



SERIAL SYSTEM LTD
(Company Registration Number: 199202071D)
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

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

**FOR THE SIX MONTH AND FULL YEAR ENDED
31 DECEMBER 2023**

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

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**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	The Group			The Group		
		6 months	6 months	Increase/ (Decrease) %	12 months	12 months	Increase/ (Decrease) %
		ended 31 December 2023 US\$'000	ended 31 December 2022 US\$'000		ended 31 December 2023 US\$'000	ended 31 December 2022 US\$'000	
Sales	5	389,180	443,955	-12	758,951	906,723	-16
Cost of sales	6	(359,836)	(410,097)	-12	(700,121)	(832,973)	-16
Gross profit		29,344	33,858	-13	58,830	73,750	-20
Gross profit margin		7.5%	7.6%	-0.1 pt	7.8%	8.1%	-0.3 pt
Other income		4,096	9,698	-58	7,914	13,386	-41
Interest income	5	1,193	1,389	-14	2,238	2,556	-12
Other operating income	5	2,903	8,309	-65	5,676	10,830	-48
Expenses							
Distribution	6	(17,752)	(21,834)	-19	(37,019)	(43,409)	-15
Administrative	6	(4,836)	(4,918)	-2	(9,904)	(9,693)	2
Finance	7	(7,164)	(6,030)	19	(14,426)	(9,394)	54
Other:							
Loss allowance on trade and other receivables	6	(2,153)	(1,431)	50	(3,852)	(1,852)	108
Other operating	6	(3,190)	(13,807)	-77	(18,084)	(25,989)	-30
Total expenses		(35,095)	(48,020)	-27	(83,285)	(90,337)	-8
		(1,655)	(4,464)	-63	(16,541)	(3,201)	417
Share of results of associated companies (after income tax)		38	(794)	NM	66	(830)	NM
Loss before income tax	6	(1,617)	(5,258)	-69	(16,475)	(4,031)	309
Income tax expense	9	(618)	(849)	-27	(851)	(1,664)	-49
Loss after income tax		(2,235)	(6,107)	-63	(17,326)	(5,695)	204
Attributable to:							
Equity holders of the Company		(2,105)	(5,008)	-58	(14,831)	(4,624)	221
Non-controlling interests		(130)	(1,099)	-88	(2,495)	(1,071)	133
		(2,235)	(6,107)	-63	(17,326)	(5,695)	204
Loss per share attributable to equity holders of the Company:							
Basic	23	(0.23 cent)	(0.55 cent)	-58	(1.64 cents)	(0.51 cent)	222
Diluted	23	(0.23 cent)	(0.55 cent)	-58	(1.64 cents)	(0.51 cent)	222

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group		The Group	
	6 months ended 31 December 2023 US\$'000	6 months ended 31 December 2022 US\$'000	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
Net loss for the period	(2,235)	(6,107)	(17,326)	(5,695)
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss:				
Defined benefit plans' actuarial (loss)/gain	(81)	141	(81)	141
Share of associated companies' other comprehensive (loss)/income	(25)	11	(35)	(493)
	(106)	152	(116)	(352)
Items that may be reclassified subsequently to profit or loss:				
Share of associated companies' other comprehensive loss	(94)	(228)	(39)	(334)
Currency translation differences	1,403	164	1,046	(2,561)
	1,309	(64)	1,007	(2,895)
Other comprehensive income/(loss) for the period, net of tax	1,203	88	891	(3,247)
Total comprehensive loss for the period	(1,032)	(6,019)	(16,435)	(8,942)
Attributable to				
Equity holders of the Company	(1,037)	(5,094)	(14,240)	(7,923)
Non-controlling interests	5	(925)	(2,195)	(1,019)
	(1,032)	(6,019)	(16,435)	(8,942)

**SERIAL SYSTEM LTD
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		37,076	35,977	517	426
Trade and other receivables	13	160,056	178,351	38,271	34,710
Inventories	14	126,587	162,971	-	-
Financial assets, at fair value through profit or loss	15	7,655	9,809	-	-
Other current assets		10,285	11,208	835	1,001
		341,659	398,316	39,623	36,137
Non-current assets					
Income tax recoverable		1,358	1,667	-	-
Loans and other receivables		-	-	28,879	33,219
Financial assets, at fair value through profit or loss	15	12,332	12,196	-	-
Investments in associated companies		2,814	3,602	1,217	1,217
Investments in joint ventures		-	-	-	-
Investments in subsidiaries		-	-	58,994	58,623
Property, plant and equipment	16	29,065	30,415	269	323
Investment properties	17	6,423	6,457	-	-
Intangible assets	18	3,466	3,399	21	6
Other assets		652	595	-	420
Deferred income tax assets		1,709	871	-	-
		57,819	59,202	89,380	93,808
Total assets		399,478	457,518	129,003	129,945
LIABILITIES					
Current liabilities					
Trade and other payables	19	70,843	101,885	9,326	8,833
Current income tax liabilities		1,026	1,385	-	-
Borrowings	20	182,289	196,923	4,314	11,104
		254,158	300,193	13,640	19,937
Non-current liabilities					
Other payables		-	-	14,712	15,778
Borrowings	20	11,988	7,260	6,062	525
Defined benefit plans liabilities		296	200	-	-
Deferred income tax liabilities		1,203	1,232	543	600
		13,487	8,692	21,317	16,903
Total liabilities		267,645	308,885	34,957	36,840
NET ASSETS		131,833	148,633	94,046	93,105
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	72,648	72,648	72,648	72,648
Treasury shares	21	(70)	(70)	(70)	(70)
Capital reserve		1,610	1,616	518	518
Defined benefit plans reserve		388	469	-	-
Fair value reserve		(742)	(742)	-	-
Revaluation reserve		237	266	-	-
Other reserve		(1,862)	(1,854)	-	-
Currency translation reserve		2,965	2,258	-	-
Retained earnings		49,561	64,392	20,950	20,009
		124,735	138,983	94,046	93,105
Non-controlling interests		7,098	9,650	-	-
TOTAL EQUITY		131,833	148,633	94,046	93,105

**SERIAL SYSTEM LTD
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Attributable to equity holders of the Company							Currency translation reserve	Retained earnings	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Defined benefit plans reserve	Fair value reserve	Revaluation reserve	Other reserve					
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2023	72,648	(70)	1,616	469	(742)	266	(1,854)	2,258	64,392	138,983	9,650	148,633
Loss for the period	-	-	-	-	-	-	-	-	(12,726)	(12,726)	(2,365)	(15,091)
Other comprehensive income/(loss):												
Share of associated companies' other comprehensive income	-	-	8	-	-	(18)	-	55	-	45	-	45
Currency translation differences	-	-	-	-	-	-	-	(522)	-	(522)	165	(357)
Other comprehensive loss for the period, net of tax	-	-	8	-	-	(18)	-	(467)	-	(477)	165	(312)
Total comprehensive loss for the period	-	-	8	-	-	(18)	-	(467)	(12,726)	(13,203)	(2,200)	(15,403)
Others:												
Acquisition of additional interests in a subsidiary by non-controlling interests	-	-	-	-	-	-	2	-	-	2	176	178
Capital reduction in a subsidiary	-	-	-	-	-	-	(10)	-	-	(10)	(9)	(19)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(134)	(134)
Total others	-	-	-	-	-	-	(8)	-	-	(8)	33	25
Balance at 30 June 2023	72,648	(70)	1,624	469	(742)	248	(1,862)	1,791	51,666	125,772	7,483	133,255
Loss for the period	-	-	-	-	-	-	-	-	(2,105)	(2,105)	(130)	(2,235)
Other comprehensive income/(loss):												
Defined benefit plans' actuarial loss	-	-	-	(81)	-	-	-	-	-	(81)	-	(81)
Share of associated companies' other comprehensive loss	-	-	(14)	-	-	(11)	-	(94)	-	(119)	-	(119)
Currency translation differences	-	-	-	-	-	-	-	1,268	-	1,268	135	1,403
Other comprehensive income for the period, net of tax	-	-	(14)	(81)	-	(11)	-	1,174	-	1,068	135	1,203
Total comprehensive loss for the period	-	-	(14)	(81)	-	(11)	-	1,174	(2,105)	(1,037)	5	(1,032)
Others:												
Closure of a subsidiary	-	-	-	-	-	-	-	-	-	-	(178)	(178)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(212)	(212)
Total others	-	-	-	-	-	-	-	-	-	-	(390)	(390)
Balance at 31 December 2023	72,648	(70)	1,610	388	(742)	237	(1,862)	2,965	49,561	124,735	7,098	131,833

