of allowances for inventory obsolescence (Note 13)	4,069	-
Gain on closure of a subsidiary [Note 19(c)(i)]		160
Fair value gain (net) on investment properties (Note 21)	61	-
Gain on disposal of property, plant and equipment	13	28
Recovery of trade bad debts previously written off	314	13
Government grants received	71	46
Sundry income	558	197
Total other operating income	17,367	5,676
Interest income:		
Project financing, factoring and leasing	1,454	1,714
Bank balances	221	524
Total interest income	1,675	2,238

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6. Profit/(loss) before income tax

	The Group	
	2024	2023
	US\$'000	US\$'000
This is arrived at after charging:		
Amortisation charges for computer software license costs* [Note 22(b)]	65	58
Amortisation of trademark and know-how* [Note 22(c)]	4	16
Depreciation of property, plant and equipment* (Note 20)	2,711	3,017
Computer software licenses written off* [Note 22(b)]	28	-
Property, plant and equipment written off*	-	8
Fair value loss on investment properties* (Note 21)	-	1
Impairment loss on investment in an associated company* [Note 17(c)]	-	717
Loss on dilution of interest in an associated company*[Note 17(b)]	7	3
Fair value accounting loss on reverse takeover of investment in subsidiaries* [Note 19(a)(i)]	3,656	-
Loss allowance:		
- trade receivables (third parties)* [Note 36(b)]	995	3,852
- non-trade receivable (associated company)* [Note 36(b)]	65	-
Inventories:		
- cost of inventories recognised as an expense (included in 'cost of sales')	730,106	700,081
- allowances for inventory obsolescence* (Note 13)	-	2,199
- write-off of inventories*	83	384
Cost of services (included in 'cost of sales')	64	40
Employee benefits expense (Note 7)	30,446	32,214
Rental expense - operating leases (short-term leases)	1,717	1,779
Freight and handling charges	3,711	4,495
Travelling and transportation expenses	2,052	2,158
Sales commission expense	5,341	3,434
Foreign exchange loss (net)*	2,187	3,107
Other expenses (included in distribution, administrative and other expenses)	11,594	11,418
Total cost of sales, distribution, administrative and other expenses	794,832	768,980

* Included in "other operating expenses"

7. Employee benefits expense

	The Group	
	2024	2023
	US\$'000	US\$'000
Wages, salaries and bonuses	25,370	27,375
Employer's contribution to defined contribution plans	3,752	3,789
Defined benefit plans [Note 27(b)]	656	391
Other long term benefits	668	659
Total (Note 6)	30,446	32,214

Key management personnel compensation is disclosed in Note 38(c) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. Finance expenses

Interest expenses:

Bank borrowings

Trust receipts

Factoring

Lease liabilities

Loan from an associated company

Loan from a substantial shareholder of the Company

Others

The Group	
2024	2023
US\$'000	US\$'000
1,883	2,322
5,709	6,593
3,518	4,410
145	129
74	65
188	186
694	721
12,211	14,426

9. Income taxes

(a) Income tax expense

Tax expense attributable to profit is made up of:

Current income tax – Singapore

Current income tax – Foreign

Deferred income tax [Note 28(a)]

(Over)/under provision in preceding financial years:

Current income tax [Note 9(c)]

Deferred income tax [Note 28(a)]

The Group	
2024	2023
US\$'000	US\$'000
154	154
896	1,243
1,050	1,397
283	(533)
1,333	864
(452)	296
160	(309)
1,041	851

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. Income taxes (continued)

(a) Income tax expense (continued)

The tax expense on the profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group	
	2024 US\$'000	2023 US\$'000
Profit/(loss) before income tax	737	(16,475)
Tax calculated at a tax rate of 17% (2023: 17%)	125	(2,801)
Effects of:		
Tax rate differences in other countries	(43)	(216)
Income not subject to tax	(1,929)	(346)
Expenses not deductible for tax purposes	1,923	1,904
Utilisation of previously unrecognised deferred income tax assets	(323)	(60)
Deferred income tax assets not recognised	1,492	2,003
Tax effect on share of results of associated companies	(13)	(11)
Withholding taxes - foreign	101	391
(Over)/under provision of current income tax in preceding financial years	(452)	296
Under/(over) provision of deferred income tax in preceding financial years	160	(309)
Tax expense	1,041	851

The income not subject to tax mainly relate to fair value gain on financial assets, at fair value through profit or loss (unlisted equity securities and preference shares), gain on sale of financial assets, at fair value through profit or loss, write-back of allowances for inventory obsolescence, recovery of trade bad debts previously written off, and gain on closure of a subsidiary.

The expenses not deductible for tax purposes mainly relate to fair value accounting loss on reverse takeover of investment in subsidiaries, loss allowance on trade and non-trade receivables, allowances for inventory obsolescence, foreign exchange loss arising from revaluation of non-trade balances, impairment loss on investment in an associated company, interest expense relating to non-income producing assets, private car expenses, and non-deductible entertainment expenses incurred by certain subsidiaries.

The corporate income tax rates for the Group's subsidiaries, are calculated at the tax rates applicable in the country/region in which these subsidiaries are assessable for tax, based on existing legislation, interpretations and practices in respect thereof. The corporate income tax rates for the Group's subsidiaries which were subject to tax are as follows:

	2024 %	2023 %
Country/region of the subsidiaries:		
Singapore	17.0	17.0
China	25.0	25.0
Hong Kong	16.5	16.5
Malaysia	24.0	24.0
South Korea	19.0	19.0
Taiwan	20.0	20.0
Thailand	20.0	20.0
India	30.0	30.0
Japan	23.2	23.2

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. Income taxes (continued)

(b) Income tax recoverable

Non-current

The Group	
2024	2023
US\$'000	US\$'000
-	1,358

Income tax recoverable of US\$1,358,000 as at 31 December 2023 relating to Transfer Pricing audit on the transactions between the Group's subsidiaries in Hong Kong and China was recovered in full from the Hong Kong's Inland Revenue Department during the financial year.

(c) Current income tax liabilities

The movements in current income tax liabilities are as follows:

The Group	
2024	2023
US\$'000	US\$'000
Beginning of financial year	1,026
Income tax paid	(1,104)
Tax expense on profit [Note 9(a)]	1,050
(Over)/under provision in preceding financial years [Note 9(a)]	(452)
Currency translation differences	68
End of financial year	588

10. Earnings/(loss) per share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial years as follows:

The Group	
2024	2023
Net profit/(loss) attributable to equity holders of the Company (US\$'000)	516
Weighted average number of ordinary shares in issue for basic earnings/(loss) per share ('000)	904,842
Basic earnings/(loss) per share (US\$)	0.06 cent

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, average number of ordinary shares in issue (excluding treasury shares) is adjusted for the effects of all potential dilutive ordinary shares.

There are no potential dilutive ordinary shares during the financial years ended 31 December 2024 and 31 December 2023. Accordingly, the diluted earnings/(loss) per share are computed to be the same as the basic earnings/(loss) per share for the financial years ended 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Cash and cash equivalents

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Cash at bank and on hand	37,309	36,143	770	516
Short-term bank deposits	1,003	933	1	1
Cash and bank balances per statements of financial position	38,312	37,076	771	517
Less: Bank deposits pledged for bank facility	-	(843)	-	-
Cash and cash equivalents per consolidated statement of cash flows	38,312	36,233	771	517

- (a) As at the reporting date, the cash and cash equivalents denominated in Chinese Renminbi amounted to US\$4,789,000 (2023: US\$3,713,000). The Chinese Renminbi is not freely convertible into other currencies. However, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Chinese Renminbi for other currencies through banks authorised to conduct foreign exchange business.
- (b) As at the reporting date, short-term bank deposits matured on varying dates within seven days to twelve months (2023: one month to twelve months) from the end of the financial year with the following weighted average effective interest rates:

	The Group		The Company	
	2024 %	2023 %	2024 %	2023 %
Singapore Dollar	2.11	3.47	0.10	0.10
New Taiwan Dollar	1.50	1.20	-	-
Malaysian Ringgit	2.45	-	-	-
Chinese Renminbi	-	1.00	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. Trade and other receivables

	The Group		The Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables:				
Third parties	175,104	163,723	-	-
Subsidiaries	-	-	9,988	9,575
	175,104	163,723	9,988	9,575
Loss allowance [Note 36(b)]	(8,890)	(10,607)	(19)	(21)
Net trade receivables	166,214	153,116	9,969	9,554
Other receivables:				
Third parties	8,594	6,584	444	446
Loss allowance [Note 36(b)]	(2,248)	(2,248)	(42)	(42)
	6,346	4,336	402	404
Derivative financial instruments [Note 12(g)]	13	-	-	-
	6,359	4,336	402	404
Due from:				
Subsidiaries [Note 12(d)]	-	-	30,608	30,412
Associated companies [Note 12(e)]	2,590	3,690	292	1,790
Joint venture [Note 12(f)]	2,613	2,536	-	-
	5,203	6,226	30,900	32,202
Loss allowance [Note 36(b)]	(3,757)	(3,622)	(3,963)	(3,889)
	1,446	2,604	26,937	28,313
Net other receivables	7,805	6,940	27,339	28,717
Total	174,019	160,056	37,308	38,271

- (a) The Group has an unconditional right to consideration in exchange for goods or services that it has transferred to its customers. Accordingly, the Group has no contract asset as defined in SFRS(I) 15 and records the amount of consideration as trade receivables for its sales arrangements with the customers.

The Group generally grants a credit period that ranges from 1 to 90 days to its customers. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, whereby they will be recognised at fair value. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit loss. The details are disclosed in Note 36(b) to the financial statements.

- (b) As at the reporting date, the trade receivables include notes receivables amounting to US\$8,509,000 (2023: US\$9,407,000) which mature within six months from 31 December 2024 (2023: six months from 31 December 2023).
- (c) As at the reporting date, other receivables including amounts due from subsidiaries, associated companies and joint ventures, are considered to have low credit risk as there is no significant increase in the risk of default on the receivables since initial recognition. Details of the loss allowance of US\$6,005,000 (2023: US\$5,870,000) of the Group and US\$4,005,000 (2023: US\$3,931,000) of the Company for other receivables are disclosed in Note 36(b) to the financial statements.
- (d) As at the reporting date, the non-trade amounts due from subsidiaries are unsecured, interest-free and are repayable in cash, on demand, except for an amount of US\$5,366,000 (2023: US\$6,347,000) which bears interest at a weighted average effective rate of 7.31% (2023: 8.22%) per annum. There was a loss allowance for amounts due from subsidiaries of US\$3,963,000 (2023: US\$3,889,000), measured based on lifetime expected credit loss.
- (e) As at the reporting date, the non-trade amounts due from associated companies are unsecured, interest-free and are repayable in cash, on demand. There was a loss allowance for amounts due from associated companies of US\$1,144,000 (2023: US\$1,086,000), measured based on lifetime expected credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. Trade and other receivables (continued)

- (f) As at the reporting date, the non-trade amount due from a joint venture is repayable in cash, on demand. There was a loss allowance for amount due from joint venture of US\$2,613,000 (2023: US\$2,536,000), measured based on lifetime expected credit loss. The details of the litigation relating to the joint venture are disclosed in Note 40(b) to the financial statements.
- (g) The Group uses mainly foreign exchange forward contracts to manage exposures to currency risks arising from assets and liabilities denominated in foreign currencies.

As at the reporting date, the outstanding non-hedging derivative financial instruments comprised:

	The Group			
	2024		2023	
	Contract notional amount US\$'000	Fair value asset US\$'000	Contract notional amount US\$'000	Fair value liability US\$'000
Foreign exchange forward contracts	1,892	13	4,117	91

The contractual rates of the foreign exchange forward contracts to buy United States Dollar against the Malaysian Ringgit are 4.398 to 4.445 (2023: buy United States Dollar against the Malaysian Ringgit are 4.594 to 4.750). These foreign exchange forward contracts have maturity dates within three months (2023: six months) from the reporting date.

13. Inventories

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

During the financial year, the Group wrote back allowances for inventory obsolescence amounting to US\$4,069,000 (2023: provided allowances for inventory obsolescence of US\$ 2,199,000) (Note 5 and Note 6).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

	The Group	
	2024	2023
	US\$'000	US\$'000
Current	9,676	7,656
Non-current	20,373	12,331
	30,049	19,987
Comprised:		
Current		
Trade receivables [Note 14(a)]	9,676	7,656
Non-current		
Listed equity securities [Note 14(b)]:		
Singapore	148	299
South Korea	816	953
Taiwan	607	682
	1,571	1,934
Unlisted equity securities [Note 14(c)]:		
Singapore	368	6,024
Cayman Islands	11,736	-
	12,104	6,024
Preference shares [Note 14(d)]:		
Singapore	4,759	583
Thailand	1,925	1,925
	6,684	2,508
Convertible bonds – Singapore [Note 14(e)]	-	1,766
Derivative receivables - Singapore [Note 14(f)]	14	99
	14	1,865
	20,373	12,331
Total	30,049	19,987

- (a) The Group entered into factoring agreements with certain banks so as to obtain bank financing. Financial assets, at fair value through profit or loss are trade receivables that do not meet the criteria for measurement at either amortised cost or fair value through other comprehensive income, as the objective of the Group's business model is achieved by selling these assets. As at the reporting date, the fair value of the trade receivables amounted to US\$9,676,000 (2023: US\$7,656,000). During the financial year, changes in fair values of these financial assets, at fair value through profit or loss amounting to US\$12,000 (2023: US\$16,000) are recorded under finance expenses in the consolidated income statement.

As at the reporting date, trade receivables of US\$12,606,000 (2023: US\$15,584,000) had been transferred to the banks in accordance with the relevant non-recourse factoring agreements. Under these arrangements, the Group is not exposed to default risk of the trade receivables after the transfer, and subsequent to the transfer, the Group did not retain any rights on the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. Accordingly, these trade receivables measured at fair value through profit or loss as at 31 December 2024 and 31 December 2023, were de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. Financial assets, at fair value through profit or loss (continued)

- (b) The movements in the listed equity securities are as follows:

	The Group	
	2024 US\$'000	2023 US\$'000
Beginning of financial year	1,934	2,102
Additions	128	-
Fair value loss, net (Note 5)	(209)	(103)
Disposals	(222)	(75)
Currency translation differences	(60)	10
End of financial year	1,571	1,934

- (c) As at the reporting date, the Group has investments totalling US\$12,104,000 (2023: US\$6,024,000) in unlisted equity securities incorporated in Singapore and Cayman Islands (2023: Singapore). During the financial year, an investment in a Singapore unlisted equity security amounting to US\$5,646,000 as at 31 December 2023, was swapped at the same carrying amount to an unlisted equity security in the Cayman Islands, being its holding company pursuant to a restructuring exercise. The Group increased its investment in the Cayman Islands unlisted equity security via the conversion of a loan into equity capital amounting to US\$1,156,000. In addition, a fair value gain of US\$5,225,000 was recognised on this investment in the consolidated income statement (Note 5) during the financial year. The fair value gain was based on discounted cashflow valuation techniques performed by an independent qualified valuer [Note 37(b)].

During the financial year ended 31 December 2023, the Group recognised a net fair value gain on the investment in unlisted equity securities in Singapore and Sweden amounting to US\$146,000 in the consolidated income statement (Note 5) in which the fair value gain of US\$889,000 on the investment in unlisted equity security in Singapore was based on the recent subscription price from funds raised from new shareholders [Note 37(b)] and this was offset with the fair value loss of US\$743,000 from the derecognition on the investment in unlisted equity security in Sweden.

- (d) As at the reporting date, the Group has investments in preference shares totalling US\$6,684,000 (2023: US\$2,508,000) issued by third party entities in Singapore and Thailand (2023: Singapore and Thailand). During the financial year, the Group exercised its right to convert its convertible bonds of US\$1,766,000 to preference shares of a third party Singapore entity. The Group recognised a net fair value gain on the investments in preference shares amounting to US\$2,511,000 in the consolidated income statement (Note 5) in which the fair value gain of US\$2,712,000 on the investment in a third party Singapore entity was based on discounted cashflow valuation techniques performed by an independent qualified valuer [Note 37(b)] and this was offset with fair value losses of US\$201,000 fully recognised on the investments in two third party Singapore entities following the commencement of liquidation for these entities.
- (e) As at 31 December 2023, the Group had unsecured convertible bonds amounting to US\$1,766,000 issued by a third party Singapore entity. The bonds bore interest at the rate of 6% per annum and matured in May 2024 and August 2024. The Group had options to convert the convertible bonds to preference shares of the third party Singapore entity prior to the maturity dates in accordance with the terms and conditions of the debt instruments. During the financial year, the Group converted the convertible bonds of US\$1,766,000 to preference shares of the third party Singapore entity prior to their maturity dates [Note 14(d)].
- (f) As at the reporting date, derivative receivables relate to foreign exchange forward contracts entered for a subsidiary's non-current bank borrowings denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

15. Other current assets

	The Group		The Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Prepayments	772	2,059	341	415
Advances to suppliers	3,998	6,874	-	-
Deposits	618	1,352	-	420
	5,388	10,285	341	835

(a) The prepayments and advances to suppliers are denominated in the following currencies:

	The Group		The Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore Dollar	722	294	213	254
United States Dollar	2,108	6,193	121	154
Hong Kong Dollar	99	15	-	-
New Taiwan Dollar	826	726	-	-
Korean Won	392	113	-	-
Chinese Renminbi	549	1,401	7	7
Thailand Baht	39	172	-	-
Others	35	19	-	-
	4,770	8,933	341	415

(b) Details of the deposits are disclosed in Note 23(b) to the financial statements. The currency exposure for deposits is disclosed under "other financial assets" in Note 36(a)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Loans and other receivables

	The Company	
	2024	2023
	US\$'000	US\$'000
Loans to subsidiaries:		
Interest bearing [Note 16(a)]		
Gross amount	21,649	22,855
Loss allowance [Note 36(b)]	(567)	(485)
	21,082	22,370
Non-interest bearing [Note 16(b)]		
Gross amount	7,194	6,974
Loss allowance [Note 36(b)]	(500)	(465)
Less: Fair value adjustment to investments in subsidiaries	(345)	(330)
Add: Imputed interest recognised in Company's income statement	345	330
	6,694	6,509
Total	27,776	28,879

- (a) As at the reporting date, the weighted average effective interest rate of the interest-bearing unsecured loans to subsidiaries based on prevailing market interest rates is 7.02% (2023: 7.71%) per annum.
- (b) As at the reporting date, the non-interest-bearing unsecured loans to subsidiaries are repayable on 31 December 2026 (2023: 31 December 2025). The amounts are adjusted to be measured at fair value at the date of inception.

17. Investments in associated companies

	The Group		The Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Listed equity shares, at cost	9,492	9,514	1,413	1,217
Unlisted equity shares, at cost	1,724	1,724	-	-
	11,216	11,238	1,413	1,217
Share of post-acquisition results and reserves	(5,872)	(5,928)	-	-
Impairment loss	(2,013)	(2,013)	-	-
Currency translation differences	(579)	(483)	-	-
	2,752	2,814	1,413	1,217
Market value of listed equity shares	2,503	3,064	1,863	2,100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Investments in associated companies (continued)

(a) The details of the associated companies held by the Group and the Company are as follows:

Name of associated companies	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2024 %	2023 %
Held by the Group and Company				
(2) Bull Will Co., Ltd	Manufacturing and sale of passive electronic components and trading of electronic components	Taiwan	13.5	14.4
Held by the Group				
(1) Stars Tea & Coffee Asia Pte. Ltd.	Retail sale of beverages	Singapore	29.6	29.6
(3) PT Sentral Mitra Informatika Tbk.	Provision of managed print services and distribution of copiers and printers	Indonesia	15.9	15.9
(4) Grandpointe Acquisition LLC	Manufacturing and retail sale of organically grown health products	United States	25.5	25.5
(4) Globaltronics International Pte. Ltd.	Inactive	Singapore	45.0	45.0
Edith-United International Pte. Ltd.	Inactive	Singapore	21.0	21.0
Imperial Kitchen Catering Pte. Ltd.	Inactive	Singapore	21.0	21.0

(1) Audited by Moore Stephens LLP, Singapore.

(2) Audited by member firm of Moore Global Network Limited of which Moore Stephens LLP, Singapore is a member.

(3) Audited by Kap Krisnawan, Nugroho & Fahmy.

(4) Reviewed by Moore Stephens LLP, Singapore for the purposes of consolidation.

(b) Bull Will Co., Ltd is accounted as an associated company although the Company holds less than 20% of its equity shares and has less than 20% of the voting power in its shareholders' meeting as the Company exercises significant influence by virtue of its contractual right to appoint one director to the board of directors of Bull Will Co., Ltd. The Group continues to have board representation in the associated company.

During the financial year, the Company's equity interest in Bull Will Co., Ltd was diluted from 14.4% to 13.5% (2023: diluted from 15.1% to 14.4%) following the exercise of 1,398,500 (2023: 955,500) share options by employees of Bull Will Co., Ltd. The Group recorded a loss on dilution of US\$7,000 (2023: a loss on dilution of US\$3,000) in the consolidated income statement (Note 6).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Investments in associated companies (continued)

- (c) PT Sentral Mitra Informatika Tbk. is accounted as an associated company although the Group holds less than 20% of its equity shares and has less than 20% of the voting power in its shareholders' meeting as the Group exercises significant influence by virtue of its contractual right to appoint one director to the board of directors of PT Sentral Mitra Informatika Tbk. The Group continues to have board representation in the associated company.

During the financial year ended 31 December 2023, the Group carried out its annual impairment review for investments in associated companies. A total impairment loss of US\$717,000 (Note 6) on the investment in PT Sentral Mitra Informatika Tbk. was recognised during the financial year ended 31 December 2023 as the recoverable amount was less than its carrying amount as well as the carrying amount as at 31 December 2023 was lower than its listed market value. The recoverable amount was determined based on fair value less cost of disposal, which approximated to its adjusted net assets at the reporting date after considering relevant internal and external factors (Level 3 of fair value measurements). Based on similar impairment assessment in the current financial year, no additional impairment loss has been recognised for the investment in PT Sentral Mitra Informatika Tbk.

During the financial year ended 31 December 2023, the Company's wholly owned subsidiary, Serial System International Pte. Ltd. purchased a total of 500,000 shares in PT Sentral Mitra Informatika Tbk. for a total cash consideration of IDR63,500,000 (US\$4,000). The Group's equity interest in PT Sentral Mitra Informatika Tbk. increased from 15.8% to 15.9% following the acquisition.

- (d) The Group has not recognised losses relating to Stars Tea and Coffee Asia Pte. Ltd., Grandpointe Acquisition LLC and Globaltronics International Pte. Ltd., where its share of losses exceeded the Group's investments in these associated companies. As at the reporting date, the Group's cumulative share of unrecognised losses of Stars Tea and Coffee Asia Pte. Ltd., Grandpointe Acquisition LLC and Globaltronics International Pte. Ltd. were US\$200,000, US\$905,000 and US\$380,000 (2023: US\$114,000, US\$782,000 and US\$324,000) respectively. The Group has no obligation in respect of these unrecognised losses.
- (e) The following table summarises, in aggregate, the carrying amount, share of profit/(loss) and other comprehensive loss of the associated companies that are not individually material to the Group and accounted for using the equity method:

	The Group	
	2024	2023
	US\$'000	US\$'000
Aggregate carrying amount of investments in associated companies	2,752	2,814
Share of:		
Profit from continuing operations	75	66
Other comprehensive loss	(109)	(74)
Total comprehensive loss	(34)	(8)

18. Investment in joint venture

	The Group	
	2024	2023
	US\$'000	US\$'000
Unlisted equity shares, at cost	2,344	2,344
Share of post-acquisition results and reserves	(858)	(858)
Impairment loss	(1,487)	(1,487)
Currency translation differences	1	1
	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. Investment in joint venture (continued)

- (a) The Group has a 27.5% (2023: 27.5%) equity interest in Musang Durians Frozen Food (M) Sdn. Bhd., incorporated in Malaysia which is in the business of manufacturing, processing, trading and exporting of durian puree and durian related products. This entity remained inactive during the financial year. The details of the litigation relating to Musang Durians Frozen Food (M) Sdn. Bhd. are disclosed in Note 40(b) to the financial statements.

As at the reporting date, the Group carried out its annual impairment review. An impairment loss of US\$1,487,000 on its 27.5% equity interest in Musang Durians Frozen Food (M) Sdn. Bhd. was recognised during the financial year ended 31 December 2019. The recoverable amount was determined based on fair value less cost of disposal, which approximated its adjusted net assets at the reporting date after considering relevant internal and external factors (Level 3 of fair value measurements).

The Group has not recognised losses relating to the joint venture, Musang Durians Frozen Food (M) Sdn. Bhd. where its share of losses exceeded the Group's investment in this joint venture. As at the reporting date, the Group's cumulative share of unrecognised losses of Musang Durians Frozen Food (M) Sdn. Bhd. was US\$1,050,000 (2023: US\$1,050,000), after the share of loss of US\$Nil (2023: US\$ Nil) during the financial year. The Group has no obligation in respect of these unrecognised losses.

