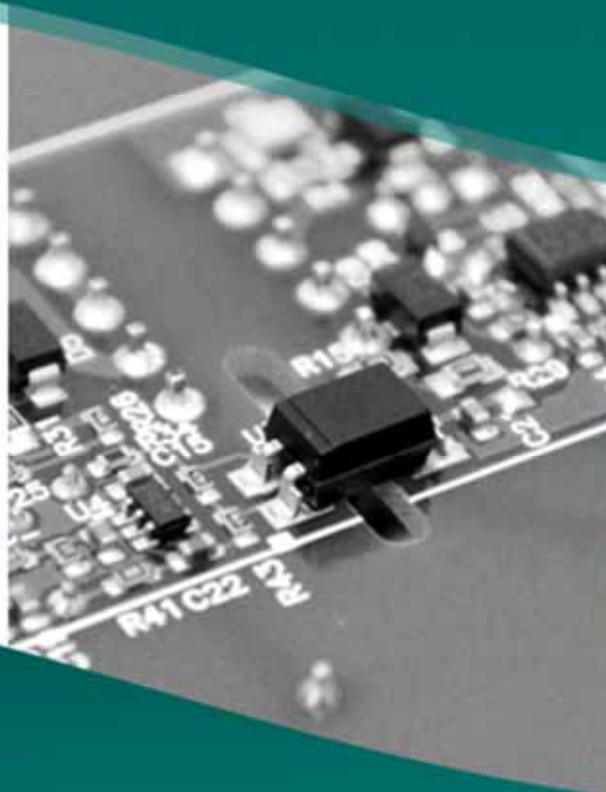


# *Serial System Ltd Analyst Briefing 20 October 2011*



[www.serialsystem.com](http://www.serialsystem.com)

# Outline

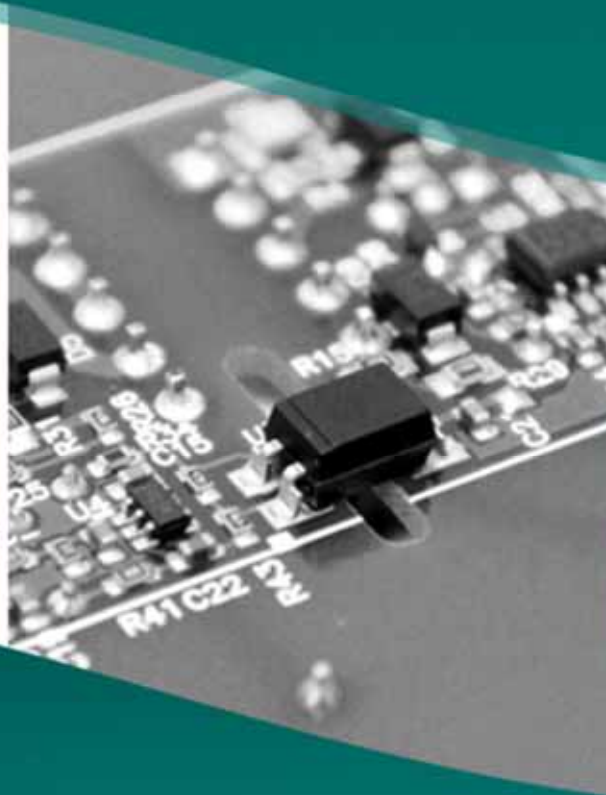
- Corporate Overview
- Financial Highlights
- Business Highlights
  - Our Core Business  
Electronic Components  
Distribution
  - Other Businesses
- Strong Prospects



## Vision

To be the leading electronic component distribution partner, known for our dynamic demand creation activities, vast network and strong local expertise.

# Corporate Overview



[www.serialsystem.com](http://www.serialsystem.com)



## Our Mission

To be a leading value-added total electronics distributor in Asia Pacific who forges strong relationships with our suppliers and customers by ensuring operational and service excellence, superior customer satisfaction, and outstanding financial performance.

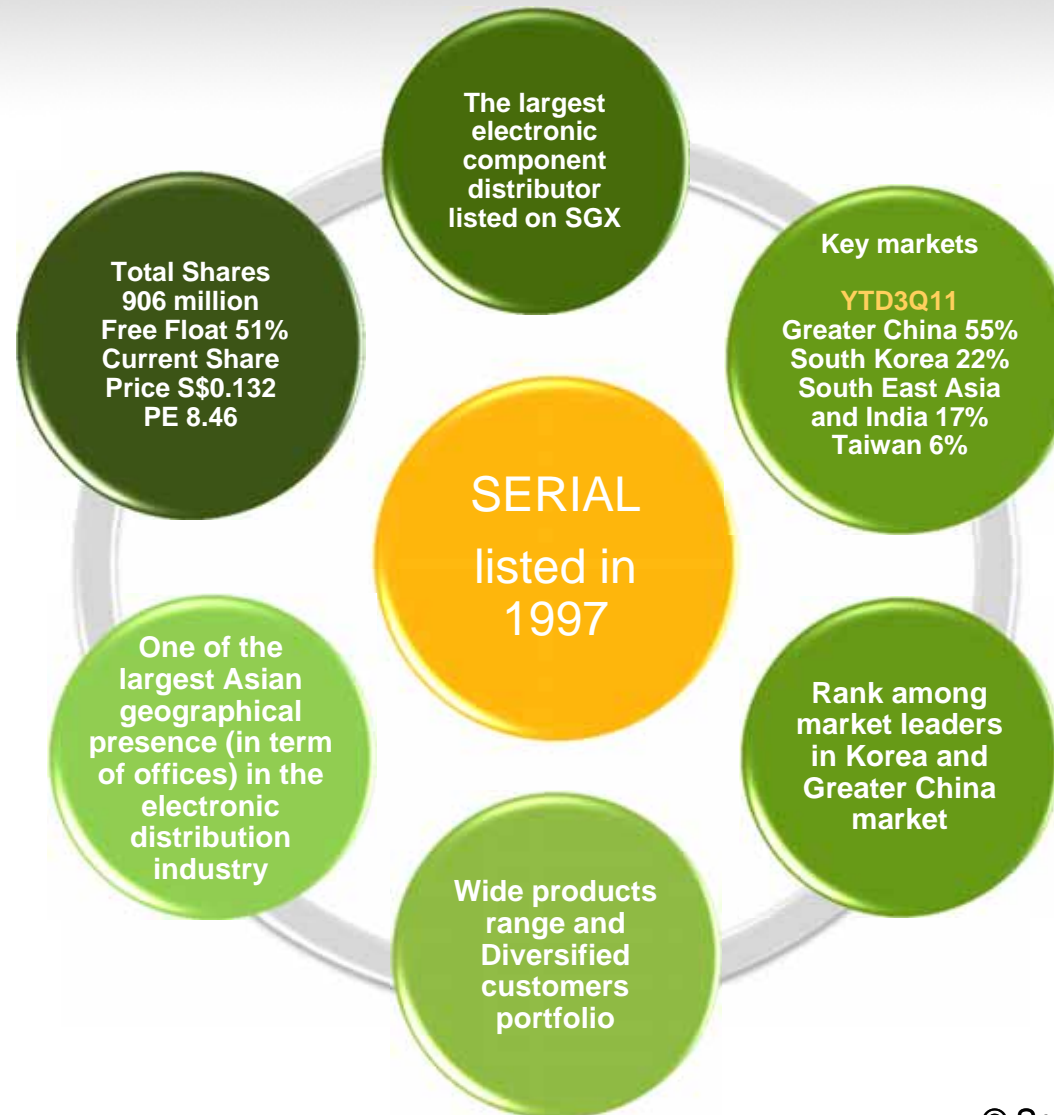


*Mr Derek Goh,  
Founder, Executive Chairman &  
Group CEO*

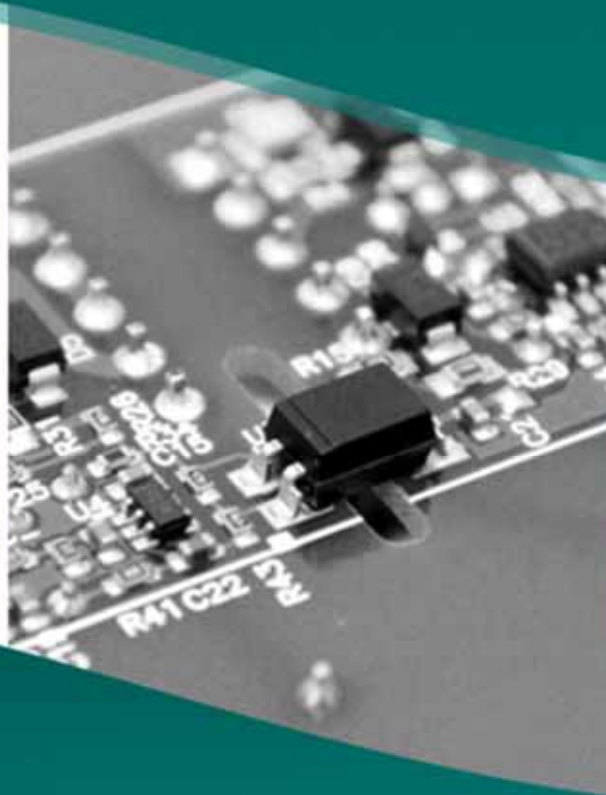
## Our Philosophy

- **Strong team spirit**
- **Equal opportunity, dynamic and challenging work environment**
- **Reliable and sincere service to customers and suppliers**
- **Innovative, creative and productive**
- **Adaptive to a constantly changing environment**
- **Loyalty and integrity**