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	← Attributable to equity holders of the Company →											
	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Defined benefit plans reserve US\$'000	Fair value reserve US\$'000	Revaluation reserve US\$'000	Other reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total attributable to equity holders of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2022	72,648	(70)	2,665	328	(742)	198	(1,457)	5,204	71,997	150,771	10,624	161,395
Profit for the period	-	-	-	-	-	-	-	-	384	384	28	412
Other comprehensive income/(loss):												
Share of associated companies' other comprehensive loss	-	-	(363)	-	-	68	(210)	(105)	-	(610)	-	(610)
Currency translation differences	-	-	-	-	-	-	-	(2,603)	-	(2,603)	(122)	(2,725)
Other comprehensive loss for the period, net of tax	-	-	(363)	-	-	68	(210)	(2,708)	-	(3,213)	(122)	(3,335)
Total comprehensive loss for the period	-	-	(363)	-	-	68	(210)	(2,708)	384	(2,829)	(94)	(2,923)
Distributions to owners:												
One-tier tax-exempt final cash dividend for year 2021	-	-	-	-	-	-	-	-	(2,974)	(2,974)	-	(2,974)
Total distributions to owners	-	-	-	-	-	-	-	-	(2,974)	(2,974)	-	(2,974)
Others:												
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(160)	(160)
Total others	-	-	-	-	-	-	-	-	-	-	(160)	(160)
Balance at 30 June 2022	72,648	(70)	2,302	328	(742)	266	(1,667)	2,496	69,407	144,968	10,370	155,338
Loss for the period	-	-	-	-	-	-	-	-	(5,008)	(5,008)	(1,099)	(6,107)
Other comprehensive income/(loss):												
Defined benefit plans' actuarial gain	-	-	-	141	-	-	-	-	-	141	-	141
Share of associated companies' other comprehensive loss	-	-	(686)	-	-	-	-	(228)	697	(217)	-	(217)
Currency translation differences	-	-	-	-	-	-	-	(10)	-	(10)	174	164
Other comprehensive income for the period, net of tax	-	-	(686)	141	-	-	-	(238)	697	(86)	174	88
Total comprehensive loss for the period	-	-	(686)	141	-	-	-	(238)	(4,311)	(5,094)	(925)	(6,019)
Distributions to owners:												
One-tier tax-exempt interim cash dividend for year 2022	-	-	-	-	-	-	-	-	(704)	(704)	-	(704)
Total distributions to owners	-	-	-	-	-	-	-	-	(704)	(704)	-	(704)
Others:												
Investment in a subsidiary by non-controlling interest	-	-	-	-	-	-	(187)	-	-	(187)	503	316
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(298)	(298)
Total others	-	-	-	-	-	-	(187)	-	-	(187)	205	18
Balance at 31 December 2022	72,648	(70)	1,616	469	(742)	266	(1,854)	2,258	64,392	138,983	9,650	148,633

**SERIAL SYSTEM LTD
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Company	Share capital	Treasury shares	Capital reserve	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2023	72,648	(70)	518	20,009	93,105
Total comprehensive loss for the period	-	-	-	(382)	(382)
Balance at 30 June 2023	72,648	(70)	518	19,627	92,723
Total comprehensive income for the period	-	-	-	1,323	1,323
Balance at 31 December 2023	72,648	(70)	518	20,950	94,046
Balance at 1 January 2022	72,648	(70)	518	22,917	96,013
Total comprehensive loss for the period	-	-	-	(289)	(289)
One-tier tax-exempt final cash dividend for year 2021	-	-	-	(2,974)	(2,974)
Balance at 30 June 2022	72,648	(70)	518	19,654	92,750
Total comprehensive income for the period	-	-	-	1,059	1,059
One-tier tax-exempt interim cash dividend for year 2022	-	-	-	(704)	(704)
Balance at 31 December 2022	72,648	(70)	518	20,009	93,105

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

	The Group		The Group	
	6 months ended 31 December 2023 US\$'000	6 months ended 31 December 2022 US\$'000	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
Cash flows from operating activities				
Loss before income tax	(1,617)	(5,258)	(16,475)	(4,031)
Adjustments for:				
Amortisation of computer software license costs	31	28	58	64
Amortisation of trademark and know-how	7	-	16	-
Depreciation of property, plant and equipment	1,454	1,861	3,018	3,317
Property, plant and equipment written off	-	1	8	1
Trademark written off	61	-	61	-
Loss/(gain) on disposal of property, plant and equipment	2	-	(28)	(13)
Fair value loss on investment properties	1	47	1	47
Fair value (gain)/loss on financial assets, at fair value through profit or loss	(968)	(62)	(43)	797
Gain on sale of financial assets, at fair value through profit or loss	(253)	(17)	(253)	(20)
Dividend income from financial assets, at fair value through profit or loss	(12)	(9)	(34)	(21)
Fair value loss/(gain) on derivative financial instruments	26	40	(7)	224
Gain on closure of a subsidiary	(125)	-	(160)	-
Gain on re-measurement of associated company to financial assets, at fair value through profit or loss	-	(2,344)	-	(2,344)
Impairment loss on investment in an associated company	717	1,296	717	1,296
Loss/(gain) on dilution on of interests in associated companies	1	(1,034)	3	(1,044)
Gain on disposal of interests in associated companies	-	(329)	-	(397)
Provision for defined benefit plans liabilities	189	131	392	258
Interest income	(1,193)	(1,389)	(2,238)	(2,556)
Interest expense	7,164	6,030	14,426	9,394
Share of results of associated companies	(38)	794	(66)	830
Operating cash flow before working capital changes	5,447	(214)	(604)	5,802
Changes in working capital				
Trade and other receivables	(469)	18,454	17,628	(18,049)
Financial assets, at fair value through profit or loss	1,325	(6,481)	2,154	906
Inventories	16,034	(12,949)	35,204	(33,078)
Other current assets	(178)	2,198	874	(2,877)
Other assets (non-current)	(114)	583	(54)	180
Trade and other payables	(12,483)	(9,566)	(28,427)	23,333
Cash from/(used in) operations	9,562	(7,975)	26,775	(23,783)
Income tax paid	(624)	(479)	(1,686)	(1,319)
Net cash from/(used in) operating activities	8,938	(8,454)	25,089	(25,102)

