

Appendix 1



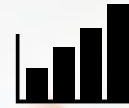
FY2020 RESULTS PRESENTATION

Wednesday, 28 April 2021

Your Integral Component to Success

AGENDA

By moving forward and thinking forward, Serial System helps its partners to be more competitive in the marketplace, today and in the future



FINANCIAL RESULTS



STRATEGIC REVIEW



OUTLOOK



The image features a dark background with a complex financial visualization. It includes several vertical orange bars of varying heights, some with white circular markers at their tops. A white line graph with circular markers connects several points across the chart. A prominent teal vertical bar is highlighted with a white box. A black banner with a white arrow on the left side contains the text 'FINANCIAL RESULTS'. Several numerical values are displayed in white and teal, including '183.102', '154.178', and '245.57'. The overall aesthetic is modern and data-driven.

FINANCIAL RESULTS

183.102

154.178

245.57

SNAPSHOT OF FY2020 PERFORMANCE

| US\$'000 | FY2020 | FY2019 | Change (%) |
|--|-------------------|-------------------|------------|
| Sales | 731,400 | 791,637 | (8) |
| Gross Profit | 45,896 | 54,191 | (15) |
| Gross Profit Margin (%) | 6.3 | 6.8 | (0.5) ppt |
| Net Profit After Tax (Attributable to equity holders of the Company) | 261 | 8,032 | (97) |
| EPS - fully diluted (US cents) ⁽¹⁾ | 0.03 | 0.90 | (97) |
| NAV per share (US cents) ⁽²⁾ | 31/12/2020: 15.81 | 31/12/2019: 15.55 | |

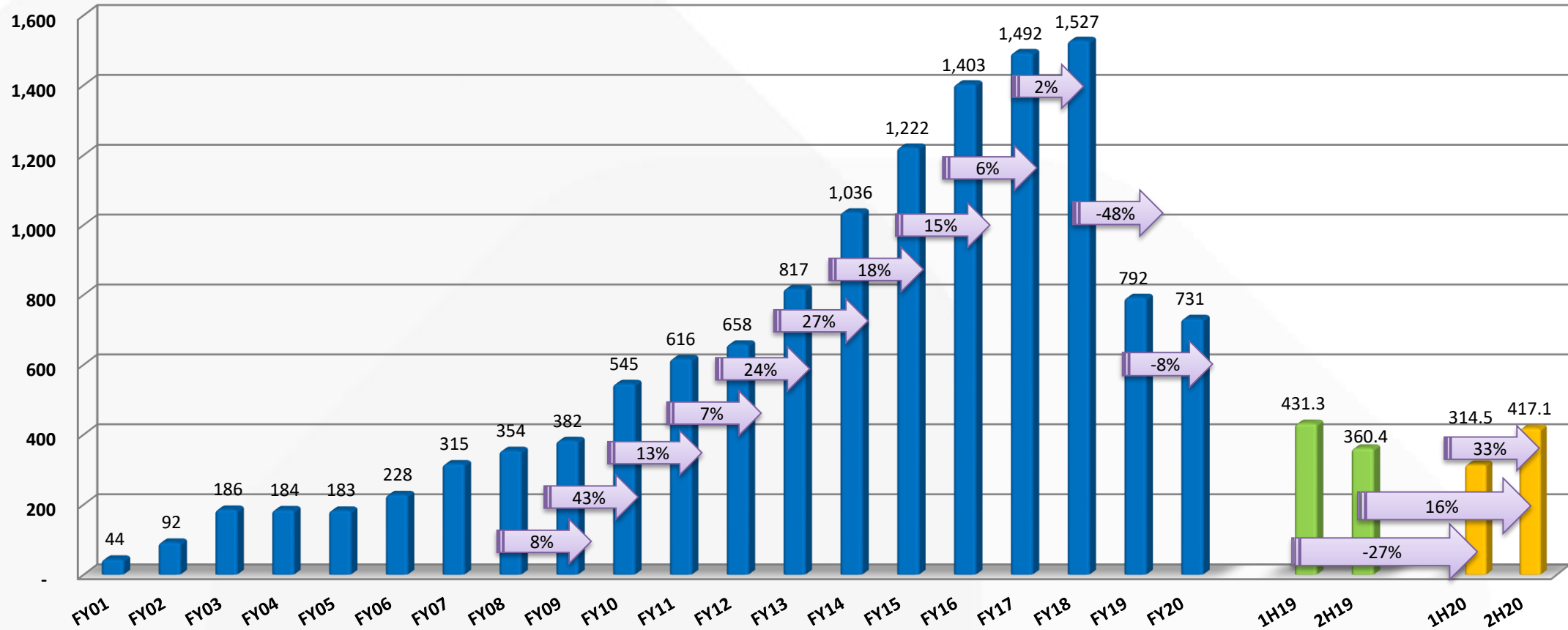
(1) Earnings per ordinary share on a fully diluted basis are computed by dividing net profit attributable to equity holders of the Company by the weighted average number of shares in issue during the period of 895,841,914 after adjusting assumed conversion of all potential dilutive ordinary shares.

