

SYSTEMEX Profile

CFO & Company Spokesman
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2018.11.21

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
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 Ulstek 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

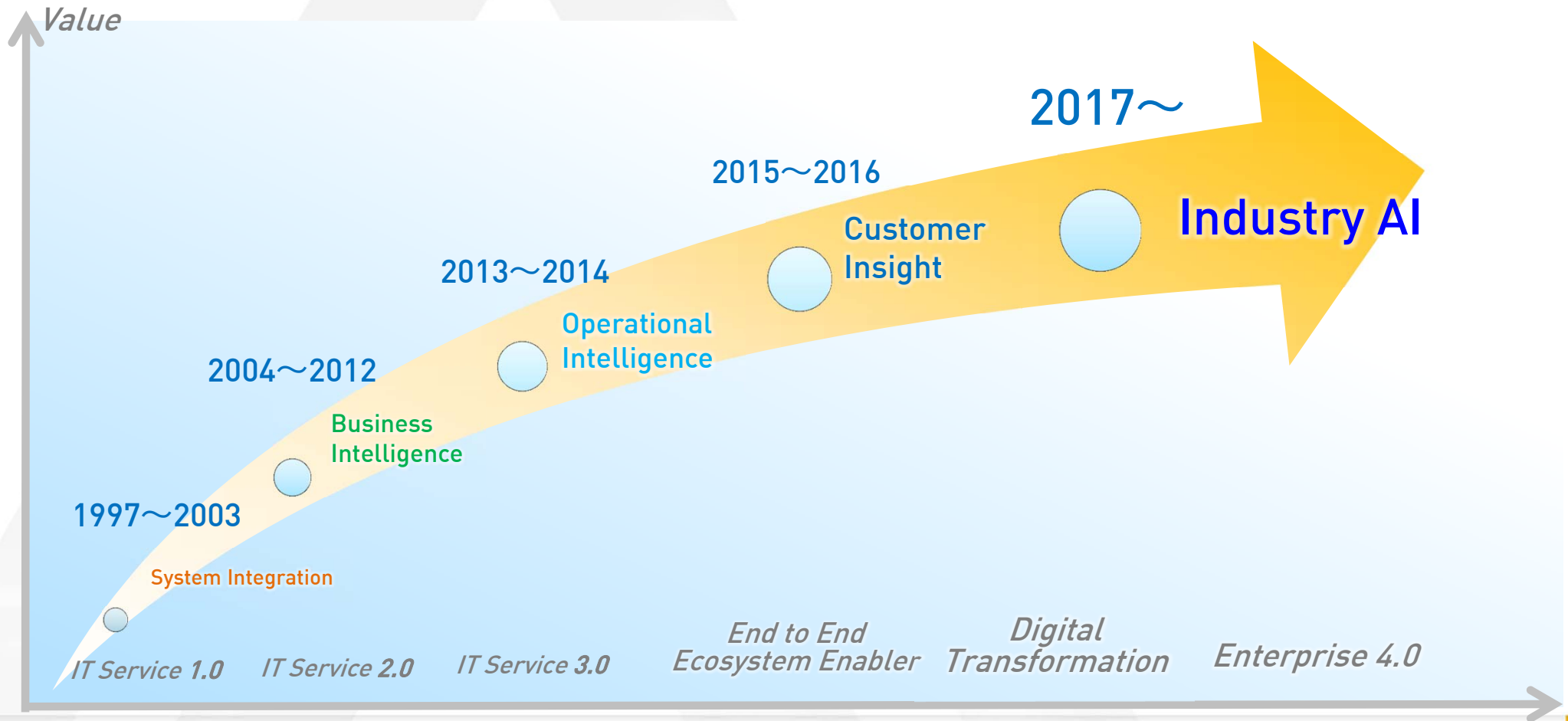
- 2017 awarded the [Outstanding Backbone Enterprise] issued by the IDB
- 《Common Wealth Magazine》 Top 2000 Enterprise survey SYSTEX has secured the No.1 spot in the Taiwan's software industry for 12 consecutive years.