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group		The Group	
	6 months ended 31 December 2023 US\$'000	6 months ended 31 December 2022 US\$'000	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
Cash flows from investing activities				
Payments for intangible assets (computer software license costs)	(36)	(3)	(66)	(116)
Payments for intangible assets (trademark and know-how)	(4)	-	(38)	-
Payments for property, plant and equipment	(286)	(354)	(731)	(991)
Proceeds from disposal of property, plant and equipment	10	-	72	13
Proceeds from sale of financial assets, at fair value through profit or loss	73	117	79	163
Proceeds from disposal of interests in associated companies	-	918	-	1,097
Net cashflow on step up acquisition from financial assets, at fair value through profit or loss to a subsidiary	-	-	169	-
Closure of a subsidiary	(40)	-	(40)	-
Payments for investments in financial assets, at fair value through profit or loss	-	-	-	(866)
Payments for additional investment in an associated company	-	-	(4)	-
Dividend received from financial assets, at fair value through profit or loss	12	9	35	21
Dividend received from an associated company	66	-	66	21
Interest received	1,190	1,387	2,129	2,554
Net cash generated from investing activities	985	2,074	1,671	1,896
Cash flows from financing activities				
Investments in subsidiaries by non-controlling interests	-	316	-	316
Dividend paid to shareholders of the Company	-	(704)	-	(3,678)
Dividend paid to non-controlling interests of subsidiaries	(212)	(298)	(346)	(458)
Proceeds from bank borrowings	339,940	355,888	688,110	682,633
Proceeds from other borrowings	11,504	592	11,504	4,772
Repayment of bank borrowings	(344,599)	(348,612)	(700,446)	(657,109)
Repayment of other borrowings	(7,798)	(72)	(8,363)	(6,555)
Principal payment of lease liabilities	(779)	(1,104)	(1,570)	(1,777)
Interest paid	(7,489)	(5,601)	(14,387)	(8,709)
Pledged fixed deposits	(43)	(800)	(43)	(800)
Net cash (used in)/generated from financing activities	(9,476)	(395)	(25,541)	8,635
Net increase/(decrease) in cash and cash equivalents held	445	(6,775)	1,219	(14,571)
Cash and cash equivalents at the beginning of the period	35,177	42,428	35,178	50,963
Effect of currency translation on cash and cash equivalents	611	(476)	(164)	(1,215)
Cash and cash equivalents at the end of the period	36,233	35,177	36,233	35,177
Reconciliation:				
Cash and cash equivalents per statement of financial position	37,076	35,977	37,076	35,977
Less: Pledged fixed deposits	(843)	(800)	(843)	(800)
Cash and cash equivalents per consolidated statement of cash flows	36,233	35,177	36,233	35,177

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General information

Serial System Ltd (the “Company”) is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is as follows:

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

The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

These condensed interim financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

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

The principal activities of the Group are:

- (a) Distribution of electronic components;
- (b) Distribution of consumer products, information technology, computer peripherals, parts, software and related products;
- (c) Provision of managed print services and the administrative, maintenance and distribution of copiers and printers, toners and papers;
- (d) Distribution of 3D printers;
- (e) Assembly and distribution of medical devices and ethylene oxide sterilization, and manufacturing of medical disposables and surgical supplies;
- (f) Hospitality and healthcare solutions;
- (g) Project financing in the form of leasing, hire purchase, factoring and loan;
- (h) Trading and distribution of fast-moving consumer goods;
- (i) Communications and power line construction;
- (j) Research and experimental development on biotechnology, life and medical science, and trading and distribution of scientifically proven healthy food products;
- (k) Investment holding and trading; and
- (l) Rental of investment properties.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards International (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited annual financial statements for the year ended 31 December 2022.

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

The condensed interim financial statements are presented in United States dollar (US\$), which is the Company’s functional and presentation currency. All values are rounded to the nearest thousand (US\$’000) except when otherwise indicated.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. Basis of preparation (continued)

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 2023:

- Amendments to SFRS(I) 1-1 Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements
- Amendments to SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12 Income Taxes: International Tax Reform – Pillar Two Model Rules

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

2.3. Use of judgements and estimates

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

The significant judgements made by management in applying the 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 2022.

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

3. Seasonal operations

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

4. Segment information

Management has determined the operating segments based on the reports reviewed to make strategic decisions. Management considers the business from both operating and geographical segment perspective. The Group has three reportable segments, as described below, which are the Group's strategic business units based on different product ranges targeting at different market channels.

- Electronic components distribution
- Consumer products distribution
- Other businesses

Operating segments are reported in a manner consistent with the internal reporting provided to the management whose members are responsible for allocating resources and assessing performance of the operating segments. The operating segments are formed by aggregating across the results of the Group's entities whose principal activities fall within the same operating segment as listed above. Management monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Performance is measured based on sales, gross profit and profit after tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer and Chief Financial Officer on a monthly basis. These criteria are used to measure performance as management believes that such information are the most relevant in evaluating the results of each entity within the same operating segment. Inter-segment transactions are determined on an arm's length basis.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.1 Operating segments

The Group	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter-segment eliminations US\$'000	Total US\$'000
2023					
Sales – external	687,080	82,241	8,433	(18,803)	758,951
Segment results - operating profit/(loss)	502	(2,495)	(2,357)	-	(4,350)
Unallocated loss	(3)	-	-	-	(3)
Finance income	1,199	819	2,299	(2,079)	2,238
Finance expense	(12,273)	(2,393)	(1,839)	2,079	(14,426)
Share of results of associated companies (after income tax)	104	(38)	-	-	66
Loss before income tax					(16,475)
Income tax expense					(851)
Loss after income tax					(17,326)
Segment assets	368,884	49,109	59,503	(82,541)	394,955
Investments in associated companies	1,452	1,362	-	-	2,814
Deferred income tax assets					1,709
Consolidated total assets					399,478
Segment liabilities	77,195	25,260	51,225	(82,541)	71,139
Borrowings	152,298	25,459	16,520	-	194,277
Current and deferred income tax liabilities					2,229
Consolidated total liabilities					267,645
Capital expenditure on computer software license costs	60	-	6	-	66
Capital expenditure on trademark and know-how	34	-	4	-	38
Capital expenditure on property, plant and equipment	928	314	206	-	1,448
Amortisation of computer software license costs	43	-	15	-	58
Amortisation of trademark and know-how	3	-	13	-	16
Depreciation of property, plant and equipment	2,116	245	657	-	3,018
Fair value loss/(gain) on investment properties	42	-	(41)	-	1
Gain on closure of a subsidiary	-	-	(160)	-	(160)
Impairment loss on investment in an associated company	-	-	717	-	717
Fair value loss/(gain) on financial assets, at fair value through profit or loss	51	-	(94)	-	(43)
Gain on sale of financial assets, at fair value through profit or loss	(4)	-	(249)	-	(253)
Fair value gain on derivative financial instruments	(7)	-	-	-	(7)
Recovery of trade bad debts previously written off	(13)	-	-	-	(13)
(Reversal of loss allowance)/loss allowance on trade receivables	(148)	74	3,926	-	3,852

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.1 Operating segments (continued)

The Group	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter-segment eliminations US\$'000	Total US\$'000
2022					
Sales – external	861,937	56,619	7,434	(19,267)	906,723
Segment results - operating profit/(loss)	4,737	(2,465)	321	-	2,593
Unallocated gain	8	-	1,036	-	1,044
Finance income	921	528	2,711	(1,604)	2,556
Finance expense	(8,142)	(1,302)	(1,554)	1,604	(9,394)
Share of results of associated companies (after income tax)	118	52	(1,000)	-	(830)
Loss before income tax					(4,031)
Income tax expense					(1,664)
Loss after income tax					(5,695)
Segment assets	420,512	52,261	60,703	(80,431)	453,045
Investments in associated companies	1,491	2,111	-	-	3,602
Deferred income tax assets					871
Consolidated total assets					457,518
Segment liabilities	109,700	22,660	50,156	(80,431)	102,085
Borrowings	159,115	27,340	17,728	-	204,183
Current and deferred income tax liabilities					2,617
Consolidated total liabilities					308,885
Capital expenditure on computer software license costs	-	-	116	-	116
Capital expenditure on property, plant and equipment	1,184	148	193	-	1,525
Payments for investments in financial assets, at fair value through profit or loss	210	-	656	-	866
Depreciation of property, plant and equipment	2,383	323	611	-	3,317
Amortisation of computer software license costs	51	-	13	-	64
Fair value loss/(gain) on investment properties	105	5	(63)	-	47
Gain on re-measurement of associated company to financial assets, at fair value through profit or loss	-	-	(2,344)	-	(2,344)
Impairment loss on investments in associated companies	-	-	1,296	-	1,296
Fair value loss on financial assets, at fair value through profit or loss	384	-	413	-	797
Gain on sale of financial assets, at fair value through profit or loss	(20)	-	-	-	(20)
Fair value loss on derivative financial instruments	31	193	-	-	224
Recovery of trade bad debts previously written off	(947)	-	-	-	(947)
Loss allowance on trade receivables	95	44	1,142	-	1,281
Loss allowance on non-trade receivable (associated company)	-	-	571	-	571

