

SYSTEMEX Profile

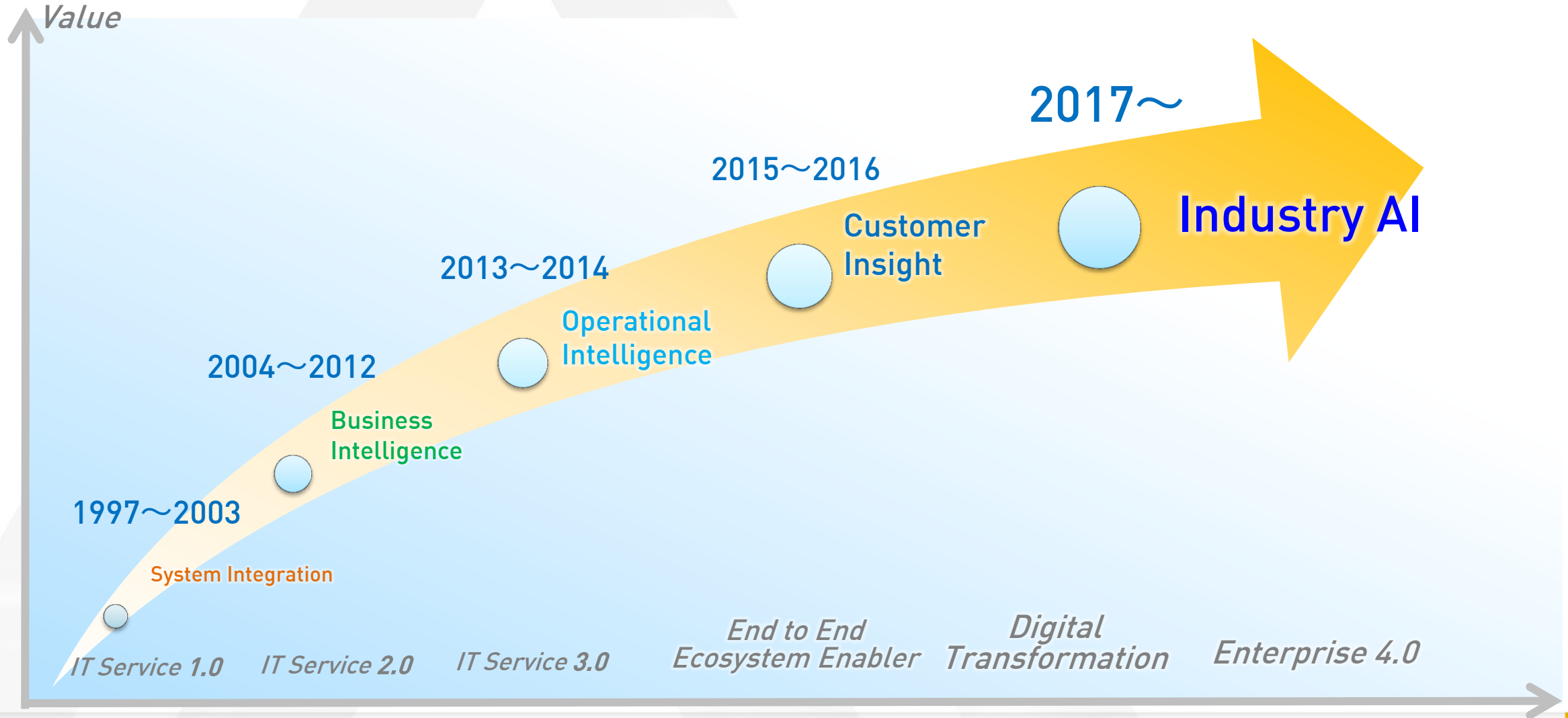
CFO & Company Spokesman
Larry Chung
2018.5.30

