



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

**UNAUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS**

**FOR THE HALF YEAR
ENDED 30 JUNE 2025**

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

The contact person for the Sponsor is Mr. Josh Tan at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.

Contents

	Page
Condensed interim consolidated statement of profit or loss	1
Condensed interim consolidated statement of comprehensive income	2
Condensed interim statements of financial position	3
Condensed interim statements of changes in equity	4 - 5
Condensed interim consolidated statement of cash flows	6
Notes to the condensed interim financial statements	7 - 16
Other information	17 - 21

**SERIAL ACHIEVA LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		The Group		
		6 months ended 30 June 2025 US\$'000	6 months ended 30 June 2024 US\$'000	Change %
	Note			
Sales	5	49,634	19,620	153
Cost of sales	6	(47,959)	(19,023)	152
Gross profit		1,675	597	181
Gross profit margin		3.4%	3.0%	0.4 pt
Other income		690	231	199
Interest income	5	8	5	60
Other operating income	5	682	226	202
Expenses				
Distribution	6	(1,057)	(400)	164
Administrative	6	(442)	(106)	317
Finance	7	(222)	(167)	33
Other:				
Loss allowance on trade and other receivables	6	(20)	-	NM
Other operating	6	(978)	(619)	58
Total expenses		(2,719)	(1,292)	110
Loss before exceptional items		(354)	(464)	-24
Exceptional items:				
Acquisition-related costs ⁽¹⁾		-	(369)	-100
Loss on reverse acquisition ⁽²⁾		-	(4,246)	-100
		-	(4,615)	-100
Loss before income tax	6	(354)	(5,079)	-93
Income tax expense	9	(1)	(1)	-
Loss after income tax		(355)	(5,080)	-93
Attributable to:				
Equity holders of the Company		(445)	(5,080)	-91
Non-controlling interests		90	-	NM
		(355)	(5,080)	-93
Loss per share attributable to equity holders of the Company:				
Basic	22	(0.26) cent	(3.63) cents	-93
Diluted	22	(0.26) cent	(3.63) cents	-93

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

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

NM – Not meaningful

**SERIAL ACHIEVA LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group	
	6 months ended 30 June 2025 US\$'000	6 months ended 30 June 2024 US\$'000
Net loss for the period	(355)	(5,080)
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	219	(26)
Other comprehensive income/(loss) for the period, net of tax	219	(26)
Total comprehensive loss for the period	(136)	(5,106)
Attributable to:		
Equity holders of the Company	(198)	(5,106)
Non-controlling interests	62	-
	(136)	(5,106)

**SERIAL ACHIEVA LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30 June	31 December	30 June	31 December
		2025	2024	2025	2024
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		3,070	5,043	640	1,043
Trade and other receivables	12	19,309	26,943	25	232
Amounts due from related companies	13	770	1,154	751	286
Inventories	14	16,348	12,073	-	-
Income tax recoverable		-	5	-	-
		39,497	45,218	1,416	1,561
Non-current assets					
Investments in subsidiaries		-	-	23,116	23,116
Property, plant and equipment	15	218	238	1	1
Investment property	16	119	112	-	-
Intangible assets		18	-	-	-
		355	350	23,117	23,117
Total assets		39,852	45,568	24,533	24,678
LIABILITIES					
Current liabilities					
Trade and other payables	17	16,269	23,349	210	313
Amounts due to holding company and related companies	18	12,001	11,834	405	79
Borrowings	19	7,255	5,888	-	-
		35,525	41,071	615	392
Non-current liabilities					
Borrowings	19	59	110	-	-
Provision for severance benefits		17	-	-	-
		76	110	-	-
Total liabilities		35,601	41,181	615	392
NET ASSETS		4,251	4,387	23,918	24,286
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	14,794	14,794	26,797	26,797
Treasury shares	20	-	-	(1)	(1)
Currency translation reserve		1,096	849	64	7
Accumulated losses		(11,698)	(11,253)	(2,942)	(2,517)
		4,192	4,390	23,918	24,286
Non-controlling interests		59	(3)	-	-
TOTAL EQUITY		4,251	4,387	23,918	24,286