(2) 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 equity holders of the Company as at the end of the respective period and the respective aggregate number of ordinary shares of 895,841,914.

FY2020 HIGHLIGHTS

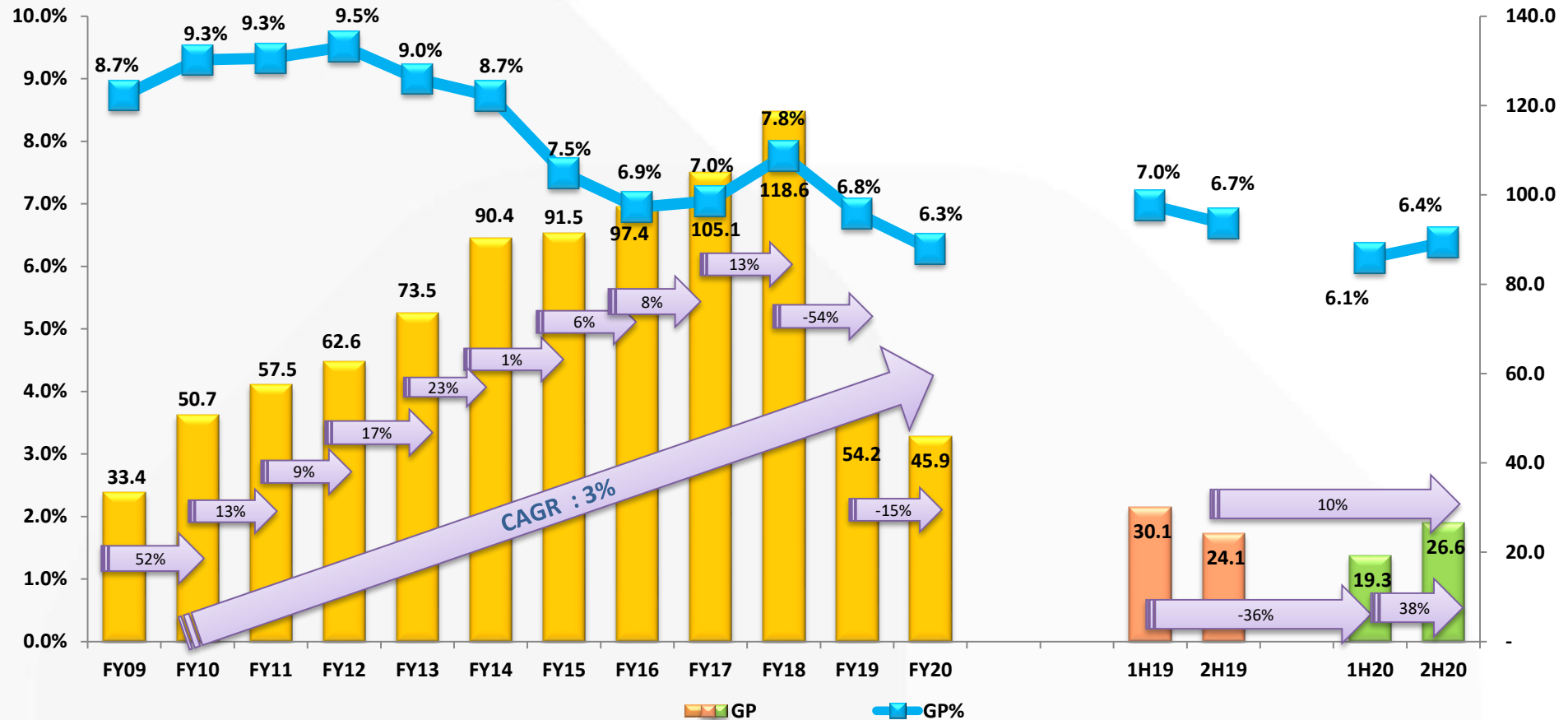
- **Revenue of US\$731.4M in FY2020, a decrease of 8% from US\$791.6M in FY2019**
 - Revenue for 2H2020 was 33% higher than 1H2020.
 - Improvement in 2H2020 was due to improvement in business activities, particularly in China where economic activity has recovered.
 - Turnover for the electronic components distribution business is recovering from the termination of distribution business with Texas Instrument (“TI”). Excluding the impact due to TI termination, turnover for the segment increased by 2%, despite the impact from COVID-19.
 - Consumer products distribution business sales increased 44% amid higher demand for tele-conferencing and computer accessories due to movement control order imposed by the Malaysian government.
 - Turnover for other businesses more than doubled to US\$9.6 million, mainly due to contribution from two Singapore subsidiaries in trading and distribution of global fast-moving consumer goods.
 - **Gross profit margin declined to 6.3% in FY2020**
 - Mainly due to lower margins achieved by all business divisions as a result of keen market competition in a challenging environment as a result of the COVID-19 pandemic
- **Net profit of US\$0.3M in FY2020 compared to NPAT of US\$8.0M in FY2019**
 - Net profit of US\$4.8M in 2H2020 reversed net loss of US\$4.5 million in 1H2020

