



SERIAL
新擘集團

3Q'2016 Results Presentation

11 November 2016

Your Integral Component to Success

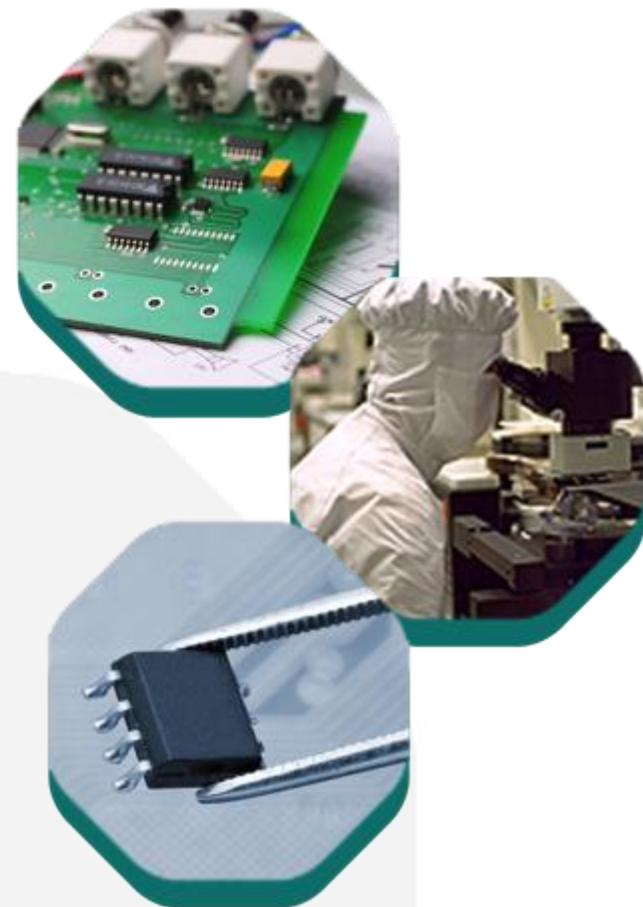
AGENDA

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1. Corporate Overview

 2. Recent Corporate Developments

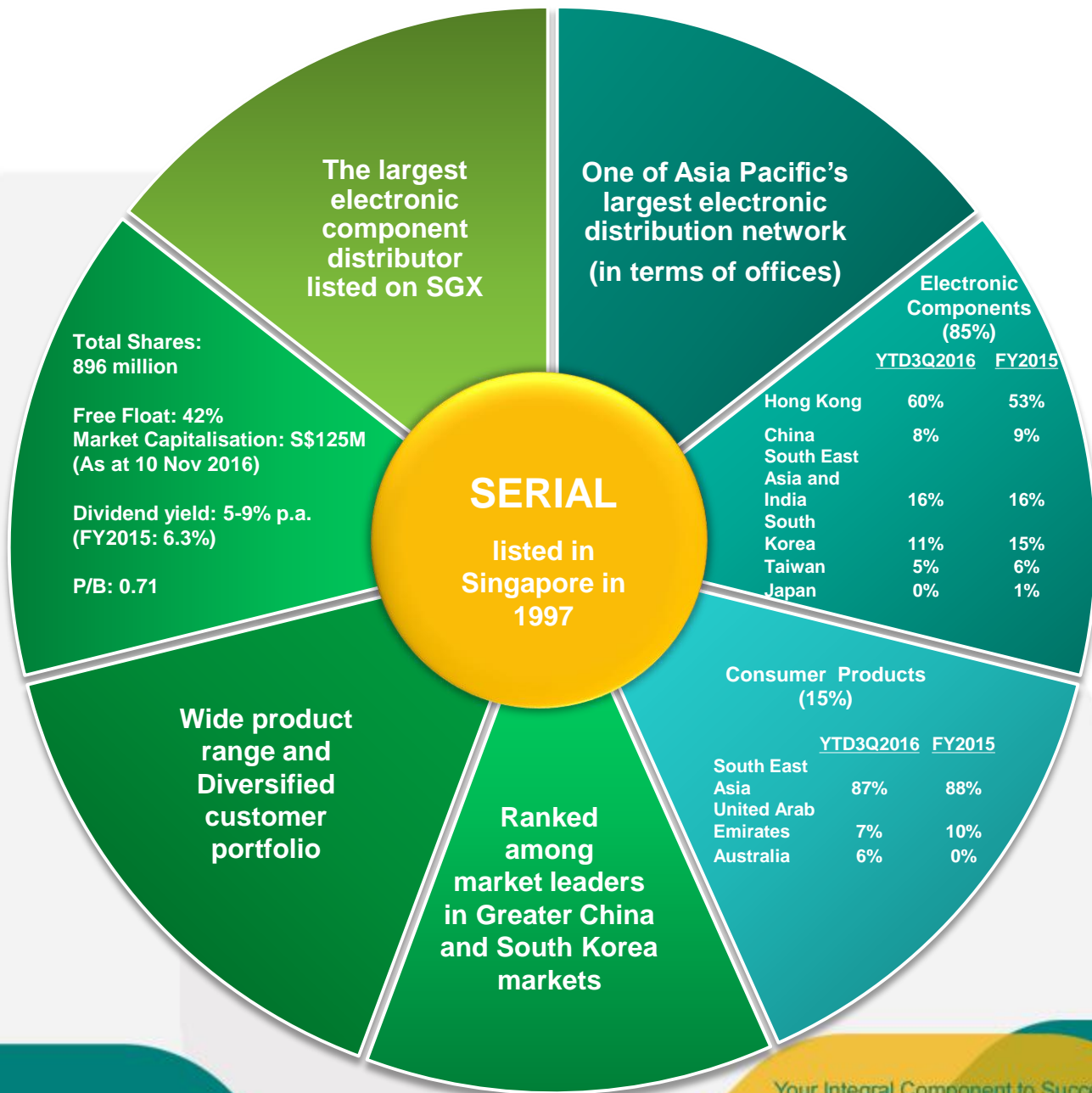
 3. Financial Results

 4. Outlook & Strategies



Corporate Overview

SERIAL SYSTEM AT A GLANCE



Partnering Leading Suppliers

Electronic Components Distribution Business



... more than 90 Franchised Product Lines in Serial Group

Partnering Leading Suppliers

Consumer Products Distribution Business



ASUS®



Canon



EPSON®



EnGenius®



gorenje Life Simplified



FUJIFILM



iCenter



MARUMI



LUXAR
Thermaltake Mobile



NIXON



runtastic



Seagate



SKAGEN
DENMARK



Super



TAMRON
New eyes for industry



WD

Consumer Products Distribution Business

The Group comprises 100% owned subsidiaries: Swift-Value Business Pte. Ltd, Achieva Technology Group, Serial I-Tech Group, 80% owned PT. Achieva Technology Indonesia and 70% owned Hydra & Thermal group

Key Suppliers: Hewlett-Packard (HP), Epson and Canon, Intel, Western Digital, Seagate, Asus, Power Colour, Adata, Apple, Tamron, Nikon, Fossil and Gorenje.

Geographical presence in Singapore, Malaysia, Indonesia, Australia, United Arab Emirates and Cambodia



Serial MultiVision Pte. Ltd. (100%-stake)



- Core businesses: Hospitality solutions
- Hospitality solutions: Proprietary i-connect® solution, including Intelligence Room Infotainment Solution (IRIS), Digital Media Content Management System and Software-based Solution (SBS).
- Key SBS product brand: Electronic meal ordering system (eMOS), next-generation meal ordering system.
- Clients: Khoo Teck Puat Hospital, Ng Teng Fong General Hospital, Jurong Community Hospital, Changi General Hospital, St Andrews Hospital, Gleneagles Hospital, Mount Elizabeth Orchard, Parkway East Hospital, Parkway Mount Elizabeth Novena, Yishun Community Hospital with a list of other hospital deployments in the pipeline.