**SERIAL ACHIEVA LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Share capital US\$'000	Currency translation reserve US\$'000	Accumulated losses US\$'000	Total attributable to equity holders of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2025	14,794	849	(11,253)	4,390	(3)	4,387
Loss for the period	-	-	(445)	(445)	90	(355)
Other comprehensive income for the period, net of tax:						-
Currency translation differences	-	247	-	247	(28)	219
Total comprehensive loss for the period	-	247	(445)	(198)	62	(136)
Balance at 30 June 2025	14,794	1,096	(11,698)	4,192	59	4,251
Balance at 1 January 2024	5,648	626	(5,284)	990	-	990
Loss for the period	-	-	(5,080)	(5,080)	-	(5,080)
Other comprehensive loss for the period, net of tax:						
Currency translation differences	-	(26)	-	(26)	-	(26)
Total comprehensive loss for the period	-	(26)	(5,080)	(5,106)	-	(5,106)
Others:						
Consideration shares issued in relation to reverse acquisition	4,062	-	-	4,062	-	4,062
Share-based payment - Introducer fee	369	-	-	369	-	369
Issuance of ordinary shares for intercompany loan and balance capitalisation	3,000	-	-	3,000	-	3,000
Issuance of ordinary shares for compliance placement	1,844	-	-	1,844	-	1,844
Share issue expenses for compliance placement	(129)	-	-	(129)	-	(129)
Total others	9,146	-	-	9,146	-	9,146
Balance at 30 June 2024	14,794	600	(10,364)	5,030	-	5,030

**SERIAL ACHIEVA LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Company	Share capital US\$'00	Treasury shares US\$'000	Currency translation reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2025	26,797	(1)	7	(2,517)	24,286
Total comprehensive loss for the period	-	-	-	(425)	(425)
Currency translation differences	-	-	57	-	57
Balance at 30 June 2025	26,797	(1)	64	(2,942)	23,918
Balance at 1 January 2024	1,793	(1)	-	(1,665)	127
Total comprehensive loss for the period	-	-	-	(679)	(679)
Others:					
Consideration shares issued in relation to reverse acquisition	19,920	-	-	-	19,920
Share-based payment - Introducer shares	369	-	-	-	369
Issuance of ordinary shares for intercompany loan and balance capitalization	3,000	-	-	-	3,000
Issuance of ordinary shares for compliance placement	1,844	-	-	-	1,844
Share issue expenses for compliance placement	(129)	-	-	-	(129)
Total others	25,004	-	-	-	25,004
Balance at 30 June 2024	26,797	(1)	-	(2,344)	24,452

**SERIAL ACHIEVA LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	6 months ended 30 June 2025 US\$'000	6 months ended 30 June 2024 US\$'000
Cash flows from operating activities		
Loss before income tax	(354)	(5,079)
Adjustments for:		
Acquisition-related costs	-	369
Loss on reverse acquisition	-	4,246
Amortisation of intangible assets (computer software license costs)	2	-
Depreciation of property, plant and equipment	63	56
Loss allowance/(reversal of loss allowance) on trade receivables	20	(2)
Allowances for inventory obsolescence	112	52
Inventories written off	2	-
Fair value loss/(gain) on derivative financial instruments	87	(90)
Unrealised exchange (gain)/loss	(430)	360
Provision for severance benefits	17	-
Interest income	(8)	(5)
Interest expense	222	167
Operating cash flow before working capital changes	(267)	74
Changes in working capital		
Trade and other receivables	8,190	1,410
Inventories	(3,661)	(1,509)
Trade and other payables	(7,555)	(854)
Holding company	(4)	-
Related companies	4,320	(826)
Cash from/(used in) operations	1,023	(1,705)
Income tax refunded/(paid)	5	(1)
Net cash generated from/(used in) operating activities	1,028	(1,706)
Cash flows from investing activities		
Payments for property, plant and equipment	(31)	-
Payments for intangible assets (computer software license costs)	(20)	-
Interest received	8	5
Net cash (used in)/generated from investing activities	(43)	5
Cash flows from financing activities		
Proceeds from issuance of ordinary shares for compliance placement	-	1,844
Share issue expenses for compliance placement	-	(129)
Proceeds from bank borrowings	18,215	17,353
Repayment of bank borrowings	(17,209)	(15,612)
Principal payments of lease liabilities	(53)	(47)
Advances from holding company	-	5
Repayment to related companies	(3,904)	(3)
Interest paid	(222)	(167)
Net cash (used in)/generated from financing activities	(3,173)	3,244
Net (decrease)/increase in cash and cash equivalents held	(2,188)	1,543
Cash and cash equivalents at the beginning of the period	5,043	1,015
Effect of currency translation on cash and cash equivalents	215	3
Cash and cash equivalents at the end of the period	3,070	2,561