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.1 Operating segments (continued)

The Group	Electronic components distribution US\$'000	Consumer products distribution US\$'000	Other businesses US\$'000	Inter-segment eliminations US\$'000	Total US\$'000
2H2023					
Sales – external	351,622	41,641	4,845	(8,928)	389,180
Segment results - operating profit/(loss)	4,399	67	(149)	-	4,317
Unallocated loss	(1)	-	-	-	(1)
Finance income	797	387	1,148	(1,139)	1,193
Finance expense	(6,032)	(1,200)	(1,071)	1,139	(7,164)
Share of results of associated companies (after income tax)	54	(16)	-	-	38
Loss before income tax					(1,617)
Income tax expense					(618)
Loss after income tax					(2,235)
2H2022					
Sales – external	419,587	31,528	4,000	(11,160)	443,955
Segment results - operating (loss)/profit	(971)	(408)	522	-	(857)
Unallocated (loss)/gain	(2)	-	1,036	-	1,034
Finance income	690	354	1,439	(1,094)	1,389
Finance expense	(5,269)	(853)	(1,002)	1,094	(6,030)
Share of results of associated companies (after income tax)	22	35	(851)	-	(794)
Loss before income tax					(5,258)
Income tax expense					(849)
Loss after income tax					(6,107)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Segment information (continued)

4.2 Geographical segments

The geographical segments comprised six broad primary geographic areas, namely: Southeast Asia and India [consisting of Singapore (the home and principal operating country of the Group), Malaysia, Thailand, Philippines, Indonesia, Vietnam and India], Hong Kong, China, South Korea, Taiwan and Japan which reflect the current business process and monitoring in these primary geographic business segments in which the Group operates in.

All geographic locations, except Japan, are engaged in the electronic components distribution business.

Consumer products distribution business (which include distribution of consumer products, information technology, computer peripherals, parts, software and related products, provision of managed print services and the administrative, maintenance and distribution of copiers and printers and distribution of 3D printers) are located in Southeast Asia and India (comprising mainly Singapore, Malaysia, Thailand, Indonesia and Philippines) and Japan.

Other businesses in Southeast Asia and India (mainly Singapore, Malaysia and Thailand), Taiwan and China include assembly and distribution of medical devices and ethylene oxide sterilization, and manufacturing of medical disposables and surgical supplies, hospitality and healthcare solutions, project financing in the form of leasing, hire purchase, factoring and loan, trading and distribution of fast-moving consumer goods, communications and power line construction, research and experimental development on biotechnology, life and medical science, and trading and distribution of scientifically proven healthy food products, investment holding and trading and rental of investment properties.

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

	Sales		Sales		Non-current assets*	
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022	31 December 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group						
Southeast Asia and India	120,625	110,050	235,644	218,753	10,228	10,810
Hong Kong	151,642	181,398	288,086	389,833	5,053	5,483
China	74,826	98,199	145,688	183,979	12,826	13,750
South Korea	24,533	27,465	51,464	55,638	4,398	4,354
Taiwan	15,165	23,814	33,600	54,745	8,450	8,079
Japan	2,381	3,029	4,461	3,775	9	57
Others	8	-	8	-	-	-
Southeast Asia and India - Associated company	-	-	-	-	1,362	2,111
Taiwan - Associated company	-	-	-	-	1,452	1,491
Total	389,180	443,955	758,951	906,723	43,778	46,135

Note:

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

**SERIAL SYSTEM LTD
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Revenue

	The Group		The Group	
	6 months ended 31 December 2023 US\$'000	6 months ended 31 December 2022 US\$'000	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
Sales of goods and services	389,180	443,955	758,951	906,723
Other operating income	2,903	8,309	5,676	10,830
Interest income	1,193	1,389	2,238	2,556
	393,276	453,653	766,865	920,109
Performance obligations satisfied at a point in time:				
Sales of goods:				
Electronic components	343,210	408,775	669,032	843,048
Consumer products	41,430	31,419	81,897	56,482
Others	4,240	3,517	7,507	6,706
	388,880	443,711	758,436	906,236
Performance obligations satisfied over time:				
Services rendered	300	244	515	487
Total sales of goods and services	389,180	443,955	758,951	906,723

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Revenue (continued)

	The Group		The Group	
	6 months ended 31 December 2023 US\$'000	6 months ended 31 December 2022 US\$'000	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
Other operating income:				
Commission and service income	1,294	1,939	2,708	2,911
Rebate income from suppliers	1,099	1,307	2,049	2,207
Warehouse management and rental income	68	(4)	137	159
Gain on sale of financial assets, at fair value through profit or loss	253	17	253	20
Fair value (loss)/gain on financial assets, at fair value through profit or				
- listed equity securities	(103)	-	(103)	-
- unlisted equity securities	146	-	146	-
- derivative financial instruments	(26)	-	7	-
Dividend income from financial assets, at fair value through profit or	12	9	35	21
Gain on closure of a subsidiary	125	-	160	-
Gain on re-measurement of associated company to financial assets, at				
fair value through profit or loss	-	2,344	-	2,344
Gain on disposal of interests in associated companies	-	329	-	397
Gain on dilution of interests in associated companies	-	1,034	-	1,044
(Loss)/gain on disposal of property, plant and equipment	(2)	-	28	13
Recovery of trade bad debts previously written off	13	947	13	947
Government grants received	14	122	46	305
Sundry income	10	265	197	462
Total other operating income	2,903	8,309	5,676	10,830
Interest income:				
Project financing, factoring and leasing	880	1,237	1,714	2,374
Bank balances	313	96	524	126
Loan to an associated company	-	56	-	56
Total interest income	1,193	1,389	2,238	2,556

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

6. Loss before income tax

	The Group		The Group	
	6 months ended 31 December 2023 US\$'000	6 months ended 31 December 2022 US\$'000	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
This is arrived at after charging:				
Amortisation charges for computer software license costs *	31	28	58	64
Amortisation of trademark and know-how*	7	-	16	-
Depreciation of property, plant and equipment*	1,454	1,861	3,018	3,317
Property, plant and equipment written off*	-	1	8	1
Fair value loss/(gain) on financial assets, at fair value through profit or loss*:				
- listed equity securities	(146)	(62)	-	797
- unlisted equity securities	(779)	-	-	-
- derivative financial instruments	-	40	-	224
Fair value loss on investment properties*	1	47	1	47
Impairment loss on investment in an associated company*	717	1,296	717	1,296
Loss on dilution of interest in associated companies*	1	-	3	-
Loss allowance:				
- trade receivables (third parties)*	2,153	860	3,852	1,281
- non-trade receivable (associated company)*	-	571	-	571
Inventories:				
- cost of inventories recognised as an expense (included in 'cost of sales')	359,813	410,085	700,081	832,944
- (write-back of allowances)/allowances for inventory obsolescence*	(1,491)	3,673	2,199	4,700
- write-off of inventories*	361	62	384	360
Cost of services (included in 'cost of sales')	23	12	40	29
Employee benefits expense	16,145	16,077	31,455	34,083
Rental expense - operating leases (short term leases)	846	823	1,779	1,710
Freight and handling charges	2,012	3,154	4,495	6,108
Travelling and transportation expenses	1,134	1,070	2,158	1,870
Sales commission expense	881	3,484	3,433	6,378
Foreign exchange (gain)/loss (net)*	(1,656)	2,965	3,107	6,621
Other expenses (included in distribution, administrative and other expenses)	6,260	6,040	12,176	11,515
Total cost of sales, distribution, administrative and other expenses	387,767	452,087	768,980	913,916