Contract Sterilization Services Pte Ltd (100%-stake)



- Assembly and distribution of medical devices
- Offers full range of standard and customised perfusion tubing packs marketed over the Asia-Pacific region:
 - *Customized Heart Lung Pack*
 - *Blood Cardioplegia Set*
 - *Angio Pack*
 - *Sterile Procedural Pack*
 - *SurgiAid® Collagen Wound Dressing*
- High gross and net margins
- Exploring opportunities to expand via M&As

Strategic Investment - South Pacific Laundry

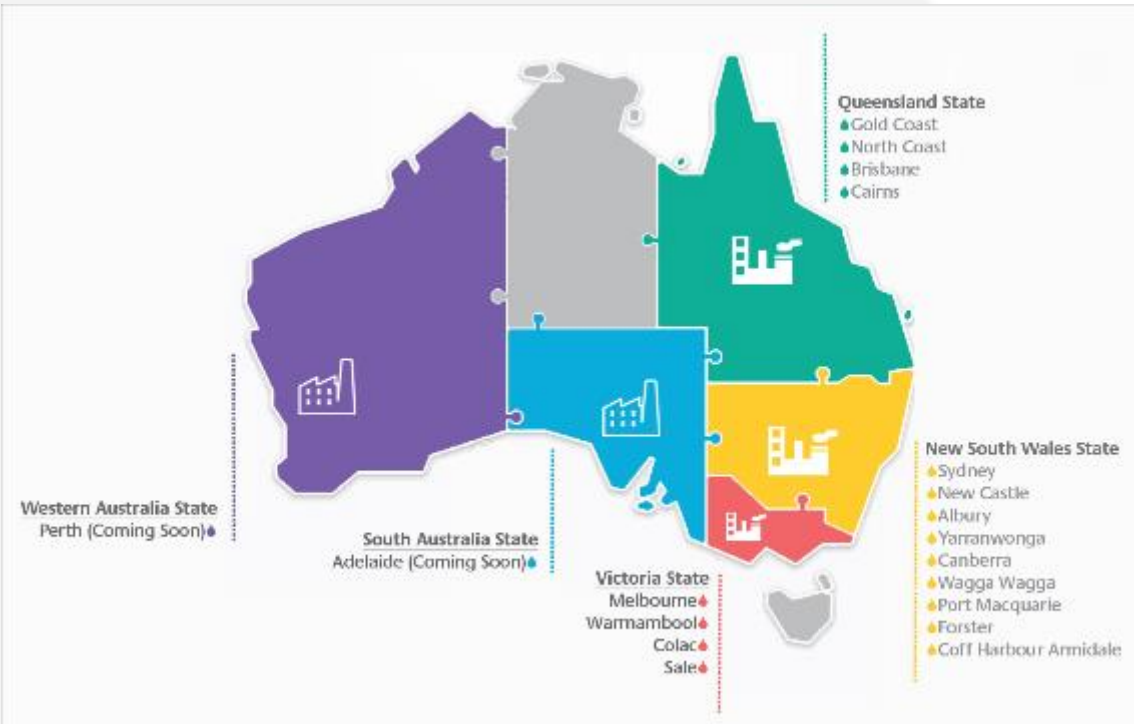


27.34% stake in SPL Holdings (Australia) Pty Ltd, a laundry provider servicing hospitality industry (hotels, resorts, hospitals, care centres, and restaurants) in Melbourne, Sydney, Brisbane, Canberra and in various cities and towns in the states of Victoria and New South Wales.

Cutting-edge technology and efficient processes ensure linens are washed, ironed and folded in record time

High gross and net margins

Exploring opportunities to expand reach within Australia



Strategic Investment - Tong Chiang Group



21% stake in food manufacturer and caterer Tong Chiang Group ("TCG")

Part of Group's diversification into investment holding of high-margin companies

TCG comprises 13 wholly-owned subsidiaries and three separate property investment holding entities, operating in five factories and three warehouse units

Products and services can be broadly categorized into home-meal catering ("tingkat delivery"), provision of bento boxes (packet meals) to corporate customers, and halal and non-halal catering for private and corporate events



THE GRAND CHEF



Recent Corporate Developments

Recent Corporate Developments

7 October 2016

- ▶ Increased stake in South Korean subsidiary **Serial Microelectronics Korea Limited** to 100% from 98.2%

9 September 2016

- ▶ Formation of **Unitrontech China Co. Ltd.**
 - ❑ Unitrontech China is a joint venture 45% owned by the Group's subsidiary Serial Microelectronics (HK) Limited and 55% by Unitrontech Co., Ltd. of South Korea
 - ❑ Involved in marketing, promotion, sale, export and distribution of Micron memory products with a focus on automotive market in China

A photograph of a business meeting. In the foreground, a person's hand is gesturing over a document with various charts and graphs. In the background, another person in a suit is seated at a table, holding a pen. The overall scene is professional and focused on financial analysis.

Financial Results

3Q'2016

SNAPSHOT OF 3Q2016 / 9M2016 PERFORMANCE

<i>US\$'000</i>	3Q2016	3Q2015	Change (%)	9M2016	9M2015	Change (%)
Sales	346,266	321,127	8	1,057,634	892,484	19
Gross Profit	24,524	22,993	7	71,756	68,741	4
Gross Profit Margin (%)	7.1	7.2	(0.1) pt	6.8	7.7	(0.9) pt
Net Profit After Tax <i>(Attributable to shareholders)</i>	3,789	2,182	74	510	10,008	(95)
Net Profit Margin (%)	1.1	0.7	0.4 pt	0.05	1.1	(1.05) pt
EPS - fully diluted <i>(US cents) ⁽¹⁾</i>	0.42	0.25	68	0.06	1.12	(95)
NAV per share (US cents) ⁽²⁾	30/09/2016: 13.90			31/12/2015: 13.33		

(1) Earnings per ordinary share on a fully diluted basis are computed based on the weighted average number of shares in issue during the period of 895,841,914 (3Q2015/Year-to-Date 30/09/2016: 895,841,914) after adjusting assumed conversion of all potential dilutive ordinary shares.

(2) Net asset value per share is computed based on the existing issued share capital as at 30 September 2016 and 31 December 2015 of 895,841,914.

3Q2016 HIGHLIGHTS



- **Revenue** of US\$346.3M, an 8% increase compared to 3Q2015:
 - Revenue from electronic components distribution business increased 19% to US\$318.8M, driven mainly by operations in Hong Kong and China
 - Revenue from consumer products distribution business down 48% to US\$26.8M
- **Gross profit margin** slipped to 7.1% from 7.2%:
 - Increased market competition in Hong Kong and Taiwan
- **Share of losses in associated companies** at US\$0.1 million, compared to losses of US\$0.7 million in 3Q2015:
 - Losses incurred by Bull Will
- **NPAT** rose 74% to US\$3.8M from US\$2.2M:
 - Net margin increased to 1.1% from 0.7% in 3Q2015