# Serial At a Glance



# Financial Highlights

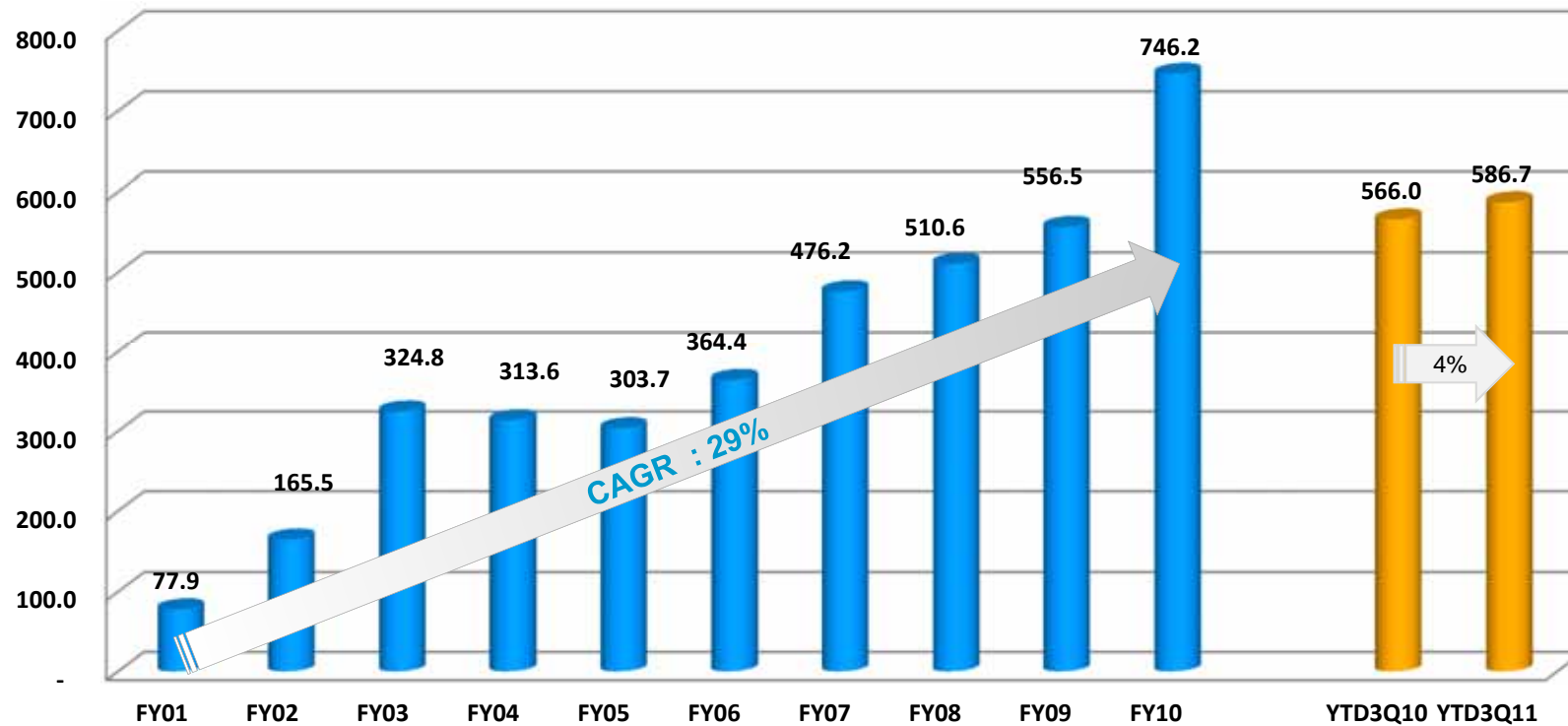


[www.serialsystem.com](http://www.serialsystem.com)

# Robust Revenue Growth



Revenue (S\$' million)

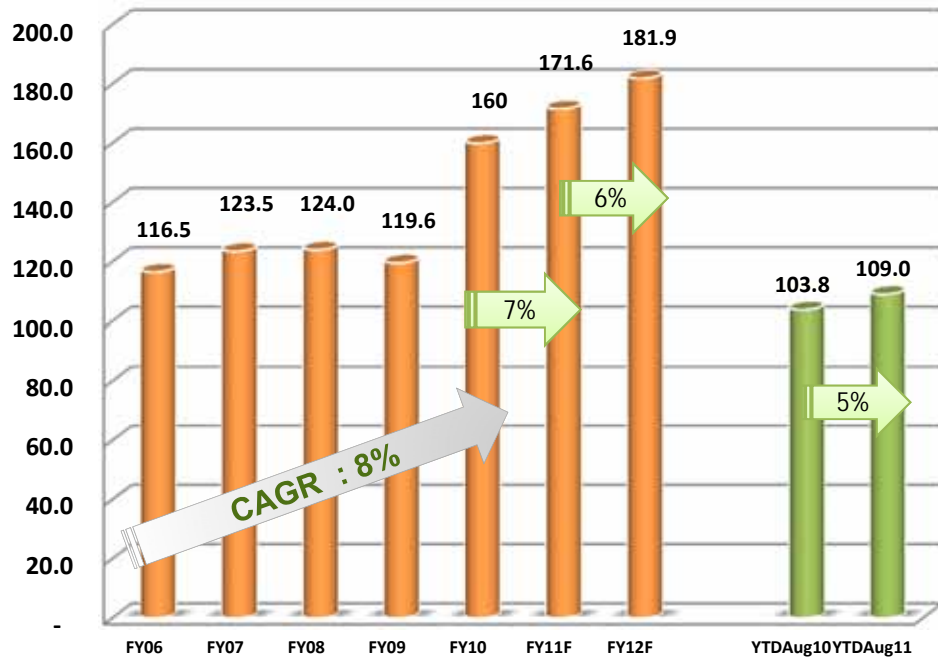


Note: YTD3Q11 results are unaudited

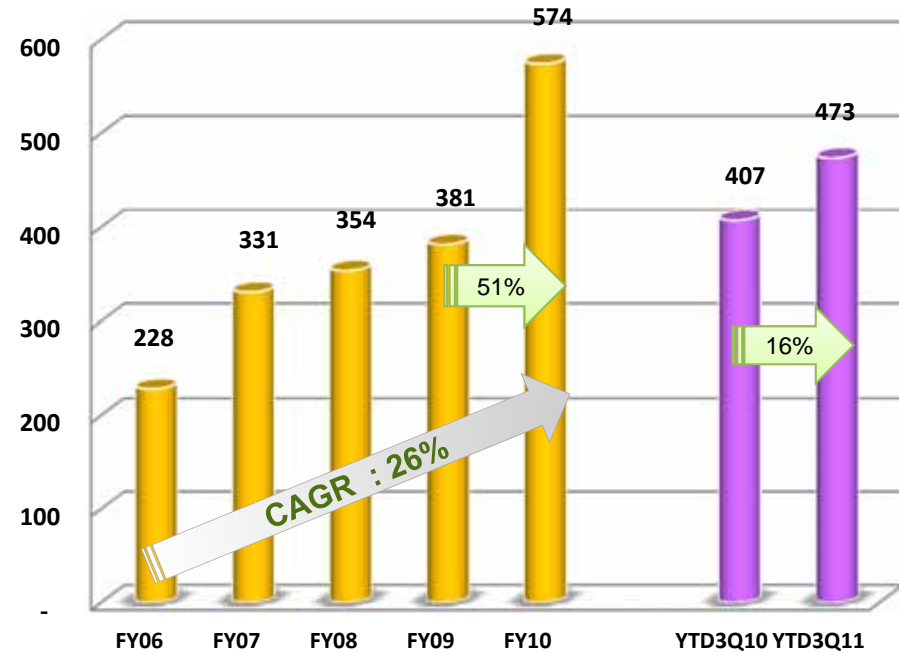
# Our Performance - Asia Pacific Semiconductor Industry



Asia Pacific Semiconductor Revenue (US\$' billion)



Serial System Revenue (US\$' million)



Source : World Semiconductor Trade Statistics/  
Semiconductor Industry Association

