

# SYSTEMX Profile

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# A leading Taiwan-based IT Services Provider

- Employees: 4,000 (as of Jan., 2021)
- Top 100 Service Industry in Taiwan
- More than 50 office locations in Taiwan, China and Hong Kong
- Over 30,000 Enterprise and Public Sector Clients
- Business Focus  
Smart Manufacturing, Smart Finance, Smart Healthcare, Smart City, Smart CyberSecurity
- 2020 Revenue: USD \$803 Million

# Milestone

## 1997-2006

**SYSWARE founded in 1997**  
Kimo.com spun off from SYSWARE,  
and later acquired by Yahoo! In **2000**

## 2003 SYSTEX IPO

### 2005

Merged **UCOM**, largest IT training center in Taiwan  
Merged with the leading securities and bonds company in  
the domestic software market – **Yu-Lung Co., Ltd.**

## 2007-2012

### 2007 Taiwan's two leading IT Services Corporations "SYSWARE" and "SYSTEX" was consolidated

Acquired **Taiwan Electronic Data Processing Corporation** to formally enter the  
medical information service market

### 2010

Invested in **FORMS SYNTRON** for Banking business in China  
Acquired the Taiwan SI companies **Taifon** and **Concord** to create an integrated IT  
services ecosystem.

### 2011

Founded **SoftMobile**, developing mobile APPs  
Invested in **SYSPOWER**

### 2012

Merged **NEXSYS** to strengthen leading position in Taiwan payment market

### 2016

Invested in **Gemini Data** with the founder of Splunk for US and global business expansion

### 2018

Merged **Top Information** to expand web banking business  
Invested in **Retail System Co.** to reinforce retail market and product strategy  
Invested **Dawning Technology** to expand product portfolio and integrate Marketing Channels

### 2019

Invested in **AIWin** to acquire AI-AOI technology and business opportunity  
Merged **Zechster** Cloud Team for extending AI hybrid cloud service market  
Won Microsoft's 2019 Taiwan Partner of the Year Award

## 2013-2019

## 2020

Founded AI HPC brand **GARAOTUS**  
focusing on overseas cloud market  
Invested **Baoruh** to enter the internet of  
vehicles based on 5G communications  
market  
Invested **E-Service Information Co.** to  
develop data driven applications  
Invested **TIST Co.**, adding value to social  
welfare system

# Professional Service Provider

## Consumer Business

Technical Talents Ratio  
**75%**

## Financial Business

Technical Talents Ratio  
**85%**

## Digi-Ecosystem Integration

Technical Talents Ratio  
**80%**

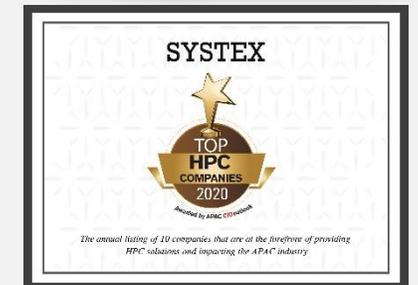
## Biz Software Service

Technical Talents Ratio  
**60%**

## China

Technical Talents Ratio  
**60%**

- Secured the **No.1 spot** in **Taiwan's software industry** for **over 10 consecutive years** by Common Wealth Magazine
- Crowned with **4th Taiwan Mittelstand Award** by **Industrial Development Bureau, Ministry of Economic Affairs, Taiwan**
- **A Certified Information Security Service Provider** by Industrial Development Bureau in 2020
- Awarded **APAC TOP 10 HPC Company** in 2020 by APAC CIO Outlook Magazine
- **Certification**
  - ✓ ISO 9001 Quality Management
  - ✓ ISO 27001 Information Security Management
  - ✓ ISO 23001 Business Continuity Management
  - ✓ BS 10012 Personal Information Management



# Cross Border / Industry Operating Organizations

Enterprise

Branch

| Consumer Business                            |
|--|
| Digital Innovation Application               |
| Distribution & Payment Sales                 |
| Omni-channel & Digital Business Applications |
| Data Management Integration Service          |
| Nexsys                                       |
| SYSTEX Solutions                             |
| E-Service Information                        |

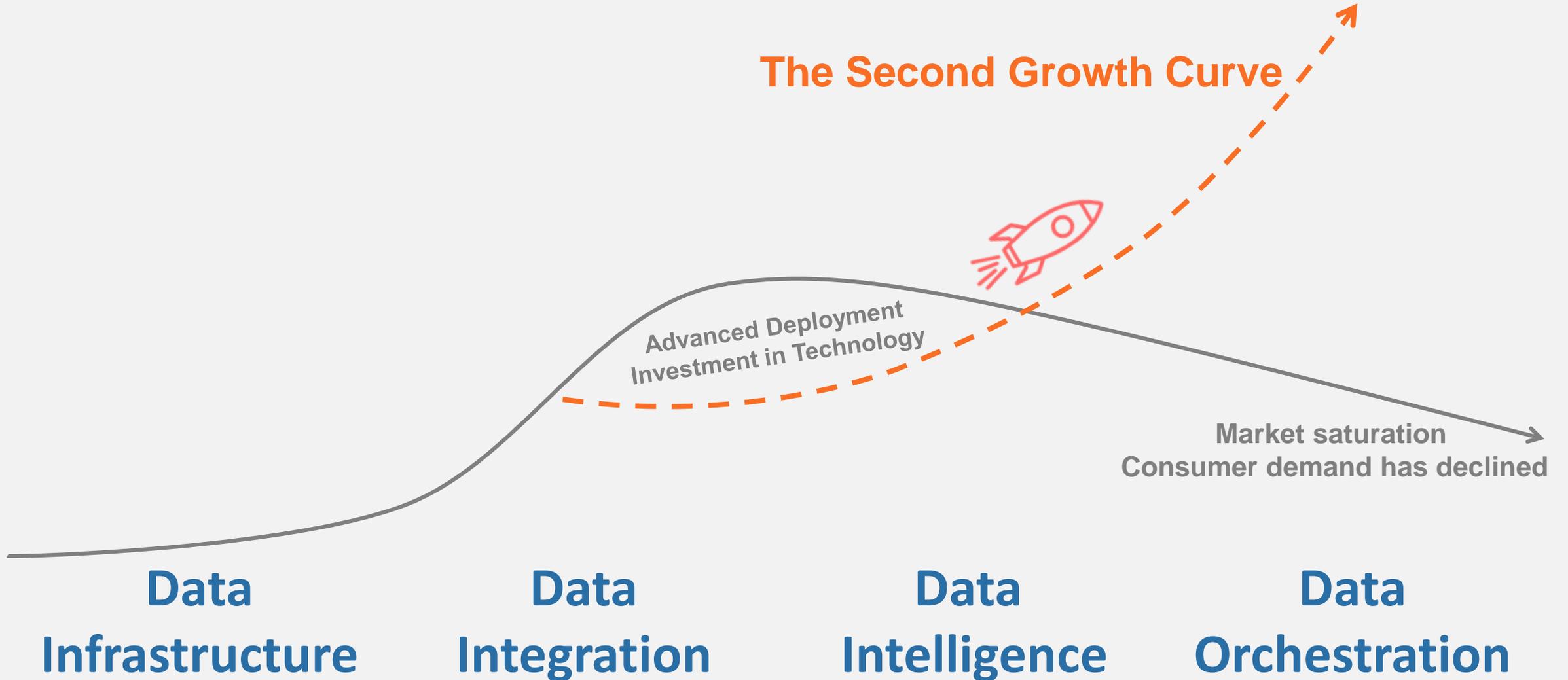
| Financial Business              |
|---------------------------------|
| Enterprise Business             |
| Technology & Innovation Service |
| Financial Big Data Center       |
| SYSPower                        |
| Softmobile                      |
| TEDPC                           |
| Concord                         |
| Naturint                        |
| Top Information                 |

