



## 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 2020

#### 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	The Group			Year-To-Date		
		Second Half			31/12/2020	31/12/2019	
		2H2020	2H2019		US\$'000	US\$'000	
Sales		417,113	360,385	16%	731,400	791,637	-8%
Cost of sales		(390,497)	(336,280)	16%	(685,504)	(737,446)	-7%
<b>Gross profit</b>		<b>26,616</b>	<b>24,105</b>	<b>10%</b>	<b>45,896</b>	<b>54,191</b>	<b>-15%</b>
<b>Gross profit margin</b>		<b>6.4%</b>	<b>6.7%</b>	<b>-0.3 pt</b>	<b>6.3%</b>	<b>6.8%</b>	<b>-0.5 pt</b>
<b>Other income</b>		<b>17,926</b>	<b>18,068</b>	<b>-1%</b>	<b>21,208</b>	<b>35,556</b>	<b>-40%</b>
Interest income		1,407	1,446	-3%	2,656	2,614	2%
Other operating income		16,519	16,622	-1%	18,552	32,942	-44%
Expenses:							
Distribution		(17,669)	(15,620)	13%	(33,082)	(36,011)	-8%
Administrative		(4,066)	(4,512)	-10%	(7,119)	(9,396)	-24%
Finance		(2,447)	(3,525)	-31%	(5,269)	(8,944)	-41%
Other:		-	-				
Loss allowance on trade and other receivables		(1,318)	(2,548)	-48%	(1,512)	(3,017)	-50%
Other operating		(11,872)	(12,928)	-8%	(18,252)	(25,233)	-28%
<b>Total expenses</b>		<b>(37,372)</b>	<b>(39,133)</b>	<b>-5%</b>	<b>(65,234)</b>	<b>(82,601)</b>	<b>-21%</b>
		<b>7,170</b>	<b>3,040</b>	<b>136%</b>	<b>1,870</b>	<b>7,146</b>	<b>-74%</b>
Share of results of associated companies (after income tax)		(293)	130	NM	(251)	515	NM
Share of loss of joint ventures (after income tax)		-	(203)	NM	-	(408)	NM
<b>Profit before income tax</b>	1	<b>6,877</b>	<b>2,967</b>	<b>132%</b>	<b>1,619</b>	<b>7,253</b>	<b>-78%</b>
Income tax expense	2	(421)	(764)	-45%	(214)	(697)	-69%
<b>Profit after income tax</b>		<b>6,456</b>	<b>2,203</b>	<b>193%</b>	<b>1,405</b>	<b>6,556</b>	<b>-79%</b>
<b>Attributable to:</b>							
Equity holders of the Company		4,744	2,603	82%	261	8,032	-97%
Non-controlling interests		1,712	(400)	NM	1,144	(1,476)	NM
		<b>6,456</b>	<b>2,203</b>	<b>193%</b>	<b>1,405</b>	<b>6,556</b>	<b>-79%</b>

Notes :

**1. Profit before income tax**

	The Group					
	Second Half			Year-To-Date		
	2H2020	2H2019	%	31/12/2020	31/12/2019	%
	US\$'000	US\$'000		US\$'000	US\$'000	
Profit from operations is arrived at after charging/(crediting) :-						
a. Depreciation and amortisation	1,766	2,029	-13	3,853	4,615	-17
b. Amortisation of distribution rights	5	6	-29	12	13	-14
c. (Gain)/loss on disposal/closure of subsidiaries	(2)	39	NM	*	25	NM
d. Property, plant and equipment written off	3	5	-40	3	5	-40
e. Gain on disposal of property, plant and equipment	(34)	-	NM	(33)	-	NM
f. Fair value loss on convertible bond	-	683	NM	-	683	NM
g. Fair value gain on financial assets, at fair value through profit or loss	(392)	(521)	-25	(481)	(1,533)	-69
h. Gain on sale of financial assets, at fair value through profit or loss	(45)	(72)	-38	(43)	(1,024)	-96
i. Fair value loss on financial assets, at fair value through profit or loss	-	-	-	43	-	NM
j. Dividend income from financial assets, at fair value through profit or loss	(1)	-	NM	(20)	(45)	-56
k. Impairment losses on goodwill arising from acquisition of subsidiaries	3,620	1,070	238	4,220	2,010	110
l. Fair value gain on an investment property	(56)	-	NM	(56)	-	NM
m. Impairment loss on investment in a joint venture	-	1,487	NM	-	1,487	NM
n. Currency translation gain (net)	(2,712)	(115)	2,258	(2,419)	(356)	579
o. Loss/(gain) on derivative financial instruments	94	(93)	NM	-	4	NM
p. Fair value loss on derivative financial instruments	884	516	71	62	516	-88
q. Loss allowance on trade receivables	168	901	-81	362	1,370	-74
r. Loss allowance on other receivables	1,150	1,647	-30	1,150	1,647	-30
s. Recovery of bad debts written off	(93)	-	NM	(93)	-	NM
t. (Write-back) of allowance/allowance for inventory obsolescence	(5,393)	4,192	NM	(3,027)	7,274	NM
u. Write-off of inventories	2,548	210	1,113	2,581	233	1,008
v. Government grants received	(725)	-	NM	(1,680)	-	NM
w. Reversal of other borrowings/other payables due to a previous shareholder/shareholders of Singapore subsidiaries	(4,813)	-	NM	(4,813)	-	NM
x. Amount received/receivable in respect of transfer of distribution business	-	(12,691)	NM	-	(25,374)	NM

2. Income tax expense	The Group					
	Second Half			Year-To-Date		
	2H2020	2H2019	%	31/12/2020	31/12/2019	%
	US\$'000	US\$'000		US\$'000	US\$'000	
Over provision in preceding financial years						
- Current income tax	(413)	(24)	1,621	(770)	(328)	135
	(413)	(24)	1,621	(770)	(328)	135

NM – Not Meaningful

\* - Amount less than US\$1,000.