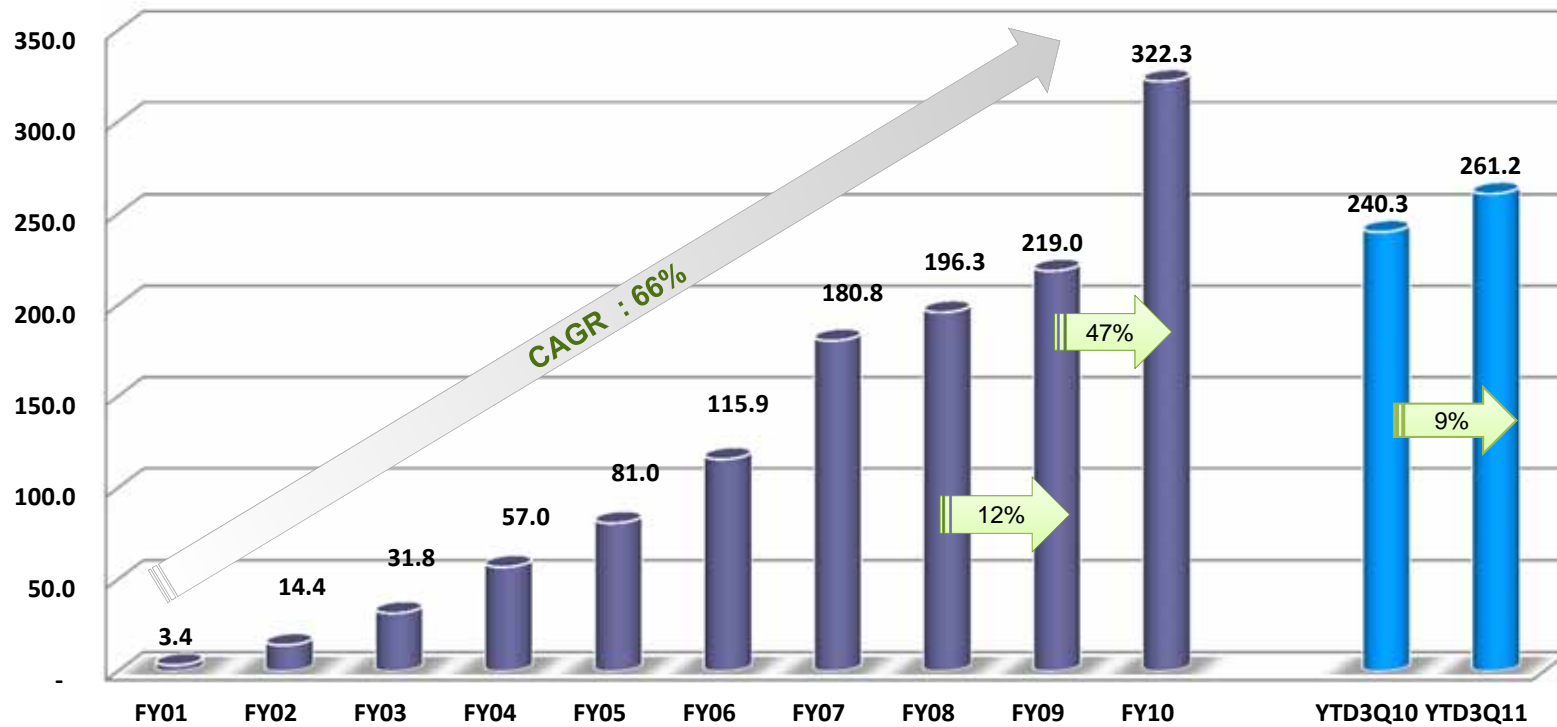
**Serial out-performing the Industry**

Note: YTD3Q11 results are unaudited

# Right Growth Strategies



## Greater China Revenue (US\$' million)

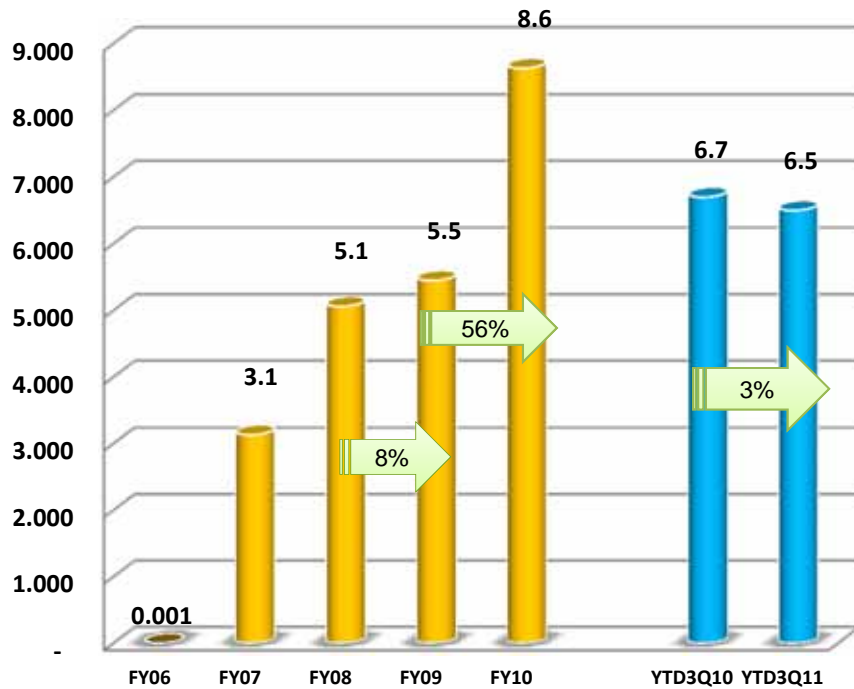


Note: YTD3Q11 results are unaudited

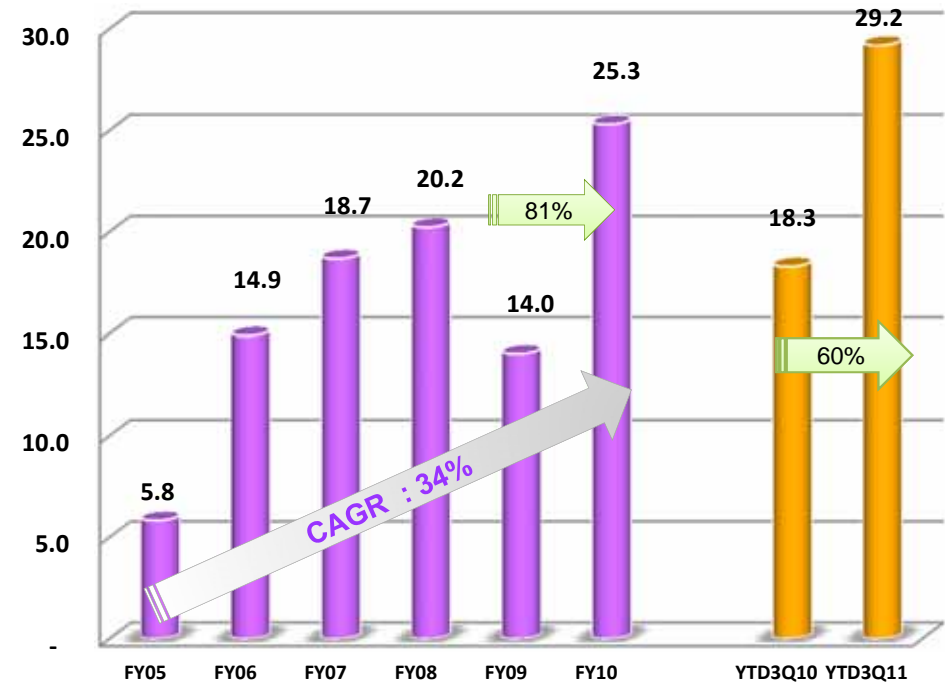
# Right Growth Strategies



India Revenue (US\$' million)



Taiwan Revenue (US\$' million)