| Digi-Ecosystem Integration        |
|-----------------------------------|
| International Software            |
| Knowledge Product                 |
| Distribution Center               |
| Digital Software Integration      |
| Intelligent Integration           |
| Greater Central & Southern Taiwan |
| AI & Cloud Business Strategy      |
| Taifon Computer                   |
| TIST                              |

| Biz Software Service                            |
|---|
| SYSTEX Software                                 |
| Software Integration & Service(SYSTEX Software) |
| Commercial Software Service(SYSTEX Software)    |

| China                  |
|------------------------|
| SYSTEX China           |
| SYSTEX Information(SH) |
| Rainbow Tech           |
| Sysware Shenlong Info  |
| SYSTEX Information(HK) |

# Exponential Business Growth Curve

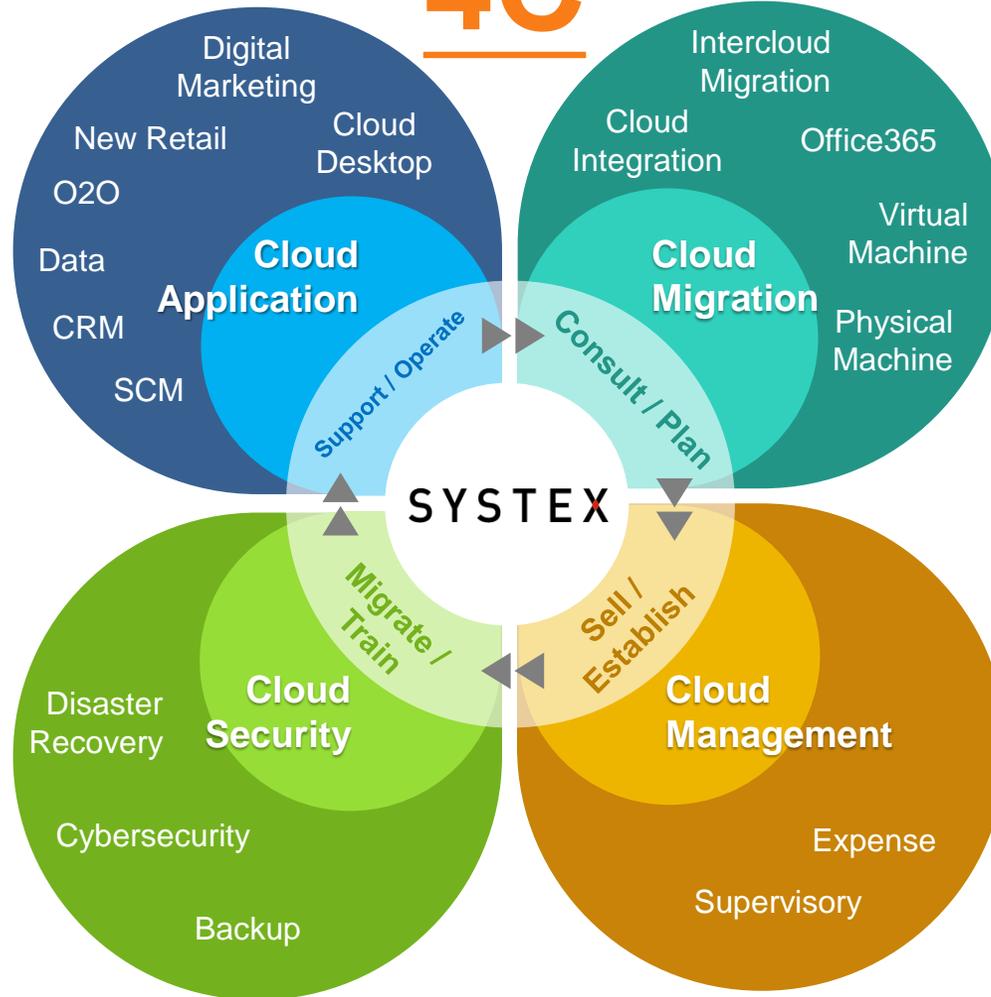


# Core Competence : 5A@4C.3D

5A

AP  
APP  
API  
Appliance  
Algorithm

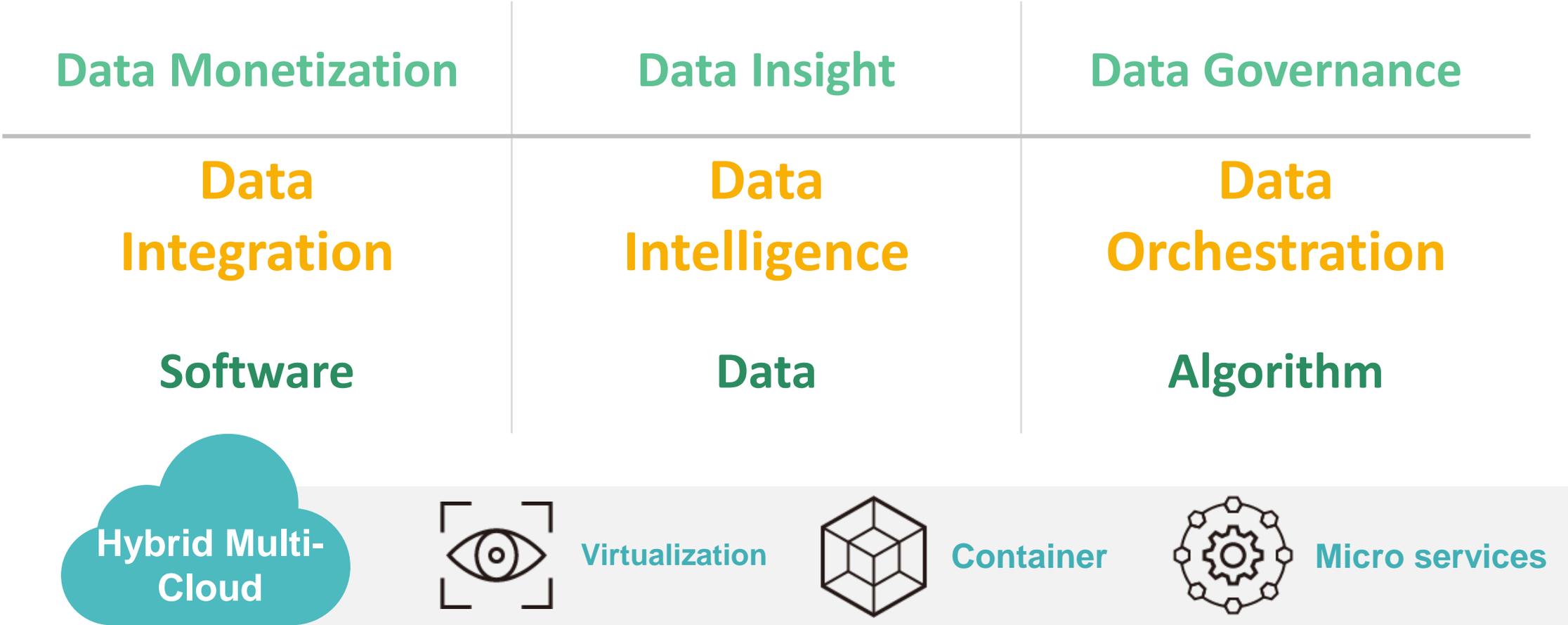
4C



3D

Data Integration  
Data Intelligence  
Data Orchestration

# Data Orchestration



# 5 Key Application Aspects

## Smart Manufacturing

*Key processing/  
heterogeneous data  
Integration*

- ✓ 3D War Room
- ✓ Global Distributor Inquiry System
- ✓ Production Information and Raw Material Management System
- ✓ AI-Driven IT/OT/IoT Security
- ✓ AI-AOI
- ✓ AR Smart Maintenance
- ✓ Quality-Control & Data Analytics Platform
- ✓ Product Quality Prediction and Optimization

## Smart City

*Smart Service,  
Better Life*

- ✓ Shop Push Marketing
- ✓ Smart School
- ✓ Virtual and Real Citizen Card Applications
- ✓ Infectious Disease Reporting System
- ✓ Digital Archive
- ✓ Omni-Payments
- ✓ Self-Service Ordering/Vender Machine
- ✓ AI Robot/ Facial Recognition
- ✓ Visitor Flow Analysis

## Smart Finance

*Integration of Fintech  
Innovation*

- ✓ CRM System
- ✓ Robo-advisor
- ✓ Service Robots
- ✓ TA Robot
- ✓ AI-based Customer Service
- ✓ Mobile Payment
- ✓ Digital Insurance
- ✓ Anti-Money Laundering
- ✓ AI-Based Fraud Detection
- ✓ Interactive Marketing

## Smart Security

*Continuous,  
Effectiveness, Cyber  
Security Eco-system  
Integration*

- ✓ Continuous Adaptive Risk/Trust Assessment
- ✓ Cyber Center Operation
- ✓ Blue Team Exercise
- ✓ Human Error Insight System / Social Engineering Solution
- ✓ Cyber Security Solutions Distribution
- ✓ Cyber Security Assessment Check
- ✓ GCB Deployment and Management

## Smart Healthcare

*Comprehensive Medical  
Care Solutions*

- ✓ NLP Chatbots for Healthcare
- ✓ AI-powered Cloud Service for Healthcare
- ✓ Sarcopenia Assessment Tools
- ✓ OSCE Online Examination System
- ✓ Ward Round APP
- ✓ Health Insurance e-Examination Platform
- ✓ HIS/PACS

# Global Ecosystem Partners

|           |                              |   |                                |                                    |   |                                    |   |  |   |             |  |   |                              |             |          |         |           |      |
|-----------|------------------------------|---|--------------------------------|------------------------------------|---|------------------------------------|---|--|---|-------------|--|---|------------------------------|-------------|----------|---------|-----------|------|
| AI        | HITACHI Inspire the Next     | Hewlett Packard Enterprise                    | Informatica                    | Google Cloud Platform              | NetApp  | IBM Premier Business Partner       | aws partner network Select Consulting Partner | PURESTORAGE                                | CISCO   | MICRO FOCUS | UiPath                                     | hp  | Microsoft                    |             |          |         |           |      |