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General information

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

Registered office:-
Lot A020, Level 1
Podium Level, Financial Park
Jalan Merdeka
87000 Federal Territory of Labuan, Malaysia

Principal place of business:
2.03, 2nd Floor
Wisma Academy
No 4A, Jalan 19/1
46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia

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

These condensed interim financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the "Group").

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

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

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

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(1)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited annual financial statements for the year ended 31 December 2024.

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

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

2.2 New and amended standards adopted by the Group

The following are the amendments to SFRS(I)s, that took effect from financial year beginning on or after 1 January 2025:

Amendments to SFRS(I) 1-21 The Effect of Changes in Foreign Exchange Rates: Lack of Exchangeability

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. Basis of preparation (continued)

2.3 Use of judgements and estimates

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

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited annual financial statements as at and for the year ended 31 December 2024.

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

3. Seasonal operations

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

4. Segment information

4.1 Operating Segments

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

4.2 Geographical segments

The geographical segments comprised three broad primary geographic areas, namely: Malaysia (the home and principal operating country of the Company and the Group), Thailand and Singapore (inactive), which reflect the current business process and monitoring in these primary geographic business segments in which the Group operates in. Management considers the business from the geographical segments' perspective based on the reports reviewed to make strategic decisions. The geographical segments are reported in a manner consistent with the internal reporting provided to the management whose members are responsible for allocating resources and assessing performance of the geographical segments.

Performance is measured based on sales, gross profit and profit after tax, as included in the internal management reports that are reviewed by the Chief Executive Officer and Financial Controller on a monthly basis. These criteria are used to measure performance as management believes that such information are the most relevant in evaluating the results of each entity within the same geographical segment. Inter-segment transactions are determined on an arm's length basis.

Sales are based on the geographical area in which the entities are located. Non-current assets are shown by the geographical area where the assets are located.

	Sales		Non-current assets	
	6 months	6 months	30 June	31 December
	ended 30	ended 30	2025	2024
	June 2025	June 2024		
The Group	US\$'000	US\$'000	US\$'000	US\$'000
Malaysia	28,828	19,620	353	349
Thailand	20,806	-	2	1
Total	49,634	19,620	355	350

**SERIAL ACHIEVA LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Revenue

	The Group	
	6 months ended 30 June 2025 US\$'000	6 months ended 30 June 2024 US\$'000
Sales of goods	49,634	19,620
Other operating income	682	226
Interest income	8	5
	50,324	19,851
Sales of goods:		
Performance obligations satisfied at a point in time		
Sales of information technology and computer peripherals, and related products	49,634	19,620
Other operating income:		
Rebate income from suppliers	158	129
Rental income	11	2
Foreign exchange gain (net)	512	-
Fair value gain on derivative financial instruments	-	90
Reversal of loss allowance on trade receivables	-	2
Sundry income	1	3
Total other operating income	682	226
Interest income:		
Bank balances	8	5
Total interest income	8	5