Strategic Integration Milestone

2018	<ul style="list-style-type: none"> ✓ Invested in Retail System Co. to reinforce retail market and product strategy ✓ Invested in Shengsen Corp. and Frog-Jump to expand the HR outsourcing service team 	<ul style="list-style-type: none"> • 2017 awarded the [Outstanding Backbone Enterprise] issued by the IDB • 《Common Wealth Magazine》 Top 2000 Enterprise survey SYSTEX has secured the No.1 spot in the Taiwan's software industry for 12 consecutive years. • 【International Certification】 <ul style="list-style-type: none"> ✓ ISO 9001 ✓ ISO 27001 ✓ BS 25999 ✓ BS 10012
2017	<ul style="list-style-type: none"> ✓ Invested in FinRobo Advisor Securities Investment Consulting to expand FinTech product services ✓ Invested in Mohist Web Technology to build an electronic voucher ecosystem 	
2016	<ul style="list-style-type: none"> ✓ Invested in WeGoLuck for helping Taiwanese companies launch Amazon to sell North American market ✓ Invested in FinTech startup company INSTO ✓ Invested in Gemini Data for US and global business expansion 	
2015	<ul style="list-style-type: none"> ✓ Invested in TicketGO to extend the retail ticket market and invested in Yangkey to reinforce mobile payment services ✓ Joint venture with China's largest smart hotel company to establish Suntex Technology (Shenzhen) 	
2012	<ul style="list-style-type: none"> ✓ Merged NEXSYS to strengthen leading position in Taiwan payment market. Occupied over 70% EDC market place 	
2011	<ul style="list-style-type: none"> ✓ Merged Rainbow Tech. and CK Tech. for expanding to China market ✓ Invested in SYSPower and SystemWeb ✓ Founded SoftMobile, developing mobile APPs 	
2010	<ul style="list-style-type: none"> ✓ Invested in FORMS SYNTRON for banking business in China ✓ Taifon and Condord joined SYSTEX Group 	
2008	<ul style="list-style-type: none"> ✓ Invested in Investment Media for providing in depth financial contents 	
2007	<ul style="list-style-type: none"> ✓ Taiwan's two leading IT services Corporations "SYSWARE" and "SYSTEX" was consolidated ✓ Invested in TEDPC, healthcare IT solution provider ✓ Merged Mega Times, financial quote system provider 	
2006	<ul style="list-style-type: none"> ✓ Acquired Song Hui Commercial Intelligence team to enter the market of commercial intelligent software services ✓ Entered the Southeast Asian market and established "Singapore" and "Thailand" subsidiaries 	
2005	<ul style="list-style-type: none"> ✓ Merged Uistek Corp., financial IT provider ✓ Merged UCOM, largest IT training center in Taiwan ✓ Merged Ucom Information Ltd. (Shanghai) extends CN Microsoft services 	
2004	<ul style="list-style-type: none"> ✓ Integrated with Pacific Computer's team 	
2003	<ul style="list-style-type: none"> ✓ SYSTEX IPO 	
2001	<ul style="list-style-type: none"> ✓ SYSTEX acquired Ching-Chi and officially entered the finance and mobile commerce sectors. 	
1997-2000	<ul style="list-style-type: none"> ✓ Joint venture with Reuters to establish AFE, extended HK Financial business ✓ Kimo.com spun off from SYSWARE, and later acquired by Yahoo! ✓ SYSWARE founded in 1997 	



Data Centric, Software Driven, AI Driving



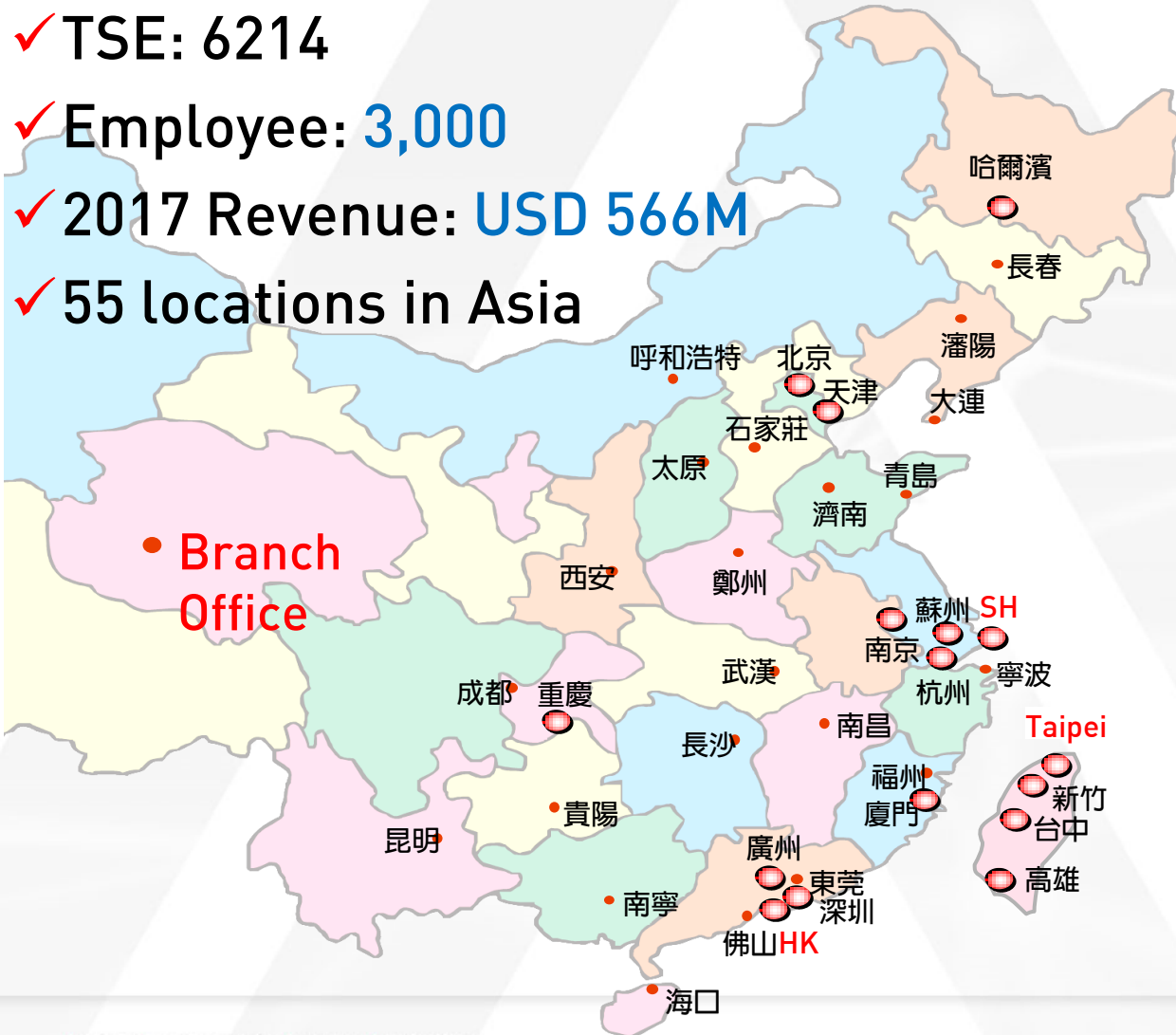
Cross Border Professional Services Offerings

