

# Corporate Presentation

## 13 April 2010



**SERIAL SYSTEM LTD**  
新暉科技有限公司

# Outline

- Serial At A Glance
- Key Markets
- Our Strengths
- Why Serial
- Serial Strategies



**We will continue to create a corporate environment committed to delivering service and product quality excellence, achieving continual success in performance and profitability, and be a leading semiconductors/components distributor in the Asia Pacific region.**

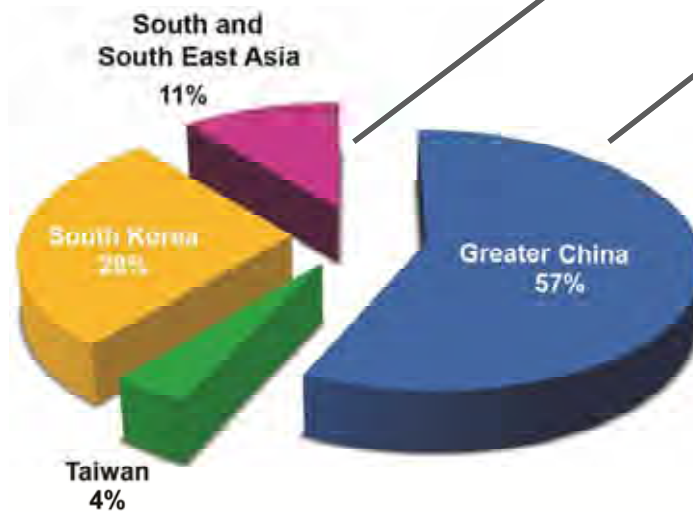
# Serial At A Glance



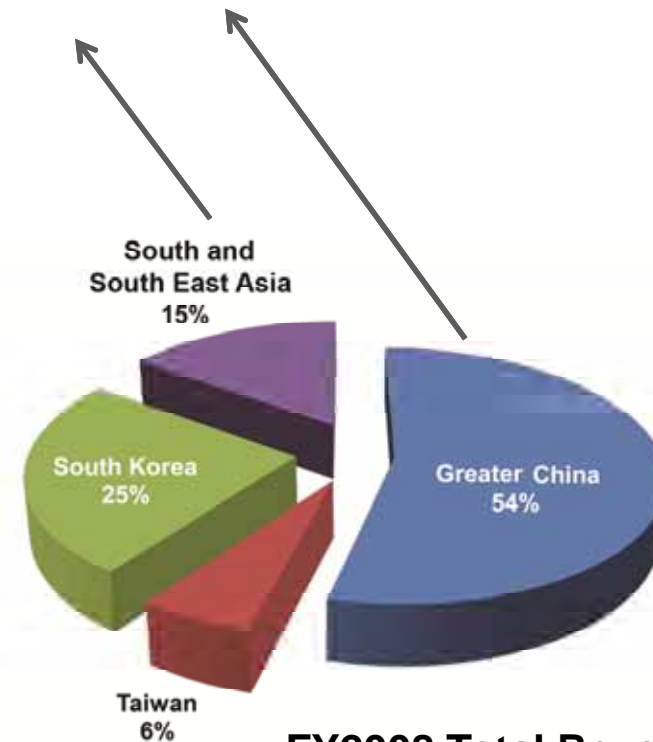
# Key Markets



- *Focus on Growing markets in China, India and Vietnam*
- *Maintain Healthy Growth in rest of markets*



