



## SERIAL SYSTEM LTD

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

### Unaudited Full Year Financial Statement And Dividend Announcement for the Period Ended 31 December 2017

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

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

	Note	Fourth Quarter			Year-To-Date		
		4Q2017	4Q2016		31/12/2017	31/12/2016	
		US\$'000	US\$'000		US\$'000	US\$'000	
Sales		390,100	344,949	13%	1,492,204	1,402,583	6%
Cost of sales		(361,720)	(319,312)	13%	(1,387,085)	(1,305,190)	6%
<b>Gross profit</b>		<b>28,380</b>	25,637	11%	<b>105,119</b>	97,393	8%
<b>Gross profit margin</b>		<b>7.3%</b>	7.4%	-0.1 pt	<b>7.0%</b>	6.9%	0.1 pt
Other income:							
Other operating income		1,949	3,486	-44%	5,959	13,802	-57%
Expenses:							
Distribution		(11,989)	(13,021)	-8%	(48,830)	(50,428)	-3%
Administrative		(3,728)	(2,659)	40%	(13,051)	(12,191)	7%
Finance		(2,930)	(1,645)	78%	(10,290)	(8,289)	24%
Other		(10,081)	(4,822)	109%	(22,756)	(24,054)	-5%
<b>Total expenses</b>		<b>(28,728)</b>	(22,147)	30%	<b>(94,927)</b>	(94,962)	0%
		<b>1,601</b>	6,976	-77%	<b>16,151</b>	16,233	-1%
Share of results of associated companies (after income tax)		56	(185)	130%	(446)	(3,949)	89%
Share of loss of joint venture (after income tax)		(62)	-	NM	(34)	-	NM
<b>Profit before income tax</b>	1	<b>1,595</b>	6,791	-77%	<b>15,671</b>	12,284	28%
Income tax expense	2	(472)	(2,392)	-80%	(4,125)	(6,937)	-41%
<b>Profit after income tax</b>		<b>1,123</b>	4,399	-74%	<b>11,546</b>	5,347	116%
<b>Attributable to:</b>							
Equity holders of the Company		358	4,048	-91%	9,550	4,558	110%
Non-controlling interests		765	351	118%	1,996	789	153%
		<b>1,123</b>	4,399	-74%	<b>11,546</b>	5,347	116%

NM – Not Meaningful

Notes :

**1. Profit before income tax**

	The Group					
	Fourth Quarter			Year-To-Date		
	4Q2017	4Q2016	%	31/12/2017	31/12/2016	%
US\$'000	US\$'000	US\$'000		US\$'000		
Profit from operations is arrived at after charging/(crediting) :-						
a. Depreciation and amortisation	734	936	-22	2,785	3,802	-27
b. Amortisation of distribution rights	4	4	0	14	6	133
c. Impairment losses on goodwill arising from acquisition of subsidiaries	220	225	-2	900	1,100	-18
d. Negative goodwill arising from acquisition of subsidiaries	-	-	NM	-	(345)	NM
e. Loss on remeasuring previously held equity in an associated company	-	-	NM	-	449	NM
f. Gain on closure/disposal of subsidiaries	(64)	-	NM	(105)	-	NM
g. Gain on dilution of interests in an associated company	-	5	NM	(24)	-	NM
h. Loss/(gain) on disposal of property, plant and equipment	12	(33)	-136	18	(21)	-186
i. Property, plant and equipment written off	-	21	NM	5	21	-76
j. Fair value loss/(gain) on investment properties	9	(228)	-104	9	(228)	-104
k. Gain on sale of financial assets, available-for-sale	-	(890)	NM	-	(3,874)	NM
l. Impairment loss on financial asset, available-for-sale	1,424	25	5,596	1,444	25	5,676
m. Fair value loss on financial assets, at fair value through profit or loss	-	476	NM	8	533	-98
n. Impairment losses on other assets (non-trade)	-	127	NM	-	127	NM
o. Impairment losses on trade receivables	3,802	1,110	243	4,125	1,472	180
p. Allowance/(write-back of allowance) for inventory obsolescence	966	(1,634)	-159	2,222	1,848	20
q. Write-off of inventories	242	425	-43	403	569	-29
r. Currency translation (gain)/loss (net)	(95)	(135)	-30	331	2,190	-85
s. Currency translation reserve realised to income statement upon repayment of inter-company long term loans	(236)	755	131	20	1,847	-99
t. Loss/(gain) on derivative financial instruments	180	(71)	-354	60	104	-42
u. Fair value loss on derivative financial instruments	333	167	99	333	167	99
v. Hong Kong IPO expenses	549	-	NM	549	-	NM
w. Dividend income received from financial assets, available-for-sale	-	-	NM	(94)	(153)	-39
x. Interest income	(465)	(387)	20	(1,571)	(1,166)	35

2. Income tax expense						
	Fourth Quarter			Year-To-Date		
	4Q2017	4Q2016	%	31/12/2017	31/12/2016	%
US\$'000	US\$'000	US\$'000		US\$'000		
(Over)/under provision in preceding financial years						
- Current income tax	(1,139)	1,150	199	(1,324)	1,900	170
- Deferred income tax	275	57	382	275	57	382
	<b>(864)</b>	<b>1,207</b>	<b>172</b>	<b>(1,049)</b>	<b>1,957</b>	<b>154</b>