19. Investments in subsidiaries

	The Company	
	2024	2023
	US\$'000	US\$'000
Unlisted equity shares at cost		
Beginning of financial year	77,681	77,310
Additions	4,079	-
Accounting for financial guarantee contracts	518	371
End of financial year	82,278	77,681
Accumulated impairment losses		
Beginning and end of financial year	(18,687)	(18,687)
Net investment	63,591	58,994

- (a) Business combination

- (i) On 14 June 2024, the Company completed a reverse takeover of Serial Achieva Limited (previously known as Axington Inc. and listed on the Catalist Board of Singapore Exchange Securities Trading Limited) via a share swap of the Group's 100% equity interest in Achieva Technology Sdn. Bhd. and 49.0% equity interest in newly incorporated Achieva Digital (Thailand) Company Limited for a 77.6% equity interest in Serial Achieva Limited and its subsidiaries (collectively called "Serial Achieva group") by way of issue of 114,406,780 new ordinary shares in Serial Achieva Limited to the Company at S\$0.236 (US\$0.174) per share amounting to S\$27,000,000 (US\$19,907,000). The Group recorded a fair value accounting loss on reverse takeover of Serial Achieva group of US\$3,656,000 in the consolidated income statement (Note 6), determined using the fair value of the equity of Serial Achieva Limited of S\$0.236 (US\$0.174) per share which represents its market value at 14 June 2024, being completion date of the reverse takeover. The Group holds 77.6% effective equity interest in Serial Achieva Limited and Achieva Technology Sdn. Bhd., respectively and 38.0% effective equity interest in Achieva Digital (Thailand) Company Limited upon completion of the reverse takeover.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(a) Business combination (continued)

- (ii) During the financial year ended 31 December 2023, 85.0%-owned subsidiary, SB Global Ventures Pte. Ltd. swapped its 51.0% equity interest in subsidiary, Nokivi Pte. Ltd. and its 7.9% equity investment in financial asset, at fair value through profit or loss, Nokivi AB, for a 28.0% equity interest in Nokivi Holdings Pte. Ltd., a newly-incorporated Singapore company pursuant to a restructuring exercise. Nokivi Pte. Ltd. and Nokivi AB became wholly owned subsidiaries of Nokivi Holdings Pte. Ltd. The Group held 25.1% effective equity interest in Nokivi Holdings Pte. Ltd. and its subsidiaries (collectively called "Nokivi Holdings group") and Nokivi Holdings group became subsidiaries of the Group through management control. On 8 November 2024, the Group deregistered Nokivi AB. See Note 19(c)(i) and Note 19(c)(iii) for details on the deregistration of Nokivi AB.

There were no significant acquisition-related costs incurred by the Group for the conversion of Nokivi AB to a subsidiary of the Group. The negative goodwill of US\$35,000 arising from the conversion of Nokivi AB was computed as the shortfall of the fair value of its identifiable net assets acquired over the consideration transferred and the acquisition-date fair value of the previously-held equity interest in this entity.

Since the conversion of Nokivi AB to a subsidiary of the Group on 5 May 2023 to its date of deregistration on 8 November 2023, Nokivi AB contributed US\$9,000 and US\$285,000 to the Group's revenue and net loss after tax respectively, during the financial year ended 31 December 2023. Had the business combination taken place on 1 January 2023, there would be no changes to the consolidated revenue and net loss after tax for the financial year ended 31 December 2023.

Details of the purchase consideration, the identifiable net assets acquired and negative goodwill are as follows:

	Nokivi AB US\$'000
The Group	
2023	
Purchase consideration	–
Identified assets acquired and liabilities assumed:	
Cash and cash equivalents	169
Other receivables	1
Property, plant and equipment [Note 20]	11
Trademark [Note 22(c)]	74
Trade and other payables	(17)
Total identifiable net assets acquired	238
Less: Non-controlling interests	(176)
Less: Other reserve	(2)
Less: Fair value of previously-held equity interest in the investment	(25)
Less: Negative goodwill credited to consolidated income statement	(35)
Total consideration	–
Effect on cash flow of the Group:	
Cash and cash equivalents acquired	169
Cash inflow on acquisition	169

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(b) Additional equity interests in subsidiaries

- (i) On 22 May 2024, the Group's 91.0%-owned subsidiary, Serial Microelectronics (HK) Limited acquired the remaining 49.0% equity interest in its Hong Kong subsidiary, UniSerial Electronics Limited for a cash consideration of US\$1,154,000 which approximated its carrying amount, from the existing shareholder. The Group's effective interest in UniSerial Electronics Limited and its wholly own subsidiary, UniSerial Electronics (Shenzhen) Limited increased from 46.4% to 91.0% following the additional acquisition.
- (ii) During the financial year ended 31 December 2023, CSS Medisys Pte. Ltd. reduced its issued and paid up share capital from S\$300,000 (US\$220,000) to S\$275,000 (US\$202,000) to cancel S\$25,000 (US\$18,000) unpaid issued share capital held by its third party non-controlling interest, thereby reducing its equity interest from 25.0% to 18.2%. The Group's effective equity interest in CSS Medisys Pte. Ltd. increased from 56.3% to 61.4% following the reduction in capital.

(c) Closure of subsidiaries

- (i) During the financial year ended 31 December 2023, the Group deregistered its 25.1%-owned subsidiary, Nokivi AB and recognised a net gain on closure of US\$160,000 in the consolidated income statement (Note 5).
- (ii) During the financial year ended 31 December 2023, the Group commenced the process of deregistration of its 40.0%-owned subsidiary, Serial JTech System Pte. Ltd. and its 28.0%-owned subsidiary, Serial VendTech Pte. Ltd. (collectively called "Serial JTech group"). There was no profit or loss impact on the closure of both subsidiaries as they were dormant since their incorporation in 2022. Both subsidiaries were deregistered on 8 January 2024.
- (iii) The following table summarises the carrying amount of the major classes of identifiable assets and liabilities disposed:

	Nokivi AB US\$'000	Serial JTech group US\$'000	Total US\$'000
The Group			
2023			
Carrying amount of identifiable assets and liabilities as at the date of closure:			
Cash and cash equivalents	40	70	110
Trade and other receivables	5	-	5
Property, plant and equipment (Note 20)	6	-	6
Trademark [Note 22(c)]	61	-	61
Trade and other payables	(72)	-	(72)
Total identifiable net assets de-recognised	40	70	110
Less: Non-controlling interests	(178)	-	(178)
Less: Release of currency translation reserve	(22)	-	(22)
	(160)	70	(90)
Cash consideration received	-	(70)	(70)
Net gain on closure	(160)	-	(160)
Effect on cash flow of the Group:			
Cash consideration received	-	70	70
Less: Cash and cash equivalents disposed of	(40)	(70)	(110)
Cash outflow on closure	(40)	-	(40)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(d) Incorporation of subsidiaries

- (i) On 19 July 2024, the Group's 77.6%-owned subsidiary, Serial Achieva Limited incorporated a wholly owned Singapore subsidiary, Achieva Digital Pte. Ltd. with an issued and paid-up share capital of US\$100,000. The Group holds 77.6% effective equity interest of Achieva Digital Pte. Ltd. following the incorporation.
- (ii) On 17 September 2024, the Group's 77.6%-owned subsidiary, Serial Achieva Limited incorporated a Singapore subsidiary, Achieva Tech Allianz Pte. Ltd. with an issued and paid-up capital of S\$200,000 (US\$149,000). Serial Achieva Limited holds a 55.0% equity interest in Achieva Tech Allianz Pte. Ltd. for a cash consideration of S\$110,000 (US\$83,000). The Group holds 42.7% effective equity interest in Achieva Tech Allianz Pte. Ltd. following the incorporation.
- (iii) During the financial year ended 31 December 2023, the Group's 85.0%-owned subsidiary, SB Global Ventures Pte. Ltd. has swapped its 51.0% equity interest in Nokivi Pte. Ltd. and its 7.9% investment in Nokivi AB, for a 28.0% equity interest in a newly-incorporated Singapore company, Nokivi Holdings Pte. Ltd. Nokivi Holdings Pte. Ltd. became a 25.1%-owned subsidiary of the Group through management control. There was no change in SB Global Ventures Pte. Ltd.'s initial purchase consideration pursuant to this restructuring.

(e) Restructuring of subsidiaries

- (i) On 10 June 2024, the Company's wholly owned subsidiary, SCE Enterprise Pte. Ltd., transferred its entire 100% equity interest in Serial Multivision Pte. Ltd. to another wholly owned subsidiary, Serial System International Pte. Ltd., for a cash consideration of S\$872,000 (US\$641,000). There is no change in the Group's effective equity interest in Serial Multivision Pte. Ltd. following the internal restructuring exercise.
- (ii) On 14 June 2024, the Group's wholly owned subsidiary, Serial I-Tech (Far East) Pte. Ltd. disposed its entire 100% equity interest in Achieva Technology Sdn. Bhd. to Serial Achieva Limited for a cash consideration of S\$5,500,000 (US\$4,062,000) pursuant to a reverse takeover. On the same date, the Company swapped its 100% equity interest in Achieva Technology Sdn. Bhd. and a 49.0% equity interest in newly-incorporated Achieva Digital (Thailand) Company Limited for a 77.6% equity interest in Serial Achieva group [Note 19(a)(i)].
- (iii) On 25 July 2024, the Company's wholly owned subsidiary, SCE Enterprise Pte. Ltd., transferred its entire 75.0% equity interest in Contract Sterilization Pte Ltd and its 81.8%-owned subsidiary, CSS Medisys Pte. Ltd. (collectively "CSS group") to another wholly owned subsidiary, Serial System International Pte. Ltd., for a cash consideration of S\$2,306,000 (US\$1,708,000). There is no change in the Group's effective equity interest in CSS group following the internal restructuring exercise.
- (iv) On 5 August 2024, the Group's wholly owned subsidiary, SerialTec Pte. Ltd., transferred its entire 100.0% equity interest in SerialTec (Japan) Co., Ltd. to another wholly owned subsidiary, Serial System International Pte. Ltd., for a cash consideration of S\$1 (US\$0.74). There is no change in the Group's effective equity interest in SerialTec (Japan) Co., Ltd following the internal restructuring exercise.

(f) Impairment of subsidiaries

As at the reporting date, the Company carried out its annual impairment review and recognised accumulated impairment loss of US\$18,687,000 (2023: US\$18,687,000) in its investments in subsidiaries, based on fair value less cost of disposal, which approximated its adjusted net assets after considering relevant internal and external factors (Level 3 of fair value measurements).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2024 %	2023 %
Held by the Company				
⁽¹⁾ Serial Microelectronics Pte Ltd	Investment holding and distribution of electronic and electrical components	Singapore	100.0	100.0
⁽¹⁾ SCE Enterprise Pte. Ltd.	Investment holding and trading	Singapore	100.0	100.0
⁽¹⁾ Serial Investment Pte Ltd	Investment holding and rental of investment properties	Singapore	100.0	100.0
⁽²⁾ Serial Investment (Taiwan) Inc.	Investment holding and rental of investment properties	Taiwan	100.0	100.0
⁽¹⁾ Serial System International Pte. Ltd.	Investment holding	Singapore	100.0	100.0
⁽¹⁾ Swift-Value Business Pte. Ltd.	Distribution of printers and printer accessories	Singapore	100.0	100.0
⁽¹⁾ SSTW Technology Pte. Ltd.	Investment holding and distribution of electronic and electrical components and provision of technical support services	Singapore	100.0	100.0
⁽¹⁾ Serial Achieva Limited (formerly known as Axington Inc.)	Investment holding and provision of management services	Malaysia	77.6	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2024 %	2023 %
Held by Serial Microelectronics Pte Ltd				
⁽³⁾ Serial Microelectronics Korea Limited	Distribution of electronic and electrical components	South Korea	100.0	100.0
⁽²⁾ Serial Microelectronics Inc.	Investment holding and distribution of electronic and electrical components	Taiwan	95.5	95.5
⁽²⁾ Serial Microelectronics Sdn. Bhd.	Provision of management, marketing and administrative services	Malaysia	100.0	100.0
⁽²⁾ Serial Microelectronics India LLP	Provision of management, marketing and administrative services	India	99.9	99.9
⁽⁵⁾ Serial Electronics Investment Limited	Investment holding	British Virgin Islands	100.0	100.0
⁽¹⁾ STECH Global Trading Pte. Ltd.	Inactive	Singapore	90.0	90.0
⁽⁵⁾ PT. Serial Microelectronics Indonesia	In process of liquidation	Indonesia	99.0	99.0
Held by Serial Microelectronics Inc.				
⁽²⁾ TeamPal Enterprise Corp.	Inactive	Taiwan	95.5	95.5
Held by Serial Electronics Investment Limited				
⁽⁵⁾ XIN Holdings International Limited	Investment holding	Cayman Islands	91.0	91.0
Held by XIN Holdings International Limited				
⁽⁵⁾ Xin Capital Limited	Investment holding	British Virgin Islands	91.0	91.0
Held by Xin Capital Limited				
⁽²⁾ Serial Microelectronics (HK) Limited	Investment holding and distribution of electronic and electrical components	Hong Kong	91.0	91.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2024 %	2023 %
Held by SCE Enterprise Pte. Ltd.				
(1) Serial I-Tech (Far East) Pte. Ltd.	Investment holding and trading and distribution of information technology and consumer products	Singapore	100.0	100.0
(1) SerialTec Pte. Ltd.	Investment holding	Singapore	100.0	100.0
(1) Hydra & Thermal Pte. Ltd.	Inactive	Singapore	100.0	100.0
(5) PT. Achieva Technology Indonesia	Inactive	Indonesia	80.0	80.0
(1) Serial Multivision Pte. Ltd.	Hospitality and healthcare solutions	Singapore	-	100.0
(1) Contract Sterilization Services Pte Ltd	Investment holding and assembly and distribution of medical devices and ethylene oxide sterilization	Singapore	-	75.0
Held by Serial Investment Pte. Ltd.				
(5) Serial Investment (Korea) Limited	Investment holding	South Korea	100.0	100.0
Held by Serial System International Pte. Ltd.				
(4) Serial Factoring (Thailand) Co., Ltd.	Investment holding and provision of project financing in the form of leasing, hire purchase, factoring and loan	Thailand	49.0	49.0
(1) Print-IQ Singapore Pte. Ltd.	Provision of managed print services and supply of printers, toners and papers	Singapore	91.4	91.4
(1) SB Global Ventures Pte. Ltd.	Investment holding and distribution of medical equipment	Singapore	85.0	85.0
(1) SG Networks Pte. Ltd.	Communications and power line construction	Singapore	55.0	55.0
(2) Print IQ MPS Company Limited (formerly known as Achieva Technology (Thailand) Company Limited)	Provision of managed print services and supply of printers, toners and papers	Thailand	49.0	49.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2024 %	2023 %
Held by Serial System International Pte. Ltd. (continued)				
(1) Serial Multivision Pte. Ltd.	Hospitality and healthcare solutions	Singapore	100.0	–
(1) Contract Sterilization Services Pte Ltd	Investment holding and assembly and distribution of medical devices and ethylene oxide sterilization	Singapore	75.0	–
(2) SerialTec (Japan) Co., Ltd	Trading and distribution of information technology and consumer products	Japan	100.0	–
(1) Bast Investment Pte. Ltd.	Investment holding	Singapore	55.0	55.0
Held by SSTW Technology Pte. Ltd.				
(2) Serial Microelectronics Information Limited	Distribution of electronic and electrical components and provision of technical support services	Taiwan	100.0	100.0
Held by Serial Achieva Limited				
(2) Achieva Technology Sdn. Bhd.	Distribution and marketing of information technology, computer peripherals, parts, software and related products	Malaysia	77.6	–
(2) Achieva Digital (Thailand) Company Limited	Distribution and marketing of information technology, computer peripherals, parts, software and related products	Thailand	38.0	–
(1) Achieva Digital Pte. Ltd.	Trading and distribution of information technology products	Singapore	77.6	–
(1) Achieva Tech Allianz Pte. Ltd.	Distribution of information technology products and provision of system integration services	Singapore	42.7	–
Axington Vietnam Limited	In process of closure	Vietnam	54.3	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2024 %	2023 %
Held by SerialTec Pte. Ltd.				
(2) SerialTec (Japan) Co., Ltd	Trading and distribution of information technology and consumer products	Japan	–	100.0
Held by Serial Factoring (Thailand) Co., Ltd				
(4) Serial Consulting Co., Ltd	Provision of financial and legal consultancy services	Thailand	47.5	47.5
Held by SB Global Ventures Pte. Ltd.				
(1) URG Pte. Ltd.	Investment holding and trading and distribution of fast-moving consumer products	Singapore	59.5	59.5
(1) Nokivi Holdings Pte. Ltd.	Investment holding and provision of management services	Singapore	25.1	25.1
Serial JTech System Pte. Ltd.	Deregistered	Singapore	–	40.0
Held by Contract Sterilization Services Pte Ltd				
(1) CSS Medisys Pte. Ltd.	Manufacturing of medical disposables and surgical supplies	Singapore	61.4	61.4
Held by Bast Investment Pte. Ltd.				
(2) Bast Global Sdn. Bhd.	Investment holding	Malaysia	55.0	55.0
Held by URG Pte. Ltd.				
(2) Straitsmart Sdn. Bhd.	Inactive	Malaysia	59.5	59.5

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2024 %	2023 %
Held by Nokivi Holdings Pte. Ltd.				
(1) Nokivi Pte. Ltd.	Research and experimental development on biotechnology, life and medical science and trading and distribution of scientifically proven healthy food products	Singapore	25.1	25.1
Held by Serial JTech System Pte. Ltd.				
Serial VendTech Pte. Ltd.	Deregistered	Singapore	-	28.0
Held by Serial Microelectronics (HK) Limited				
(2) Serial Microelectronics (Shenzhen) Co., Ltd	Distribution of electronic and electrical components	China	91.0	91.0
(2) Serial Microelectronics (Beijing) Co., Ltd	Investment holding	China	91.0	91.0
(2) Newstone Technology Limited	Investment holding and marketing, promotion, sale, export and distribution of semiconductor components	Hong Kong	46.4	46.4
(2) UniSerial Electronics Limited	Investment holding and distribution of electronic and electrical components	Hong Kong	91.0	46.4
(2) Lierda Serial China Limited	Distribution of electronic and electrical components	Hong Kong	44.6	44.6
(2) Serial Design Limited	Inactive	Hong Kong	91.0	91.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Investments in subsidiaries (continued)

(g) The details of the subsidiaries held by the Group and the Company are as follows: (continued)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2024 %	2023 %
Held by Newstone Technology Limited				
⁽²⁾ Newstone Technology (Shenzhen) Company Limited	Marketing, promotion, sale, export and distribution of semiconductor components	China	46.4	46.4
Held by UniSerial Electronics Limited				
⁽²⁾ UniSerial Electronics (Shenzhen) Limited	Distribution of electronic and electrical components	China	91.0	46.4
Held by Serial I-Tech (Far East) Pte. Ltd.				
⁽²⁾ Achieva Technology Sdn. Bhd.	Distribution and marketing of information technology, computer peripherals, parts, software and related products	Malaysia	–	100.0
⁽¹⁾ Inkcarts Pte. Ltd.	Inactive	Singapore	100.0	100.0
Serial I-Tech (ME) Pte. Ltd.	Inactive	British Virgin Islands	100.0	100.0
JEL Trading (Bangladesh) Ltd	Inactive	Bangladesh	100.0	100.0

(1) Audited by Moore Stephens LLP, Singapore.

(2) Audited by member firms of Moore Global Network Limited of which Moore Stephens LLP, Singapore is a member.

(3) Audited by Samhwa Accounting Corporation, South Korea.

(4) Audited by Pitisevi Co., Ltd, Thailand.

(5) Reviewed by Moore Stephens LLP, Singapore for the purposes of consolidation. These entities are not considered significant subsidiaries pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. Property, plant and equipment

The Group	Leasehold land	Leasehold buildings	Freehold land	Freehold buildings	Renovations	Furniture and fittings	Office equipment	Other equipment	Motor vehicles	Computers	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2024											
Cost											
At 1 January	1,606	28,872	1,673	7,382	5,222	1,381	2,192	1,143	1,597	3,790	54,858
Additions	-	1,116	-	-	127	11	31	21	192	493	1,991
Disposals/write-off	-	(3,669)	-	-	(244)	(2)	(54)	(14)	(183)	(247)	(4,413)
Currency translation differences	(46)	(725)	(206)	(591)	(148)	(27)	(65)	(9)	(30)	(37)	(1,884)
At 31 December	1,560	25,594	1,467	6,791	4,957	1,363	2,104	1,141	1,576	3,999	50,552
Accumulated depreciation											
At 1 January	575	10,073	-	1,286	4,900	1,356	1,984	943	1,082	3,594	25,793
Depreciation charges (Note 6)	29	1,840	-	121	107	11	150	78	202	173	2,711
Disposals/write-off	-	(3,669)	-	-	(244)	(2)	(54)	(14)	(154)	(247)	(4,384)
Currency translation differences	(17)	(234)	-	(123)	(136)	(30)	(56)	(5)	(21)	(32)	(654)
At 31 December	587	8,010	-	1,284	4,627	1,335	2,024	1,002	1,109	3,488	23,466
Net book value											
At 31 December	973	17,584	1,467	5,507	330	28	80	139	467	511	27,086

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. Property, plant and equipment (continued)

The Group	Leasehold land US\$'000	Leasehold buildings US\$'000	Freehold land US\$'000	Freehold buildings US\$'000	Renovations US\$'000	Furniture and fittings US\$'000	Office equipment US\$'000	Other equipment US\$'000	Motor vehicles US\$'000	Computers US\$'000	Total US\$'000
2023											
Cost											
At 1 January	1,581	28,209	1,702	7,435	5,036	1,408	2,184	1,057	1,607	3,758	53,977
Acquisition of a subsidiary [Note 19(a)(ii)]	-	-	-	-	-	11	-	-	-	-	11
Additions	-	1,591	-	-	259	12	64	101	196	110	2,333
Closure of a subsidiary [Note 19(c)(iii)]	-	-	-	-	-	(8)	-	-	-	-	(8)
Disposals/write-off	-	(713)	-	-	(46)	(36)	(44)	-	(200)	(68)	(1,107)
Currency translation differences	25	(215)	(29)	(53)	(27)	(6)	(12)	(15)	(6)	(10)	(348)
At 31 December	1,606	28,872	1,673	7,382	5,222	1,381	2,192	1,143	1,597	3,790	54,858
Accumulated depreciation											
At 1 January	537	8,409	-	1,173	4,800	1,373	1,839	880	1,010	3,541	23,562
Depreciation charges (Note 6)	29	2,035	-	124	159	24	199	78	239	130	3,017
Closure of a subsidiary [Note 19(c)(iii)]	-	-	-	-	-	(2)	-	-	-	-	(2)
Disposals/write-off	-	(315)	-	-	(32)	(33)	(44)	-	(164)	(68)	(656)
Currency translation differences	9	(56)	-	(11)	(27)	(6)	(10)	(15)	(3)	(9)	(128)
At 31 December	575	10,073	-	1,286	4,900	1,356	1,984	943	1,082	3,594	25,793
Net book value											
At 31 December	1,031	18,799	1,673	6,096	322	25	208	200	515	196	29,065

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For the financial year ended 31 December 2024

20. Property, plant and equipment (continued)

The Company	Renovations US\$'000	Furniture and fittings US\$'000	Office equipment US\$'000	Other equipment US\$'000	Motor vehicles US\$'000	Computers US\$'000	Total US\$'000
2024							
Cost							
At 1 January	446	566	270	138	437	1,610	3,467
Additions	-	-	7	-	-	413	420
At 31 December	446	566	277	138	437	2,023	3,887
Accumulated depreciation							
At 1 January	427	561	263	132	223	1,592	3,198
Depreciation charges	9	1	3	6	43	72	134
At 31 December	436	562	266	138	266	1,664	3,332
Net book value							
At 31 December	10	4	11	-	171	359	555
2023							
Cost							
At 1 January	446	561	262	138	437	1,596	3,440
Additions	-	5	8	-	-	14	27
At 31 December	446	566	270	138	437	1,610	3,467
Accumulated depreciation							
At 1 January	419	559	261	121	178	1,579	3,117
Depreciation charges	8	2	2	11	45	13	81
At 31 December	427	561	263	132	223	1,592	3,198
Net book value							
At 31 December	19	5	7	6	214	18	269

- (a) As at the reporting date, there were no carrying amount of office equipment and motor vehicles held under leasing arrangement for the Group and the Company (2023: US\$Nil).

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class. During the financial year, the additions to property, plant and equipment (leasehold buildings) of the Group included US\$1,116,000 (2023: US\$1,591,000) of right-of-use assets acquired under leasing arrangement [Note 26(a)].