**SERIAL ACHIEVA LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

6. Loss before income tax

	The Group	
	6 months ended 30 June 2025 US\$'000	6 months ended 30 June 2024 US\$'000
This is arrived at after charging:		
Amortisation of intangible assets (computer software license costs)*	2	-
Depreciation of property, plant and equipment*	63	56
Loss allowance on trade receivables*	20	-
Inventories:		
- cost of inventories recognised as an expense (included in cost of sales)	47,959	19,023
- allowances for inventory obsolescence*	112	52
- write off of inventories*	2	-
Employee benefits expense	912	306
Management fees* -holding company and related companies	333	261
Rental expense - operating leases (short term lease)	19	-
Freight and handling charges	134	92
Travelling and transportation expenses	49	21
Foreign exchange loss (net)*	-	201
Fair value loss on derivative financial instruments*	87	-
Other expenses (included in distribution, administrative and other operating expenses)	762	136
Total cost of sales, distribution, administrative and other operating expenses	50,456	20,148

* Included in "other operating expenses"

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Finance expense

	The Group	
	6 months ended 30 June 2025 US\$'000	6 months ended 30 June 2024 US\$'000
Interest expenses:		
Bankers' acceptance	194	146
Revolving credit	6	-
Letters of credit	16	15
Lease liabilities	6	6
	222	167

8. Related party transactions

A related party is a person or entity who is related to the entity that is preparing its financial statements ("reporting entity").

Parties are considered to be related if (a) a person or a close member of that person's family is related to a reporting entity, if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity and (b) an entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity; and (viii) the entity or any member of a group of which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

8.1 Sales and purchases of goods and services

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

	The Group	
	6 months ended 30 June 2025 US\$'000	6 months ended 30 June 2024 US\$'000
With holding company:		
- Management fees	72	53
With related companies:		
- Sales of goods	12	-
- Purchases of goods	23,718	19,629
- Management fees	261	208

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

9. Income tax expense

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

	The Group	
	6 months ended 30 June 2025 US\$'000	6 months ended 30 June 2024 US\$'000
Tax expense attributable to profit is made up of:		
Current income tax – Malaysia	1	1

10. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2025 and 31 December 2024:

	The Group		The Company	
	30 June 2025 US\$'000	31 December 2024 US\$'000	30 June 2025 US\$'000	31 December 2024 US\$'000
Financial assets at amortised cost:				
Cash and bank balances	3,070	5,043	640	1,043
Trade and other receivables	19,040	26,785	4	224
Amounts due from related companies	770	1,154	751	286
Total	22,880	32,982	1,395	1,553
Financial liabilities at amortised cost:				
Trade and other payables	16,189	23,349	210	313
Amounts due to holding company and related companies	12,001	11,834	405	79
Borrowings	7,314	5,998	-	-
Total	35,504	41,181	615	392

11. Net assets value

	The Group		The Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Net assets value (US\$'000)	4,192	4,390	23,918	24,286
Number of issued ordinary shares	169,774,355	169,774,355	169,774,355	169,774,355
Net assets value per ordinary share (US cents)	2.47	2.59	14.09	14.30

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

12. Trade and other receivables

	The Group		The Company	
	30 June 2025 US\$'000	31 December 2024 US\$'000	30 June 2025 US\$'000	31 December 2024 US\$'000
Trade receivables	18,094	25,953	-	-
Loss allowance	(191)	(160)	-	-
Net trade receivables	17,903	25,793	-	-
Other receivables	1,064	923	4	224
Deposits	73	69	-	-
Prepayments	269	145	21	8
Derivative financial instruments	-	13	-	-
	1,406	1,150	25	232
Total	19,309	26,943	25	232

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

The Group generally grants a credit period that ranges from 0 to 30 days to its customers. Trade receivables are recognised initially at the amounts of consideration that are unconditional unless they contain significant financing components, of which they will be recognised at fair value. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit exposure to an individual counterparty is restricted by credit limit that is approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective head of operation, and finance department and at the Group level by the corporate finance and management team.