✓ TSE: 6214

✓ Employee: 3,000

✓ 2017 Revenue: USD 566M

✓ 55 locations in Asia



✓ Awarded No.1 Software Service Company in Taiwan for 11 consecutive years

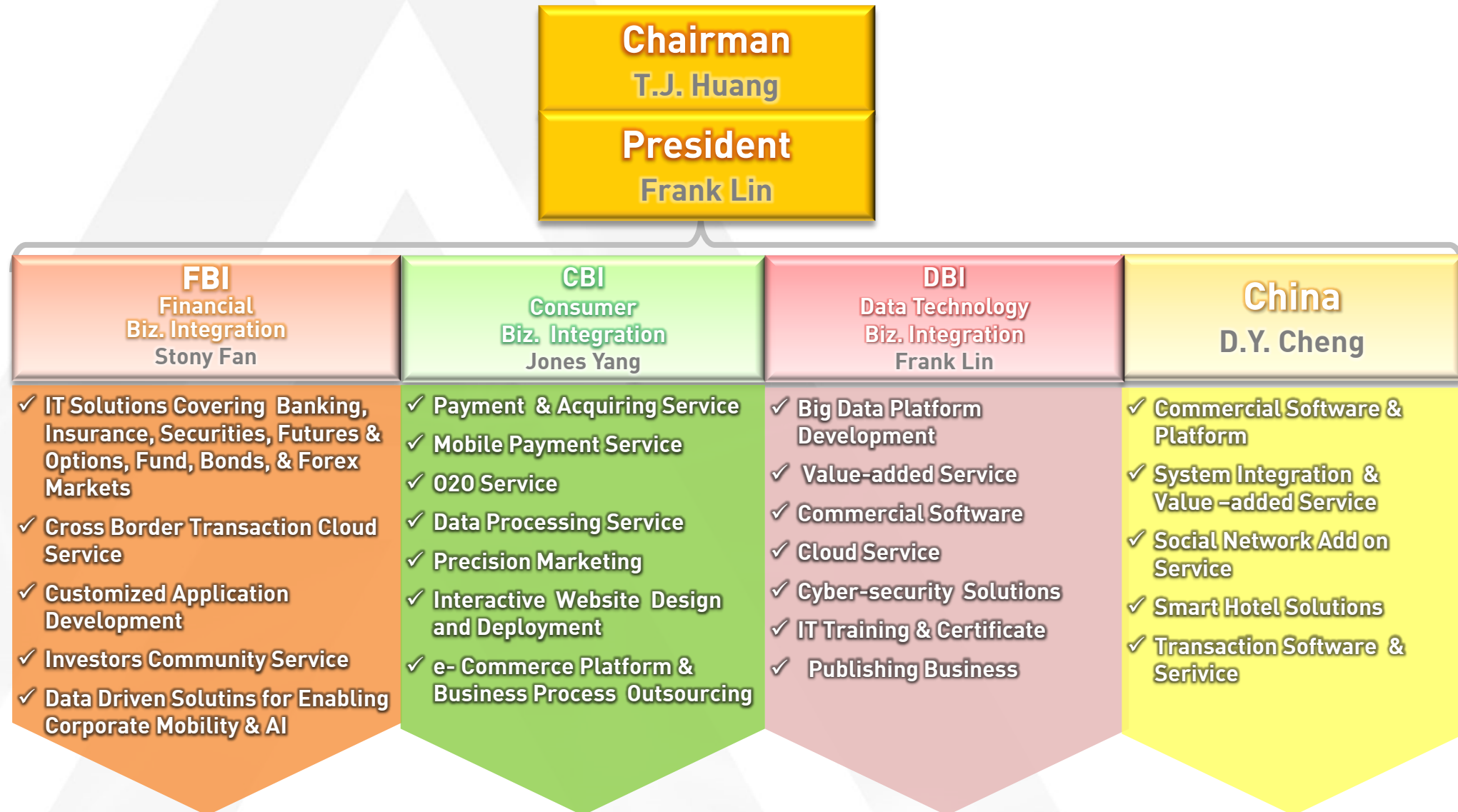
✓ 3 Key Focus

Financial, Retail & TMT

✓ 5 Core Competence

Cloud, Mobile, Analytics, Social & Cybersecurity

Business Organization



A DATA Company

Financial Service

FinTech, RegTech
InsurTech, RoboAdvisor



Data
Talent



DI, AI
Data as a Service

Retail

Omni Channel
Omni Payments
Service Robot



Digital
Transformation



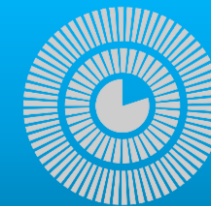
BI, OI
DT Operator

TMT

Data Intelligence
Data Insight
Data Monetization



Data
Technology



SI, EI
DT Enabler

SYSTEX Group : The best partner for AI Industry application

Talent

- **Training 100 AI technicians and situational designers**

Learn Python programming language and TensorFlow applications. Ability to design or develop AI solutions for AI industry applications.

- **Academic Cooperation**

Cooperate with 30 universities to acquire AI ideas for application development.

Solutions-30 Industry AI application Scenarios

- Multi-strategy Intelligent Robo Advisor
- Intelligent Customer Service Robot
- Ordering Robot
- Nanny Robot
- Quick booking order BOT
- HR BOT
- Smart Voice Reservation
- Department stores, black and white list identification
- Access control \ preservation \ security management
- Welcome Marketing Robot
- Smart Keyboard
- New i WOW
- Intelligent Salesperson
- Intelligent Voice Service
- Intelligent claims adjuster of the insured
- Face ID Account Audit
- Intelligent AR Marketing Tour
- Stock market forecasts-TA Robot
- Financial management Robo Advisor
- Omnl intelligent War Room (SAP)
- Intelligent Customer Service (Oracle)
- Intelligent Enterprise Knowledge Database (IBM)
- Intelligent Security Identification system (DARKTRACE \ CYBERBIT)
- Intelligent Manufacturing IoT (GOOGLE)
- Intelligent system Analysis (GEMINI)
- Intelligent Warranty Service (PTC)
- Intelligent Lyric Analysis(IBM)
- Smart New Life(SIIVA)

Investment

- **NATURINT(100%)**
- **FinRoBo Advisor Securities Investment (30%)**
- **Digital Economic Fund (50 Million)**
- **AGP(SYSTEX AI+ Generator Program)**
Enable 10 AI4IA teams to connect with industry customers.

Opportunity

- **Intelligent Finance**
(AI semantics / Identification / Prediction / Decision)
- **Intelligent Retail/Restaurant**
(Customer service / Guide / Welcome / Order / Delivery)
- **Intelligent operation**
(Decision / Management / Maintenance/ Safety Control)
- **Intelligent Life**
(Fitness /Health Examination / Women and Children)