**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**

	The Group					
	Second Half			Year-To-Date		
	2H2020 US\$'000	2H2019 US\$'000		31/12/2020 US\$'000	31/12/2019 US\$'000	
<b>Net profit after income tax</b>	<b>6,456</b>	2,203	193%	<b>1,405</b>	6,556	-79%
<b>Other comprehensive (loss)/income for the period:</b>						
<b>Items that will not be reclassified subsequently to profit or loss:</b>						
Fair value loss on financial assets, at fair value through other comprehensive income	-	(62)	NM	-	(62)	NM
Fair value loss on financial assets, at fair value through other comprehensive income reclassified to retained earnings upon disposal	<b>62</b>	-	NM	<b>62</b>	-	NM
Defined benefit plans' actuarial gain	<b>308</b>	235	31%	<b>308</b>	235	31%
Share of associated company's other comprehensive loss	-	-	-	<b>(11)</b>	(14)	-21%
Gain on revaluation of property, plant and equipment	-	-	-	<b>141</b>	-	NM
	<b>370</b>	173	114%	<b>500</b>	159	214%
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Share of associated companies' other comprehensive (loss)/income	<b>(54)</b>	111	NM	<b>(117)</b>	156	NM
Share of joint venture's other comprehensive income	-	26	NM	-	30	NM
Currency translation differences	<b>4,017</b>	(346)	NM	<b>2,471</b>	(11)	NM
	<b>3,963</b>	(209)	NM	<b>2,354</b>	175	1,245%
<b>Other comprehensive income/(loss) for the period</b>	<b>4,333</b>	(36)	NM	<b>2,854</b>	334	754%
<b>Total comprehensive income for the period</b>	<b>10,789</b>	2,167	398%	<b>4,259</b>	6,890	-38%
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	<b>9,099</b>	2,610	249%	<b>3,226</b>	8,210	-61%
Non-controlling interests	<b>1,690</b>	(443)	NM	<b>1,033</b>	(1,320)	NM
	<b>10,789</b>	2,167	398%	<b>4,259</b>	6,890	-38%

NM – Not Meaningful

**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	
	31/12/2020 US\$'000	31/12/2019 US\$'000	31/12/2020 US\$'000	31/12/2019 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	64,739	47,106	4,684	6,341
Trade and other receivables	146,608	127,535	33,677	23,916
Inventories	107,688	120,078	-	-
Financial assets, at fair value through profit or loss	15,907	33,917	-	-
Other current assets	5,840	3,581	318	271
	<b>340,782</b>	<b>332,217</b>	<b>38,679</b>	<b>30,528</b>
<b>Non-current assets</b>				
Income tax recoverable	1,667	1,667	-	-
Loans and other receivables	-	-	27,436	38,278
Financial assets, at fair value through profit or loss	3,487	3,285	-	-
Financial assets, at fair value through other comprehensive income	-	129	-	-
Investments in associated companies	7,003	4,330	1,217	1,390
Investments in joint ventures	-	-	-	-
Investments in subsidiaries	-	-	57,263	56,574
Property, plant and equipment	33,800	35,276	419	534
Investment properties	5,543	4,510	-	-
Intangible assets	3,230	7,368	53	117
Other assets	241	223	-	-
Deferred income tax assets	962	652	-	-
	<b>55,933</b>	<b>57,440</b>	<b>86,388</b>	<b>96,893</b>
<b>Total Assets</b>	<b>396,715</b>	<b>389,657</b>	<b>125,067</b>	<b>127,421</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	105,424	109,264	9,387	9,964
Current income tax liabilities	949	2,435	-	93
Borrowings	127,612	119,000	9,903	2,651
	<b>233,985</b>	<b>230,699</b>	<b>19,290</b>	<b>12,708</b>
<b>Non-current liabilities</b>				
Other payables	-	-	8,740	8,794
Borrowings	9,701	10,372	105	6,091
Defined benefit plans liabilities	392	642	-	-
Deferred income tax liabilities	899	710	481	334
	<b>10,992</b>	<b>11,724</b>	<b>9,326</b>	<b>15,219</b>
<b>Total Liabilities</b>	<b>244,977</b>	<b>242,423</b>	<b>28,616</b>	<b>27,927</b>
<b>Net Assets</b>	<b>151,738</b>	<b>147,234</b>	<b>96,451</b>	<b>99,494</b>

	The Group		The Company	
	31/12/2020 US\$'000	31/12/2019 US\$'000	31/12/2020 US\$'000	31/12/2019 US\$'000
<b>EQUITY</b>				
<b>Capital and reserves attributable to the equity holders of the Company</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	337	29	-	-
Fair value reserve	(742)	(804)	-	-
Revaluation reserve	175	45	-	-
Other reserve	(1,665)	(1,665)	-	-
Currency translation reserve	7,278	4,813	-	-
Retained earnings	63,063	63,689	24,359	27,402
	141,634	139,295	96,451	99,494
<b>Non-controlling interests</b>	<b>10,104</b>	<b>7,939</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>151,738</b>	<b>147,234</b>	<b>96,451</b>	<b>99,494</b>

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

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

31/12/2020		31/12/2019	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
US\$'000	US\$'000	US\$'000	US\$'000
26,578	101,034	6,378	112,622

**Amount repayable after one year**

31/12/2020		31/12/2019	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
US\$'000	US\$'000	US\$'000	US\$'000
2,974	6,727	9,198	1,174

### Details of any collateral

- a) A term loan of the Company amounting to US\$6.1 million (31 December 2019: US\$5.9 million) which is payable on 31 May 2021, 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.
- b) Bank borrowing of US\$0.4 million (31 December 2019: US\$0.4 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\$4.9 million (31 December 2019: US\$5.0 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 borrowings of US\$6.5 million (31 December 2019: US\$4.0 million) taken up by a wholly owned South Korea subsidiary, Serial Microelectronics Korea Limited for working capital requirements, are secured by a first legal mortgage of its property in South Korea.
- e) Bank borrowings of US\$11.5 million (31 December 2019: Nil) taken up by the Group's 91.0% owned China subsidiary, Serial Microelectronics (Shenzhen) Co. Ltd for working capital requirements, are secured by a first legal mortgage of its properties in China.
- f) Lease liabilities of US\$0.24 million (31 December 2019: US\$0.31 million) are secured on the Group's assets acquired under leasing 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.**