Revenue (US\$' million)

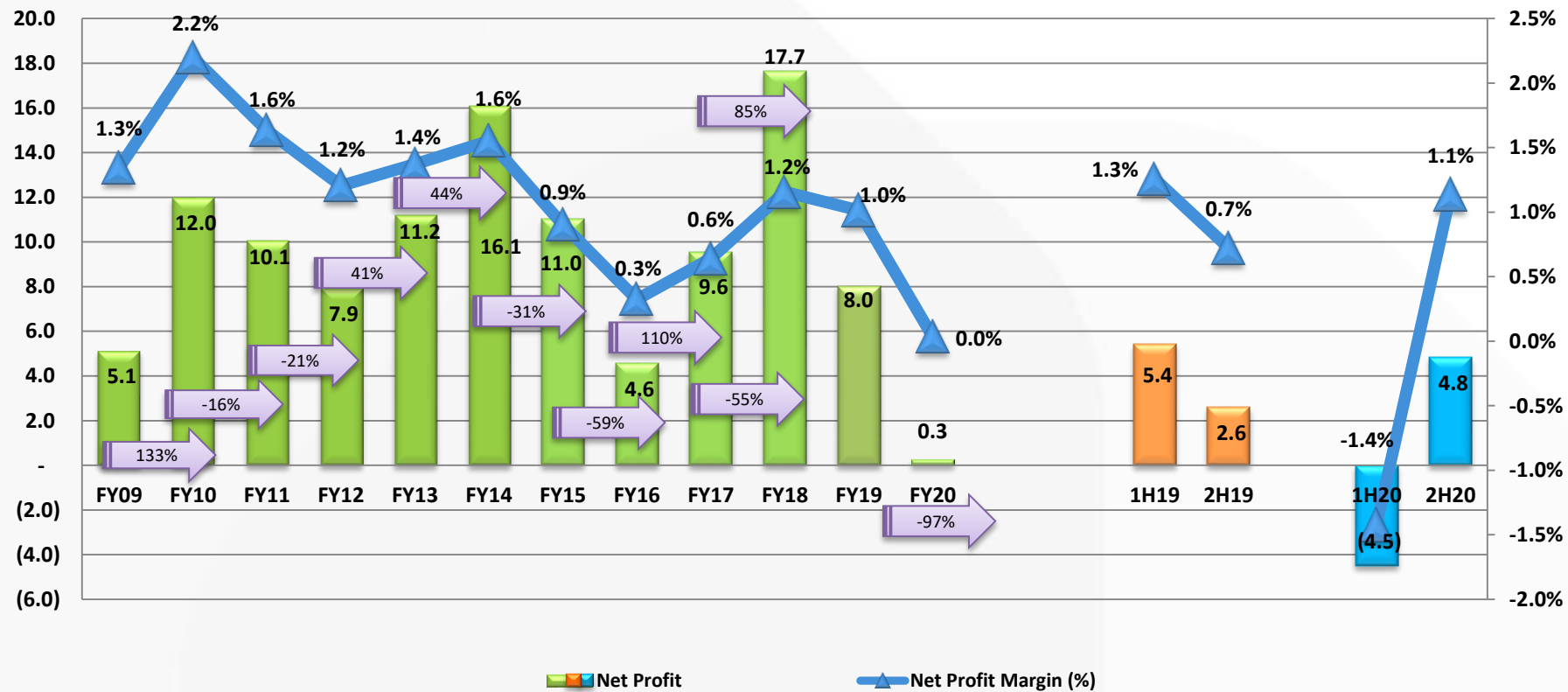


PROFITABILITY

Gross Profit & Gross Profit Margin (US\$' million)

