SYSCOM COMPUTER ENGINEERING CO.

Best System Integration Company
for Business Competitiveness

2020.3.31

Disclaimer

The presentation and discussion contain certain forward-looking statements with respect to the results of operation, financial condition and current expectation.

The forward-looking statements are subject to known and unknown uncertainties and risks that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include but are not limited to the impact of competitive products and pricing, timely project acceptance by our customers, timely introduction of new technologies, ability to ramp new needs into products, financial stability in end markets, and other risks that Syscom can not control.

The forward-looking statements in this release reflect the current belief of Syscom as of the date of this release and Syscom undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to
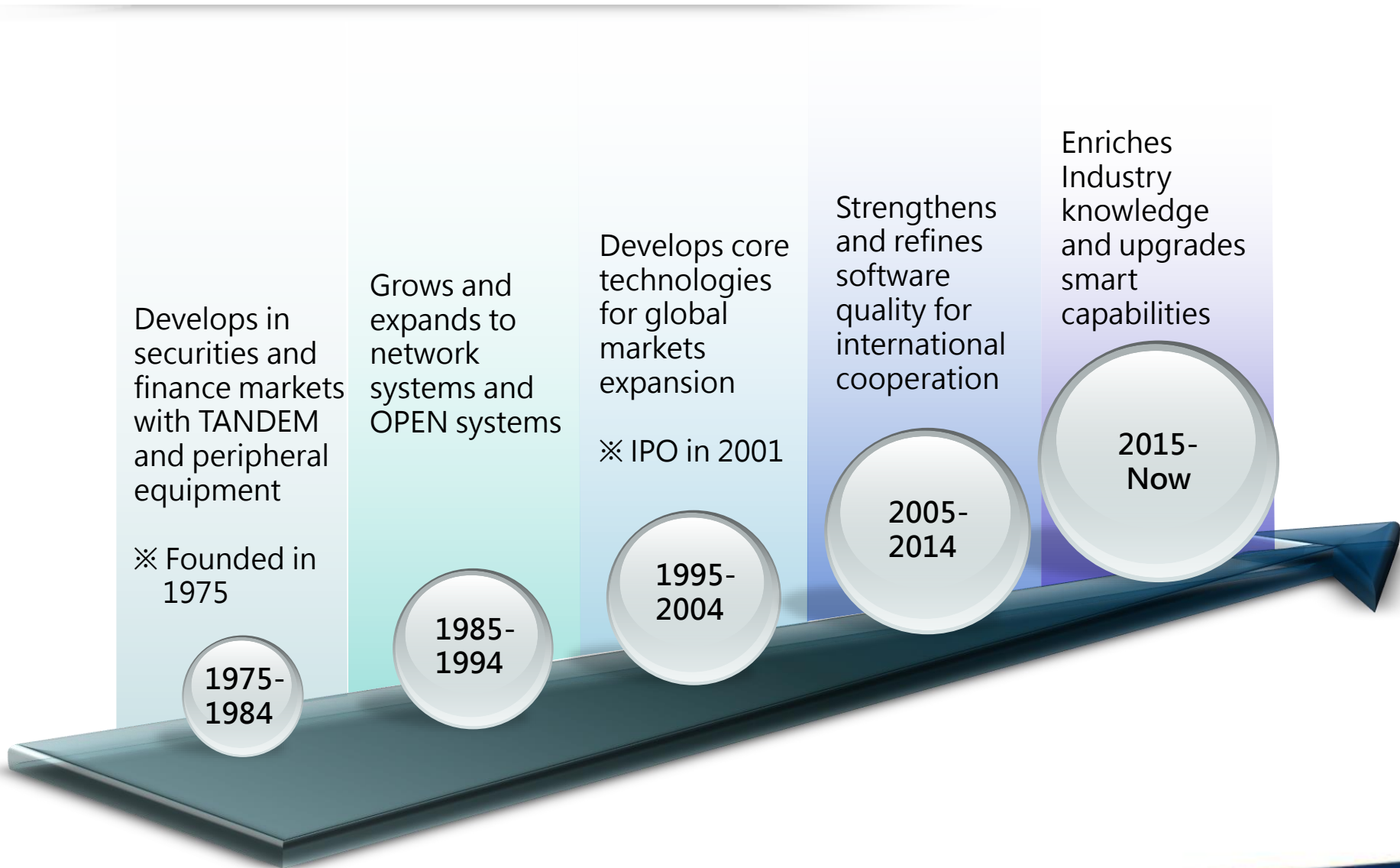
such date.