• 【International Certification】

- ✓ ISO 9001
- ✓ ISO 27001
- ✓ BS 25999
- ✓ BS 10012

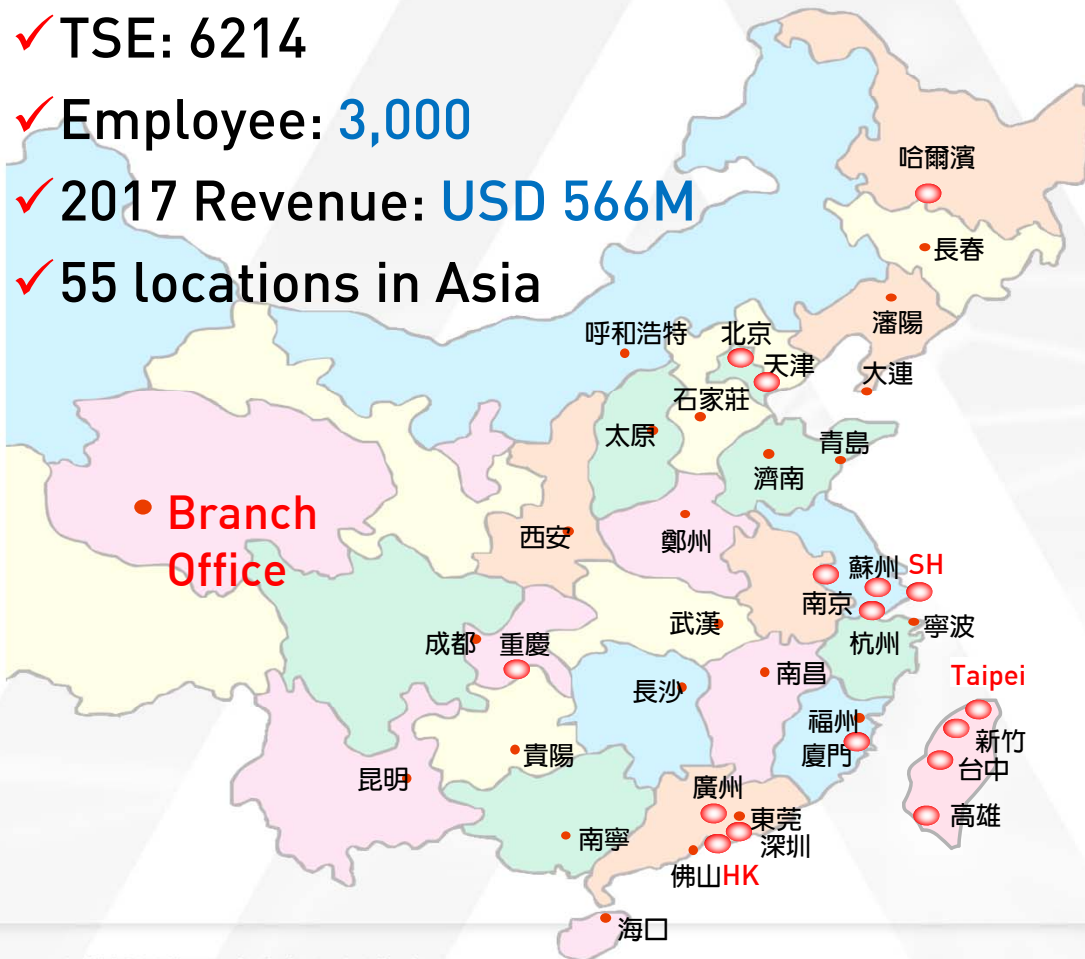