	Second Half		Year-To-Date	
	2H2020	2H2019	31/12/2020	31/12/2019
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	6,877	2,967	1,619	7,253
Adjustments for:				
Amortisation of computer software license costs	62	67	129	144
Amortisation of distribution rights	5	6	12	13
Depreciation of property, plant and equipment	1,704	1,962	3,724	4,471
Property, plant and equipment written off	3	5	3	5
Gain on disposal of property, plant and equipment	(34)	-	(33)	-
Fair value gain on an investment property	(56)	-	(56)	-
Fair value loss on convertible bond	-	683	-	683
Fair value gain on financial assets, at fair value through profit or loss	(392)	(521)	(481)	(1,533)
Gain on sale of financial assets, at fair value through profit or loss	(45)	(72)	(43)	(1,024)
Fair value loss on financial assets, at fair value through profit or loss	-	-	43	-
Dividend income from financial assets, at fair value through profit or loss	(1)	-	(20)	(45)
Impairment losses on goodwill arising from acquisition of subsidiaries	3,620	1,070	4,220	2,010
(Gain)/loss on disposal/closure of subsidiaries	(2)	39	-	25
Impairment loss on investment in a joint venture	-	1,487	-	1,487
Fair value loss on derivative financial instruments	884	516	62	516
Amount received/receivable in respect of the transfer of distribution business	-	(12,691)	-	(25,374)
Provision for defined benefit plans liabilities	136	261	241	643
Reversal of other borrowings/other payables due to a previous shareholder/shareholders of Singapore subsidiaries	(4,813)	-	(4,813)	-
Interest income	(1,407)	(1,446)	(2,656)	(2,614)
Interest expense	2,447	3,525	5,269	8,944
Share of results of associated companies	293	(130)	251	(515)
Share of loss of joint ventures	-	203	-	408
<b>Operating cash flow before working capital changes</b>	<b>9,281</b>	<b>(2,069)</b>	<b>7,471</b>	<b>(4,503)</b>
<b>Changes in working capital</b>				
Trade and other receivables	(30,981)	17,179	(19,214)	59,258
Financial assets, at fair value through profit or loss	2,484	1,153	17,964	36,452
Inventories	17,039	(6,552)	13,286	25,374
Other current assets	(962)	(1,190)	(2,167)	(1,325)
Other assets (non-current)	(23)	295	(18)	343
Trade and other payables	14,153	12,098	(2,942)	(28,399)
Cash from operations	10,991	20,914	14,380	87,200
Income tax paid	(296)	(618)	(1,717)	(1,828)
<b>Net cash from operating activities</b>	<b>10,695</b>	<b>20,296</b>	<b>12,663</b>	<b>85,372</b>

	Second Half		Year-To-Date	
	2H2020	2H2019	31/12/2020	31/12/2019
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from investing activities</b>				
Payments for intangible assets (computer software license costs)	(7)	(73)	(7)	(205)
Payments for property, plant and equipment	(420)	(114)	(613)	(326)
Proceeds from disposal of property, plant and equipment	26	1	26	1
Proceeds from sale of financial assets, at fair value through profit or loss	286	404	1,034	3,251
Net cash outflow on disposal of subsidiaries	(10)	-	(72)	-
Net cash inflow on step up acquisition from an associated company to a subsidiary	-	216	-	216
Payments for financial assets, at fair value through profit or loss	(408)	(100)	(537)	(583)
Payments for investment in associated companies/joint venture	(253)	(49)	(3,101)	(49)
Refund for financial assets, at fair value through other comprehensive income	-	1,800	-	1,800
Dividends received from associated company	-	-	50	-
Dividends received from financial assets, at fair value through profit or loss	1	-	20	45
Interest received	1,409	1,450	2,666	2,620
<b>Net cash from/(used in) investing activities</b>	<b>624</b>	<b>3,535</b>	<b>(534)</b>	<b>6,770</b>
<b>Cash flows from financing activities</b>				
Subscription of interests in subsidiaries by non-controlling interests	535	524	1,102	525
Payment for acquisition of additional interests in a subsidiary from non-controlling interest	-	(43)	-	(43)
Net cash inflow from a non-controlling interest on closure of a subsidiary	-	39	-	39
Dividends paid to shareholders of the Company	-	(1,448)	(825)	(4,474)
Dividends paid to non-controlling interests of a subsidiary	(24)	(93)	(24)	(93)
Proceeds from bank borrowings	244,040	210,383	490,628	554,894
Proceeds from other borrowings	10,027	13,693	17,970	13,693
Repayment of bank borrowings	(239,482)	(235,362)	(480,407)	(650,457)
Repayment of other borrowings	(5,515)	(6,785)	(15,931)	(6,785)
Principal payment of lease liabilities	(930)	(1,189)	(2,064)	(2,500)
Interest paid	(2,405)	(3,442)	(5,410)	(9,137)
<b>Net cash from/(used in) financing activities</b>	<b>6,246</b>	<b>(23,723)</b>	<b>5,039</b>	<b>(104,338)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>17,565</b>	<b>108</b>	<b>17,168</b>	<b>(12,196)</b>
Cash and cash equivalents at the beginning of the period	45,421	45,948	46,110	58,254
Effect of currency translation on cash and cash equivalents	753	54	461	52
<b>Cash and cash equivalents at the end of the period</b>	<b>63,739</b>	<b>46,110</b>	<b>63,739</b>	<b>46,110</b>
<b>Reconciliation:</b>				
<b>Cash and cash equivalents per statement of financial position</b>	<b>64,739</b>	<b>47,106</b>	<b>64,739</b>	<b>47,106</b>
Less: Bank deposits pledged for overdraft facility	(1,000)	(996)	(1,000)	(996)
<b>Cash and cash equivalents per consolidated cash flow statement</b>	<b>63,739</b>	<b>46,110</b>	<b>63,739</b>	<b>46,110</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 2020</b>	<b>72,648</b>	<b>(736)</b>	<b>1,276</b>	<b>29</b>	<b>(804)</b>	<b>45</b>	<b>(1,665)</b>	<b>4,813</b>	<b>63,689</b>	<b>139,295</b>	<b>7,939</b>	<b>147,234</b>
Total comprehensive income/(loss) for the period	-	-	-	-	-	130	-	(1,520)	(4,483)	(5,873)	(657)	(6,530)
One-tier tax-exempt final cash dividend for year 2019	-	-	-	-	-	-	-	-	(825)	(825)	-	(825)
Investment in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	-	567	567
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	15	15
<b>Balance at 30 June 2020</b>	<b>72,648</b>	<b>(736)</b>	<b>1,276</b>	<b>29</b>	<b>(804)</b>	<b>175</b>	<b>(1,665)</b>	<b>3,293</b>	<b>58,381</b>	<b>132,597</b>	<b>7,864</b>	<b>140,461</b>
Total comprehensive income for the period	-	-	-	308	62	-	-	3,985	4,744	9,099	1,690	10,789
Investment in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	-	535	535
Disposal of financial assets, at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(62)	(62)	-	(62)
Closure of a subsidiary	-	-	-	-	-	-	-	-	-	-	39	39
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	(24)	(24)
<b>Balance at 31 December 2020</b>	<b>72,648</b>	<b>(736)</b>	<b>1,276</b>	<b>337</b>	<b>(742)</b>	<b>175</b>	<b>(1,665)</b>	<b>7,278</b>	<b>63,063</b>	<b>141,634</b>	<b>10,104</b>	<b>151,738</b>