SYSCOM

Outline

- **About Syscom**

- **Business Outline**

- **Business Achievements**

- **Visions**

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About Syscom

- **Established：** 1975.7.17
- **IPO：** 2001.5.22
- **Employees：** 1,094 (Dec.2019)
- **Business Scope：**
  - System Integration & Professional Services
  - IT Consulting & Training
  - Software & Hardware Sales and Service
  - E-Commerce & Information Security Services
  - Network & Wireless Design & Construction
- **Customer Domains：** Financial, Telecom, Public Sector/Defense, Healthcare, Manufacturing, Education

Milestones

Develops in securities and finance markets with TANDEM and peripheral equipment

※ Founded in 1975

1975-1984

Grows and expands to network systems and OPEN systems

1985-1994

Develops core technologies for global markets expansion

※ IPO in 2001

1995-2004

Strengthens and refines software quality for international cooperation

2005-2014

Enriches Industry knowledge and upgrades smart capabilities

2015-Now

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Achievements and Awards

- The only information service provider listed in the 50th Anniversary Book of the Industrial Development Bureau of the Ministry of Economic Affairs (2020)

- SYSCOM wins the 25th Annual National Quality Award - BEST PRACTICE AWARD FOR MANUFACTURING QUALITY

- SYSCOM's robot Ayuda awarded "System Integration Export Award" by Taiwan Smart City Solution Alliance (2018)

- SYSCOM's robot Ayuda Wins "2017 Cloud IOT Innovation Champion Award" with its smart robot platform (2017)

- Passes the certification of "ISO/IEC 27001: 2013", ISO/IEC 20000-1:2011 and "CNS 27001:2014" (2017)

- "Dedicated Enterprise Cloud Hosting Services - Pracla" Given "2016 Cloud Service Award" by Industrial Development Bureau, Ministry of Economic Affairs (2016)

- "Open Enterprise Cloud Hosting Services – OpenStack Pracla" Honored with "2016 Cloud Award" (2016)

- Awarded with "System Integration Export Award" by Taiwan Smart City Solution Alliance (2016)

- Passes the certification of "PIMS BS 10012:2009" (2016)

- SYSCOM DBMaker Cloud DB Given "Taiwan Excellent Product Award" (2013/2014/2015/2017/20)

- Wins the 2nd annual Taiwan Mittelstand Award (2014)

- Wins the first place in "Cloud Innovation Competition" held by Cloud Computing Association in Taiwan (2014)

- Enterprise-wide deployment of PIMS and PIMS BS10012:2009 certification(2012)

- Passes the appraisal of "CMMI-DEV v1.2 Maturity Level 5" (2011)

- Given "Taiwan ICT Best Practice Award" in Asia Pacific ICT Summit (2010)

- SYSCOM is the first Taiwanese company passing the globally top level software quality appraisal "CMMI-Maturity Level 5" (2006)

- Honored with "Best Partner of Information Security" by BSI (2006)

- Passes the certification of "ISO 9001:2000" (2003) and "ISO 9001:1994" (2000)

- Passes the certification of "ISO 9002:1994" (1999) and "ISO 9002" (1996)

- Honored with "Excellent Industry Technology Award" (1998)

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Excellent Industry Technology Award