| Analytics | Microsoft                    | CISCO   | HITACHI Inspire the Next       | VERITAS                            | MICRO FOCUS                                   | Google Cloud Platform              | IBM Premier Business Partner                  | Hewlett Packard Enterprise                 | aws partner network Select Consulting Partner | vmware      | ORACLE                                     | splunk>                                       | UiPath                       | Trinity     |          |         |           |      |
| HCI       | NUTANIX                      | CISCO   | vmware                         | DELL Technologies PLATINUM PARTNER | Hewlett Packard Enterprise                    | Lenovo                             | NetApp  |  |   |             |  |   |                              |             |          |         |           |      |
| Edge      | HITACHI Inspire the Next     | CISCO   | Google Cloud Platform          | Hewlett Packard Enterprise         | aws partner network Select Consulting Partner | DELL Technologies PLATINUM PARTNER | vmware  | Lenovo                                     | FORTINET                                      | hp          | aruba a Hewlett Packard Enterprise company | Microsoft                                     |                              |             |          |         |           |      |
| Cloud     | CISCO                        | Hewlett Packard Enterprise                    | Symantec                       | vmware                             | FORTINET                                      | rubrik                             | Red Hat Ready Business Partner                | NetApp                                     | FORESCOUT                                     | VERITAS     | Google Cloud Platform                      | aws partner network Select Consulting Partner | IBM Premier Business Partner | Microsoft   |          |         |           |      |
|           | f5                           | paloalto                                      | Infoblox NEXT LEVEL NETWORKING | MICRO FOCUS                        | Informatica                                   | zscaler                            | PURESTORAGE                                   | Synology                                   | aruba a Hewlett Packard Enterprise company    | ORACLE      | CITRIX                                     |   |                              |             |          |         |           |      |
| Security  | Symantec                     | aws partner network Select Consulting Partner | CISCO                          | PURESTORAGE                        | Informatica                                   | paloalto                           | FORESCOUT                                     | aruba a Hewlett Packard Enterprise company | FORCEPOINT                                    | DARKTRACE   | FORTINET                                   | zscaler                                       | CYBERARK                     |             |          |         |           |      |
|           | IBM Premier Business Partner | f5  | splunk>                        | THALES                             | MobileIron                                    | rubrik                             | vmware  | Google Cloud Platform                      | Infoblox NEXT LEVEL NETWORKING                | FLEXERA     | RAPID7                                     | tufin   | FireEye                      | CROWDSTRIKE | tripwire | tenable | Microsoft | Lock |

