

**Serial System's 3Q2015 Revenue Up 10% to US\$321M;
Consumer Products Business Gains Traction
With Sales Up 74% From 2Q2015**

<i>US\$'000</i>	3Q2015	3Q2014	Change (%)	YTD'15 3Q2015	YTD'14 3Q2014	Change (%)
Sales	321,127	293,107	10	892,484	768,391	16
Gross Profit	22,993	24,711	(7)	68,741	66,338	4
Gross Profit Margin (%)	7.2	8.4	(1.2) pt	7.7	8.6	(0.9) pt
Net Profit After Tax <i>(Attributable to shareholders)</i>	2,182	4,318	(49)	10,008	11,439	(13)
Net Profit Margin (%)	0.7	1.5	(0.8) pt	1.1	1.5	(0.4) pt
EPS on fully diluted basis (US cents)	0.25	0.49	(49)	1.12	1.28	(12.5)
NAV per share (US cents)	30/09/2015: 13.18			31/12/2014: 13.64		

Singapore, 6 November 2015 – Serial System Ltd (“Serial System” or the “Group”) announced today that its revenue for the third quarter ended 30 September 2015 (“3Q2015”) grew 10% from the same period last year, driven by its electronic components distribution business in South Korea and Taiwan as well as its consumer products subsidiaries.

The Group, which has one of the largest distribution networks in Asia for electronic components, generated total revenue of US\$321.1 million in 3Q2015. Revenue from electronic components distribution in South Korea and Taiwan rose 28% and 27% respectively, offsetting lower contributions from Hong Kong and China, markets that saw increased competition during the quarter. Revenue in South-East Asia and India grew marginally.

Swift-Value Business Pte. Ltd. (“Swift-Value”) and Serial I-Tech group, the Group’s wholly owned consumer products subsidiaries, generated total sales of US\$50.2 million in 3Q2015 or 16% of Serial System’s top line. This was 74% more than their US\$28.9 million contribution in 2Q2015.

Swift-Value, which Serial System acquired in May 2015, is the authorised distributor for Hewlett-Packard, Epson and Canon, and the authorised reseller for major brands such as Fuji Xerox, Samsung and Panasonic. Serial I-Tech group, which Serial System bought in December last year, distributes IT, mobile, timepieces and photographic products.

Serial System’s gross profit margin in 3Q2015 slipped to 7.2% from 8.4% in 3Q2014 on increased competition in Hong Kong and China, and Singapore. Serial I-Tech Group and Swift-Value, with their lower-margin business, also accounted for the decline.

The lower margins, together with increased losses from associated companies, resulted in a smaller 3Q2015 net profit of US\$2.2 million, compared to US\$4.3 million a year earlier.

Fully diluted earnings per share for the quarter under review came to 0.25 U.S. cent, compared to 0.49 U.S. cent in 3Q2014. Net asset value per share declined to 13.18 U.S. cents as at 30 September 2015 from 13.64 U.S. cents as at 31 December 2014.

For the nine months ended 30 September 2015 (“YTD3Q2015”), revenue increased 16% to US\$892.5 million but net profit declined 13% to US\$10.0 million.

Dr. Derek Goh, Serial System’s Executive Chairman and Chief Executive Officer, said, “Competition is intense in this business but we will continue to grow our top line and manage our costs in order to improve profitability. We will also keep a lookout for opportunities to invest in companies that can give us good returns.”

Towards this end, on 30 October 2015, the Group acquired a 49% equity interest in a newly incorporated company, Serial Factoring (Thailand) Co., Ltd. (“Serial Factoring”). The Group will benefit from supplying its electronic components and electronic consumer products for Serial Factoring’s IT and related projects in Thailand.

As part of its strategy to invest in high-margin businesses, the Group also took a 21% equity stake in Tong Chiang Group, a food caterer and manufacturer. The investment was completed on 28 August 2015. Overall, Serial System expects to be profitable in FY2015.

End

Issued on behalf of the Group by WeR1 Consultants Pte Ltd.

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About Serial System Ltd

Established in 1988 and listed on the SGX Main Board since July 2000, Serial System has developed a synergistic global network that is built on strong partnerships with their suppliers and customers. Today, Serial System has one of the largest distribution networks in Asia, with 58 offices and 10 warehouses throughout Asia Pacific. It also has a wide customer base of more than 6,000, spanning a diverse range of industries such as consumer electronics, household appliances, industrial, telecommunications, electronic manufacturing services, automotive and medical. Its major suppliers for electronic components distribution include Texas Instruments, ON Semiconductor, Avago Technologies, TE Connectivity, Advanced Micro Devices and OSRAM Opto Semiconductors. Its major suppliers for consumer products distribution include Hewlett-Packard, Apple, Tamron, Fujifilm, Titan, Nixon and Fossil.

Serial System’s ability to align to the goals of its customers and suppliers makes it highly responsive to their needs. In meeting their engineering and supply chain needs, Serial System has become their integral component to success.

For more information please visit us at www.serialsystem.com