9M2016 HIGHLIGHTS

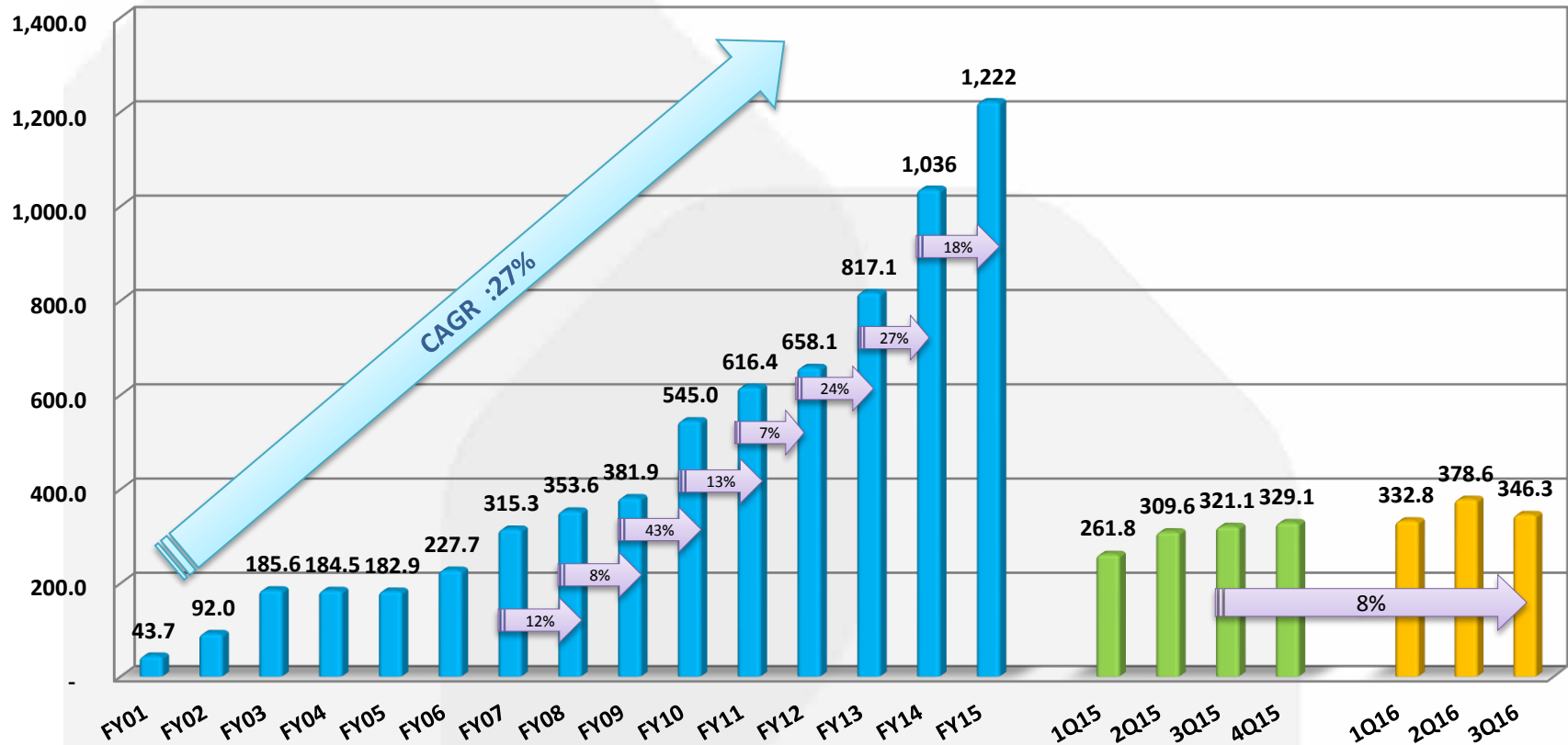


- **Revenue** of US\$1.06B, a 19% increase compared to 9M2015:
 - Electronic components distribution business rose 13% to US\$898.2M on higher contributions from operations in Hong Kong, Southeast Asia and India, and Taiwan
 - Consumer products distribution business rose 65% to US\$156.3M on contributions from Achieva Technology group, Swift-Value and PT Achieva Technology Indonesia
- **Gross profit margin** slipped to 6.8% from 7.7% in 9M2015:
 - Higher sales of lower-margin products in Singapore, Hong Kong and Taiwan
 - Lower-margin consumer products distribution business
- **NPAT** of US\$0.5M compared to US\$10.0M profit in 9M2015
 - Higher share of losses from associated companies, currency translation losses, higher allowances for inventory obsolescence, higher provisions for tax expenses.

REVENUE GROWTH

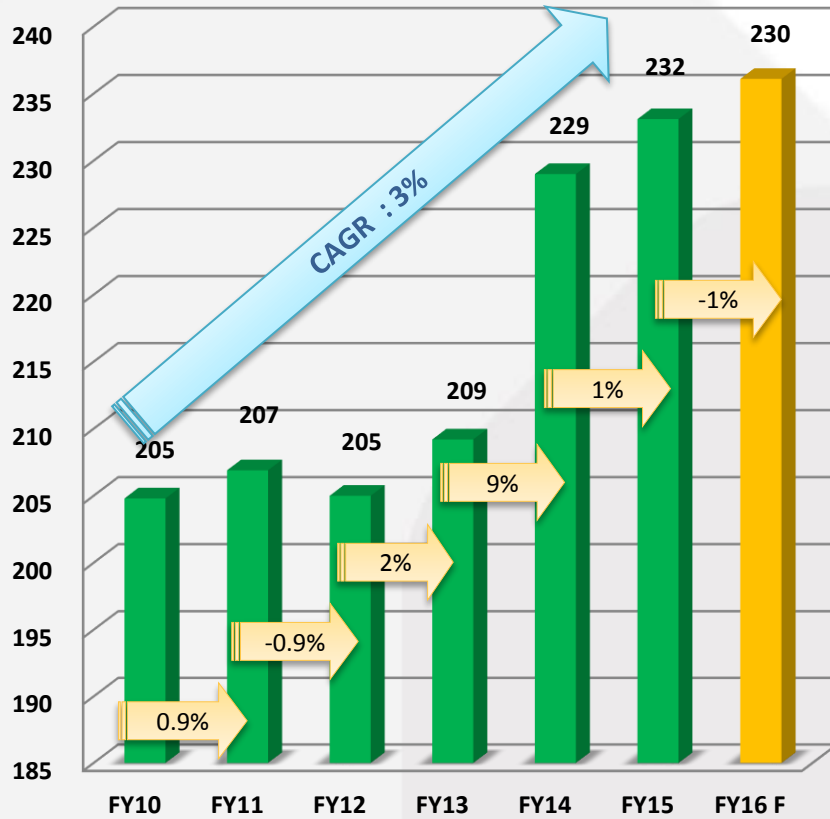


Revenue (US\$' million)



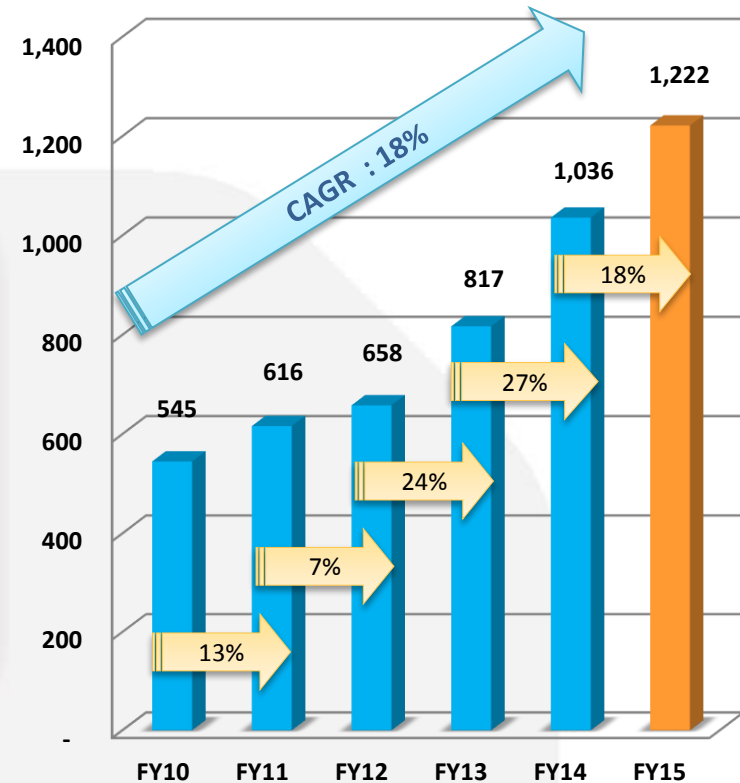
OUTPERFORMING THE INDUSTRY

Asia Pacific (including Japan)
Semiconductor Revenue (US\$' billion)