**FY2009 Total Revenue**  
**S\$556.5 million**

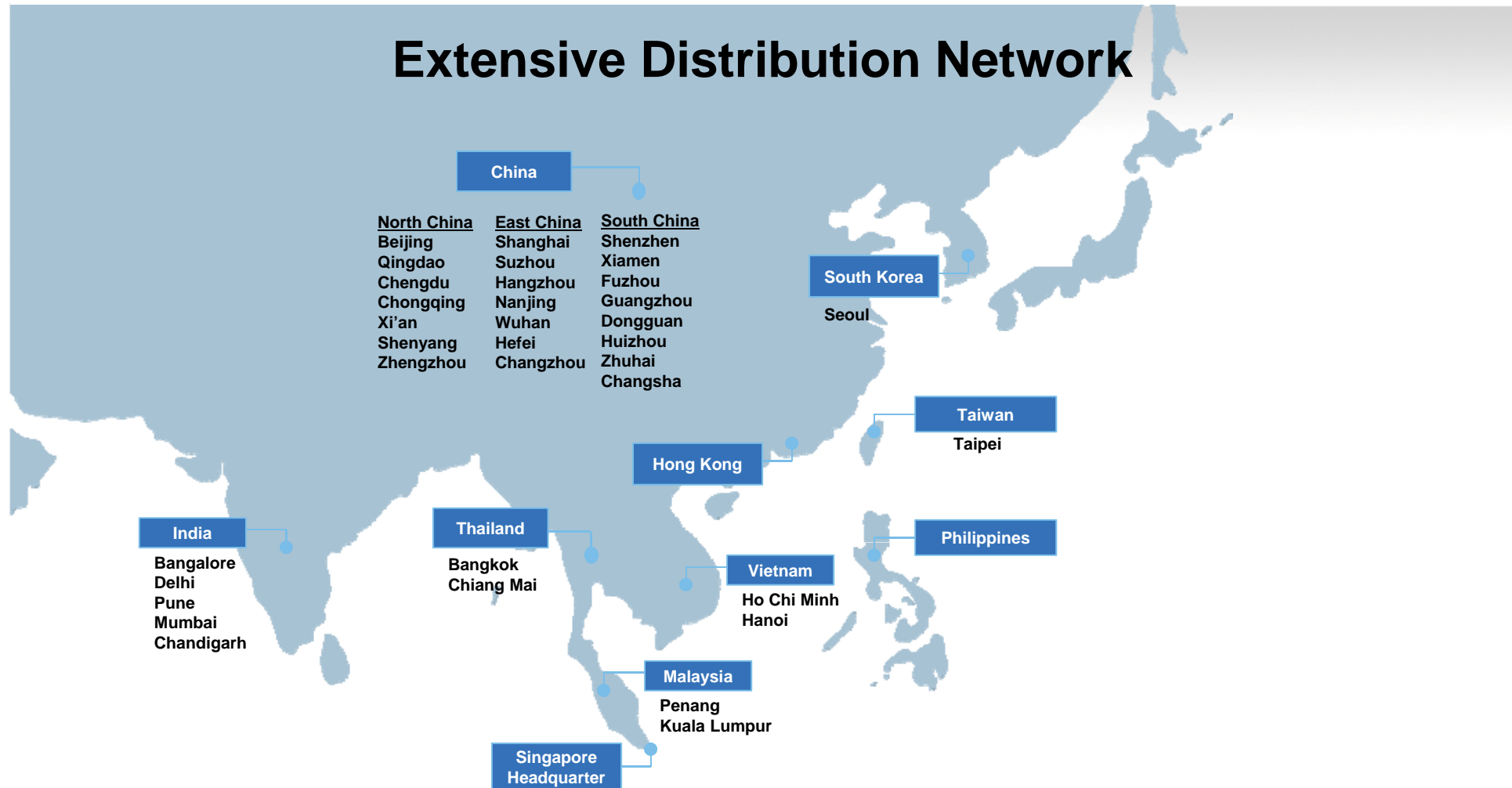


**FY2008 Total Revenue**  
**S\$510.6 million**

# Our Strengths



## Extensive Distribution Network



# Our Strengths



## *Strong Product Line Cards Serving Wide Range Of Industries*



...Adds up to 50 + Franchised Suppliers in the Serial Group

# Our Strengths



## Our Wide Range Of Products



# Our Strengths



*Customers spanning across various Industries*



# Our Strengths



*Customers spanning across various Industries*

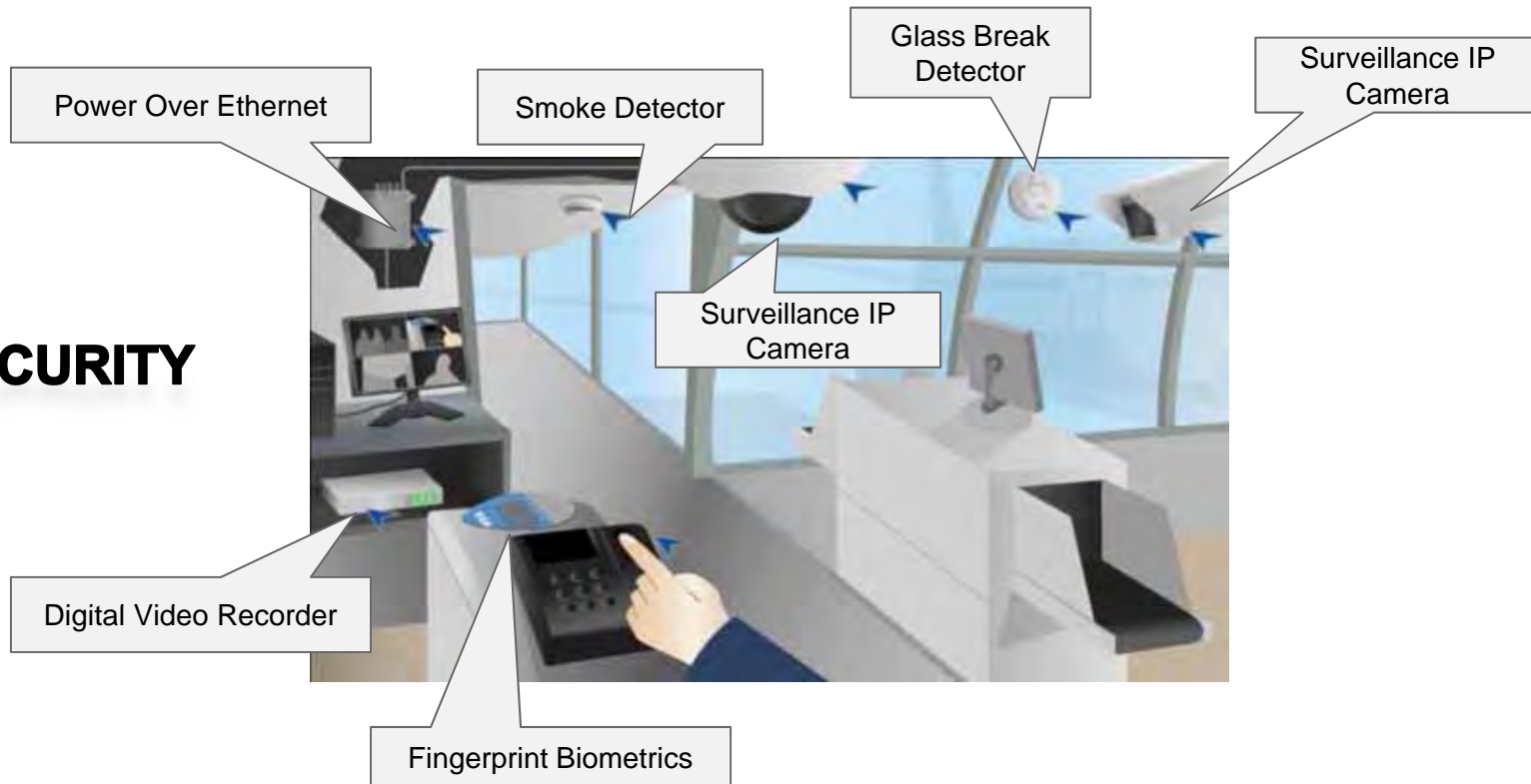


# Our Strengths



*Customers spanning across various Industries*

## SECURITY



# Our Strengths



## *Customers spanning across various Industries*

### Industrial Instrumentation



### Telecommunication Industry



### Medical Devices Industry



### OEM/EMS/Traders

**We sell our products to OEM/  
EMS customers who on-sell  
them to other customers**

# Our Strengths



## *Attractive Value Proposition*

### Our customers get:

- Access to broad technologies through strong and wide product line cards
- Shorter time-to-market for their products
- Market intelligence
- Extensive reach
- Lower cost on product development
- Lower cost in supply chain management
- Financing

### Our suppliers get:

- Access to 2<sup>nd</sup> and 3<sup>rd</sup> tier OEM, EMS customers which they find difficult to work with
- Stronger branding
- Market intelligence
- R&D and new product introduction capabilities
- Extensive reach