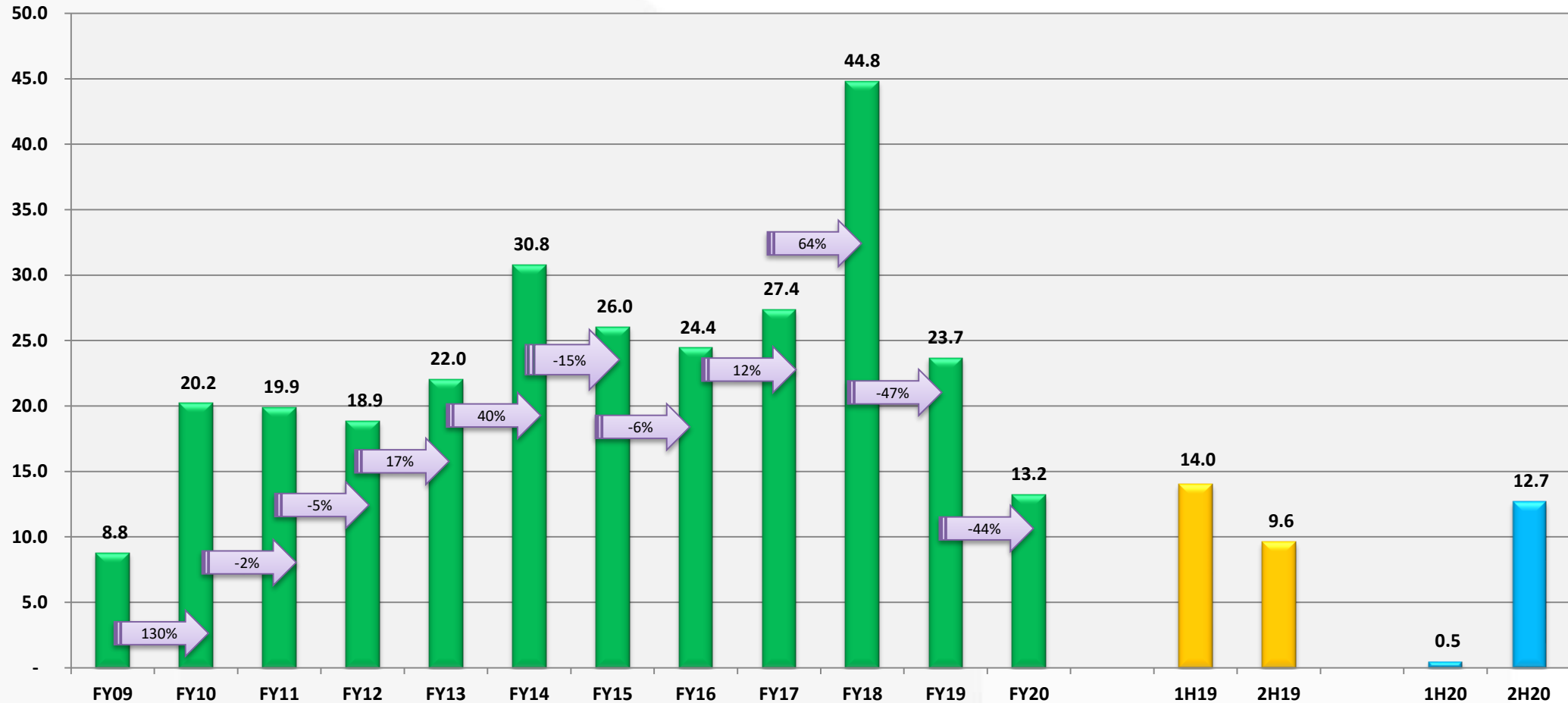


Net Profit & Net Profit Margin (US\$' million)