Note:

*Included in "other operating expenses"

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Finance expenses

	The Group		The Group	
	6 months ended 31 December 2023 US\$'000	6 months ended 31 December 2022 US\$'000	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
Interest expenses:				
Bank borrowings	1,116	1,058	2,322	1,815
Trust receipts	3,226	2,495	6,593	3,828
Factoring	2,290	1,665	4,410	2,396
Lease liabilities	71	57	129	148
Loan from an associated company	35	26	65	50
Loan from a substantial shareholder of the Company	93	91	186	173
Others	333	638	721	984
Total	7,164	6,030	14,426	9,394

8. Related party transactions

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

8. Related party transactions (continued)

8.1 Sales and purchases of goods and services

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

	The Group		The Group	
	6 months ended 31 December 2023 US\$'000	6 months ended 31 December 2022 US\$'000	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
With associated companies:				
Sales of goods to associated companies	38	13	71	315
Purchases of goods from an associated	7	4	14	11
Rental received from an associated company	34	35	69	73
Dividend income received from an associated company	66	-	66	21
Interest income received from an associated company	-	56	-	56
Interest expense paid to an associated company	35	26	65	50
With directors and substantial shareholder:				
Service fees paid to an entity associated with a director of the Company	46	31	59	41
Interest expense paid to a substantial shareholder of the Company	93	91	186	173
Sales of goods to an entity which a director/shareholder of a subsidiary is a director and shareholder	-	-	-	11

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

8.2 Share options granted/exercised by Directors of the Company

There were no share options granted to or exercised by Directors of the Company during the financial year ended 31 December 2023 and 31 December 2022. There were no outstanding share options granted to the Directors of the Company as at 31 December 2023 and 31 December 2022.

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9. Income tax expense

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

	The Group		The Group	
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Tax expense attributable to profit is made up of:				
Current income tax – Singapore	69	106	154	116
Current income tax – Foreign	893	589	1,243	1,577
	962	695	1,397	1,693
Deferred income tax	(463)	306	(533)	250
	499	1,001	864	1,943
Under/(over) provision in preceding financial periods:				
Current income tax	276	(150)	296	(276)
Deferred income tax	(157)	(2)	(309)	(3)
Total	618	849	851	1,664

10. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2023 and 31 December 2022:

	The Group		The Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets at amortised cost:				
Cash and bank balances	37,076	35,977	517	426
Trade and other receivables, loans and other receivables	160,056	178,351	67,150	67,929
Deposits	1,885	3,570	420	1,020
Total	199,017	217,898	68,087	69,375
Financial liabilities at amortised cost:				
Trade and other payables	70,634	101,581	24,038	24,611
Borrowings	194,277	204,183	10,376	11,629
Total	264,911	305,764	34,414	36,240

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

11. Dividends paid

	The Group and the Company		The Group and the Company	
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Ordinary dividends paid:				
One-tier tax-exempt interim cash dividend of 0.11 SGD cent (0.08 USD cent) per share paid in respect of the financial year ended 31 December 2022	-	704	-	704
One-tier tax-exempt final cash dividend of 0.45 SGD cent (0.33 USD cent) per share paid in respect of the financial year ended 31 December 2021	-	-	-	2,974
Total	-	704	-	3,678

12. Net assets value

	The Group		The Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Net assets backing per ordinary share based on the existing issued share capital as at the end of the year reported on (in US\$)	13.79 cents	15.36 cents	10.39 cents	10.29 cents

Net assets backing per ordinary share as at 31 December 2023 and 31 December 2022 are calculated based on the net assets value attributable to the equity holders of the Company as at the end of the respective year and the respective aggregate number of ordinary shares of 904,841,914.

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13. Trade and other receivables

	The Group		The Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables:				
Third parties	163,723	176,904	-	-
Subsidiaries	-	-	9,575	7,548
	163,723	176,904	9,575	7,548
Loss allowance	(10,607)	(7,007)	(21)	(13)
Net trade receivables	153,116	169,897	9,554	7,535
Other receivables:				
Third parties	6,584	8,970	446	448
Loss allowance	(2,248)	(2,248)	(42)	(42)
	4,336	6,722	404	406
Due from:				
Subsidiaries	-	-	30,412	28,651
Associated companies	3,690	2,818	1,790	1,786
Joint venture	2,536	2,642	-	-
	6,226	5,460	32,202	30,437
Loss allowance	(3,622)	(3,728)	(3,889)	(3,668)
	2,604	1,732	28,313	26,769
Net other receivables	6,940	8,454	28,717	27,175
Total	160,056	178,351	38,271	34,710

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 90 days to its customers. Trade receivables are recognised initially at the amount of consideration that is 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 does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with trade receivables amounting to US\$2,067,000 (31 December 2022: US\$2,106,000) is mitigated because these are secured by properties and personal guarantee. The Group is not permitted to sell or repledge the properties in the absence of default.

The Group purchases credit insurance to reduce credit risk from extension of credit to the majority of its customers in the electronic components distribution business and certain customers in the consumer products distribution business.

The Group's other receivables of US\$6,940,000 as at 31 December 2023 mainly comprised goods and services tax and value-added tax of US\$2,806,000, amounts due from associated companies totalling US\$2,604,000, of which US\$1,735,000 are secured by assets, and an amount of US\$1,173,000 due from Otswa Digital Pte. Ltd., an unlisted equity security of which the Group has a 15.83% equity interest. As at 31 December 2023, these other receivables are assessed to be recoverable as there are no indications of risk of credit default.

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14. Inventories

	The Group	
	31 December 2023	31 December 2022
	US\$'000	US\$'000
Finished goods	125,190	161,979
Work in progress	187	52
Raw materials	1,210	940
Total	126,587	162,971

During the financial year, the Group made allowances for inventory obsolescence amounting to US\$2,199,000 (31 December 2022: US\$4,700,000).

The allowances for inventory obsolescence of US\$2,199,000 were mainly provided for slow-moving inventories held by the Group's electronic components distribution subsidiaries in Hong Kong and China and consumer products distribution subsidiaries in Thailand and Japan, impacted by slowdown in consumer and/or industrial demand.

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

	The Group	
	31 December 2023	31 December 2022
	US\$'000	US\$'000
Current	7,655	9,809
Non-current	12,332	12,196
	19,987	22,005
Comprised:		
Listed equity securities:		
Singapore	299	344
South Korea	953	897
Taiwan	682	861
	1,934	2,102
Unlisted equity securities:		
Singapore	6,024	5,312
Sweden	-	805
	6,024	6,117
Preference shares:		
Singapore	583	574
Thailand	1,925	1,925
	2,508	2,499
Convertible bonds – Singapore	1,766	1,386
Trade receivables*	7,656	9,809
Derivative receivables – Singapore	99	92
	9,521	11,287
Total	19,987	22,005

Note:

*Trade receivables which are subjected to factoring agreements arrangement with banks to obtain bank financing are categorised under "Financial assets, at fair value through profit or loss" as they do not meet the criteria of trade receivables for measurement at amortised cost under the SFRS(I) 9.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

16. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment amounting to US\$1,448,000 (31 December 2022: US\$1,525,000), of which US\$717,000 (31 December 2022: US\$534,000) were related to right-of-use assets. Cash payments of US\$731,000 (31 December 2022: US\$991,000) were made to purchase property, plant and equipment.

17. Investment properties

	The Group	
	31 December 2023 US\$'000	31 December 2022 US\$'000
Beginning of financial year	6,457	7,187
Fair value loss	(1)	(47)
Currency translation differences	(33)	(683)
End of financial year	6,423	6,457

17.1 Valuation

Investment properties are initially recognised at cost and subsequently carry at fair value, determine annually by independent professional valuers on the highest-and-best use value using the Direct Market Comparison Method and if required, adjust with appropriate adjustments, such as location, date of transaction and size of property. Changes in fair values are recognised in the condensed interim consolidated statement of profit or loss.

