

# Stark Technology Inc.

2018 Investor Conference

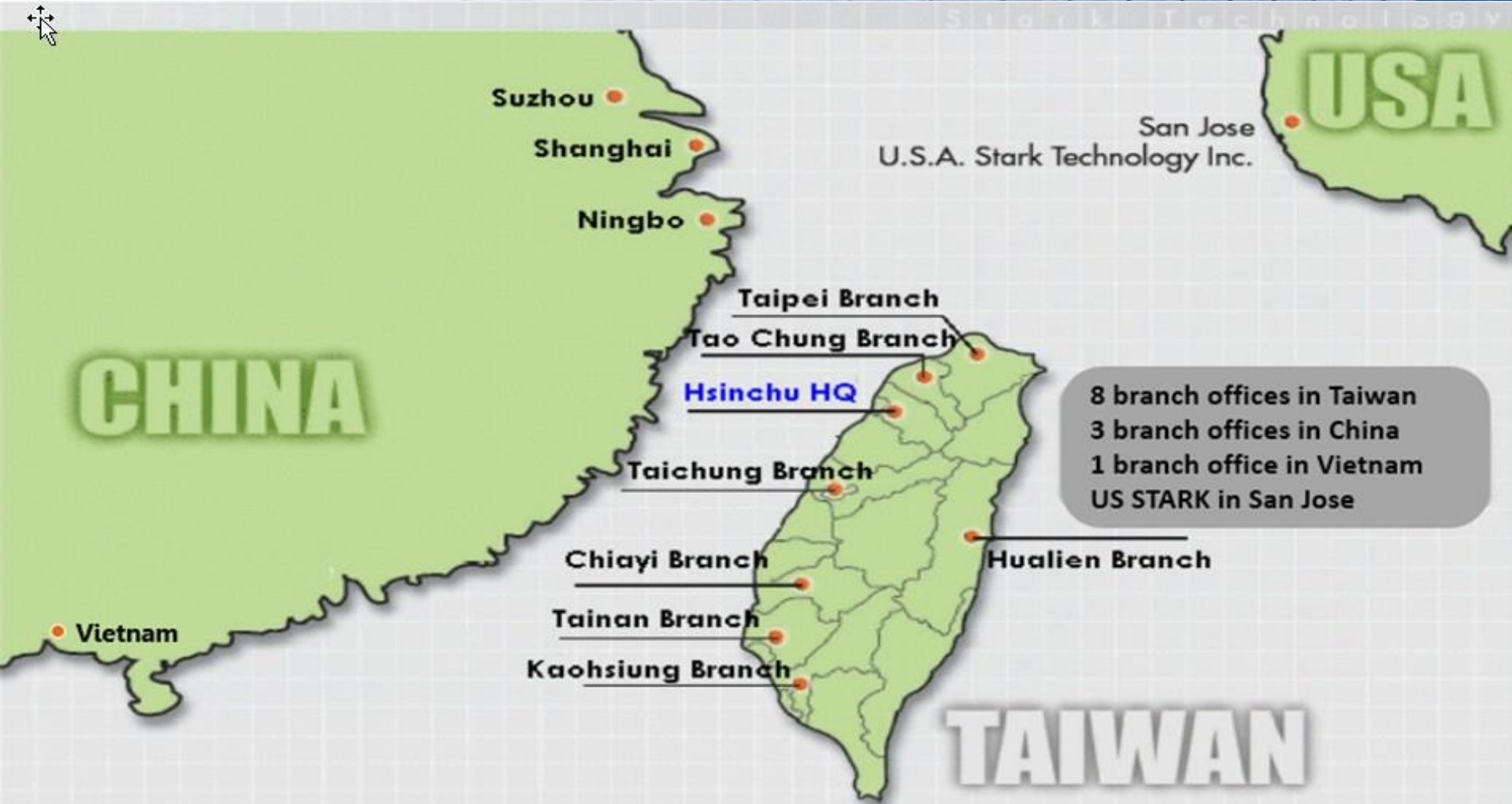
# Safe Harbor Notice

There are variety of factors which may influence statements or contents been drafted within this presentation, therefore we strongly recommend audience to refer to the information published on MOPS website in case any adjustment has been made.