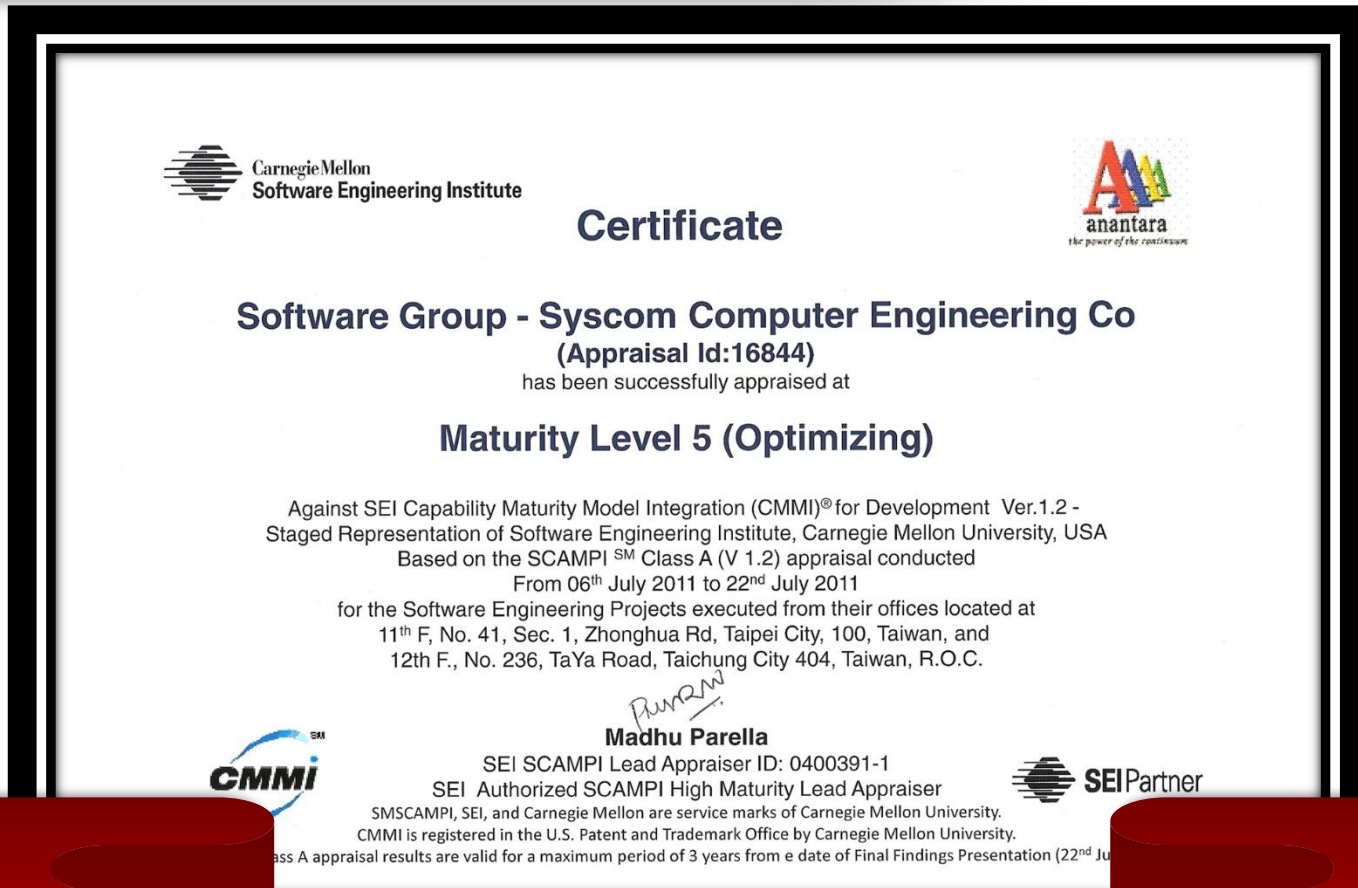Honored with "Excellent Industry Technology Award" -1998

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Information technology -- Service management

Passes the certification of "ISO/IEC 27001: 2013", "ISO/IEC 20000-1:2018"

CMMI Level 5

Passes the appraisal of "CMMI-DEV v1.2 Maturity Level 5"

Excellence

2014 – SYSCOM Wins the "Taiwan Mittelstand Award"

Cloud Computing Innovation

"Open Enterprise Cloud Hosting Services – OpenStack Pracla"　Honored with "2016 Cloud Award"

Smart Service-based Robot Getting Great Results (1)

SYSCOM's robot Ayuda Wins "2017 Cloud IOT Innovation Champion Award" with its smart robot platform

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Smart Service-based Robot Getting Great Results (II)

SYSCOM's robot Ayuda awarded "System Integration Export Award" by Taiwan Smart City Solution Alliance

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The 25th Annual National Quality Award

2018 - SYSCOM wins "The 25th Annual National Quality Award - BEST PRACTICE AWARD FOR MANUFACTURING QUALITY" with its unparalleled software development quality.
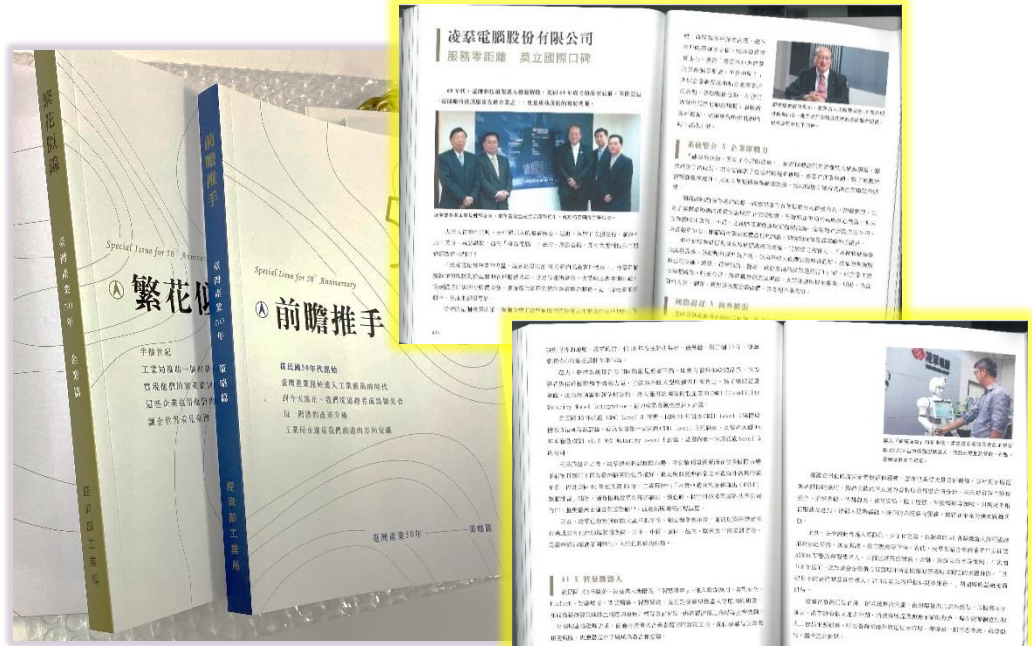
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Listed in IDB's 50th Anniversary Book