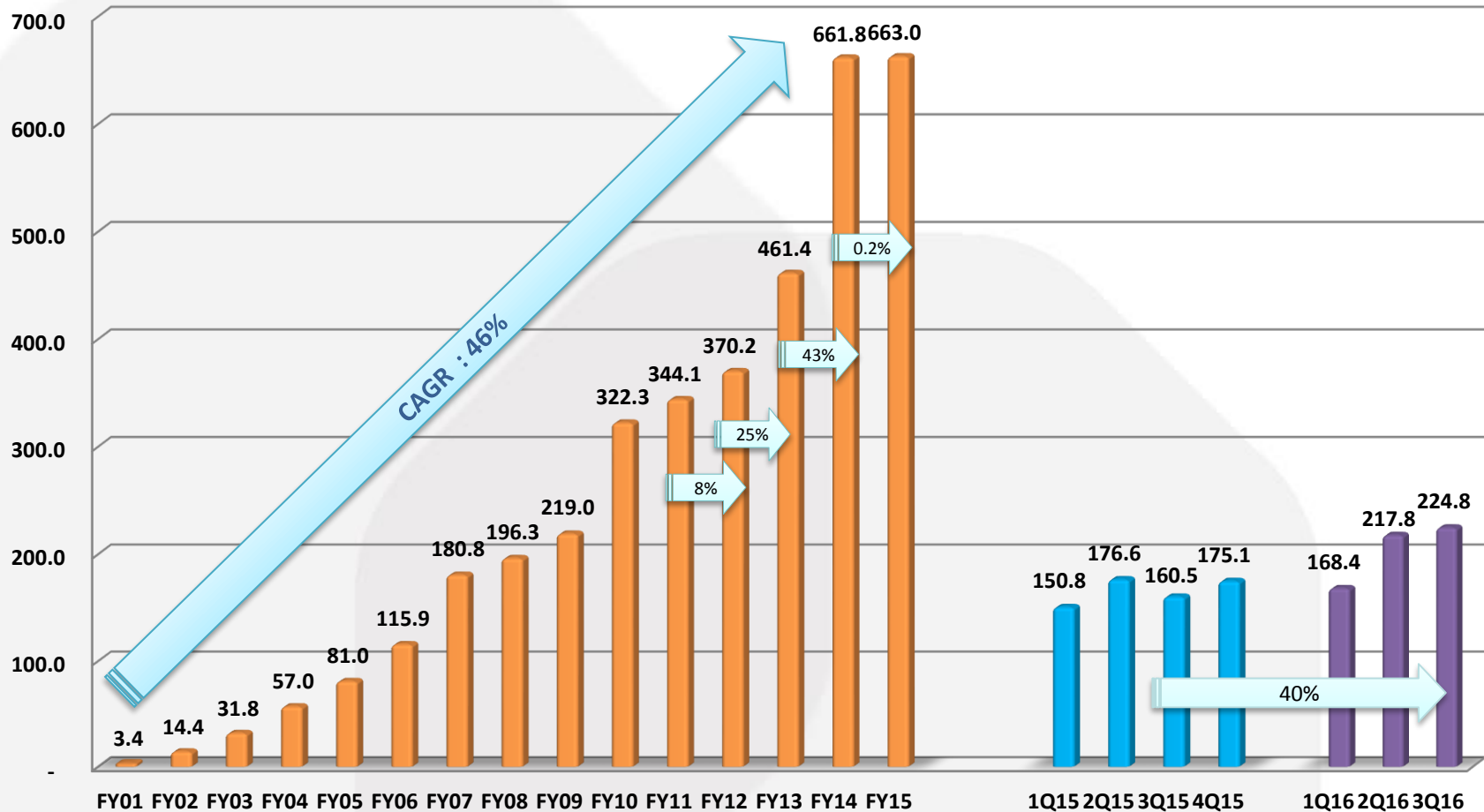


Source : World Semiconductor Trade Statistics/
Semiconductor Industry Association

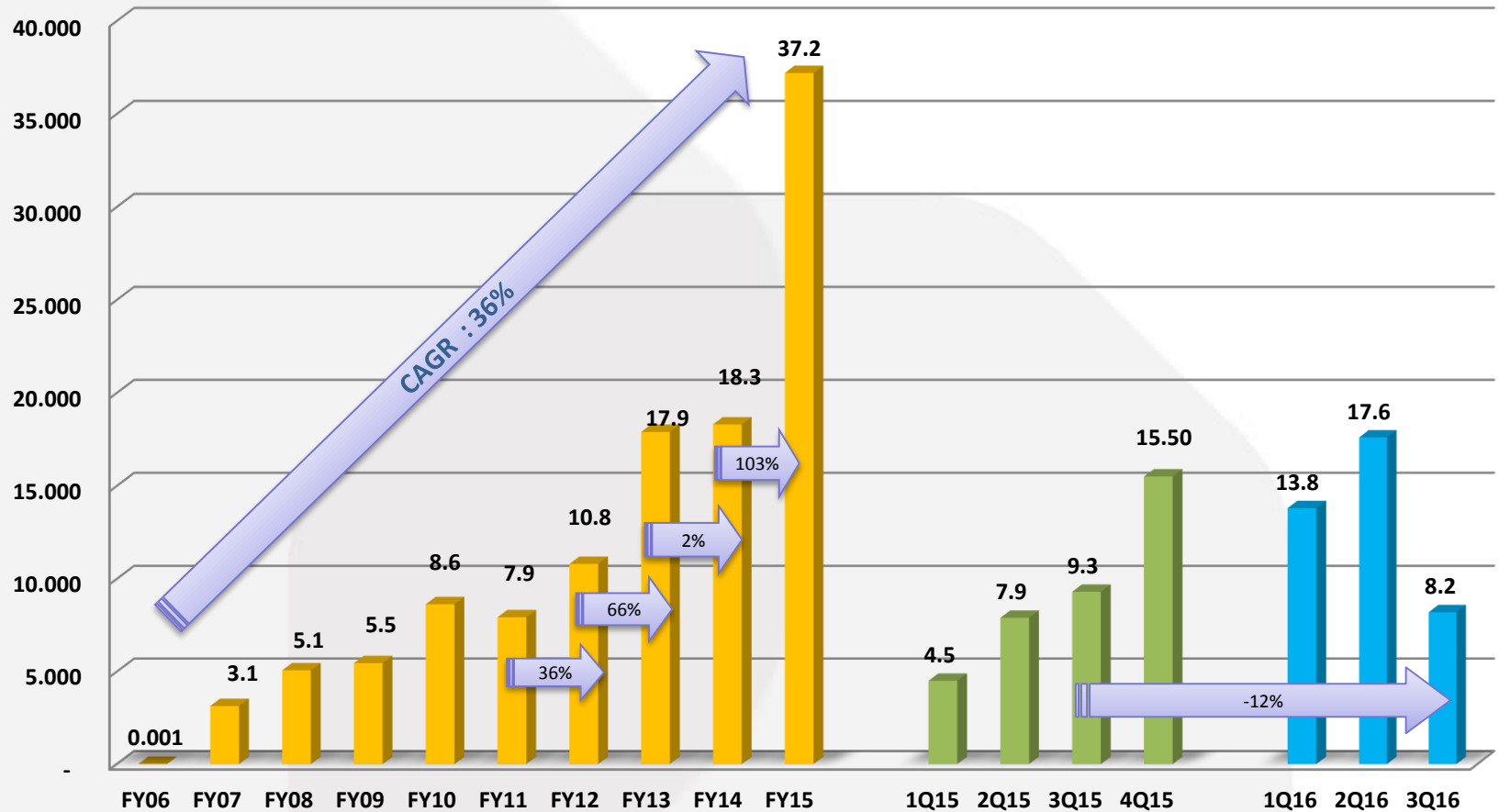
Serial System Revenue (US\$' million)