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

	Fourth Quarter			The Group		
	4Q2017 US\$'000	4Q2016 US\$'000		Year-To-Date		
				31/12/2017 US\$'000	31/12/2016 US\$'000	
<b>Net profit after income tax</b>	<b>1,123</b>	4,399	-74%	<b>11,546</b>	5,347	116%
<b>Other comprehensive income for the period:</b>						
<b>Items that will not be reclassified subsequently to profit or loss:</b>						
Defined benefit plans' actuarial gains	<b>108</b>	300	-64%	<b>108</b>	300	-64%
Share of associated company's other comprehensive income	<b>24</b>	(47)	151%	<b>24</b>	-	NM
	<b>132</b>	253	-48%	<b>132</b>	300	-56%
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Net gain/(loss) on fair value changes on financial assets, available-for-sale	<b>413</b>	310	33%	<b>(660)</b>	8,897	-107%
Impairment loss on financial assets, available-for-sale realised to profit or loss	<b>1,444</b>	-	NM	<b>1,444</b>	-	NM
Fair value gain on financial assets, available-for-sale realised to profit or loss	-	(1,456)	NM	-	(3,874)	NM
Share of associated company's other comprehensive income	<b>607</b>	(1,575)	139%	<b>634</b>	(1,552)	141%
Currency translation differences	<b>3,529</b>	(2,222)	259%	<b>9,453</b>	10	94,430%
	<b>5,993</b>	(4,943)	221%	<b>10,871</b>	3,481	212%
<b>Other comprehensive income/(loss) for the period</b>	<b>6,125</b>	(4,690)	231%	<b>11,003</b>	3,781	191%
<b>Total comprehensive income/(loss) for the period</b>	<b>7,248</b>	(291)	2,591%	<b>22,549</b>	9,128	147%
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	<b>6,789</b>	(802)	947%	<b>20,601</b>	8,696	137%
Non-controlling interests	<b>459</b>	511	-10%	<b>1,948</b>	432	351%
	<b>7,248</b>	(291)	2,591%	<b>22,549</b>	9,128	147%

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

	The Group		The Company	
	31/12/2017 US\$'000	31/12/2016 US\$'000	31/12/2017 US\$'000	31/12/2016 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	73,080	65,153	8,478	859
Trade and other receivables	223,510	207,750	15,703	12,393
Inventories	168,465	152,901	-	-
Financial assets, at fair value through profit or loss	810	812	-	-
Other current assets	2,733	3,944	158	245
	<b>468,598</b>	<b>430,560</b>	<b>24,339</b>	<b>13,497</b>
<b>Non-current assets</b>				
Loans and receivables	-	820	41,370	45,241
Financial assets, available-for-sale	6,894	7,517	-	-
Investments in associated companies	18,375	16,738	1,936	4,872
Investment in joint venture	2,436	-	-	-
Investments in subsidiaries	-	-	72,789	65,547
Property, plant and equipment	37,630	35,200	355	305
Investment properties	4,534	5,267	-	-
Intangible assets	13,809	14,721	248	465
Other assets	1,171	1,068	-	-
Deferred income tax assets	841	711	-	-
	<b>85,690</b>	<b>82,042</b>	<b>116,698</b>	<b>116,430</b>
<b>Total Assets</b>	<b>554,288</b>	<b>512,602</b>	<b>141,037</b>	<b>129,927</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	165,444	178,507	21,739	9,128
Current income tax liabilities	2,861	4,070	106	405
Borrowings	229,242	189,393	2,395	2,216
	<b>397,547</b>	<b>371,970</b>	<b>24,240</b>	<b>11,749</b>
<b>Non-current liabilities</b>				
Other payable	-	-	2,585	6,078
Borrowings	10,340	15,032	6,587	8,310
Defined benefit plans liabilities	831	542	-	-
Deferred income tax liabilities	555	271	249	-
	<b>11,726</b>	<b>15,845</b>	<b>9,421</b>	<b>14,388</b>
<b>Total Liabilities</b>	<b>409,273</b>	<b>387,815</b>	<b>33,661</b>	<b>26,137</b>
<b>Net Assets</b>	<b>145,015</b>	<b>124,787</b>	<b>107,376</b>	<b>103,790</b>

	The Group		The Company	
	31/12/2017 US\$'000	31/12/2016 US\$'000	31/12/2017 US\$'000	31/12/2016 US\$'000
<b>EQUITY</b>				
<b>Capital and reserves attributable to the Company's equity holders</b>				
Share capital	72,648	72,648	72,648	72,648
Treasury shares	(736)	(736)	(736)	(736)
Capital reserve	1,276	1,276	180	180
Defined benefit plans reserve	(149)	(257)	-	-
Fair value reserve	4,454	3,670	-	-
Revaluation reserve	59	59	-	-
Other reserve	(765)	(771)	-	-
Currency translation reserve	7,476	(2,683)	17,589	17,589
Retained earnings	53,264	46,719	17,695	14,109
	137,527	119,925	107,376	103,790
<b>Non-controlling interests</b>	7,488	4,862	-	-
<b>Total Equity</b>	<b>145,015</b>	<b>124,787</b>	<b>107,376</b>	<b>103,790</b>

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

**Amount repayable in one year or less, or on demand**

31/12/2017		31/12/2016	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
US\$'000	US\$'000	US\$'000	US\$'000
5,153	224,089	5,065	184,328

**Amount repayable after one year**

31/12/2017		31/12/2016	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
US\$'000	US\$'000	US\$'000	US\$'000
10,340	-	12,378	2,654

### Details of any collateral

- a) A US\$14.9 million (S\$20 million) four-year term loan with an outstanding balance amounting to US\$9.0 million (31 December 2016: US\$10.5 million) taken up by the Company with a bank is secured with the following:
  - a first legal mortgage on the leasehold land and building ('Mortgaged Property') held by a wholly owned Singapore subsidiary, Serial Investment Pte Ltd;
  - an assignment of all rights and benefits relating to the Mortgaged Property;
  - an assignment of all rights, title interest and benefits in tenancy agreements, relating to the Mortgaged Property;
  - an assignment of all rights and benefits under the insurance policies taken in relation to the Mortgaged Property; and
  - joint and several guarantees of certain subsidiaries of the Group.
- b) Bank borrowing of US\$0.5 million (31 December 2016: US\$0.5 million) taken by a wholly owned Malaysia subsidiary, Serial Microelectronics Sdn. Bhd., to part finance the acquisition of a property in Malaysia is secured by a first legal mortgage of the property and guarantee by a subsidiary of the Group.
- c) Bank borrowing of US\$5.6 million (31 December 2016: US\$5.4 million) taken by a wholly owned Taiwan subsidiary, Serial Investment (Taiwan) Inc., to part finance the acquisition of a property in Taiwan and for working capital requirements is secured by a first legal mortgage of the property.
- d) Bank borrowing of US\$0.4 million (31 December 2016: US\$1.0 million) taken by a wholly owned South Korea subsidiary, Serial Microelectronics Korea Limited, to part finance the acquisition of a property in South Korea is secured by a first legal mortgage of the property.
- e) Finance lease liabilities of US\$0.09 million (31 December 2016: US\$0.04 million) are secured on the Group's motor vehicles acquired under finance lease agreements.