# Why Serial



Recovering  
Semiconductor  
Industry

Right Growth  
Strategies

- China
- India

Profitability  
Potential

Healthy  
Balance  
Sheet

Attractive  
Dividend  
Yield

Attractive  
Valuation

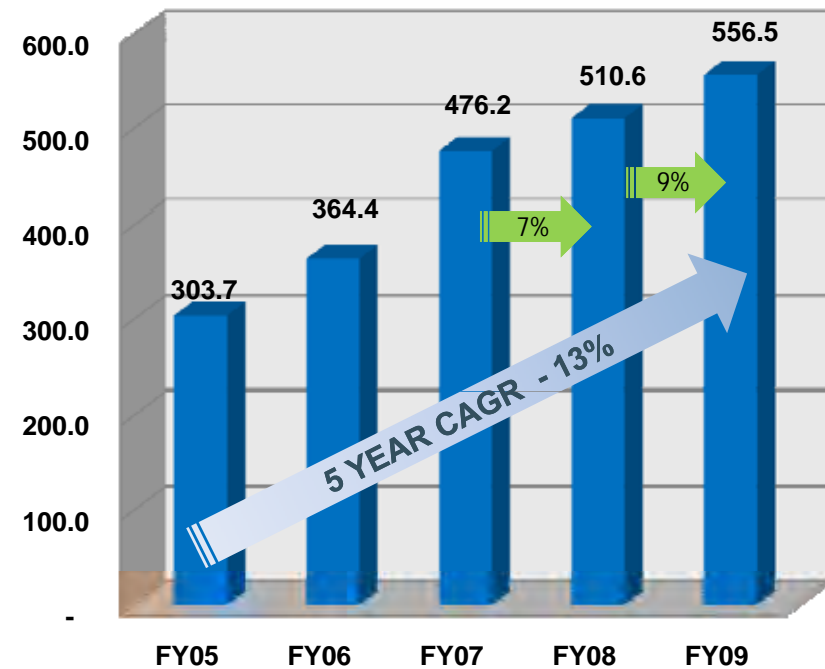
# Recovering Semiconductor Industry



### Asia Pacific Semiconductor Revenue (US\$' billion)



### Serial System (S\$' million)

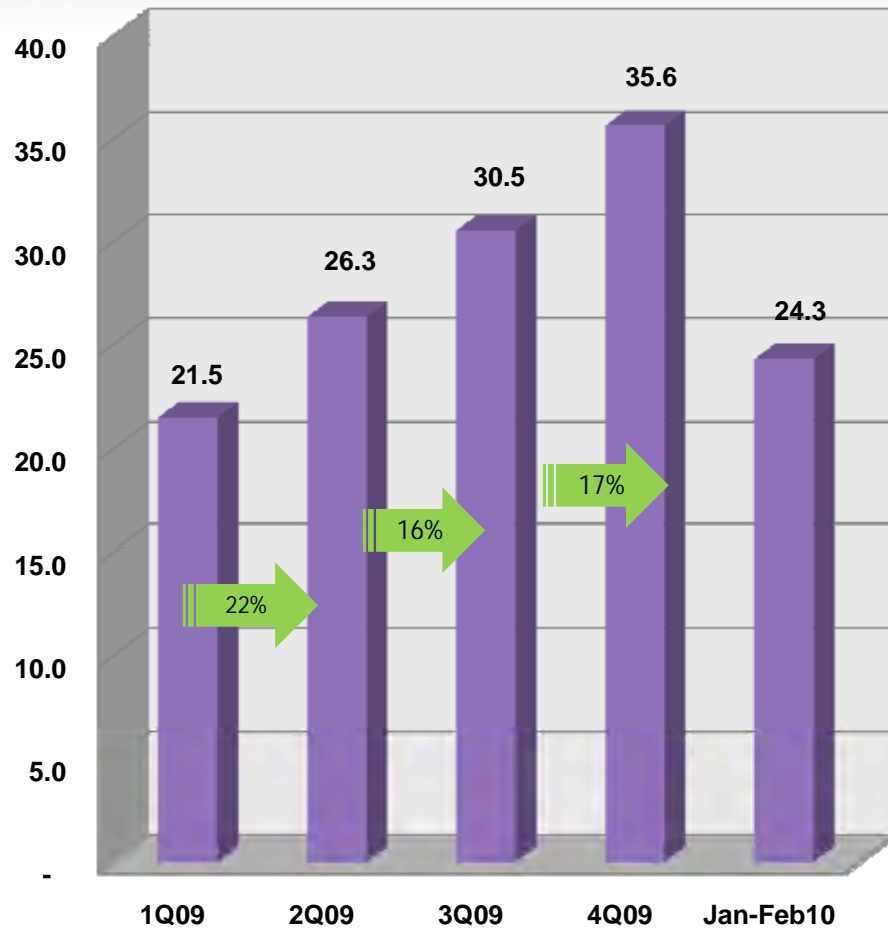


Source : World Semiconductor Trade Statistics

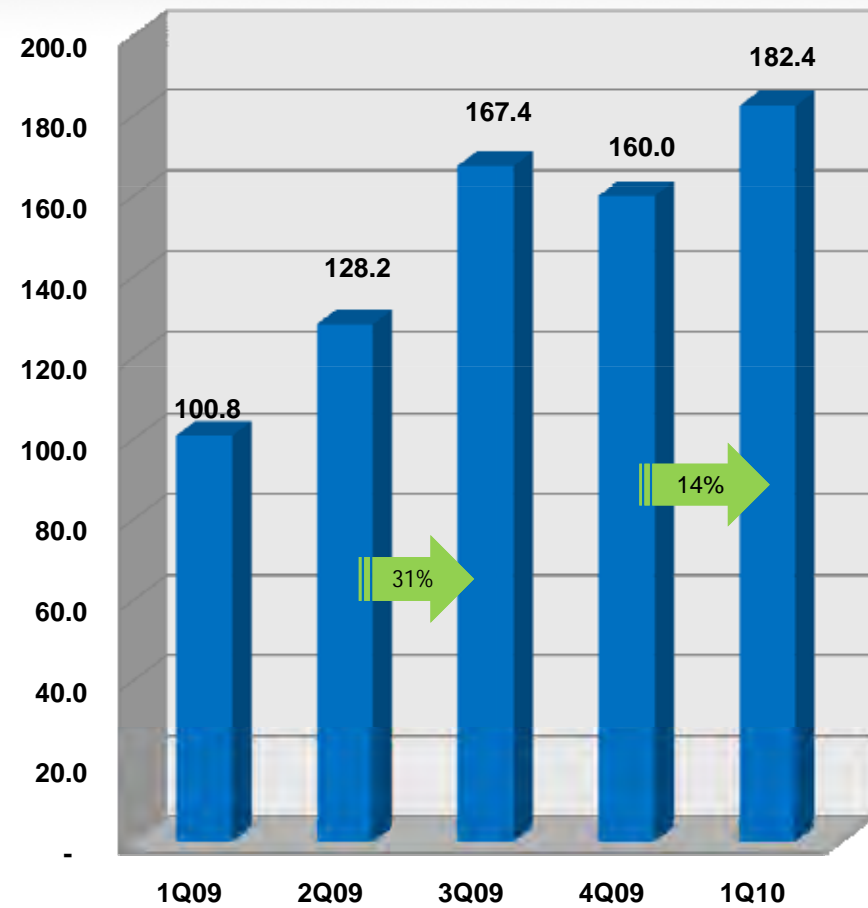
# Recovering Semiconductor Industry



### Asia Pacific Semiconductor Revenue (US\$' billion)



### Serial System (S\$' million)



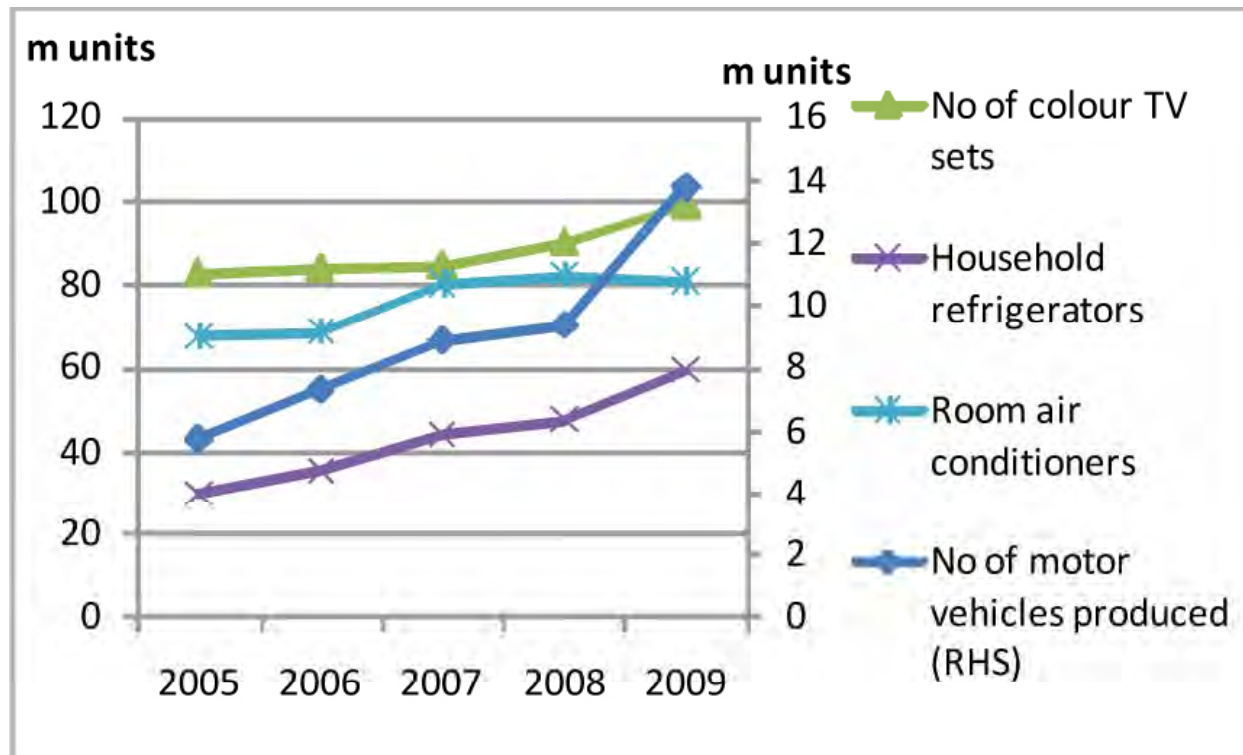
Source : Semiconductor Industry Association Press Release Reports