Data Centric, Software Driven, AI Driving



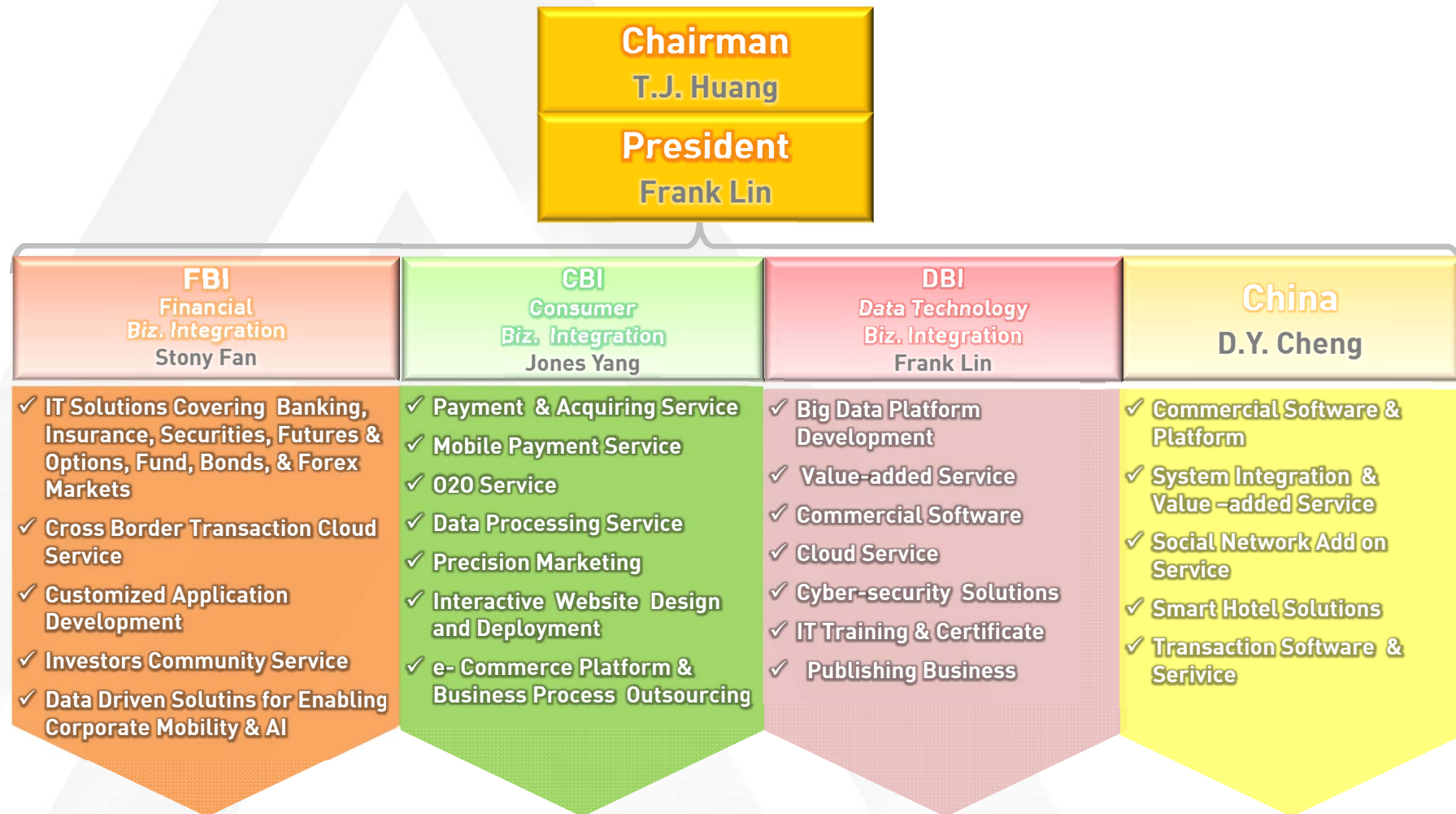
Cross Border Professional Services Offerings