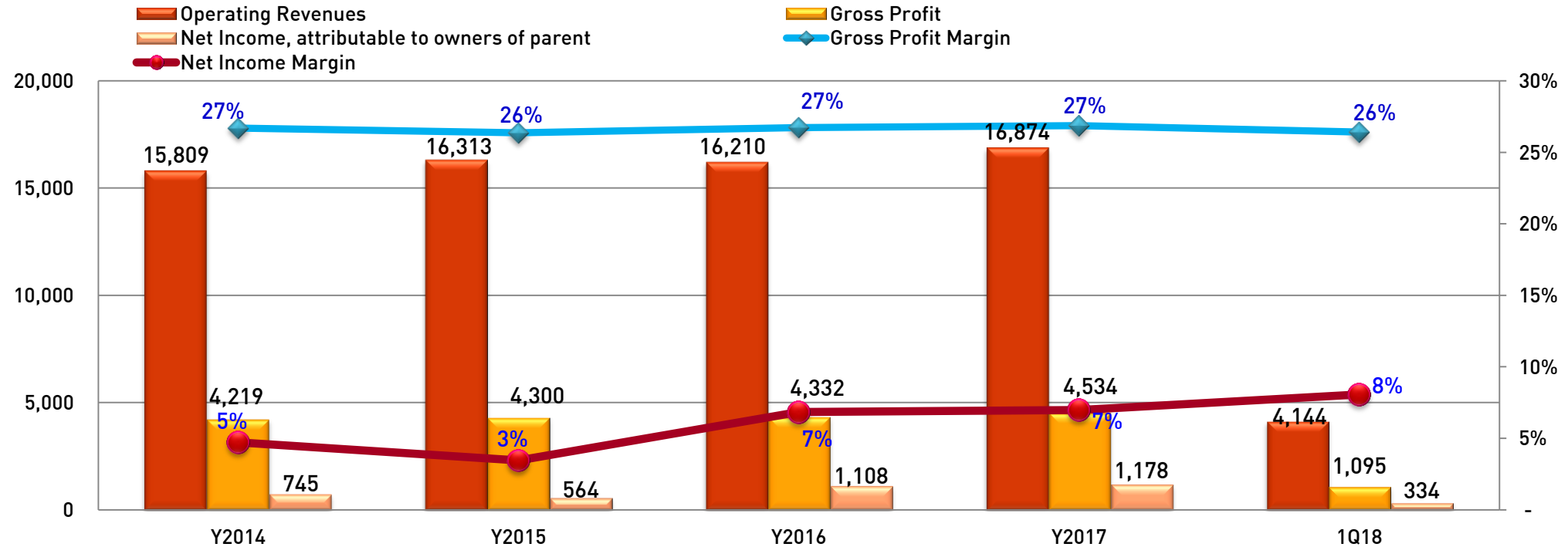
BALANCE SHEETS

UNIT : NT\$ million ,%

ITEM	2018/3/31	%	2017/12/31	%	2017/3/31	%
Cash and cash equivalents	2,264	12%	3,708	19%	3,574	20%
Current financial assets at fair value through profit or loss	4,123	22%	3,222	17%	2,662	15%
Current available-for-sale financial assets	0	-	17	0%	18	0%
Debt investments with no active market	0	-	357	2%	5	0%
Trade and other current receivables	2,937	16%	3,282	17%	2,788	16%
Inventories	2,526	13%	2,911	15%	2,394	13%
Other current assets	1,458	8%	1,324	7%	1,773	10%
Total current assets	13,308	70%	14,821	77%	13,214	74%
Financial assets at fair value through profit or loss - non-current	1,574	8%	0	-	0	-
Financial assets at fair value through other comprehensive income - non-current	126	1%	0	-	0	-
Financial assets measured at amortized cost- non-current	500	3%	0	-	0	-
Financial assets measured at cost - non-current	0	-	509	3%	430	2%
Debt investments with no active market- non-current	0	-	574	3%	576	3%
Investments accounted for using equity method	1,112	6%	1,154	6%	1,164	7%
Property, plant and equipment	1,934	10%	1,941	10%	1,973	11%
Intangible assets	60	0%	51	0%	100	1%
Total other non-current assets	316	2%	314	2%	317	2%
Total non-current assets	5,622	30%	4,543	23%	4,561	26%
Total assets	18,930	100%	19,364	100%	17,775	100%
Short-term loans	1,228	6%	1,460	8%	968	5%
Notes and accounts payable	2,162	11%	3,101	16%	2,212	12%
Other current liabilities	1,638	9%	2,206	11%	1,604	9%
Total current liabilities	5,028	27%	6,766	35%	4,784	27%
Total non-current liabilities	247	1%	276	1%	250	1%
Total liabilities	5,275	28%	7,042	36%	5,034	28%
Total share capital	2,694	14%	2,694	14%	2,694	15%
Capital surplus	7,343	39%	7,363	38%	7,635	43%
Retained earnings	5,073	27%	3,670	19%	3,801	21%
Other equity	(501)	-3%	(453)	-2%	(414)	-2%
Treasury shares	(1,004)	-5%	(1,004)	-5%	(1,004)	-6%
Total equity attributable to owners of Corporation	13,605	72%	12,270	63%	12,712	72%
Non-controlling interests	51	0%	52	0%	29	0%
Total liabilities and equity	18,930	100%	19,364	100%	17,775	100%
Book Value Per Share	55.31		49.88		51.68	

Historical INCOME STATEMENT

UNIT : NT\$ million ,%



	Y2014	Y2015	Y2016	Y2017	1Q18
Operating Revenues	15,809	16,313	16,210	16,874	4,144
Gross Profit	4,219	4,300	4,332	4,534	1,095
Gross Profit Margin	27%	26%	27%	27%	26%
Operating Expenses	3,784	3,881	4,053	3,995	927
Operating Income	486	419	279	539	168
Operating Income Margin	3%	3%	2%	3%	4%
Non-Operating Items	490	286	967	761	212
Net Income, attributable to owners of parent	745	564	1,108	1,178	334
Net Income Margin	5%	3%	7%	7%	8%
EPS	3.07	2.29	4.50	4.79	1.36