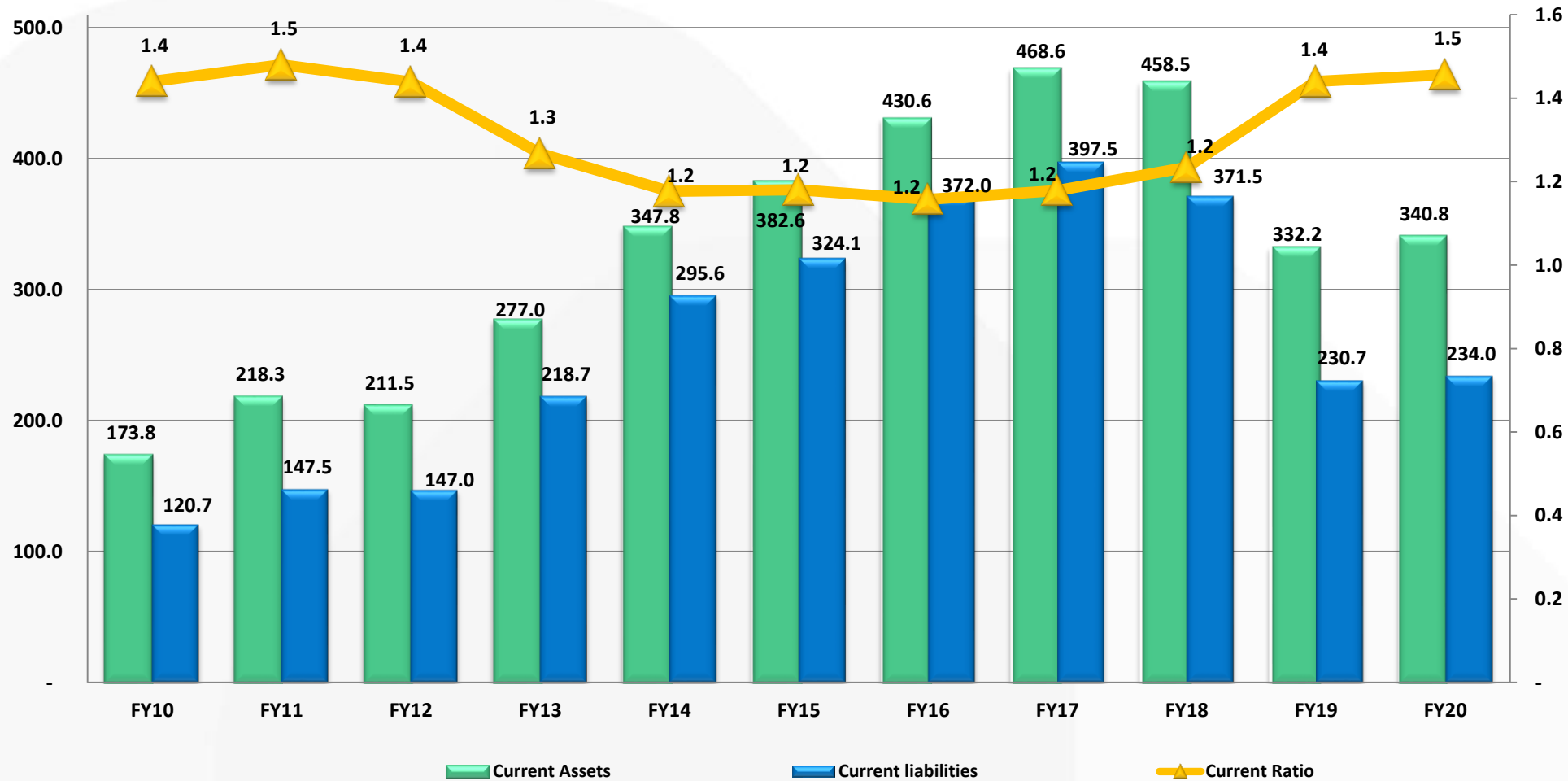


PROFITABILITY