:: Confidential ::

# Right Growth Strategies



## China Production of Automobiles & Major Home Appliances

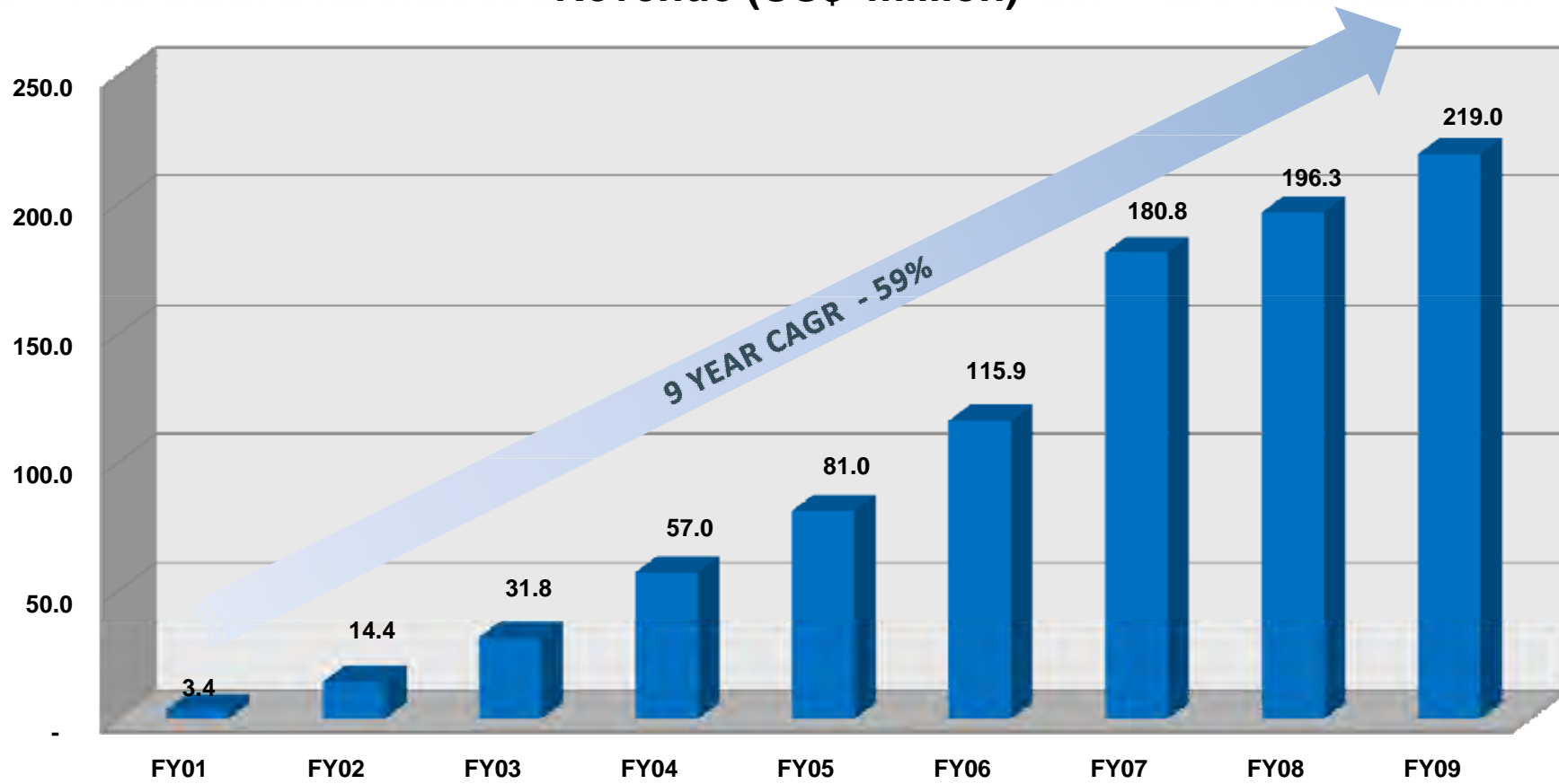


Source: National Bureau of Statistics of China

# Right Growth Strategies



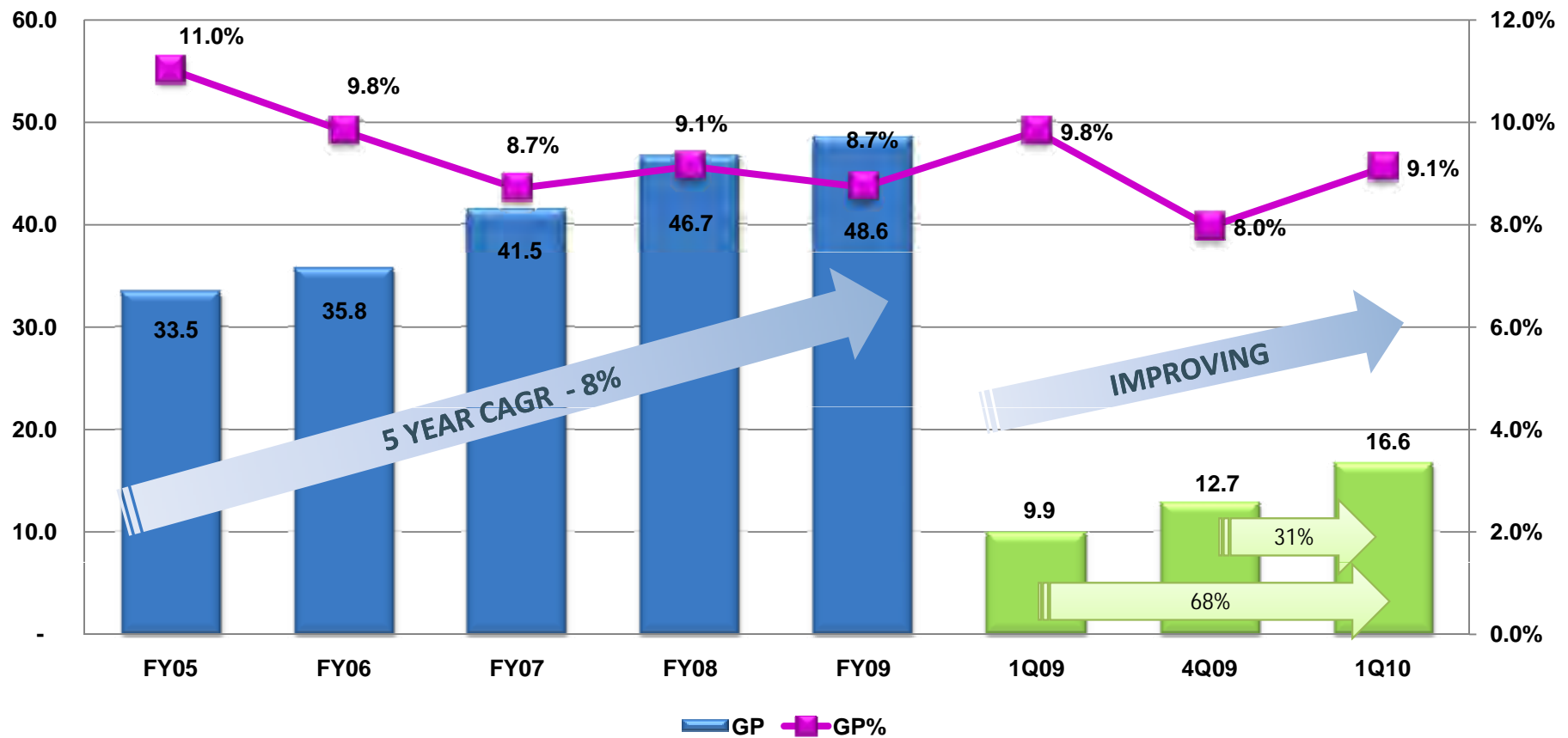
## Greater China Revenue (US\$' million)