## Consolidated Statement of Changes in Equity [cont'd]

	← Attributable to equity holders of the Company →											
	Share capital	Treasury shares	Capital reserve	Defined benefit plans reserve	Fair value reserve	Revaluation reserve	Other reserve	Currency translation reserve	Retained earnings	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	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 2019	72,648	(736)	1,276	(206)	(742)	59	(765)	4,794	60,401	136,729	7,732	144,461
Adoption of the SFRS(I) 16	-	-	-	-	-	-	-	-	(270)	(270)	-	(270)
Balance at 1 January 2019	72,648	(736)	1,276	(206)	(742)	59	(765)	4,794	60,131	136,459	7,732	144,191
Total comprehensive (loss)/income for the period	-	-	-	-	-	(14)	-	185	5,429	5,600	(877)	4,723
One-tier tax-exempt final cash dividend for year 2018	-	-	-	-	-	-	-	-	(3,026)	(3,026)	-	(3,026)
Subscription of additional interest in a subsidiary by a non-controlling interest	-	-	-	-	-	-	-	-	-	-	1	1
Balance at 30 June 2019	72,648	(736)	1,276	(206)	(742)	45	(765)	4,979	62,534	139,033	6,856	145,889
Total comprehensive income/(loss) for the period	-	-	-	235	(62)	-	-	(166)	2,603	2,610	(443)	2,167
One-tier tax-exempt interim cash dividend for year 2019	-	-	-	-	-	-	-	-	(1,448)	(1,448)	-	(1,448)
Subscription of additional interests in subsidiaries by non-controlling interests	-	-	-	-	-	-	(900)	-	-	(900)	1,623	723
Acquisition of additional interests in a subsidiary from a non-controlling interest	-	-	-	-	-	-	-	-	-	-	(43)	(43)
Closure of a subsidiary	-	-	-	-	-	-	-	-	-	-	39	39
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(93)	(93)
Balance at 31 December 2019	72,648	(736)	1,276	29	(804)	45	(1,665)	4,813	63,689	139,295	7,939	147,234

Statement of Changes in Equity - Company

	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
<b>Balance at 1 January 2020</b>	<b>72,648</b>	<b>(736)</b>	<b>180</b>	<b>27,402</b>	<b>99,494</b>
Total comprehensive income for the period	-	-	-	362	362
One-tier tax-exempt final cash dividend for year 2019	-	-	-	(825)	(825)
<b>Balance at 30 June 2020</b>	<b>72,648</b>	<b>(736)</b>	<b>180</b>	<b>26,939</b>	<b>99,031</b>
Total comprehensive loss for the period	-	-	-	(2,580)	(2,580)
<b>Balance at 31 December 2020</b>	<b>72,648</b>	<b>(736)</b>	<b>180</b>	<b>24,359</b>	<b>96,451</b>
Balance at 1 January 2019	72,648	(736)	180	27,486	99,578
Total comprehensive income for the period	-	-	-	340	340
One-tier tax-exempt final cash dividend for year 2018	-	-	-	(3,026)	(3,026)
Balance at 30 June 2019	72,648	(736)	180	24,800	96,892
Total comprehensive income for the period	-	-	-	4,050	4,050
One-tier tax-exempt interim cash dividend for year 2019	-	-	-	(1,448)	(1,448)
Balance at 31 December 2019	72,648	(736)	180	27,402	99,494

**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 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 June 2020.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares since the end of the financial year ended 31 December 2019.

There were no outstanding share options as at 31 December 2020 (31 December 2019: 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 at the end of the immediately preceding year.**

	<b>31/12/2020</b>	31/12/2019
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 2019 except as described in section 5 below.

**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.**

The Group has adopted the following changes in accounting standards for the current reporting financial year:

Amendments to SFRS(I) 16

The Group has elected to early adopt the amendments to SFRS(I) 16 which provided a practical expedient to simplify the accounting for lease concessions that meet all of the following criteria for a lessee to elect not to assess whether a rent concession is a lease modification:

- a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all rent concessions that meet the above conditions in SFRS(I) 16.64B and has not restated prior period figures. As a result of applying the practical expedient, rent concessions of US\$0.08 million was recognised under other operating income in the profit or loss during the year.

**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.**

The Group				
Second Half		Year-To-Date		
2H2020	2H2019	FY2020	FY2019	
Based on the weighted average number of ordinary shares in issue (in US\$); and	<b>0.53 cent</b>	0.29 cent	<b>0.03 cent</b>	0.90 cent
On a fully diluted basis (in US\$)	<b>0.53 cent</b>	0.29 cent	<b>0.03 cent</b>	0.90 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/year of 895,841,914 (2H2019/ FY2019: 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/year of 895,841,914 (2H2019/ FY2019: 895,841,914) after adjusting assumed conversion of all potential dilutive ordinary shares.