- ✓ 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

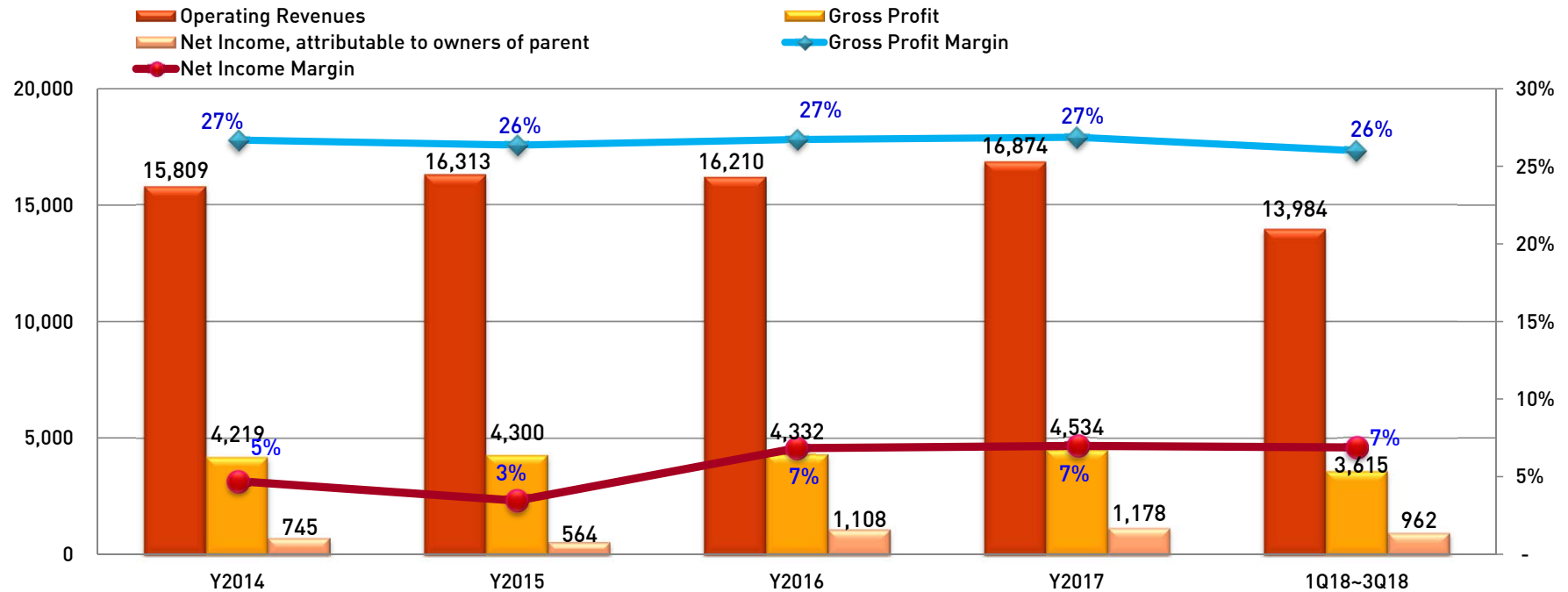
BALANCE SHEETS

UNIT : NT\$ million, %

ITEM	2018/9/30	%	2017/12/31	%	2017/9/30	%
Cash and cash equivalents	2,296	12%	3,708	19%	3,551	19%
Current financial assets at fair value through profit or loss	3,331	17%	3,222	17%	2,716	15%
Current available-for-sale financial assets	0	-	17	0%	17	0%
Debt investments with no active market	0	-	357	2%	635	3%
Trade and other current receivables	3,954	21%	3,282	17%	3,092	17%
Inventories	2,622	14%	2,911	15%	2,729	15%
Other current assets	1,477	8%	1,324	7%	1,379	7%
Total current assets	13,681	71%	14,821	77%	14,120	76%
Financial assets at fair value through profit or loss - non-current	1,606	8%	0	-	0	-
Financial assets at fair value through other comprehensive income - non-current	170	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%	433	2%
Debt investments with no active market- non-current	0	-	574	3%	576	3%
Investments accounted for using equity method	1,013	5%	1,154	6%	1,162	6%
Property, plant and equipment	1,919	10%	1,941	10%	1,954	10%
Intangible assets	47	0%	51	0%	57	0%
Total other non-current assets	331	2%	314	2%	338	2%
Total non-current assets	5,586	29%	4,543	23%	4,520	24%
Total assets	19,267	100%	19,364	100%	18,640	100%
Short-term loans	1,447	8%	1,460	8%	2,151	12%
Notes and accounts payable	2,640	14%	3,101	16%	2,318	12%
Other current liabilities	1,822	9%	2,206	11%	1,778	10%
Total current liabilities	5,909	31%	6,766	35%	6,247	34%
Total non-current liabilities	243	1%	276	1%	249	1%
Total liabilities	6,152	32%	7,042	36%	6,497	35%
Total share capital	2,694	14%	2,694	14%	2,694	14%
Capital surplus	6,750	35%	7,363	38%	7,371	40%
Retained earnings	5,027	26%	3,670	19%	3,411	18%
Other equity	(420)	-2%	(453)	-2%	(384)	-2%
Treasury shares	(1,004)	-5%	(1,004)	-5%	(1,004)	-5%
Total equity attributable to owners of Corporation	13,048	68%	12,270	63%	12,088	65%
Non-controlling interests	67	0%	52	0%	55	0%
Total liabilities and equity	19,267	100%	19,364	100%	18,640	100%
Book Value Per Share	53.04		49.88		49.14	