- (b) The Group's leasehold land and building at 8 Ubi View, Serial System Building, Singapore used by the Group and classified as property, plant and equipment, has a net carrying value amounting to US\$6,132,000 (2023: US\$6,487,000). The leasehold land and building is held as security for bank borrowings of the Company amounting to US\$5,891,000 (2023: US\$6,062,000) [Note 25(a)(i)].
- (c) The Group's freehold building in Taipei, Taiwan, used by the Group and classified as property, plant and equipment, has a net carrying value amounting to US\$2,892,000 (2023: US\$3,109,000). The freehold building is held as security for the Group's bank borrowings, invoice factoring and trust receipts totalling US\$3,264,000 (2023: bank borrowings of US\$3,751,000) [Note 25(a)(ii)]. See Note 21(a) to the financial statements for the portion of the freehold building included as investment properties.
- (d) The Group's freehold land and building in Seoul, South Korea used by the Group and classified as property, plant and equipment, has a net carrying value amounting to US\$3,411,000 (2023: US\$3,966,000). The freehold land and building is held as security for the Group's bank borrowings of US\$5,995,000 (2023: US\$4,460,000) [Note 25(a)(iii)].

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. Property, plant and equipment (continued)

- (e) The Group's freehold building in Penang, Malaysia used by the Group and classified as property, plant and equipment, has a net carrying value amounting to US\$671,000 (2023: US\$694,000). The freehold building is held as security for the Group's bank borrowings of US\$102,000 (2023: US\$155,000) [Note 25(a)(iv)].
- (f) The Group's leasehold buildings in Shenzhen and Shanghai, and Beijing (2023: Shenzhen and Shanghai and Beijing), China used by the Group and classified as property, plant and equipment, have a net carrying value amounting to US\$10,377,000 (2023: US\$11,223,000). The leasehold buildings are held as security for the Group's bank borrowings of US\$14,645,000 (2023: US\$15,133,000) [Note 25(a)(v)]. See Note 21(b) to the financial statements for the portion of the leasehold buildings in Shenzhen and Shanghai, China included as investment properties.

21. Investment properties

	The Group	
	2024 US\$'000	2023 US\$'000
Beginning of financial year	6,423	6,457
Additions	316	-
Fair value gain/(loss) (Note 5 and Note 6)	61	(1)
Currency translation differences	(337)	(33)
End of financial year	6,463	6,423

- (a) The Group's freehold building in Taipei, Taiwan which is leased to an associated company, Bull Will Co., Ltd, with a fair value of US\$4,810,000 (2023: US\$4,949,000) is held as security for the Group's bank borrowings, invoice factoring and trust receipts totalling US\$3,264,000 (2023: bank borrowings of US\$3,751,000) [Note 25(a)(ii)].
- (b) The Group's leasehold buildings in Shenzhen and Shanghai, China which are leased to third parties, with a fair value of US\$718,000 and US\$500,000 (2023: US\$805,000 and US\$560,000) respectively, are held as security for the Group's bank borrowings of US\$14,645,000 (2023: US\$15,133,000) [Note 25(a)(v)].
- (c) The Group has no restrictions on the realisability or the remittance of income and proceeds from disposal of its investment properties and no contractual obligations to construct or develop its investment properties or for repairs, maintenance or enhancements.
- (d) As at the reporting date, investment properties are carried at fair value, determined by independent professional valuers. Valuations are performed annually based on the investment properties' highest-and-best use value using the Direct Market Comparison Method and if required, with appropriate adjustments, taking into consideration, factors such as location, date of transaction and size of property (Level 2 of fair value measurements).
- (e) The following amounts in respect of the investment properties are recognised in the consolidated income statement:

	The Group	
	2024 US\$'000	2023 US\$'000
Rental income (Note 5)	135	137
Direct operating expenses on investment properties that generated rental income	(12)	(16)

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For the financial year ended 31 December 2024

22. Intangible assets

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

(a) Goodwill arising from acquisition of subsidiaries

	The Group	
	2024 US\$'000	2023 US\$'000
Cost		
Beginning of financial year	21,366	21,342
Currency translation differences	(43)	24
End of financial year	21,323	21,366
Accumulated impairment loss		
Beginning and end of financial year	18,204	18,204
Net book value	3,119	3,162

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to geographical and business segments.

A segment-level geographical summary of the goodwill allocation is presented below:

	Electronic components distribution		Other businesses		Total	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
The Group						
Hong Kong	1,656	1,656	-	-	1,656	1,656
Singapore	-	-	1,463	1,506	1,463	1,506
	1,656	1,656	1,463	1,506	3,119	3,162

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on the financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period to the fifth year were extrapolated using the estimated growth rates stated below. The forecasted growth rates are based on management's best estimates from industry research and do not exceed the long-term average growth rate for the electronic components distribution and other businesses in which the CGU operates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. Intangible assets (continued)

(a) Goodwill arising from acquisition of subsidiaries (continued)

Key assumptions used for value-in-use calculations:

	Electronic components distribution Hong Kong		Other businesses Singapore	
	2024 %	2023 %	2024 %	2023 %
Gross margin ⁽¹⁾	6.9	7.2	57.6	57.1
Growth rate ⁽²⁾	9.0	3.6	2.0	3.7
Discount rate ⁽³⁾	14.3	13.6	17.2	16.9

⁽¹⁾ Budgeted gross margin based on management's assumptions with reference to past and expected future performance.

⁽²⁾ Weighted average growth rate used to extrapolate cash flows for the second to fifth year. Thereafter, the terminal growth rate used beyond the fifth year is 1.75%.

⁽³⁾ Pre-tax discount rate applied to the pre-tax cash flow projections estimated based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital.

These assumptions were used for the analysis of each CGU. Management determined budgeted gross margin based on past performance and its expectations of the market development. The weighted average growth rates used were consistent with the forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segment.

(b) Computer software license costs

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Beginning of financial year	269	261	21	6
Additions	50	33	16	27
Write-off (Note 6)	(28)	-	-	-
Amortisation (Note 6)	(65)	(58)	(13)	(12)
Currency translation differences	(60)	33	-	-
End of financial year	166	269	24	21
Cost	3,674	3,712	2,811	2,795
Accumulated amortisation	(3,508)	(3,443)	(2,787)	(2,774)
Net book value	166	269	24	21

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. Intangible assets (continued)

(c) Trademark and know-how

	The Group	
	2024 US\$'000	2023 US\$'000
Beginning of financial year	35	-
Acquisition of a subsidiary [Note 19(a)(ii)]	-	74
Additions	-	38
Closure of a subsidiary [Note 19(c)(iii)]	-	(61)
Amortisation (Note 6)	(4)	(16)
Currency translation differences	(2)	-
End of financial year	29	35
Cost	49	51
Accumulated amortisation	(20)	(16)
Net book value	29	35

(d) Distribution rights

	The Group	
	2024 US\$'000	2023 US\$'000
Cost		
Accumulated amortisation	11,233	11,233
Net book value	(11,233)	(11,233)
	-	-

23. Other assets

	The Group	
	2024 US\$'000	2023 US\$'000
Club memberships	104	118
Deposits	858	534
	962	652

(a) The club memberships are denominated in Korean Won.

(b) Deposits disclosed in Note 15 and Note 23 relate mainly to refundable deposits placed for the rental of office units for certain subsidiaries and deposits placed with a financial institution [Note 25(a)(vi)]. These deposits are refundable upon termination of the tenancy agreements and full repayment of the loan facility. The Group does not anticipate the carrying amount of the deposits to be significantly different from the value that would eventually be refunded. The currency exposure for deposits is disclosed under "other financial assets" in Note 36(a)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24. Trade and other payables

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Current				
Trade payables - third parties	84,162	45,682	-	-
Other payables and accrued operating expenses	15,654	15,874	817	1,001
Contract liabilities [Note 24(a)]	3,611	8,183	-	-
Derivative financial instruments [Note 12(g)]	-	91	-	-
Due to subsidiaries [Note 24(b)]	-	-	8,275	6,719
Due to an associated company [Note 24(c)]	1,013	1,013	1,013	1,013
Financial guarantee contracts	-	-	514	593
Total	104,440	70,843	10,619	9,326

	The Company	
	2024 US\$'000	2023 US\$'000
Non-current		
Due to subsidiaries [Note 24(d)]	14,364	14,712
Total	14,364	14,712

- (a) Contract liabilities relate to the Group's obligation to transfer goods/render services to customers for which the Group has received consideration. Contract liabilities are recognised as revenue as the Group performs under the contracts.

The significant changes in the contract liabilities during the financial year are as follows:

	The Group	
	2024 US\$'000	2023 US\$'000
Revenue recognised	8,183	9,834
Increase due to cash received, excluding amounts recognised as revenue	(3,611)	(8,183)

The Group expects to recognise US\$3,611,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2024 during the financial year ending 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24. Trade and other payables (continued)

- (b) As at the reporting date, the amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and are repayable in cash, on demand, except for amounts of US\$671,000 (2023: US\$3,836,000) which bear interest at a weighted average effective rate of 7.31% (2023: 7.53%) per annum.
- (c) As at the reporting date, the amount due to an associated company is non-trade in nature, unsecured, repayable in cash, on demand, and bears interest at 7.5% (2023: 7.5%) per annum.
- (d) As at the reporting date, the amounts due to subsidiaries are non-trade in nature, unsecured, repayable in cash on 31 December 2026 (2023: 31 December 2025) and bear interest at a weighted average effective rate of 7.02% (2023: 7.53%) per annum.

25. Borrowings

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Current				
Bank borrowings	39,135	34,245	5,891	525
Invoice factoring	38,069	44,560	-	-
Trust receipts	83,611	94,765	-	-
Lease liabilities	914	1,093	-	-
Other borrowings	7,197	7,626	3,682	3,789
	168,926	182,289	9,573	4,314
Non-current				
Bank borrowings	1,795	10,644	-	6,062
Lease liabilities	1,182	1,048	-	-
Other borrowings	51	296	-	-
	3,028	11,988	-	6,062
Total	171,954	194,277	9,573	10,376

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. Borrowings (continued)

(a) Security /corporate guarantee granted

- (i) As at the reporting date, the balance of a term loan re-financed to be payable on 31 May 2025 by the Company amounting to US\$5,891,000 (2023: US\$6,062,000) included in current borrowings (2023: non-current borrowings) of the Group and the Company is secured by the following:
 - a first legal mortgage of the leasehold land and building at 8 Ubi View, Serial System Building, Singapore ("Mortgaged Property") [Note 20(b)];
 - 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) As at the reporting date, bank borrowings amounting to US\$2,711,000 (2023:US\$3,751,000), included in current borrowings of US\$1,537,000 (2023: US\$2,227,000) and non-current borrowings of US\$1,174,000 (2023: US\$1,524,000), due by a wholly owned subsidiary, Serial Investment (Taiwan) Inc. is secured by a first legal mortgage of the freehold building [Note 20(c) and Note 21(a)]. The freehold building was additionally secured for invoice factoring and trust receipts of the Group amounting to US\$213,000 (2023: US\$Nil) and US\$340,000 (2023: US\$Nil) respectively [Note 25(a)(viii) and Note 25(a)(ix)].
- (iii) As at the reporting date, bank borrowings amounting to US\$5,995,000 (2023: US\$4,460,000) included in current borrowings, due by a wholly owned subsidiary, Serial Microelectronics Korea Limited for working capital, are secured by a first legal mortgage of the freehold land and building [Note 20(d)]. An amount of US\$2,585,000 (2023: US\$1,512,000) is additionally obtained with corporate guarantee of the Company.
- (iv) As at the reporting date, the balance of a MYR2,247,000 (US\$504,000) (2023: US\$490,000) ten-year term loan drawn down by a wholly owned subsidiary, Serial Microelectronics Sdn. Bhd. to partially finance the acquisition of a freehold building amounting to US\$102,000 (2023: US\$155,000) included in current borrowings of US\$58,000 (2023: US\$56,000) and non-current borrowings of US\$44,000 (2023: US\$99,000) is secured by a first legal mortgage of the freehold building [Note 20(e)].
- (v) As at the reporting date, bank borrowings amounting to US\$14,645,000 (2023: US\$15,133,000) included in current borrowings, due by a 91.0%-owned subsidiary, Serial Microelectronics (Shenzhen) Co., Ltd for working capital, are secured by a first legal mortgage of the Shenzhen, Shanghai and Beijing, China's leasehold buildings [Note 20(f) and Note 21(b)].
- (vi) As at the reporting date, bank borrowings amounting to US\$1,580,000 (2023: US\$1,875,000), included in current borrowings of US\$1,191,000 of the Group and US\$Nil of the Company (2023: US\$980,000 of the Group and US\$525,000 of the Company) and non-current borrowings of US\$389,000 (2023: US\$ 895,000) of the Group are secured by cash security deposits (non-current other assets) of US\$642,000 (2023: US\$778,000) placed with the financial institution [Note 23(b)].
- (vii) As at the reporting date, other than as disclosed in Note 25(a)(i)-(vi) above, bank borrowings amounting to US\$9,326,000 (2023: US\$11,670,000), included in current borrowings of US\$9,138,000 (2023: US\$10,209,000) and non-current borrowings of US\$188,000 (2023: US\$1,461,000) of the Group are obtained with corporate guarantees of the Company and certain subsidiaries of the Group. The remaining bank borrowings amounting to US\$680,000 (2023: US\$1,783,000), included in current borrowings of US\$680,000 (2023: current borrowings of US\$1,180,000 and non-current borrowings of US\$603,000) are unsecured.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. Borrowings (continued)

- (viii) As at the reporting date, invoice factoring amounting to US\$37,856,000 (2023: US\$44,560,000) of the Group are obtained with corporate guarantees of the Company. An amount of US\$213,000 (2023: US\$Nil) was secured by a freehold building [Note 25(a)(ii)].
- (ix) As at the reporting date, trust receipts amounting to US\$81,003,000 (2023: US\$92,414,000) of the Group are obtained with corporate guarantees of the Company and certain subsidiaries of the Group. An amount of US\$340,000 (2023: US\$Nil) was secured by a freehold building [Note 25(a)(ii)]. The remaining trust receipts of US\$2,268,000 (2023: US\$2,351,000) are unsecured.

The Group has a supplier financing arrangement with a number of key suppliers. Under this arrangement, once a supplier is enrolled, the banks agree to make immediate upfront payments to the supplier on due date, upon receiving the necessary supporting documents from the Group. The Group then repays the banks at a later date when the trust receipts are due for payment, enabling the suppliers to receive timely payments while allowing the Group to manage its cash flows effectively. As at the reporting date, the trust receipts amounting to US\$83,611,000 (2023: US\$94,765,000) of the Group have already been paid to suppliers by the banks. The Group is no longer able to pay those suppliers directly.

The range of payment term for the Group's trade payables that are yet to subject to supplier financing arrangement is 30-60 days (2023: 30-60 days). The payment term of trade payables under the supplier financing arrangement is 90-120 days (2023: 90-120 days). In the consolidated statement of cash flows, payments made by the Group to the banks are included in cash flows used in financing activities.

- (x) As at the reporting date, lease liabilities amounting to US\$Nil (2023: US\$Nil) of the Company and US\$Nil (2023: US\$7,000) of the Group are secured on office equipment and motor vehicles, which have been acquired under leasing arrangement [Note 20(a)].
- (xi) As at the reporting date, current other borrowings of US\$7,197,000 (2023: US\$7,626,000) of the Group and US\$3,682,000 (2023: US\$3,789,000) of the Company and non-current other borrowings of US\$51,000 (2023: US\$296,000) of the Group are unsecured.

(b) Maturity of borrowings

As at the reporting date, the maturity of the borrowings is as follows:

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Within one year	168,926	182,289	9,573	4,314
Between one and five years	3,028	11,556	-	6,062
Over five years	-	432	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. Borrowings (continued)

(c) Interest rate risk

As at the reporting date, the weighted average effective interest rates of the borrowings are as follows:

	United States Dollar	Singapore Dollar	New Taiwan Dollar	Korean Won	Malaysian Ringgit	Thailand Baht	Chinese Renminbi
	%	%	%	%	%	%	%
The Group							
2024							
Bank borrowings	6.63	4.78	2.83	4.73	5.20	–	3.93
Invoice factoring	6.49	–	–	–	–	–	–
Trust receipts	6.64	–	2.84	5.04	–	–	–
Lease liabilities	–	–	–	–	–	–	–
Other borrowings	8.00	5.00	–	–	–	7.00	7.00
2023							
Bank borrowings	7.53	4.89	2.64	5.74	5.20	–	3.73
Invoice factoring	5.66	–	–	–	–	–	–
Trust receipts	7.53	6.05	2.69	–	–	–	–
Lease liabilities	–	2.93	–	–	–	–	–
Other borrowings	4.69	5.00	–	–	–	7.00	7.20
The Company							
	United States Dollar	Singapore Dollar	United States Dollar	Singapore Dollar			
	2024	2024	2023	2023			
	%	%	%	%			
Bank borrowings	–	4.89	7.42	5.56			
Other borrowing	–	5.00	–	5.00			

(d) Carrying amount and fair value

As at the reporting date, the carrying amount of current borrowings approximates its fair value.

The fair value of non-current borrowings is as follows:

	Carrying amount		Fair value	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
The Group	3,028	11,988	2,880	10,755
The Company	–	6,062	–	5,566

The fair value is determined from discounted cash flow analysis at the borrowing rates which the management expects to be available to the Group and the Company at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. Borrowings (continued)

(e) Loan compliance

The Group regularly monitors its compliance with the covenants and is up to date with the scheduled repayments of the borrowings. As at the reporting date, the Group complied with covenants entered with various banks, except for certain banks, which have the right to call for the immediate repayment of the outstanding borrowings of US\$7,586,000 (2023: US\$10,335,000), included in current borrowings. The Group obtained waivers from compliance from certain banks subsequent to the reporting date. As at the date of this report, the borrowings of US\$7,586,000 have been fully repaid. The Group's subsidiaries have been servicing the repayment of the borrowings and its interests as and when they fall due and the utilisation of the borrowing facilities continues as usual as at the date of this report.

(f) Changes in liabilities arising from financing activities

The Group	Bank borrowings US\$'000	Invoice factoring US\$'000	Trust receipts US\$'000	Lease liabilities US\$'000	Other borrowings US\$'000	Total US\$'000
2024						
At 1 January	44,889	44,560	94,765	2,141	7,922	194,277
Proceeds	152,005	148,970	445,296	-	23,786	770,057
Repayment	(154,535)	(155,481)	(456,352)	(1,309)	(24,234)	(791,911)
Non-cash changes:						
Additions	-	-	-	1,116	-	1,116
Interest expense	-	-	-	145	-	145
Currency translation differences	(1,429)	20	(98)	3	(226)	(1,730)
At 31 December	40,930	38,069	83,611	2,096	7,248	171,954
2023						
At 1 January	49,080	47,796	100,180	2,410	4,717	204,183
Proceeds	45,437	179,335	463,339	-	11,503	699,614
Repayment	(49,403)	(182,409)	(468,633)	(1,570)	(8,364)	(710,379)
Non-cash changes:						
Additions	-	-	-	717	-	717
Interest expense	-	-	-	120	-	120
Currency translation differences	(225)	(162)	(121)	464	66	22
At 31 December	44,889	44,560	94,765	2,141	7,922	194,277

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For the financial year ended 31 December 2024

26. Lease liabilities

(a) The Group as a lessee

The Group has made periodic lease payments for leasehold buildings for the purpose of office and warehouse usage. These are recognised within property, plant and equipment (Note 20). The lease liabilities of the Group are disclosed in Note 25.

The carrying amount of right-of-use assets classified within property, plant and equipment is as follows:

	The Group	
	2024	2023
	US\$'000	US\$'000
Leasehold buildings	2,048	2,120

Additions of right-of-use assets classified within property, plant and equipment (leasehold buildings) during the financial year are US\$1,116,000 (2023: US\$1,591,000) [Note 20(a)].

Depreciation charges on right-of-use assets classified within property, plant and equipment during the financial year are as follows:

	The Group	
	2024	2023
	US\$'000	US\$'000
Leasehold buildings	1,524	1,733
Office equipment and motor vehicles	-	9

Amounts recognised in the consolidated income statement and consolidated statement of cash flows are as follows:

	The Group	
	2024	2023
	US\$'000	US\$'000
Interest expense on lease liabilities (Note 8)	145	129
Rental expense – short term leases (Note 6)	1,717	1,779
Total cash outflows for leases (exclude short-term leases)	1,309	1,570

(b) The Group as a lessor

The Group has leased out its freehold building in Taipei, Taiwan to an associated company, Bull Will Co., Ltd and leasehold buildings in Shenzhen and Shanghai, China to third parties. Undiscounted lease payments from the operating leases to be received after the reporting date are disclosed in Note 35(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. Defined benefit plans liabilities

The Group has defined benefit pension plans for certain subsidiaries which require contributions to be made to separately administered funds. The Group provides employees with a minimum severance lump sum benefit equivalent to one month salary for each year of service upon termination for any reason. It is permissible under the current severance pay system for the employer to cash out in whole or in part of the accrued severance benefits to employees who remain in service. The Group funds the employee benefits by setting aside external funds via insurance policies ("plan assets").

- (a) The amounts recognised in the statements of financial position are determined as follows:

	The Group	
	2024	2023
	US\$'000	US\$'000
Present value of defined benefit obligations	1,253	1,362
Fair value of plan assets	(1,043)	(1,066)
	210	296

- (b) Changes in present value of defined benefit obligations are as follows:

	The Group	
	2024	2023
	US\$'000	US\$'000
Beginning of financial year	1,362	1,205
Interest costs – charged to consolidated income statement	35	36
Current service costs – charged to consolidated income statement (Note 7)	656	391
Remeasurement (gain)/loss arising from changes in:		
- demographic assumptions	(24)	12
- financial assumptions	(46)	62
Benefits paid	(411)	(134)
Currency translation differences	(319)	(210)
End of financial year	1,253	1,362

- (c) Changes in fair value of plan assets are as follows:

	The Group	
	2024	2023
	US\$'000	US\$'000
Beginning of financial year	1,066	1,005
Interest income – credited to consolidated income statement	12	11
Remeasurement losses – return on plan assets	(12)	(7)
Contribution by the Group	224	208
Benefits paid	(411)	(134)
Currency translation differences	164	(17)
End of financial year	1,043	1,066

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. Defined benefit plans liabilities (continued)

- (d) Independent actuarial valuation of the defined benefit plans liabilities was performed and the principal actuarial assumptions used in the actuarial valuation are as follows:

	The Group	
	2024	2023
	%	%
Discount rate	2.8 - 3.0	2.5 - 3.2
Future salary increases	3.5 - 5.0	4.0 - 5.0

- (e) The sensitivity analysis determined based on reasonably possible changes of each significant assumption by 0.25% (2023: 0.25%) on the defined benefit plans liabilities is as follows:

	The Group	
	Defined benefit plans liabilities Increase/(Decrease)	
	2024	2023
	US\$'000	US\$'000
Discount rate		
- increase	(35)	(30)
- decrease	37	46
Future salary		
- increase	41	50
- decrease	(39)	(38)

The methods and types of assumptions used in preparing the sensitivity analysis during the financial year did not change as compared to the financial year ended 31 December 2023.

- (f) The Group expects to contribute US\$210,000 to the defined benefit plans in 2025 (2023: US\$235,000 in 2024).
- (g) As at the reporting date, the average duration of the defined benefit obligation is 6 years (2023: 5.5 years) for the defined benefit plans liabilities.

28. Deferred income taxes

- (a) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group		The Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
(Recovered)/settled after one year				
Deferred income tax assets	(1,524)	(1,709)	-	-
Deferred income tax liabilities	1,547	1,203	864	543
	23	(506)	864	543

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28. Deferred income taxes (continued)

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Beginning of financial year	(506)	361	543	600
Tax charged/(credited) to consolidated income statement [Note 9(a)]	283	(533)	321	(57)
Under/(over) provision in preceding financial years [Note 9(a)]	160	(309)	-	-
Currency translation differences	86	(25)	-	-
End of financial year	23	(506)	864	543

- (b) Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at the reporting date, the Group has the following unrecognised tax losses and capital allowances which can be carried forward and used to offset against future taxable profits, subject to meeting certain statutory requirements by those entities with unrecognised tax losses and capital allowances in their respective countries of incorporation as follows:

	The Group	
	2024 US\$'000	2023 US\$'000
Tax losses	53,128	53,441
Capital allowances	2,077	2,644
	55,205	56,085

The tax losses and capital allowances that are available for offset against future taxable profits, are subject to the agreement of the relevant tax authorities and compliance with the relevant tax provisions. The deferred income tax assets arising from these tax losses and capital allowances have not been recognised because it is not probable that future taxable profits will be available against which the entities can utilise.

As at the reporting date, included in the tax losses was US\$3,208,000 (2023: US\$3,536,000) arising in China that will expire in one to five years after 31 December 2024 (2023: one to five years after 31 December 2023).