There were no potential dilutive ordinary shares for the financial year ended 31 December 2020 and 31 December 2019.

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.**

	The Group		The Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net assets backing per ordinary share based on the existing issued share capital as at the end of the period reported on (in US\$)	<b>15.81 cents</b>	15.55 cents	<b>10.77 cents</b>	11.11 cents

Net assets value per ordinary share as at 31 December 2020 and 31 December 2019 is calculated based on the net assets value attributable to the owners of the Company as at the end of the respective period and the respective aggregate number of ordinary shares of 895,841,914.

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 2020**

The Group recorded turnover of US\$731.4 million for the twelve months ended 31 December 2020 ("FY2020"), a decrease of 8% compared to US\$791.6 million for the same period last year ("FY2019").

Turnover for the electronic components distribution business declined by 11% to US\$669.1 million, mainly due to the loss of the distribution business with Texas Instruments ("TI") which has impacted sales in all markets in Asia which the Group operates. Excluding the impact of the decline in turnover due to the TI termination, turnover for the electronic components distribution business would have increased by 2% in spite of the COVID-19 impact on supply chain disruptions and dampening of global consumer sentiment and demand. The increase is largely driven by recovery of manufacturing activity in China following business and economic disruptions in 1H2020 due to the pandemic, as well as the Group's ongoing efforts to realign its resources to grow its product portfolio and expansion of the Group's supplier base in FY2020 to fill the gap left by TI.

Turnover for the consumer products distribution business increased 44% to US\$52.7 million boosted by higher sales in Malaysia, which saw an increase in demand for tele-conferencing and computer accessories as a result of the movement control order imposed by the Malaysian government to curb the spread of the COVID-19 pandemic. The Malaysia subsidiary recorded a strong revenue growth of 94% in FY2020. The increase was offset by lower sales in Singapore market as overall consumer spending was dampened by the circuit breaker measures imposed by the Singapore government.

Turnover for other businesses improved from US\$4.7 million in FY2019 to US\$9.6 million contributed mainly by new sales made by two Singapore subsidiaries which are involved in trading and distribution of global fast-moving consumer goods.

Overall gross profit margin (“GPM”) decreased to 6.3% from 6.8% in FY2019, due to lower margins achieved by all business divisions. This is due to keen market competition in a challenging environment as a result of the COVID-19 pandemic which have impacted businesses in the Asian market which the Group operates.

Other operating income decreased by US\$14.4 million or 44% to US\$18.6 million. This was mainly due to an amount received/receivable of US\$25.4 million in relation to the transfer of the TI distribution business recorded in FY2019 and lower gain on sale and fair value gain on financial assets, at fair value through profit or loss totaling US\$2.1 million. A one-off reversal of debts totaling US\$4.8 million due to a previous shareholder and shareholders of Singapore subsidiaries, government grants of US\$1.7 million received by the Group in FY2020 and write back of allowance for inventory obsolescence of US\$3.0 million (FY2019: Allowance for inventory obsolescence of US\$7.3 million included in Other Operating Expenses) and higher net currency translation gain of US\$2.1 million offset partially the decrease in other operating income.

Distribution expenses decreased by US\$2.9 million or 8%, mainly due to lower staff and related costs in FY2020 as the Group implemented cost containment measures to mitigate the impact of COVID-19. The decrease was offset by higher freight and handling charges and storage charges resulting from costs increase due to the COVID-19 pandemic.

Administrative expenses decreased by US\$2.3 million or 24%. The decrease was mainly due to lower staff-related costs, bank charges, donations and professional and legal fees.

Finance expenses decreased by US\$3.7 million or 41%. The decrease was mainly due to lower interest rates across all trade facilities in FY2020 compared with FY2019.

Other operating expenses decreased by US\$8.5 million or 30%. Lower staff and related costs of US\$1.6 million, loss allowance on trade and non-trade receivables of US\$1.5 million, fair value loss on derivative financial instruments of US\$0.5 million, and a write-back of allowance for inventory obsolescence in FY2020 of US\$3.0 million (included in Other Operating Income) as opposed to an allowance for inventory obsolescence of US\$7.3 million in FY2019, contributed to the reduction in other operating expenses. There was also no impairment loss on investment in joint venture in FY2020 (FY2019: impairment loss of US\$1.5 million) and fair value loss on convertible bond in 2H2020 (2H2019: fair value loss of US\$0.7 million). The decrease was partially offset by higher impairment losses on goodwill arising from acquisition of subsidiaries of US\$2.2 million and inventories written off of US\$2.3 million.

The Group’s 19.90%-owned Otsaw Digital Pte. Ltd. and 30.56%-owned Stars Tea & Coffee Asia Pte. Ltd. acquired in March 2020 and August 2020 respectively contributed mainly to the loss of US\$251,000 as their current sales are unable to cover their operating expenses. The Group shared a profit of US\$54,000 (FY2019: share of profit of US\$554,000) from 19.02%-owned Taiwan listed Bull Will Co., Ltd and shared a loss of US\$31,000 (FY2019: share of profit of US\$89,000) from 20%-owned Indonesia listed PT Sentral Mitra Informatika.

The Group did not recognise losses in 27.5%-owned Musang Durians Frozen Food (M) Sdn. Bhd. and 44.59%-owned Lierda Serial China Limited in FY2020 as it had fully impaired these investments in FY2019.

The Group reported a net profit after tax of US\$0.3 million in FY2020 as compared to a net profit after tax of US\$8.0 million in FY2019 mainly due to lower gross profit earned as a result of lower sales and gross profit margin offset by lower overall expenses. The net profit after tax for FY2019 included a US\$25.4 million received/receivable in relation to the transfer of TI distribution business.

## Results for Second Half Year Ended 31 December 2020

The Group recorded a turnover of US\$417.1 million for the second half year ended 31 December 2020 (“2H2020”), an increase of 16% compared to US\$360.4 million for the same period last year (“2H2019”). On a sequential basis, revenue for 2H2020 was 33% higher than 1H2020, reflecting improvement in business activities, particularly in China where economic activity resumed after the initial impact and lockdowns related to the COVID-19 pandemic.