The Industrial Development Bureau of the Ministry of Economic Affairs celebrates its 50th anniversary in 2020. SYSCOM is the only information service provider listed in IDB's 50th Anniversary Book, which introduces Taiwan's industrial development history and lists 51 representative companies of Taiwan's six industrial sectors.

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Professional Certifications & Expertise

Quality Assurance Certifications

CMMI Level 5
ISO 9001、ISO 9002
ISO 27001(BS7799)、PIMS10012,
and more

Industry Standard Certifications

Over 300 certified engineer in HL7, satellite control (government, space, financial, telecom, and more)

Product Certified Engineers

Cisco CCIE , CCDA , CCDP , CCNA , CCNP, DCUCD , Cisco VPN Security ;
HPE ASE, Master ASE;
Microsoft MCITP, MCTS, MCSE; MCSA ;
VMware VCP, VTSP;
EMC EAS, EASE;
TrendMicro TCSE;
Fortinet FCNSA, FCNSP;
Palo Alto Networks PCNSE
Imperva IWSS/IDSS
RedHat; IBM; BMC; Radware, and more

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Unified Smart Platform-SYSCOM ABC

Focused on Global IT Trends. ABC stands for three major ICT trends as below.

Apps

Mobile Mixed Platform
- Police Cloud、EPA Cloud
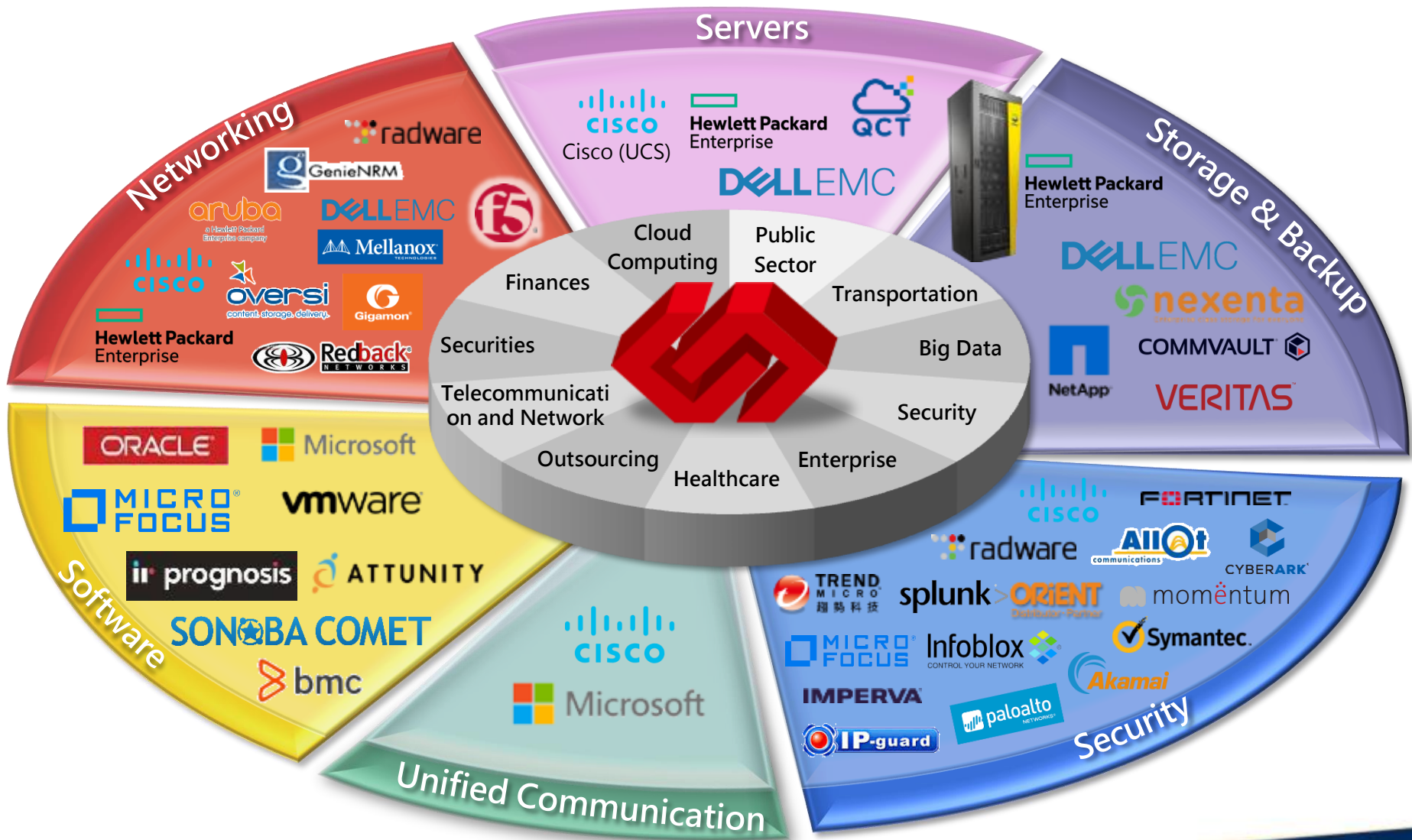- Apps Development & Backend System Integration