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

	Fourth Quarter		Year-To-Date	
	4Q2017	4Q2016	31/12/2017	31/12/2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	1,595	6,791	15,671	12,284
Adjustments for:				
Amortisation of computer software license costs	84	82	330	311
Amortisation of distribution rights	4	4	14	6
Depreciation of property, plant and equipment	650	854	2,455	3,491
Property, plant and equipment written off	-	21	5	21
Loss/(gain) on disposal of property, plant and equipment	12	(33)	18	(21)
Fair value loss/(gain) on investment properties	9	(228)	9	(228)
Impairment loss on financial assets, available-for-sale	1,424	25	1,444	25
Impairment losses on goodwill arising from acquisition of subsidiaries	220	225	900	1,100
Gain on dilution of interests in an associated company	-	-	(24)	-
Negative goodwill arising from acquisition of subsidiaries	-	-	-	(345)
Loss on remeasuring previously held equity in an associated company	-	-	-	449
Gain on closure/disposal of subsidiaries	(64)	-	(105)	-
Gain on sale of financial assets, available for sale	-	-	-	(3,874)
Fair value loss on financial assets, at fair value through profit or loss	-	476	8	533
Fair value loss on derivative financial instruments	333	167	333	167
Provision for defined benefit plans liabilities	(31)	117	581	472
Dividend income received from financial assets, available-for-sale	-	-	(94)	(153)
Interest income	(465)	(387)	(1,571)	(1,166)
Interest expense	2,930	1,645	10,290	8,289
Share of loss of joint venture	62	-	34	-
Share of results of associated companies	(56)	185	446	3,949
Operating cash flow before working capital changes	6,707	9,944	30,744	25,310
<b>Changes in working capital</b>				
Trade and other receivables	1,404	6,672	(4,827)	(17,416)
Inventories	(29,457)	2,390	(13,287)	(8,933)
Other current assets	435	415	(149)	(97)
Other assets (non-current)	(79)	49	(104)	343
Trade and other payables	(3,397)	(4,622)	(19,505)	29,341
Cash (used in)/from operations	(24,387)	14,848	(7,128)	28,548
Income tax paid	(1,790)	(1,874)	(4,157)	(8,081)
<b>Net cash (used in)/provided by operating activities</b>	<b>(26,177)</b>	<b>12,974</b>	<b>(11,285)</b>	<b>20,467</b>

	Fourth Quarter		Year-To-Date	
	4Q2017	4Q2016	31/12/2017	31/12/2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from investing activities</b>				
Payments for intangible assets (computer software license costs)	(59)	(13)	(102)	(185)
Payments for intangible assets (distribution rights)	-	(1)	-	(59)
Payments for property, plant and equipment	(693)	24	(1,396)	(2,382)
Proceeds from disposal of property, plant and equipment	-	30	11	96
Proceeds from sale of financial assets, available-for-sale	-	917	-	3,997
Net cash inflow/ (outflow) on acquisition of subsidiaries	-	3	(71)	2,236
Payments for acquisition of additional interests in associated companies	-	-	-	(4,996)
Payments for acquisition of interests in a joint venture	-	(450)	(2,344)	(450)
Payments for financial assets, at fair value through profit or loss	-	-	(7)	-
Payments for deposit for additional investment in an associated company	-	(1,505)	-	(1,505)
Dividends received from associated companies	-	329	-	483
Dividends received from financial assets, available-for-sale	-	-	94	153
Interest received	493	351	1,543	1,072
<b>Net cash used in investing activities</b>	<b>(259)</b>	<b>(315)</b>	<b>(2,272)</b>	<b>(1,540)</b>
<b>Cash flows from financing activities</b>				
Subscription of interests in subsidiaries by non-controlling interest	91	-	680	40
Payment for acquisition of additional interests in a subsidiary from a non-controlling interest	-	(300)	(1)	(300)
Dividend paid	-	-	(3,005)	(4,519)
Proceeds from bank borrowings	243,224	202,842	867,153	797,765
Repayment of bank borrowings	(216,097)	(204,866)	(834,311)	(792,561)
Repayment of other borrowings	-	-	-	(9,520)
Repayment of finance lease liabilities	(1)	(11)	(17)	(21)
Interest paid	(2,733)	(2,087)	(10,277)	(8,013)
<b>Net cash provided by/(used in) financing activities</b>	<b>24,484</b>	<b>(4,422)</b>	<b>20,222</b>	<b>(17,129)</b>
<b>Net (decrease)/increase in cash and cash equivalents held</b>	<b>(1,952)</b>	<b>8,237</b>	<b>6,665</b>	<b>1,798</b>
Cash and cash equivalents at the beginning of the period	74,504	57,985	65,153	64,048
Effect of currency translation on cash and cash equivalents	528	(1,069)	1,262	(693)
<b>Cash and cash equivalents at the end of the period</b>	<b>73,080</b>	<b>65,153</b>	<b>73,080</b>	<b>65,153</b>