# Profitability Potential



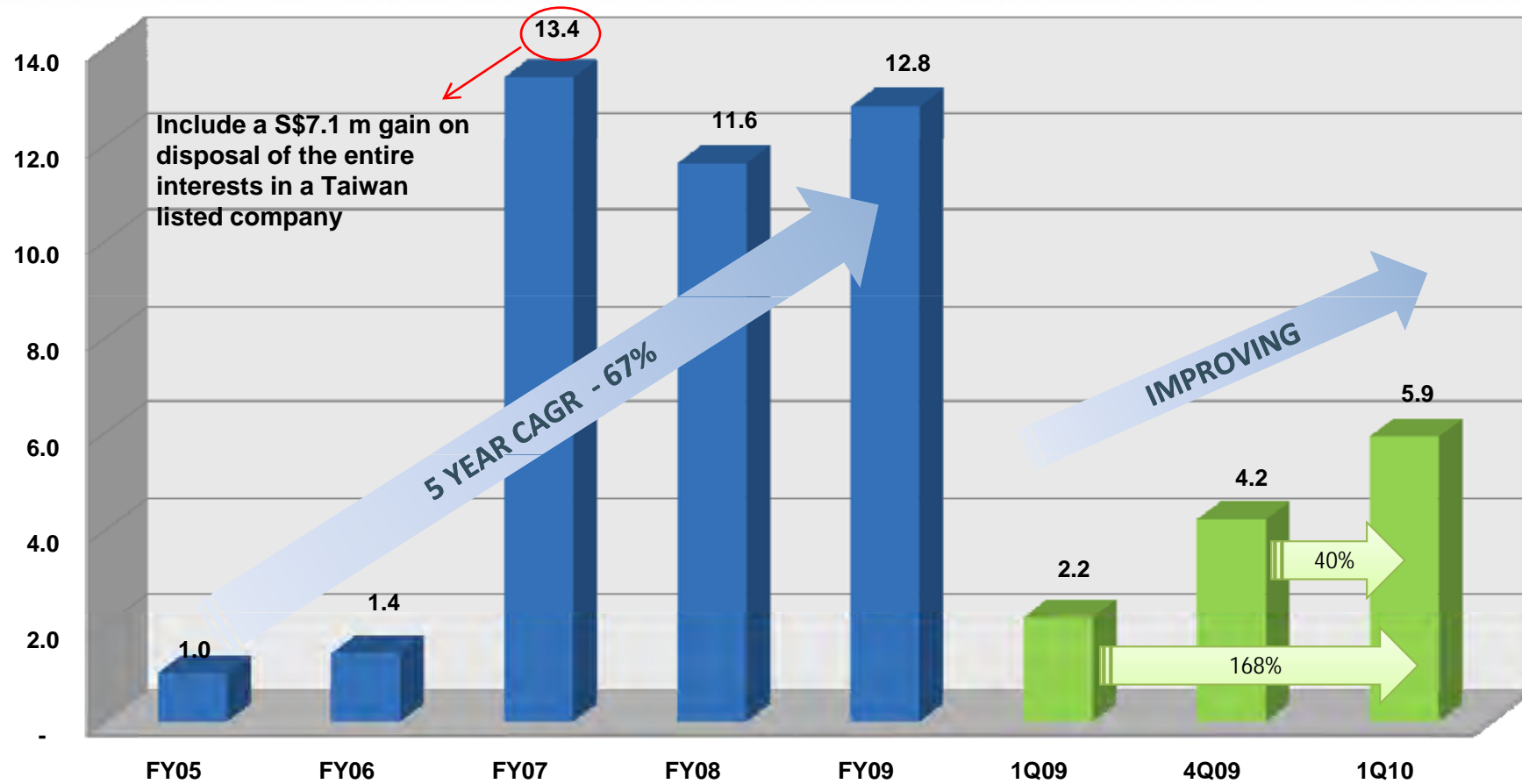
## Gross Profit & Gross Profit Margin (S\$' million)



# Profitability Potential



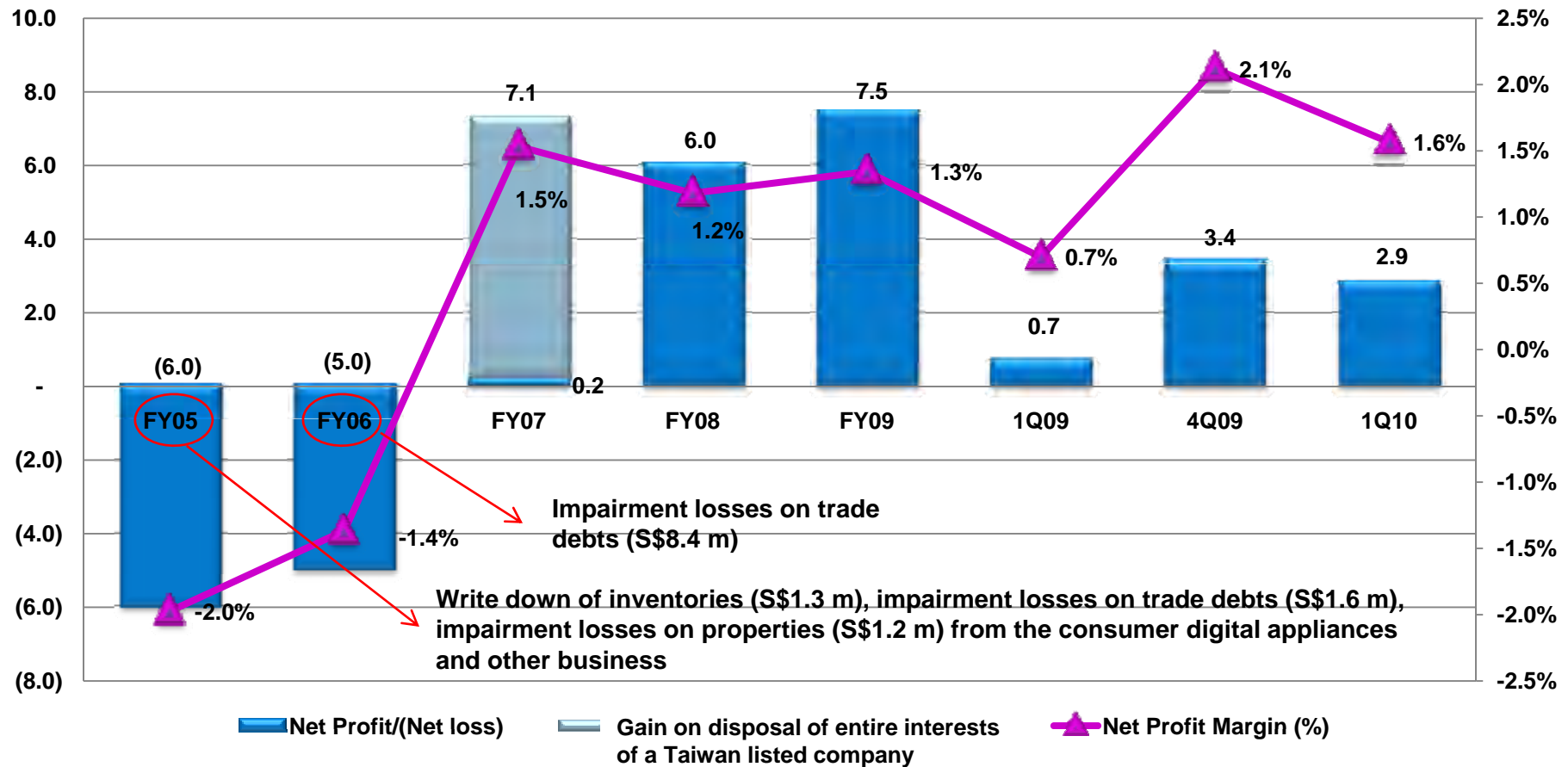
## EBITDA (S\$' million)