Big Data

Big Data Analysis Service: Helping Police with criminal cases

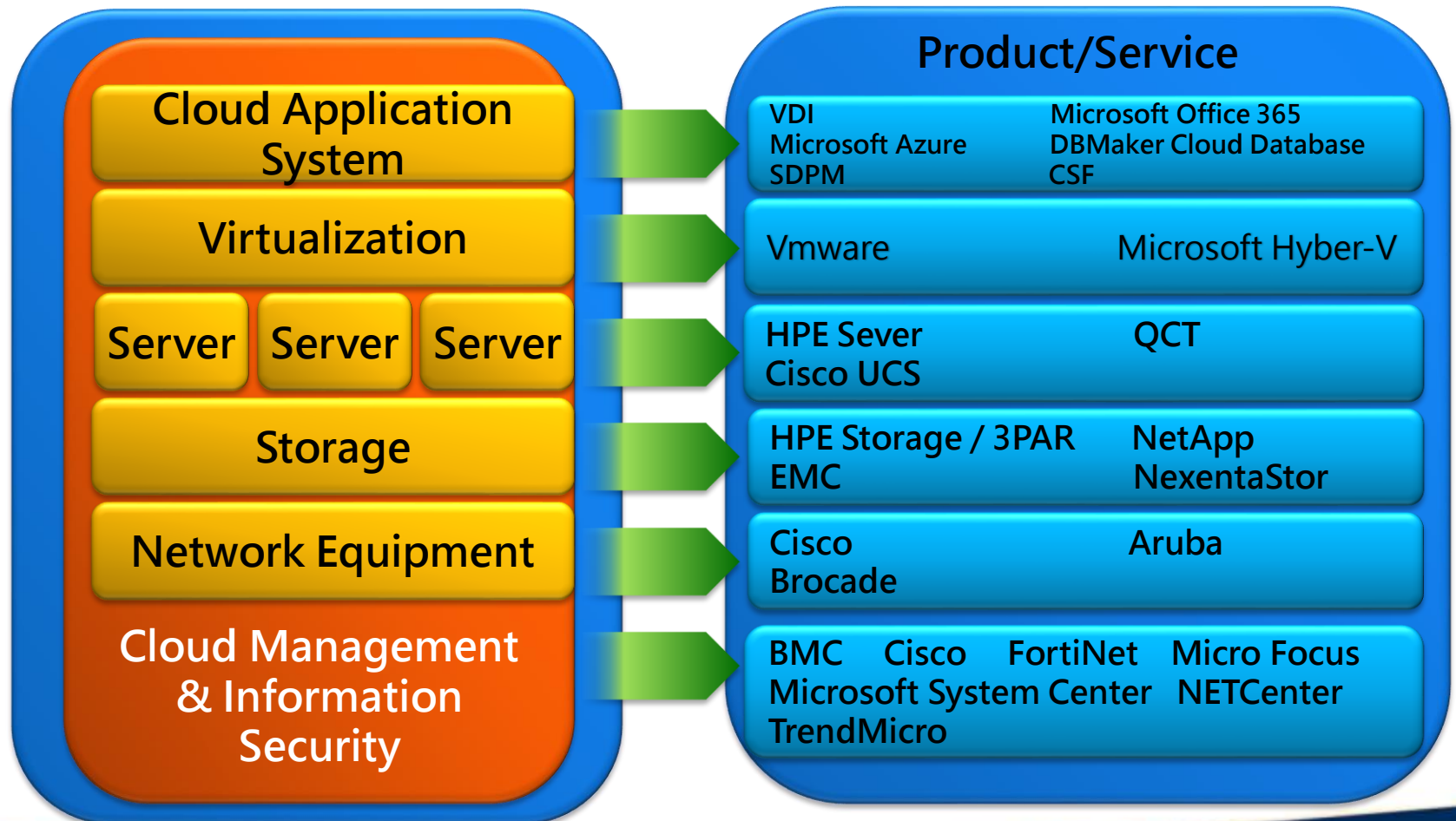**C**loud

Cloud-based Productivity Control System
- Cloud-based Productivity Control System
- Provide Cloud Data warehouse for large Japanese shopping centers

Brand Sales and Service

Cloud System Integration Service

Technical evaluation, Service planning, Application design, Service Platform Deployment, System Test & Tuning

Cloud Application System		
Virtualization		
Server	Server	Server
Storage		
Network Equipment		
Cloud Management & Information Security		

Product/Service

VDI	Microsoft Office 365
Microsoft Azure	DBMaker Cloud Database
SDPM	CSF

Vmware	Microsoft Hyber-V

HPE Sever	QCT