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

**Consolidated Statement of Changes in Equity**

#	← Attributable to equity holders of the Company →											Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Defined benefit plans reserve US\$'000	Fair value reserve US\$'000	Revaluation reserve US\$'000	Other reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total attributable to equity holders of the Company US\$'000			
<b>Balance at 1 January 2017</b>	72,648	(736)	1,276	(257)	3,670	59	(771)	(2,683)	46,719	119,925	4,862	124,787	
Total comprehensive income for the period	-	-	-	-	1,366	-	-	3,447	2,708	7,521	124	7,645	
Closure of subsidiaries	-	-	-	-	-	-	-	-	-	-	(39)	(39)	
<b>Balance at 31 March 2017</b>	72,648	(736)	1,276	(257)	5,036	59	(771)	764	49,427	127,446	4,947	132,393	
Total comprehensive (loss)/income for the period	-	-	-	-	(1,720)	-	-	1,910	3,370	3,560	439	3,999	
One-tier tax-exempt final cash dividend for year 2016	-	-	-	-	-	-	-	-	(1,091)	(1,091)	-	(1,091)	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	40	40	
<b>Balance at 30 June 2017</b>	72,648	(736)	1,276	(257)	3,316	59	(771)	2,674	51,706	129,915	5,426	135,341	
Total comprehensive (loss)/income for the period	-	-	-	-	(719)	-	-	336	3,114	2,731	926	3,657	
One-tier tax-exempt interim cash dividend for year 2017	-	-	-	-	-	-	-	-	(1,914)	(1,914)	-	(1,914)	
Adjustment to acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	(1)	(1)	
Subscription of interests in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	-	589	589	
Acquisition of additional interests in a subsidiary from non-controlling interests	-	-	-	-	-	-	6	-	-	6	5	11	
Closure of a subsidiary	-	-	-	-	-	-	-	-	-	-	(25)	(25)	
<b>Balance at 30 September 2017</b>	72,648	(736)	1,276	(257)	2,597	59	(765)	3,010	52,906	130,738	6,920	137,658	
Total comprehensive income for the period	-	-	-	108	1,857	-	-	4,466	358	6,789	459	7,248	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	89	89	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	20	20	
<b>Balance at 31 December 2017</b>	72,648	(736)	1,276	(149)	4,454	59	(765)	7,476	53,264	137,527	7,488	145,015	

Consolidated Statement of Changes in Equity [cont'd]

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← Attributable to equity holders of the Company →

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	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Defined benefit plans reserve US\$'000	Fair value reserve US\$'000	Revaluation reserve US\$'000	Other reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total attributable to equity holders of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2016	72,648	(736)	1,276	(557)	(1,353)	59	(718)	(1,498)	46,680	115,801	3,583	119,384
Total comprehensive income for the period	-	-	19	-	6,760	-	-	3,974	(6,559)	4,194	28	4,222
Investment in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	-	-	40	40
Balance at 31 March 2016	72,648	(736)	1,295	(557)	5,407	59	(718)	2,476	40,121	119,995	3,651	123,646
Total comprehensive income/(loss) for the period	-	-	17	-	(725)	-	-	(2,009)	3,280	563	18	581
One-tier tax-exempt final cash dividend for year 2015	-	-	-	-	-	-	-	-	(3,336)	(3,336)	-	(3,336)
Balance at 30 June 2016	72,648	(736)	1,312	(557)	4,682	59	(718)	467	40,065	117,222	3,669	120,891
Total comprehensive income for the period	-	-	-	-	134	-	-	818	3,789	4,741	(125)	4,616
One-tier tax-exempt interim cash dividend for year 2016	-	-	-	-	-	-	-	-	(1,183)	(1,183)	-	(1,183)
Investment in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	-	-	172	172
Balance at 30 September 2016	72,648	(736)	1,312	(557)	4,816	59	(718)	1,285	42,671	120,780	3,716	124,496
Total comprehensive (loss)/income for the period	-	-	(36)	300	(1,146)	-	-	(3,968)	4,048	(802)	511	(291)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	(53)	-	-	(53)	(247)	(300)
Investment in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	-	-	882	882
Balance at 31 December 2016	72,648	(736)	1,276	(257)	3,670	59	(771)	(2,683)	46,719	119,925	4,862	124,787

Statement of Changes in Equity - Company

	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
<b>Balance at 1 January 2017</b>	<b>72,648</b>	<b>(736)</b>	<b>180</b>	<b>17,589</b>	<b>14,109</b>	<b>103,790</b>
Total comprehensive income for the period	-	-	-	-	937	937
<b>Balance at 31 March 2017</b>	<b>72,648</b>	<b>(736)</b>	<b>180</b>	<b>17,589</b>	<b>15,046</b>	<b>104,727</b>
Total comprehensive income for the period	-	-	-	-	827	827
One-tier tax-exempt final cash dividend for year 2016	-	-	-	-	(1,091)	(1,091)
<b>Balance at 30 June 2017</b>	<b>72,648</b>	<b>(736)</b>	<b>180</b>	<b>17,589</b>	<b>14,782</b>	<b>104,463</b>
Total comprehensive income for the period	-	-	-	-	6,217	6,217
One-tier tax-exempt interim cash dividend for year 2017	-	-	-	-	(1,914)	(1,914)
<b>Balance at 30 September 2017</b>	<b>72,648</b>	<b>(736)</b>	<b>180</b>	<b>17,589</b>	<b>19,085</b>	<b>108,766</b>
Total comprehensive income for the period	-	-	-	-	(1,390)	(1,390)
<b>Balance at 31 December 2017</b>	<b>72,648</b>	<b>(736)</b>	<b>180</b>	<b>17,589</b>	<b>17,695</b>	<b>107,376</b>
Balance at 1 January 2016	72,648	(736)	180	17,589	13,908	103,589
Total comprehensive income for the period	-	-	-	-	436	436
Balance at 31 March 2016	72,648	(736)	180	17,589	14,344	104,025
Total comprehensive income for the period	-	-	-	-	876	876
One-tier tax-exempt final cash dividend for year 2015	-	-	-	-	(3,336)	(3,336)
Balance at 30 June 2016	72,648	(736)	180	17,589	11,884	101,565
Total comprehensive income for the period	-	-	-	-	3,031	3,031
One-tier tax-exempt interim cash dividend for year 2016	-	-	-	-	(1,183)	(1,183)
Balance at 30 September 2016	72,648	(736)	180	17,589	13,732	103,413
Total comprehensive income for the period	-	-	-	-	377	377
Balance at 31 December 2016	72,648	(736)	180	17,589	14,109	103,790

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

There were no ordinary shares issued since the end of the financial period ended 30 September 2017.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares since the end of the financial year ended 31 December 2016.

There were no outstanding share options as at 31 December 2017 (31 December 2016: Nil).

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

	<u>31/12/2017</u>	<u>31/12/2016</u>
Total number of issued shares	<b>905,787,914</b>	905,787,914
Total number of treasury shares	<b>(9,946,000)</b>	(9,946,000)
Total number of issued shares excluding treasury shares	<b>895,841,914</b>	895,841,914

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

Please refer to 1(d)(ii)

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the financial year ended 31 December 2016.