18. Intangible assets

	The Group		The Company	
	31 December 2023 US\$'000	31 December 2022 US\$'000	31 December 2023 US\$'000	31 December 2022 US\$'000
Goodwill arising from acquisition of subsidiaries	3,162	3,138	-	-
Computer software license costs	269	261	21	6
Trademark and know-how	35	-	-	-
Total	3,466	3,399	21	6

Goodwill arising from acquisition of subsidiaries comprised those arising from the Group's electronic components distribution subsidiaries in Hong Kong and China amounting to US\$1,656,000 (31 December 2022: US\$1,656,000) and the Group's other businesses' subsidiary in Singapore amounting to US\$1,506,000 (31 December 2022: US\$1,482,000). No impairment charges was made during the financial year (31 December 2022: Nil).

The Group acquired computer software license costs amounting to US\$66,000 (31 December 2022: US\$116,000) during the financial year.

The Group acquired trademark and know-how amounting to US\$38,000 with cash payments and acquired trademark amounting to US\$74,000 via business combination upon the reclassification of financial assets, at fair value through profit or loss to investments in subsidiaries.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

19. Trade and other payables

	The Group		The Company	
	31 December 2023 US\$'000	31 December 2022 US\$'000	31 December 2023 US\$'000	31 December 2022 US\$'000
	Current			
Trade payables – Third parties	45,681	70,754	-	-
Other payables and accrued operating expenses	15,757	19,988	1,001	1,599
Contract liabilities	8,183	9,834	-	-
Derivative financial instruments	209	304	-	-
Due to subsidiaries	-	-	6,719	5,502
Due to an associated company	1,013	1,005	1,013	1,005
Financial guarantee contracts	-	-	593	727
Total	70,843	101,885	9,326	8,833

20. Borrowings

	The Group		The Company	
	31 December 2023 US\$'000	31 December 2022 US\$'000	31 December 2023 US\$'000	31 December 2022 US\$'000
	Amount repayable within one year or on demand:			
Secured	22,862	35,501	525	7,374
Unsecured	159,427	161,422	3,789	3,730
	182,289	196,923	4,314	11,104
Amount repayable after one year:				
Secured	8,581	2,481	6,062	525
Unsecured	3,407	4,779	-	-
	11,988	7,260	6,062	525
Total	194,277	204,183	10,376	11,629

20.1 Details of any collateral

- (i) A term loan of the Company amounting to US\$6,062,000 (31 December 2022: US\$5,970,000) which is payable on 30 May 2025, is secured on the following:
- a first legal mortgage on the leasehold land and building ('Mortgaged Property') held by a wholly-owned Singapore subsidiary, Serial Investment Pte Ltd;
 - an assignment of all rights and benefits relating to the Mortgaged Property;
 - an assignment of all rights, title interest and benefits in tenancy agreements, relating to the Mortgaged Property;
 - an assignment of all rights and benefits under the insurance policies taken in relation to the Mortgaged Property; and
 - joint and several guarantees of certain subsidiaries of the Group.
- (ii) Bank borrowing of US\$155,000 (31 December 2022: US\$217,000) due by a wholly-owned Malaysia subsidiary, Serial Microelectronics Sdn. Bhd., to partially finance the acquisition of its freehold building in Malaysia is secured by a first legal mortgage of the property.
- (iii) Bank borrowing of US\$3,751,000 [31 December 2022: US\$4,023,000 due by wholly-owned Taiwan subsidiary, Serial Investment (Taiwan) Inc. and US\$3,300,000 due by 95.5%-owned Taiwan subsidiary, Serial Microelectronics Inc.] due by a wholly-owned Taiwan subsidiary, Serial Investment (Taiwan) Inc., to partially finance the acquisition of its freehold building in Taiwan and for working capital is secured by a first legal mortgage of the property. In addition, bank borrowing of US\$1,350,000 (31 December 2022: Nil) due by Serial Investment (Taiwan) Inc. is secured by a cash security deposit of US\$358,000 (31 December 2022: Nil) placed with the financial institution.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

20. Borrowings (continued)

20.1 Details of any collateral (continued)

- (iv) Bank borrowing of US\$4,460,000 (31 December 2022: US\$9,230,000) due by a wholly-owned South Korea subsidiary, Serial Microelectronics Korea Limited for working capital, is secured by a first legal mortgage of its freehold land and building in South Korea.
- (v) Bank borrowing of US\$15,133,000 (31 December 2022: US\$13,290,000) due by a 91.0%-owned China subsidiary, Serial Microelectronics (Shenzhen) Co., Ltd for working capital, is secured by a first legal mortgage of its leasehold buildings in China.
- (vi) Bank borrowing of US\$525,000 (31 December 2022: US\$1,880,000) due by the Company is secured by a cash security deposit of US\$420,000 (31 December 2022: US\$1,020,000) placed with the financial institution.
- (vii) Lease liabilities of US\$7,000 (31 December 2022: US\$72,000 secured on office equipment and motor vehicles) of the Group are secured on office equipment acquired under leasing agreements. Lease liabilities of US\$49,000 of the Company as at 31 December 2022 are secured on office equipment and motor vehicles acquired under leasing agreements.

20.2 Loan compliance

The Group regularly monitors its compliance with the covenants and is up to date with the scheduled repayments of the borrowings. As at 31 December 2023, the Group complied with covenants entered with various banks, except for a bank, which have the right to call for immediate repayment of outstanding current borrowings of US\$4,869,000 (31 December 2022: US\$5,573,000), included in current liabilities. As at the date of this report, borrowings of US\$4,418,000 have been repaid and the bank has not called for any immediate repayment for the remaining amount. The subsidiary has been servicing the repayments of the borrowings and its interests as and when they fall due and the utilisation of the borrowing facilities continue as usual as of the date of this announcement.

21. Share capital and treasury shares

	Issued number of shares		Total share capital	
	Share capital '000	Treasury shares '000	Share capital US\$'000	Treasury shares US\$'000
The Group and The Company				
2023				
At 1 January 2023 and 31 December 2023	905,788	(946)	72,648	(70)
2022				
At 1 January 2022 and 31 December 2022	905,788	(946)	72,648	(70)

There were no ordinary shares issued since the end of the financial year ended 31 December 2022.

There were no outstanding share options as at 31 December 2023 and 31 December 2022.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares and subsidiary holdings during the financial year ended 31 December 2023.

OTHER INFORMATION

22. Review

The condensed interim statements of financial position of Serial System Ltd and its subsidiaries as at 31 December 2023 and the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six months and full year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

23. 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.

	Second Half Year		Full Year	
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
Based on the weighted average number of ordinary shares in issue (in US\$); and	(0.23 cent)	(0.55 cent)	(1.64 cents)	(0.51 cent)
On a fully diluted basis (in US\$)	(0.23 cent)	(0.55 cent)	(1.64 cents)	(0.51 cent)

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 and full year ended 31 December 2023 of 904,841,914 (six months and full year ended 31 December 2022 of 904,841,914).

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 and full year ended 31 December 2023 of 904,841,914 (six months and full year ended 31 December 2022 of 904,841,914) after adjusting assumed conversion of all potential dilutive ordinary shares.

There were no potential dilutive ordinary shares for the financial year ended 31 December 2023 and 31 December 2022.

OTHER INFORMATION

24. **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

Results for Full Year Ended 31 December 2023

The Group recorded turnover of US\$759.0 million for the full year ended 31 December 2023 ("FY2023"), a decrease of 16% compared to US\$906.7 million for the same period last year ("FY2022").