Turnover for the electronic components distribution business increased by 13% to US\$382.4 million, mainly due to higher sales for certain existing product lines and contribution from new product lines as business momentum has picked up in Asia where the Group operates, especially China.

Turnover for the consumer products distribution business increased 54% to US\$29.6 million boosted by higher sales in Malaysia. The increase was offset by lower sales in Singapore market as overall consumer spending was dampened by the COVID-19 pandemic.

Turnover for other business increased 104% to US\$5.1 million fuelled by sales made by two Singapore subsidiaries, which are involved in trading and distribution of global fast-moving consumer goods.

Overall gross profit margin (“GPM”) decreased to 6.4% from 6.7% in 2H2019, due to lower margins achieved as a result of keen market competition in a continued challenging environment amidst the recovery of business momentum following the easing of COVID-19 measures in 2H2020.

Other operating income decreased by US\$0.1 million or 1% to US\$16.5 million. The decrease was mainly due to an amount received/receivable of US\$12.7 million in relation to the transfer of the TI distribution business recorded in 2H2019 and lower rebates and commission income of US\$0.9 million received from suppliers. A one-off reversal of debts totaling US\$4.8 million due to a previous shareholder and shareholders of Singapore subsidiaries, write back of allowance for inventory obsolescence of US\$5.4 million in 2H2020 (2H2019: Allowance for inventory obsolescence of US\$4.2 million included in Other Operating Expenses), government grants of US\$0.7 million received by the Group in 2H2020 and higher net currency translation gain of US\$2.6 million offset partially the decrease in other operating income.

Distribution expenses increased by US\$2.0 million or 13%, mainly due to higher sales commission attributable to the Group’s Korea and Taiwan electronic components distribution subsidiaries in line with increased sales, higher freight and handling charges and storage charges resulting from costs increase associated with the COVID-19 pandemic. Lower staff and related costs and business taxes partially reduced the increase in distribution expenses in 2H2020.

Administrative expenses decreased by US\$0.4 million or 10%. The decrease was mainly due to lower staff-related costs, bank charges and donations. This was partially offset by higher professional and legal fees.

Finance expenses decreased by US\$1.1 million or 31%. The decrease was mainly due to lower interest rates across all trade facilities in 2H2020 compared with 2H2019, amid higher borrowings with increased sales in 2H2020.

Other operating expenses decreased by US\$2.3 million or 15%. Lower loss allowance on trade and non-trade receivables of US\$1.2 million, lower depreciation and amortization charges of US\$0.3 million and a write-back of allowance for inventory obsolescence in 2H2020 of US\$5.4 million (included in Other Operating Income) as opposed to an allowance for inventory obsolescence of US\$4.2 million in 2H2019, contributed to the reduction in other operating expenses. There was also no impairment loss on investment in joint venture in 2H2020 (2H2019: impairment loss of US\$1.5 million) and fair value loss on convertible bond in 2H2020 (2H2019: fair value loss of US\$0.7 million). The decrease was partially offset by higher impairment losses on goodwill arising from acquisition of subsidiaries of US\$2.6 million, inventories written off of US\$2.3 million and fair value loss on derivative financial instruments of US\$0.4 million.



The Group's 19.90%-owned Otsaw Digital Pte. Ltd. and 30.56%-owned Stars Tea & Coffee Asia Pte. Ltd. contributed mainly to the loss of US\$293,000 as their current sales are unable to cover their operating expenses. The Group shared a profit of US\$52,000 (2H2019: share of profit of US\$110,000) from 19.02%-owned Taiwan listed Bull Will Co., Ltd and shared a loss of US\$71,000 (2H2019: share of profit of US\$54,000) from 20%-owned Indonesia listed PT Sentral Mitra Informatika.

The Group did not recognise losses relating to 27.5%-owned Musang Durians Frozen Food (M) Sdn. Bhd. and 44.59%-owned Lierda Serial China Limited in 2H2020 as it had fully impaired these investments in FY2019.

The Group reported a net profit after tax of US\$4.7 million in 2H2020 as compared to a net profit after tax of US\$2.6 million in 2H2019 (a significant reversal from a loss of US\$4.5 million in 1H2020 in line with reasons spelt above). The higher net profit after tax was mainly due to higher gross profit on higher sales achieved combined with lower total expenses.

### **Statement of Financial Position**

Trade and other receivables increased by US\$19.1 million (net of factored trade receivables), mainly attributed to the higher sales achieved by the electronic components distribution subsidiaries and the Malaysia consumer products distribution subsidiary in 2H2020. A reduction in other receivables in the Group's Singapore electronic components distribution subsidiary as it received its final amount in relation to the transfer of TI distribution business in 1H2020, partially offset the higher trade receivables in FY2020. Average turnover days for trade receivables declined to 72 in FY2020 from 87 in FY2019.

Inventories decreased by US\$12.4 million, mainly due to lower inventories held by the Group's Hong Kong and Singapore electronic components distribution subsidiaries from more prudent and stringent inventory management and aggressive clearance of older inventories. The decrease is partially offset by higher inventories held by the Group's South Korea and Taiwan electronic components distribution subsidiaries as they secured new product lines in FY2020.

The Company's other receivables (current assets) increased by US\$9.8 million mainly due to additional short term inter-company loans to the Group's Singapore subsidiaries in other businesses and its Singapore and Hong Kong electronic components distribution subsidiaries. The increase is partially offset by a capitalisation of short-term inter-company loan amounting to US\$1.2 million in a Singapore subsidiary. Loans and other receivables (non-current assets) of the Company decreased by US\$10.8 million, mainly attributed to repayment of long-term inter-company loans by the Group's Singapore electronic components distribution subsidiary in FY2020.

Financial assets, at fair value through profit or loss (current assets) decreased by US\$18.0 million, mainly due to the reduction in reclassification from trade receivables by US\$18.0 million to US\$15.9 million (FY2019: reclassification from trade receivables of US\$33.9 million). This was due to lower utilisation of the Group's non-recourse factoring bank facilities in FY2020 when compared to FY2019.

