

Shareholder Questions & Answers

1. What would be the impact on Serial due to COVID-19 and its implications? What are the steps taken by the company to mitigate the disruptions to business?

How does COVID-19 affect Serial's business in Singapore and overseas?

Earlier this year, our subsidiary offices in China were temporarily closed due to measures set out by the local authorities. We are pleased to say that they have resumed work as of the end of February. While the situation in China looks to be improving, it is still evolving and some of our customers and suppliers continue to be affected by disruptions.

ANNUAL GENERAL MEETING



Shareholder Questions & Answers

1. What would be the impact on Serial due to COVID-19 and its implications? What are the steps taken by the company to mitigate the disruptions to business?

How does COVID-19 affect Serial's business in Singapore and overseas? [Cont'd]

Our South Korea and Taiwan offices are business as usual. However, the Singapore, South East Asia and India offices have been affected by the movement restriction measures undertaken by the respective countries to contain the spread of the COVID-19 and for these offices, we have equipped our staff with the necessary resources to work from home. The restrictions have certainly impacted the businesses of the Group in these countries as both suppliers and customers are working at less than normal capability, coupled with weak global demand affected by the COVID-19 pandemic.

Shareholder Questions & Answers

1. What would be the impact on Serial due to COVID-19 and its implications? What are the steps taken by the company to mitigate the disruptions to business?

How does COVID-19 affect Serial's business in Singapore and overseas? [Cont'd]

For our staff who are working from offices, we have implemented measures such as temperature screening and social distancing and will continue to maintain vigilance on health matters.

We continue to review our operations to boost efficiency and reduce costs in whatever areas we can. In addition, we are focusing on managing our inventories and trade credit so that we remain resilient to the ever-changing situation. One of the major impacts of the slower business turnover and movement restrictions is manpower costs, the largest component of our operating expenses, which we are currently addressing in Singapore as well as in the rest of Asia.

Shareholder Questions & Answers

2. What is the expected drop in revenue and profit for FY2020?

While we expect our business and revenue for FY2020 to be negatively affected as a result of the COVID-19, the situation is extremely fluid and we are unable to ascertain exactly the impact the virus outbreak will have on our profit for FY2020. We continue to monitor the business environment closely, and hope that the situation will improve for everyone as governments get the virus under control.

The Group will be providing further updates when it reports its half-yearly results ending 30 June 2020 or whenever it is deemed necessary in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

ANNUAL GENERAL MEETING

Shareholder Questions & Answers



3. Will there be any reduction in manpower?

We have implemented manpower management measures to reduce costs in line with the drop in business requirements.

We have introduced reduced working days and/ or salary reduction to cut down on costs. The Singapore government support measures have provided some relief and we are hoping that governments in the countries which we operate will also provide some forms of relief to ease the costs of business. We try to avoid retrenchments unless absolutely necessary.

We will continue to manage our employee base as the situation hopefully improves in Singapore and the rest of Asia.

ANNUAL GENERAL MEETING

Shareholder Questions & Answers

4. Will Serial have any bank liabilities due in 2020 and will the company have enough resources to roll it over?

Our bank liabilities are mainly trade borrowings supported and repaid through ongoing businesses. We have less than USD 10 million of term loans and other borrowings that are repayable in FY2020. Our current working capital and cash flow will be adequate to manage these repayments.

ANNUAL GENERAL MEETING



Shareholder Questions & Answers

5. Any future projects?

As you are aware, Texas Instruments ended its agreements with us in 2018, which has opened up a lot of our resources to find new channel partners and customers in the semiconductor space as we endeavour to recover as much and as fast as possible the loss in revenue due to Texas Instruments' termination.

We will continue to explore business opportunities including joint ventures and investments as part of the corporate strategy of the Company for long term growth to provide shareholders with diversified returns. But we do expect the level of investments, if any, will not be significant, in light of the current uncertain and volatile environment.

Shareholder Questions & Answers

6. Why is Serial's share price low at below S\$0.07?

Unfortunately, we do not have control over the market reaction to the Company's share price which is a deep discount to our audited net assets per share of S\$0.22 (US\$0.156) as at 31 December 2019. Investor sentiment has definitely dampened due to the economic uncertainty, as a result of the COVID-19 pandemic. We are hopeful that confidence will be restored as the situation gets under control and businesses resume full operations.

ANNUAL GENERAL MEETING

Shareholder Questions & Answers



7. Are Serial's financials strong enough to weather the COVID-19 situation?

While FY2019 was a year of restructuring, we were affected at the start of FY2020 by the pandemic. We have already implemented cost containment measures. We will continue to work relentlessly to improve operational efficiencies while seeking to build up our top line through new product lines, distribution relationships and other new businesses amid the challenging environment.

We are confident that our financial position and reserves accumulated through the years will keep us in good stead to weather the COVID-19 outbreak and the resultant global economic slowdown.