Cisco UCS	

HPE Storage / 3PAR	NetApp
EMC	NexentaStor

Cisco	Aruba
Brocade	

BMC   Cisco   FortiNet   Micro Focus
Microsoft System Center   NETCenter
TrendMicro

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Cloud-based Project Management Tool (CSF)

Capacity utilization applied to software development includes: definition, quantification, optimization to control software development quality and efficiency

Outsourcing Service

Health and Medical Service Network	National Archive Management System

National Space Program Office

Development and Maintenance of the Satellite Ground control system

Image Source: National Space Organization
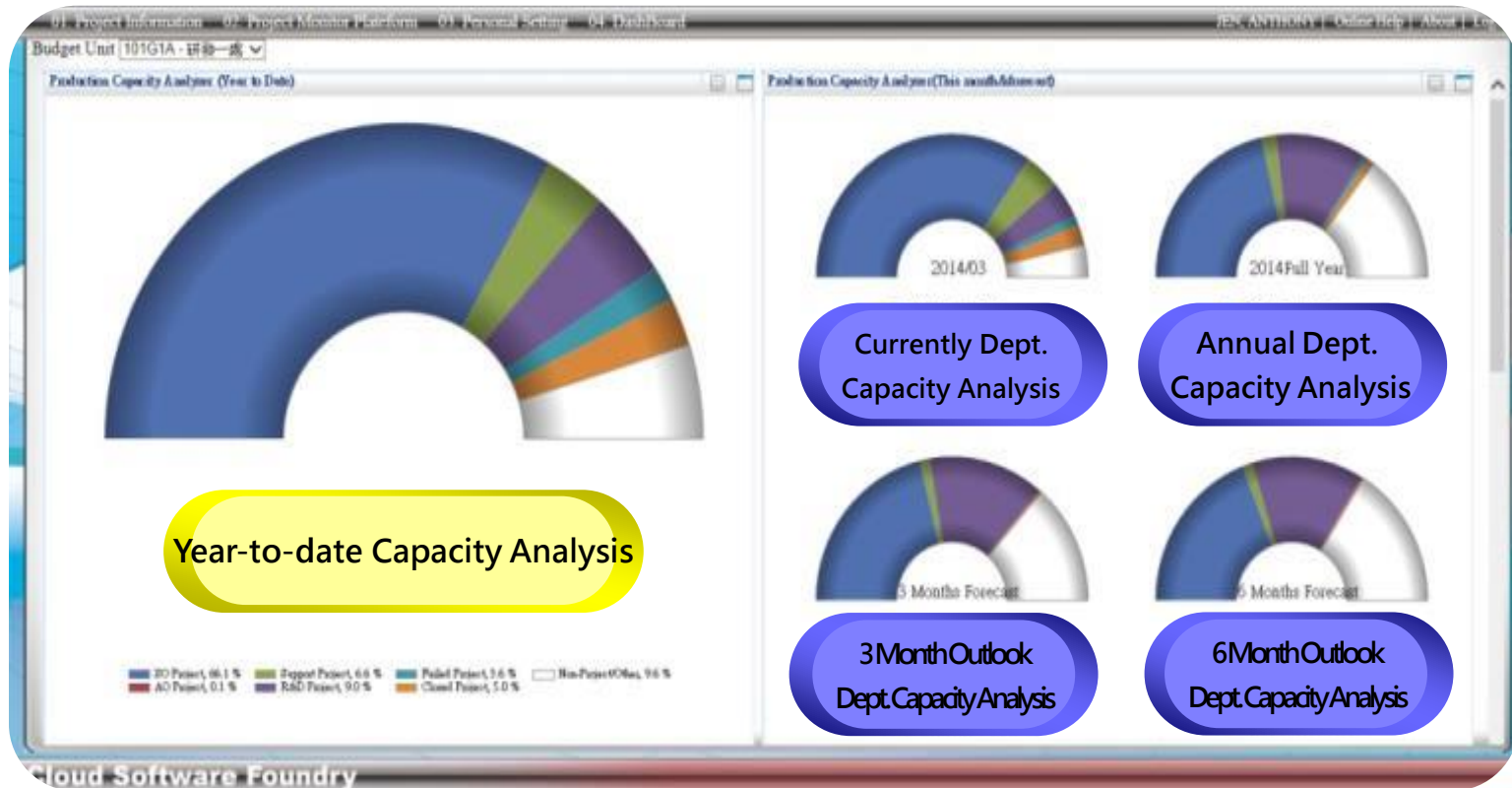
Core Technology R&D