Investments in associated companies increased by US\$2.7 million mainly due to investment in 19.90%-owned Otsaw Digital Pte. Ltd. and 30.56%-owned Stars Tea & Coffee Asia Pte. Ltd. amounting to US\$2.6 million and US\$0.2 million respectively in FY2020.

Property, plant and equipment decreased by US\$1.5 million, mainly due to depreciation charges amounting to US\$3.7 million and a reclassification of an office unit owned by a China subsidiary amounting to US\$0.5 million to investment properties. The decrease is offset by an increase in right-of-use assets (included in property, plant and equipment) of US\$0.6 million, additions of US\$0.6 million to property, plant and equipment and a currency translation gain of about US\$1.5 million in FY2020.

Investment properties increased by US\$1.0 million mainly due to the reclassification of US\$0.5 million from property, plant and equipment as detailed above, as well as a fair value gain on the Group's Taiwan investment property of US\$0.1 million and a currency translation gain of US\$0.3 million in FY2020. During the financial year, the Group's Malaysia subsidiary exercised its right to take over an investment property amounting to US\$0.1 million belonging to one of its customer.

Intangible assets decreased by US\$4.1 million, mainly due to impairment losses amounting to US\$4.2 million provided on goodwill arising from the acquisition of the Group's Singapore consumer products distribution subsidiary and South Korea electronic components distribution subsidiary in FY2020.

Trade and other payables decreased by US\$3.8 million, mainly due to lower other payables in FY2020. Higher trade payables due to increase in purchases by the South Korea and Taiwan electronic components distribution subsidiaries and the Singapore and Thailand consumer products distribution subsidiaries partially offset the decrease in trade and other payables. Average payment days for trade payables decreased to 37 in FY2020 from 40 in FY2019.

Borrowings increased by US\$7.9 million, mainly due to additional borrowings by the Group's Singapore, South Korea and Hong Kong electronic components distribution subsidiaries to finance increase in working capital requirements in line with increase in sales. The increase was partially offset by lower borrowings from the Group's Taiwan electronic components distribution subsidiary as it utilised more of its non-recourse factoring facilities and borrowing from the Company to finance its working capital requirements and a waiver of loan from a previous shareholder of a Singapore subsidiary. The Company's previously non-current portion of a term loan amounting to US\$5.9 million payable on 31 May 2021, was reclassified to current borrowings as at 31 December 2020. Included in the Company's current borrowings in FY2020 is an interest-bearing loan amounting to S\$5.0 million (US\$3.8 million) from the Company's substantial shareholder, Mr Goi Seng Hui which was fully repaid subsequent to FY2020.

Currency translation reserve increased by US\$2.5 million mainly due to an increase in the value of the Group's investments in its subsidiaries, arising from the weakening of the United States Dollar against these subsidiaries' functional currencies, in particular, the Chinese Renminbi, Korean Won, Singapore Dollar and New Taiwan 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's recent performance reflects the combination of the effects of COVID-19 – which has impacted economic sentiment and supply chains – as well as ongoing business recovery efforts as outlined in the announcement by the Company on 21 December 2020. There has been a clear recovery of economic and manufacturing growth in China in the second half of 2020 compared to the first half. This momentum is expected to build up further in 2021.

The focus of business recovery efforts – to mitigate the effects of the loss of Texas Instruments as a major supplier (since late 2018) and the pandemic (since 1H2020) – will focus on the following strategies:

- 1) The Group has and will continue to expand its supplier base and product portfolio, distributing electronic components for emerging core technologies such as 5G infrastructure, autonomous and electric vehicles and data centers. As China accelerates its push for domestic R&D to strengthen its technology and manufacturing capabilities, a rising number of Chinese manufacturers are including locally made components. The Group has been actively engaging leading domestic semiconductor companies and is well-positioned to capitalise on any opportunities rising from these trends.
- 2) The consumer products distribution division expects to benefit from new product launches from Intel and AMD, as well as continued demand in Malaysia for computers and printers as a result of work-from-home measures in compliance with the Movement Control Order. It is also working to expand its distribution network from AMD beyond ASEAN into North Asia.
- 3) The Group has also made progress in its Managed Print Services (“MPS”), expanding into Thailand MPS market as well as exploring opportunities in 3D printing through an Asia-wide franchise with Ultimaker, a leading 3D printing company based out of the Netherlands.
- 4) The Group will build on cost and operational efficiency measures introduced progressively since early 2019. These include process streamlining, greater adoption of technology and ‘delaying’ of functions. The Group is also exploring opportunities to outsource certain back-end functions with a view to further streamline operations. These efforts over the last two years have resulted in a reduction of 20% of office and warehouse locations to 36 currently and a 30% reduction of headcount to about 700 as at the end of 2020.

A much leaner operating structure is now in place even as the Group executes its growth strategies. It remains cautious of business volatility and ongoing supply chain disruptions. Nonetheless, it expects contribution from new suppliers and higher revenue of the consumer products distribution division in FY2021 compared to FY2020. Together with the ongoing efforts to improve internal efficiencies, barring unforeseen circumstances, the Group expects the overall FY2021 financial performance to improve compared to FY2020.