# Industry Clients

## Financial



## Manufacturing



## Service



## Government



## Medical



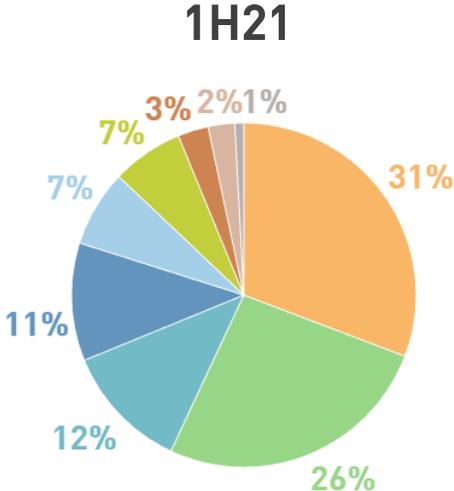
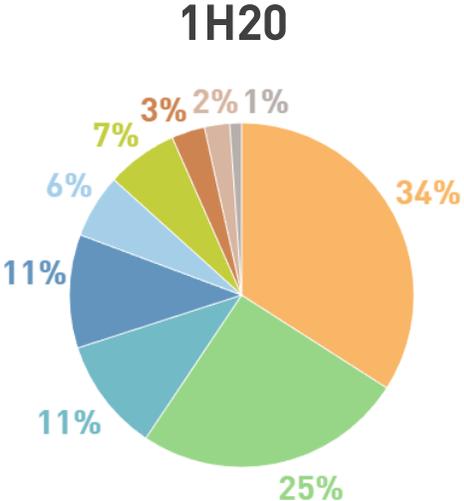
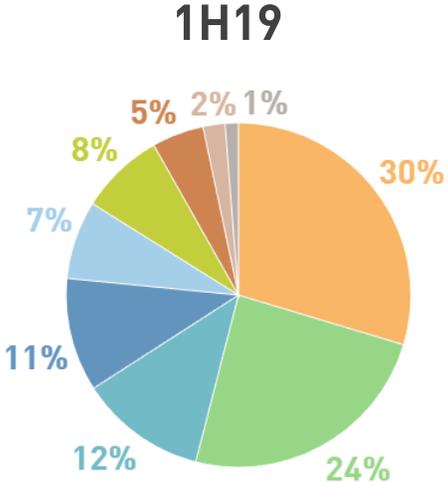
## Education



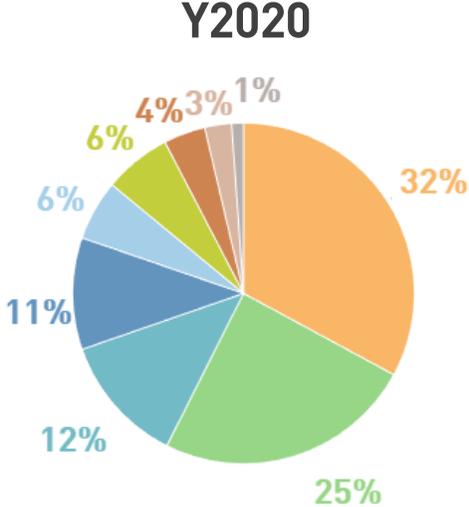
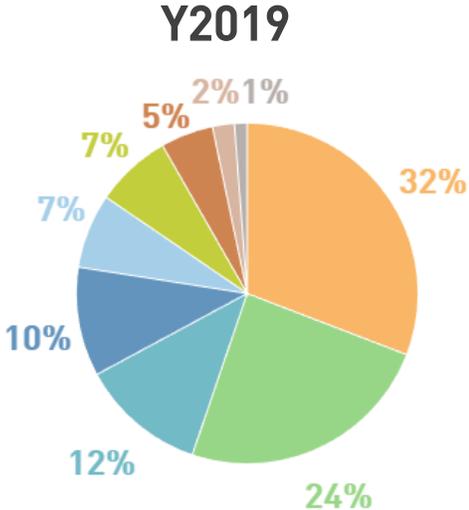
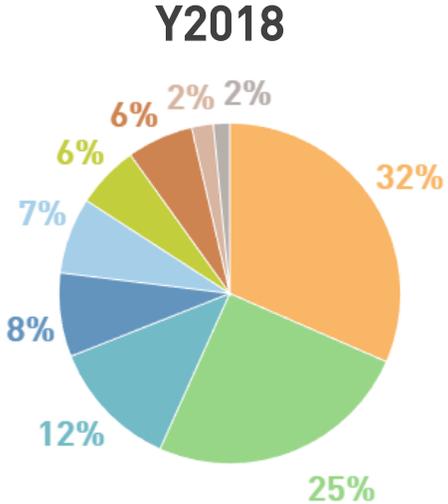
## Utilities