- Including: Telecommunications, Network Management, Database Engines, and more.
- Service-based Robot, Ayuda
  - Ayuda is completely MIT, using mobile robot platforms, robot components, voice recognition, voice chat communications, automatic maps and navigation learning, video conferencing, and provides many more functions which integrate with legacy systems.
  - Domains：
    Financial、Public Sector、Healthcare、Education 、Shopping Center

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Business Achievements - Finance

- Banking, Securities, Futures, Insurance Core Business Systems
- Payment System
- Wealth Management
- Risk Control & Management
- System Test & Performance Tuning
- Service-based Robot, Ayuda
- Smart & Integrated Information Security Service Platform

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Business Achievements - Telecom

- IP Core, Network Convergence, Network Access Planning & Construction
- Cloud Data Center Planning & Construction
- Cross-Brand Network Management System
- Integrated Network Management & Monitoring Platform
- Information Security Planning & Design
- Brand Sales & Maintenance Service

Business Achievements - Public Sector

- Cloud Services
- Service-based Robot, Ayuda
- Solutions for Smart City
- Human Resource & Payroll Management System
- Information System Outsourcing Services
- E-Government Planning, Construction & Maintenance Services
- Information Security Architecture Consulting, Planning, and Construction Services

Business Achievements - Healthcare

- Hospital Information Systems (HIS)
- Women & Children Health Mobile Nursing System
- Health Care System
- Smart Wards
- Dr. Rounds
- Care Platform
- Service-based Robot, Ayuda

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Business Achievements

BALANCE SHEET HIGHLIIGHTS (Consolidated)

(Unit：NT$ Thousand)

Item	December 31, 2019	%	December 31, 2018	%
Cash and cash equivalents	545,148	13%	537,503	16%
Contract assets-current	602,153	14%	267,663	8%
Notes and accounts receivable	1,241,069	29%	904,579	27%
Inventories	432,448	10%	338,690	10%
Investments	128,086	3%	131,573	4%
Property, plant and equipment	407,341	9%	452,249	14%
TOTAL ASSETS	4,318,189	100%	3,338,658	100%
Short term loan	355,312	8%	122,626	4%
Notes and accounts payable	1,324,508	31%	926,199	28%
TOTAL LIABILITIES	2,503,307	58%	1,582,273	47%
SHAREHOLDERS'EQUITY	1,814,882	42%	1,756,385	53%

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Business Achievements

INCOME STATEMENT(Consolidated)

(Unit : NT$ Thousand)

| Item	2019	%	2018	%	YoY
Net Operating Revenues	**5,910,857**	**100%**	**4,726,730**	**100%**	**25.05%**
Gross Profit	1,244,168	21%	1,110,131	24%	12.07%
Operating Expenses	1,143,928	20%	1,073,540	23%	6.56%
Operating Income	100,240	1%	36,591	1%	173.95%
Net Nonoperating Income and Expenses	50,496	1%	44,662	1%	13.06%
Net Income	124,937	2%	60,231	1%	107.43%
Net Income Attributable to the Stockholders of the Parent	**129,150**	**2%**	**62,912**	**1%**	**105.29%**
EPS(NTD)	**1.29**		**0.63**		**105.29%**

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Market Trend

- IDC predicts that the Taiwan market will be affected by the following ten trends in 2020: Fusion AI, Edge / Cloud AI Mutualism, Hybrid Cloud, Automation and Intelligent Process Automation, 5G, Digital Transformation: SME, Geopolitical Risks Drive Localization of Information Security, New era of Wearable Device, Omni-Platform Disrupting the gaming industry, and Anything as a Service.