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

13. Amounts due from related companies

	The Group		The Company	
	30 June 2025 US\$'000	31 December 2024 US\$'000	30 June 2025 US\$'000	31 December 2024 US\$'000
Amounts due from subsidiaries				
Non-trade	-	-	751	286
Amounts due from related companies				
Trade	9	24	-	-
Non-trade	785	1,154	-	-
	794	1,178	-	-
Loss allowance	(24)	(24)	-	-
	770	1,154	-	-
Total	770	1,154	751	286

The non-trade amounts due from subsidiaries are unsecured, interest bearing at 7.4% per annum (31 December 2024: 7.4% per annum) and repayable on demand.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

14. Inventories

	The Group	
	30 June	31 December
	2025	2024
	US\$'000	US\$'000
Finished goods	16,348	12,073

During the financial period, the Group provided allowances for inventory obsolescence amounting to US\$112,000 (30 June 2024: US\$52,000).

15. Property, plant and equipment

	The Group	
	30 June	31 December
	2025	2024
	US\$'000	US\$'000
Property, plant and equipment	70	28
Right-of-use assets	166	210
	236	238

The Group's right-of-use assets arose from rental of office and warehouse. Cash payments of US\$31,000 (30 June 2024: Nil) were made to purchase property, plant and equipment.

16. Investment property

	The Group	
	30 June	31 December
	2025	2024
	US\$'000	US\$'000
Beginning of financial period	112	109
Currency translation differences	7	3
End of financial period	119	112

16.1 Valuation

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

17. Trade and other payables

	The Group		The Company	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables - third parties	14,435	22,036	-	-
Other payables and accrued operating expenses	1,754	1,313	210	313
Derivative financial instruments	80	-	-	-
Total	16,269	23,349	210	313

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

18. Amounts due to holding company and related companies

	The Group		The Company	
	30 June 2025 US\$'000	31 December 2024 US\$'000	30 June 2025 US\$'000	31 December 2024 US\$'000
Amount due to subsidiary				
Non-trade	-	-	399	5
Amount due to holding company				
Non-trade	73	-	-	-
Amounts due to related companies				
Trade	11,512	7,647	-	-
Non-trade	416	4,187	6	74
	11,928	11,834	6	74
Total	12,001	11,834	405	79

The non-trade amounts due to subsidiary, holding company and related companies are unsecured, interest-free and repayable on demand. The trade amounts due to related companies are unsecured, interest-free with a credit term granted of 30 to 90 days.

19. Borrowings

	The Group	
	30 June 2025 US\$'000	31 December 2024 US\$'000
Amount repayable within one year or on demand:		
Secured	7,255	5,888
Amount repayable after one year:		
Secured	59	110
Total	7,314	5,998

19.1 Details of security and corporate guarantees

Current bank borrowings of US\$5,254,000 (31 December 2024: US\$5,544,000) are supported by corporate guarantee provided by the holding company, Serial System Ltd and a subsidiary of Serial System Ltd, SerialTec Pte Ltd and a bank's irrevocable standby letter of credit provided by Serial System Ltd. The remaining current bank borrowings of US\$1,887,000 (31 December 2024: US\$239,000) excluding lease liabilities are supported by corporate guarantee provided by Serial System Ltd.

Lease liabilities amounting to US\$114,000 (31 December 2024: US\$105,000) repayable within one year and US\$59,000 (31 December 2024: US\$110,000) repayable after one year are included in borrowings.