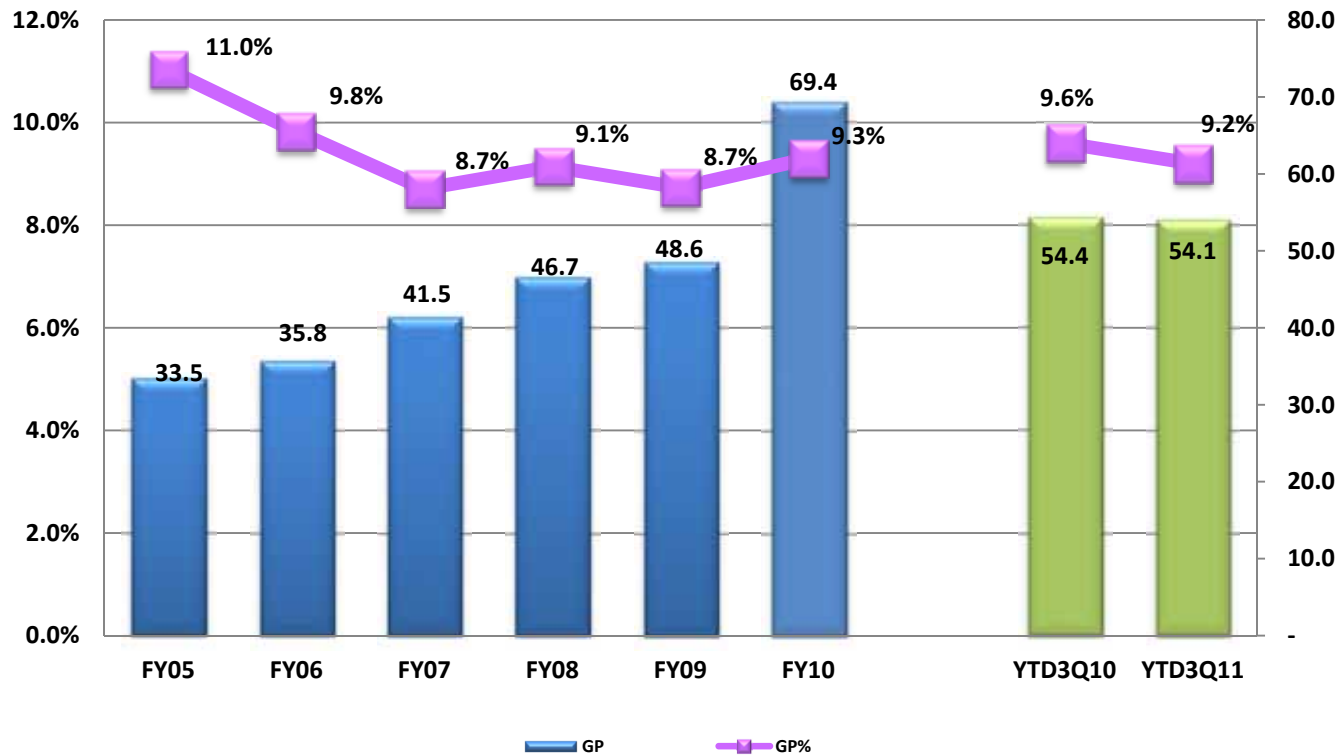


Note: YTD3Q11 results are unaudited

# Profitability Potential



## Gross Profit & Gross Profit Margin (S\$' million)

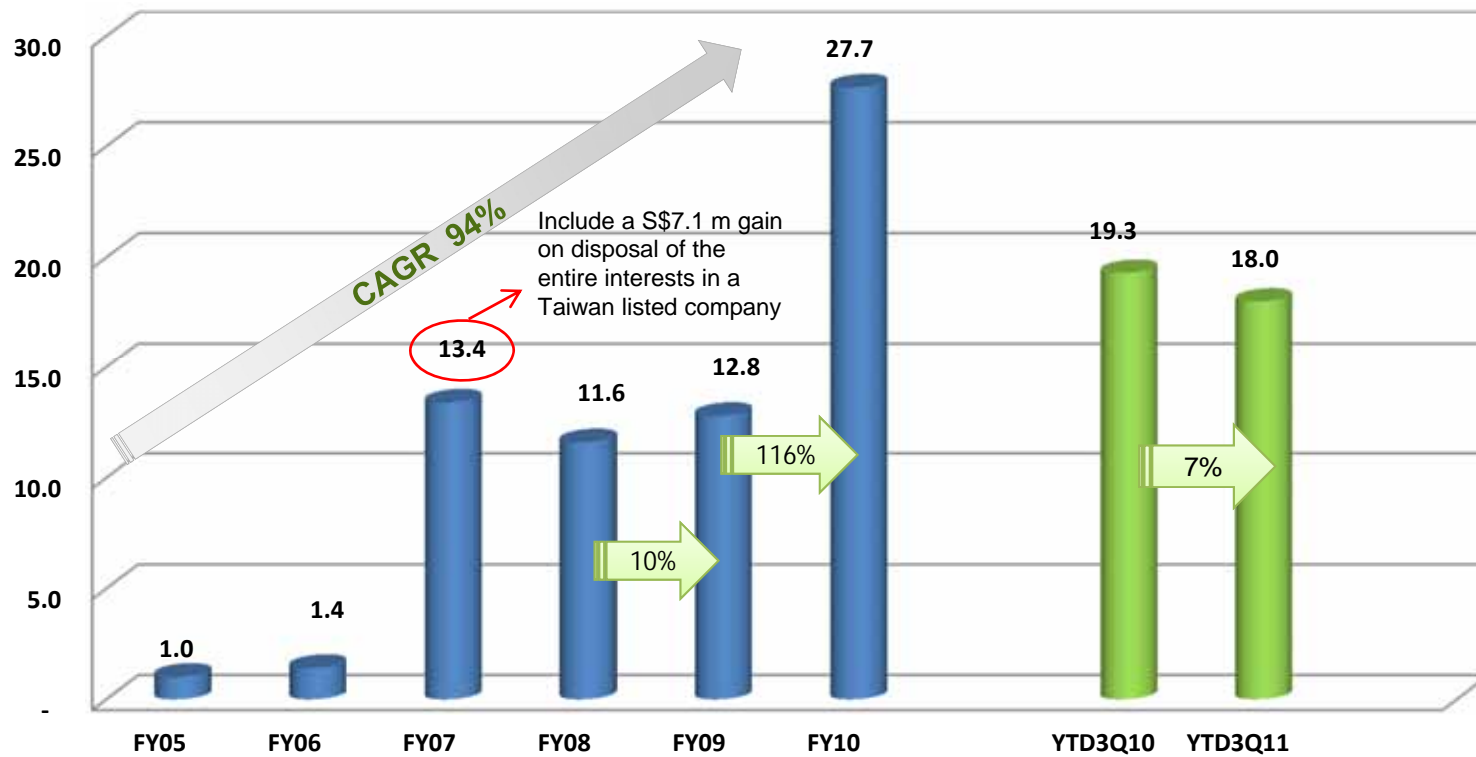


*Note: YTD3Q11 results are unaudited*

# Profitability Potential



EBITDA (S\$' million)