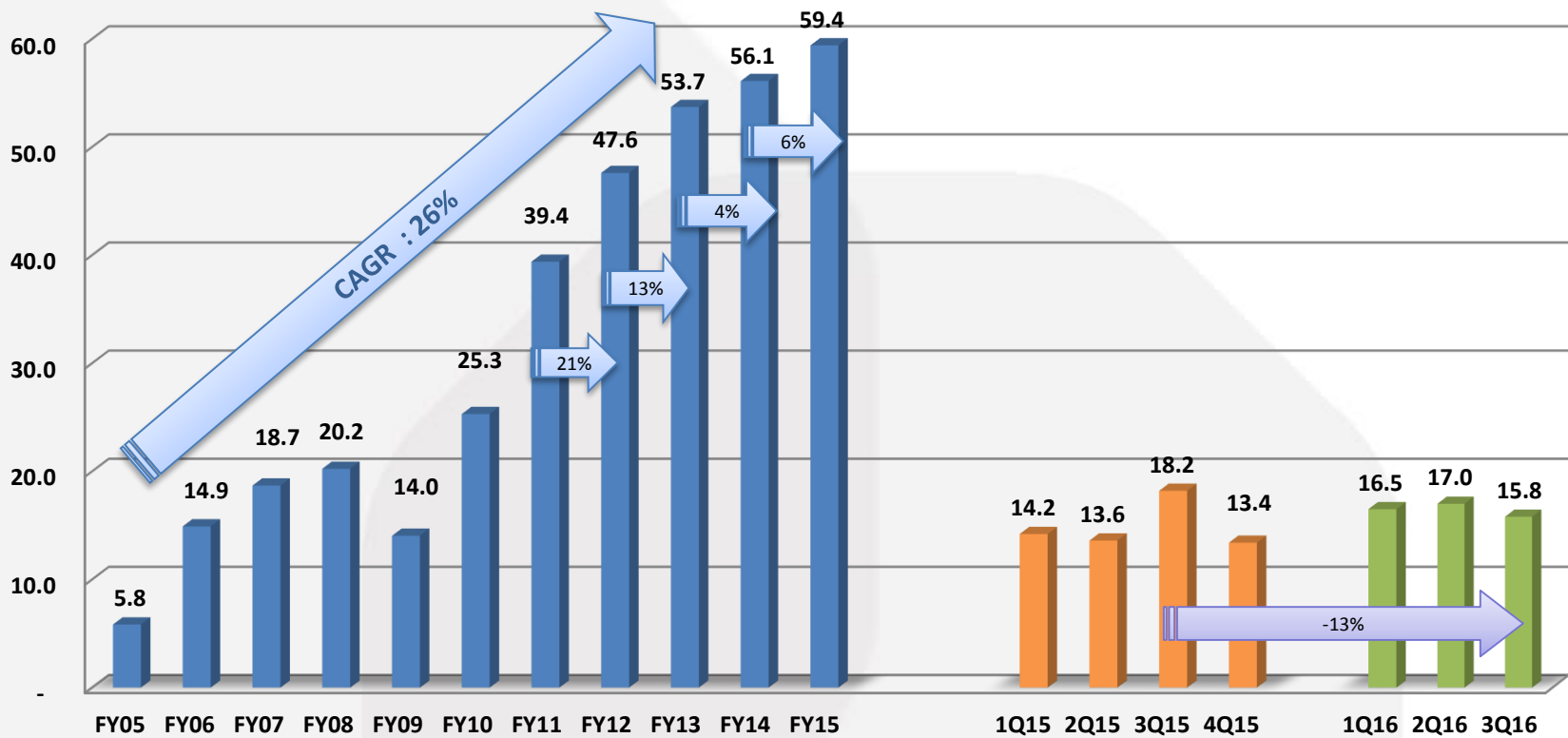
Hong Kong & China Revenue (US\$' million)



India Revenue US\$' million

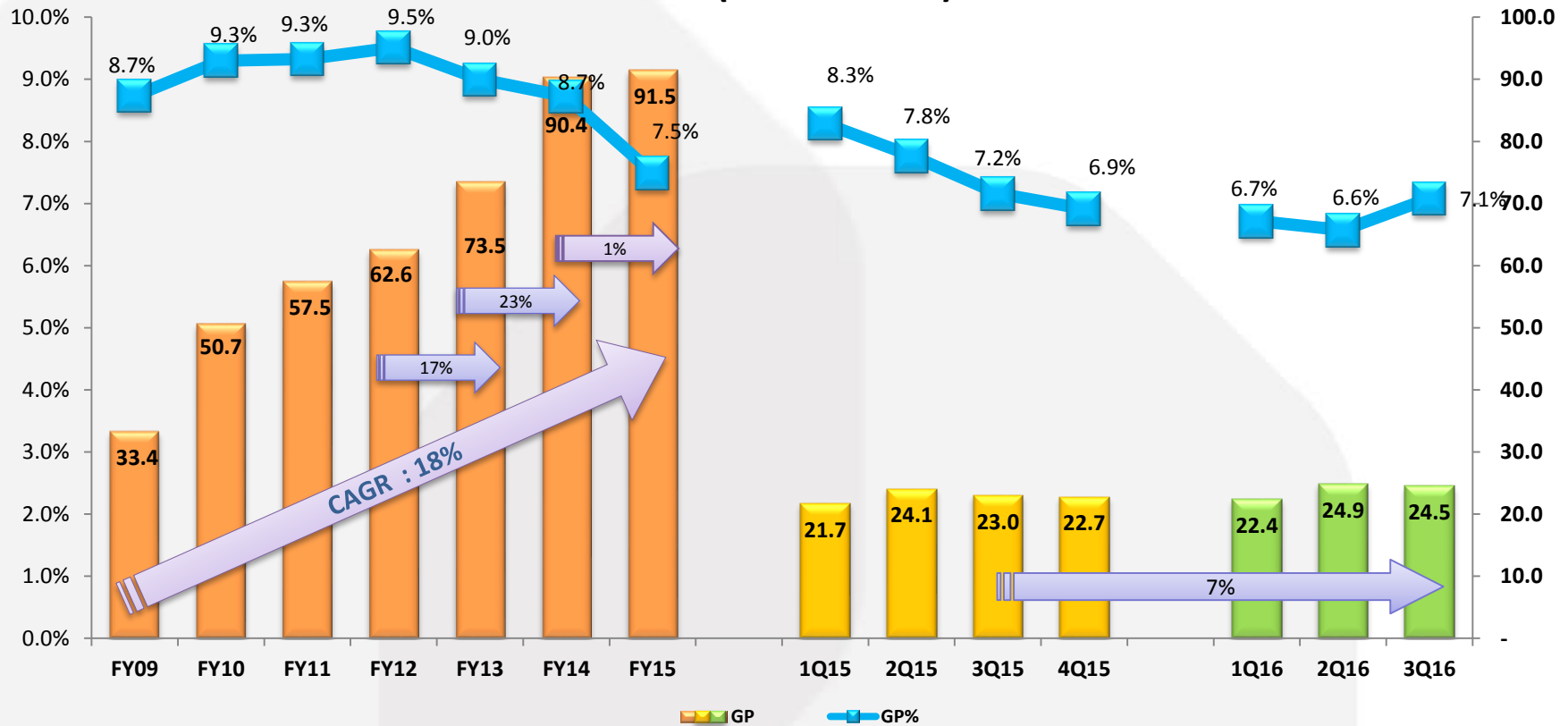


Taiwan Revenue (US\$' million)