# Profitability Potential



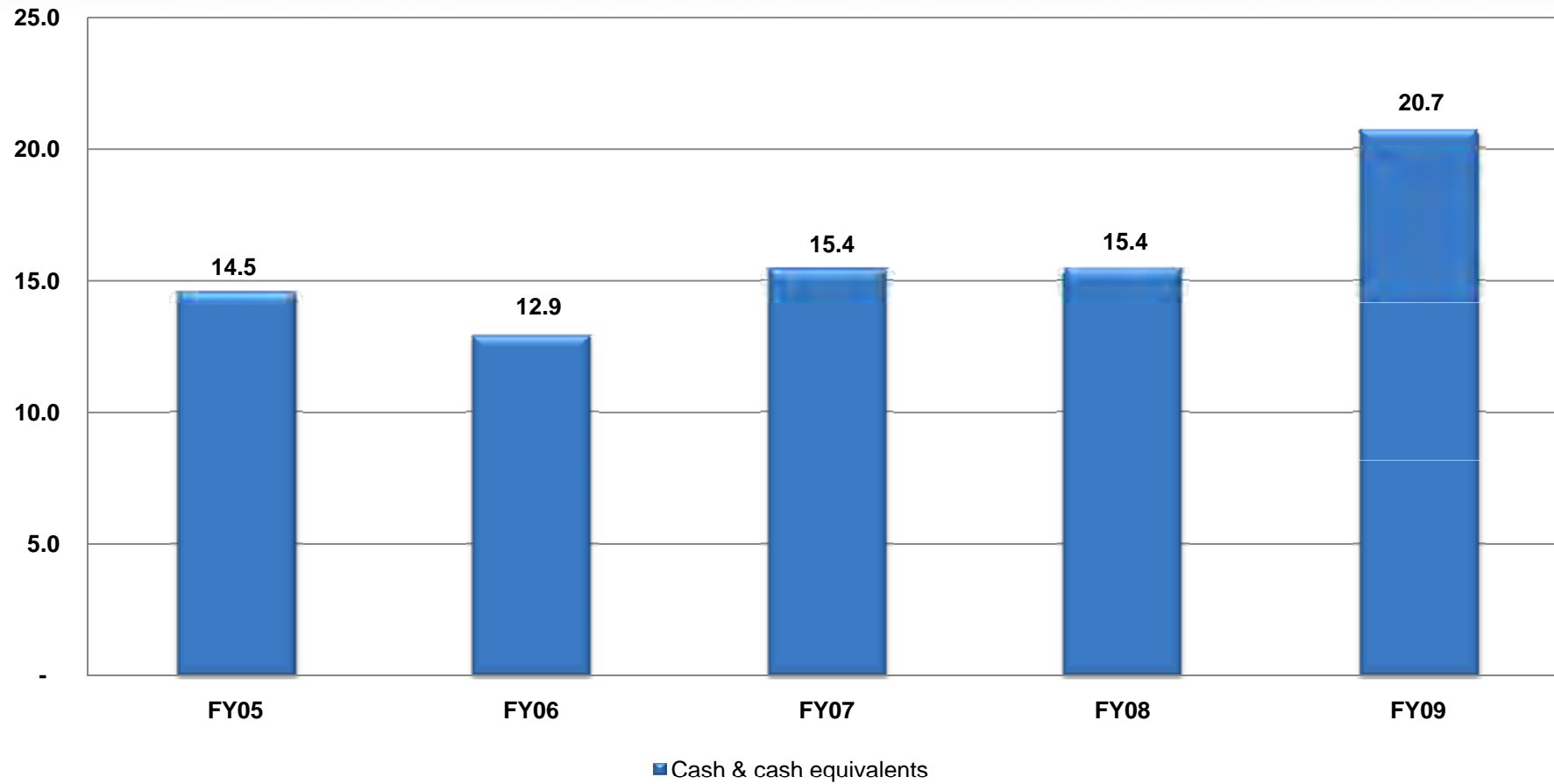
## Net Profit & Net Profit Margin (S\$' million)