INCOME STATEMENT

UNIT : NT\$ million ,%

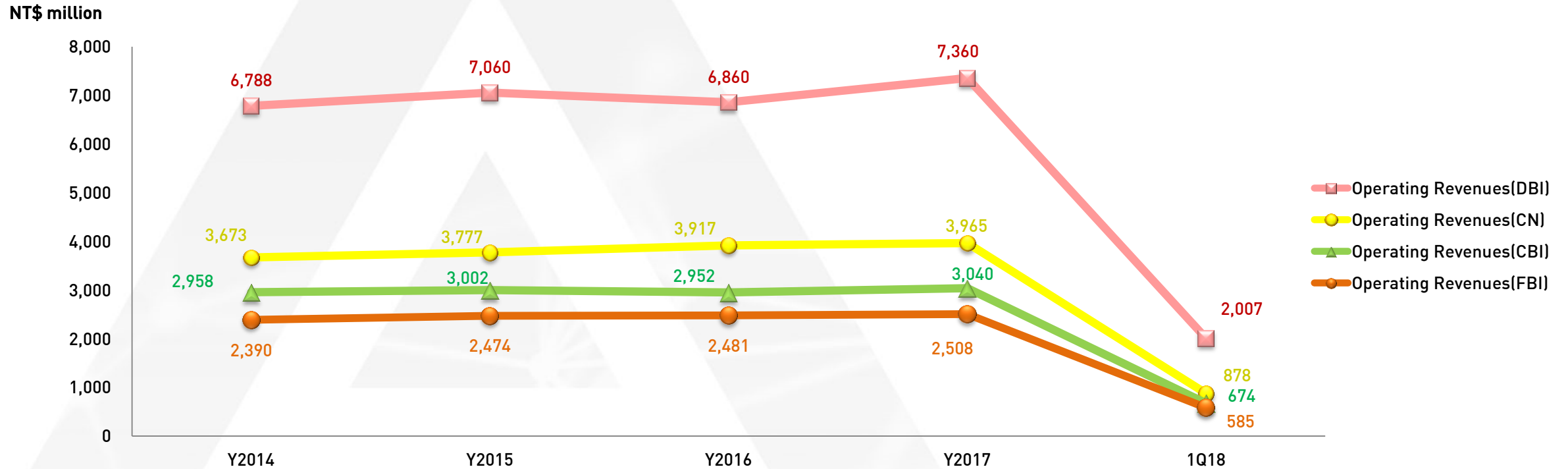
ITEM	1Q18	4Q17	DIFF	1Q17	DIFF
Operating Revenues	4,144	4,781	(637)	3,705	439
Operating Costs	3,049	3,515	(467)	2,690	359
Gross Profit	1,095	1,266	(171)	1,016	79
Gross Profit Margin	26%	26%	-0%	28%	-2%
Operating Expenses	927	1,122	(195)	896	30
Operating Income	168	144	24	119	49
Operating Income Margin	4%	3%	1%	3%	1%
Non-Operating Items (Notes 1)	212	184	28	237	(25)
Income Before Income Tax	380	328	52	356	24
Income Tax Expense	48	38	10	25	23
Net Income	332	289	43	331	1
Net Income, attributable to non-controlling interests	(2)	(2)	(0)	(2)	0
Net Income, attributable to owners of parent	334	291	43	333	1
EPS	1.36	1.19	0.17	1.35	0.01

Notes1 : Non-Operating Items

	1Q18	4Q17	DIFF	1Q17	DIFF
Interest income and expense	1	6	(5)	3	(2)
Share of profit of associates	(1)	27	(28)	14	(15)
Gains on disposals of investments	351	117	234	185	165
Gains on financial assets at fair value through profit or loss	(157)	30	(187)	28	(185)
Foreign exchange gain(loss) , net	8	(1)	9	(15)	23
Gain (loss) on disposal of property, plant and equipment, net	0	4	(4)	(0)	0
Impairment loss on l assets	0	(9)	9	(1)	1
Other non-operating income and expenses	10	9	1	23	(13)
Total non-operating income and expenses	212	184	28	237	(25)