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

Please refer to paragraph 4 above.

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

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

On a fully diluted basis (in US\$)

The Group			
Fourth Quarter		Year-To-Date	
4Q2017	4Q2016	31/12/2017	31/12/2016
<b>0.04 cent</b>	0.45 cent	<b>1.07 cents</b>	0.51 cent
<b>0.04 cent</b>	0.45 cent	<b>1.07 cents</b>	0.51 cent

Earnings per ordinary share on existing issued share capital are computed based on the weighted average number of shares in issue during the period of 895,841,914 (4Q2016/Year-To-Date 31/12/2016: 895,841,914).

Earnings per ordinary share on a fully diluted basis are computed based on the weighted average number of shares in issue during the period of 895,841,914 (4Q2016/Year-To-Date 31/12/2016: 895,841,914) after adjusting assumed conversion of all potential dilutive ordinary shares.

There were no potential dilutive ordinary shares for the financial period ended 31 December 2017 and 31 December 2016.

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

Net assets backing per ordinary share based on the existing issued share capital as at the end of the period reported on (in US\$)

The Group		The Company	
31/12/2017	31/12/2016	31/12/2017	31/12/2016
<b>16.19 cents</b>	13.93 cents	<b>11.99 cents</b>	11.59 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Income Statement**

#### **Results for Twelve Months Ended 31 December 2017**

The Group recorded turnover of US\$1.50 billion for the twelve months ended 31 December 2017 ("FY2017"), an increase of 6% compared to the previous year ("FY2016").

Turnover for the electronic components distribution business increased 17% to US\$1.43 billion, driven mainly by higher contributions from the Group's operations in Hong Kong, China, South Asia and Taiwan. Turnover from these four markets rose 21%, 35%, 4% and 7% respectively, boosted by higher demand for their product lines from new and existing customers. Turnover from South Korea, however, declined 3% as a result of keen competition.

Turnover for the Group's consumer products distribution business declined 69% to US\$55.4 million mainly due to lower sales across all subsidiaries as they exited or reduced sales in non-performing markets and low-margin products.

Overall gross profit margin increased to 7.0% from 6.9% in FY2016, mainly due to higher margins for the consumer products distribution business. The increase was partly offset by lower margins for the electronic components distribution business due to continued keen competition and higher sales of low-margin products.

Other operating income decreased by US\$7.8 million or 57%. This was mainly due to the absence of gain of US\$3.9 million from the sale of financial assets, available-for-sale in FY2016, write-back of US\$1.4 million recorded in FY2016 attributable to a previous shareholder of a subsidiary and advertising income of US\$0.6 million due to discontinuation of the advertising media business in July 2016. Lower rebate income from suppliers amounting to US\$1.9 million in line with the decline in the revenue of the consumer products distribution business also contributed to the drop in other operating income. The Group earned higher finance income of US\$0.4 million when compared to FY2016.

Administrative expenses increased by US\$0.9 million or 7%. This was mainly due to higher bank finance charges associated with the increase in utilisation of trade facilities for the working capital requirements of the electronic components distribution subsidiaries and higher professional fees attributable to the proposed listing of the Group's 91%-owned Hong Kong subsidiary, Serial Microelectronics (HK) Limited group.

Finance expenses increased by US\$2.0 million or 24%. This was mainly due to higher utilisation of trade facilities by the electronic components distribution subsidiaries to finance higher working capital requirements. Higher interest rates in FY2017 also contributed to the increase in finance expenses.

Other operating expenses decreased by US\$1.3 million or 5%. This was mainly due to lower currency loss, depreciation expense and fair value loss on financial assets, at fair value through profit or loss when compared to FY2016. The decrease was offset by a higher allowance for impairment losses on trade receivables and impairment loss on financial assets, available-for-sale in FY2017.

Total expenses as a percentage of turnover declined to 6.4% from 6.8% in FY2016.

The Group shared lower losses of US\$0.4 million in associated companies mainly due to reduced losses by its 19.02%-owned Bull Will Co., Ltd. Share of losses from Bull Will Co., Ltd declined from US\$3.9 million in FY2016 to US\$0.6 million in FY2017.

The Group's share of loss in its newly-vested 27.5% joint venture Musang Durians Frozen Food (M) Sdn. Bhd. amounted to US\$0.03 million in FY2017.

The Group reported a net profit after tax of US\$9.6 million compared to US\$4.6 million in FY2016. The higher net profit after tax was mainly due to higher gross profit earned from increased sales and lower share of losses from associated companies in FY2017. The Group's net margin increased to 0.6% from 0.3% in FY2016.

### **Results for Fourth Quarter Ended 31 December 2017**

The Group recorded turnover of US\$390.1 million for the fourth quarter ended 31 December 2017 ("4Q2017"), an increase of 13% compared to the same period last year ("4Q2016").

Turnover for the electronic components distribution business grew 14% to US\$372.5 million, driven by higher sales in all markets except South Asia. Turnover in Hong Kong and China, South Korea and Taiwan increased 16%, 35%, 12% and 60% respectively, on higher demand for their product lines from existing and new customers. Turnover from South Asia declined 7% as a result of lower demand from certain customers in 4Q2017.

Turnover for the Group's consumer products distribution business declined 6% to US\$16.0 million mainly due to lower sales across all subsidiaries as they exited or reduced sales in non-performing markets and low-margin products.

Overall gross profit margin decreased marginally to 7.3% in 4Q2017 from 7.4% in 4Q2016 due to higher sale of lower margin products.

Other operating income decreased by US\$1.5 million or 44%. This was mainly due to lower rebate income from suppliers amounting to US\$0.4 million in line with the decline in the revenue of the consumer products distribution business, and absence of gain of US\$0.9 million from the sale of financial assets, available-for-sale and fair value gain of US\$0.2 million on investment properties in 4Q2016.

Distribution expenses decreased by US\$1.0 million or 8%. This was mainly due to decline in staff costs associated with the consumer products distribution business and lower sales commission associated with the electronic components distribution business when compared to 4Q2016. This is offset by high custom declaration and value-added taxes from the electronic components distribution business in 4Q2017.