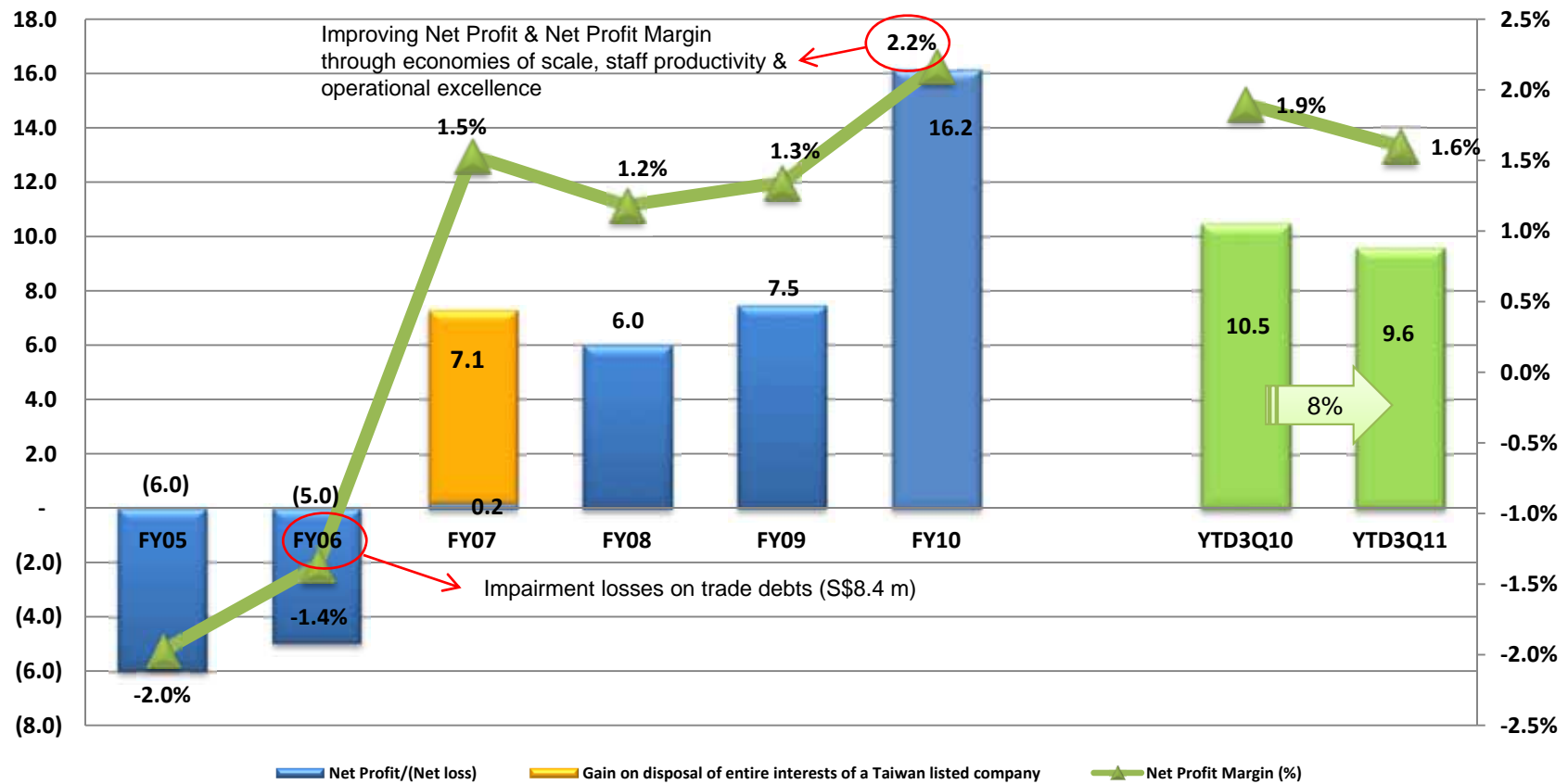


Note: YTD3Q11 results are unaudited

# Profitability Potential



## Net Profit/(loss) & Net Profit/(loss) Margin (S\$' million)

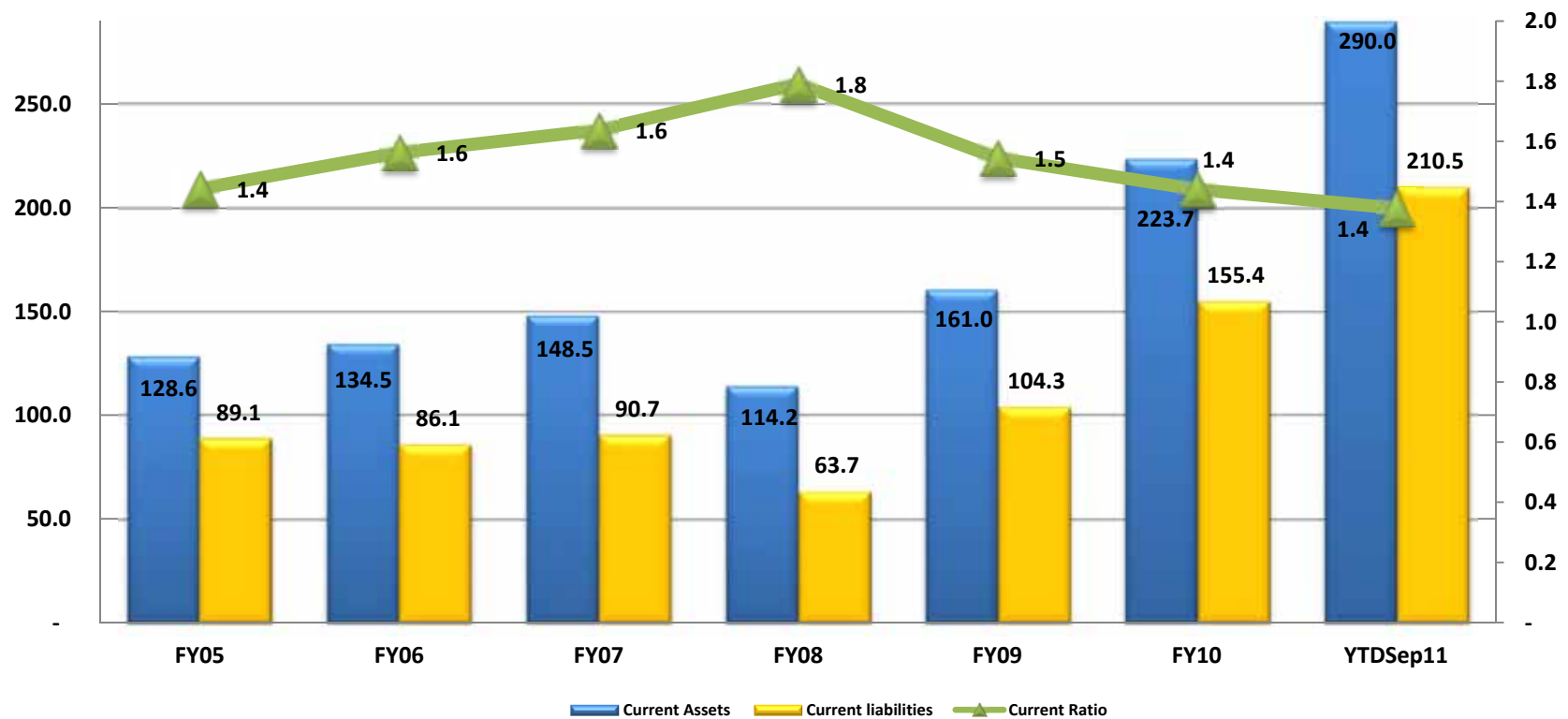


Note: YTD3Q11 results are unaudited

# Healthy Balance Sheet



## Maintaining Healthy Current Ratio

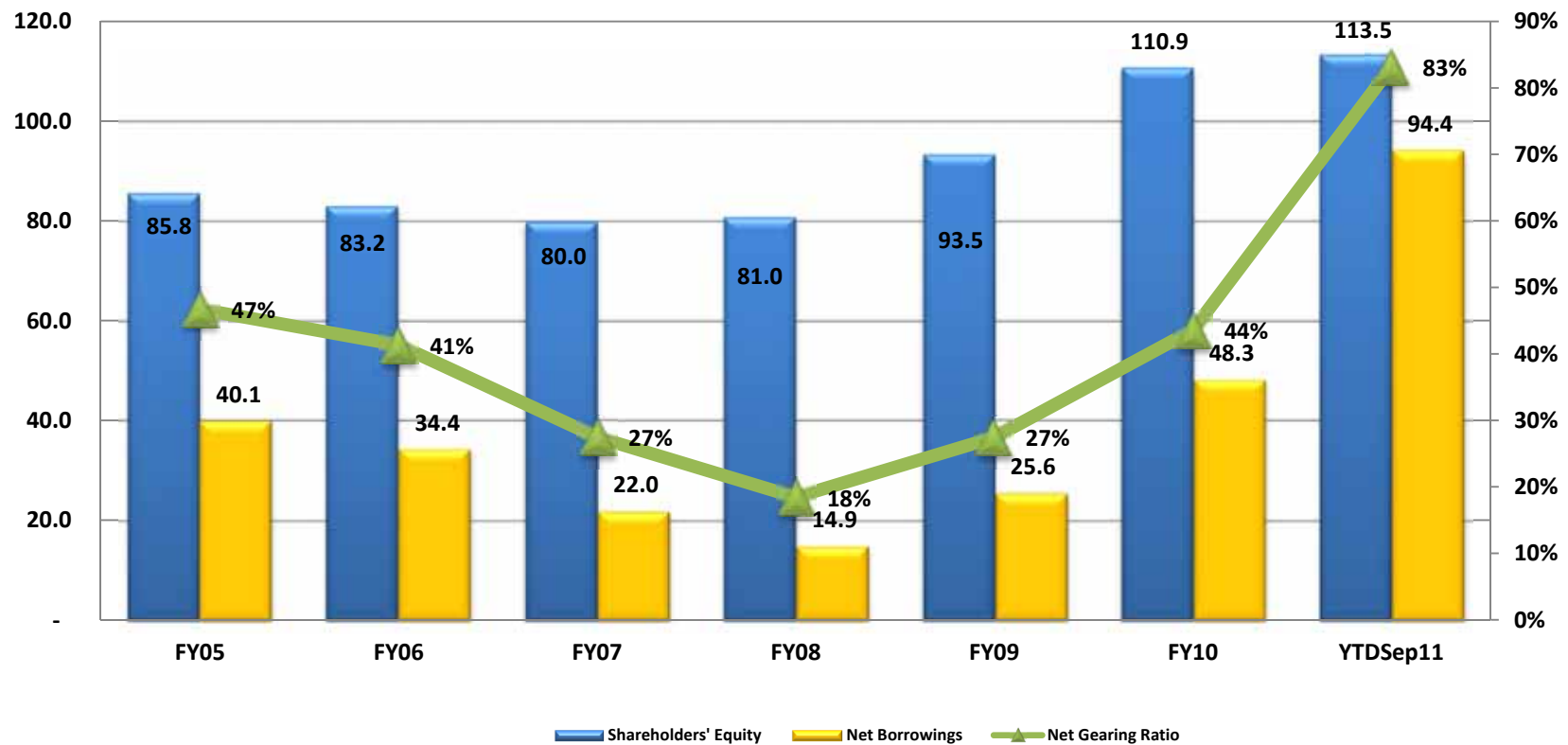


Note: YTD3Q11 results are unaudited

# Healthy Balance Sheet



## Net Gearing Ratio

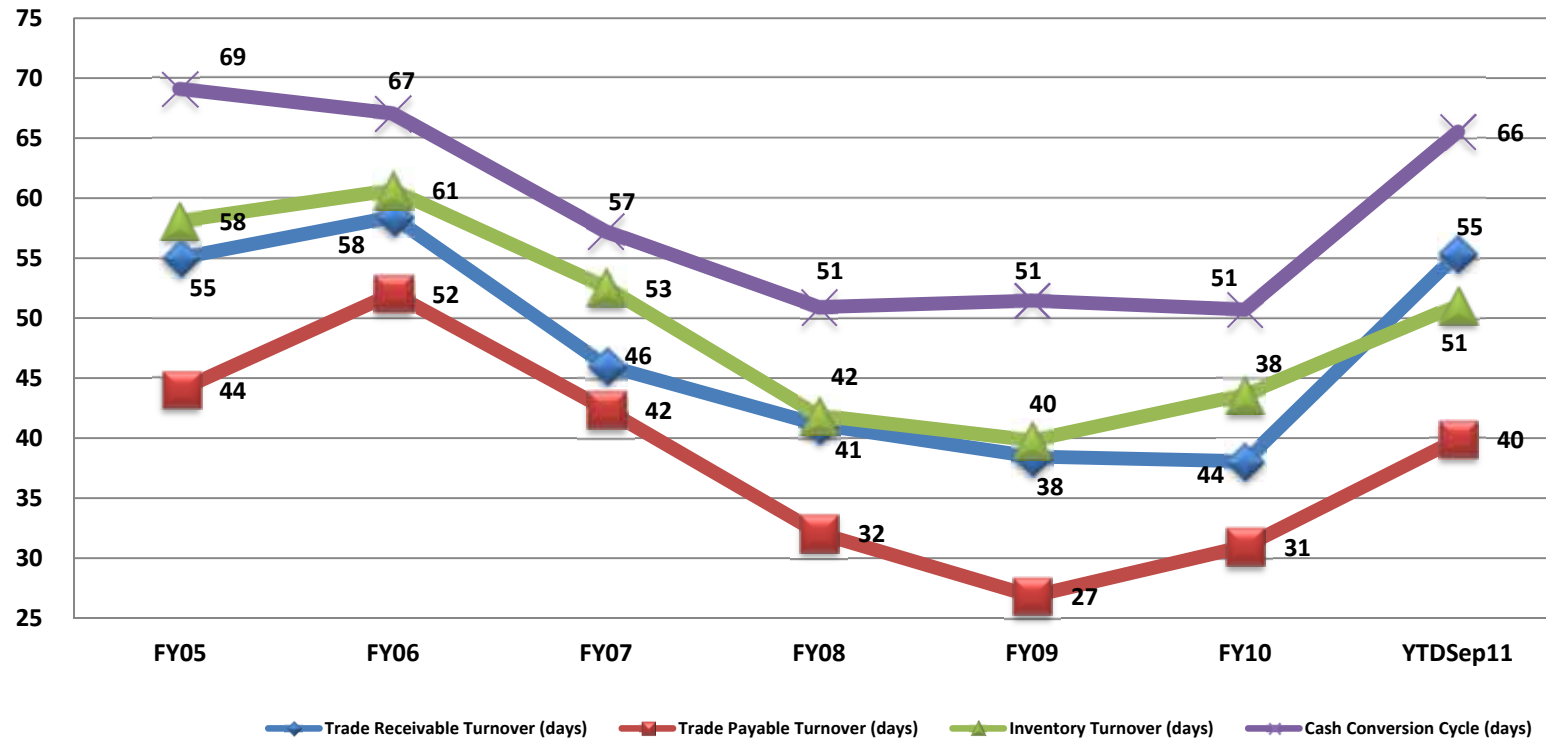


Note: YTD3Q11 results are unaudited

# Healthy Balance Sheet

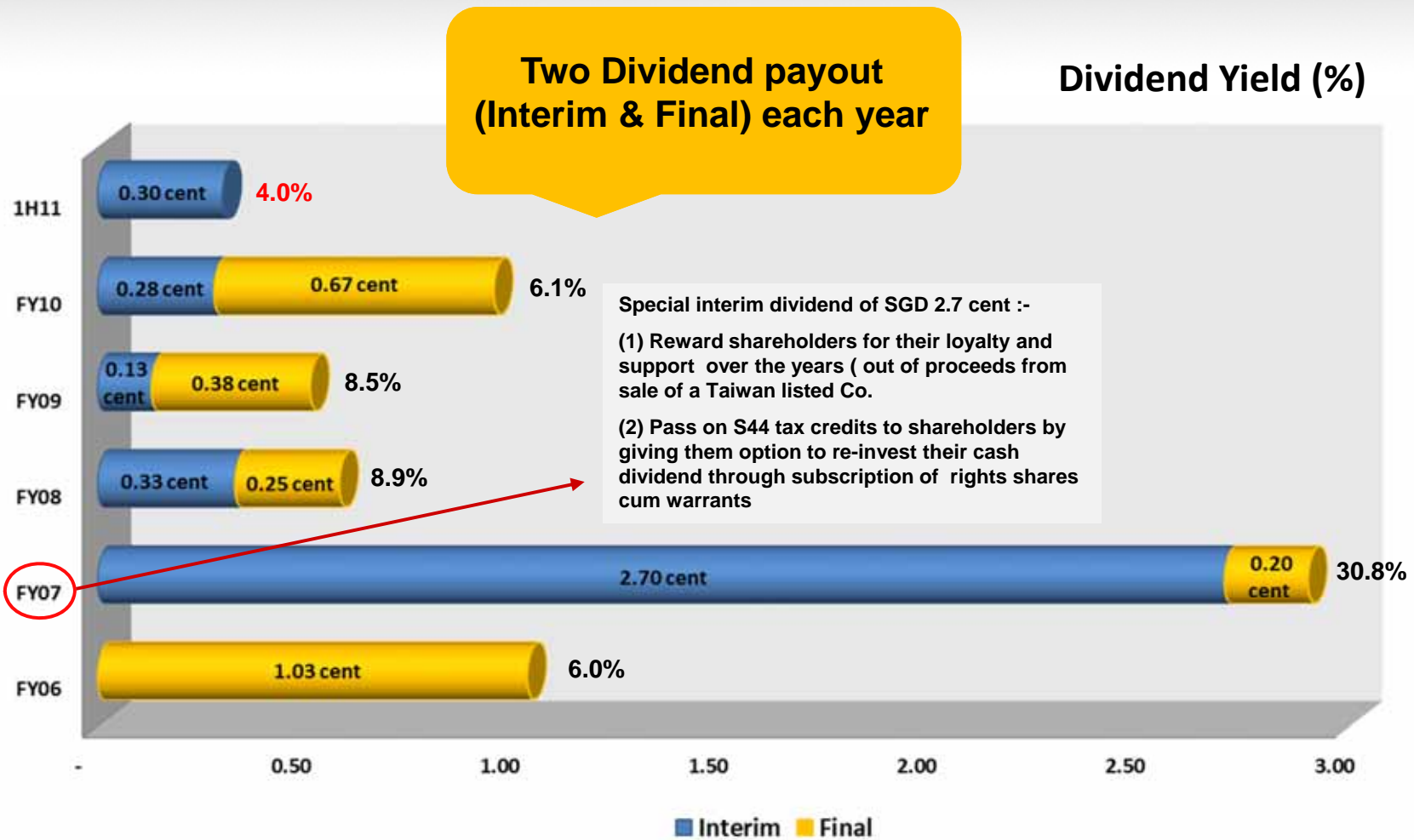


### Cash Conversion Cycle (days)



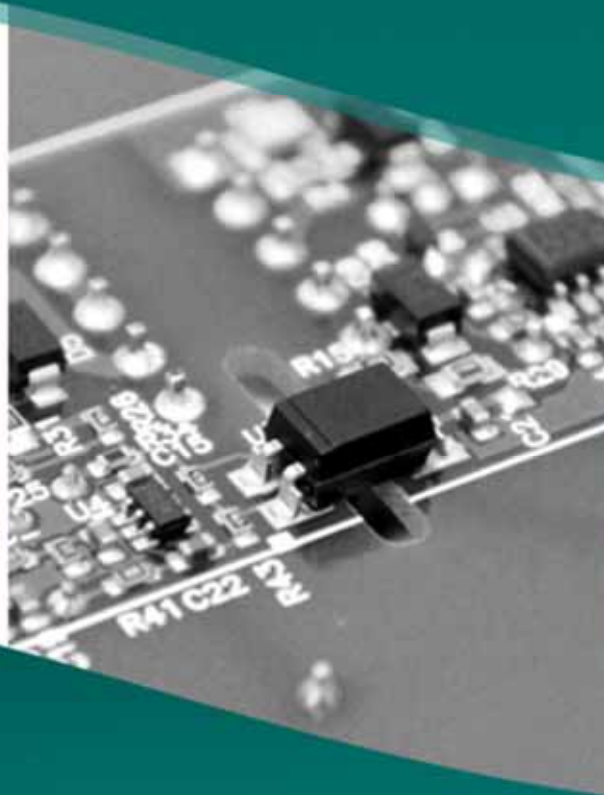