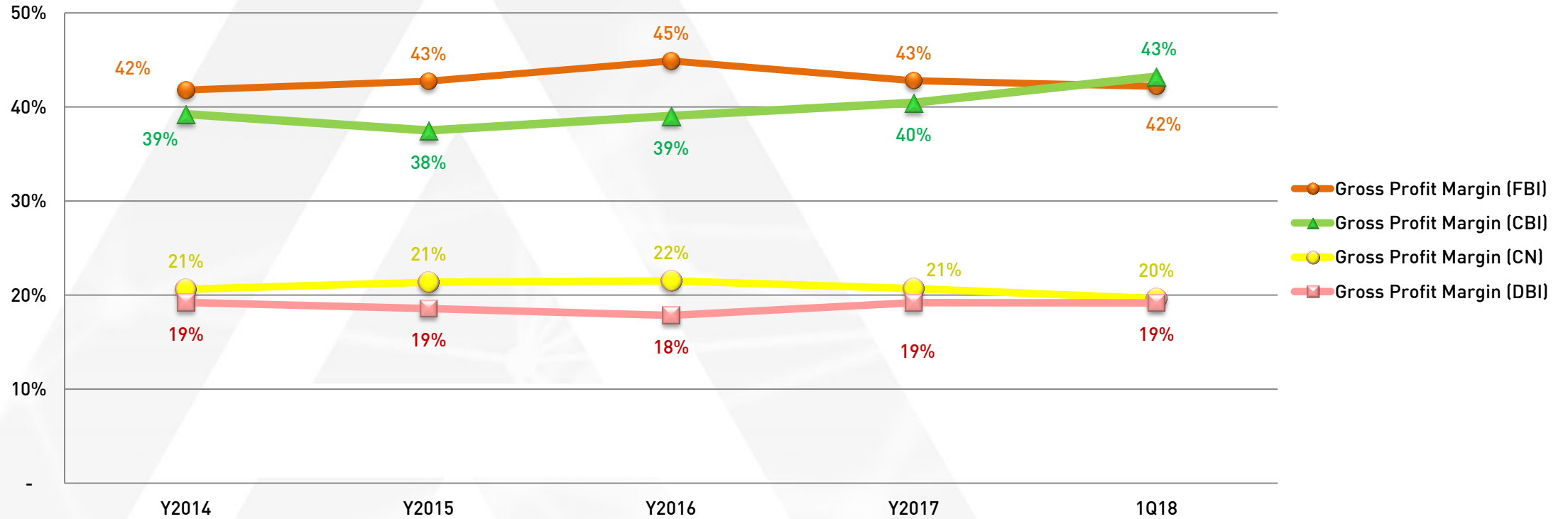
Operating Revenues by BI

UNIT : NT\$ million, %



	Y2014		Y2015		Y2016		Y2017		1Q18	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating Revenues	15,809	100%	16,313	100%	16,210	100%	16,874	100%	4,144	100%
Operating Revenues(FBI)	2,390	15%	2,474	15%	2,481	15%	2,508	15%	585	14%
Operating Revenues(CBI)	2,958	19%	3,002	18%	2,952	18%	3,040	18%	674	16%
Operating Revenues(DBI)	6,788	43%	7,060	43%	6,860	42%	7,361	44%	2,007	48%
Operating Revenues(CN)	3,673	23%	3,777	23%	3,917	24%	3,965	24%	878	21%