Historical INCOME STATEMENT

UNIT : NT\$ million, %



	Y2014	Y2015	Y2016	Y2017	1Q18~3Q18
Operating Revenues	15,809	16,313	16,210	16,874	13,984
Gross Profit	4,219	4,300	4,332	4,534	3,615
Gross Profit Margin	27%	26%	27%	27%	26%
Operating Expenses	3,784	3,881	4,053	3,995	3,081
Operating Income	486	419	279	539	534
Operating Income Margin	3%	3%	2%	3%	4%
Non-Operating Items	490	286	967	761	580
Net Income, attributable to owners of parent	745	564	1,108	1,178	962
Net Income Margin	5%	3%	7%	7%	7%
EPS	3.07	2.29	4.50	4.79	3.91

INCOME STATEMENT

UNIT : NT\$ million ,%

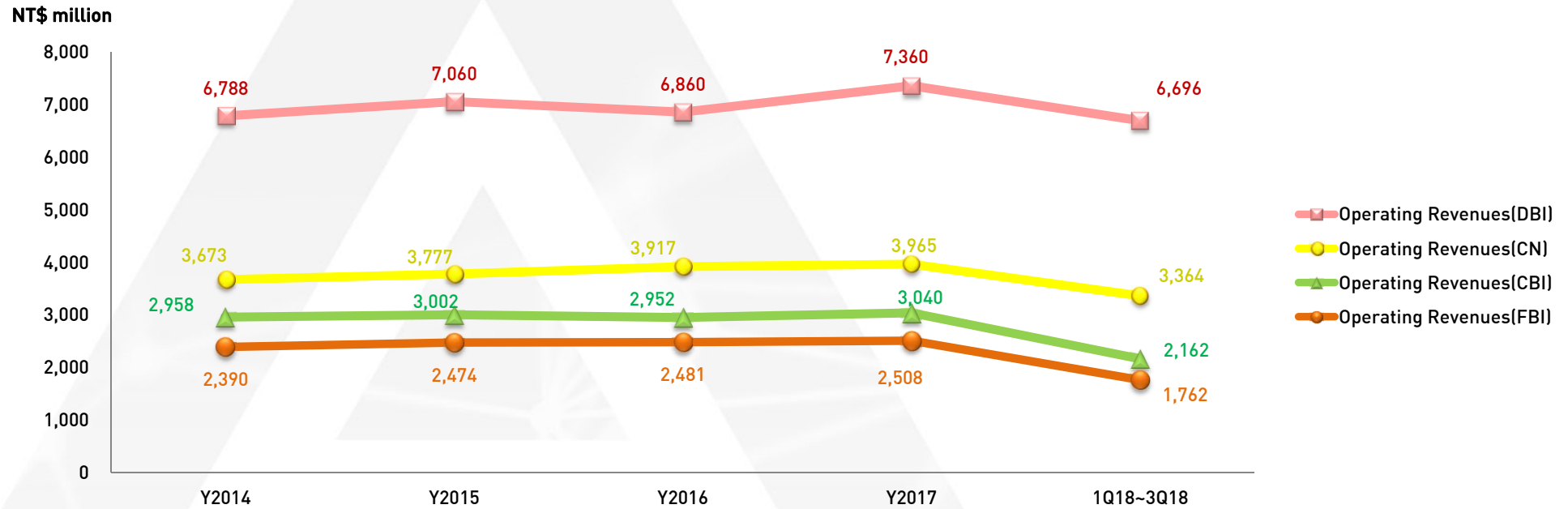
ITEM	3Q18	2Q18	DIFF	3Q17	DIFF	1Q18~3Q18	1Q17~3Q17	DIFF
Operating Revenues	5,001	4,839	162	4,305	696	13,984	12,093	1,891
Operating Costs	3,771	3,549	222	3,191	580	10,369	8,825	1,544
Gross Profit	1,230	1,290	(60)	1,114	116	3,615	3,268	347
Gross Profit Margin	25%	27%	-2%	26%	-1%	26%	27%	-1%
Operating Expenses	1,092	1,062	30	1,004	88	3,081	2,873	208
Operating Income	138	228	(90)	110	28	534	395	139
Operating Income Margin	3%	5%	-2%	2%	1%	4%	3%	1%
Non-Operating Items (Notes 1)	10	357	(347)	241	(231)	580	577	3
Income Before Income Tax	148	585	(437)	351	(203)	1,114	972	142
Income Tax Expense	43	63	(20)	39	4	154	88	66
Net Income	105	523	(417)	312	(207)	960	884	76
Net Income, attributable to non-controlling interests	(2)	2	(4)	(0)	(2)	(2)	(3)	1
Net Income, attributable to owners of parent	107	521	(414)	312	(205)	962	887	75
EPS	0.44	2.12	(1.68)	1.27	(0.83)	3.91	3.60	0.31