- (c) As at the reporting date, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries of the Group for which no deferred income tax liability has been recognised amounted to US\$16,844,000 (2023: US\$16,737,000) based on the Group's policy as stated in Note 2.6 to the financial statements. The deferred income tax liability not recognised is estimated to be US\$1,820,000 (2023: US\$1,835,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28. Deferred income taxes (continued)

- (d) The movements in the deferred income tax assets and liabilities prior to offsetting of balances within the same tax jurisdiction during the financial year are as follows:

Deferred income tax assets

The Group

Beginning of financial year
Credited to consolidated income statement
Over/(under) provision in preceding financial years
Currency translation differences
End of financial year

Provisions	
2024	2023
US\$'000	US\$'000
(1,709)	(871)
(72)	(509)
160	(309)
97	(20)
(1,524)	(1,709)

Deferred income tax liabilities

The Group

2024

Beginning of financial year
Charged to consolidated income statement
Currency translation differences
End of financial year

Investment properties	Others	Total
US\$'000	US\$'000	US\$'000
307	896	1,203
33	322	355
-	(11)	(11)
340	1,207	1,547

2023

Beginning of financial year
Charged/(credited) to consolidated income statement
Currency translation differences
End of financial year

299	933	1,232
8	(32)	(24)
-	(5)	(5)
307	896	1,203

The Company

2024

Beginning of financial year
Charged to income statement
End of financial year

-	543	543
-	321	321
-	864	864

2023

Beginning of financial year
Credited to income statement
End of financial year

-	600	600
-	(57)	(57)
-	543	543

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29. Share capital and treasury shares

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

- (a) All issued ordinary shares are fully paid and do not have a par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

- (b) Share options

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

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

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

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

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

For incentive share options, share options are granted at a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price. Shareholders of the Company have authorised, in a separate resolution, the making of offers and grants of such share options under the 2024 Share Option Scheme at a discount not exceeding the maximum discount of 20% of the Market Price at the annual general meeting held on 30 April 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29. Share capital and treasury shares (continued)

(b) Share options (continued)

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

No share options were granted during the financial years ended 31 December 2024 and 31 December 2023.

30. Reserves

The Company

2024

At 1 January 2024 and 31 December 2024

Capital
reserve
US\$'000

518

2023

At 1 January 2023 and 31 December 2023

518

The movements in the reserves for the Group are set out in the Consolidated Statement of Changes in Equity.

(a) Capital reserve

Capital reserve represents share of capital reserve of associated companies of the Group and the Company's repurchase of its ordinary shares in the open market in preceding financial years.

(b) Defined benefit plans reserve

Defined benefit plans reserve represents movements in the net defined benefit plans liabilities or assets resulting from remeasurements at each reporting date.

(c) Fair value reserve

Fair value reserve represents the cumulative fair value changes of financial assets, at fair value through other comprehensive income

(d) Revaluation reserve

Revaluation reserve represents increases in the fair value of investment properties, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(e) Other reserve

Other reserve represents the equity recognised on differences between the amount by which the non-controlling interests are adjusted and the fair value of any consideration paid or received, and attributes to the Group when the proportion of the equity held by non-controlling interests changes.

31. Currency translation reserve

The movements in the currency translation reserve for the Group are set out in the Consolidated Statement of Changes in Equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Retained earnings

- (a) As at the reporting date, included in the Group's retained earnings of US\$50,077,000 (2023: US\$49,561,000) are legal reserves amounting to US\$1,028,000 (2023: US\$1,072,000) which are set aside in compliance with local laws of certain overseas subsidiaries and are non-distributable. These legal reserves can only be used upon approval by the relevant authorities, to offset accumulated losses (if any) or increase capital.
- (b) The movements in the retained earnings for the Company are as follows:

	The Company	
	2024	2023
	US\$'000	US\$'000
Beginning of financial year	20,950	20,009
Total profit	2,313	941
End of financial year	23,263	20,950

The movements in the retained earnings for the Group are set out in the Consolidated Statement of Changes in Equity.

33. Non-controlling interests

	The Group	
	2024	2023
	US\$'000	US\$'000
Beginning of financial year	7,098	9,650
Share of results of subsidiaries	(820)	(2,495)
Share of currency translation differences	432	300
	(388)	(2,195)
Acquisition of additional interests in subsidiaries from non-controlling interest [Note 33(a)]	(1,226)	-
Investments in subsidiaries by non-controlling interests [Note 33(b), Note 33(d) and Note 33(e)]	80	176
Fair value accounting for investment in subsidiaries by non-controlling interests [Note 33(c)]	1,128	-
Dividend paid to non-controlling interests	(601)	(346)
Reduction in share capital of a subsidiary [Note 33(f)]	-	(9)
Closure of a subsidiary [Note 33(g)]	-	(178)
End of financial year	6,091	7,098

- (a) On 22 May 2024, the Group increased its equity interest in UniSerial Electronics Limited from 51.0% to 100.0% by acquiring the remaining 49.0% equity interest from the non-controlling interest for a cash consideration of US\$1,154,000. The difference between the fair value of the consideration and non-controlling interest's adjustments amounting to US\$72,000 was recorded in "other reserve" in the statements of financial position [Note 19(b)(i)].
- (b) On 14 June 2024, the non-controlling interest subscribed for a 51.0% equity interest in Achieva Digital (Thailand) Company Limited, a newly-incorporated Thailand company for a cash consideration of US\$14,000 [Note 19(a)(i)].
- (c) On 14 June 2024, the Company undertook a reverse takeover via a share swap of the Group's 100% equity interest in Achieva Technology Sdn. Bhd. and 49.0% equity interest in Achieva Digital (Thailand) Company Limited for a 77.6% equity interest in Serial Achieva Limited. The non-controlling interests hold 22.4% in Serial Achieva Limited [Note 19(a)(i)].

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For the financial year ended 31 December 2024

33. Non-controlling interests (continued)

- (d) On 17 September 2024, the non-controlling interest subscribed for a 45.0% equity interest in Achieva Tech Allianz Pte Ltd, a newly-incorporated Singapore company for a cash consideration of S\$90,000 (US\$66,000) [Note 19(d)(ii)].
- (e) During the financial year ended 31 December 2023, the non-controlling interests subscribed for 72.0% equity interest in Nokivi Holdings Pte. Ltd., a newly incorporated Singapore company pursuant to a restructuring exercise via shares swap of their equity interests in Nokivi Pte. Ltd. and Nokivi AB. [Note 19(a)(ii)].
- (f) During the financial year ended 31 December 2023, CSS Medisys Pte. Ltd. reduced its issued and paid up share capital from S\$300,000 (US\$220,000) to S\$275,000 (US\$202,000) to cancel S\$25,000 (US\$18,000) unpaid issued share capital held by the non-controlling interest, thereby reducing its equity interest from 25.0% to 18.2% [Note 19(b)(ii)].
- (g) During the financial year ended 31 December 2023, the Group deregistered its 25.1%-owned subsidiary, Nokivi AB. The non-controlling interests held 74.9% in Nokivi AB [Note 19(c)(i) and Note 19(c)(iii)].

34. Dividends

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

35. Contingencies and commitments

- (a) Guarantees

	The Group		The Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Unsecured guarantees provided by the Company for/to:				
- banking facilities of subsidiaries	-	-	131,429	128,422
- suppliers of subsidiaries	-	-	21,231	11,648
Unsecured bank guarantees provided by the subsidiaries to suppliers of subsidiaries	148	207	-	-
	148	207	152,660	140,070

- (b) Operating lease commitments - where the Group is a lessor

The Group leases out certain investment properties to an associated company and third parties under non-cancellable operating leases [Note 26(b)]. These leases have varying terms and renewal rights but no purchase options clauses.

As at the reporting date, undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	The Group	
	2024	2023
	US\$'000	US\$'000
Within one year	140	140

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management

The Group's activities expose it to a variety of market risks (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The directors of the Company provide guidelines for overall risk management. Management reviews and agrees on policies for managing the various financial risks.

Financial assets and financial liabilities

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Financial assets at amortised cost:				
Cash and bank balances	38,312	37,076	771	517
Trade and other receivables, loans and other receivables	174,019	160,056	65,084	67,150
Deposits	1,476	1,886	–	420
	213,807	199,018	65,855	68,087
Financial liabilities at amortised cost:				
Borrowings	171,954	194,277	9,573	10,376
Trade and other payables	104,440	70,843	24,983	24,038
	276,394	265,120	34,556	34,414

(a) Market risk

(i) Currency risk

Currency risk arises from transactions denominated in currencies other than the respective functional currencies of the entities in the Group.

The Group's businesses conduct the majority of their sale and purchase transactions in the same currency, mainly United States Dollar (US\$). The Group monitors its foreign currency exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases.

In addition, the Group operates internationally and is exposed to currency translation risk arising from various currency exposures, primarily with respect to the Singapore Dollar (S\$), Korean Won (KRW), Hong Kong Dollar (HK\$), Chinese Renminbi (RMB), New Taiwan Dollar (NT\$), Malaysian Ringgit (MYR), Thailand Baht (THB) and Japanese Yen (JPY). Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investments in foreign operations are denominated in a currency that is not the entity's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

- (a) Market risk (continued)
- (i) Currency risk (continued)

The Group's currency exposure is as follows:

	United States Dollar	Singapore Dollar	Korean Won	Hong Kong Dollar	Chinese Renminbi	New Taiwan Dollar	Malaysian Ringgit	Thailand Baht	Japanese Yen	Others	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group											
2024											
Financial assets:											
Cash and cash equivalents and financial assets, at fair value through profit or loss	47,164	7,408	1,002	534	4,789	2,405	2,104	2,549	235	171	68,361
Trade and other receivables	97,468	2,094	6,146	1	33,621	2,070	6,068	23,400	1,994	1,157	174,019
Other financial assets	44	205	217	48	84	742	66	20	34	16	1,476
	144,676	9,707	7,365	583	38,494	5,217	8,238	25,969	2,263	1,344	243,856
Financial liabilities:											
Borrowings	(109,154)	(15,222)	(6,676)	(2,998)	(19,282)	(12,420)	(6,100)	(54)	(39)	(9)	(171,954)
Trade and other payables	(57,438)	(3,605)	(479)	(17)	(13,102)	(2,400)	(25,097)	(1,259)	(707)	(336)	(104,440)
	(166,592)	(18,827)	(7,155)	(3,015)	(32,384)	(14,820)	(31,197)	(1,313)	(746)	(345)	(276,394)
Net financial assets/(liabilities)	(21,916)	(9,120)	210	(2,432)	6,110	(9,603)	(22,959)	24,656	1,517	999	(32,538)
Add/Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(9,860)	(1,191)	690	3,143	(74,509)	9,756	23,887	(15,709)	(1,470)	137	(65,126)
Currency exposure	(31,776)	(10,311)	900	711	(68,399)	153	928	8,947	47	1,136	(97,664)

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For the financial year ended 31 December 2024

36. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows: (continued)

	United States Dollar US\$'000	Singapore Dollar US\$'000	Korean Won US\$'000	Hong Kong Dollar US\$'000	Chinese Renminbi US\$'000	New Taiwan Dollar US\$'000	Malaysian Ringgit US\$'000	Thailand Baht US\$'000	Japanese Yen US\$'000	Others US\$'000	Total US\$'000
The Group											
2023											
Financial assets:											
Cash and cash equivalents and financial assets, at fair value through profit or loss	34,707	9,962	1,370	1,025	3,732	1,939	913	3,003	74	338	57,063
Trade and other receivables	70,978	4,220	8,651	1,012	43,574	2,430	7,297	19,036	2,016	842	160,056
Other financial assets	464	372	179	92	175	466	63	23	37	15	1,886
	106,149	14,554	10,200	2,129	47,481	4,835	8,273	22,062	2,127	1,195	219,005
Financial liabilities:											
Borrowings	(128,228)	(17,473)	(6,244)	(3,001)	(20,509)	(13,242)	(5,271)	(146)	(3)	(160)	(194,277)
Trade and other payables	(36,064)	(4,948)	(567)	(420)	(11,362)	(3,989)	(11,790)	(1,018)	(413)	(272)	(70,843)
	(164,292)	(22,421)	(6,811)	(3,421)	(31,871)	(17,231)	(17,061)	(1,164)	(416)	(432)	(265,120)
Net financial assets/(liabilities)	(58,143)	(7,867)	3,389	(1,292)	15,610	(12,396)	(8,788)	20,898	1,711	763	(46,115)
Add/Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(12,588)	(6,119)	(2,285)	2,812	(90,018)	12,408	9,674	(9,534)	(1,743)	(48)	(97,441)
Currency exposure	(70,731)	(13,986)	1,104	1,520	(74,408)	12	886	11,364	(32)	715	(143,556)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure is as follows:

	United States Dollar	Singapore Dollar	Hong Kong Dollar	Thailand Baht	New Taiwan Dollar	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Company						
2024						
Financial assets:						
Cash and cash equivalents	368	316	-	1	86	771
Trade and other receivables	26,228	7,902	-	3,178	-	37,308
Loans and other receivables	16,409	4,186	1,283	5,898	-	27,776
	43,005	12,404	1,283	9,077	86	65,855
Financial liabilities:						
Borrowings	-	(9,573)	-	-	-	(9,573)
Trade and other payables	(14,165)	(10,818)	-	-	-	(24,983)
	(14,165)	(20,391)	-	-	-	(34,556)
Net financial assets/(liabilities)	28,840	(7,987)	1,283	9,077	86	31,299
Less: Net financial assets denominated in the Company's functional currency	(28,840)	-	-	-	-	(28,840)
Currency exposure	-	(7,987)	1,283	9,077	86	2,459
2023						
Financial assets:						
Cash and cash equivalents	240	198	-	1	78	517
Trade and other receivables	28,372	7,078	-	2,821	-	38,271
Loans and other receivables	17,375	4,627	932	5,945	-	28,879
Other financial assets	420	-	-	-	-	420
	46,407	11,903	932	8,767	78	68,087
Financial liabilities:						
Borrowings	(525)	(9,851)	-	-	-	(10,376)
Trade and other payables	(10,984)	(13,054)	-	-	-	(24,038)
	(11,509)	(22,905)	-	-	-	(34,414)
Net financial assets/(liabilities)	34,898	(11,002)	932	8,767	78	33,673
Less: Net financial assets denominated in the Company's functional currency	(34,898)	-	-	-	-	(34,898)
Currency exposure	-	(11,002)	932	8,767	78	(1,225)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the foreign currencies strengthen/weaken against the United States Dollar by the following percentages:

	The Group	
	2024 %	2023 %
Singapore Dollar	5	5
Korean Won	5	5
Hong Kong Dollar	1	1
Chinese Renminbi	5	5
New Taiwan Dollar	5	5
Malaysian Ringgit	10	10
Thailand Baht	10	10
Japanese Yen	5	5

with all other variables including the tax rate being held constant, the effects arising from the net financial asset/(liability) position will be as follows:

The Group	Profit after income tax Increase/ (Decrease)	Equity Increase/ (Decrease)	Loss after income tax (Increase)/ Decrease	Equity Increase/ (Decrease)
	2024 US\$'000	2024 US\$'000	2023 US\$'000	2023 US\$'000
Singapore Dollar				
- strengthened	(458)	60	(583)	306
- weakened	458	(60)	583	(306)
Korean Won				
- strengthened	40	(35)	46	(114)
- weakened	(40)	35	(46)	114
Hong Kong Dollar				
- strengthened	6	(31)	13	(28)
- weakened	(6)	31	(13)	28
Chinese Renminbi				
- strengthened	(3,039)	3,725	(3,104)	4,501
- weakened	3,039	(3,725)	3,104	(4,501)
New Taiwan Dollar				
- strengthened	7	(488)	1	(620)
- weakened	(7)	488	(1)	620
Malaysian Ringgit				
- strengthened	82	(2,389)	74	(967)
- weakened	(82)	2,389	(74)	967
Thailand Baht				
- strengthened	795	1,571	948	953
- weakened	(795)	(1,571)	(948)	(953)
Japanese Yen				
- strengthened	2	74	(1)	87
- weakened	(2)	(74)	1	(87)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company

Singapore Dollar

- strengthened

- weakened

Hong Kong Dollar

- strengthened

- weakened

Thailand Baht

- strengthened

- weakened

New Taiwan Dollar

- strengthened

- weakened

Profit after income tax Increase/ (Decrease) 2024 US\$'000	Profit after income tax Increase/ (Decrease) 2023 US\$'000
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(331) (457)

331 457

11 8

(11) (8)

753 728

(753) (728)

4 3

(4) (3)

(ii) Price risk

The Group is exposed to market risk of its listed equity securities which are classified on the statements of financial position as financial assets, at fair value through profit or loss (Note 14). These investments are not hedged.

If prices for listed equity securities increase/decrease by 10% (2023: 10%), with all other variables including tax rate being held constant, the profit after income tax will increase/decrease (2023: loss after income tax will decrease/increase) by:

Profit after income tax 2024 US\$'000	Loss after income tax 2023 US\$'000
--	--

The Group

Financial assets, at fair value through profit or loss

Listed in:

Singapore

South Korea

Taiwan

15 30

82 95

61 68

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risk mainly arises from bank borrowings and various trade and loan financing facilities. These facilities are from reputable banks and financial institutions with favourable interest rates available in the market. The Group has funds that are placed with reputable banks and financial institutions. The interest rates of these funds are at prevailing rates.

For the Group's borrowings at variable rates on which effective hedges have not been entered into, if the interest rates increase/decrease by 1% (2023: 1%) with all other variables including the tax rate being held constant, the profit after income tax will decrease/increase by approximately US\$1,410,000 (2023: loss after income tax will increase/decrease by US\$1,741,000) as a result of higher/lower interest expense on these borrowings.

The table below set out the Group's and the Company's exposure to interest rate risks. Included in the table are the financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variable rates				Fixed rates				Total
	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Less than 6 months	6 to 12 months	1 to 5 years	Non- interest bearing	
The Group	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2024									
Financial assets:									
Cash and cash equivalents	-	-	-	-	994	9	-	37,309	38,312
Trade and other receivables	21,353	-	-	-	1,506	-	-	151,160	174,019
Financial assets, at fair value through profit or loss	-	-	-	-	-	-	-	30,049	30,049
Other financial assets	-	-	-	-	-	-	642	834	1,476
	21,353	-	-	-	2,500	9	642	219,352	243,856
Financial liabilities:									
Borrowings	154,024	4,355	1,174	-	4,595	4,851	859	2,096	171,954
Trade and other payables	-	-	-	-	-	1,013	-	103,427	104,440
	154,024	4,355	1,174	-	4,595	5,864	859	105,523	276,394
2023									
Financial assets:									
Cash and cash equivalents	-	-	-	-	869	64	-	36,143	37,076
Trade and other receivables	21,256	-	-	-	2,536	-	-	136,264	160,056
Financial assets, at fair value through profit or loss	-	-	-	-	687	1,079	-	18,221	19,987
Other financial assets	-	-	-	-	420	-	358	1,108	1,886
	21,256	-	-	-	4,512	1,143	358	191,736	219,005
Financial liabilities:									
Borrowings	163,560	11,109	7,945	159	4,311	2,357	2,702	2,134	194,277
Trade and other payables	-	-	-	-	-	1,013	-	69,830	70,843
	163,560	11,109	7,945	159	4,311	3,370	2,702	71,964	265,120

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

The Company	Variable rates			Fixed rates			Non-interest bearing	Total
	Less than 6 months	6 to 12 months	1 to 5 years	Less than 6 months	6 to 12 months	1 to 5 years		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2024								
Financial assets:								
Cash and cash equivalents	-	-	-	1	-	-	770	771
Trade and other receivables	-	5,366	-	-	-	-	31,942	37,308
Loans and other receivables	-	-	15,206	-	-	5,876	6,694	27,776
	-	5,366	15,206	1	-	5,876	39,406	65,855
Financial liabilities:								
Borrowings	5,891	-	-	3,682	-	-	-	9,573
Trade and other payables	-	671	14,364	-	1,013	-	8,935	24,983
	5,891	671	14,364	3,682	1,013	-	8,935	34,556
2023								
Financial assets:								
Cash and cash equivalents	-	-	-	1	-	-	516	517
Trade and other receivables	-	6,347	-	-	-	-	31,924	38,271
Loans and other receivables	-	-	15,971	-	-	6,399	6,509	28,879
Other financial assets	-	-	-	420	-	-	-	420
	-	6,347	15,971	421	-	6,399	38,949	68,087
Financial liabilities:								
Borrowings	525	-	6,062	3,789	-	-	-	10,376
Trade and other payables	-	3,836	14,712	-	1,013	-	4,477	24,038
	525	3,836	20,774	3,789	1,013	-	4,477	34,414

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's and Company's major classes of financial assets are cash and cash equivalents, trade and other receivables, and loans and other receivables.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who are internationally dispersed. Due to these factors, management believes that no additional credit risk beyond the amount of allowance for impairment made is inherent in the Group's trade receivables. As at the reporting date, the Group's trade receivables comprised six debtors (2023: five debtors) that individually represented 2.0% to 7.8% (2023: 2.0% to 5.7%) of the Group's total trade receivables.

Credit exposure to an individual counterparty is restricted by credit limit that is approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective heads of operation and finance department and at the Group level by the corporate finance and management team.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as disclosed in the financial statements and as follows:

- (i) The Group does not hold any collaterals or other credit enhancements to cover its credit risk associated with its financial assets, except that the credit risk associated with trade receivables amounting to US\$2,060,000 (2023: US\$2,067,000) is mitigated because these are secured by properties (2023: properties) with fair value estimated to be US\$14,396,000 (2023: US\$7,499,000) and personal guarantee. The Group is not permitted to sell or repledge the properties in the absence of default.
- (ii) The Group purchased credit insurance to reduce credit risk from extension of credit to the majority of its customers in the electronic components distribution business and certain customers in the consumer products distribution business.

The credit risk for trade receivables is as follows:

	The Group	
	2024 US\$'000	2023 US\$'000
By geographical areas:		
Southeast Asia and India	59,504	48,559
Hong Kong	46,736	40,061
China	43,560	44,553
South Korea	7,065	8,795
Taiwan	7,333	9,310
Japan	2,016	1,838
	166,214	153,116

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(b) Credit risk (continued)

Credit risk grading guideline

The internal credit risk grading which is used to report the Group's credit risk exposure to key management personnel for credit risk management purposes is as follows:

Internal rating grades	Definition	Basis of recognition of expected credit loss
(i) Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month expected credit loss
(ii) Under-performing	There has been a significant increase in credit risk since initial recognition (i.e. interest and/or principal repayment are more than 30 days to 90 days past due)	Lifetime expected credit loss (not credit impaired)
(iii) Non-performing	There is evidence indicating that the asset is credit impaired (i.e. interest and/or principal repayment are more than 90 days to 180 days past due)	Lifetime expected credit loss (credit impaired)
(iv) Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty (i.e. interest and/or principal repayment are more than 180 days past due)	Asset is written off

The Group has no under-performing and non-performing financial assets except as disclosed in the financial statements.

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk rating rates are presented as follows:

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit rating of the counterparties. Cash and cash equivalents are placed with bank and financial institution counterparties, assessed as low credit risk and rated Ba1 to Aa1, based on rating agencies' ratings. The amount of impairment allowance on cash and cash equivalents is immaterial. The gross and net carrying amount of cash and cash equivalents are disclosed in Note 11 to the financial statements.

Trade receivables

For trade receivables, the Group adopts the policy of dealing with customers of good financial standing and good credit rating based on in-house credit assessments performed in accordance to corporate credit policies and procedures and if available, professional credit reports and sufficient security are obtained, where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with good credit quality counterparties.

The Group applies the SFRS(I) 9 simplified approach to measure expected credit losses which uses a lifetime expected credit loss allowance for trade receivables carried at amortised cost. The expected credit loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the unemployment rate of the countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical credit loss rates based on expected changes in this factor.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables (continued)

As at the reporting date, the loss allowance for trade receivables carried at amortised cost was determined as follows:

	Lifetime expected credit loss rate	Gross carrying amount	Lifetime expected credit losses	Net carrying amount
The Group	%	US\$'000	US\$'000	US\$'000
2024				
Current	0.2	125,490	(217)	125,273
Past due:				
1 to 30 days	0.4	28,249	(114)	28,135
31 to 60 days	0.8	4,140	(32)	4,108
Over 61 days	49.5	17,225	(8,527)	8,698
		175,104	(8,890)	166,214
2023				
Current	0.2	110,516	(217)	110,299
Past due:				
1 to 30 days	0.3	26,146	(77)	26,069
31 to 60 days	0.8	5,424	(46)	5,378
Over 61 days	48.6	21,637	(10,267)	11,370
		163,723	(10,607)	153,116

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there are no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

Loss allowance on trade receivables is presented as net loss allowance. Subsequent recovery of amounts previously written off is credited against the same line item.