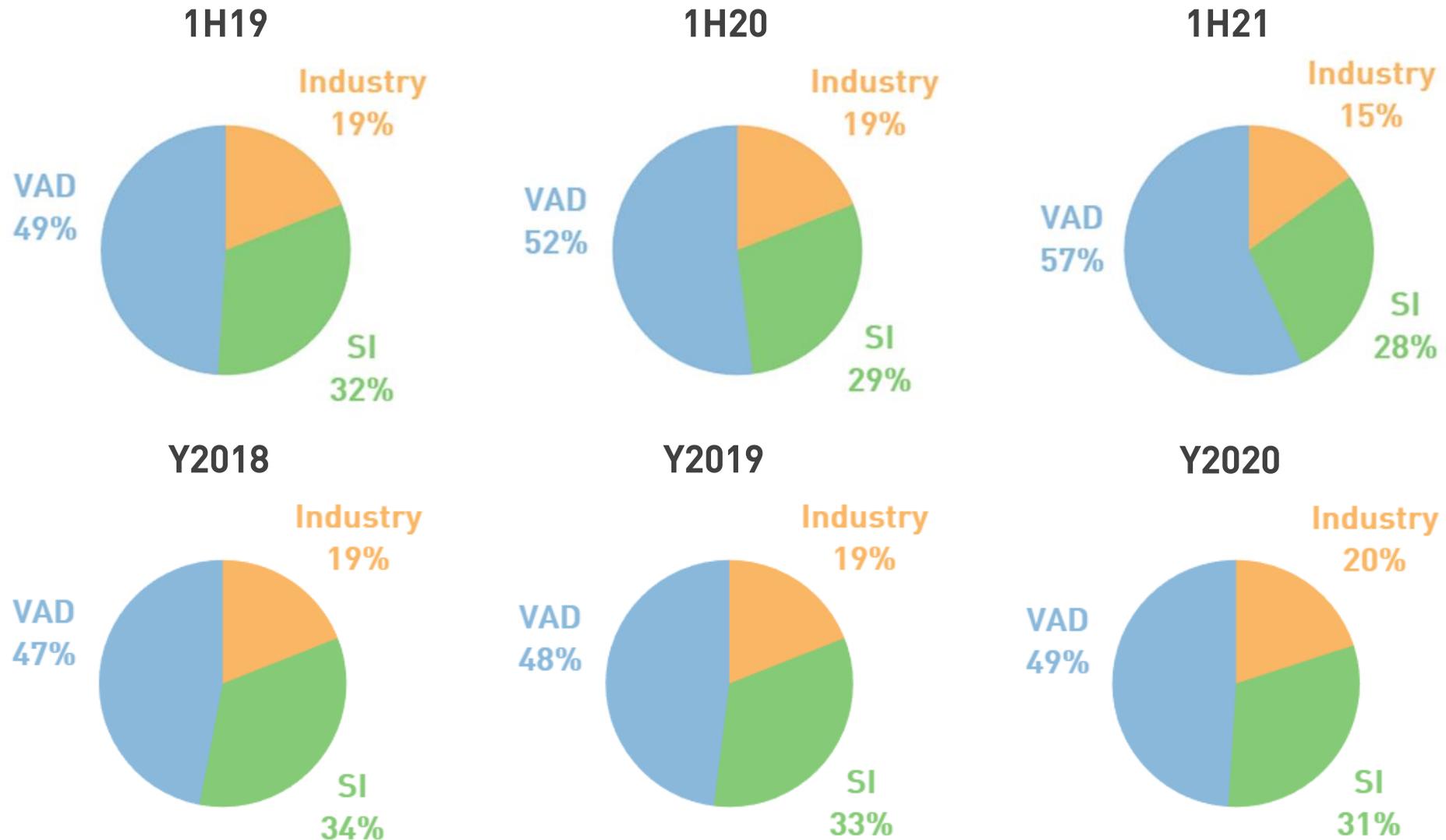
# Revenue breakdown by industrial classification



- Financial/Insurance
- Technology industry
- Government/Education
- Retail/Transportation
- Manufacturing
- Service
- Telecommunication/network
- Medical
- Other