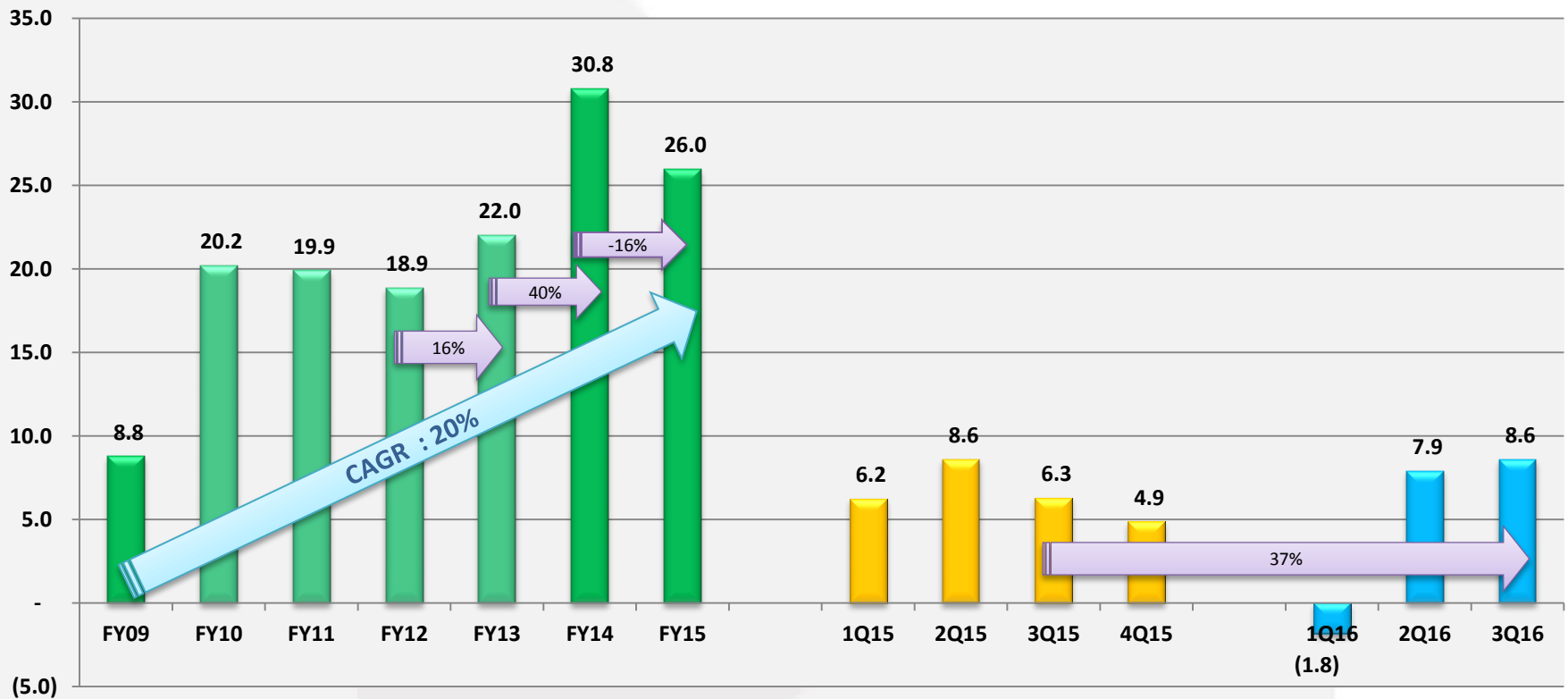
PROFITABILITY

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



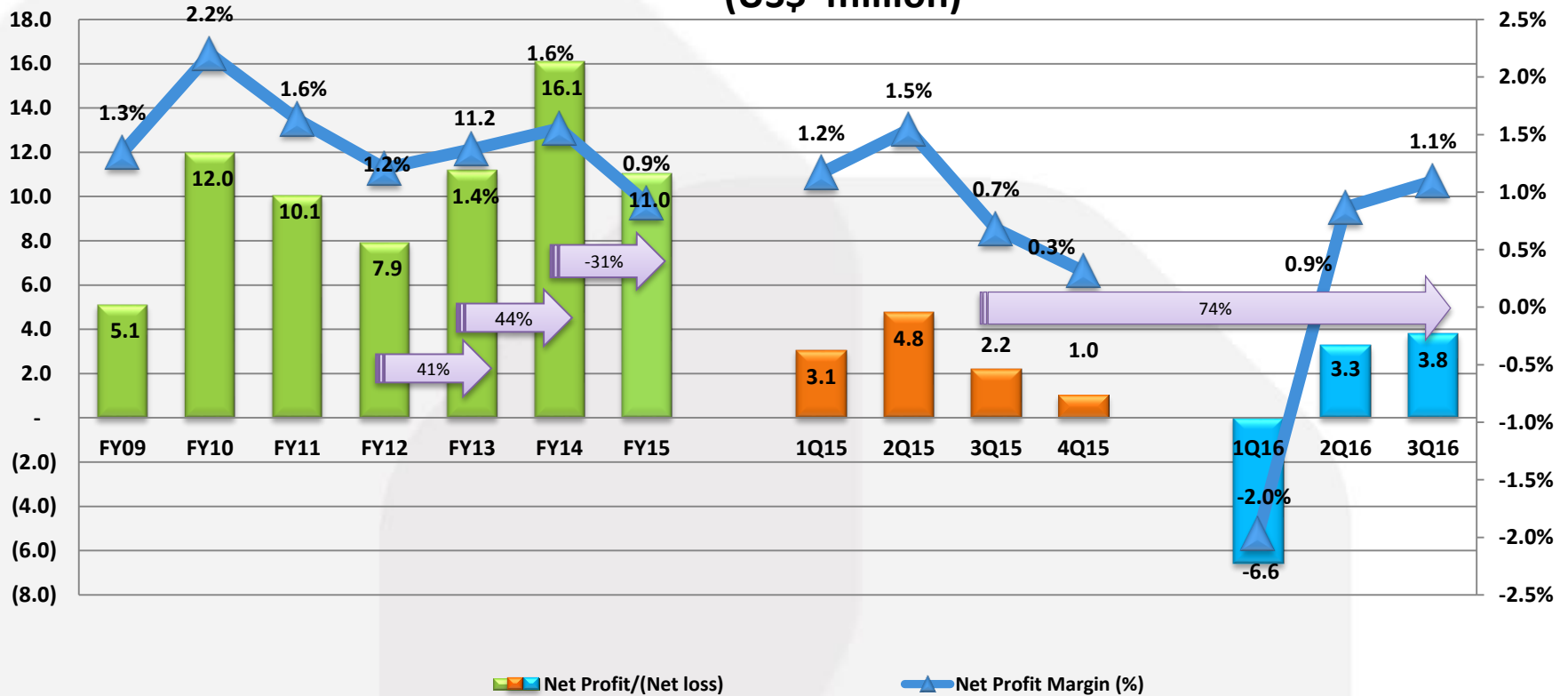
PROFITABILITY

EBITDA (US\$' million)