Note: YTD3Q11 results are unaudited

# Attractive Dividend Yield



# Business Highlights

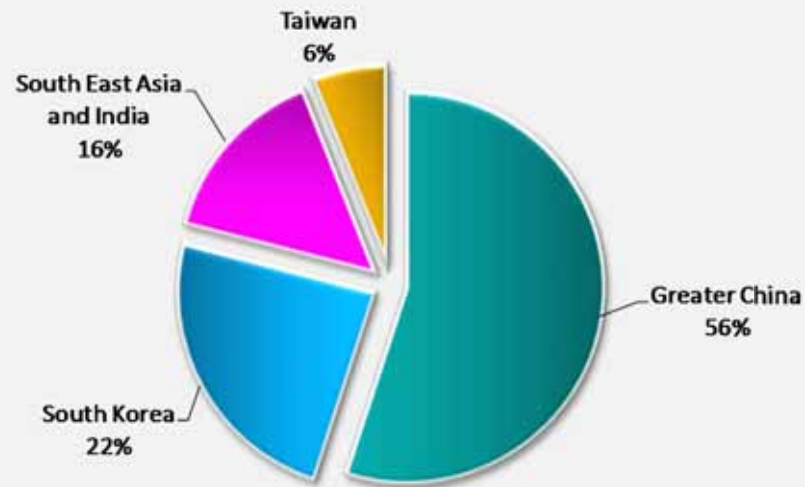
- Our Core Business  
Electronic Components Distribution
- Other Businesses



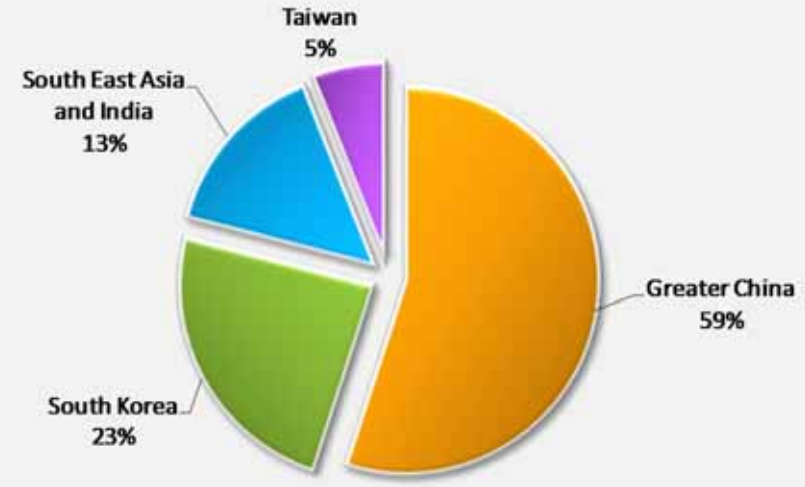
# Our Growth Drivers

## Electronic Components Distribution

### Asian Market Focus



**YTD3Q11 Total Revenue**  
**S\$582.9 million**



**FY2010 Total Revenue**  
**S\$746.2 million**

- ❖ Maintain market leader position in South Korea and Greater China
- ❖ Focus on Growing Low Base Businesses in Taiwan and India market
- ❖ Maintain Healthy Growth in South East Asia
- ❖ Consider adding Japan to the Asian equation