# Revenue breakdown by business type



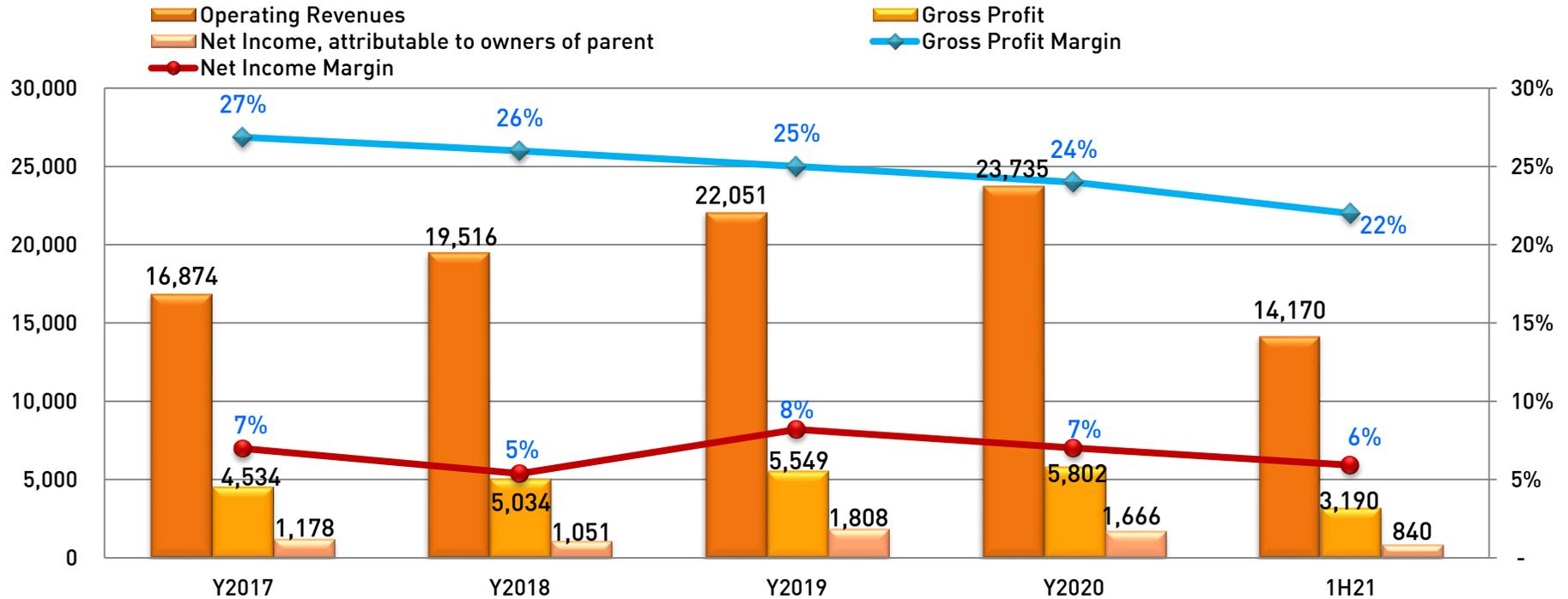
# BALANCE SHEETS

UNIT : NT\$ million ,%

| ITEM  | 2021/6/30     | %           | 2020/12/31    | %           | 2020/6/30     | %           |
|---|---------------|-------------|---------------|-------------|---------------|-------------|
| Cash and cash equivalents   | 3,793         | 16%         | 3,590         | 16%         | 2,964         | 14%         |
| Current financial assets at fair value through profit or loss                   | 2,661         | 11%         | 3,243         | 15%         | 3,289         | 15%         |
| Trade and other current receivables   | 4,679         | 19%         | 3,795         | 17%         | 3,862         | 18%         |
| Inventories   | 3,578         | 15%         | 3,166         | 14%         | 3,165         | 15%         |
| Other current assets  | 2,214         | 9%          | 1,832         | 9%          | 1,950         | 8%          |
| <b>Total current assets</b>   | <b>16,924</b> | <b>70%</b>  | <b>15,626</b> | <b>71%</b>  | <b>15,274</b> | <b>70%</b>  |
| Financial assets at fair value through profit or loss - non-current             | 1,658         | 7%          | 1,575         | 7%          | 1,512         | 7%          |
| Financial assets at fair value through other comprehensive income - non-current | 255           | 1%          | 683           | 3%          | 961           | 4%          |
| Financial assets measured at amortized cost- non-current                        | 500           | 2%          | 500           | 2%          | 500           | 2%          |
| Investments accounted for using equity method                                   | 1,682         | 7%          | 656           | 3%          | 822           | 4%          |
| Property, plant and equipment   | 2,107         | 9%          | 2,099         | 10%         | 2,071         | 10%         |
| Right-of-use assets   | 295           | 1%          | 260           | 1%          | 294           | 1%          |
| Intangible assets   | 220           | 1%          | 131           | 1%          | 99            | 1%          |
| Total other non-current assets  | 492           | 2%          | 499           | 2%          | 401           | 1%          |
| <b>Total non-current assets</b>   | <b>7,209</b>  | <b>30%</b>  | <b>6,403</b>  | <b>29%</b>  | <b>6,660</b>  | <b>30%</b>  |
| <b>Total assets</b>   | <b>24,133</b> | <b>100%</b> | <b>22,029</b> | <b>100%</b> | <b>21,934</b> | <b>100%</b> |
| Short-term loans  | 1,810         | 7%          | 797           | 4%          | 603           | 3%          |
| Notes and accounts payable  | 4,308         | 18%         | 3,639         | 16%         | 3,782         | 17%         |
| Other current liabilities   | 4,249         | 18%         | 3,407         | 16%         | 4,101         | 18%         |
| <b>Total current liabilities</b>  | <b>10,367</b> | <b>43%</b>  | <b>7,843</b>  | <b>36%</b>  | <b>8,486</b>  | <b>38%</b>  |
| Long-term loans   | 91            | -           | 100           | -           | 95            | 1%          |
| Other non-current liabilities   | 395           | 2%          | 437           | 2%          | 502           | 2%          |
| <b>Total non-current liabilities</b>  | <b>486</b>    | <b>2%</b>   | <b>537</b>    | <b>2%</b>   | <b>597</b>    | <b>3%</b>   |
| <b>Total liabilities</b>  | <b>10,853</b> | <b>45%</b>  | <b>8,380</b>  | <b>38%</b>  | <b>9,083</b>  | <b>41%</b>  |
| Total share capital   | 2,694         | 11%         | 2,694         | 12%         | 2,694         | 13%         |
| Capital surplus   | 6,491         | 27%         | 6,494         | 29%         | 6,407         | 29%         |
| Retained earnings   | 5,518         | 23%         | 6,018         | 27%         | 5,219         | 24%         |
| Other equity  | (660)         | -3%         | (769)         | -3%         | (605)         | -3%         |
| Treasury shares   | (928)         | -4%         | (928)         | -4%         | (928)         | -4%         |
| <b>Total equity attributable to owners of Corporation</b>                       | <b>13,115</b> | <b>54%</b>  | <b>13,509</b> | <b>61%</b>  | <b>12,787</b> | <b>59%</b>  |
| Non-controlling interests   | 166           | 1%          | 140           | 1%          | 64            | -           |
| <b>Total liabilities and equity</b>   | <b>24,133</b> | <b>100%</b> | <b>22,029</b> | <b>100%</b> | <b>21,934</b> | <b>100%</b> |
| Book Value Per Share  | 52.89         |             | 54.48         |             | 51.56         |             |

# Historical INCOME STATEMENT

UNIT : NT\$ million ,%



|  | Y2017  | Y2018  | Y2019  | Y2020  | 1H21   |
|--|--------|--------|--------|--------|--------|
| Operating Revenues                           | 16,874 | 19,516 | 22,051 | 23,735 | 14,170 |
| Gross Profit                                 | 4,534  | 5,034  | 5,549  | 5,802  | 3,190  |
| Gross Profit Margin                          | 27%    | 26%    | 25%    | 24%    | 22%    |
| Operating Expenses                           | 3,995  | 4,346  | 4,942  | 4,877  | 2,559  |
| Operating Income                             | 539    | 688    | 607    | 925    | 631    |
| Operating Income Margin                      | 3%     | 3%     | 3%     | 4%     | 4%     |
| Non-Operating Items                          | 761    | 553    | 1,596  | 926    | 347    |
| Net Income, attributable to owners of parent | 1,178  | 1,051  | 1,808  | 1,666  | 840    |
| Net Income Margin                            | 7%     | 5%     | 8%     | 7%     | 6%     |
| EPS  | 4.79   | 4.27   | 7.31   | 6.72   | 3.39   |