Administrative expenses increased by US\$1.1 million or 40%. This was mainly due to higher bank finance charges associated with the increase in utilisation of trade facilities for the working capital requirements of the electronic components distribution subsidiaries and higher staff-related costs from the electronic components distribution business. Higher professional fees attributable to the Group's proposed listing of its 91%-owned Hong Kong subsidiary, Serial Microelectronics (HK) Limited group, also contributed to the increase in administrative expenses in 4Q2017.

Finance expenses increased by US\$1.3 million or 78%. This was mainly due to higher utilisation of trade facilities by the Group's Hong Kong, Singapore and Taiwan electronic components distribution subsidiaries to finance higher working capital requirements. Higher interest rates in 4Q2017 also contributed to the increase in finance expenses.

Other operating expenses increased by US\$5.3 million or 109%. This was mainly due to higher allowance for impairment losses on trade receivables, allowance for inventory obsolescence, impairment loss on financial assets, available-for-sale and losses on derivative financial instruments in 4Q2017. Lower currency loss and an absence of a fair value loss on financial assets, at fair value through profit or loss in 4Q2017 mitigated the increase in other operating expenses.

Total expenses as a percentage of turnover rose to 7.4% from 6.4% in 4Q2016 mainly due to the increase in other operating expenses as detailed above.

The Group's share of profits in associated companies amounted to US\$0.1 million mainly due to a share of profit of US\$0.1 million respectively in 27.34%-owned SPL Holdings (Australia) Pty Ltd and 21%-owned Tong Chiang Group. Bull Will Co. Ltd, in which the Group has a 19.02% interest, accounted for a share of loss of US\$0.1 million in 4Q2017.

The Group's share of loss in its newly-vested 27.5% joint venture Musang Durians Frozen Food (M) Sdn. Bhd. amounted to US\$0.06 million in 4Q2017.

The Group reported a net profit after tax of US\$0.4 million compared to US\$4.0 million in 4Q2016. The lower net profit after tax was mainly due to higher allowance for impairment losses on trade receivables, allowance for inventory obsolescence and impairment loss on financial assets, available-for-sale. The Group's net margin decreased to 0.1% from 1.2% in 4Q2016.

### **Statement of Financial Position**

Trade and other receivables increased by US\$15.8 million (net of factored trade receivables) mainly due to increased trade receivables in the Group's Hong Kong and China, Taiwan and South Korea electronic components distribution subsidiaries in line with their increase in sales. Average turnover day for trade receivables increased to 51 in FY2017 from 49 in FY2016.

Inventories increased by US\$15.6 million mainly due to higher purchases by the Group's Hong Kong and Singapore electronic components distribution subsidiaries in anticipation of higher sales in 2018.

Investments in associated companies increased by US\$1.6 million mainly due to the reclassification of a US\$1.5 million deposit paid by the Group's wholly-owned subsidiary, Serial System International Pte Ltd, from other current assets to investments in associated companies, following the completion of an additional investment in 21% owned Tong Chiang Group in 1Q2017. Net foreign currency gain of US\$0.5 million resulting from the translation of net investments in associated companies denominated in foreign currencies, also contributed to the increase. The increase was partly offset by net share of losses from associated companies amounting to US\$0.4 million in FY2017.

Investment in joint venture of US\$2.4 million relates to a 50% investment by the Group's 55% owned subsidiary, Bast Investment Pte Ltd in Musang Durians for which the Group has a 27.5% effective interest.

The Company's investments in subsidiaries increased by US\$7.2 million mainly due to the capitalisation of an amount of US\$4 million owing from the Company's wholly owned subsidiary, SCE Enterprise Pte Ltd. Net imputed interest of US\$1.9 million accrued for the Company's long term intercompany loans extended to/from wholly owned subsidiaries and capitalisation of financial guarantee liabilities of US\$1.3 million also contributed to the increase in investments in subsidiaries in FY2017.

Property, plant and equipment increased by US\$2.4 million mainly due to the reclassification of an office unit owned by a China subsidiary amounting to US\$0.9 million from "investment properties", following the repossession by the Group's China subsidiary for its own use in FY2017. Additions to plant and equipment amounted to about US\$1.4 million and currency exchange gain amounted to about US\$2.5 million in FY2017. Depreciation on property, plant and equipment amounting to US\$2.4 million reduced the increase in property, plant and equipment.

Investment properties decreased by US\$0.7 million mainly due to the reclassification of US\$0.9 million to property, plant and equipment as detailed above.

Trade and other payables decreased by US\$13.1 million mainly attributable to lower trade payables at the Group's Hong Kong electronic components distribution subsidiary due to the timing of certain payments to suppliers and overall lower trade payables at the Group's consumer products distribution subsidiaries. Average payment day for trade payables increased to 35 in FY2017 from 33 in FY2016.



Borrowings increased by US\$35.2 million mainly due to higher bank borrowings by the Group's Hong Kong, South Korea and Taiwan electronic components distribution subsidiaries for increased working capital requirements. This was partly offset by reduction in bank borrowings by the Group's Singapore electronic components distribution subsidiary and net repayment of borrowings by the Company and a Singapore wholly owned subsidiary.

Currency translation reserve rose by US\$10.2 million mainly due to an increase in the value of the Group's investments in its subsidiaries and associated companies arising from the weakening of the United States Dollar against these entities' functional currencies, in particular the Chinese Renminbi, Korean Won, Singapore Dollar, Thailand Baht and Australian Dollar.

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

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

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

The Group achieved in 2017 its highest annual revenue to date and notably better earnings compared to the previous year. With the global semiconductor market still expected to remain buoyant in the foreseeable future, the Group believes it will be able to perform reasonably well in 2018.

According to Gartner, worldwide semiconductor revenue is slated to reach US\$451 billion this year, 7.5% more than in 2017, driven by strong demand for DRAM and NAND flash memory products. Firm demand for integrated circuits used for state-of-the-art smartphones and consumer electronics, smart-city initiatives, autonomous vehicles and other technology-reliant projects and applications is also expected to underpin global semiconductor sales this year.

Notwithstanding the generally positive outlook for the global semiconductor industry, the Group will continue to keep a close watch on competitive and cost pressures and seek to remain nimble so as to uphold profit margins and better meet the needs of its customers.