# STI General Information

- **Founded in 1993, public traded in 2001**
- **471+ Employees**
- **The largest domestic system integrator in Taiwan**
- **One of Taiwan's top 500 service enterprises company.**
- **Rated as Taiwan's top 6<sup>0</sup>/<sub>0</sub> - 20<sup>0</sup>/<sub>0</sub> company over the 4<sup>th</sup> Corporate Governance Evaluation**
- **Dedication to service and maintain 1,600+ majority of the 2,000+ company enterprise business**
- **Providing more than 40 products & solutions to service our customers**
- **Our vision is to assist our customers to become a Information Service Provider**

# STI Service Network



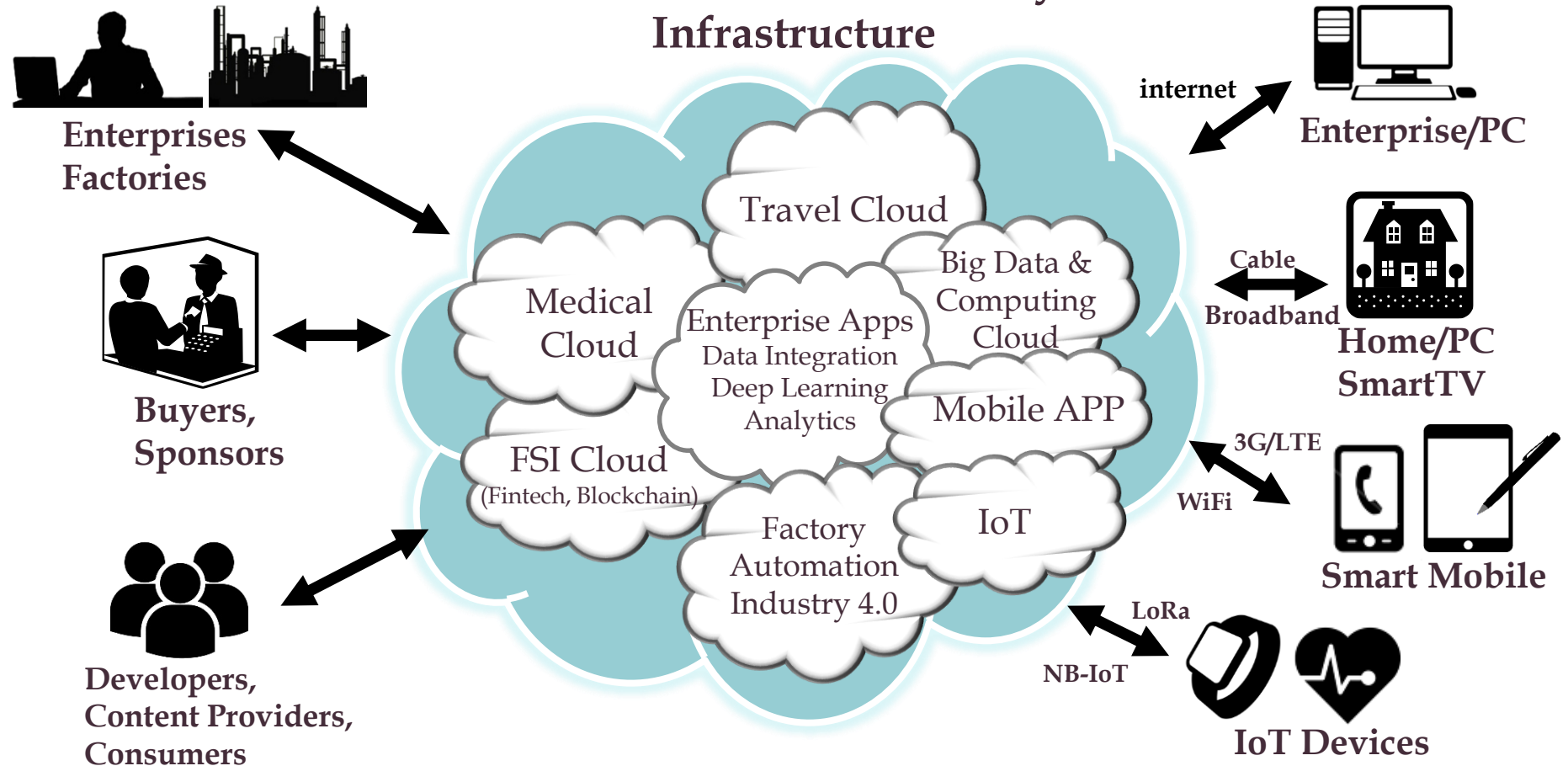


# Sales Operation – by Industries

Sales BU	Focus Industry
BU1	IBM product line Sales & Marketing and middle Taiwan Area.
BU2	High Tech manufacturing industry. Defense, Military. And South Taiwan Area
BU6	Financial Services: Banking, financial markets, insurance. And East Taiwan Area Public: Government, Healthcare, Life Sciences , Education.
BU8	Private Telecommunications, Media and Entertainment, Energy and utilities.
BU9	Public Telecommunications.

# We've been worked and working on:

## Cloud Services & Data Analytics Infrastructure



Inter-connect : Telecomm 、 Broadcast/Cable 、 Internet  
Multi-Screens : PC 、 NB/Pad 、 Smartphone 、 SmartTV

# Information Technologies

## Professional Services

- Consulting
- Design
- Deployment
- Integration

**Portal** *Personalization* *Content Mgmt* *Single sign-on*

**Enterprise Apps**  
ERP, CRM, SCM  
MES, PLM

**OSS, VAS**  
Probe/CEM

**eCommerce**  
High Freq. Trade  
by Trade  
AML

Travel

Medical

Gov't

IoT  
(Environmental Monitoring)