19.2 Loan compliance

The Group regularly monitors its compliance with the covenants and is up to date with the scheduled repayments of the borrowings. As at 30 June 2025, the Group did not comply with the covenants entered with banks, which the banks have the right to call for immediate repayment of outstanding current borrowings of US\$7,141,000 (31 December 2024: US\$ 5,783,000). As at the date of this report, current borrowings of US\$3,827,000 have been repaid and these banks have not called for any immediate repayment for the remaining amount of US\$3,314,000. The Group's subsidiary have been servicing the repayments of the borrowings and its interests as and when they fall due and the utilisation of the borrowing facilities continues as usual as of the date of this report.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

20. Share capital and treasury shares

	Issued number of shares		Total share capital	
	Share capital '000	Treasury shares '000	Share capital US\$'000	Treasury shares US\$'000
The Group				
2025				
At 1 January 2025 and 30 June 2025	169,775	1	14,794	-
2024				
At 31 December 2024	169,775	1	14,794	-
At 1 January 2024	186,720	10	5,648	-
The Company				
2025				
At 1 January 2025 and 30 June 2025	169,775	1	26,797	(1)
2024				
At 31 December 2024	169,775	1	26,797	(1)
At 1 January 2024	186,720	10	1,793	(1)

There were no ordinary shares issued since the end of the financial year ended 31 December 2024.

There were no outstanding share options as at 30 June 2025 and 31 December 2024.

As at 30 June 2025, the Group does not own treasury shares and subsidiary holdings.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares and subsidiary holdings during the six months ended 30 June 2025.

OTHER INFORMATION

21. Review

The condensed interim statements of financial position of Serial Achieva Limited and its subsidiaries as at 30 June 2025 and the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six month period then ended and certain explanatory notes have not been audited or reviewed by the auditors.

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

Based on the weighted average number of ordinary shares in issue (in US\$); and

On a fully diluted basis (in US\$)

Half Year Ended	
30 June 2025	30 June 2024
(0.26) cent	(3.63) cents
(0.26) cent	(3.63) cents

Loss per ordinary share on existing issued share capital are computed based on the weighted average number of shares in issue during the six months ended 30 June 2025 of 169,774,355 (30 June 2024: 139,981,775).

Loss per ordinary share on a fully diluted basis are computed based on the weighted average number of shares in issue during the six months ended 30 June 2025 of 169,774,355 (30 June 2024: 139,981,775) after adjusting assumed conversion of all potential dilutive ordinary shares.

There were no potential dilutive ordinary shares for the financial period ended 30 June 2025 and 30 June 2024.

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Condensed Interim Consolidated Statement of Profit or Loss

The Group recorded turnover of US\$49.6 million for the six months ended 30 June 2025 ("1H2025"), an increase of 153% compared to US\$19.6 million for the same period last year ("1H2024").

The substantial growth in turnover was mainly attributed to the Thailand segment which commenced operations in July 2024. It contributed US\$20.8 million to 1H2025 turnover growth. Malaysia segment also recorded a US\$9.2 million or 47% growth in turnover to US\$28.8 million due to strong consumer demand for desktop CPUs, VGA cards, motherboards and laptops.

Overall gross profit margin increased by 0.4 percentage point to 3.4% from 3.0% in 1H2025, mainly attributed to improved margin for VGA cards, motherboards and laptops in Malaysia, supported by strong consumer demand for these products.

Other operating income increased by US\$0.5 million or 202% to US\$0.7 million in 1H2025, mainly due to net gain in foreign exchange of US\$0.5 million recorded in 1H2025 as opposed to net loss in foreign exchange of US\$0.2 million recorded under "Other Operating Expenses" in 1H2024 as the Group's United States trade payables depreciated against the Thailand Baht in 1H2025.

OTHER INFORMATION

Distribution expenses increased by US\$0.7 million or 164% to US\$1.1 million in 1H2025. Thailand segment which commenced operations in July 2024 has contributed US\$0.5 million of expenses comprising mainly staff costs, and advertising and promotion expenses. Malaysia segment contributed the remaining increase of US\$0.2 million due mainly to higher staff salary and related costs, trade insurance costs as well as freight and handling charges.

Administrative expenses increased by US\$0.3 million or 317% to US\$0.4 million in 1H2025, mainly due to professional and statutory expenses incurred by the Company and expenses mainly on office rental and utility costs, office supplies and maintenance and statutory expenses incurred by the Thailand segment.