The Group plans to list its 91%-owned Hong Kong electronic components distribution subsidiary, Serial Microelectronics (HK) Limited group on the mainboard of Hong Kong Stock Exchange. The listing will enable the subsidiary to raise funds from the equity market to support its growth in Hong Kong and China.

Having made a concerted effort in recent years to turn around its consumer products distribution business, including discontinuing low-margin product lines and exiting non-performing markets, the Group will focus on opportunities in the consumer space that can lead to higher and more sustainable returns in the long haul.

Barring unforeseen circumstances, the Group expects to remain profitable in FY2018.

## 11. Dividend

### a) Current Financial Period Reported On

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

Name of Dividend	Interim	Final (Proposed)
Dividend Type	Cash	Cash
Dividend Amount per Share (in SGD cents)	0.29 cent per ordinary share	0.46 cent per ordinary share
Optional:- Dividend Rate (in %)		
Par value of shares	Not applicable	Not applicable
Tax Rate	One-Tier Tax-exempt	One-Tier Tax-exempt

### b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in SGD cents)	0.18 cent per ordinary share	0.17 cent per ordinary share
Optional:- Dividend Rate (in %)		
Par value of shares	Not applicable	Not applicable
Tax Rate	One-Tier Tax-exempt	One-Tier Tax-exempt

### c) Date payable

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

### d) Books closure date

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

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

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

## 13. Interested person transactions.

Pursuant to Rule 907 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), the Board would like to announce the following Interested Person Transactions ("IPTs") for FY2017 as follows:

Name of Interested Person	Aggregate value of all IPTs during FY2017 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all IPTs during FY2017 conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
	US\$'000	US\$'000
Nil	Nil	Not applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

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

*Primary reporting - business segments*

	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter- segment eliminations US\$'000	Group US\$'000
<b>Year-To-Date 31/12/2017</b>					
<b>The Group</b>					
Sales					
External	1,455,486	55,671	4,956	(23,909)	1,492,204
Segment results - operating profit	29,471	(3,168)	(1,457)	-	24,846
Unallocated gain	24	-	-	-	24
Finance income	2,039	369	1,481	(2,318)	1,571
Finance costs	(9,729)	(638)	(2,241)	2,318	(10,290)
Share of results of associated companies (after income tax)	(658)	-	212	-	(446)
Share of loss of joint venture (after income tax)	-	-	(34)	-	(34)
Profit before income tax					15,671
Income tax expense					(4,125)
Profit after income tax					11,546
Segment assets	519,744	41,837	48,457	(77,402)	532,636
Investments in associated companies	1,214	-	17,161		18,375
Investment in a joint venture	-	-	2,436		2,436
Deferred income tax assets	-	-	-		841
Consolidated total assets					554,288
Segment liabilities	174,366	14,609	54,702	(77,402)	166,275
Borrowings	206,354	16,012	17,216		239,582
Current and deferred income tax liabilities	-	-	-		3,416
Consolidated total liabilities					409,273
Capital expenditure on property, plant and equipment	1,326	39	31		1,396
Capital expenditure on intangible assets (computer software license costs)	100	2	-		102
Acquisition of interests in a joint venture	-	-	2,344		2,344
Depreciation of property, plant and equipment	1,882	190	383		2,455
Amortisation of computer software license costs	301	28	1		330
Amortisation of distribution rights	14	-	-		14
Fair value loss on investment properties	-	-	9		9
Impairment losses on goodwill arising from acquisition of subsidiaries	-	900	-		900
Impairment losses on trade receivables	3,410	668	47		4,125

Primary reporting - business segments [cont'd]

	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter- segment eliminations US\$'000	Group US\$'000
<b>Year-To-Date 31/12/2016</b>					
<b>The Group</b>					
Sales					
External	1,251,187	173,284	4,109	(25,997)	1,402,583
Segment results - operating profit	29,733	(5,654)	(723)	-	23,356
Finance income	1,795	197	1,210	(2,036)	1,166
Finance costs	(7,117)	(979)	(2,229)	2,036	(8,289)
Share of results of associated companies (after income tax)	(4,004)	(1)	56	-	(3,949)
Profit before income tax					12,284
Income tax expense					(6,937)
Profit after income tax					5,347
Segment assets	466,600	57,974	54,755	(84,176)	495,153
Investments in associated companies	2,338	-	14,400	-	16,738
Deferred income tax assets	-	-	-	-	711
Consolidated total assets					512,602
Segment liabilities	182,010	25,437	55,778	(84,176)	179,049
Borrowings	168,344	16,409	19,672	-	204,425
Current and deferred income tax liabilities	-	-	-	-	4,341
Consolidated total liabilities					387,815
Capital expenditure on property, plant and equipment	2,088	143	152		2,383
Capital expenditure on intangible assets (computer software license costs)	184	-	1		185
Acquisition of interests in associated companies	450	-	-		450
Acquisition of additional interests in an associated company	-	-	4,996		4,996
Deposit for additional investment in an associated company	-	-	1,505		1,505
Depreciation of property, plant and equipment	1,669	199	1,623		3,491
Amortisation of computer software license costs	294	16	1		311
Amortisation of distribution rights	6	-	-		6
Fair value gain on investment properties	(218)	-	(10)		(228)
Impairment losses on goodwill arising from acquisition of subsidiaries	-	1,100	-		1,100
Impairment losses on trade receivables	457	974	41		1,472
Impairment losses on other assets (non-trade)	127	-	-		127

Secondary reporting - geographical segments

	<b>The Group</b>			
	Turnover		Non-Current assets*	
	Year-To-Date			
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	US\$'000	US\$'000	US\$'000	US\$'000
South Asia	324,270	411,187	22,573	23,950
Hong Kong	893,254	738,571	1,745	1,347
China	154,180	114,199	18,375	18,089
South Korea	52,918	54,595	6,488	5,936
Taiwan	65,551	61,220	7,960	7,740
Singapore - Associated company	-	-	5,688	3,401
Taiwan - Associated company	-	-	883	1,931
Australia - Associated company	-	-	11,474	11,000
Hong Kong - Associated company	-	-	330	406
Malaysia – Joint venture	-	-	2,436	-
Others	2,031	22,811	4	14
	<b>1,492,204</b>	<b>1,402,583</b>	<b>77,955</b>	<b>73,814</b>

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

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

Please refer to paragraph 8.