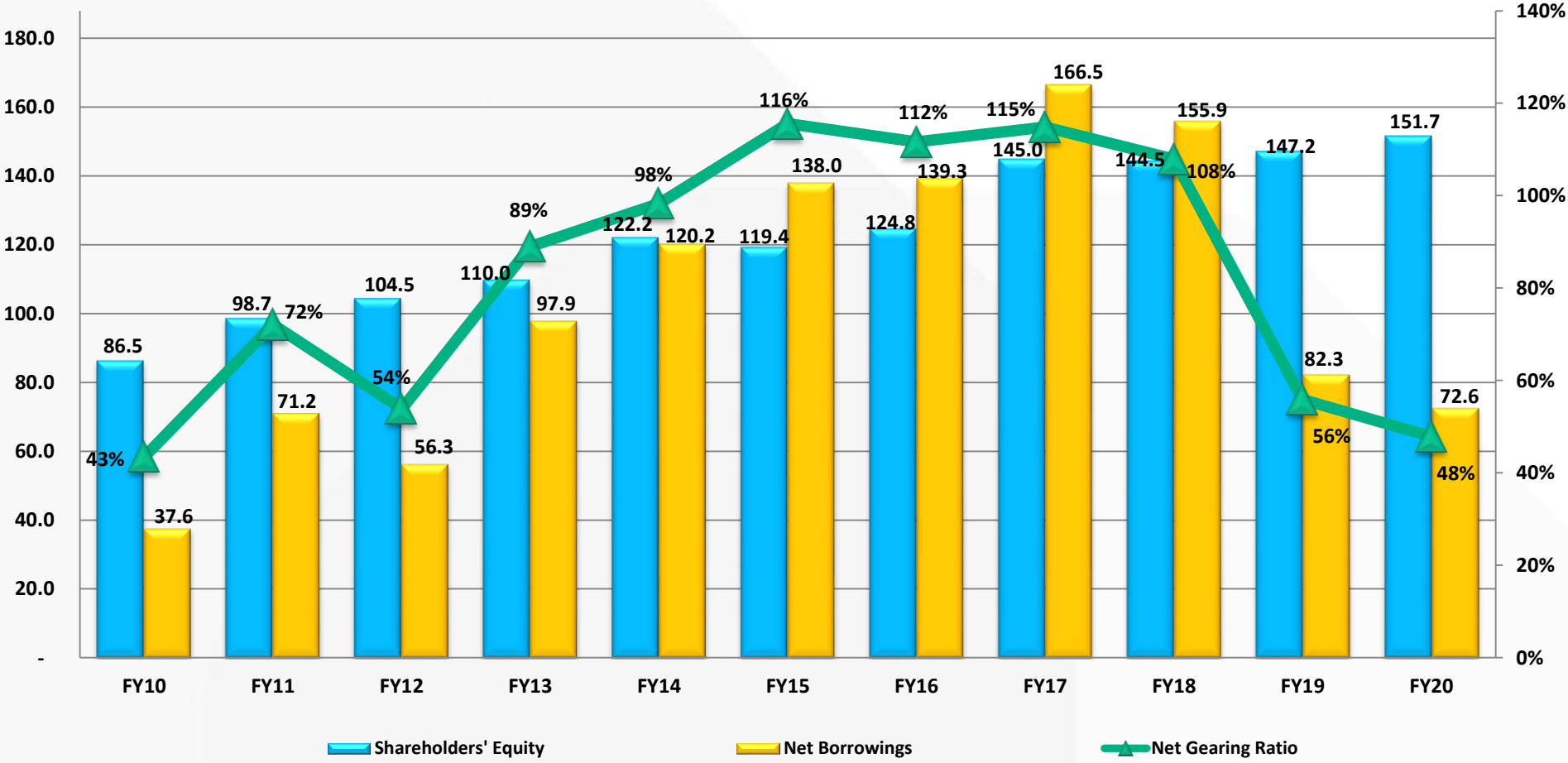
EBITDA (US\$' million)