The movements in the loss allowance on trade receivables are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Beginning of financial year	10,607	7,007	21	13
Loss allowance made/(reversal of loss allowance made) (Note 6)	995	3,852	(2)	8
Impairment written off	(2,800)	(98)	-	-
Currency translation differences	88	(154)	-	-
End of financial year (Note 12)	8,890	10,607	19	21

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(b) Credit risk (continued)

Other receivables

For other receivables and loans and other receivables, the Group and the Company categorised them as performing debts where the counterparties have a low risk of default and do not have any past-due amounts. The loss allowance is measured at an amount equal to 12-month expected credit loss which reflects the low credit risk of the exposures, except for an amount of US\$6,005,000 (2023: US\$5,870,000) of the Group and an amount of US\$5,072,000 (2023: US\$4,881,000) of the Company which are measured on lifetime expected credit loss in line with the significant change in the credit risk of the debtors. The gross and net carrying amount of other receivables, and loans and other receivables are set out in Note 12 and Note 16 respectively to the financial statements.

The movements in the loss allowance on other receivables and loans and other receivables are as follows:

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Beginning of financial year	5,870	5,976	4,881	4,586
Loss allowance made (Note 6)	65	-	191	295
Impairment written off	(6)	-	-	-
Currency translation differences	76	(106)	-	-
End of financial year (Note 12 and Note 16)	6,005	5,870	5,072	4,881

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount US\$'000	Cash flow			
		Contractual cash flow US\$'000	Less than 1 year US\$'000	1 to 5 years US\$'000	More than 5 years US\$'000
The Group					
2024					
Trade and other payables	104,440	104,440	104,440	-	-
Borrowings	171,954	173,839	170,843	2,996	-
Financial guarantee contracts [Note 35(a)]	-	148	148	-	-
	276,394	278,427	275,431	2,996	-
2023					
Trade and other payables	70,843	70,843	70,843	-	-
Borrowings	194,277	197,052	184,522	12,088	442
Financial guarantee contracts [Note 35(a)]	-	207	207	-	-
	265,120	268,102	255,572	12,088	442

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(c) Liquidity risk (continued)

The Company	Carrying amount	Contractual cash flow	Cash flow	
			Less than 1 year	1 to 5 years
	US\$'000	US\$'000	US\$'000	US\$'000
2024				
Trade and other payables	24,469	27,017	11,636	15,381
Borrowings	9,573	9,764	9,764	-
Financial guarantee contracts [Note 24 and 35(a)]	514	152,660	152,660	-
	34,556	189,441	174,060	15,381
2023				
Trade and other payables	23,445	26,358	10,486	15,872
Borrowings	10,376	10,936	4,734	6,202
Financial guarantee contracts [Note 24 and 35(a)]	593	140,070	140,070	-
	34,414	177,364	155,290	22,074

Liquidity risk is managed while maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities.

As at the reporting date, the Group had at its disposal cash and cash equivalents amounting to US\$38,312,000 (2023: US\$37,076,000) (Note 11).

The amount included for financial guarantee contracts is the maximum amount the Group and the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparties to the guarantees. Based on expectations as at the reporting date, the Group and the Company consider that it is unlikely that such an amount will be payable under the arrangement. However, this estimate is subjected to change depending on the probability of the counterparties claiming under the guarantees which is a function of the likelihood that the financial receivables held by the counterparties which are guaranteed suffer credit losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a net gearing ratio. Management's strategy, which was unchanged for the financial year ended 31 December 2024, is to maintain a net gearing ratio not exceeding 150% (2023: 150%) for the Group and the Company.

The net gearing ratio calculated as net debts divided by total equity is as follows:

	The Group		The Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Total borrowings	171,954	194,277	9,573	10,376
Less: Cash and cash equivalents	(38,312)	(37,076)	(771)	(517)
Net debts	133,642	157,201	8,802	9,859
Total equity	133,389	131,833	96,359	94,046
Net gearing ratio	100.2%	119.2%	9.1%	10.5%

As disclosed in Note 32(a), certain overseas subsidiaries of the Group are required to contribute and maintain a non-distributable reserve fund whose utilisation is subject to approval by the relevant authorities. The Group was in compliance with all externally imposed capital requirements for the financial years ended 31 December 2024 and 31 December 2023, except as disclosed in Note 25(e) to the financial statements.

37. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

37. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value

The following table presents the assets measured at fair value as at the reporting date:

	Quoted prices in active markets for identical instruments Level 1 US\$'000	Significant observable inputs other than quoted prices Level 2 US\$'000	Significant unobservable inputs Level 3 US\$'000	Total US\$'000
The Group				
2024				
Recurring fair value measurements				
Financial assets				
Financial assets, at fair value through profit or loss:				
Listed equity securities	1,571	-	-	1,571
Unlisted equity securities (i)	-	-	12,104	12,104
Preference shares [(ii) and (iii)]	-	-	6,684	6,684
Trade receivables (iii)	-	-	9,676	9,676
Derivative financial instruments:				
Foreign exchange forward contracts	-	14	-	14
	1,571	14	28,464	30,049
Non-financial assets				
Investment properties	-	6,463	-	6,463
2023				
Recurring fair value measurements				
Financial assets				
Financial assets, at fair value through profit or loss:				
Listed equity securities	1,934	-	-	1,934
Unlisted equity securities (iv)	-	-	6,024	6,024
Preference shares (v)	-	-	2,508	2,508
Convertible bonds (vi)	-	-	1,766	1,766
Trade receivables (vii)	-	-	7,656	7,656
Derivative financial instruments:				
Foreign exchange forward contracts	-	99	-	99
	1,934	99	17,954	19,987
Non-financial assets				
Investment properties	-	6,423	-	6,423

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

37. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value (continued)

Level 1 fair value measurements

The fair value of listed equity securities traded in active markets is based on quoted market prices as at the reporting date. The quoted market prices used for the listed equity securities held by the Group are the closing prices as at the reporting date. These financial assets are included in Level 1.

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

Derivative financial instruments

The fair value of foreign exchange forward contracts that are not traded in an active market is determined using forward market exchange rates as at the reporting date.

Investment properties

The valuation of investment properties is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

37. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value (continued)

Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements:

2024

Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(i) Discounted cash flow (Note 1) Unlisted equity securities	Long-term revenue growth rate-90%	The higher the revenue growth rate, the higher the fair value.
	Long-term pre-tax operating margin-26%	The higher the pre-tax operating margin, the higher the fair value.
	Weighted average cost of capital, determined using a Capital Asset Pricing Model-12.5%	The higher the weighted average cost of capital, the lower the fair value.
	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries-17.3%	The higher the discount, the lower the fair value.
(ii) Discounted cash flow (Note 2) Preference shares in Singapore third party entities	Long-term revenue growth rate-80%	The higher the revenue growth rate, the higher the fair value.
	Long-term pre-tax operating margin-29%	The higher the pre-tax operating margin, the higher the fair value.
	Weighted average cost of capital, determined using a Capital Asset Pricing Model-10.7%	The higher the weighted average cost of capital, the lower the fair value.
	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries-17.3%	The higher the discount, the lower the fair value.
(iii) Income approach Preference shares in Thailand third party entity Trade receivables	Expected future dividend based on total profits after tax derived from the underlying projects	The higher the expected profits with estimated net margins of about 15% to 25% from the underlying projects, the higher the fair value.
	Expected factoring charges to be received by the banks for the factoring arrangements upon maturity	The higher the factoring charges, the lower the fair value.

Note 1: If the unobservable inputs (weighted average cost of capital) to the valuation models were 2% higher/lower while all the other variables were held constant, the carrying amount of the unlisted equity securities would decrease/increase by US\$2,562,000.

Note 2: If the unobservable inputs (weighted average cost of capital) to the valuation models were 2% higher/lower while all the other variables were held constant, the carrying amount of the preference shares would decrease/increase by US\$962,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

37. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value (continued)

Level 3 fair value measurements (continued)

Information about significant unobservable inputs used in Level 3 fair value measurements: (continued)

2023

Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(iv) Precedent transaction analysis Unlisted equity securities	By reference to recent subscription prices of new ordinary shares in an entity at the reporting date at approximately US\$0.37 per share and recent market subscriptions at the reporting date for other entities.	The higher the recent subscription prices, the higher the fair value.
(v) Precedent transaction analysis Preference shares in Singapore third party entities Income approach Preference shares in Thailand third party entity	By reference to recent market subscriptions at the reporting date. Expected future dividend based on total profits after tax derived from the underlying projects.	The higher the recent market subscriptions the higher the fair value. The higher the expected profits with estimated net margins of about 15% to 25% from the underlying projects, the higher the fair value.
(vi) Option pricing model Convertible bonds	By reference to the interest-bearing loan amounts and the call options to convert the debt instruments into shares.	The higher the expected values, the higher the fair value.
(vii) Income approach Trade receivables	Expected factoring charges to be received by the banks for the factoring arrangements upon maturity.	The higher the factoring charges, the lower the fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

37. Fair value of assets and liabilities (continued)

(b) Assets measured at fair value (continued)

Level 3 fair value measurements (continued)

Movements in Level 3 assets measured at fair value

The following table presents the changes in Level 3 instruments:

	Financial assets, at fair value through profit or loss US\$'000	Investment properties US\$'000
The Group		
2024		
At 1 January	17,954	-
Net increase	3,177	-
Fair value adjustment (Note 5)	7,736	-
Currency translation differences	(403)	-
At 31 December	28,464	-
2023		
At 1 January	19,811	1,436
Net reduction	(2,153)	-
Transfer to Level 2	-	(1,436)
Fair value adjustment (Note 5)	146	-
Disposals	(61)	-
Currency translation differences	211	-
At 31 December	17,954	-

Valuation policies and procedures

The Chief Financial Officer ("CFO") oversees the financial reporting valuation process and is responsible for setting and documenting the valuation policies and procedures, including the measurement of Level 3 fair value.

The CFO's team regularly reviews significant unobservable inputs and valuation adjustments. If third party information are used to measure fair value, the team assesses and documents the evidences obtained from third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy the resulting fair value estimates should be classified. The CFO reports to the Audit Committee of the Company for significant valuation issues.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

37. Fair value of assets and liabilities (continued)

(c) Assets and liabilities not carried at fair value but for which fair values are disclosed

	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs		Carrying amount
The Group	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000	US\$'000
2024					
Assets					
Investments in associated companies	2,503	-	-	2,503	2,752
Financial liabilities					
Borrowings (non-current)	-	-	2,880	2,880	3,028
2023					
Assets					
Investments in associated companies	3,064	-	-	3,064	2,814
Financial liabilities					
Borrowings (non-current)	-	-	10,755	10,755	11,988
The Company					
2024					
Assets					
Investment in an associated company	1,863	-	-	1,863	1,413
Financial liabilities					
Borrowings (non-current)	-	-	-	-	-
2023					
Assets					
Investment in an associated company	2,100	-	-	2,100	1,217
Financial liabilities					
Borrowings (non-current)	-	-	5,566	5,566	6,062

The fair values of bank borrowings, lease liabilities and other borrowings are estimated using discounted expected future cash flows at market incremental lending rates for similar-type borrowings or leasing arrangements at the reporting date.

The carrying amount of other financial assets and liabilities with maturity of less than one year at the reporting date, approximates their fair value due to their short term maturities.

The carrying amount of the non-current loans to subsidiaries, which bear interest at prevailing market interest rates (Level 2), is approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

38. 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.

(a) Sales and purchases of goods and services

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

	The Group	
	2024	2023
	US\$'000	US\$'000
With associated companies:		
Sales of goods to an associated company	5	71
Purchases of goods from an associated company	4	14
Rental received from an associated company	67	69
Dividend income received from an associated company	21	66
Interest expense paid to an associated company	74	65
With director and substantial shareholder:		
Service fees paid to an entity associated with a director of the Company	7	46
Interest expense paid to a substantial shareholder of the Company ⁽¹⁾	188	186

Sales and purchases of goods and services were carried out on commercial terms and conditions as agreed between the parties. As at the reporting date, outstanding balances arising from sales and purchases of goods and services, are disclosed in Note 12 and Note 24 respectively.

(1) Interest expense on unsecured loan of S\$5,000,000 (US\$3,682,000) [2023: S\$5,000,000 (US\$3,789,000)] included in current other borrowings of the Group and the Company as at the reporting date (Note 25).

(b) Share options granted/exercised by directors of the Company

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

Key management personnel compensation is analysed as follows:

	The Group	
	2024	2023
	US\$'000	US\$'000
Salaries and other short-term benefits	2,529	2,824
Post employment benefits contribution to defined contribution plans	141	130
Other long term benefits	641	620
	3,311	3,574

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

38. Related party transactions (continued)

(c) Key management personnel compensation (continued)

Included in the above are remuneration (salaries, incentive bonuses, other short-term and long-term benefits, directors' fees) paid/payable to directors of the Company. Fees paid/payable to directors of the Company amounted to US\$322,000 (2023: US\$254,000).

The Directors' remuneration is disclosed in Note 1 of the Additional Requirements of Singapore Exchange Securities Trading Limited's Listing Manual.

39. Segment information

(a) Operating segments

Management has determined the operating segments based on the reports reviewed to make strategic decisions. Management considers the business from both a business and geographic segment perspective. The Group has three reportable segments, as described below, which are the Group's strategic business units based on different product ranges targeting at different market channels:

- Electronic components distribution
- Consumer products distribution
- Other businesses

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

The operating segments are formed by aggregating across the results of the Group's entities whose principal activities fall within the same operating segment. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Performance is measured based on sales, gross profit and profit before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer and Chief Financial Officer on a monthly basis. These criteria are used to measure performance as management believes that such information are the most relevant in evaluating the results of each entity within the same operating segment. Inter-segment transactions are determined on an arm's length basis.

Segment assets comprise cash and cash equivalents, trade and other receivables, inventories, financial assets, at fair value through profit or loss, other current assets, loans to associated companies and joint venture, investments in associated companies, investment in joint venture, property, plant and equipment, investment properties, intangible assets and other assets. Segment assets exclude deferred income tax assets.

Segment liabilities comprise trade and other payables, borrowings and defined benefit plans liabilities. Segment liabilities exclude current income tax liabilities and deferred income tax liabilities.

Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible assets such as computer software license costs, trademark and know-how.

The investments in associated companies and joint venture, as disclosed in Note 17 and Note 18 to the financial statements, are accounted for by the equity method. The investments and the share of results of the associated companies and joint venture are shown in the respective segments, in line with their principal activities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

39. Segment information (continued)

(a) Operating segments (continued)

The Group	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter-segment eliminations US\$'000	Total US\$'000
2024					
Sales – external	693,800	107,694	7,697	(20,528)	788,663
Operating profit/(loss)	7,177	(3,330)	7,358	-	11,205
Unallocated loss	(7)	-	-	-	(7)
Finance income	833	563	1,654	(1,375)	1,675
Finance expense	(9,736)	(2,032)	(1,818)	1,375	(12,211)
Share of profit of associated companies (after income tax)	44	31	-	-	75
Segment results - (loss)/profit before income tax	(1,689)	(4,768)	7,194	-	737
Income tax expense					(1,041)
Loss after income tax					(304)
Segment assets	354,188	71,582	63,997	(81,915)	407,852
Investments in associated companies	1,446	1,306	-	-	2,752
Deferred income tax assets					1,524
Consolidated total assets					412,128
Segment liabilities	88,846	45,640	52,079	(81,915)	104,650
Borrowings	133,923	22,515	15,516	-	171,954
Current and deferred income tax liabilities					2,135
Consolidated total liabilities					278,739
Capital expenditure on property, plant and equipment	1,021	150	820	-	1,991
Capital expenditure on computer software license costs	34	-	16	-	50
Depreciation of property, plant and equipment	1,752	223	736	-	2,711
Amortisation of computer software license costs	53	-	12	-	65
Amortisation of trademark and know-how	3	-	1	-	4
Fair value loss/(gain) on investment properties	105	-	(166)	-	(61)
Fair value loss/(gain) on financial assets, at fair value through profit or loss	33	-	(7,560)	-	(7,527)
Gain on sale of financial assets, at fair value through profit or loss	(165)	-	-	-	(165)
Fair value loss on derivative financial instruments	90	-	-	-	90
Recovery of trade bad debts previously written off	(87)	(227)	-	-	(314)
Loss allowance on trade receivables	480	246	269	-	995
Loss allowance on non-trade receivable (associated company)	-	-	65	-	65
Fair value accounting loss on reverse takeover of investment in subsidiaries	-	3,656	-	-	3,656
Cost of inventories	644,554	102,944	3,136	(20,528)	730,106
Employee benefits expense	24,704	2,875	2,867	-	30,446

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

39. Segment information (continued)

(a) Operating segments (continued)

The Group	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter-segment eliminations US\$'000	Total US\$'000
2023					
Sales – external	687,080	82,241	8,433	(18,803)	758,951
Operating profit/(loss)	502	(2,495)	(2,357)	–	(4,350)
Unallocated loss	(3)	–	–	–	(3)
Finance income	1,199	819	2,299	(2,079)	2,238
Finance expense	(12,273)	(2,393)	(1,839)	2,079	(14,426)
Share of profit/(loss) of associated companies (after income tax)	104	(38)	–	–	66
Segment results - loss before income tax	(10,471)	(4,107)	(1,897)	–	(16,475)
Income tax expense					(851)
Loss after income tax					(17,326)
Segment assets	368,884	49,109	59,503	(82,541)	394,955
Investments in associated companies	1,452	1,362	–	–	2,814
Deferred income tax assets					1,709
Consolidated total assets					399,478
Segment liabilities	77,195	25,260	51,225	(82,541)	71,139
Borrowings	152,298	25,459	16,520	–	194,277
Current and deferred income tax liabilities					2,229
Consolidated total liabilities					267,645
Capital expenditure on property, plant and equipment	1,813	314	206	–	2,333
Capital expenditure on computer software license costs	60	–	6	–	66
Capital expenditure on trademark and know-how	34	–	4	–	38
Depreciation of property, plant and equipment	2,116	245	657	–	3,018
Amortisation of computer software license costs	43	–	15	–	58
Amortisation of trademark and know-how	3	–	13	–	16
Fair value loss/(gain) on investment properties	42	–	(41)	–	1
Gain on closure of a subsidiary	–	–	(160)	–	(160)
Impairment loss on investment in an associated company	–	717	–	–	717
Fair value loss/(gain) on financial assets, at fair value through profit or loss	51	–	(94)	–	(43)
Gain on sale of financial assets, at fair value through profit or loss	(4)	–	(249)	–	(253)
Fair value gain on derivative financial instruments	(7)	–	–	–	(7)
Recovery of trade bad debts previously written off	(13)	–	–	–	(13)
(Reversal of loss allowance)/loss allowance on trade receivables	(148)	74	3,926	–	3,852
Cost of inventories	637,586	77,223	4,075	(18,803)	700,081
Employee benefits expense	26,140	2,977	3,097	–	32,214

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

39. Segment information (continued)

(b) Geographical segments

The geographical segments comprised six broad primary geographic areas, namely Southeast Asia and India [consisting of Singapore (the home and principal operating country of the Group), Malaysia, Thailand, Philippines, Indonesia, Vietnam and India], Hong Kong, China, South Korea, Taiwan and Japan which reflect the current business process and monitoring in these primary geographic business segments in which the Group operates in.

All geographic locations, except Japan, are engaged in the electronic components distribution business.

Consumer products distribution business is located in Southeast Asia (comprising mainly Singapore, Malaysia, Thailand, Indonesia, Philippines and Vietnam) and Japan.

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

Sales are based on the geographical area in which the entities are located. Non-current assets are shown by the geographical area where the assets are located.

	Sales		Non-current assets ⁽¹⁾	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
The Group				
Southeast Asia and India	228,997	235,644	10,644	10,228
Hong Kong	339,713	288,086	3,141	5,053
China	138,234	145,688	11,828	12,826
South Korea	43,265	51,464	3,800	4,398
Taiwan	32,168	33,600	8,373	8,450
Japan	6,286	4,461	39	9
Others	-	8	-	-
Southeast Asia and India - Associated company	-	-	1,306	1,362
Taiwan - Associated company	-	-	1,446	1,452
	788,663	758,951	40,577	43,778

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

(c) Information about major customers

Sales of US\$57,707,000 (2023: US\$50,600,000) during the financial year were derived from two external customers (2023: two external customers). These sales were attributed to the electronic components distribution segment in Hong Kong.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

40. Contingent liabilities

- (a) The Company's wholly owned subsidiary, Serial Microelectronics Pte Ltd ("SMPL"), received protective tax assessment notices from the Inland Revenue Authority of Singapore ("IRAS") amounting to S\$6,930,000 (US\$5,410,000) comprising S\$1,038,000 (US\$810,000) for the year of assessment 2019 ("YA2019") and S\$5,892,000 (US\$4,600,000) for the year of assessment 2020 ("YA2020") (collectively "Tax Assessments") in October 2024.

The YA2019 tax assessment notice relates to the marked to market fair value gain of US\$4,454,000 from SMPL's 7.15% equity investment in Unitron Tech Co., Limited ("Unitron"), a South Korea company listed in February 2016 on the Korean Securities Dealers Automated Quotations of the Korean Exchange. SMPL has treated the gain as capital in nature and not trading gain on the grounds that the investment has been held for long term strategic purposes since March 2004 as a subsidiary till March 2011 and not for trading sale.

The YA2020 tax assessment notice relates to a one-off amount of US\$24,274,000 received in connection with the sale of SMPL's Texas Instruments' ("TI") distribution business to an authorised TI distributor. SMPL has treated the amount as capital in nature and not a transaction arising in the ordinary course of business on grounds that SMPL and its subsidiaries had been authorised TI distributors since 1993 and the sale arose from TI's termination of its distributorship with SMPL, which is beyond SMPL's control.

On 25 March 2025, IRAS agreed and accepted SMPL's position that the one-off receipt of US\$24,274,000 is capital in nature and revised the YA2020 tax assessment of S\$5,892,000 (US\$4,600,000). IRAS however maintained its view that the marked to market fair value gain of US\$4,454,000 from SMPL's investment in Unitron is on revenue account. Pending further resolution on this and related tax matters, the existing tax assessment for YA2019 of S\$1,038,000 (US\$810,000) stands. SMPL will continue to work together with its tax advisor to provide additional information to resolve the outstanding matter on the marked to market fair value gain relating to its investment in Unitron with IRAS.

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

- (b) A Writ of Summons and Statement of Claim were filed to the High Court of Malaya, Kuala Lumpur, Malaysia ("High Court"), on 14 January 2022 by the Group's subsidiary, Bast Investment Pte. Ltd. ("Bast") (the "Litigation") against the Group's joint venture, Musang Durians Frozen Food (M) Sdn. Bhd. ("MDFF") for the breach of the terms of the shareholder agreement ("Agreement") and seek to recover the outstanding loan amount and unpaid interest totaling MYR15.45 million (US\$3.68 million) (the "Claim"). Bast also sued Dato' John Lee Siew Neng ("Dato' John"), the managing director and 40% shareholder of MDFF, for breach of the personal guarantee clause in the Agreement, to pay the guaranteed amount of MYR7.73 million (US\$1.84 million), being 50% of the Claim. The case managements took place on 4 February 2022 and 17 February 2022. On 11 March 2022, Bast received a statement of defence and counterclaim from MDFF and Dato' John of MYR3.92 million (US\$0.93 million) for alleged outstanding amounts being loss of remuneration and outstanding rental owed by Bast. On 20 March 2024, the last day of the seven days of trial was held where all witnesses had testified in court. On 18 September 2024, the High Court delivered judgement in favour of Bast and dismissed the counterclaim form MDFF and Dato' John whereby, amongst others: (i) MDFF is to pay Bast a sum of MYR 15.45 million (US\$3.47 million) being the full amount of the Claim; (ii) Dato' John is to pay a sum of MYR 7.73 million (US\$1.74 million) to Bast; (iii) interest of 5% per annum on the sums adjudged in (i) and (ii) above to be calculated from 1 December 2021 until 18 September 2024 to be paid to Bast by MDFF and/or Dato' John; (iv) interest of 5% per annum on the sums adjudged in (i) and (ii) above to be calculated from 18 September 2024 until the date of full and final settlement of the sums adjudged in (i) and (ii) above to be paid to Bast by MDFF and/or Dato' John; (v) Messrs. Xavier & Koh Partnership to remit a stakeholder sum of MYR 3.0 million (US\$675,000) as settlement of the sums adjudged in (i) to Bast within 14 days from 18 September 2024; and (vi) MDFF and Dato' John to jointly pay MYR 110,000 (US\$25,000) being the costs of the court proceedings to Bast. On 20 September 2024, MDFF and Dato' John appealed against the High Court's decision ("Appeal") and the hearing of this Appeal is yet to be fixed.