# INCOME STATEMENT

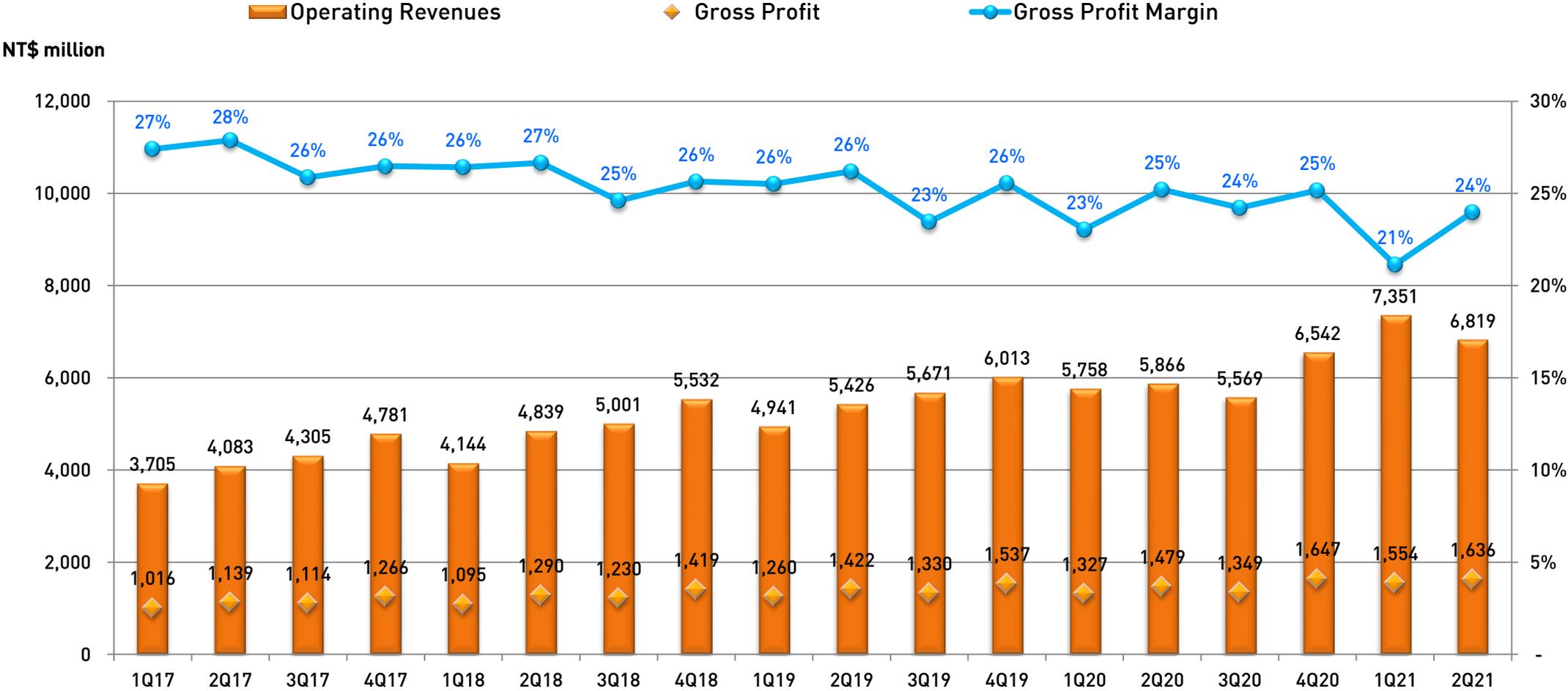
UNIT : NT\$ million ,%

| ITEM  | 2Q21  | 1Q21  | DIFF   | 2Q20  | DIFF   | 1H21   | 1H20   | DIFF  |
|---|-------|-------|--------|-------|--------|--------|--------|-------|
| Operating Revenues                                    | 6,819 | 7,351 | (532)  | 5,866 | 953    | 14,170 | 11,624 | 2,546 |
| Operating Costs                                       | 5,183 | 5,797 | (614)  | 4,387 | 796    | 10,980 | 8,818  | 2,162 |
| Gross Profit  | 1,636 | 1,554 | 82     | 1,479 | 157    | 3,190  | 2,806  | 384   |
| Gross Profit Margin                                   | 24%   | 21%   | 3%     | 25%   | -1%    | 22%    | 24%    | -2%   |
| Operating Expenses                                    | 1,313 | 1,246 | 67     | 1,209 | 104    | 2,559  | 2,259  | 300   |
| Operating Income                                      | 323   | 308   | 15     | 270   | 53     | 631    | 547    | 84    |
| Operating Income Margin                               | 5%    | 4%    | 1%     | 5%    | -      | 4%     | 5%     | -1%   |
| Non-Operating Items (Notes 1 )                        | 98    | 249   | (151)  | 560   | (462)  | 347    | 390    | (43)  |
| Income Before Income Tax                              | 421   | 557   | (136)  | 830   | (409)  | 978    | 937    | 41    |
| Income Tax Expense                                    | 84    | 52    | 32     | 64    | 20     | 137    | 111    | 26    |
| Net Income  | 337   | 505   | (168)  | 766   | (429)  | 841    | 825    | 16    |
| Net Income, attributable to non-controlling interests | 0     | 1     | (1)    | 4     | (4)    | 1      | 4      | (2)   |
| Net Income, attributable to owners of parent          | 337   | 504   | (167)  | 762   | (425)  | 840    | 822    | 18    |
| EPS   | 1.36  | 2.03  | (0.67) | 3.07  | (1.71) | 3.39   | 3.31   | 0.08  |

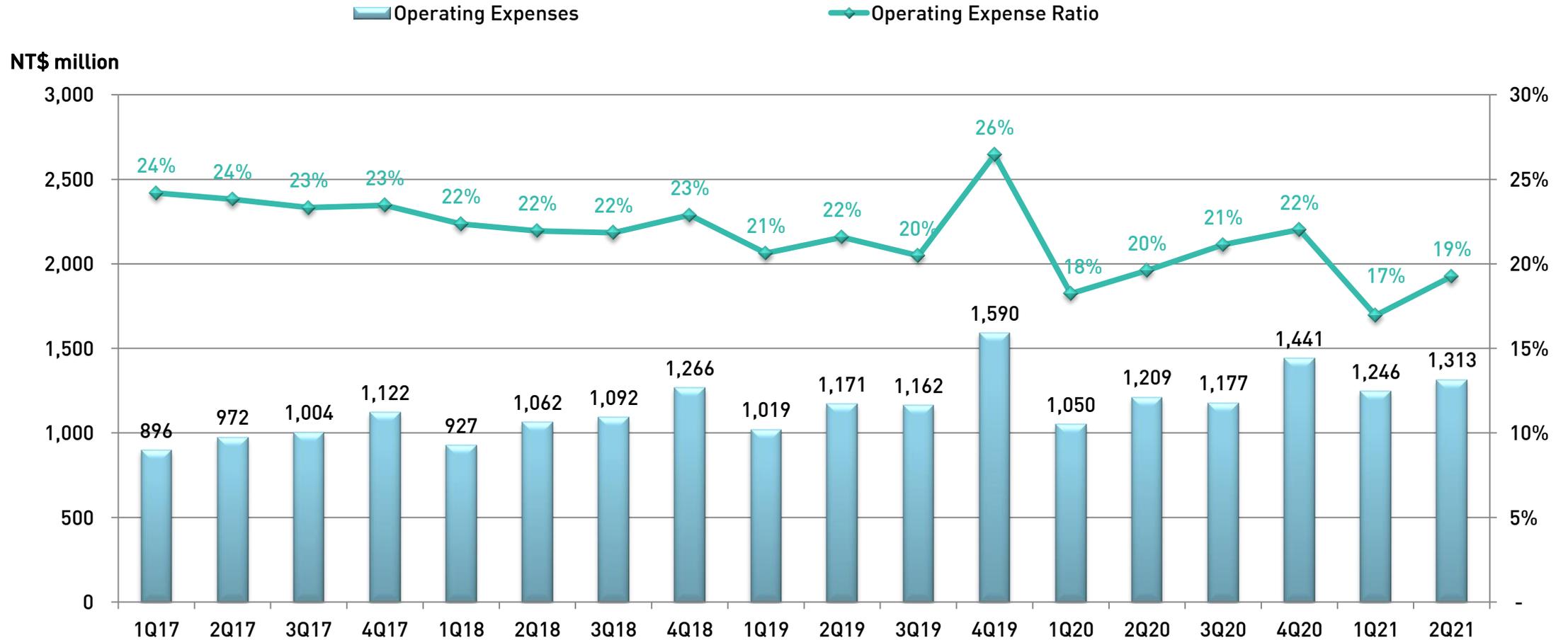
## Notes1 : Non-Operating Items

|  | 2Q21 | 1Q21 | DIFF  | 2Q20 | DIFF  | 1H21 | 1H20 | DIFF |
|--|------|------|-------|------|-------|------|------|------|
| Interest income and expense                                    | 0    | 1    | (0)   | 0    | 0     | 1    | 1    | 0    |
| Share of profit of associates                                  | 65   | 9    | 57    | 23   | 42    | 74   | 22   | 52   |
| Gains on disposals of investments                              | 2    | 11   | (9)   | 90   | (88)  | 13   | 94   | (81) |
| Gains on financial assets at fair value through profit or loss | 14   | 217  | (203) | 399  | (385) | 231  | 220  | 11   |
| Dividend income  | 0    | 0    | 0     | 34   | (34)  | 0    | 34   | (34) |
| Foreign exchange gain(loss) , net                              | 8    | 2    | 7     | 2    | 6     | 10   | (4)  | 14   |
| Impairment loss on l assets                                    | 0    | 0    | 0     | 0    | 0     | 0    | 0    | 0    |
| Other non-operating income and expenses                        | 9    | 9    | (0)   | 12   | (3)   | 18   | 23   | (5)  |
| Total non-operating income and expenses                        | 98   | 249  | (151) | 560  | (462) | 347  | 390  | (43) |