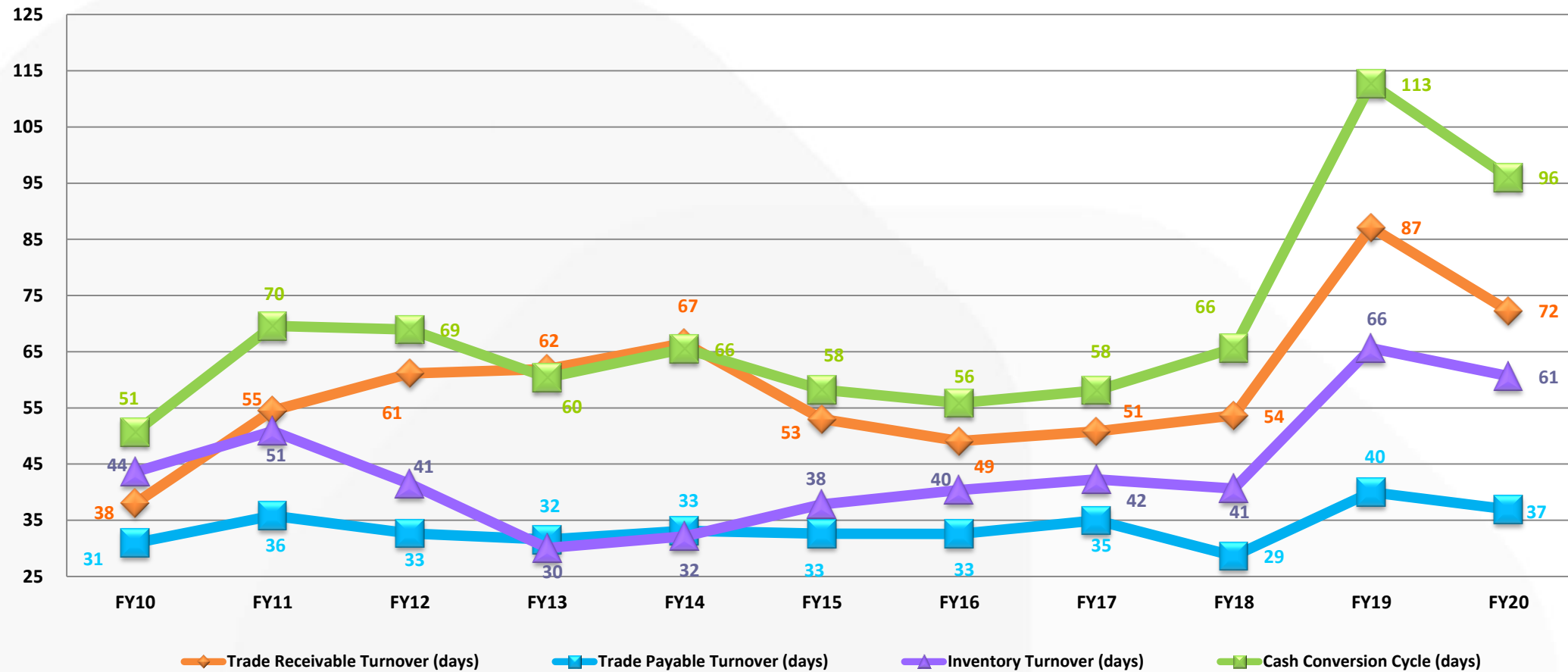
Maintaining Healthy Current Ratio



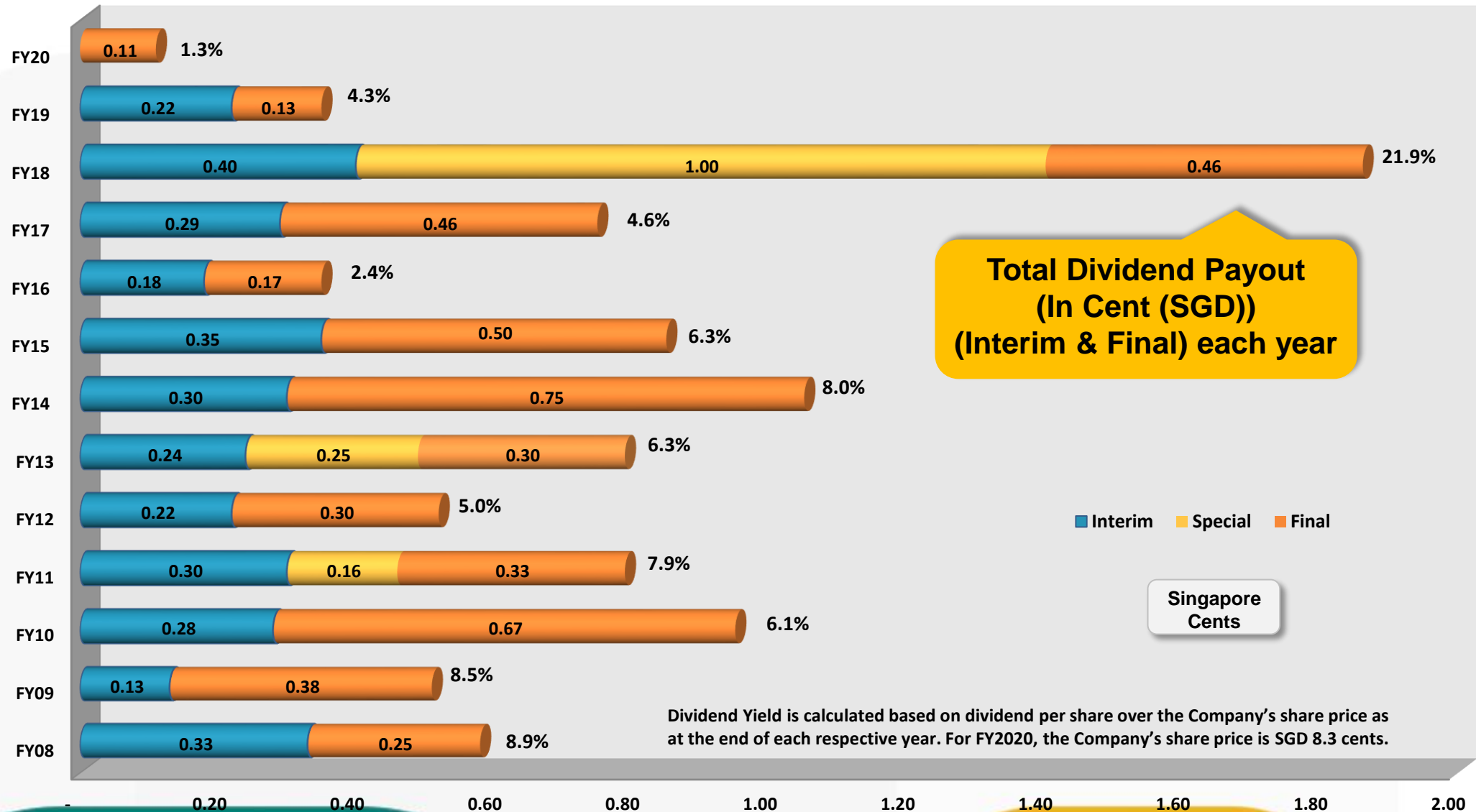
Net Gearing Ratio



Cash Conversion Cycle (days)



DIVIDEND YIELD





STRATEGIC REVIEW

OVERVIEW OF CHALLENGES SINCE LATE 2018

- **Cessation of Texas Instruments (TI) Relationship At End of 2018**
 - Accounted for >55% of group turnover
 - Also affected plans for an IPO in Hong Kong
- **U.S. - China 'Trade War' Has Significant Impact on Semiconductor Business**
 - Restrictions by US on technology exports affected telcos in particular
 - Tariffs imposed by US as well as China
- **Outbreak of COVID-19 Pandemic in Early 2020**
 - Affected almost all business activity in FY2019 and 1H2020
 - Financial Performance improved in 3Q2020
 - China's economy recovered in 2H 2020
 - Serial System's corporate recovery has borne fruit
 - New opportunities have emerged

STRATEGY 1 – Expanded Product Portfolio and Supplier Relationships

- **Expanded Product Portfolio**

- Deepening penetration into 5G infrastructure, autonomous and electric vehicles and data centres
- Continue to focus efforts to expand its product portfolio in these technologies by working closely with its suppliers as well as customers

- **New Supplier Relationships**

- Signed on distributorships directly or formed joint venture partnerships

- **Response to global trends in technology**

- China market still needs foreign-made semiconductors
- But local foundries are building up capability

STRATEGY 2 – Response to COVID-19

- **COVID-19 was a catalyst to improve internal efficiencies**
- **Changing workflow practices, reduction of travel-related expenses**
 - Implemented work-from-home measures and rotating shifts in offices
 - Adopted teleconferencing, which significantly reduced travel and accommodation costs
- **Reduced office/warehouse footprint (-20%) and manpower (-30%)**
- **Will build on early fruits of productivity gains to improve efficiencies further**