# Our Growth Drivers

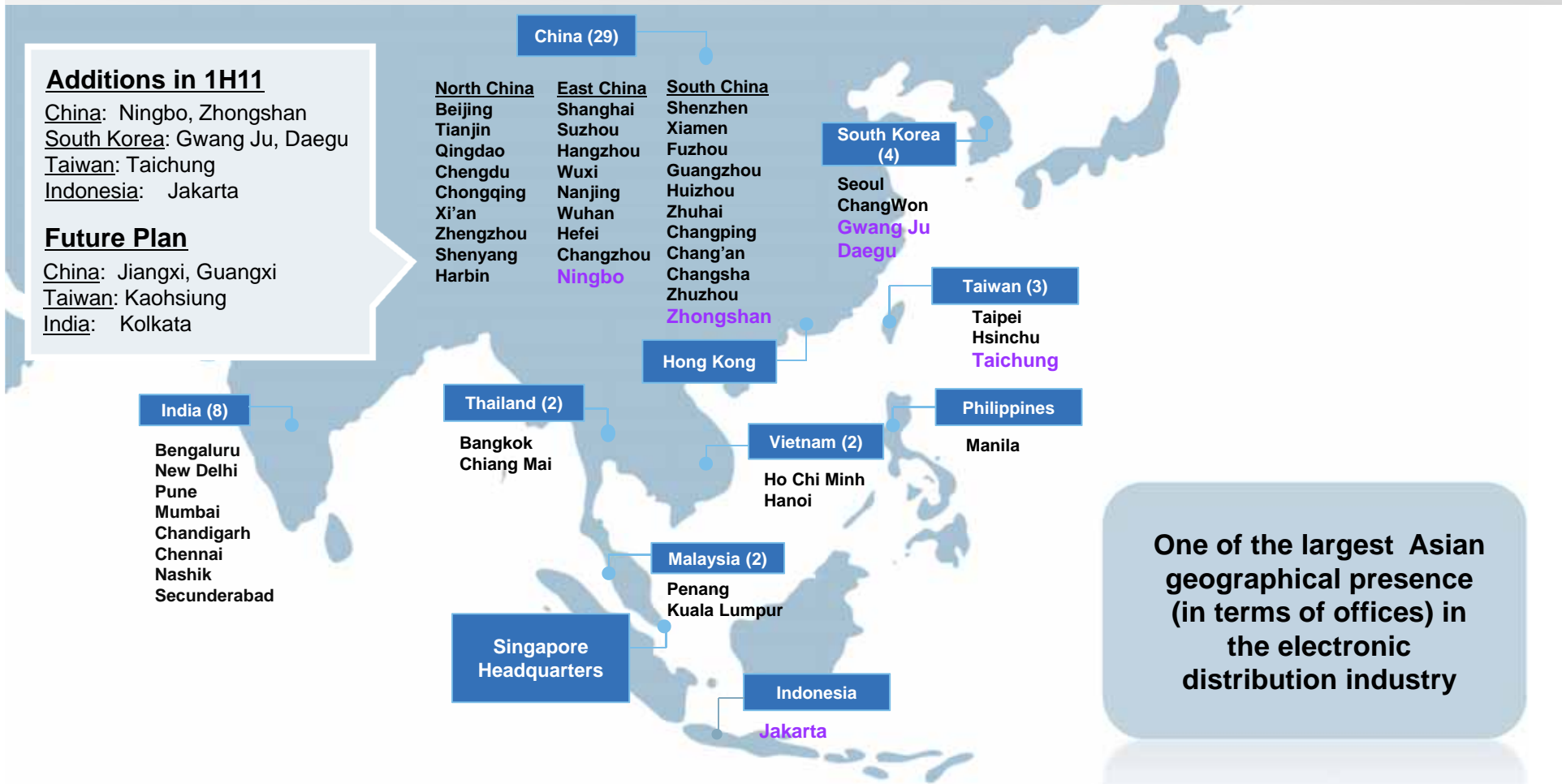
## Electronic Components Distribution

### Strong Asian Presence



## Extensive Distribution Network

### Total 54 Sales Offices & > 680 employees in Asia Pacific



One of the largest Asian geographical presence (in terms of offices) in the electronic distribution industry

# Our Growth Drivers

## Electronic Components Distribution

### Product Line Expansion



#### New Product Lines



##### 2010

- ❖ AMS Franchise (South Korea)
- ❖ Giga Device (China)
- ❖ OSRAM (SAP, China and South Korea)
- ❖ Walsin Franchise (SAP, China and South Korea)
- ❖ Telechips (South Korea)
- ❖ Invensense (South Korea)
- ❖ RF Axis Franchise (China and South Korea)
- ❖ Hisilicon (Taiwan)

#### Product Line Extension



##### 2010

- ❖ TI Franchise Everywhere (India and Taiwan)
- ❖ On Semiconductors Franchise Everywhere (Taiwan and South Korea)
- ❖ TE Connectivity Franchise Everywhere (China, South Korea and Taiwan)
- ❖ TT Electronics Franchise Everywhere (China)
- ❖ Avago Franchise China/SAP (China)
- ❖ Ramtron Franchise China/SAP (China)

Revenue and Earnings Accretive



##### 2011

- ❖ AMD Franchise\* (Asean)
- ❖ Fingerprint (Asia Pacific)
- ❖ Sharp Franchise\* (SAP)
- ❖ Toshiba Electronics Asia (SAP)
- ❖ International Rectifier Franchise\* (India)
- ❖ TDK (SAP)
- ❖ National Semiconductor\*\* (Greater China, Asia Pacific)
- ❖ Realtek (Taiwan)
- ❖ Universal Scientific Industrial Co., Ltd (Taiwan)
- ❖ VIA Technologies (Taiwan)

\*Additions through acquisition of Intraco Technology Pte Ltd in April 2011.

\*\*Additions through acquisition of RSL Microelectronics Co., Ltd's National Semiconductor business in August 2011.

# Our Growth Drivers

## Electronic Components Distribution

### Growth Focus



#### Greater China

- ❖ **National Semiconductor**
  - Industrial
  - Automotive
- ❖ **OSRAM**
  - Industrial
  - Automotive
- ❖ **Fingerprint**
  - Banking system

#### Korea

- ❖ **National Semiconductor**
  - Wireless Charger
- ❖ **Invensense**
  - Robot Vacuum Cleaner
- ❖ **AMS**
  - RFID
  - Medical
- ❖ **Amalfi**
  - Power Amplifier for 2G Samsung mobile

#### South-East Asia & India

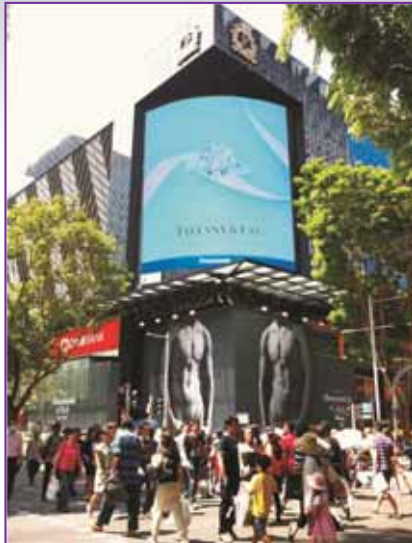
- ❖ **National Semiconductor**
  - Security
  - Energy & Lighting
  - Industrial
  - Consumer Electronics
  - Communication
- ❖ **Toshiba**
  - Discrete
  - Memory
  - MOS-FET
- ❖ **Sharp**
  - LED
  - LCD Display
  - LNB (Satellite Broadcast)
- ❖ **Fingerprint**
  - Module for security control & mobile

#### Taiwan

- ❖ **Texas Instruments**
  - Power Saving Control
  - Wireless Audio
  - Electrical Label
- ❖ **Realtek**
  - Card Reader
  - Memory Card Controller
- ❖ **TE Connectivity**
  - Relay
  - Connector for Lighting and other Industrial Application
- ❖ **TT Electronics**
  - Server Power

# Other Businesses

## Serial MultiVision Pte Ltd (SMV)



Grand Park Orchard @  
Knightsbridge LED



Northpoint LED & Billboard



The Verge LED



Completed High-Speed  
Internet Access for Swissotel at  
Stamford and Fairmont Hotel



Completed Dream Ward and  
bid for Electronic Mail Ordering  
System

### Media / Hospitality Solutions Distribution

Serial Multivision Pte Ltd's (SMV) core businesses are in Digital Out-of-Home (DOOH) Advertising, Multimedia Solutions and Venue Management Services (VMS)

- Grand Park Orchard@Knightsbridge LED has recently secured several new high end brand advertisements such as Gucci, Hugo Boss, Cartier, Vertu, D&G, Fedex, Nikon etc.
- The Verge LED at little India will be launching on 1 Nov 2011 and we will be looking at several new advertisers that will contribute to the OOH revenue.
- Northpoint billboard has been booked till Dec 2011 and UOB bank has come on board to the Northpoint LED.

### Completed and New Businesses for Hospitality Solutions

#### Digital Components & Hospitality Solutions > **i-connect®** > **IRIS**

- SMV has completed the High-Speed Internet Access VDSL project for Swissotel at Stamford and Fairmont Hotel.
- SMV has completed the Dream Ward using IRIS and IO Apps for ward controls system.
- SMV has completed the High-Speed Internet Gateway for Copthorne Hotel.
- SMV has completed Digital Signage Solutions for Hard Rock Café Sentosa
- SMV is in discussion with Swissotel at Stamford and Fairmont Hotel on the Digital Signage Solutions for their POS.
- SMV is completing the award process by Khoo Teck Puat Hospital for the Electronics Mail Ordering System (eMOS).
- SMV has been working on Hardrock Café Malacca for the Digital Signage Solutions.

**i-connect®**

Integrated Hospitality Solutions

**IRIS**

Intelligent Digital Signage  
& Room Infotainment Services



# Other Businesses Contract Sterilization Services Pte Ltd (CSS)



## FACILITY

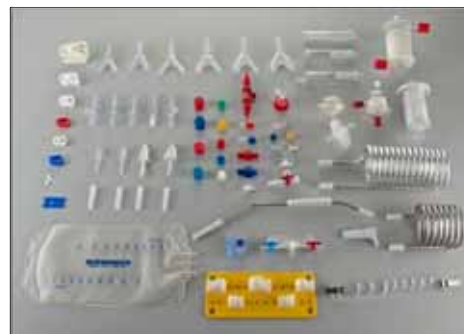
Our facility is strategically located within the future Medical Device Hub which is going to house world class medical companies in Singapore. CSS is set to harness this strategic position in commitment to meet the stringent demands of the medical industry.