# Healthy Balance Sheet



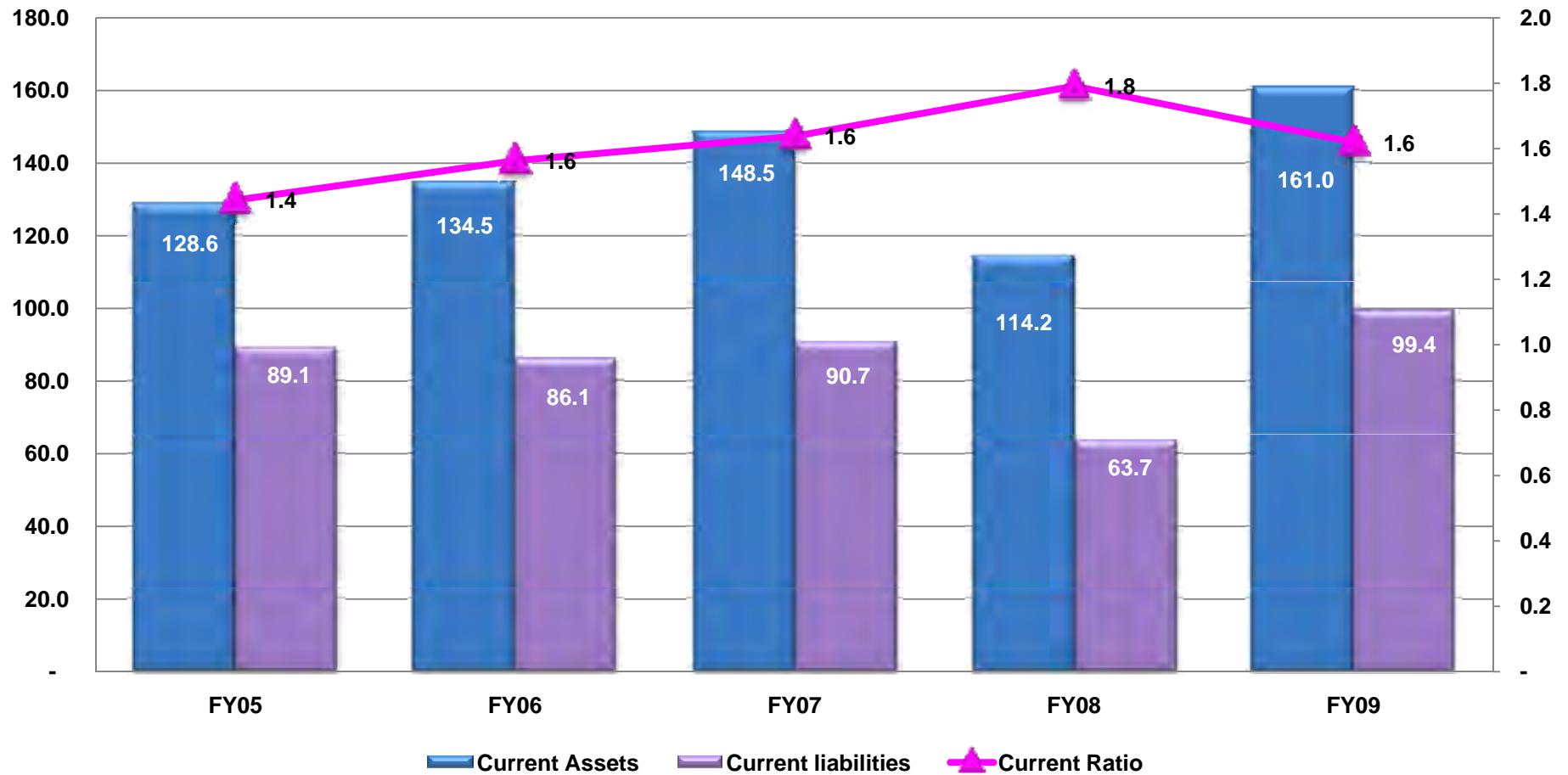
## Maintaining Healthy Cash Position



# Healthy Balance Sheet



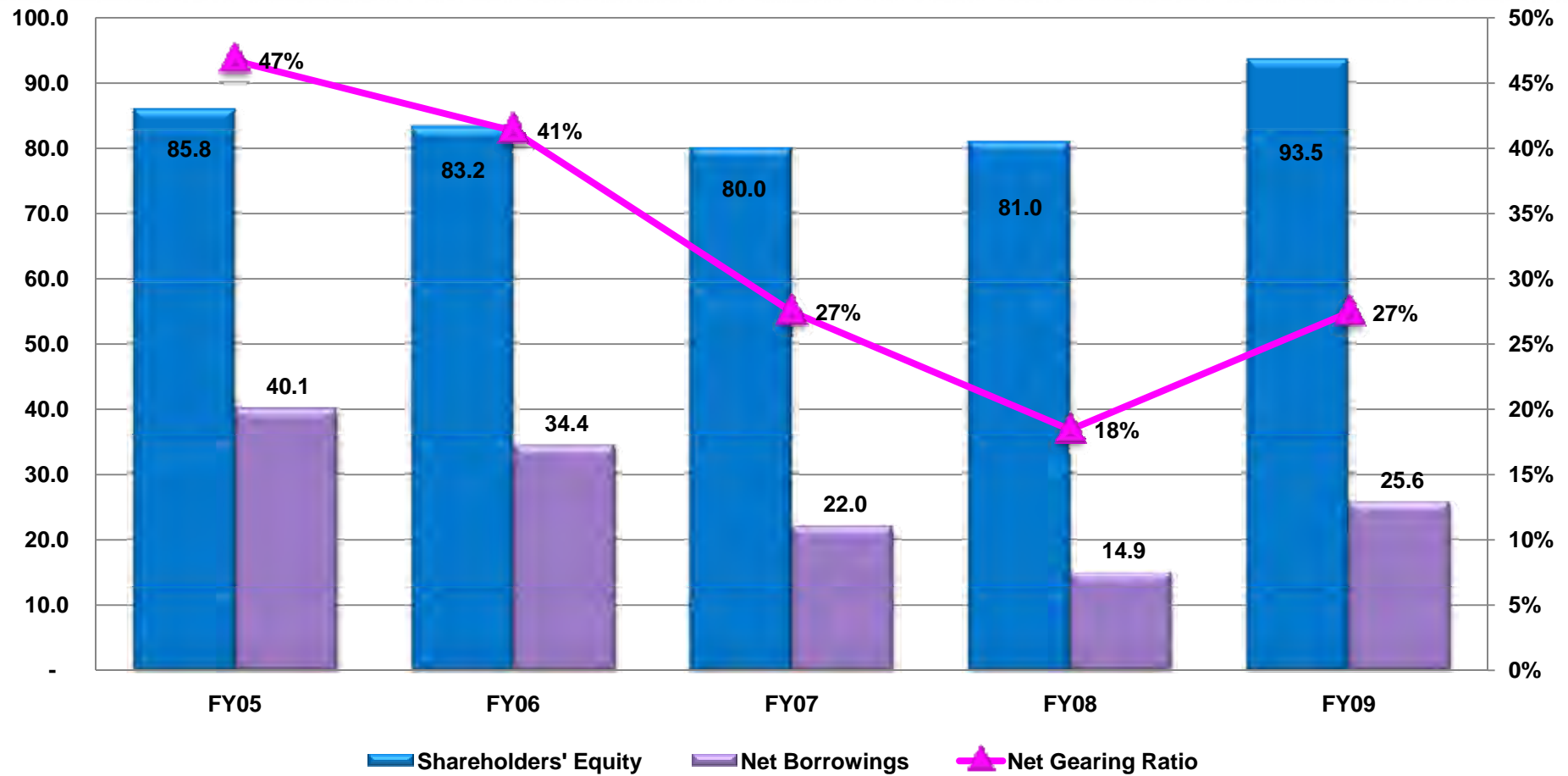
## Maintaining Healthy Current Ratio



# Healthy Balance Sheet



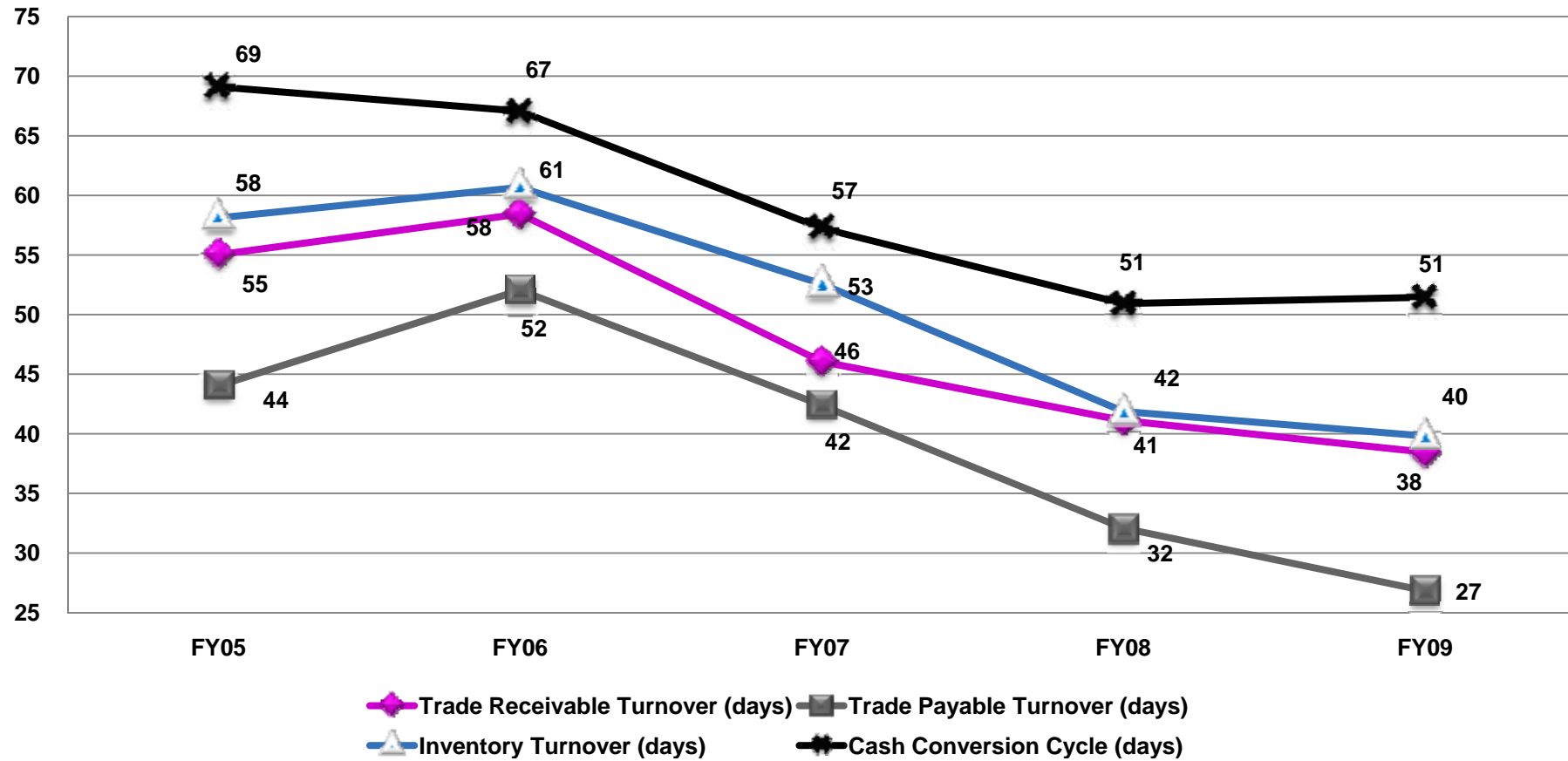
## Maintaining Low Net Gearing Ratio



# Healthy Balance Sheet



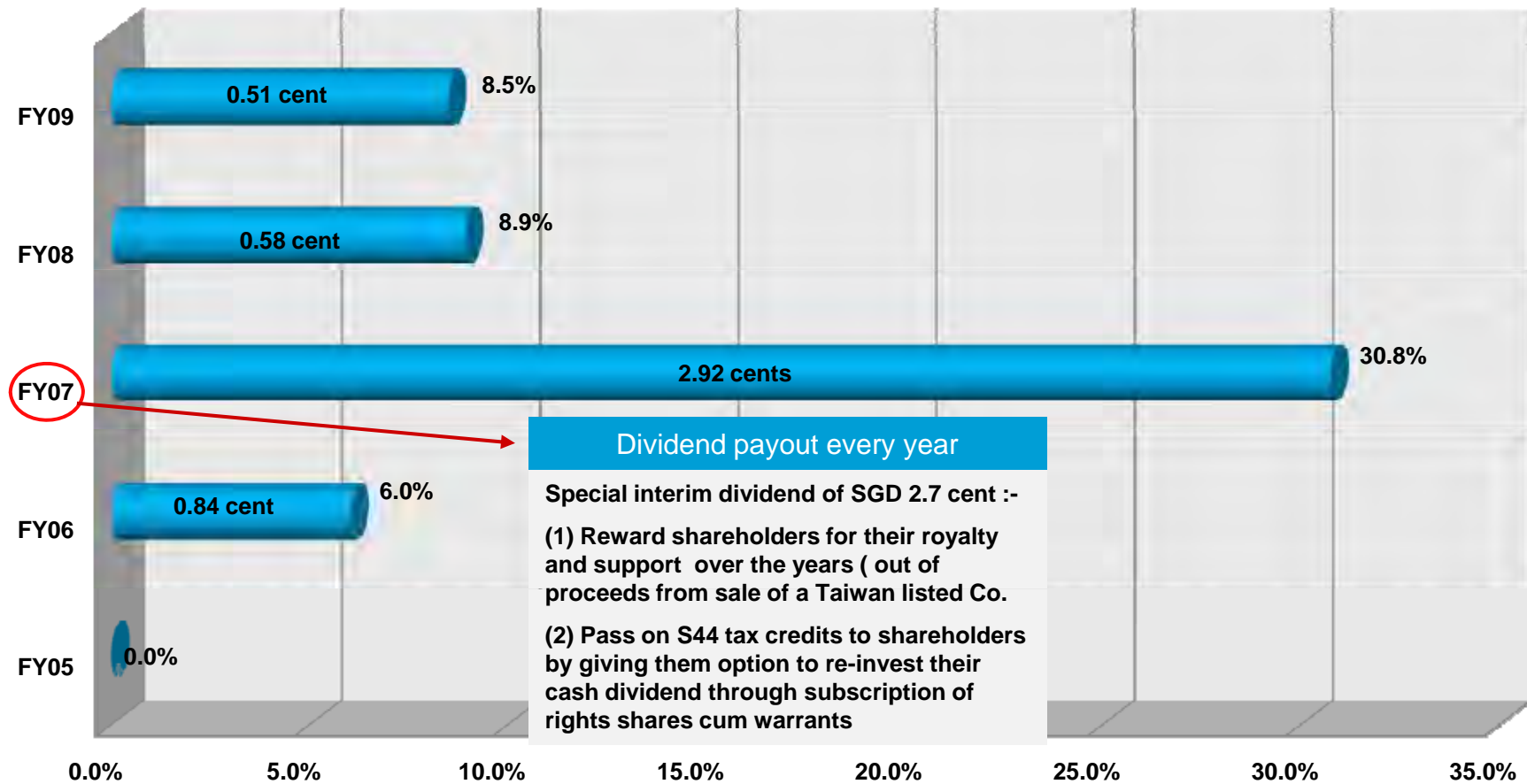
## Shorter Cash Conversion Cycle (days)



# Attractive Dividend Yield



## Attractive Dividend Yield (%)



# Attractive Valuation



	Fwd PER	P/BV	ROE (%)	ROA (%)	Debt to Equity (%)
Arrow Electronics	11.8	1.2	4.4	1.7	48
Avnet Inc	12.7	1.5	-33	-16	35.1
WPG Holdings	13.3	2.7	20	6.8	83.1
Yosun Industrial Corp	12.0	2.2	11	4.4	63.7
Excelpoint Technology	NA	0.5	-4.2	-1.5	48.6
<b>SERIAL SYSTEM</b>	<b>7.1</b>	<b>0.8</b>	<b>10.9</b>	<b>5.4</b>	<b>49.6</b>

Source : SIAS Research Report

# 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 Receivables, Inventories and Cash

Grow Revenue & Bottomline

# Q&A



***Thank you***  
Thank you

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