**MFG**

**Telco**

**FSI**

**Vertical Apps.**

**EAI@SOA** *Middleware* *Data Integration@BI*

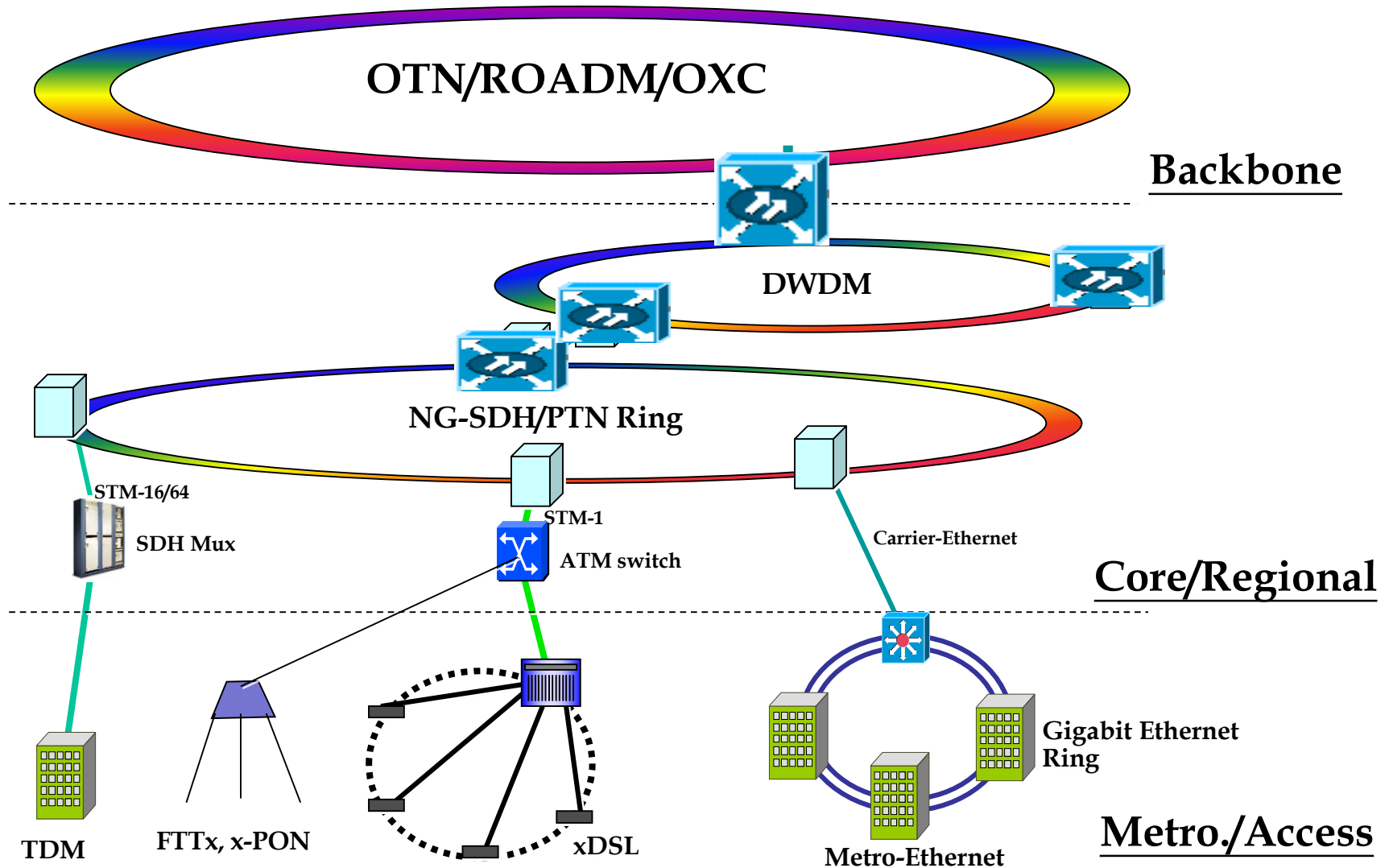
**Data Mgmt.**

**Security**

**System & Platform** *Resource Mgmt (CPU/GPU/VM/Container/Bare Metal)*

**Networking** *Platform* *Load Balancing* *Network Mgmt*

# Tel-Communication Technologies





# Products & Solutions

## Info. Security



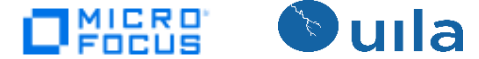
## Data Comm.



## Software Development Tools



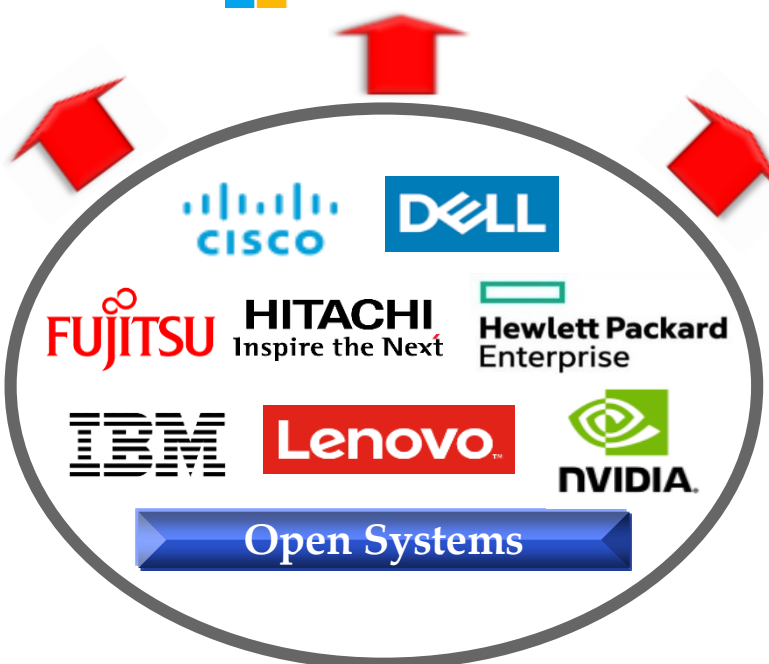
## Resource MGMT.



## Data MGMT.



## Telcomm.



## Open Systems

STI Professional Service  
211 11016221091 261A1C6

# Balance Sheet Overview (Consolidated)

Units:NT\$ thousand

	2018/12/31		2017/12/31		2016/12/31	
	AMT	%	AMT	%	AMT	%
Cash and cash equivalents	1,310,169	26%	1,401,185	33%	1,686,989	36%
Accounts receivable(including contract assets)	828,304	16%	1,065,080	24%	1,337,737	28%
Inventories	1,697,084	34%	793,936	18%	738,898	16%
Property,Plant and equipment	460,339	9%	455,609	11%	369,736	8%
Total Assets	4,963,595	100%	4,310,512	100%	4,679,015	100%
Current Liabilities	2,267,502	46%	1,739,542	40%	1,901,145	41%
Equity	2,639,555	53%	2,529,187	59%	2,743,859	59%