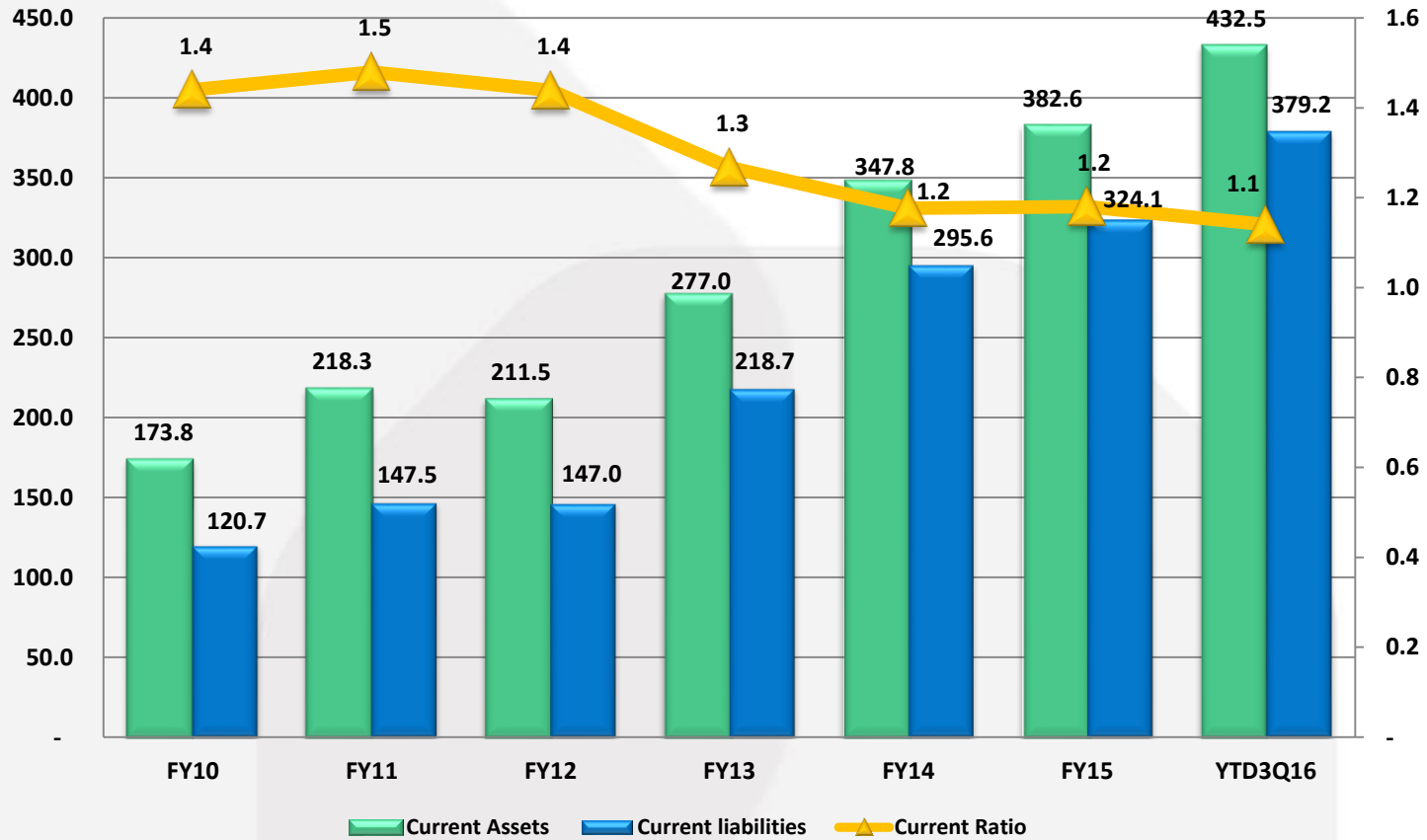


PROFITABILITY

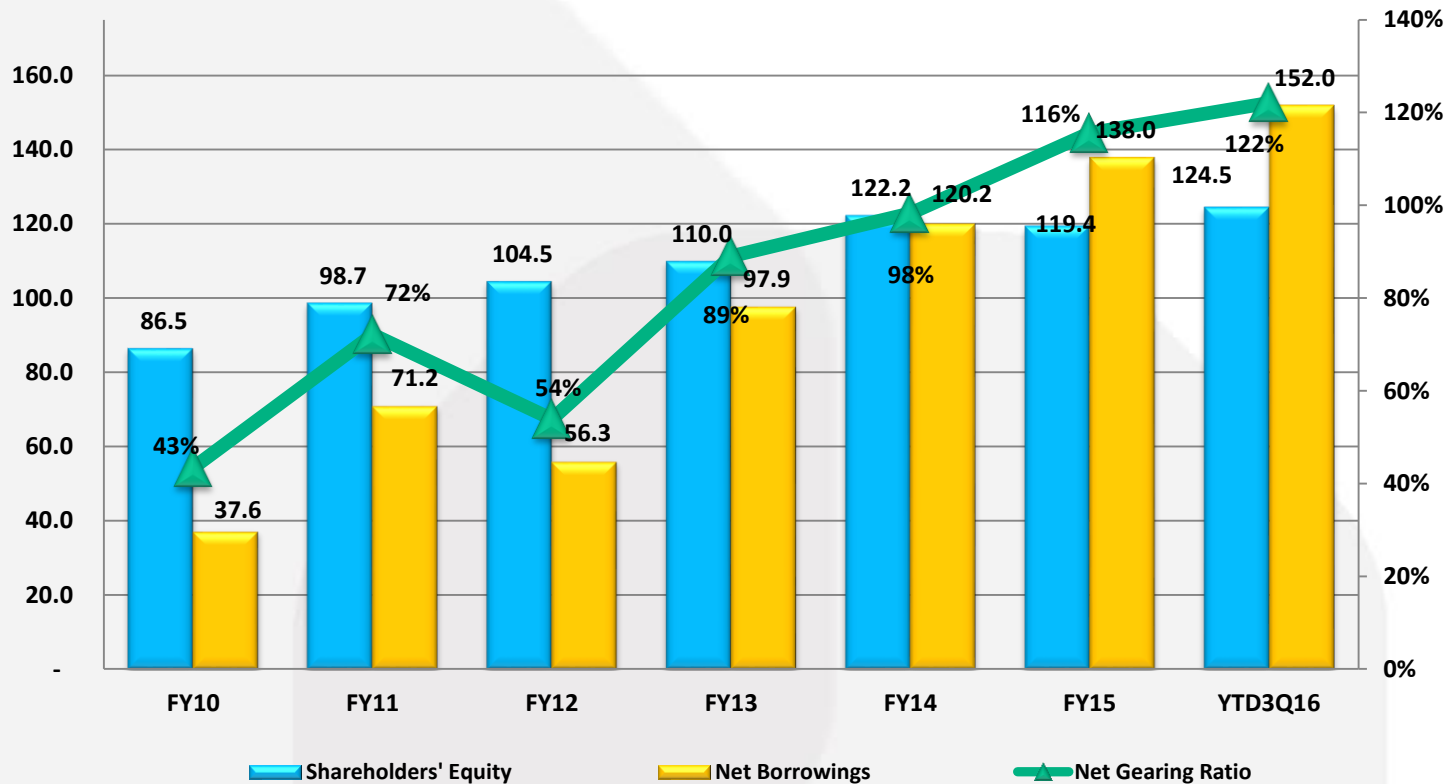
Net Profit & Net Profit Margin (US\$' million)