Finance costs increased by US\$0.06 million or 33% to US\$0.2 million in 1H2025, mainly due to the increase in utilisation of bank facilities compared to 1H2024 in anticipation of increasing customer demand.

Other operating expenses increased by US\$0.4 million or 58% to US\$1.0 million in 1H2025, mainly due to US\$0.3 million expenses comprising staff salary costs and director fees attributable to the Company. Higher allowances for inventory obsolescence of US\$0.04 million, fair value loss on derivative financial instruments of US\$0.09 million and US\$0.2 million expenses comprising mainly management fees, incurred by the Thailand segment also contributed to the increase in other operating expenses. The increase was partially offset by the net loss in foreign exchange of US\$0.2 million in 1H2024 as opposed to net gain in foreign exchange of US\$0.5 million in 1H2025 included in "Other Operating Income".

Excluding the exceptional loss of US\$4.6 million related to the one-off accounting loss incurred upon the completion of the reverse take-over amounting to US\$4.2 million and introducer fee paid in shares amounting to US\$0.4 million in 1H2024, the Group reported marginally lower net loss of US\$0.4 million in 1H2025 compared to US\$0.5 million in 1H2024. The net loss for 1H2025 was mainly attributed to the Company's corporate office expenses, despite improved sales and gross profit from the Malaysia segment and positive contributions from the Thailand subsidiary which commenced operations in July 2024, on the back of favourable net foreign exchange gain in 1H2025.

Condensed Interim Statements of Financial Position

Trade and other receivables decreased by US\$7.6 million to US\$19.3 million as at 30 June 2025. The decrease was mainly due to payment from a customer of the Singapore subsidiary which has ceased its business in 1H2025 and partially offset by higher trade receivables recorded by the Thailand subsidiary in line with higher sales for 1H2025. Average turnover days for trade receivables increased to 81 in 1H2025 from 77 for the financial year ended 31 December 2024 ("FY2024").

Amounts due from related companies decreased by US\$0.4 million to US\$0.8 million as at 30 June 2025. The decrease was mainly due to repayments of non-trade amounts by related companies.

Inventories increased by US\$4.3 million to US\$16.3 million as at 30 June 2025. The increase was mainly due to higher inventories purchased and held by the Thailand subsidiary, in anticipation of higher sales from increased product lines and ranges. This was marginally offset by lower inventories purchased and held by the Malaysia subsidiary as it adopted a prudent inventory management. Average turnover days for inventories increased to 54 in 1H2025 from 42 in FY2024.

Trade and other payables decreased by US\$7.1 million to US\$16.3 million as at 30 June 2025. The decrease was mainly due to payment to a supplier of the Singapore subsidiary which has ceased its business in 1H2025. This was partially offset by higher trade payables recorded by the Malaysia and Thailand subsidiaries due to longer payment days to certain suppliers and higher purchases respectively. Average payment days for trade payables increases to 69 in 1H2025 from 55 in FY2024.

Amounts due to holding company and related companies increased by US\$0.2 million to US\$12.0 million as at 30 June 2025. The increase was mainly due to purchases from related companies which was substantially offset by repayments of non-trade amounts due to these related companies.

Borrowings increased by US\$1.3 million to US\$7.3 million as at 30 June 2025. The increase was to finance purchase of inventories in anticipation of increasing customer demand.

As at 30 June 2025, the Group's net gearing ratio was 100% (31 December 2024: 22%). The net gearing ratio was derived as net debts (total borrowings minus cash and cash equivalents) divided by total equity. The substantially higher net gearing ratio was mainly due to increase in net debts.

OTHER INFORMATION

Condensed Interim Consolidated Statement of Cash Flows

In 1H2025, net cash from operating activities amounted to US\$1.0 million due to decrease in trade and other receivables of US\$8.2 million and increase in amounts due to related companies of US\$4.3 million. These inflows were substantially offset by decrease in trade and other payables of US\$7.5 million, increase in inventories of US\$3.7 million and negative operating cash flows of US\$0.3 million due to loss incurred by the Group.