The Group has made full provision for the Claim in financial years ended 31 December 2021 and 31 December 2020. Based on the Group's assessment and after taking into consideration the advice of its lawyers in Malaysia, the Group is confident of success in the Appeal. The Group also believes that the defence and counterclaim have no sufficient basis. No contingent assets and no provision for any liability have been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

40. Contingent liabilities (continued)

- (c) On 23 February 2017, the Group received notice that the Securities and Futures Investors Protection Center of Taiwan ("SFIPC") has filed a civil suit against the Company and three of its senior executives amounting to NT\$113.7 million (US\$3.5 million) ("Suit"). The Suit arose due to charges brought by the public prosecutor of New Taipei District Prosecutor Office against the Group's associated company, Bull Will Co., Ltd's former chairman, Peter Ho I-Chin, concerning alleged financial statement fraud.

In June 2021, Bull Will Co., Ltd received the court written judgement of the Suit. According to the court written judgement, the Taiwan Shillin District Court has dismissed the Suit on the basis that the alleged charges by SFIPC are without merit and the court's litigation costs were ordered to be borne by SFIPC. SFIPC filed a civil statement appeal on 13 July 2021. Consequently, on 5 November 2021, Bull Will Co., Ltd responded to the ground of appeal by SFIPC. Proceedings in the Suit are currently in progress.

Bull Will Co., Ltd has insured its directors and supervisors with a US\$5 million liability insurance which is more than adequate to cover the claims under the Suit. The Group has been advised by its lawyers in Taiwan that the Suit is without merit and unlikely to succeed. No provision for any liability has been made in these financial statements.

41. Events occurring after the reporting period

On 28 February 2025, the Company's 77.64%-owned subsidiary, Serial Achieva Limited terminated its shareholders agreement with A-Speed Infotech Pte. Ltd., the non-controlling interest of its 55%-owned Singapore subsidiary, Achieva Tech Allianz Pte. Ltd. The decision was made in light of the fact that a director of A-Speed Infotech Pte. Ltd. has been charged by the Singapore authorities with criminal conspiracy to commit fraud on a supplier of servers on 27 February 2025.

42. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors of Serial System Ltd on 2 April 2025.

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S LISTING MANUAL

For the financial year ended 31 December 2024

1. Directors' remuneration

The following information relates to remuneration of directors of the Company during the financial year:

	2024	2023
Number of directors of the Company in remuneration bands:		
\$1,500,000 to \$1,749,999	1	–
\$500,000 to \$749,999	1	1
\$0 to \$249,999	7	6
Total	9	7

During the financial year, three directors retired on 30 April 2024 and total director fees paid to them amounted to US\$36,000 (S\$48,000).

2. Auditors' remuneration

The following information relates to remuneration of auditors of the Company and the Group during the financial year:

	2024 US\$'000	2023 US\$'000
Audit remuneration paid/payable to:		
Auditors of the Company	199	192
Other auditors who are network firms of auditors of the Company	168	167
Other auditors who are non-network firms of auditors of the Company	30	43
Non-audit-related services paid/payable to:		
Other auditors who are network firms of auditors of the Company	5	1
Other auditors who are non-network firms of auditors of the Company	13	12

3. Risk management

(a) Operational risk

The Group's electronic components distribution, consumer products distribution and other businesses face constant market risks from technology obsolescence, competition, business and market condition changes. As the Group is engaged in a wide range of products and has a good mix of business serving various industries, it is unlikely that there is a significant concentration of risks in any particular area. The Group operates primarily in Singapore, Hong Kong, China, South Korea, Taiwan, Malaysia, Thailand, Philippines, India, Indonesia, Vietnam and Japan. The Group has no reasons to believe these regions/countries are politically unstable. The Group's management team oversees and manages the operations with regular business reviews and meetings with operation executives.

(b) Investment risk

The Group invests to enhance growth as well as for strategic alliances and risk diversifications. The management team and key executives of its subsidiaries constantly review its investment portfolios. The Group's non-executive directors serve as advisors and collectively the board of directors of the Company reviews and approves all material investment decisions. Impairment in investments is constantly reviewed and necessary allowances are made when required.

As in all business acquisitions, there is always an adjustment period before the systems of the new business can be fully integrated into the Group's operations. To minimise disruption and to ensure continuity in the operations of the Group's acquired entities after the acquisitions, the Group takes appropriate steps to ensure minimum disruption to the existing business structure of the acquired entities and that key personnel will continue to be employed by the Group where appropriate.

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S LISTING MANUAL

For the financial year ended 31 December 2024

4. Material contracts

There is no material contract entered into by the Company or any of its subsidiaries involving the interest of the chief executive officer, any director or controlling shareholder of the Company, either still subsisting at the end of the financial year or entered into since the end of the previous financial year, except for a loan agreement dated 23 May 2024 (2023: loan agreement dated 23 May 2023) between the Company and Mr. Goi Seng Hui, a substantial shareholder of the Company for an aggregate principal amount of S\$5,000,000 (US\$3,682,000) [2023: S\$5,000,000 (US\$3,789,000)] at an interest rate of 5.0% per annum (2023: 5.0% per annum). As at the reporting date, S\$5,000,000 (US\$3,682,000) [2023: S\$5,000,000 (US\$3,789,000)] of the loan amount was outstanding. The loan of S\$5,000,000 (US\$3,789,000) outstanding as at 31 December 2023 was fully renewed on 23 May 2024.

5. Investment properties

Major properties of the Group held for investment as at the reporting date were:

Location	Description	Existing use	Tenure	Unexpired term of lease
3rd Floor No.193,195,197,199, Ruei Hu Street, Neihu,Taipei, Taiwan	1 storey of a 5-storey commercial building	Commercial	Freehold	–
5th Floor Room 515, Building B3, Fortune Plaza, No.3 Shihua Road, Futian Free Trade Zone, Futian District, Shenzhen, People's Republic of China	1 unit of a 7-storey commercial building	Commercial	Leasehold	18 years
15th Floor No. 1506, Building 4, 5 Central Times Square, China Railway Lane 299, Jiangchang West Road, Jing'an District, Shanghai, People's Republic of China	1 unit of a 18-storey commercial building	Commercial	Leasehold	34 years
No. 249, Jalan Dagang 1/9, Taman Dagang, 68000 Ampang, Selangor Darul Ehsan, Malaysia	3 stories linked house residential building	Residential	Leasehold	80 years

STATISTICS OF SHAREHOLDINGS

As at 2 April 2025

Issued and Fully Paid-Up Capital (including Treasury Shares)	:	US\$ 72,648,475
Issued and Fully Paid-Up Capital (excluding Treasury Shares)	:	US\$ 72,578,471
Number of Issued Shares (excluding Treasury Shares)	:	904,841,914
Number/Percentage of Treasury Shares	:	946,000 (0.10%)
Number/Percentage of Subsidiary Holdings	:	0 (0%)
Class of Shares	:	Ordinary share
Voting Rights	:	One vote per ordinary share

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	564	10.77	18,949	0.00
100 - 1,000	653	12.48	393,046	0.04
1,001 - 10,000	2,152	41.12	9,358,268	1.03
10,001- 1,000,000	1,814	34.66	124,462,226	13.76
1,000,001 and above	51	0.97	770,609,425	85.17
Total	5,234	100.00	904,841,914	100.00

Top Twenty Largest Shareholders

Name of Shareholder	Number of Shares	%
United Overseas Bank Nominees Pte Ltd	161,068,447	17.80
Goi Seng Hui	131,293,738	14.51
Derek Goh Bak Heng	84,492,954	9.34
Hong Leong Finance Nominees Pte Ltd	80,630,000	8.91
UOB Nominees (2006) Pte Ltd	51,334,016	5.67
BPSS Nominees Singapore Pte Ltd	36,289,600	4.01
Tee Yih Jia Food Manufacturing Pte Ltd	24,862,800	2.75
Ho Yung	24,576,200	2.72
Goh Tiong Yong	21,000,000	2.32
UOB Kay Hian Pte Ltd	17,406,990	1.92
DBS Nominees Pte Ltd	14,659,413	1.62
Chin Yeow Hon	11,076,542	1.22
Kim Sang Yeol	10,807,920	1.19
Yu Jie	8,649,064	0.96
Goh Lip Ming	7,500,000	0.83
Tan Cheng Hwee or Tan Chiew Peng	7,000,000	0.77
Citibank Nominees Singapore Pte Ltd	5,546,375	0.61
Phillip Securities Pte Ltd	5,447,325	0.60
Chen Seow Phun John	5,210,000	0.58
OCBC Nominees Singapore Pte Ltd	4,873,757	0.54
Total	713,725,141	78.87

STATISTICS OF SHAREHOLDINGS

As at 2 April 2025

Substantial Shareholders

(including shares held under nominees accounts)

Name of Substantial Shareholder	Direct Interest Number of Shares	Deemed Interest Number of Shares	Total Interest Number of Shares	%
Derek Goh Bak Heng	365,826,970	171,000 ⁽¹⁾	365,997,970	40.45
Goi Seng Hui	131,293,738	24,862,800 ⁽²⁾	156,156,538	17.26

(1) Derek Goh Bak Heng is deemed to have an interest in the 171,000 shares hold by his daughter, Victoria Goh Si Hui.

(2) Goi Seng Hui is deemed to have an interest in 24,862,800 shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Companies Act 1967 of Singapore.

As at 2 April 2025, approximately 37.92% of the Company's ordinary shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. The Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Serial System Ltd (the “**Company**”) will be held at 8 Ubi View, #05-01, Serial System Building, Singapore 408554, on Wednesday, 30 April 2025 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2024 together with the Auditor’s Report thereon. **(Resolution 1)**
2. To approve the Directors’ Fees of up to S\$431,000 for the financial year ending 31 December 2025, payable quarterly in arrears (2024: S\$430,000). **(Resolution 2)**
3. To re-elect Mr. Heng Yeow Meng Michael, who is retiring by rotation pursuant to Article 88 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (i) below) **(Resolution 3)**
4. To re-elect Mr. Khua Kian Kheng Ivan, who is retiring by rotation pursuant to Article 88 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (i) below) **(Resolution 4)**
5. To re-elect Mr. Ng Yong Hwee, who is retiring by rotation pursuant to Article 88 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (i) below) **(Resolution 5)**
6. To re-elect Mr. Sean Goh Su Teng, who is retiring by rotation pursuant to Article 89 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (ii) below) **(Resolution 6)**
7. To re-elect Ms. Victoria Goh Si Hui, who is retiring by rotation pursuant to Article 89 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (ii) below) **(Resolution 7)**
8. To re-elect Mr. Goi Kok Ming Kenneth, who is retiring by rotation pursuant to Article 89 of the Company’s Constitution, as a Director of the Company.
(see Explanatory Note (ii) below) **(Resolution 8)**
9. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 9)**
10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without any modifications:

11. Authority to allot and issue shares

THAT pursuant to Section 161 of The Companies Act 1967 of Singapore (the “**Companies Act**”), the Constitution of the Company and the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:-

- (a) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options (collectively “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

- (i) the aggregate number of Shares to be issued (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act, and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note (iii) below)

(Resolution 10)

12. Authority to offer and grant share options and to allot and issue or transfer shares under the Serial System Employee Share Option Scheme 2024

THAT pursuant to Section 161 of The Companies Act 1967 of Singapore, the Directors of the Company be and are hereby authorised to:

- (a) offer and grant share options in accordance with the provisions of the Serial System Employee Share Option Scheme 2024 (the **"2024 Share Option Scheme"**), and to allot and issue or transfer from time to time such number of shares in the capital of the Company (**"Shares"**) as may be required to be issued or transferred pursuant to the exercise of share options granted under the 2024 Share Option Scheme, provided that the aggregate number of Shares issued and issuable pursuant to the 2024 Share Option Scheme, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of the Company (if any), shall not exceed 15% of the total issued Shares (excluding treasury shares and subsidiary holdings) from time to time;

NOTICE OF ANNUAL GENERAL MEETING

- (b) subject to the same being allowed by law, apply any Shares purchased or acquired under any share purchase mandate and deliver such existing Shares (including any Shares held as treasury shares) towards the satisfaction of the share options granted under the 2024 Share Option Scheme; and
- (c) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note (iv) below)

(Resolution 11)

13. Proposed renewal of the Share Buyback Mandate

THAT:

- (a) for the purposes of The Companies Act 1967 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchase(s) (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
- (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt in accordance with the Companies Act;
- (c) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
 - (ii) the date on which the share buybacks have been carried out to the full extent of the Share Buyback Mandate; or
 - (iii) the date on which the authority contained in the Share Buyback Mandate is revoked or varied in general meeting;
- (d) in this Resolution:

“**Prescribed Limit**” means 89,632,791 Shares;

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and

NOTICE OF ANNUAL GENERAL MEETING

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

“Average Closing Price” means:

- (i) in the case of a Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the date of the Market Purchase;
- (ii) in the case of an Off-Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the date of the making of the offer pursuant to the Off-Market Purchase; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (e) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

(See Explanatory Note (v) below)

(Resolution 12)

By Order of the Board

Alex Wui Heck Koon
Company Secretary

Singapore
15 April 2025

Explanatory Notes on Ordinary Business and Special Business to be transacted:

- (i) The proposed Ordinary Resolutions 3 to 5 are to re-elect Mr. Heng Yeow Meng Michael, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee who will be retiring by rotation pursuant to Article 88 of the Company's Constitution.

Mr. Heng Yeow Meng Michael will, upon re-election as a Director of the Company, remain as the Independent and Non-Executive Director of the Company, Chairman of the Audit Committee, Chairman of Serial System Employee Share Option Scheme 2024 Committee and a member of the Nominating Committee. Mr. Heng Yeow Meng Michael will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

Mr. Khua Kian Kheng Ivan will, upon re-election as a Director of the Company, remain as the Independent and Non-Executive Director of the Company, Chairman of the Nominating Committee, a member of the Remuneration Committee and Serial System Employee Share Option Scheme 2024 Committee.

Mr. Ng Yong Hwee will, upon re-election as a Director of the Company, remain as the Independent and Non-Executive Director of the Company, a member of the Audit Committee, Remuneration Committee and Serial System Employee Share Option Scheme 2024 Committee. Mr. Ng Yong Hwee will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

Detailed information of Mr. Heng Yeow Meng Michael, Mr. Khua Kian Kheng Ivan and Mr. Ng Yong Hwee are set out in the sections "Board of Directors", "Corporate Governance Report" and "Additional Information On Directors Seeking Re-election" in the Annual Report 2024.

- (ii) The proposed Ordinary Resolutions 6 to 8 are to re-elect Mr. Sean Goh Su Teng, Ms. Victoria Goh Si Hui and Mr. Goi Kok Ming Kenneth who will be retiring by rotation pursuant to Article 89 of the Company's Constitution.

Mr. Sean Goh Su Teng will, upon re-election as a Director of the Company, remain as the Executive Director of the Company and Deputy Group Chief Executive Officer of the Group, and a member of Serial System Employee Share Option Scheme 2024 Committee.

Ms. Victoria Goh Si Hui will, upon re-election as a Director of the Company, remain as the Executive Director of the Company.

Mr. Goi Kok Ming Kenneth will, upon re-election as a Director of the Company, remain as the Non-Executive Director of the Company and will be considered non-independent.

Detailed information of Mr. Sean Goh Su Teng, Ms. Victoria Goh Si Hui and Mr. Goi Kok Ming Kenneth are set out in the sections "Board of Directors", "Corporate Governance Report" and "Additional Information On Directors Seeking Re-election" in the Annual Report 2024.

- (iii) The proposed Ordinary Resolution 10, if passed, will authorise the Directors of the Company from the date of the above AGM until the date of the next AGM, or the date of which the next AGM is required by law to be held, whichever is the earlier, unless the authority is revoked or varied by the Company in general meeting, to allot and issue Shares and/or make or grant Instruments convertible into new Shares and to issue new Shares pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), may be issued other than on a pro rata basis to the existing Shareholders of the Company. For the purpose of this resolution, the total number of issued Shares (excluding treasury shares and subsidiary holdings) is based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this proposed Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of convertible securities, the exercise of share options or share awards outstanding at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.
- (iv) The proposed Ordinary Resolution 11, if passed, will authorise the Directors of the Company to offer and grant share options under the 2024 Share Option Scheme (which was approved at the AGM of the Company held on 30 April 2024) and to allot and issue or transfer Shares pursuant to the exercise of share options under the 2024 Share Options Scheme up to a number which, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.
- (v) The proposed Ordinary Resolution 12, if passed, will authorise the Directors of the Company to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate. This authority will continue to be in force until the conclusion of the next AGM or the date of which the AGM is required by law to be held, whichever is the earlier, unless the authority is revoked or varied by the Company in general meeting. Please refer to the Appendix 1 enclosed together with the Annual Report 2024 for more details.

Notes:

General

- The members of the Company are invited to attend physically at the AGM. **There will be no option for the members to participate virtually.** The Notice of AGM together with the Proxy Form, the Company's Annual Report 2024 and the Appendix 1 to Shareholders dated 15 April 2025 in relation to the proposed renewal of the Share buyback Mandate will be made available to members by electronic means on the Company's corporate website at <https://www.serialsystem.com> and is also made available on SGXNet at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice of AGM and the Proxy Form will be sent by post to the members of the Company. Printed copy of the Annual Report 2024 will NOT be despatched to the members of the Company.

Members who wish to obtain a printed copy of the Annual Report 2024 should send an email to ecomm@serialsystem.com, stating (a) their full name; (b) identification/registration number; (c) current mailing address; (d) contact number; (e) number of Shares held and (f) the manner in which the Shares are held (e.g. via CDP, CPF or SRS). A printed copy of the Annual Report 2024 will be mailed to such member(s) within five (5) working days upon receiving such request.

- Members including Central Provident Fund Investment Scheme investors ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") may participate the AGM by:
 - attending the AGM in person;
 - raising questions at the AGM or submitting questions in advance of the AGM; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (c) voting at the AGM;
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy or proxies.

CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 3.00 p.m. on 21 April 2025, being seven (7) working days prior to the date of the AGM.

3. Please bring along your NRIC/passport so as to enable the Company to verify your identity.
4. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell.

Voting by Proxy

5. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

Where such member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

6. A proxy need not be a member of the Company.
7. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

“Relevant Intermediary” has the meaning ascribed to it in Section 181 of The Companies Act 1967 of Singapore:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
8. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstention from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstention from voting in respect of a resolution in the Proxy Form or in the event of any other matters arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
9. The Chairman of the AGM, as proxy, need not be a member of the Company.
10. The instrument appointing the proxy or proxies, duly executed, must be submitted either:
 - (a) by post, to the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554; or
 - (b) by email to ecommm@serialsystem.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF),
 in either case, by 3.00 p.m. on 27 April 2025 (“**Proxy Deadline**”), and in default the Proxy Form shall not be treated as valid.
11. Members are strongly encouraged to submit the completed Proxy Form electronically via email.
12. The proxy/proxies must bring along his/her/their NRIC/passport so as to enable the Company to verify his/her/their identity.

NOTICE OF ANNUAL GENERAL MEETING

13. The instrument appointing the proxy or proxies must be executed under the hand of the appointor or attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or by an officer duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
14. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).
15. In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), the Company may reject any instrument appointing the proxy or proxies lodged, if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Submission of questions in advance of the AGM

16. Members may submit questions related to the resolutions to be tabled at the AGM in advance of the AGM in the following manner, no later than 3.00 p.m. on 22 April 2025:
 - (a) by post, to the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554; or
 - (b) by email to ecomm@serialsystem.com.

When submitting the questions, please provide the Company with the following details, for verification purpose:

- (i) full name;
- (ii) identification/registration number;
- (iii) email address; and
- (iv) contact number

Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will endeavour to address all substantial and relevant questions from members either before the AGM on SGXNet and the Company's corporate website by 25 April 2025, or during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

17. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's corporate website and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

The Annual Report 2024 may also be accessed at:

https://serialsystem.com/wp-content/uploads/2025/04/SSL_AR2024.pdf or
by scanning the QR code on the right.



NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy:

By (a) attending the AGM and/or any adjournment thereof, or (b) submitting an instrument appointing the proxy or proxies and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (c) submitting any questions prior to the AGM in accordance with this Notice of AGM, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes: processing of the registration for the purpose of granting access to members to the AGM (including any adjournment thereof); processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof); addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The required disclosures under Rule 720 (6) as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited of the Directors of the Company who will be retiring and standing for re-election at the Annual General Meeting of the Company are set out below:-

Details	Name of Director		
	Heng Yeow Meng Michael	Khua Kian Kheng Ivan	Ng Yong Hwee
Date of appointment	30 April 2024	30 April 2024	30 April 2024
Date of last re-appointment	–	–	–
Age	52	49	60
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Heng Yeow Meng Michael for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the Board Committees.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Khua Kian Kheng Ivan for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the Board Committees.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Ng Yong Hwee for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the Board Committees.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Independent and Non-Executive Director Chairman of the Audit Committee Member of the Nominating Committee 	<ul style="list-style-type: none"> Independent and Non-Executive Director Chairman of the Nominating Committee Member of the Remuneration Committee 	<ul style="list-style-type: none"> Independent and Non-Executive Director Member of the Audit Committee Member of the Remuneration Committee
Professional qualifications	Bachelor of Commerce degree from the University of Melbourne, Australia	Bachelor degree in Building Construction Management (First Class Honours) from the University of New South Wales, Australia	Bachelor of Arts and Social Sciences degree from the National University of Singapore and a MBA from Warwick Business School, United Kingdom.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Heng Yeow Meng Michael	Khua Kian Kheng Ivan	Ng Yong Hwee
Shareholding interest in the listed issuer and its subsidiaries	No	No	No
Shareholding details	Not applicable	Not applicable	Not applicable
Other Principal Commitments* including Directorships *"Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018			
Past (for the last 5 years)	<ul style="list-style-type: none"> Independent Director of Sysma Holdings Limited 	<ul style="list-style-type: none"> Independent Director of KSH Holdings Limited Independent Director of MoneyMax Financial Services Ltd Independent Director of No Signboard Holdings Ltd Director of Blue Sky Power (Singapore) Pte Limited Director of Specialist Care Group Pte Ltd 	<ul style="list-style-type: none"> Deputy Chief Executive Officer of Union Gas Holdings Limited
Present	Managing Partner of Heng Lee Seng LLP Director of: <ul style="list-style-type: none"> HLS Corporate Services Pte. Ltd. HLS Risk Advisory Services Pte. Ltd. HLS Tax Advisory Services Pte. Ltd. HLS Human Capital Services Pte. Ltd. Safe & Sound Pte. Ltd. 	Executive Director of Hock Leong Enterprise Pte. Ltd. Director of: <ul style="list-style-type: none"> Eleotri Pte. Ltd. Tuanle Corporation Pte. Ltd. Centennial Harvest Limited Synetcom International Pte. Ltd. Hock Leong Private Limited Hock Leong Holdings (Private) Limited Touchstone HL Capital Pte. Ltd. lapps Health Group Pte. Ltd. Eclipsium Labs Pte. Ltd. 	Independent Director of K2 F&B Holdings Limited Independent Director of Eneco Energy Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Heng Yeow Meng Michael	Khua Kian Kheng Ivan	Ng Yong Hwee
Information Required Pursuant to Listing Rule 704(7)			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Heng Yeow Meng Michael	Khua Kian Kheng Ivan	Ng Yong Hwee
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Heng Yeow Meng Michael	Khua Kian Kheng Ivan	Ng Yong Hwee
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Heng Yeow Meng Michael	Khua Kian Kheng Ivan	Ng Yong Hwee
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Heng Yeow Meng Michael	Khua Kian Kheng Ivan	Ng Yong Hwee
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The required disclosures under Rule 720 (6) as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited of the Directors of the Company who will be retiring and standing for re-election at the Annual General Meeting of the Company are set out below:-