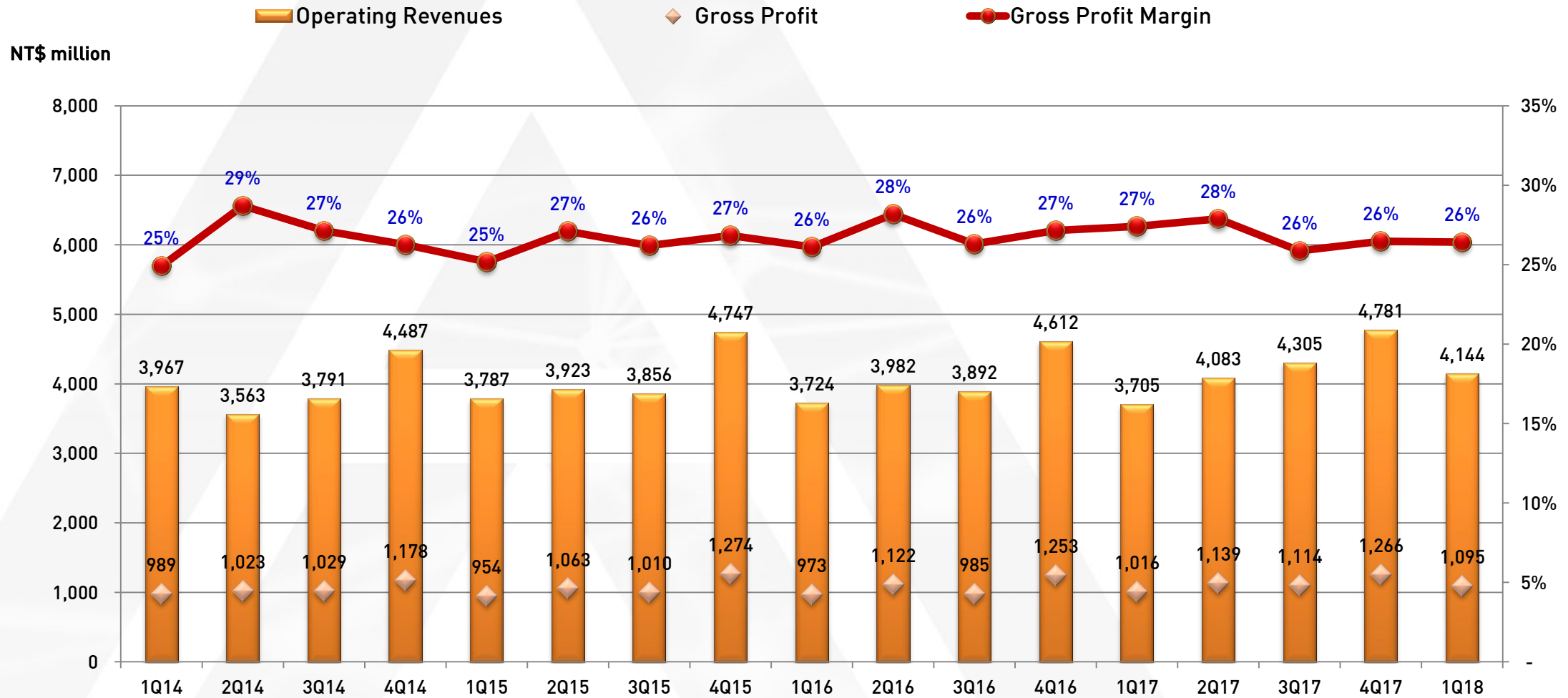
Gross Profit Margin by BI



	Y2014	Y2015	Y2016	Y2017	1Q18
Gross Profit Margin	27%	26%	27%	27%	26%
Gross Profit Margin (FBI)	42%	43%	45%	43%	42%
Gross Profit Margin (CBI)	39%	38%	39%	40%	43%
Gross Profit Margin (DBI)	19%	19%	18%	19%	19%