# Consolidated Operating Revenues & Gross Profit Margin



# Operating Expenses By Quarter



# Corporate Sustainability



Awarded “the Merit Unit of Green Procurement and Green Consumption Promotion” in 2020 by Environmental Protection Administration, Executive Yuan, R.O.C(Taiwan)



Awarded “the Merit Organization of Green Procurement” in 2020 by Department of Environmental Protection, Taipei City Government



Passes ISO 14001 - Environmental Management Systems and ISO 14064-1 - Greenhouse Gases Part 1: Specification with Guidance.



The CSR Project, Young Turing Program, crowned the **Silver Prize in the 4th PwC CSR Impact Award** in 2020, and **The Model Award in CSR Award by Global Views Monthly** in 2021.



AI+ Generator Program is listed and accepted as an International Startup Incubator by Small and Medium Enterprise Administration, Minister of Economic Affairs



Encourage employees to exercise and has been recognized as “isports Enterprise” which was acknowledged by Sports Administration, MOE



Crowned the “Happiness Enterprise” in IT industry category by 1111 Job Bank

# Making Good Changes for Our World

2014

Started SYSTEX Elite Internship which aims to nurture university/graduate students by offering summer internships program

2015

Kicked off "Data for Social Good" project, using data to solve social issues

2014-2016

2016

Held Young Turing Program to encourage high school students devote themselves to programming and try to fix society problems



2017

AI+ Generator Program, supporting startups to speed up market fit and go global



Coding Seeds Camp, focusing on engineering enlightenment education for school kids

2017-2020

2020

Donated NTD 3 million to help NTNU / national athletes enhance their performance to the next level through software and data analysis



Gemini Data launched "Gemini Explore" to assist global epidemic investigation organizations to track and analyze the correlation of the confirmed cases

2019

Action Intelligence for Social Good Award, encouraging organizations to utilize technology to make the world better



2021

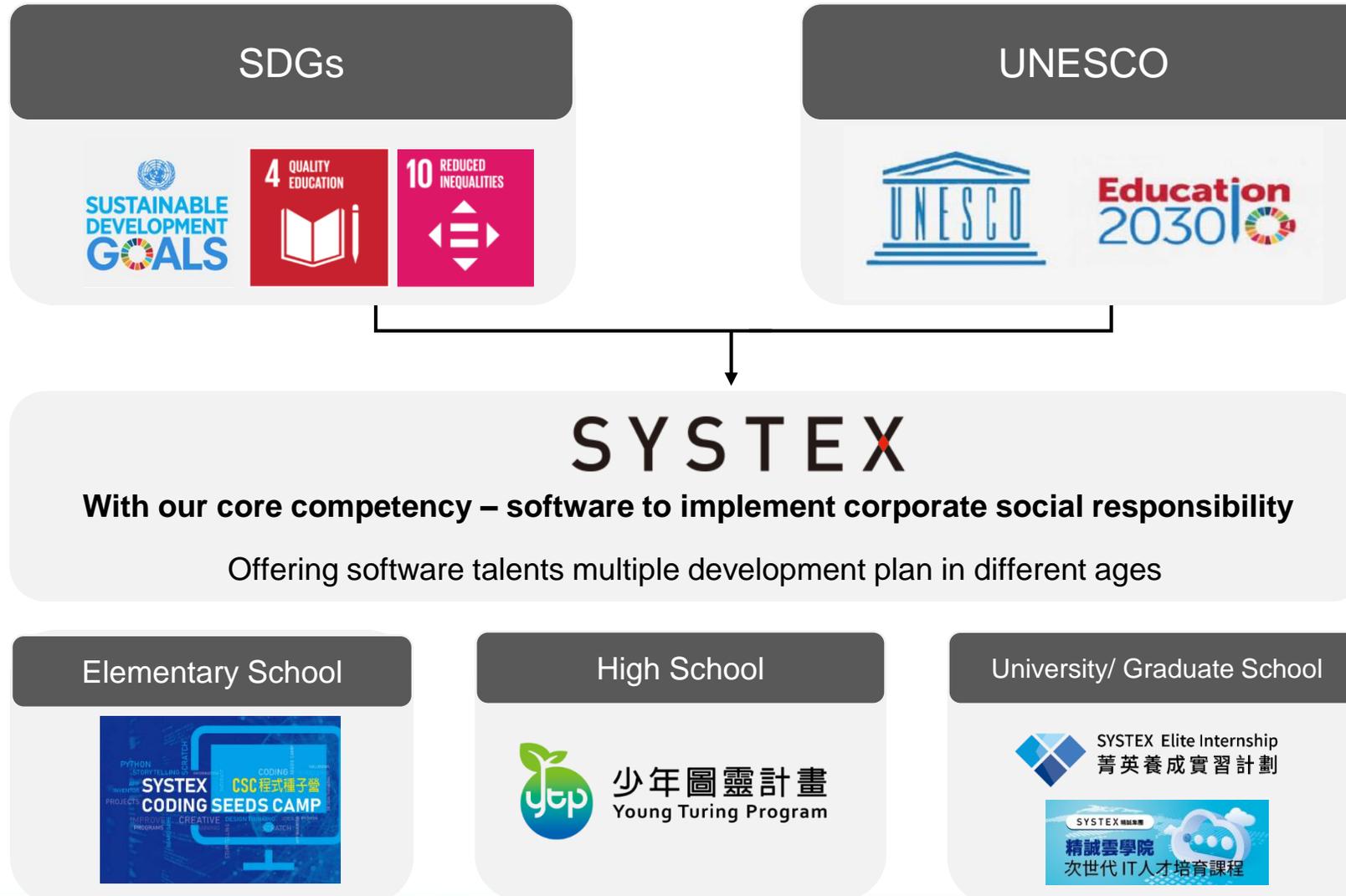
Sponsored two rural elementary and junior high school students to elevate their reading comprehension ability through online self-learning platform



Donated NTD 2 million to NTNU MASTER Men's Basketball team, to support their daily training program.



# Young Talents are the Key to Future



# Cultivating Software Talents for Taiwan



ASP

YTP



CSR

SEI



NTNU Sponsorship

CSC





SYSTEMX

Data Software **Orchestration**

**Thank You**