Turnover for the electronic components distribution business declined 21% to US\$669.0 million due to lower sales across most of the regions in Asia, notably Hong Kong, China and Taiwan, attributable to weak demand from both the consumer and industrial markets and overstocking in the supply chain. The challenging financial and economic conditions marked by elevated inflationary pressures, currency volatilities, high interest rates and ongoing geopolitical tension caused by the ongoing Russia Ukraine and Middle East wars, and USA and China relations adversely impacted the business's top line.

Turnover for the consumer products distribution business increased by 45% to US\$81.9 million, driven by higher sales in Thailand and Malaysia, contributed by new product lines onboarded during FY2023.

Turnover for other businesses increased by 12% to US\$8.0 million due to higher revenue from the medical device assembly and distribution business in Singapore.

Overall gross profit margin declined 0.3 percentage point to 7.8% from 8.1% in FY2022, mainly due to lower margins achieved by the electronic components and consumer products distribution business divisions, amid pricing pressures due to weak demand and keen market competition. Sale of older inventories at lower margin also contributed to the decline in margin achieved by these two divisions.

Other operating income decreased by US\$5.2 million or 48% to US\$5.7 million. The lower income in FY2023 was mainly due to lower gain on dilution of interests in associated companies of US\$1.0 million, recovery of trade bad debts previously written off of US\$0.9 million and government grants received of US\$0.3 million when compared to FY2022. One-off gains on re-measurement of associated company to financial assets, at fair value through profit or loss of US\$2.3 million and disposal of interests in associated companies of US\$0.4 million in FY2022 also contributed to the decline in other operating income.

Distribution expenses decreased by US\$6.4 million or 15% to US\$37.0 million, mainly due to lower sales commission expense, staff and related costs, and freight and handling charges associated with the electronic components distribution business in line with its decrease in sales.

Administrative expenses increased by US\$0.2 million or 2% to US\$9.9 million, mainly due to higher utility costs, office rental and maintenance costs.

Finance expenses increased by US\$5.0 million or 54% to US\$14.4 million, mainly due to higher interest rates across all bank facilities in FY2023 compared with FY2022.

Other operating expenses decreased by US\$5.9 million or 21% to US\$21.9 million. The decrease was mainly due to lower foreign exchange loss (net) of US\$3.5 million attributed to lower depreciation of the Chinese Renminbi against the United States Dollar, allowances for inventory obsolescence of US\$2.5 million, fair value loss on financial assets, at fair value through profit or loss (listed securities and derivatives financial instruments) of US\$1.0 million, impairment loss on investment in associated companies of US\$0.6 million and staff and related costs of US\$0.6 million when compared to FY2022. The decrease was partially offset by higher loss allowance on trade and non-trade receivables of US\$2.0 million in FY2023.

The Group's associated companies contributed a net profit of US\$66,000 as compared to net loss of US\$0.8 million in FY2022. The Group shared a profit of US\$104,000 from 14.39%-owned Bull Will Co., Ltd., partially offset by share of loss of US\$38,000 from 15.90%-owned PT Sentral Mitra Informatika Tbk. in FY2023. In FY2022, the net loss of US\$0.8m was mainly due to share of loss of US\$0.7m from previously 15.83% associated company, Otsaw Digital Pte Ltd which was reclassified to financial assets, at fair value through profit or loss as at end of FY2022.

The Group reported a higher net loss of US\$14.8 million in FY2023 as compared to net loss of US\$4.6 million in FY2022. The loss in FY2023 was mainly attributed to mainly loss allowance on trade receivables of US\$3.9 million, foreign exchange loss (net) of US\$3.1 million, allowances for inventory obsolescence of US\$2.2 million, and higher interest expenses impacted by the high interest rates.

Condensed Interim Consolidated Statement of Profit or Loss (continued)

Results for Second Half Year Ended 31 December 2023

The Group recorded turnover of US\$389.1 million for the second half year ended 31 December 2023 ("2H2023"), a decrease of 12% when compared to US\$444.0 million for the same period last year ("2H2022").

Turnover for the electronic components distribution business declined 16% to US\$343.2 million due to lower sales across most of the regions in Asia, particularly in Hong Kong, China and Taiwan. While performance in these regions have improved when compared to 1H2023, the consumer and industrial markets remained cautious of the sustained recovery which dampened demand. Factors like elevated inflationary pressures, currency volatilities, high interest rates, and overstocking in the supply chain continued to exert pressure on demand for electronic components in 2H2023.

Turnover for the consumer products distribution business increased by 32% to US\$41.4 million continued to be driven by higher sales in Thailand and Malaysia arising from newly onboarded product lines during FY2023.

Turnover for other businesses increased by 21% to US\$4.5 million contributed by higher revenue from the fast-moving consumer goods and medical device assembly and distribution businesses.

Overall gross profit margin declined marginally by 0.1 percentage point to 7.5% from 7.6% in 2H2022, mainly due to lower margins achieved by the electronic components distribution business in Singapore and Taiwan, partially offset by better margins earned by the electronic components distribution business in South Korea and Hong Kong. The improved margins achieved by the consumer products distribution business in Singapore, Thailand and Malaysia also assisted to partially offset the overall decline in margin.

Other operating income decreased by US\$5.4 million or 65% to US\$2.9 million. The lower income in 2H2023 was mainly due to lower gain on dilution of interests in associated companies of US\$1 million, recovery of trade bad debts previously written off of US\$0.9 million and commission and service income of US\$0.6 million when compared to 2H2022. One-off gains on re-measurement of associated company to financial assets, at fair value through profit or loss of US\$2.3 million and disposal of interests in associated companies of US\$0.3 million in 2H2022 also contributed to the decline in other operating income.

Distribution expenses decreased by US\$4.1 million or 19% to US\$17.8 million mainly due to lower sales commission expense, freight and handling charges, and staff and related costs associated with the electronic components distribution business in line with its decrease in sales.

Administrative expenses decreased by US\$0.1 million or 2% to US\$4.8 million, mainly due to lower bank charges and professional fees.

Finance expenses increased by US\$1.1 million or 19% to US\$7.2 million, mainly due to higher interest rates across all bank facilities in 2H2023 compared with 2H2022.

Other operating expenses decreased by US\$9.9 million or 65% to US\$5.3 million. The decrease was mainly due to write-back of allowances for inventory obsolescence of US\$1.5 million in 2H2023 as opposed to allowances for inventory obsolescence of US\$3.7 million in 2H2022, foreign exchange gain (net) of US\$1.7 million in 2H2023 as opposed to foreign exchange loss (net) of US\$3.0 million in 2H2022, lower impairment loss on investment in associated companies of US\$0.6 million and lower depreciation charges of property, plant and equipment of US\$0.4 million. The decrease was partially offset by higher loss allowance on trade and other receivables of US\$0.7 million, and write-off of inventories of US\$0.3 million in 2H2023.

The Group's associated companies contributed a net profit of US\$38,000 as compared to net loss of US\$0.8 million in 2H2022. The Group shared a profit of US\$54,000 from 14.39%-owned Bull Will Co., Ltd., partially offset by share of loss of US\$16,000 from 15.90%-owned PT Sentral Mitra Informatika Tbk. in 2H2023. In 2H2022, the net loss of US\$0.8m was mainly due to share of loss of US\$0.7m from previously 15.83% associated company, Otsaw Digital Pte Ltd which was reclassified to financial assets, at fair value through profit or loss as at end of FY2022.

The Group reported a lower net loss of US\$2.1 million in 2H2023 as compared to US\$5.0 million in 2H2022. The loss in 2H2023 was mainly attributable to loss allowance on trade receivables of US\$2.2 million, impairment loss on investment in associated company of US\$0.7m and higher interest expenses impacted by the high interest rates.