Gross Profit Margin (CN)	21%	21%	22%	21%	20%

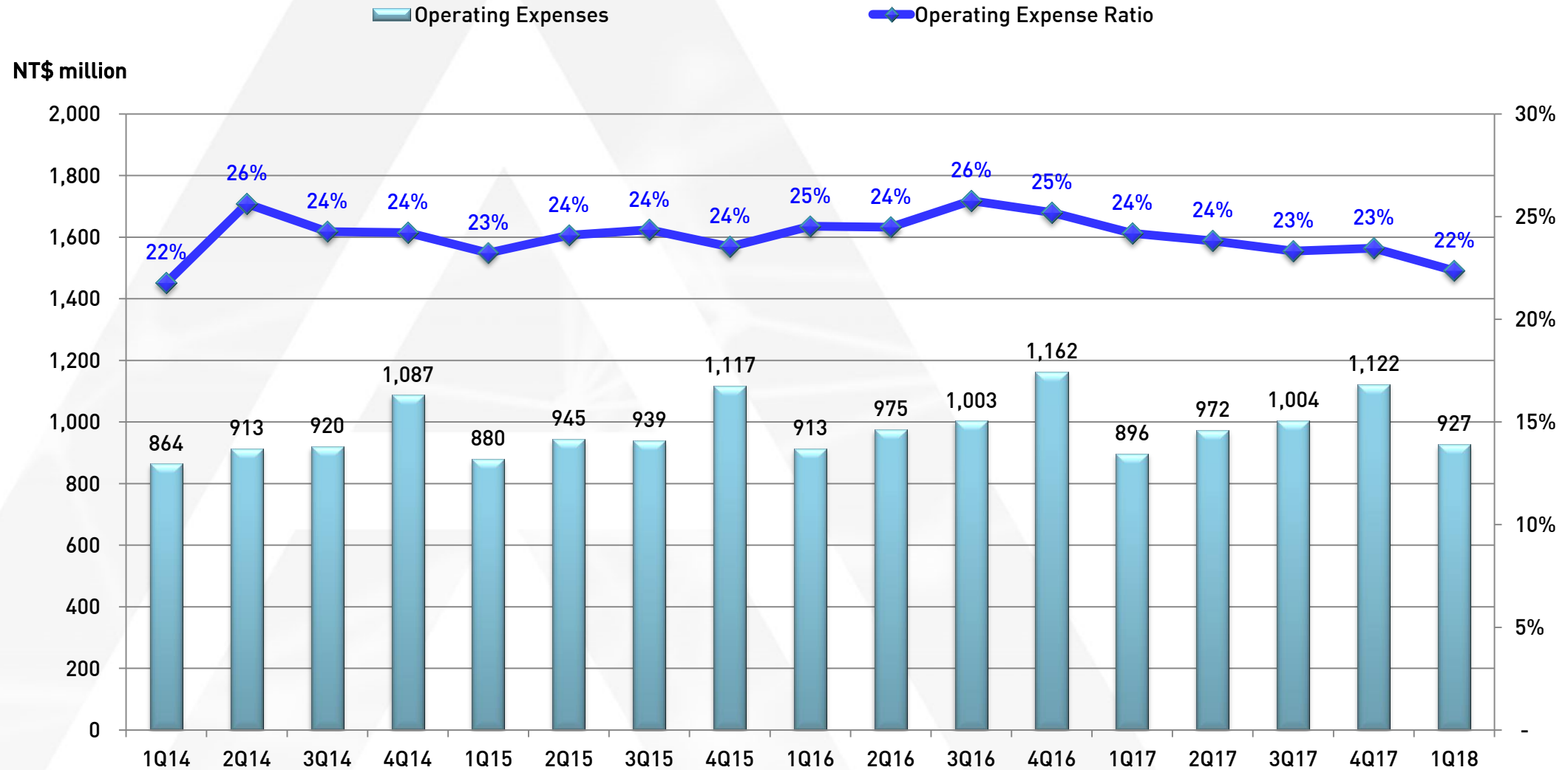
Consolidated Operating Revenues & Gross Profit Margin

UNIT : NT\$ million ,%



Operating Expenses By Quarter

UNIT : NT\$ million , %



SYSTEMX



Artificial Intelligence for Industry Applications