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
Date of appointment	5 October 2021	26 January 2022	8 May 2019
Date of last re-appointment	28 April 2022	28 April 2022	28 April 2022
Age	45	31	51
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Sean Goh Su Teng for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets and age of the Board, concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Ms. Victoria Goh Si Hui for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets, gender and age of the Board, concluded that she possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Goi Kok Ming Kenneth for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	<p>The appointment is executive.</p> <p>Mr. Sean Goh Su Teng will continue his role as Deputy Group Chief Executive Officer to oversee the Group's business and operations including optimizing the information technology, operational and asset management capabilities. Mr. Sean Goh Su Teng will work with the Management Team and the Board of Serial System Ltd, to develop and execute corporate strategies.</p>	<p>The appointment is executive.</p> <p>Ms. Victoria Goh Si Hui will continue to manage the business and operations of the Printing and Managed Print Services, and Hospitality and Healthcare Solutions Divisions as well as supply chain and inventory management of the Group. Ms. Victoria Goh Si Hui will work with the Management Team and the Board of Serial System Ltd on corporate development and strategic planning of the Group.</p>	Non-Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Executive Director Deputy Group Chief Executive Officer 	<ul style="list-style-type: none"> Executive Director Vice President, Business Development & Marketing 	Non-Independent
Professional qualifications	Bachelor of Engineering degree with Honours from the Nanyang Technological University, Singapore	Bachelor of Business degree from the Nanyang Technological University, Singapore	Bachelor degree in Computer Information System from the California State University, Pomona, United States
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the listed issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Sean Goh Su Teng is the cousin of Mr. Derek Goh Bak Heng and uncle of Ms. Victoria Goh Si Hui. Mr. Derek Goh Bak Heng is the Executive Chairman and Group Chief Executive officer, and Substantial Shareholder of Serial System Ltd.	Ms. Goh Si Hui Victoria is the daughter of Mr. Derek Goh Bak Heng and niece of Mr. Sean Goh Su Teng. Mr. Derek Goh Bak Heng is the Executive Chairman and Group Chief Executive Officer, and Substantial Shareholder of Serial System Ltd.	Mr. Goi Kok Ming Kenneth is the son of Mr. Goi Seng Hui. Mr. Goi Seng Hui is a Substantial Shareholder of Serial System Ltd.
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> Deputy Group Chief Executive Officer of Serial System Ltd Group Chief Operating Officer of Serial System Ltd Group Senior Vice President and Chief Operating Officer of Consumer Products Distribution Division of Serial System Ltd Senior Vice President of Corporate Planning, Development and Regional Marketing of Serial Microelectronics Pte. Ltd. (wholly-owned subsidiary of Serial System Ltd) 	<ul style="list-style-type: none"> Vice President, Business Development & Marketing of Serial System Ltd Director, Business Development & Marketing of Serial System Ltd Business Development Manager of Serial System Ltd Business Development Executive of Serial System Ltd Business Development Executive (Management Trainee Program) of Future Electronics Inc. (Distribution) Pte. Ltd. Corporate Development Executive of Serial Microelectronics Pte. Ltd. (wholly-owned subsidiary of Serial System Ltd) 	<ul style="list-style-type: none"> Chief Operating Officer and Executive Director of GSH Corporation Limited Non-Executive and Non-independent Director of PSC Corporation Ltd Non-Executive and Non-independent Director of Union Steel Holdings Limited Director of Acelink Logistics Pte. Ltd. Director of Tee Yih Jia Food Manufacturing Pte. Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
Shareholding interest in the listed issuer and its subsidiaries	Yes	Yes	No
Shareholding details	1.43% in Print-IQ Singapore Pte. Ltd., a 91.43%-owned subsidiary of Serial System Ltd	Direct interest - 171,000 shares of Serial System Ltd Deemed interest - 102,300 shares of Serial System Ltd	Not applicable
Other Principal Commitments* including Directorships * "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018			
Past (for the last 5 years)	Director of: <ul style="list-style-type: none"> • Achieva Technology Australia Pty Ltd. • Achieva Technology Sdn. Bhd. • Bull Will Trading (S) Pte. Ltd. • Otsaw Digital Pte. Ltd. • Otsaw Technology Solutions Pte. Ltd. • Serial JTech System Pte. Ltd. • Serial Microelectronics Information Limited • Serial Netcom Co., Ltd. • Serial VendTech Pte. Ltd. 	Director of: <ul style="list-style-type: none"> • Bull Will Trading (S) Pte. Ltd. • Serial JTech System Pte. Ltd. • Serial Microelectronics Information Limited 	Director of: <ul style="list-style-type: none"> • GSH (Zhengzhou) Investments Pte. Ltd. • Junhe Investment Pte. Ltd. • Super Elite Holdings Pte. Ltd.
Present	<ul style="list-style-type: none"> • Deputy Group Chief Executive Officer and Executive Director of Serial System Ltd • Representative Director of Bull Will Co., Ltd. • Chairman and Non-Executive Director of Serial Achieva Limited Director of: <ul style="list-style-type: none"> • G2 Unity Investment Pte. Ltd. • Teabrary International Pte. Ltd. 	<ul style="list-style-type: none"> • Vice President, Business Development & Marketing and Executive Director of Serial System Ltd • Representative Director of Bull Will Co., Ltd • Non-Executive Director of Serial Achieva Limited Director of: <ul style="list-style-type: none"> • Asian Prosperity Singapore Pte. Ltd. • C & G Investment Pte. Ltd. 	<ul style="list-style-type: none"> • Chief Operating Officer and Executive Director of GSH Corporation Limited • Non-Executive Director of PSC Corporation Ltd • Non-Executive Director of Serial System Ltd • Non-Executive Director of Union Steel Holdings Limited Director of: <ul style="list-style-type: none"> • Acelink Logistics Pte. Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
	<p>Director of group companies of Serial System Ltd:</p> <ul style="list-style-type: none"> • Bast Global Sdn. Bhd. • Bast Investment Pte. Ltd. • Contract Sterilization Services Pte. Ltd. • CSS Medisys Pte. Ltd. • Hydra & Thermal Pte. Ltd. • Inkcart's Pte. Ltd. • Nokivi Holdings Pte. Ltd. • Nokivi Pte. Ltd. • Print IQ MPS Company Limited • Print-IQ Singapore Pte. Ltd. • PT. Achieva Technology Indonesia • PT. Serial Microelectronics Indonesia • Satcom Icenter Limited • SB Global Ventures Pte. Ltd. • SCE Enterprise Pte. Ltd. • Serial Electronics Investment Limited • Serial Factoring (Thailand) Co., Ltd • Serial Investment (Korea) Limited • Serial Investment Pte Ltd • Serial Investment Taiwan Inc. • Serial I-Tech (Far East) Pte. Ltd. • Serial I-Tech (ME) Pte. Ltd. • Serial Microelectronics (HK) Limited 	<ul style="list-style-type: none"> • D&C Goh Holdings Pte. Ltd. • G2 Unity Investment Pte. Ltd. • Global Voice Pte. Ltd. • Nuline Marketing Singapore Pte. Ltd. • Teabrary International Pte. Ltd. • Teabrary Investment Pte. Ltd. • Yuan Premium Foods Pte. Ltd. <p>Director of group companies of Serial System Ltd:</p> <ul style="list-style-type: none"> • Bast Global Sdn. Bhd. • Bast Investment Pte. Ltd. • Contract Sterilization Services Pte. Ltd. • CSS Medisys Pte. Ltd. • Inkcart's Pte. Ltd. • Newstone Technology Limited • Print-IQ Singapore Pte. Ltd. • SCE Enterprise Pte. Ltd. • Serial Investment (Korea) Limited • Serial Investment Pte. Ltd. • Serial Investment Taiwan Inc. • Serial I-Tech (Far East) Pte. Ltd. • Serial Microelectronics (HK) Limited • Serial Microelectronics Inc. • Serial Microelectronics Korea Limited • Serial Microelectronics Pte. Ltd. 	<ul style="list-style-type: none"> • Ritz Properties Sdn. Bhd. • Tee Yih Jia Food Manufacturing Pte. Ltd. • TYJ Group Pte. Ltd. • Vive La Sdn. Bhd. <p>Director of group companies of GSH Corporation Limited:</p> <ul style="list-style-type: none"> • Advanced Prestige Sdn. Bhd. • Altheim International Ltd • Aspirasi Kukuh Sdn. Bhd. • Borneo Ventures Pte. Ltd. • City View Ventures Sdn. Bhd. • Eastworth Source Sdn. Bhd. • GSH Facilities Management (Malaysia) Sdn. Bhd. • GSH International Enterprise Pte. Ltd. • GSH Island Investments Pte. Ltd. • GSH (Middle East) Pte. Ltd. • GSH Properties (Chongqing) Co., Ltd. • GSH Properties (Malaysia) Pte. Ltd. • GSH Properties (PRC) Pte. Ltd. • GSH Properties Pte. Ltd. • GSH (Xiamen) Property Development Pte. Ltd. • Investasia Sdn. Bhd. • Linyi Properties Sdn. Bhd. • Mainfield Holdings Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
	<ul style="list-style-type: none"> Serial Microelectronics Inc. Serial Microelectronics Korea Limited Serial Microelectronics Pte. Ltd. Serial Microelectronics Sdn. Bhd. Serial Microelectronics (Shenzhen) Co., Ltd. Serial Multivision Pte. Ltd. Serial System International Pte. Ltd. SerialTec (Japan) Co., Ltd SerialTec Pte. Ltd. SG Networks Pte. Ltd. SSTW Technology Pte. Ltd. Stars Tea & Coffee Asia Pte. Ltd. STECH Global Trading Pte. Ltd. Straitsmart Sdn. Bhd. Swift-Value Business Pte. Ltd. TeamPal Enterprise Corp. UniSerial Electronics Limited URG Pte. Ltd. 	<ul style="list-style-type: none"> Serial Microelectronics (Shenzhen) Co., Ltd. Serial System International Pte. Ltd. SerialTec Pte. Ltd. Stars Tea & Coffee Asia Pte. Ltd. Swift-Value Business Pte. Ltd. UniSerial Electronics Limited 	<ul style="list-style-type: none"> Mewabumi Sdn. Bhd. MXIM Holdings Pte. Ltd. Ocean View Point Pte. Ltd. Ocean View Ventures Pte. Ltd. Prime Peninsular Holdings Pte. Ltd. Qingdao Timi Supply Chain Co., Ltd. Rainbow Properties Sdn. Bhd. Sutera Harbour Golf & Country Club Berhad Sutera Harbour Resort Sdn. Bhd. Sutera Harbour Travel Sdn. Bhd. Sutera Yacht Services Sdn. Bhd. The Little Shop Sdn. Bhd. The Sutera Harbour Group Sdn. Bhd. Twin Towers Properties Limited Xing Asia Impel Sdn. Bhd.
Information Required Pursuant to Listing Rule 704(7)			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be partner?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	In March 2019, Tong Chiang Group Pte. Ltd., an associated company of the Group, was ordered by the High Court of Singapore to be wound up. Mr. Sean Goh Su Teng was an alternate director of Tong Chiang Group Pte. Ltd. from 28 August 2015 to 14 September 2018.	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	In February 2017, a civil suit was initiated by the Securities and Futures Investors Protection Center of Taiwan ("SFIPC") against amongst others; Bull Will Co., Ltd, (a 13.54% associated company of Serial System Ltd), its directors, independent directors, supervisors, accounting supervisors, legal shareholder, and external auditors. In June 2021, the civil suit was dismissed by the Taiwanese Court on the basis that it was without merit. SFIPC subsequently filed an appeal. The civil suit is currently in progress. Mr. Sean Goh Su Teng is Serial System Ltd's legal representative director of Bull Will Co., Ltd.	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Sean Goh Su Teng	Victoria Goh Si Hui	Goi Kok Ming Kenneth
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

APPENDIX 1**APPENDIX TO SHAREHOLDERS DATED 15 APRIL 2025****THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Appendix is circulated to the shareholders (the “**Shareholders**”) of Serial System Ltd (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2024 (the “**Annual Report 2024**”). Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders’ approval for, the renewal of the Share Buyback Mandate (as defined in this Appendix) to be tabled at the annual general meeting (“**AGM**”) of the Company to be held on 30 April 2025 at 3.00 p.m. at 8 Ubi View, #05-01, Serial System Building, Singapore 408554.

The ordinary resolution proposed to be passed in respect of the renewal of the Share Buyback Mandate is set out in the notice of AGM. The notice of the AGM and a proxy form are enclosed with the Annual Report 2024.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

The legal advisers appointed by the Company for the purpose of the corporate action set out in this Appendix is AEI Legal LLC.

If you have sold all your Shares (as defined in this Appendix), you should immediately forward this Appendix, the Annual Report 2024 and proxy form to the purchaser or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.



SERIAL SYSTEM LTD

(Company Registration Number: 199202071D)
(Incorporated in the Republic of Singapore)

APPENDIX TO SHAREHOLDERS**IN RELATION TO****THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

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DEFINITIONS

For the purpose of this Appendix, the following definitions have, where appropriate, been used:

"2011 EGM"	: The extraordinary general meeting of the Company held on 23 April 2011
"2025 AGM"	: The annual general meeting of the Company to be held on 30 April 2025 at 3.00 p.m. at 8 Ubi View, #05-01, Serial System Building, Singapore 408554, notice of which is enclosed with the Annual Report 2024
"AGM"	: The annual general meeting of the Company
"Annual Report 2024"	: The annual report of the Company for FY2024
"Approval Date"	: Has the meaning ascribed to it in Section 1.3.1 of this Appendix
"Associates"	: Shall bear the meaning assigned to it by the Listing Manual
"Average Closing Price"	: Has the meaning ascribed to it in Section 1.3.4 of this Appendix
"Board"	: The board of the Directors of the Company for the time being
"CDP"	: The Central Depository (Pte) Limited
"Companies Act"	: The Companies Act 1967 (Singapore), as amended, modified or supplemented from time to time
"Company"	: Serial System Ltd
"Constitution"	: The Constitution of the Company
"Controlling Shareholder"	: A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
"CPF"	: The Central Provident Fund of Singapore
"CPF Agent Banks"	: Agent banks included under the CPF Investment Scheme
"CPF Investors"	: Investors who have purchased Shares using their CPF savings under the CPF Investment Scheme
"date of the making of the offer"	: Has the meaning ascribed to it in Section 1.3.4 of this Appendix
"Directors"	: Directors of the Company for the time being
"EPS"	: Earnings per Share
"Form 2"	: Has the meaning ascribed to it in Section 1.9.4.3 of this Appendix
"Full Share Purchase"	: Has the meaning ascribed to it in Section 1.9.4.2 of this Appendix
"FY"	: Financial year ended or ending 31 December, as the case may be
"Group"	: The Company and its subsidiaries
"Latest Practicable Date"	: 2 April 2025, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"Market Day"	: A day on which the SGX-ST is open for trading in securities

"Market Purchase"	:	Has the meaning ascribed to it in Section 1.3.3(a) of this Appendix
"Maximum Price"	:	Has the meaning ascribed to it in Section 1.3.4 of this Appendix
"NTA"	:	Net tangible assets
"Off-Market Purchase"	:	Has the meaning ascribed to it in Section 1.3.3(b) of this Appendix
"Ordinary Resolution"	:	The ordinary resolution relating to the renewal of the Share Buyback Mandate, as set out in the notice of the 2025 AGM
"Prescribed Limit"	:	Has the meaning ascribed to it in Section 1.3.1 of this Appendix
"public"	:	Shall bear the meaning assigned to it by the Listing Manual
"Registrar"	:	Has the meaning ascribed to it in Section 4 of the Companies Act
"Relevant Period"	:	Has the meaning ascribed to it in Section 1.3.2 of this Appendix
"Securities Account"	:	Securities account maintained by a Depositor with CDP but not including securities sub-account maintained with a Depository Agent
"Securities and Futures Act"	:	The Securities and Futures Act 2001 (Singapore), as amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Buyback"	:	The buyback of Shares by the Company pursuant to the terms of the Share Buyback Mandate
"Share Buyback Mandate"	:	The general mandate to enable the Company to purchase or otherwise acquire its Shares, the terms of which are set out in Section 1 of this Appendix
"Shareholders"	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term "Shareholders" shall in relation to such Shares mean the Depositors whose Securities Accounts with CDP are credited with the Shares
"Shares"	:	Ordinary shares in the capital of the Company
"SIC"	:	The Securities Industry Council
"SRS"	:	The Supplementary Retirement Scheme
"SRS Investors"	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
"SRS Operators"	:	Bank operators who manage the SRS accounts under the SRS
"subsidiaries"	:	The subsidiaries of a company (as defined in Section 5 of the Companies Act) and "subsidiary" shall be construed accordingly
"Substantial Shareholder"	:	A Shareholder whose interests in the Company's issued share capital (excluding treasury shares and subsidiary holdings in the Company) is equal to or more than 5%
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
Currencies and others		
"S\$"	:	Singapore dollars
"US\$"	:	United States dollar, being the lawful currency of the United States of America
"%" or "per cent"	:	Per centum or percentage

Any references in this Appendix to: (a) Mr. Derek Goh shall refer to Mr. Derek Goh Bak Heng; (b) Ms. Victoria Goh shall refer to Ms. Victoria Goh Si Hui; (c) Mr. Sean Goh shall refer to Mr. Sean Goh Su Teng; and (d) Ms. Victoria Goh's spouse shall refer to Mr. Magno Miguel Baskinas Guidote.

The terms "**Depositor**", "**Depository Register**" and "**Depository Agent**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term "**treasury share**" shall have the meaning ascribed to it in Section 4 of the Companies Act.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall, where applicable, include corporations.

Any reference to a time of a day in this Appendix is a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

SERIAL SYSTEM LTD
(Company Registration Number: 199202071D)
(Incorporated in the Republic of Singapore)

Directors:

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

Registered Office:

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

15 April 2025

To: The Shareholders of Serial System Ltd

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

Dear Shareholder,

1. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**1.1 Introduction**

The purpose of this Appendix is to provide Shareholders with relevant information pertaining to, and to seek Shareholders' approval at the 2025 AGM for, *inter alia*, the renewal of the Share Buyback Mandate.

Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Constitution of the Company and such other laws and regulations as may for the time being be applicable.

At the 2011 EGM, the Shareholders had approved the Share Buyback Mandate to enable the Company to purchase or otherwise acquire Shares. The mandate was last renewed at the AGM held on 30 April 2024, and will unless renewed again, expire on the date of the 2025 AGM.

In this regard, approval is now being sought from Shareholders for the renewal of the Share Buyback Mandate at the 2025 AGM. The Ordinary Resolution will be proposed, pursuant to which authority will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate.

If approved, the renewal of the Share Buyback Mandate will take effect from the date of the 2025 AGM and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held, whichever is the earlier, unless prior thereto, Share Buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting.

The SGX-ST takes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

1.2 Rationale

The Directors are of the view that a Share Buyback, conducted at an appropriate price level, may enhance the return on equity of the Group and increase Shareholders' value. Share Buybacks are a cost-efficient and effective method of returning to the Shareholders surplus cash over and above the Company's ordinary capital requirements, and provide the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA value per Share.

The Directors are also of the view that Share Buybacks may help mitigate short-term market volatility and offset the effects of short-term speculation, as well as bolster the confidence of Shareholders.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of cash available and the prevailing market conditions. The Directors do not propose to carry out Share Buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares and/or the financial position of the Group, taking into account the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

1.3 Terms of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

1.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The Companies Act provides that the total number of shares that may be purchased or acquired by a company shall not exceed that number of shares representing not more than 10% of the issued ordinary share capital of the company (excluding treasury shares and subsidiary holdings) as at the date of the general meeting at which the renewal of its share buyback mandate is approved (the **"Approval Date"**) (unless the company has effected a reduction of the share capital of the company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the company shall be taken to be the number of the issued ordinary shares of the company as altered, excluding any treasury shares and subsidiary holdings that may be held by the company from time to time). Shares which are held as treasury shares or subsidiary holdings will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, assuming that the Company has 904,841,914 Shares as at the date of the 2025 AGM (being the number of Shares as at the Latest Practicable Date, excluding treasury shares and subsidiary holdings and assuming no change in the number of Shares on or prior to the date of the 2025 AGM), not more than 90,484,191 Shares representing approximately 10% of the Company's existing issued ordinary share capital (excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company, pursuant to the limits set out in the Companies Act.

Notwithstanding the above, subject to the limits under Section 761(1) of the Companies Act in respect of a company's shares held in treasury, the maximum number of Shares that the Company can purchase or acquire and hold in treasury (assuming no change in the number of Shares held in treasury on or prior to the 2025 AGM) will be 89,632,791 Shares, instead of the aforesaid 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), i.e. 90,484,191 Shares. As such, the Company is seeking a Share Buyback Mandate to enable the Company to purchase or otherwise acquire Shares of up to a maximum of 89,632,791 Shares (the **"Prescribed Limit"**) at the 2025 AGM. Please refer to Section 1.7.2 of this Appendix for further details.

1.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next AGM of the Company is held or is required by law to be held;
- (b) the date on which the Share Buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in general meeting,

(the **"Relevant Period"**).

1.3.3 Manner of purchase of Shares

Purchases of Shares may be made by way of, inter alia:

- (a) on-market purchases (**"Market Purchase"**) transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (**"Off-Market Purchase"**) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of Shares are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Buyback;
- (d) the consequences, if any, of Share Buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share Buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

1.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means:

- (i) in the case of a Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the date of the Market Purchase; or
- (ii) in the case of an Off-Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the date of the making of the offer pursuant to the Off-Market Purchase; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from its Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

1.4 Status of purchased Shares under the Share Buyback Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

1.5 Treasury shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

1.5.1 Maximum holdings

The aggregate number of Shares held as treasury shares cannot at any time exceed 10% of the total number of Shares.

In the event that the number of treasury shares held by the Company exceeds 10% of the total number of Shares, the Company shall dispose of or cancel the excess Shares within six (6) months of the day on which such contravention occurs, or such further period as the Registrar may allow.

1.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Furthermore, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury shares before the subdivision or consolidation, as the case may be.

1.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Pursuant to Rule 704(28) of the Listing Manual, the Company will immediately announce any sale, transfer, cancellation and/or use of treasury shares, including the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use;

- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

1.6 Sources of funds for Share Buyback

The Companies Act permits the Company to make payment, pursuant to the purchase or acquisition of its own Shares, out of capital as well as from its distributable profits, so long as the Company is solvent. The Companies Act provides that a Company is solvent if at the date of the relevant payment, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal resources, external borrowings or a combination of both to finance purchases or acquisitions of Shares pursuant to the Share Buyback Mandate.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the Group's working capital, current dividend policy and/ or ability to service its debts would be adversely affected.

1.7 Financial effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, inter alia, how the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2024, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 January 2024 for the purpose of computing the financial effects on the EPS of the Group and the Company;
- (b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 January 2024 for the purpose of computing the financial effects on the Shareholders' equity, NTA per Share, gearing and current ratio of the Group and the Company; and
- (c) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

1.7.1 Purchase or acquisition out of capital or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the amounts paid by the Company for the purchase or acquisition of Shares are made out of profits, such amounts will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the amounts paid by the Company for the purchase or acquisition of Shares are made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by such amounts. The total amount of the purchase or acquisition price shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the Shares which is paid out of the Company's capital or profits.

1.7.2 Number of Shares acquired or purchased

Assuming there is no change in the number of Shares, and the number of Shares held in treasury on or prior to the date of the 2025 AGM:

- (i) as at the Latest Practicable Date, the Company has 904,841,914 issued Shares (excluding treasury shares and subsidiary holdings);
- (ii) the Company may purchase or acquire up to 90,484,191 Shares under the Companies Act (being 10% of its issued Shares (excluding treasury shares and subsidiary holdings));
- (iii) as at the Latest Practicable Date, the Company has 946,000 Shares held in treasury;
- (iv) the Company may hold up to 90,578,791 Shares in treasury (being 10% of its total number of Shares) pursuant to Section 76I(1) of the Companies Act; and
- (v) the Company may purchase or acquire up to 89,632,791 Shares under the renewed Share Buyback Mandate to be held as treasury shares.

For illustrative purposes, the Company has assumed that it will only purchase or acquire up to 89,632,791 Shares under the Share Buyback Mandate, to be held as treasury shares.

1.7.3 Maximum price paid for Shares acquired or purchased

In the case of Market Purchases by the Company:

Assuming the Company purchases or acquires 89,632,791 Shares at the maximum price of S\$0.0445 (equivalent to US\$0.0332) for one (1) Share (being the price equivalent to 5% above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 89,632,791 Shares is approximately US\$2,975,809.

In the case of Off-Market Purchases by the Company:

Assuming the Company purchases or acquires 89,632,791 Shares at the maximum price of S\$0.0509 (equivalent to US\$0.0380) for one (1) Share (being the price equivalent to 20% above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 89,632,791 Shares is approximately US\$3,406,046.

1.7.4 Illustrative financial effects

For illustrative purposes only, and on the basis of the assumptions set out below, the financial effects of the:

- (i) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares; and
- (v) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and cancelled,

based on the audited financial statements of the Group and the Company for FY2024 are set out in the sections below.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Appendix.

Scenario 1(A)

Market Purchases of 89,632,791 Shares out of capital and held in treasury

As at 31 December 2024	Group		Company	
	Before the Share Buyback US\$'000	After the Share Buyback US\$'000	Before the Share Buyback US\$'000	After the Share Buyback US\$'000
Share Capital	72,648	72,648	72,648	72,648
Treasury Shares	(70)	(3,046)	(70)	(3,046)
Capital Reserve	1,602	1,602	518	518
Defined Benefit Plans Reserve	446	446	-	-
Fair Value Reserve	(742)	(742)	-	-
Revaluation Reserve	227	227	-	-
Other Reserve	2,771	2,771	-	-
Currency Translation Reserve	339	339	-	-
Retained Earnings	50,077	50,077	23,263	23,263
Non-Controlling Interests	6,091	6,091	-	-
Shareholders' Equity	133,389	130,413	96,359	93,383
NTA	123,984	121,008	96,335	93,359
Current Assets	349,654	348,166	38,420	36,932
Current Liabilities	273,954	275,442	20,192	21,680
Working Capital	75,700	72,724	18,228	15,252
Total Borrowings ⁽¹⁾	171,954	173,442	9,573	11,061
Cash and Cash Equivalents ⁽¹⁾	38,312	36,824	771	(717)
Net Profit	516	516	2,313	2,313
Number of Shares ⁽²⁾	904,841,914	815,209,123	904,841,914	815,209,123
Weighted Average Number of Shares	904,841,914	815,209,123	904,841,914	815,209,123
<u>Financial Ratios</u>				
NTA per Share (US\$ cents)	13.70	14.84	10.65	11.45
Basic EPS (US\$ cents) ⁽³⁾	0.06	0.06	0.26	0.28
Gearing % ⁽⁴⁾	129	133	10	12
Current Ratio (times) ⁽⁵⁾	1.28	1.26	1.90	1.70

Notes:

- (1) Assuming the Share Buyback will be funded 50% by internal resources and 50% by external borrowings.
- (2) Number of Shares excludes treasury shares and assumes no change in the number of Shares on or prior to the date of the 2025 AGM.
- (3) Basic EPS is computed based on FY2024 net profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current Ratio equals current assets divided by current liabilities.