In 1H2025, net cash used in investing activities amounted to US\$43,000 due to payment for purchase of property, plant and equipment and computer software license costs totalling US\$51,000. These outflows were partially offset by interest received of US\$8,000.

In 1H2025, net cash used in financing activities amounted to US\$3.2 million due to net repayments of US\$3.9 million to related companies and payment of interest expense of US\$0.2 million. These outflows were partially offset by higher net borrowings drawdown of US\$0.9 million.

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

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

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

The Group's businesses in Malaysia and Thailand continue to face a competitive and challenging environment, shaped by cautious consumer sentiment, inflation, and the growing influence of e-commerce. To adapt, the Group is focusing on expanding its product portfolio, particularly in high-growth areas like gaming, cloud storage, and AI solutions.

Looking forward, the Group plans to accelerate regional expansion into Southeast Asian markets particularly Vietnam, Indonesia and the Philippines through strategic partnerships and acquisitions. This strategy aims to diversify revenue, reduce reliance on existing markets, and enhance resilience for long-term, sustainable growth. The Group continues to closely monitor external risks posed by currency volatilities, supply chain issues, tariffs and trade restrictions, and is strengthening its risk management on inventories and customer credits.

26. Dividend

a) Current Financial Period Reported On

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

No.

b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

c) Date payable

Not applicable

d) Books closure date

Not applicable

OTHER INFORMATION

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

No interim dividend has been declared or recommended for the current financial period reported as the Group and Company incurred losses and have accumulated losses as at 30 June 2025.

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

The Group has obtained a renewal of the general mandate for IPT from Shareholders at the Company's annual general meeting on 29 April 2025.

Name of interested person	Nature of relationship	Aggregate value of all IPTs during <u>1H2025</u> (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules) S\$'000	Aggregate value of all IPTs during <u>1H2025</u> conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000) S\$'000
Serial System Ltd	Holding company	-	97⁽²⁾
Serial I-Tech (Far East) Pte. Ltd. ⁽¹⁾	Related company	-	18,826⁽³⁾
Serial Microelectronics Pte Ltd ⁽¹⁾	Related company	-	13,146⁽⁴⁾

Notes:

⁽¹⁾ Wholly owned subsidiaries of Serial System Ltd.

⁽²⁾ It represents management fee expenses.

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

⁽⁴⁾ It represents purchases of goods.

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

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

30. Additional information required pursuant to Rules 706A.

The Company incorporated a wholly owned subsidiary, Achieva Cloud Services Pte. Ltd., with a share capital of US\$2 comprising 2 ordinary shares in Singapore on 30 July 2025.

Achieva Cloud Services Pte. Ltd. is engaged in the provision of co-location services, including rental of data center space, power supply, and associated infrastructure to customers for hosting their IT equipment.

OTHER INFORMATION

31. Update on the use of proceeds from compliance placement

The Company has raised net proceeds of approximately S\$1.85 million (net of listing expenses of approximately S\$0.65 million) from the compliance placement which was completed on 25 June 2024 (the "Placement Net Proceeds"). As at the date of this report, the status of the use of the Placement Net Proceeds which is in accordance with the intended uses are disclosed as follows:

Intended use of proceeds	Amount Allocated S\$'000	Cumulative amount utilised as at the date of report S\$'000	Balance S\$'000
Business expansion within ASEAN	1,000	862	138
Upgrading business operations capabilities	100	-	100
General working capital	750	652	98
Listing expenses	650	650	-
Total	2,500	2,164	336

The Company will make periodic announcements on the utilisation of the Placement Net Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. and provide a status report on such use in its annual report and its half-yearly and full-year financial results statements.

32. Negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Catalist Rule

The Board of Directors of the Company confirms to the best of their knowledge that nothing has come to their attention which may render the unaudited half year interim financial results for the period ended 30 June 2025 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Sim Mong Keang Kenny
Executive Director and Chief Executive Officer
6 August 2025