## 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	Not applicable	Cash
Dividend Amount per Share (in SGD cents)	Nil	0.11 cent per ordinary share
Optional:- Dividend Rate (in %)		
Par value of shares	Not applicable	Not applicable
Tax Rate	Not applicable	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)	0.22 cent per ordinary share	0.13 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.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13. 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 31/12/2020</b>					
<b>The Group</b>					
Sales					
External	685,323	52,726	9,790	(16,439)	731,400
Segment results - operating profit/(loss)	5,680	1,267	(2,464)	-	4,483
Finance income	698	490	2,565	(1,097)	2,656
Finance costs	(4,122)	(735)	(1,509)	1,097	(5,269)
Share of results of associated companies (after income tax)	54	(31)	(274)	-	(251)
Profit before income tax					1,619
Income tax expense					(214)
Profit after income tax					1,405
Segment assets	366,690	38,106	54,242	(70,288)	388,750
Investments in associated companies	1,423	2,727	2,853	-	7,003
Investments in joint ventures	-	-	-	-	-
Deferred income tax assets					962
Consolidated total assets					396,715
Segment liabilities	114,291	13,472	48,341	(70,288)	105,816
Borrowings	101,732	19,925	15,656	-	137,313
Current and deferred income tax liabilities					1,848
Consolidated total liabilities					244,977
Capital expenditure on property, plant and equipment	214	207	192	-	613
Capital expenditure on intangible assets (computer software license costs)	7	-	-	-	7
Investment in associated companies	-	-	3,101	-	3,101
Investment in financial assets, at fair value through profit or loss	212	-	325	-	537
Depreciation of property, plant and equipment	2,258	829	637	-	3,724
Amortisation of computer software license costs	127	-	2	-	129
Amortisation of distribution rights	12	-	-	-	12
Fair value gain on an investment property	-	-	(56)	-	(56)
(Gain)/loss on sale of financial assets, at fair value through profit or loss	(47)	-	4	-	(43)
Fair value (gain)/loss on financial assets, at fair value through profit or loss	(578)	-	97	-	(481)
Fair value loss on financial assets, at fair value through profit or loss	-	-	43	-	43
Impairment losses on goodwill arising from acquisition of subsidiaries	860	3,360	-	-	4,220
(Write-back of loss allowance)/loss allowance on trade receivables	(344)	36	670	-	362
Loss allowance on non-trade receivables (third parties)	-	22	1,128	-	1,150
Reversal of other borrowings/other payables due to a previous shareholder/shareholders of Singapore subsidiaries	-	(3,833)	(980)	-	(4,813)

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
Year-To-Date 31/12/2019					
The Group					
Sales					
External	757,183	36,622	5,089	(7,257)	791,637
Segment results - operating profit/(loss)	18,965	(3,598)	(1,891)	-	13,476
Finance income	1,332	641	2,458	(1,817)	2,614
Finance costs	(8,312)	(973)	(1,476)	1,817	(8,944)
Share of results of associated companies (after income tax)	426	89	-	-	515
Share of loss of joint ventures (after income tax)	(49)	-	(359)	-	(408)
Profit before income tax					7,253
Income tax expense					(697)
Profit after income tax					6,556
Segment assets	357,239	38,457	50,891	(61,912)	384,675
Investments in associated companies	1,309	3,021	-	-	4,330
Investments in joint ventures	-	-	-	-	-
Deferred income tax assets					652
Consolidated total assets					389,657
Segment liabilities	118,367	11,559	41,892	(61,912)	109,906
Borrowings	91,013	23,904	14,455	-	129,372
Current and deferred income tax liabilities					3,145
Consolidated total liabilities					242,423
Capital expenditure on property, plant and equipment	84	187	55	-	326
Capital expenditure on intangible assets (computer software license costs)	205	-	-	-	205
Amount received/receivable in respect of the transfer of distribution business	(25,374)	-	-	-	(25,374)
Investment in financial assets, at fair value through profit or loss	583	-	-	-	583
Investment in joint venture	49	-	-	-	49
Impairment loss on investment in a joint venture	-	-	1,487	-	1,487
Depreciation of property, plant and equipment	2,702	1,082	687	-	4,471
Amortisation of computer software license costs	139	4	1	-	144
Amortisation of distribution rights	13	-	-	-	13
Fair value loss on convertible bond	-	-	683	-	683
Fair value gain on financial assets, at fair value through profit or loss	(337)	-	(1,196)	-	(1,533)
Gain on sale of financial assets, at fair value through profit or loss	(967)	-	(57)	-	(1,024)
Impairment losses on goodwill arising from acquisition of subsidiaries	-	2,010	-	-	2,010
Loss allowance on trade receivables	1,020	299	51	-	1,370
Loss allowance on non-trade receivables (third parties)	-	-	1,647	-	1,647

	The Group			
	Turnover		Non-current assets*	
	Year-To-Date			
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	US\$'000	US\$'000	US\$'000	US\$'000
South Asia	229,905	238,484	12,844	16,403
Hong Kong	312,825	375,883	3,717	4,647
China	92,803	92,031	16,030	15,742
South Korea	34,806	26,302	4,956	5,599
Taiwan	61,061	58,937	6,933	6,653
South Asia - Associated companies	-	-	2,852	-
Indonesia - Associated company	-	-	2,728	3,022
Taiwan - Associated company	-	-	1,424	1,308
	<b>731,400</b>	<b>791,637</b>	<b>51,484</b>	<b>53,374</b>

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

**14. 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.

**15. A breakdown of sales.**

	The Group		
	Year-To-Date		%
	31/12/2020	31/12/2019	
	US\$'000	US\$'000	Change
Sales reported for first half year	314,287	431,252	-27
Operating (loss)/profit after tax before deducting non-controlling interests reported for first half year	(5,051)	4,353	NM
Sales reported for second half year	417,113	360,385	16
Operating profit after tax before deducting non-controlling interests reported for second half year	6,456	2,203	193

16. 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.

17. 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.

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

	Year-To-Date	
	31/12/2020 US\$'000	31/12/2019 US\$'000
Ordinary Preference	746	2,273
	-	-
Total:	746	2,273

19. 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	41	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><u>Current Position</u> Group Chief Operating Officer (Year 2019)</p> <p><u>Duties</u> Responsible for developing and executing corporate development strategies and overseeing the Group's business operations and optimizing the Group's information technology, operational and asset management capabilities.</p>	Not applicable



Goh Si Hui Victoria	28	Daughter of Derek Goh Bak Heng.	<p><b><u>Current Position</u></b>  Director, Business Development &amp; Marketing of Serial System Ltd (Year 2019)</p> <p><b><u>Duties</u></b>  Responsible for overseeing and managing the business and operation of the consumer products distribution business as well as supplier management and supply chain management of the Group</p>	Not applicable
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BY ORDER OF THE BOARD

**Dr Derek Goh Bak Heng**  
Executive Chairman/Group CEO  
23 February 2021