Condensed Interim Statements of Financial Position

Trade and other receivables decreased by US\$18.3 million (net of factored trade receivables) to US\$160.0 million. This was mainly attributed to the lower sales achieved by the Group's electronic components distribution subsidiaries and lower project financing undertaken by the Thailand subsidiaries. Higher trade and other receivables from higher sales in the Group's consumer products distribution subsidiaries partially offset the increase in trade and other receivables in FY2023. Average turnover days for trade receivables increased to 82 in FY2023 from 70 in FY2022.

Inventories decreased by US\$36.4 million to US\$126.6 million. This was mainly due to lower inventories purchased and held by the Group's electronic components distribution and consumer products distribution subsidiaries from more prudent inventory management and clearance of older inventories. Average turnover days for inventories increased to 75 in FY2023 from 65 in FY2022.

Other current assets of US\$10.3 million comprised mainly prepayments to suppliers for purchase of inventories of US\$7.1 million, office rental deposits of US\$0.4 million, cash security deposit of US\$0.4 million and other prepaid operating and financial expenses of US\$2.0 million.

Trade and other payables decreased by US\$31.0 million to US\$70.8 million. This was in line with the decline in purchases by the Group's electronic components distribution subsidiaries. Average payment days for trade payables remained the same at 30 in FY2023 and FY2022.

As at 31 December 2023, the Group's current ratio (current assets divided by current liabilities) was 1.34 (31 December 2022: 1.33).

Borrowings decreased by US\$9.9 million to US\$194.3 million. This was mainly due to lower bank borrowings by the Group's electronic components distribution subsidiaries following the decline in purchases. The Company's current portion of a secured term loan amounting to US\$5.9 million, which was refinanced to be payable on 30 May 2025, was reclassified to non-current borrowings as at 31 December 2023. Included in the Company's current borrowings was an interest-bearing loan amounting to S\$5.0 million (US\$3.8 million) [31 December 2022: S\$5.0 million (US\$3.7 million)] from a substantial shareholder of the Company, Mr Goi Seng Hui.

As at 31 December 2023, the Group's net gearing ratio was 128.6% (31 December 2022: 113.2%). The net gearing ratio was derived as net debts (total borrowings minus cash and cash equivalents) divided by total equity. The increase was mainly due to decreases in total equity resulting from the loss in FY2023.

Foreign exchange management

The Group's financial statements are presented in United States Dollar, which is also the functional and presentation currency of the Company. The Company has foreign exchange hedging policies for the Group's subsidiaries with significant exposure to foreign currencies in Chinese Renminbi, Malaysian Ringgit, Thailand Baht, Japanese Yen and Singapore Dollar. These policies were discussed and concurred by the Audit Committee of the Company. For FY2023, approximately US\$1.8 million of the foreign exchange loss (net), was unrealised, and accounted for 57% of the total foreign exchange loss (net) of US\$3.1 million. These foreign exchange loss arose mainly from the United States Dollar inter-company payables due by the China, Japan, Thailand and Malaysia subsidiaries whose respective currencies have weakened against the United States Dollar during FY2023. The Group monitored on a daily basis the direction of these currencies to make decision whether to enter into foreign exchange forward contract and/or spot transaction to mitigate its currency exposures. As the cash flows from these subsidiaries to repay the United States Dollar inter-company payables from collections of trade receivables and sales of its inventories are not certain, the Group enters into foreign exchange forward contract and/or spot transaction in accordance to its monthly requirements for United States Dollar, rather than hedging the entire amount of the United States Dollar inter-company payables exposure with these subsidiaries.

Short-term financial obligations

The Board after taking into consideration the Group's cash and cash equivalents, the cashflow generated from its operating activities, the net current assets and continued support from the Group's lenders and vendors, is of the opinion that the Group is able to meet its short term financial obligations due within the next 12 months.

OTHER INFORMATION

- 25. 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.

- 26. 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.**

We observed a stabilization in the demand of semiconductor chips in the third quarter of 2023, with a subtle recovery in the fourth quarter of 2023, particularly in China, the primary market in which the Group operates in. While the electronic components distribution business continues to operate in a highly challenging environment amid elevated interest rates, currency volatilities, potential supply chain disruptions from the Middle East and Ukraine war and geopolitical tensions, the Group remains optimistic that this business can bounce back from its 2023 downturn, with rising global demand for artificial intelligence and high-performance computing, coupled with the stabilizing demand for consumer electronics, infrastructure, and resilient growth in the electric cars industry.

The Group will continue to leverage its position as a leading distributor of consumer products in Malaysia and Thailand to increase its range of product offerings. In particular, the Group's Thailand subsidiary has since widened its range of products, and intends to expand its supplier base in 2024. These efforts will allow the Group to improve its top line for the consumer products distribution business, driven by a higher number of suppliers and expanded product range.

The operating environment remains challenging in Asia, where the Group operates. High interest rates, persistent inflation and geopolitical developments are anticipated to exert pressure on operating costs, increase currency volatilities and impact consumer demand. In response, the Group will continue to review its operations to boost efficiency and trim expenses where necessary and be vigilant in inventory and credit management.

- 27. 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? Yes

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

c) Date payable

Not applicable

d) Books closure date

Not applicable

- 28. If no dividend has been declared/recommendeded, a statement to that effect.**

No final dividend has been declared or recommended for the current financial period reported on as the Board of Directors of the Company deemed it necessary to preserve cash for working capital requirements and taking into consideration the loss incurred for the current year.

OTHER INFORMATION

29. Interested person transactions

Pursuant to Rule 907 of the Listing Manual of the SGX-ST (the "Listing Manual"), the Board of Directors of the Company would like to announce the following Interested Person Transactions ("IPTs") for FY2023 as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during FY2023 (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 FY2023 conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
		US\$'000	US\$'000
Goi Seng Hui	Substantial shareholder of the Company	186	Not applicable

The Company entered into a loan agreement of S\$5,000,000 (US\$3,789,000) with Mr. Goi Seng Hui on 23 May 2023. The loan bears interest at 5.0% per annum and is repayable to Mr. Goi Seng Hui on 22 May 2024.

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

No general mandate from shareholders has been obtained for IPTs.

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

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

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

	12 months ended 31 December 2023 US\$'000	12 months ended 31 December 2022 US\$'000
Ordinary	-	704
Preference	-	-
Total:	-	704

OTHER INFORMATION

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

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Derek Goh Bak Heng	62	Cousin of Sean Goh Su Teng and father of Victoria Goh Si Hui. Derek Goh Bak Heng is a Substantial Shareholder of Serial System Ltd	<p><u>Current Position</u> Group Chief Executive Officer (Year 2001) and Executive Chairman of Serial System Ltd (Year 2024)</p> <p><u>Duties</u> Responsible for leading the Board in charting the future direction of the Group and the management team in executing strategies to achieve the goals set by the Board.</p>	Derek Goh Bak Heng was re-appointed Executive Chairman of Serial System Ltd on 9 January 2024.
Mr. Sean Goh Su Teng	44	Cousin of Derek Goh Bak Heng and uncle of Victoria Goh Si Hui.	<p><u>Current Position</u> Deputy Group Chief Executive Officer (Year 2022) and Executive Director of Serial System Ltd (Year 2021)</p> <p><u>Duties</u> Responsible for overall management of the Group. He also works closely with the Board and the management team on corporate development and strategic planning of the Group.</p>	Not applicable.
Ms. Victoria Goh Si Hui	31	Daughter of Derek Goh Bak Heng and niece of Sean Goh Su Teng	<p><u>Current Position</u> Vice President, Business Development & Marketing of Serial System Ltd (Year 2022) and Executive Director of Serial System Ltd (Year 2022)</p> <p><u>Duties</u> Responsible for overseeing and managing the business and operation of the consumer products distribution business as well as supply chain and inventory management of the Group. She also works closely with the Board and the management team on corporate development and strategic planning of the Group.</p>	Not applicable.

BY ORDER OF THE BOARD

Mr. Derek Goh Bak Heng
Executive Chairman and Group Chief Executive Officer
23 February 2024