Notes1 : Non-Operating Items

	3Q18	2Q18	DIFF	3Q17	DIFF	1Q18~3Q18	1Q17~3Q17	DIFF
Interest income and expense	3	2	1	3	0	6	10	(4)
Share of profit of associates	11	23	(12)	11	0	33	39	(6)
Gains on disposals of investments	74	129	(56)	158	(84)	554	362	192
Gains on financial assets at fair value through profit or loss	(161)	198	(360)	30	(191)	(120)	69	(190)
Foreign exchange gain(loss) , net	(8)	(12)	4	20	(28)	(12)	35	(47)
Gain (loss) on disposal of property, plant and equipment, net	9	(0)	9	(0)	9	9	(0)	9
Impairment loss on l assets	0	0	0	(0)	0	0	(29)	29
Other non-operating income and expenses	12	13	(0)	5	7	35	44	(9)
Total non-operating income and expenses	10	357	(347)	241	(231)	580	577	3

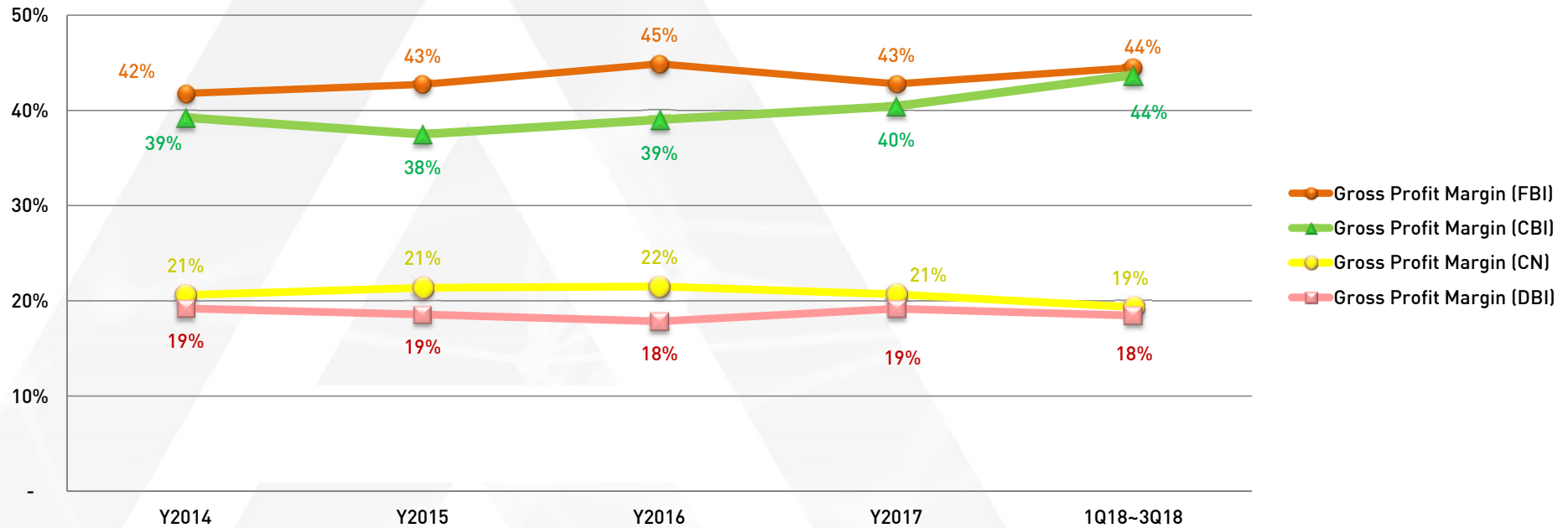
Operating Revenues by BI

UNIT : NT\$ million ,%



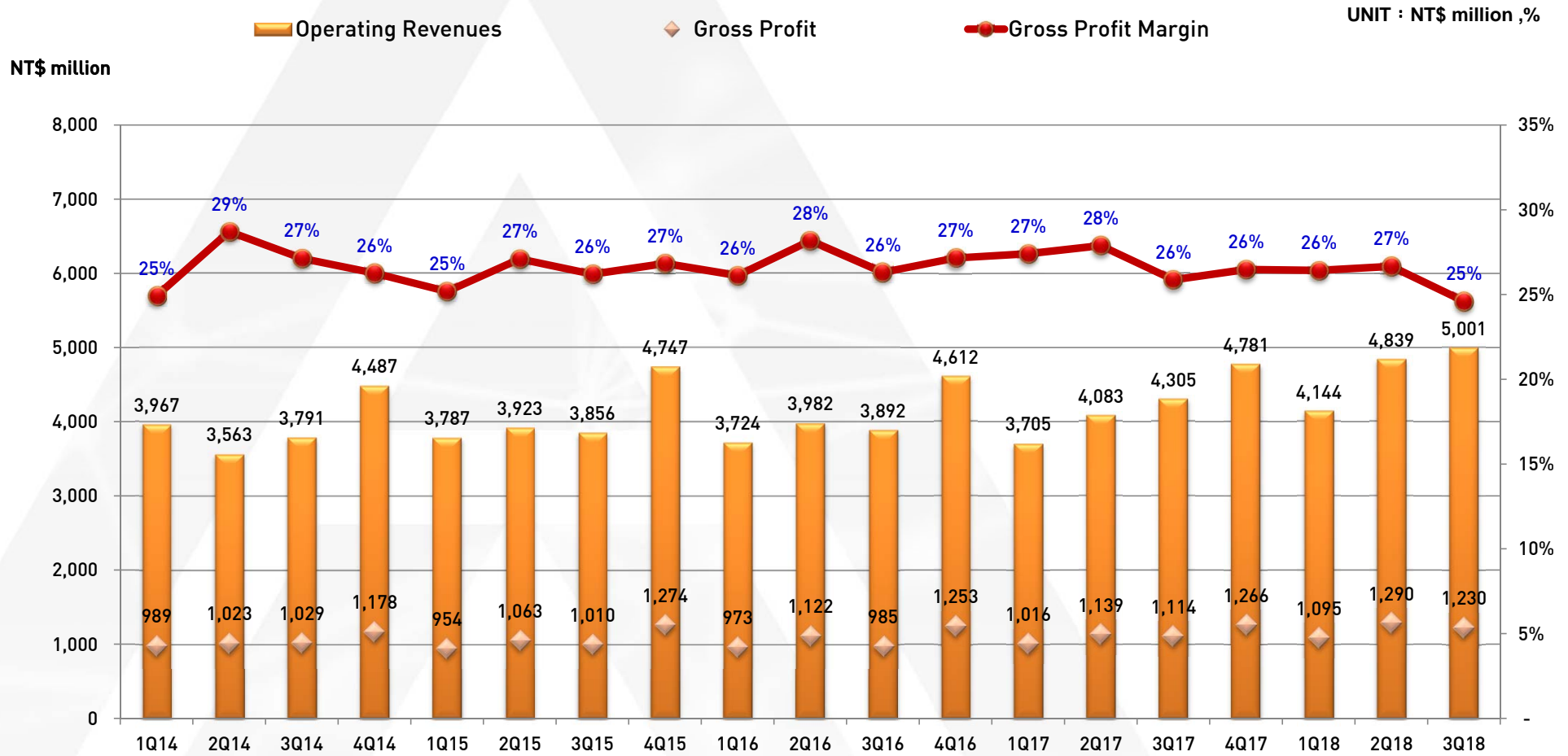
	Y2014		Y2015		Y2016		Y2017		1Q18~3Q18	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating Revenues	15,809	100%	16,313	100%	16,210	100%	16,874	100%	13,984	100%
Operating Revenues(FBI)	2,390	15%	2,474	15%	2,481	15%	2,508	15%	1,762	13%
Operating Revenues(CBI)	2,958	19%	3,002	18%	2,952	18%	3,040	18%	2,162	15%
Operating Revenues(DBI)	6,788	43%	7,060	43%	6,860	42%	7,361	44%	6,696	48%
Operating Revenues(CN)	3,673	23%	3,777	23%	3,917	24%	3,965	24%	3,364	24%