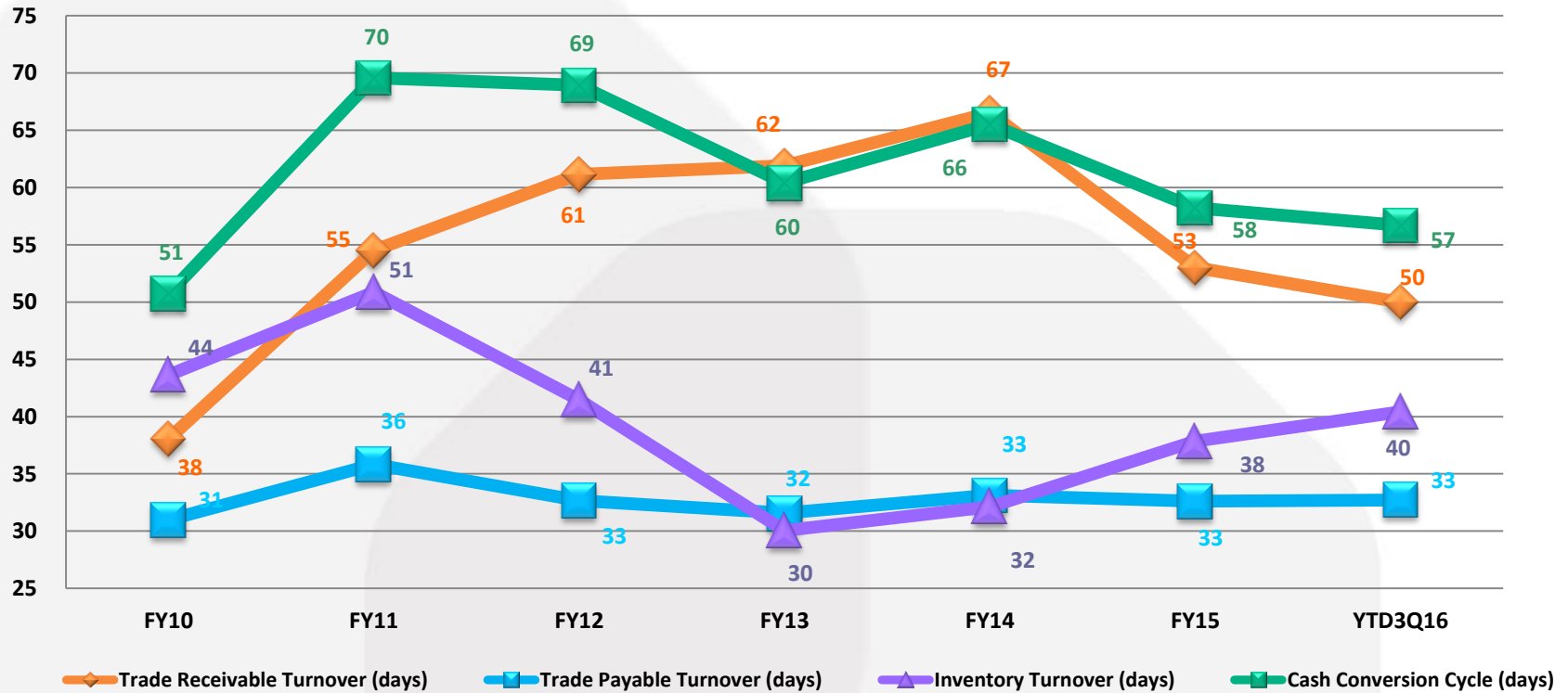
Maintaining Healthy Current Ratio



Net Gearing Ratio

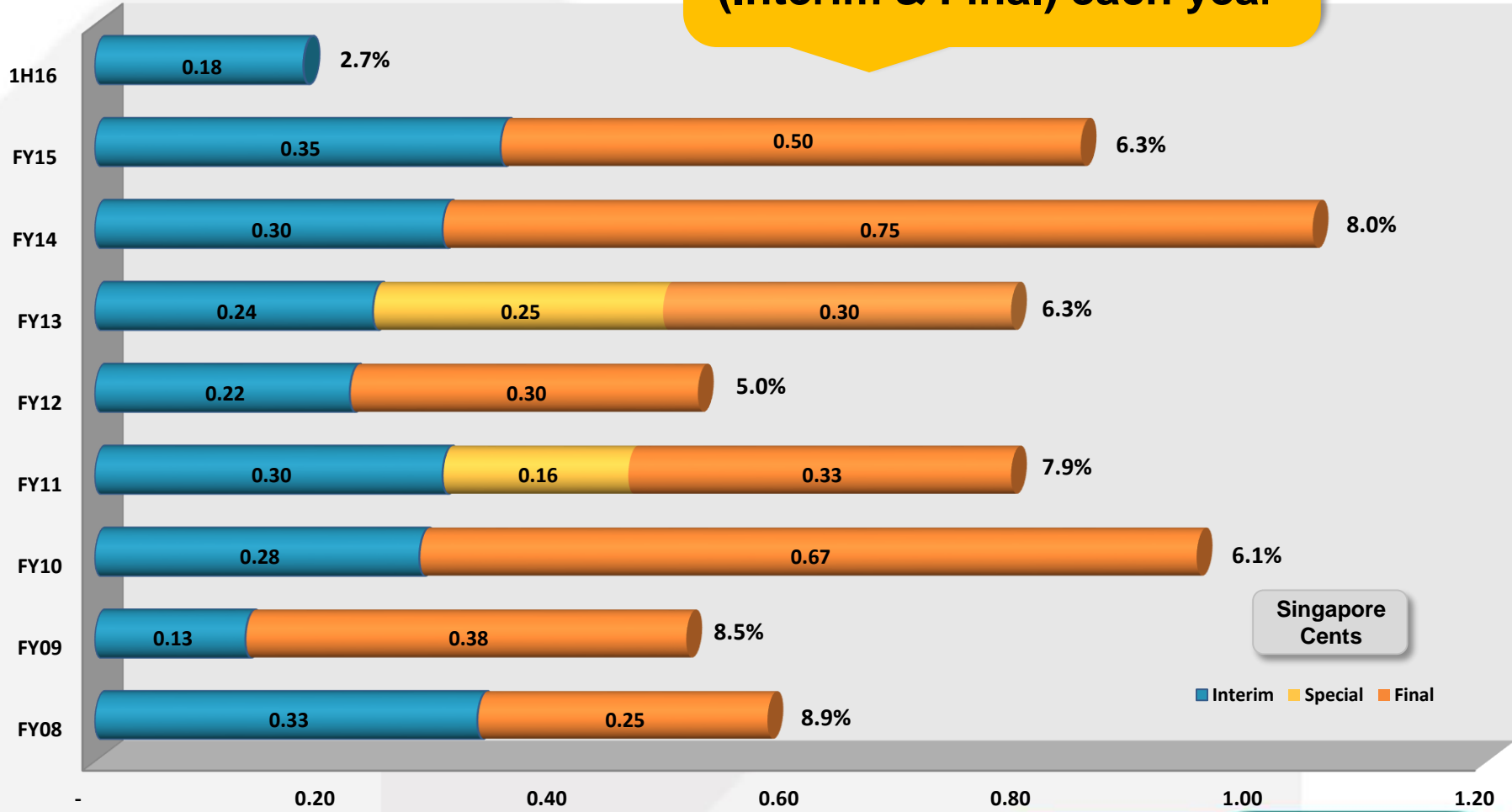


Cash Conversion Cycle (days)



DIVIDEND YIELD

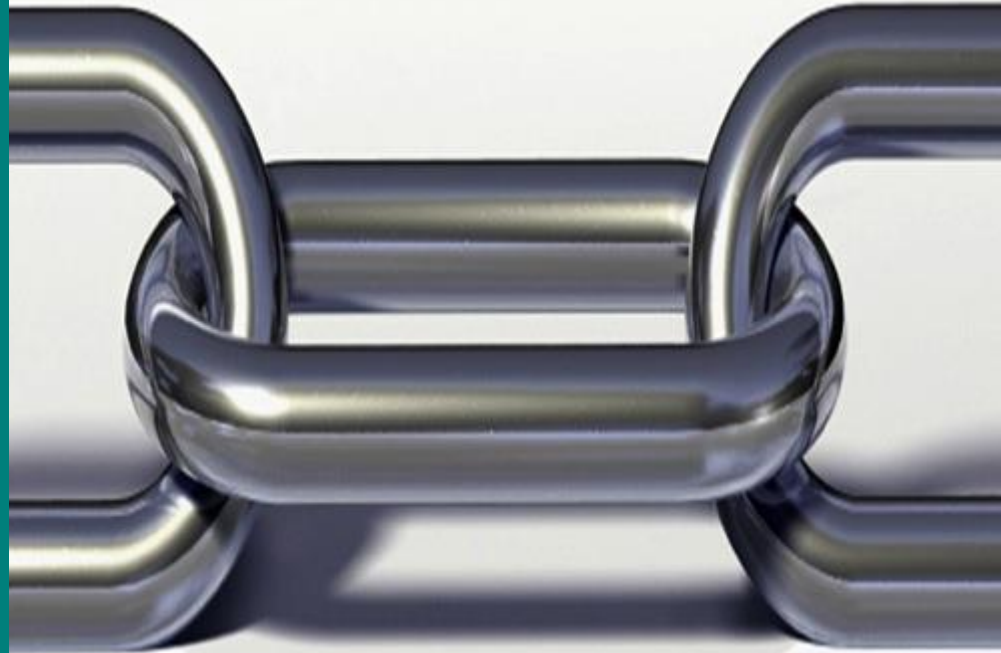
**At least
two dividend payouts
(Interim & Final) each year**



Singapore Cents

■ Interim ■ Special ■ Final

Outlook & Strategies



Industry Outlook



The semiconductor industry is showing signs of a turnaround after months of sluggish sales* – global semiconductor sales up 3.5% to US\$28B in August 2016 vs July 2016, the highest month-on-month growth since May 2013

*Semiconductor Industry Association data, Oct 2016

Group Outlook

- Continue to streamline operations of **consumer products distribution business** to achieve better synergies and unified economies of scale across Group's global distribution network
- Explore organic/inorganic opportunities to expand **electronic components distribution business** through investments in higher-value business segments such as automotives, mobile devices and enterprise cloud solutions
- Expects to fare better in 2H2016 compared to 1H2016.

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Thank You

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