- Technologies including AI, Cloud Computing, 5G, AIoT, and Security are important promoters of enterprise transformation.

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Powerful Integration Ability for Future Trend
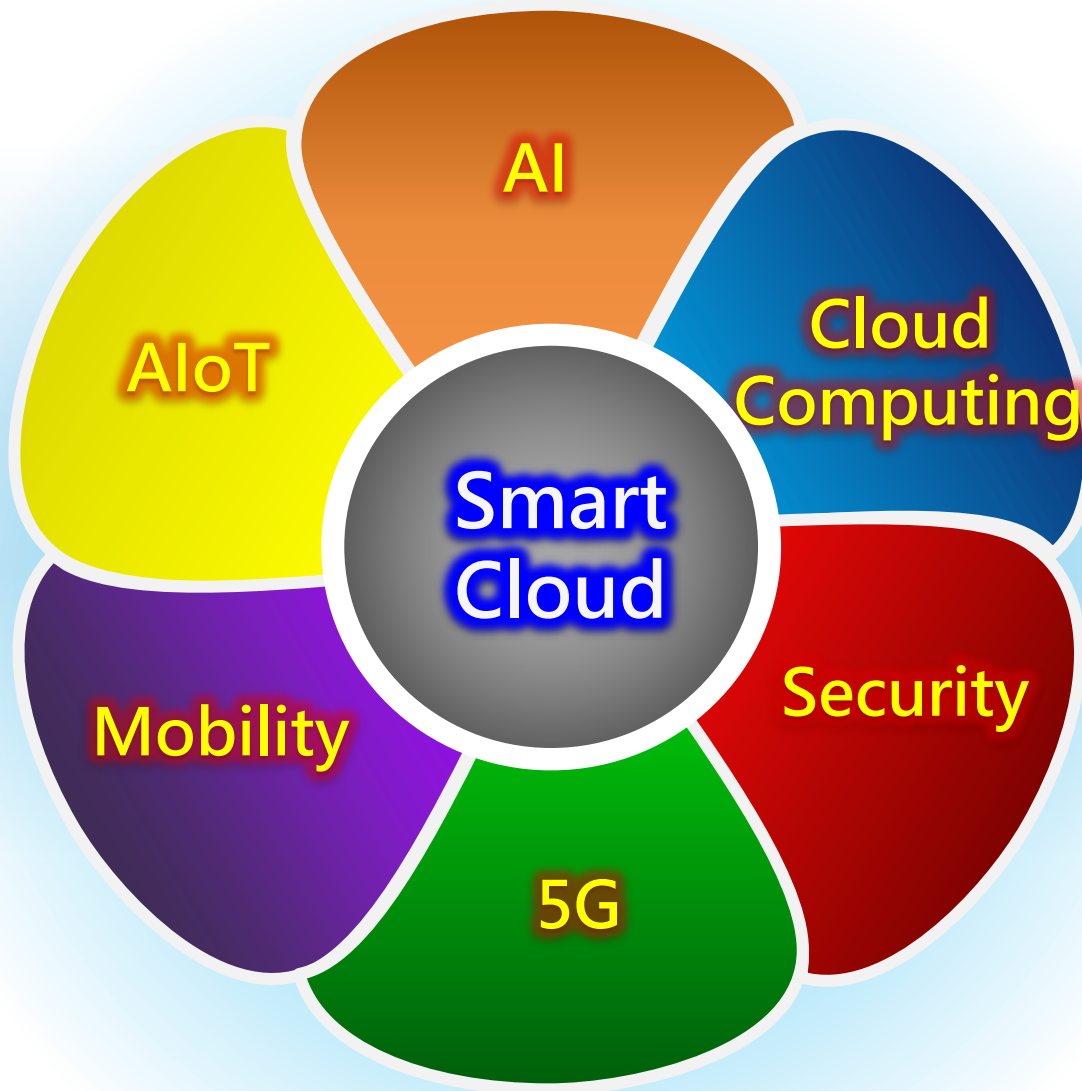
- Technologies
- Integration
- Innovation

Future Development

- Develop "Smart SYSCOM" applications to showcase system integration abilities
- Develop "Smart operation platform" to maximize information value for customers
- Combine multiple applications for integrated information security service
- Expand international cooperation and extend to overseas markets with software development abilities
- Promote digital transformation and strengthen the company's sustainable operating strength

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Thank you

www.syscom.com.tw

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