STRATEGY 3 - Expansion of Computer Peripherals and Print Service Businesses

- **Increased activities in Malaysia during pandemic**
 - Business momentum improved due to new product launches from Intel and AMD
 - Benefited from work-from-home measures and Movement Control Order in Malaysia
- **Expansion of Managed Print Services (“MPS”), foray into 3D printing**
 - Entered Thailand MPS market (in addition to Singapore and Indonesia)
 - Foray into 3D printing through Asia-wide franchise with Ultimaker of the Netherlands

The image features a dark background with a vibrant green glow emanating from a horizon line. The foreground is filled with a complex, glowing green circuit board pattern that recedes into the distance, creating a sense of depth and digital connectivity. A dark grey horizontal bar with a yellow triangular accent on its left side is positioned in the lower-left quadrant, containing the word "OUTLOOK" in white, bold, uppercase letters.

OUTLOOK

INDUSTRY OUTLOOK

Bright spots

- ✓ Strong recovery of economic and manufacturing activity in China to continue in 2021
- ✓ China accelerating its semiconductor production, deployment of 5G
- ✓ Serial System to benefit from product portfolio expansion and new supplier base
- ✓ Continued demand in Malaysia for computers, printers and related accessories due to work-from-home measures in compliance with the Movement Control Order

Uncertainties

- ? Global economy remains uncertain



GROUP OUTLOOK

- In view of business volatility and ongoing supply chain disruptions, the Group remains cautiously optimistic
- Barring unforeseen circumstances, revenue for FY2021 will improve compared to FY2020
- The Group will continue its growth strategies outlined in its 21 December 2020 announcement, on a much leaner operating cost structure

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Thank You



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