**16. A breakdown of sales.**

	<b>Group</b>		
	US\$'000		%
	Year-To-Date		
	31/12/2017	31/12/2016	Change
Sales reported for first half year	706,864	711,368	-1
Operating profit/(loss) after tax before deducting minority interests reported for first half year	6,731	(2,902)	332
Sales reported for second half year	785,340	691,215	14
Operating profit after tax before deducting minority interests reported for second half year	4,815	8,249	-42

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

No general mandate from shareholders has been obtained for IPTs.

18. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

	Latest Full Year (US\$'000)	Previous Full Year (US\$'000)
Ordinary	5,053	2,238
Preference	-	-
Total:	5,053	2,238

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to SGX Listing Manual Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Goh Su Teng	38	Cousin of Derek Goh Bak Heng. Derek Goh Bak Heng is the Executive Chairman, Chief Executive Officer and Substantial Shareholder of Serial System Ltd	<p><b><u>Current Position</u></b></p> <p>1) Senior Vice President, Regional Marketing of Serial Microelectronics Pte Ltd, a wholly-owned subsidiary of the Company (Year 2011)</p> <p>2) Group Corporate Planning and Development (Year 2011)</p> <p>3) Director of Serial Multivision Pte Ltd, a wholly owned subsidiary of the Group (Year 2011)</p> <p>4) Director of Serial Microelectronics Pte Ltd, a wholly owned subsidiary of the Group (Year 2011)</p> <p>5) Director of Serial Microelectronics (HK) Limited, a 91% owned subsidiary of the Group (Year 2011)</p> <p>6) Director of Serial Microelectronics (Shenzhen) Co., Ltd, a 91% owned subsidiary of the Group (Year 2011)</p> <p>7) Director of Serial Design Limited, a 91% owned subsidiary of the Group (Year 2011)</p> <p>8) Director of Serial Microelectronics Inc., a 95.5% owned subsidiary of the Group (Year 2011)</p> <p>9) Director of Teampal Enterprise Corp , a 95.5% owned subsidiary of the Group (Year 2012)</p> <p>10) Director of Serial Microelectronics Korea Limited, a wholly owned subsidiary of the Group (Year 2011)</p> <p>11) Director of Serial Investment (Taiwan) Inc., a wholly owned subsidiary of the Group (Year 2011)</p> <p>12) Director of Contract Sterilization Services Pte Ltd, a wholly owned subsidiary of the Group (Year 2011)</p> <p>13) Serial System Ltd's Representative Director of Bull</p>	None except for appointment as director in new subsidiaries in Year 2017

		<p>Will Co., Ltd, a 19.02% associated company of the Group (Year 2010)</p> <p>14) Director of Serial Technology Pte Ltd, a wholly owned subsidiary of the Group (Year 2011)</p> <p>15) Director of Serial Microelectronics Sdn. Bhd., a wholly owned subsidiary of the Group (Year 2013)</p> <p>16) Director of PT. Serial Microelectronics Indonesia., a 99.0% owned subsidiary of the Group (Year 2013)</p> <p>17) Director of Achieva Technology Pte. Ltd. , a wholly owned subsidiary of the Group (Year 2014)</p> <p>18) Director of Achieva Technology Pty Ltd. , a wholly owned subsidiary of the Group (Year 2014)</p> <p>19) Director of Achieva Technology Sdn Bhd. , a wholly owned subsidiary of the Group (Year 2014)</p> <p>20) Director of Serial I-Tech (Far East) Pte. Ltd., a wholly owned subsidiary of the Group (Year 2015)</p> <p>21) Director of Serial I-Tech (ME) Pte Ltd , a wholly owned subsidiary of the Group (Year 2015)</p> <p>22) Director of SCE Enterprise Pte. Ltd., a wholly owned subsidiary of the Group (Year 2015)</p> <p>23) Director of Hydra &amp; Thermal Pte. Ltd., a 70% owned subsidiary of the Group (Year 2015)</p> <p>24) Director of Serial System International Pte. Ltd., a wholly owned subsidiary of the Group (Year 2015)</p> <p>25) Director of Serial Factoring (Thailand) Co., Ltd, a 49% owned subsidiary of the Group (Year 2015)</p> <p>26) Director of PT Achieva Technology Indonesia, a 80% owned subsidiary of the Group (Year 2015)</p> <p>27) Director of Swift Value Business Pte Ltd, a wholly owned subsidiary of the Group (Year 2015)</p> <p>28) Alternate director of Tong Chiang Group, a 21% associated company of the Group (Year 2015)</p> <p>29) Director of Hydra &amp; Thermal International (Cambodia) Co. Ltd, a 70% owned subsidiary of the Group (2016)</p> <p>30) Director of Serial Netcom Co., Ltd, a 42% owned subsidiary of the Group (Year 2016)</p> <p>31) Director of Inkcarts Pte. Ltd. a wholly owned subsidiary of the Group (Year 2017)</p>	
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		<p>32) Director of Print-IQ Singapore Pte. Ltd. a 70% owned subsidiary of the Group (Year 2017)</p> <p>33) Director of Bast Investment Pte. Ltd. a 55% owned subsidiary of the Group (Year 2017)</p> <p>34) Director of Bast Global Sdn. Bhd., a 55% owned subsidiary of the Group (Year 2017)</p> <p>35) Director of Musang Durian King Pte. Ltd., a wholly owned subsidiary of the Group (Year 2017)</p> <p>36) Partner of Serial Microelectronics India LLP, a 99% owned subsidiary of the Group (Year 2017)</p> <p><b><u>Duties</u></b>  Responsible for marketing activities, corporate planning and development for the Group, and overseeing the Group's Korea's and South Asia's electronic components distribution business and the Group's consumer products distribution business.</p>	
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**BY ORDER OF THE BOARD**

Dr Derek Goh Bak Heng  
Executive Chairman/Group CEO  
24 February 2018