## Product Range



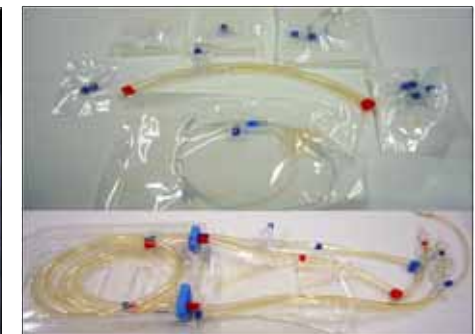
Customized Heart Lung Pack for Adult, Pediatric & Infant/ Neonate Use



Complete Range of Component Accessories



Angio Pack



ECMO Circuit

# Other Businesses

## Bull Will Co., Ltd (Taiwan Stock Code 6259)

### (Components Manufacturing & Distribution)



**FURUKAWA**  
Technology To Our Future

百爾集團  
Bull Will Group

## 車載向けコイル

車載用高信頼性電感製品

**用途**

- 電動パワーステアリング (EPS: Electric Power Steering 电动助力转向)
- ラジエーターファンコントローラ (Radiator Fan Controller 散热器风扇控制器)
- ブロアブラシレスモーターコントローラ (Blower Brushless Motor Controller 冷风机无刷电动机控制器)
- 横滑り防止装置 (ESC: Electronic Stability Control) インバーター (Inverter)
- DC-ACインバーター (DC-AC Converter)
- 電動コンプレッサー用インバーター (Inverter)
- 直噴エンジンのインジェクタドライバ (Electronic Injector Driver Unit 电子喷油器驱动单元)
- DC-DCコンバータ (DC-DC Converter)
- PHV, EVの充電器 (Battery Charger 蓄电池充电器)

**特徴**

- 高信頼性能, 对coilの提案试作可在短时间内提供。
- 毎年1700万颗(2009年结算)の交货实绩。
- 作为车电装零件的专业供货商, 超过10年的承认实绩培养出高质量、高信赖性的制程实力。

**主要顧客**

● デンソー	Denso
● 三菱電機	Mitsubishi Denki
● 豊田自動織機	Toyota Shokki
● ホンダエレクトロニクス	Honda Elecsys

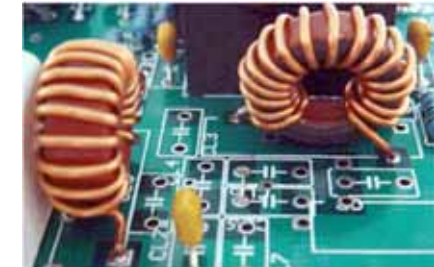
**責任者**

吳承鈞 Harry Wu harry@bullwill.com.tw +86 759 82950000 ext. 309	羅子鋒 Floyd Choi floyd@bullwill.com.tw +86 2 25548252 ext.123
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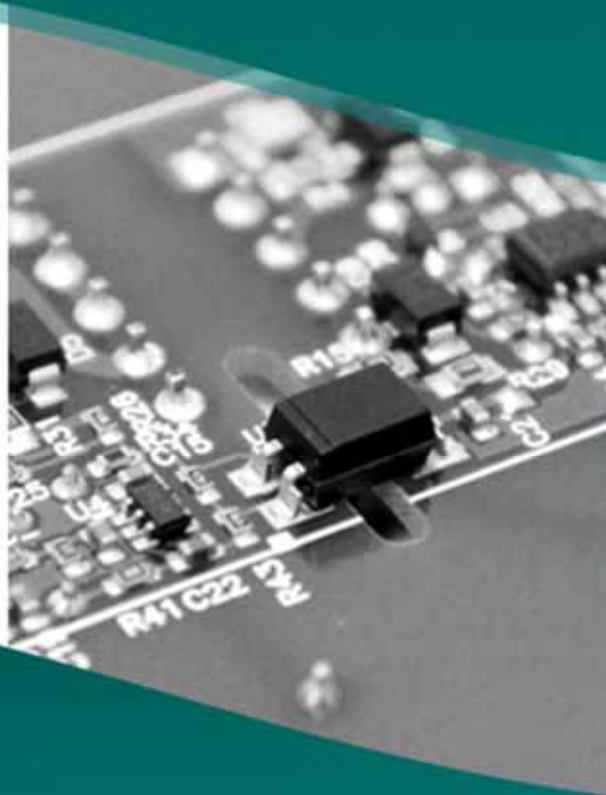
△ 古河電子株式会社 共同協力企業 百爾股份有限公司 台北市114内湖區港前街101號1樓  
Tel: 886-2-2556-0252 Fax: 886-2-2556-0253  
Bull Will Co., Ltd. Homepage: <http://www.bullwill.com.tw>

Bull Will is the manufacturer of automotive and customised magnetic, passive, electro-mechanical, and discrete components widely used in automotive, industrial and consumer electronic products. In 2011, Bull Will besides expanding its manufacturing plants and production capacity, it will embark on a production expansion via mergers and acquisitions with the aim of providing better value-added services to its customers.

**Peter Ho**  
Chairman / CEO  
Bull Will Co., Ltd



# Strong Prospects



[www.serialsystem.com](http://www.serialsystem.com)

# Serial Strategies



## Revenue Growth

- New product lines and extension of existing lines
- Organic growth from value-added M&A, new and existing product lines
- Continued focus on lucrative markets, such as China, Korea and Taiwan
- Expansion in emerging markets, India and Vietnam

## Improve GP Margin

- Improved value-added designs and solutions to customers
- Demand creation for suppliers and customers

## Operational Efficiency & Enhanced Risk Management

- Staff productivity and efficiency
- Business simplification (ERP)
- Cost efficiency
- Strengthen controls on Debt, Inventories and Cash

Grow Revenue & Bottomline

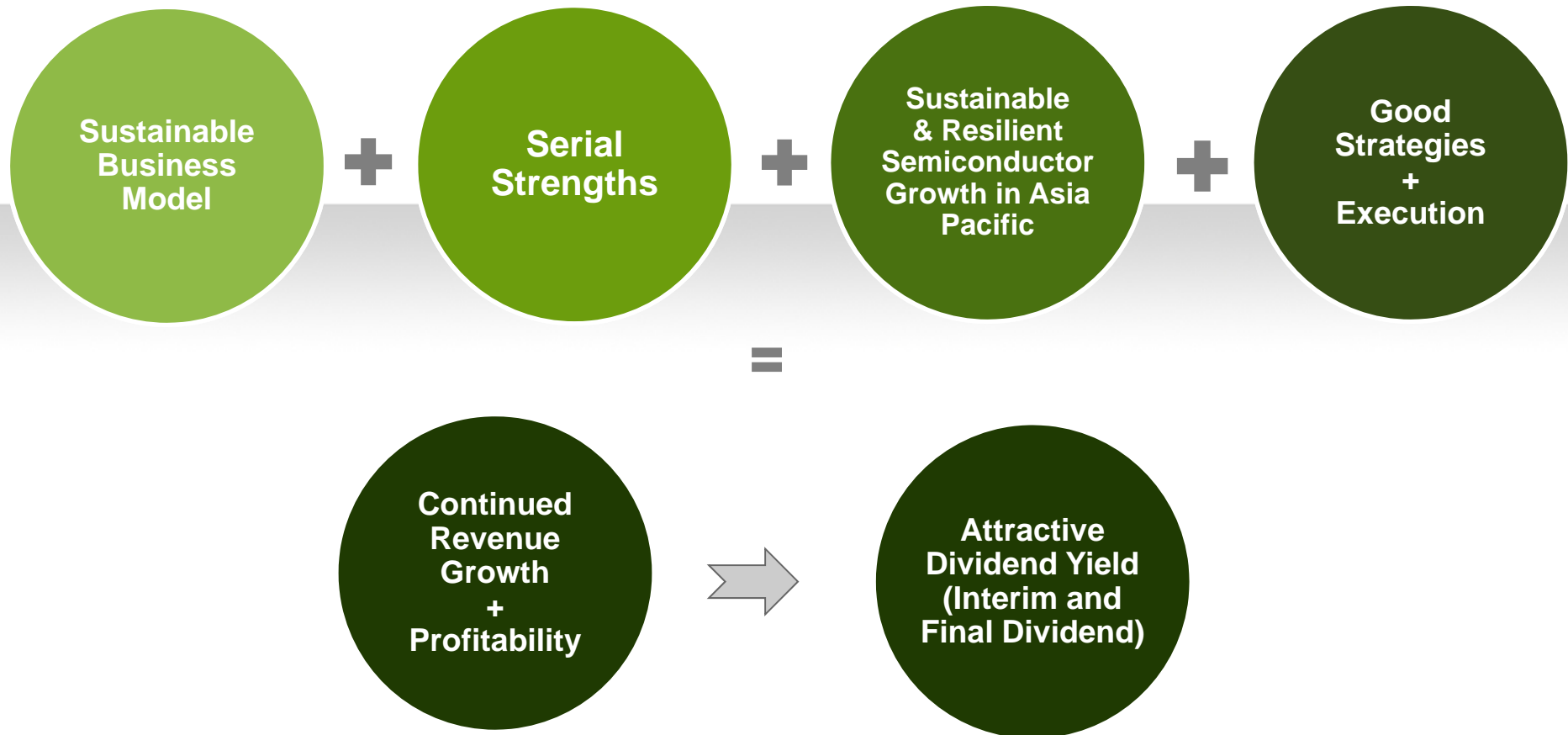


## Why Serial

- Sustainable revenue growth
- High GP amongst distributors
- Strong foothold in South East Asia, Korea and Greater China
- Good potential in India and Taiwan

- Low PE/PB amongst distributors
- Attractive dividend (Annual yield of 6-8%)
- Healthy balance sheet
- Good corporate governance

# Strong Prospects



# Q&A



# Safe Harbour Statement



The presentation herein may contain forward looking statements by the management of Serial System Ltd (“Serial”) that pertain to expectations for financial performance of future periods versus past periods.

Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. Such statements are not and should not be construed as management’s representation on the future performance of Serial. Therefore, the actual performance of Serial may differ significantly from expressions provided herein.

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This presentation has been prepared exclusively for the parties presently being invited for the purposes of discussion. Information contained in this presentation does not constitute a prospectus or offering circular in whole or in part.

***Thank you***