Gross Profit Margin by BI



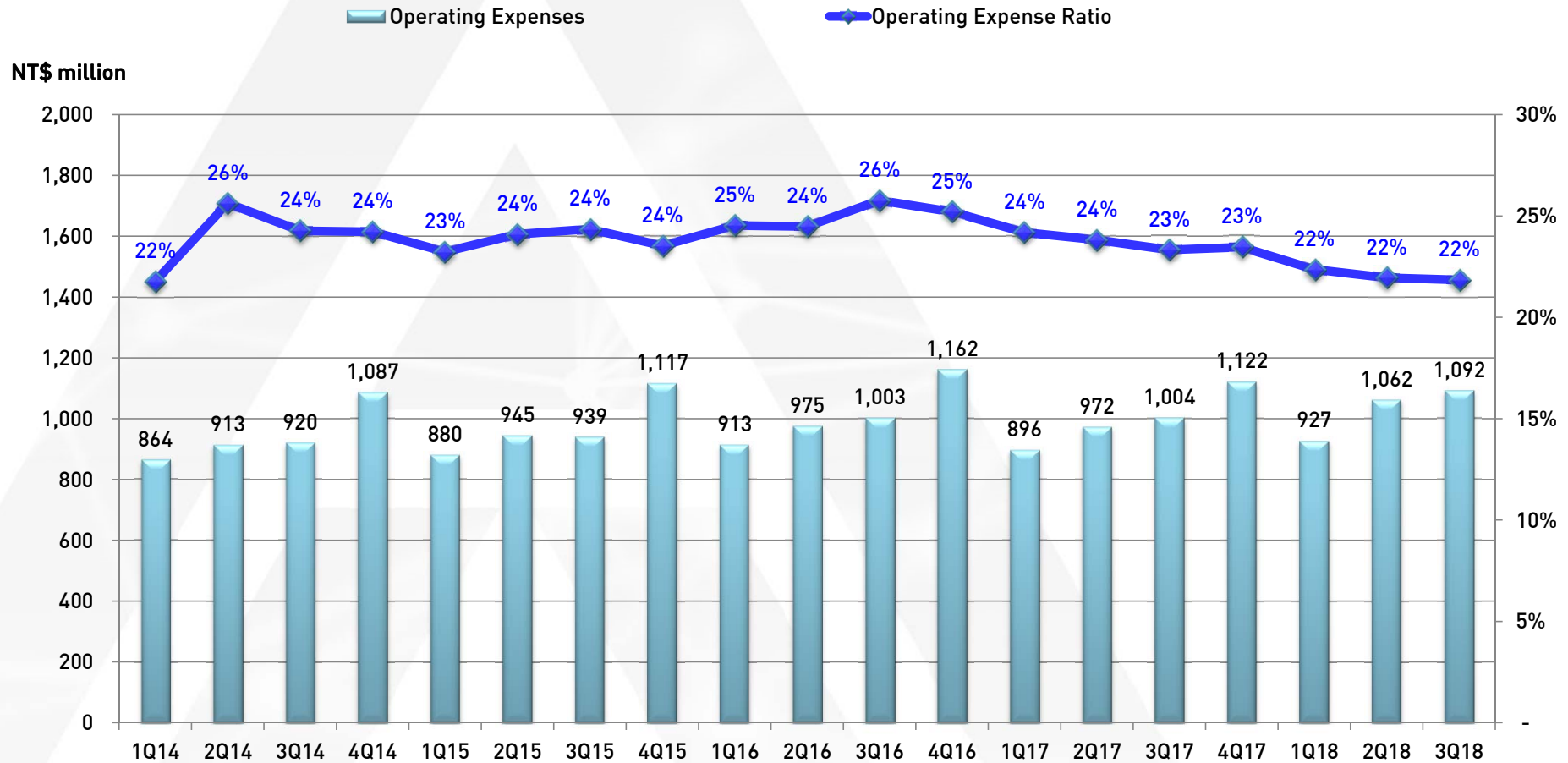
	Y2014	Y2015	Y2016	Y2017	1Q18~3Q18
Gross Profit Margin	27%	26%	27%	27%	26%
Gross Profit Margin (FBI)	42%	43%	45%	43%	44%
Gross Profit Margin (CBI)	39%	38%	39%	40%	44%
Gross Profit Margin (DBI)	19%	19%	18%	19%	18%
Gross Profit Margin (CN)	21%	21%	22%	21%	19%

Consolidated Operating Revenues & Gross Profit Margin



Operating Expenses By Quarter

UNIT : NT\$ million , %



SYSTEMX



Ai4A

Artificial Intelligence for Industry Applications