Scenario 1(B)

Off-Market Purchases of 89,632,791 Shares out of capital and held in treasury

As at 31 December 2024	Group		Company	
	Before the Share Buyback US\$'000	After the Share Buyback US\$'000	Before the Share Buyback US\$'000	After the Share Buyback US\$'000
Share Capital	72,648	72,648	72,648	72,648
Treasury Shares	(70)	(3,476)	(70)	(3,476)
Capital Reserve	1,602	1,602	518	518
Defined Benefit Plans Reserve	446	446	-	-
Fair Value Reserve	(742)	(742)	-	-
Revaluation Reserve	227	227	-	-
Other Reserve	2,771	2,771	-	-
Currency Translation Reserve	339	339	-	-
Retained Earnings	50,077	50,077	23,263	23,263
Non-Controlling Interests	6,091	6,091	-	-
Shareholders' Equity	133,389	129,983	96,359	92,953
NTA	123,984	120,578	96,335	92,929
Current Assets	349,654	347,951	38,420	36,717
Current Liabilities	273,954	275,657	20,192	21,895
Working Capital	75,700	72,294	18,228	14,822
Total Borrowings ⁽¹⁾	171,954	173,657	9,573	11,276
Cash and Cash Equivalents ⁽¹⁾	38,312	36,609	771	(932)
Net Profit	516	516	2,313	2,313
Number of Shares ⁽²⁾	904,841,914	815,209,123	904,841,914	815,209,123
Weighted Average Number of Shares	904,841,914	815,209,123	904,841,914	815,209,123
<u>Financial Ratios</u>				
NTA per Share (US\$ cents)	13.70	14.79	10.65	11.40
Basic EPS (US\$ cents) ⁽³⁾	0.06	0.06	0.26	0.28
Gearing % ⁽⁴⁾	129	134	10	12
Current Ratio (times) ⁽⁵⁾	1.28	1.26	1.90	1.68

Notes:

- (1) Assuming the Share Buyback will be funded 50% by internal resources and 50% by external borrowings.
- (2) Number of Shares excludes treasury shares and assumes no change in the number of Shares on or prior to the date of the 2025 AGM.
- (3) Basic EPS is computed based on FY2024 net profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current Ratio equals current assets divided by current liabilities.

Scenario 2(A)

Market Purchases of 89,632,791 Shares out of capital and cancelled

As at 31 December 2024	Group		Company	
	Before the Share Buyback US\$'000	After the Share Buyback US\$'000	Before the Share Buyback US\$'000	After the Share Buyback US\$'000
Share Capital	72,648	69,672	72,648	69,672
Treasury Shares	(70)	(70)	(70)	(70)
Capital Reserve	1,602	1,602	518	518
Defined Benefit Plans Reserve	446	446	-	-
Fair Value Reserve	(742)	(742)	-	-
Revaluation Reserve	227	227	-	-
Other Reserve	2,771	2,771	-	-
Currency Translation Reserve	339	339	-	-
Retained Earnings	50,077	50,077	23,263	23,263
Non-Controlling Interests	6,091	6,091	-	-
Shareholders' Equity	133,389	130,413	96,359	93,383
NTA	123,984	121,008	96,335	93,359
Current Assets	349,654	348,166	38,420	36,932
Current Liabilities	273,954	275,442	20,192	21,680
Working Capital	75,700	72,724	18,228	15,252
Total Borrowings ⁽¹⁾	171,954	173,442	9,573	11,061
Cash and Cash Equivalents ⁽¹⁾	38,312	36,824	771	(717)
Net Profit	516	516	2,313	2,313
Number of Shares ⁽²⁾	904,841,914	815,209,123	904,841,914	815,209,123
Weighted Average Number of Shares	904,841,914	815,209,123	904,841,914	815,209,123
<u>Financial Ratios</u>				
NTA per Share (US\$ cents)	13.70	14.84	10.65	11.45
Basic EPS (US\$ cents) ⁽³⁾	0.06	0.06	0.26	0.28
Gearing % ⁽⁴⁾	129	133	10	12
Current Ratio (times) ⁽⁵⁾	1.28	1.26	1.90	1.70

Notes:

- (1) Assuming the Share Buyback will be funded 50% by internal resources and 50% by external borrowings.
- (2) Number of Shares excludes treasury shares and assumes no change in the number of Shares on or prior to the date of the 2025 AGM.
- (3) Basic EPS is computed based on FY2024 net profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current Ratio equals current assets divided by current liabilities.

Scenario 2(B)

Off-Market Purchases of 89,632,791 Shares out of capital and cancelled

As at 31 December 2024	Group		Company	
	Before the Share Buyback US\$'000	After the Share Buyback US\$'000	Before the Share Buyback US\$'000	After the Share Buyback US\$'000
Share Capital	72,648	69,242	72,648	69,242
Treasury Shares	(70)	(70)	(70)	(70)
Capital Reserve	1,602	1,602	518	518
Defined Benefit Plans Reserve	446	446	-	-
Fair Value Reserve	(742)	(742)	-	-
Revaluation Reserve	227	227	-	-
Other Reserve	2,771	2,771	-	-
Currency Translation Reserve	339	339	-	-
Retained Earnings	50,077	50,077	23,263	23,263
Non-Controlling Interests	6,091	6,091	-	-
Shareholders' Equity	133,389	129,983	96,359	92,953
NTA	123,984	120,578	96,335	92,929
Current Assets	349,654	347,951	38,420	36,717
Current Liabilities	273,954	275,657	20,192	21,895
Working Capital	75,700	72,294	18,228	14,822
Total Borrowings ⁽¹⁾	171,954	173,657	9,573	11,276
Cash and Cash Equivalents ⁽¹⁾	38,312	36,609	771	(932)
Net Profit	516	516	2,313	2,313
Number of Shares ⁽²⁾	904,841,914	815,209,123	904,841,914	815,209,123
Weighted Average Number of Shares	904,841,914	815,209,123	904,841,914	815,209,123
<u>Financial Ratios</u>				
NTA per Share (US\$ cents)	13.70	14.79	10.65	11.40
Basic EPS (US\$ cents) ⁽³⁾	0.06	0.06	0.26	0.28
Gearing % ⁽⁴⁾	129	134	10	12
Current Ratio (times) ⁽⁵⁾	1.28	1.26	1.90	1.68

Notes:

- (1) Assuming the Share Buyback will be funded 50% by internal resources and 50% by external borrowings.
- (2) Number of Shares excludes treasury shares and assumes no change in the number of Shares on or prior to the date of the 2025 AGM.
- (3) Basic EPS is computed based on FY2024 net profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current Ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements for FY2024 and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire Shares up to the Prescribed Limit, the Company may not necessarily purchase or acquire or be able to purchase or acquire Shares up to the Prescribed Limit. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

1.8 Listing status of the Shares

Rule 723 of the Listing Manual requires a listed company to ensure that at least 10% of its total number of issued shares excluding treasury shares must be held by public shareholders. As at the Latest Practicable Date, approximately 37.92% of the issued Shares (excluding treasury shares and subsidiary holdings) are held by public Shareholders. As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the Prescribed Limit pursuant to the renewed Share Buyback Mandate, approximately 31.10% of the issued Shares (excluding treasury shares and subsidiary holdings) will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the Prescribed Limit pursuant to the renewed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

1.9 Take-over implications

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

1.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

1.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of that individual, companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, a company is an "associated company" of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

1.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. The Directors and their concert parties will be exempted from the obligation to make a take-over offer subject to certain conditions, including, inter alia, the submission by each of the Directors of an executed form prescribed by the SIC within seven (7) days of the passing of the resolution to authorise the renewal of the Share Buyback Mandate.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be obliged to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Buyback Mandate.

1.9.4 Application of the Take-over Code

Details of the holdings in Shares by the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in Section 2 below.

1.9.4.1 *Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse*

For the purposes of the Take-over Code, Mr. Derek Goh, our Executive Chairman and Group Chief Executive Officer, Mr. Sean Goh, Mr. Derek Goh's cousin and an Executive Director and our Deputy Group Chief Executive Officer, Ms. Victoria Goh, Mr. Derek Goh's daughter and an Executive Director and our Vice President, Business Development and Marketing, and Ms. Victoria Goh's spouse, may be presumed to be acting in concert.

As at the Latest Practicable Date, the combined shareholding of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse in the Company amounts to 366,100,270 Shares, representing approximately 40.46% of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company.

1.9.4.2 *Consequence of Share Buybacks*

Based on 904,841,914 issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the exercise in full of the Share Buyback Mandate, given the limits under Section 76I(1) of the Companies Act in respect of the Company's Shares held in treasury, up to the Prescribed Limit would result in the purchase of 89,632,791 Shares.

If the exercise in full of the Share Buyback Mandate by the Company ("**Full Share Purchase**") causes the aggregate voting rights of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, to increase by more than 1% (assuming such increases occur within six (6) months), Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, would thereby incur an obligation to make a general offer under Rule 14 of the Take-over Code.

Based on the direct holdings of Shares of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse as at the Latest Practicable Date and assuming that:

- (a) the Company undertakes Share Buybacks under the Share Buyback Mandate up to the Prescribed Limit as permitted by the Share Buyback Mandate;
- (b) there is no change in Mr. Derek Goh's, Mr. Sean Goh's, Ms. Victoria Goh's, and Ms. Victoria Goh's spouse's direct holdings of Shares between the Latest Practicable Date and the date of the 2025 AGM; and
- (c) there is no change in Mr. Derek Goh's, Mr. Sean Goh's, Ms. Victoria Goh's, and Ms. Victoria Goh's spouse's direct holdings of Shares between the date of the 2025 AGM and the date of the Full Share Purchase,

the aggregate voting rights of Mr. Derek Goh, Mr. Sean Goh and Ms. Victoria Goh in the Company will increase from approximately 40.45% to approximately 44.90% and the aggregate voting rights of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse in the Company will increase from approximately 40.46% to approximately 44.91%.

In such event, Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, will, unless exempted, thereby incur an obligation to make a general offer under Rule 14 of the Take-over Code.

1.9.4.3 *Exemption under Section 3(a) of Appendix 2 of the Take-over Code*

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, would be eligible to be exempted from the obligation to make a general offer for the Company under Rule 14 of the Take-over Code as a result of the Company buying back its Shares pursuant to the renewed Share Buyback Mandate, subject to the following conditions:

- (a) the Letter to Shareholders on the Ordinary Resolution contains advice to the effect that by voting to approve the renewal of the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, who, as a result of the Share Buybacks, would increase their voting rights by more than 1% in any period of six (6) months;
- (b) the Letter to Shareholders discloses the names of Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, and their voting rights at the time of the 2025 AGM and after the Company exercises the renewed Share Buyback Mandate in full;
- (c) the Ordinary Resolution is approved by a majority of those Shareholders present and voting at the 2025 AGM on a poll who could not become obliged to make a general offer for the Company as a result of the Company purchasing Shares under the Share Buyback Mandate;

- (d) Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, will abstain from voting on the Ordinary Resolution in respect of all their Shares as of the date of the 2025 AGM and/or abstain from making a recommendation to Shareholders to vote in favour of the Ordinary Resolution;
- (e) within seven (7) days after the passing of the Ordinary Resolution, each of Mr. Derek Goh, Mr. Sean Goh, and Ms. Victoria Goh submits to the SIC a duly signed form as prescribed by the SIC; and
- (f) Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, together holding between 30% and 50% of the Company's voting rights, have not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate is imminent and the earlier of:
 - (i) the date on which authority for the renewed Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces it has (a) bought back such number of Shares as authorised by Shareholders at the 2025 AGM, or (b) decided to cease buying back its Shares,

as the case may be, if such acquisitions, taken together with the Share Buybacks under the renewed Share Buyback Mandate, would cause the aggregate voting rights held by Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, in the Company to increase by more than 1% in the preceding six (6) months.

If the aggregate voting rights held by Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, increase by more than 1% solely as a result of the Company buying back Shares as authorised by the Share Buyback Mandate, and none of them has acquired any Shares during the period as defined in Section 1.9.4.3(f) above, then Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, would be eligible for the SIC's exemption from the obligation to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

Shareholders should note that by voting in favour of the Ordinary Resolution at the forthcoming 2025 AGM, Shareholders are waiving their rights to a general offer at the required price from Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable.

One of the conditions for exemption from the obligation to make a general offer under Rule 14 of the Take-over Code is the submission by each of Mr. Derek Goh, Mr. Sean Goh, and Ms. Victoria Goh to the SIC of a duly signed form as prescribed by the SIC ("**Form 2**"). As at the Latest Practicable Date, each of Mr. Derek Goh, Mr. Sean Goh, and Ms. Victoria Goh has informed the Company that he/ she will be submitting a Form 2 to the SIC within seven (7) days after the passing of the Ordinary Resolution.

The Company understands that Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, have not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate is imminent and the earlier of:

- (i) the date on which authority for the renewed Share Buyback Mandate expires; and
- (ii) the date on which the Company announces it has (a) bought back such number of Shares as authorised by Shareholders at the 2025 AGM, or (b) decided to cease buying back its Shares,

as the case may be, if such acquisitions, taken together with the Share Buybacks under the renewed Share Buyback Mandate, would cause the aggregate voting rights held by Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh and parties acting in concert with them, including Ms. Victoria Goh's spouse, if applicable, in the Company to increase by more than 1% in the preceding six (6) months.

Save as disclosed above, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the renewed Share Buyback Mandate.

Appendix 2 of the Take-over Code requires that the resolution to authorise the renewal of the Share Buyback Mandate be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make a take-over offer under the Take-over Code as a result of the Share Buyback. Accordingly, the Ordinary Resolution is proposed to be taken on a poll, and Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse, if applicable, will abstain, and will procure their concert parties (if any) to abstain, from voting on the Ordinary Resolution.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buyback pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buyback Mandate is in force.

1.10 Reporting requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve the proposed Share Buyback Mandate, the Directors shall lodge a copy of the relevant Shareholders' resolution with the Registrar.

The Directors shall lodge with the Registrar a notice of share purchase within thirty (30) days of a share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of, inter alia, the total number of shares purchased or acquired, the purchase price per share or the highest and lowest prices paid for such shares, as applicable. Such announcement will be made in the form prescribed by the Listing Manual.

1.11 No purchases during price-sensitive developments

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices on dealings in securities under Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial statements.

1.12 Shares purchased by the Company in the twelve (12) months preceding the Latest Practicable Date

The Company has not purchased or acquired any Shares in the twelve (12) months preceding the Latest Practicable Date.

2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the Shares (as extracted from the Register of Directors' shareholdings), and the interests of the Substantial Shareholders in the Shares (as extracted from the Register of Substantial Shareholders) are as follows:

	← Number of Shares →					
	Direct Interest ⁽¹⁾	% ⁽²⁾	Deemed Interest	% ⁽²⁾	Total Interest	% ⁽²⁾
Directors						
Derek Goh Bak Heng ⁽³⁾	365,826,970	40.43	171,000	0.02	365,997,970	40.45
Teo Ser Luck	–	–	–	–	–	–
Sean Goh Su Teng	–	–	–	–	–	–
Victoria Goh Si Hui ⁽⁴⁾	171,000	0.02	102,300	0.01	273,300	0.03
Heng Yeow Meng Michael	–	–	–	–	–	–
Lye Hoong Yip Raymond	–	–	–	–	–	–
Khua Kian Kheng Ivan	–	–	–	–	–	–
Ng Yong Hwee	–	–	–	–	–	–
Goi Kok Ming Kenneth	–	–	–	–	–	–
Substantial Shareholders						
Derek Goh Bak Heng ⁽³⁾	365,826,970	40.43	171,000	0.02	365,997,970	40.45
Goi Seng Hui ⁽⁵⁾	131,293,738	14.51	24,862,800	2.75	156,156,538	17.26

Notes:

- (1) Including Shares held under nominees accounts.
- (2) “%” is based on 904,841,914 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (3) Mr. Derek Goh Bak Heng is deemed interested in the 171,000 Shares held by his daughter, Ms. Victoria Goh Si Hui.
- (4) Ms. Victoria Goh Si Hui is deemed interested in the 102,300 Shares held by her spouse.
- (5) Mr. Goi Seng Hui is deemed interested in the 24,862,800 Shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Companies Act.

Save as disclosed above, none of the Directors and Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the Share Buyback Mandate.

3. ACTION TO BE TAKEN BY SHAREHOLDERS

The 2025 AGM will be held in a wholly physical format at 8 Ubi View, #05-01, Serial System Building, Singapore 408554 on 30 April 2025 at 3.00 p.m. for the purpose of, inter alia, considering and, if thought fit, passing with or without modification the Ordinary Resolution as set out in the notice of the 2025 AGM.

Shareholders who are unable to attend the 2025 AGM and wish to appoint a proxy or proxies to attend and vote at the 2025 AGM on their behalf should complete, sign and return the proxy form attached to the notice of the 2025 AGM in accordance with the instruction printed therein. The duly executed instrument of proxy must be submitted either:

- (a) by post, to the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554; or
- (b) by email to ecomm@serialsystem.com (by enclosing a clear, scanned, completed and signed proxy form in PDF),

in either case, by 3.00 p.m. on 27 April 2025, being no later than seventy-two (72) hours before the time appointed for holding the 2025 AGM, and in default the instrument of proxy shall not be treated as valid. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2025 AGM if he so wishes to, in place of the proxy, if he finds that he is able to do so. In such event, the relevant proxy form will be deemed to be revoked.

CPF/SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 3.00 p.m. on 21 April 2025, being seven (7) working days prior to the date of the 2025 AGM.

4. DIRECTORS' RECOMMENDATIONS

Save that Mr. Derek Goh, Mr. Sean Goh, and Ms. Victoria Goh have abstained from making any recommendation in respect of the proposed renewal of the Share Buyback Mandate, the Directors, having carefully considered, inter alia, the terms and rationale of the Share Buyback Mandate, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that the Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Share Buyback Mandate to be proposed at the 2025 AGM.

5. ABSTENTION FROM VOTING

In respect of the proposed renewal of the Share Buyback Mandate, Mr. Derek Goh, Mr. Sean Goh, Ms. Victoria Goh, and Ms. Victoria Goh's spouse, if applicable, will abstain, and will procure their concert parties (if any) to abstain, from voting in respect of their holdings of Shares on the Ordinary Resolution, and will not accept any appointment as proxies or otherwise for voting on the Ordinary Resolution unless specific instructions have been given in the proxy form(s) on how the votes are to be cast in respect of the Ordinary Resolution.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

7. CONSENT

The legal adviser to the Company as to the proposed renewal of the Share Buyback Mandate, AEI Legal LLC, has given and has not withdrawn its written consent to the issue of this Appendix with the inclusion of its name herein and all references thereto in the form and context in which it appears in this Appendix and to act in such capacity in relation to this Appendix.

8. DOCUMENTS FOR INSPECTION

The Annual Report 2024 may be accessed at the Company's website at <https://serialsystem.com>.

A copy of the Constitution of the Company is available for inspection at the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554 during normal business hours, from the date of this Appendix up to and including the date of the 2025 AGM.

Yours faithfully
For and on behalf of the Board of Directors of
SERIAL SYSTEM LTD

Mr. Derek Goh Bak Heng
Executive Chairman and Group Chief Executive Officer

SERIAL SYSTEM LTD
(Company Registration Number:199202071D)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. Investors who holds Shares under the Central Provident Fund Investment Scheme (“**CPF Investors**”) and/or the Supplementary Retirement Scheme (“**SRS Investors**”) (as may be applicable) and who wishes to appoint the Chairman of the AGM as proxy should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes by 3.00 p.m. on 21 April 2025.

2. This Proxy Form is not valid for use by CPF Investors and/or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

3. Please read the notes to the Proxy Form.

I/We* _____ (Name)
_____ (NRIC/Passport/Co. Registration No.)
of _____ (Address)
being a member/members* of Serial System Ltd (the “**Company**”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or if no proxy is named, the Chairman of the Annual General Meeting (“**AGM**”) as my/our* proxy/proxies* to attend, speak and vote on my/our* behalf at the AGM of the Company to be held at 8 Ubi View, #05-01, Serial System Building, Singapore 408554 on Wednesday, 30 April 2025 at 3.00 p.m. and at any adjournment thereof.

I/We* have directed my/our* proxy/proxies* to vote for or against the resolutions or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specified directions as to voting are given, the proxy/proxies* may vote or abstain from voting at his/her/their* discretion as he/she/ they* will on any other matters arising at the AGM and at any adjournment thereof.

Please note that where the Chairman of the AGM is appointed as proxy, the proxy form appointing the Chairman of the AGM must be directed, i.e. the member must indicate for the respective resolutions whether the Chairman of the AGM is directed to vote “For” or “Against” or “Abstain” from voting. If no specific directions as to voting are given, the appointment of the Chairman of the AGM as proxy for the respective resolutions will be treated as invalid at the AGM and at any adjournment thereof.

Voting would be conducted by poll. Please indicate your vote “For”, “Against” or “Abstain”, on the resolutions with a tick [✓] within the boxes provided below. Alternatively, if you wish to exercise some of your votes “For” or some of your votes “Against” or some of your votes “Abstain” on the resolutions, please insert the relevant number of votes in the relevant boxes provided below.

No.	Ordinary Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
1	Adoption of the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2024 together with the Auditors’ Report thereon			
2	Approval of Directors’ Fees of up to S\$431,000 for the financial year ending 31 December 2025, payable quarterly in arrears			
3	Re-election of Mr. Heng Yeow Meng Michael as a Director of the Company			
4	Re-election of Mr. Khua Kian Kheng Ivan as a Director of the Company			
5	Re-election of Mr. Ng Yong Hwee as a Director of the Company			
6	Re-election of Mr. Sean Goh Su Teng as a Director of the Company			
7	Re-election of Ms. Victoria Goh Si Hui as a Director of the Company			
8	Re-election of Mr. Goi Kok Ming Kenneth as a Director of the Company			
9	Re-appointment of Moore Stephens LLP as Auditors of the Company and authorisation for the Directors to fix their remuneration			
	Special Business			
10	Authority to allot and issue shares			
11	Authority to offer and grant share options and to allot and issue or transfer shares under the Serial System Employee Share Option Scheme 2024			
12	Approval of the proposed renewal of the Share Buyback Mandate			

Dated this _____ day of _____ 2025

Total No. of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member who is not a Relevant Intermediary (which has the meaning ascribed to it in Section 181 of The Companies Act 1967 of Singapore) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A proxy need not be a member of the Company. Where such member's form of proxy appoints two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. If no such number of shares is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such Relevant Intermediary's form of proxy appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. In relation to a Relevant Intermediary who wishes to appoint more than two (2) proxies, please annex, to the form of proxy, the list(s) of proxies, setting out, in respect of each proxy, the name, address, NRIC/passport number, number of shares in relation to which each proxy has been appointed.
4. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.
5. Investors who hold Shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") and wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 3.00 p.m. on 21 April 2025) in order to allow sufficient time for their respective Relevant Intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf no later than 3.00 p.m. on 27 April 2025.
6. The instrument appointing the proxy or proxies must be submitted either:
 - (a) by post, to the registered office of the Company at 8 Ubi View, #05-01, Serial System Building, Singapore 408554; or
 - (b) by email to ecomm@serialsystem.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF),in either case, by 3.00 p.m. on 27 April 2025 ("**Proxy Deadline**"), and in default the Proxy Form shall not be treated as valid.
7. Members are strongly encouraged to submit the completed Proxy Form electronically via email.
8. The proxy/proxies must bring his/her/their NRIC/passport so as to enable the Company to verify his/her/their identity.
9. Completion and return of the instrument appointing the proxy or proxies by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy or proxies for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing the proxy or proxies to the AGM.
10. The instrument appointing the proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or an officer duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter of power of attorney or a duly certified copy thereof must be lodged with the instrument appointing the proxy or proxies, failing which the instrument appointing the proxy or proxies may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the proxy or proxies lodged, if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the proxy or proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 15 April 2025.



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

Tel: 65 6510 2408 Fax: 65 6547 1462

<https://serialsystem.com>