



**Securities Investors Association (Singapore)**  
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UEN No: S99SS0111B  
GST Reg No: M90367530Y0Y

**Issuer:** Serial System Ltd

**Stock code:** S69

**Meeting details:**

Date: 30 April 2026

Time: 11.00 a.m.

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

**Q1.** Revenue for the year increased by 9% to US\$860.5 million, boosted by growth in the core electronic components distribution segment, particularly in Hong Kong and China. Management attributed this to strong underlying demand across mobile devices, household appliances, automotive, computing, and artificial intelligence-related applications.



(Compiled from company annual report)

- (i) **How is management navigating regulatory risks, including export controls and trade restrictions, within its operating markets, and what level of oversight does the board exercise to ensure full compliance with applicable laws and regulations?**
- (ii) **Can management quantify the contribution of artificial intelligence-related demand to revenue growth in Hong Kong and China, and indicate what proportion of overall group revenue is attributable to artificial intelligence-related applications?**
- (iii) **What has been the impact of geopolitical developments in the Middle East on the group's operations, including supply chains, customer demand, and pricing dynamics?**
- (iv) **How does management intend to increase the group's profitability? Net profit margin in FY2025 was 0.27%.**

**Q2.** The financial highlights are presented on page 4 and a snapshot of the financial ratios is reproduced below:

## FINANCIAL HIGHLIGHTS

|                              | 2025<br>US\$'000 | 2024<br>US\$'000 | 2023<br>US\$'000 |
|------------------------------|------------------|------------------|------------------|
| <b>Ratios</b>                |                  |                  |                  |
| Current Ratio                | 1.30             | 1.28             | 1.34             |
| AR Turnover (days)           | 77               | 78               | 82               |
| AP Turnover (days)           | 38               | 32               | 30               |
| Inventory Turnover (days)    | 58               | 62               | 75               |
| Cash Conversion Cycle (days) | 97               | 108              | 127              |
| Net Gearing Ratio            | 1.20             | 1.00             | 1.19             |

(Source: company annual report)

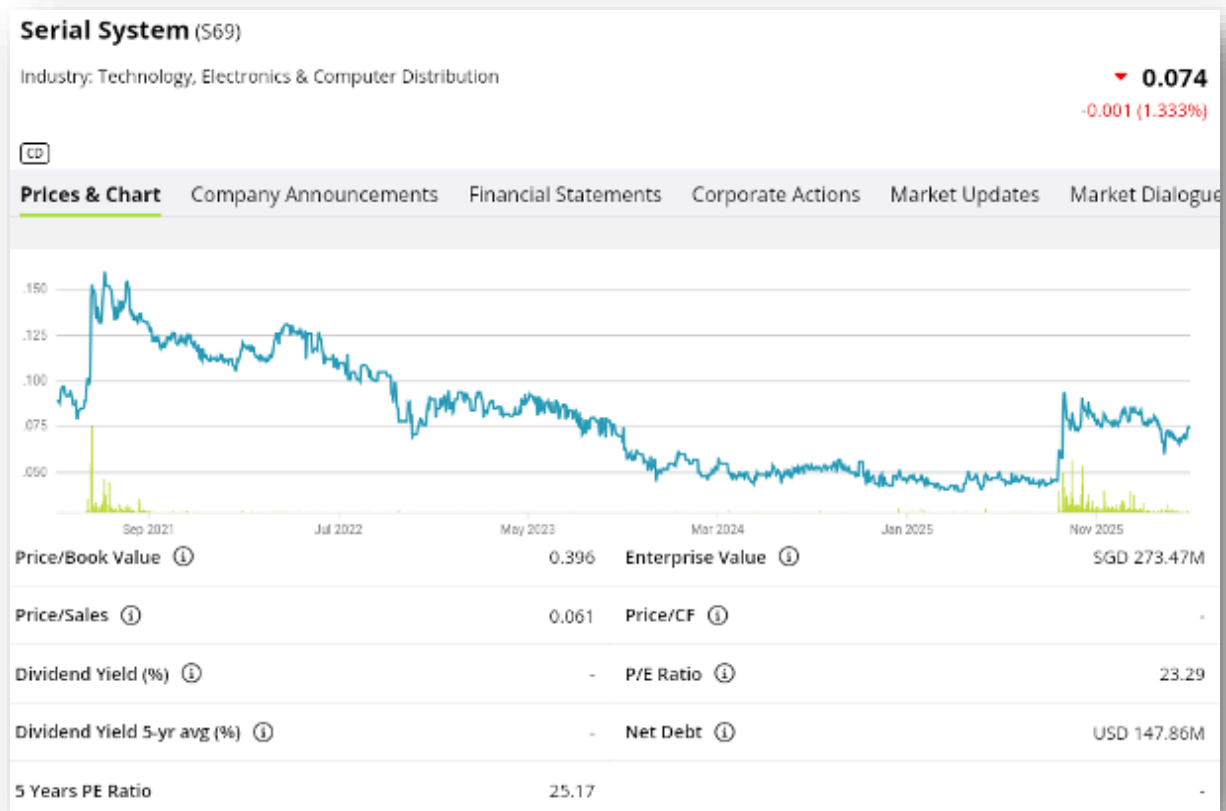
The group's net gearing ratio has increased to 1.20 times, with borrowings rising by US\$33.0 million to US\$205.0 million as at 31 December 2025 and net debt at US\$168 million. Current liabilities have also increased to US\$293 million. This appears to be among the highest leverage levels observed in recent years.

- (i) How does the board assess the current level of gearing in the context of the prevailing market cycle, and what limits or targets, if any, have been set for the group's capital structure and leverage?**
- (ii) Does the board consider that artificial intelligence-related sectors are exhibiting signs of a potential bubble, and how is this reflected in the group's risk management and capital allocation decisions?**

Trade payables days have increased to 38 days in FY2025, from a stable level of approximately 30 days between FY2021 and FY2023.

- (iii) Can management explain the underlying drivers of this trend, and whether it reflects changes in supplier terms, working capital management, or potential pressures in meeting payment obligations?**

**Q3.** According to SGX StockFacts, the company trades at a discount of more than 60% to its book value.



(Source: <https://investors.sgx.com/market/securities?code=S69&type=stocks&lang=en>)

- (i) What has been the total shareholder return over the last 5, 10, 15 and 20 years?
- (ii) Given the persistent and significant discount to book value, has the board undertaken a formal review to identify the key drivers of this valuation gap? What specific and measurable actions are being taken to narrow the discount?
- (iii) While the company has reinstated its dividend in FY2025 (albeit at a modest 0.11 cent per share), how is the board assessing capital management options such as share buybacks, special distributions, asset monetisation and portfolio restructuring to enhance capital efficiency and unlock value for shareholders?

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

Check out the latest questions on the annual reports of listed companies on [SIAS website](#)



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