Source: Market Observation Post System

**Note:**The increase in inventory in 2018 is due to the long period of construction of some large-scale projects.

# Income Statements Overview (Consolidated)

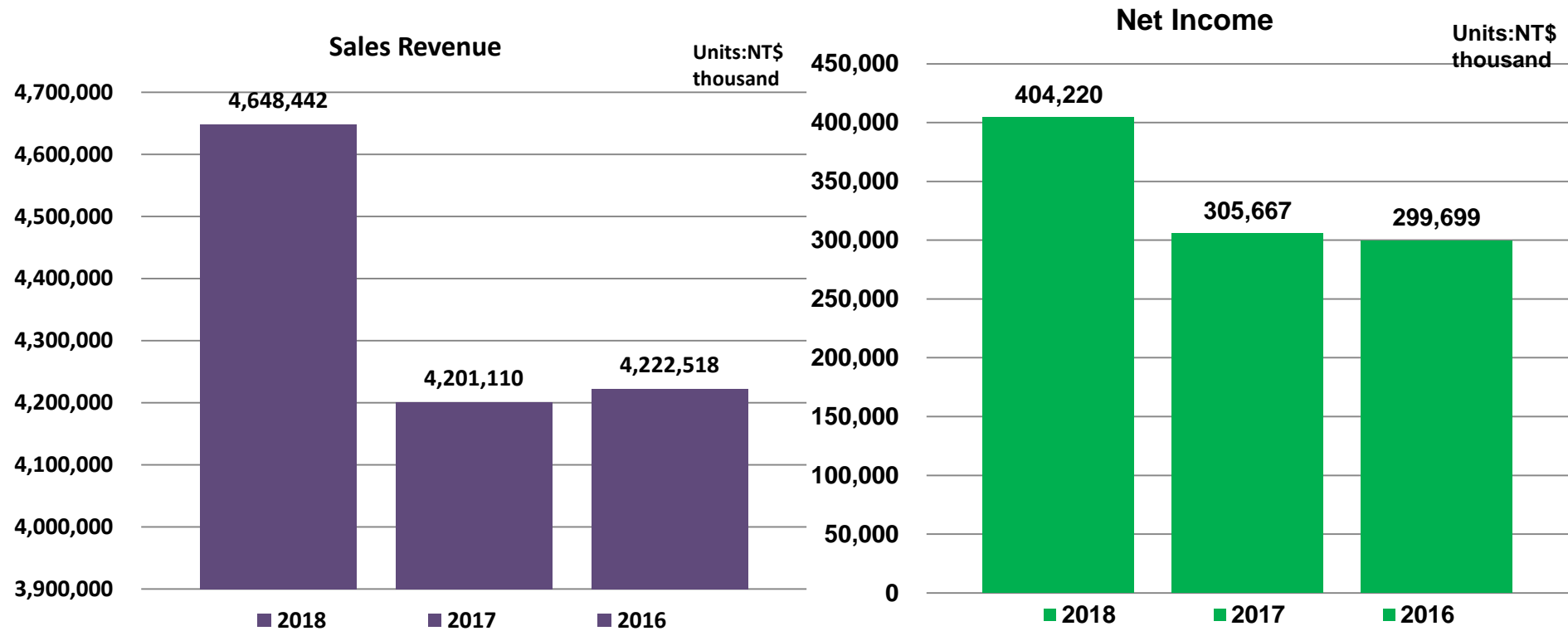
Units: NT\$ thousand

Item	2018/12/31		2017/12/31		YOY	2016/12/31	
	AMT	%	AMT	%		AMT	%
Revenues	4,648,442	100%	4,201,110	100%	11%	4,222,518	100%
Gross profit	1,381,427	30%	1,115,800	26%	24%	1,103,872	26%
Operating expense	881,626	19%	778,327	18%	13%	778,576	19%
Operating income	499,801	11%	337,473	8%	48%	325,296	7%
Other income	29,144	1%	26,476	1%	10%	29,854	1%
Pre-tax income	528,945	12%	363,949	9%	45%	355,150	8%
Net income	404,220	9%	305,667	8%	32%	299,699	7%
EPS(NT\$)	3.80		2.56			2.25	

Source: Market Observation Post System

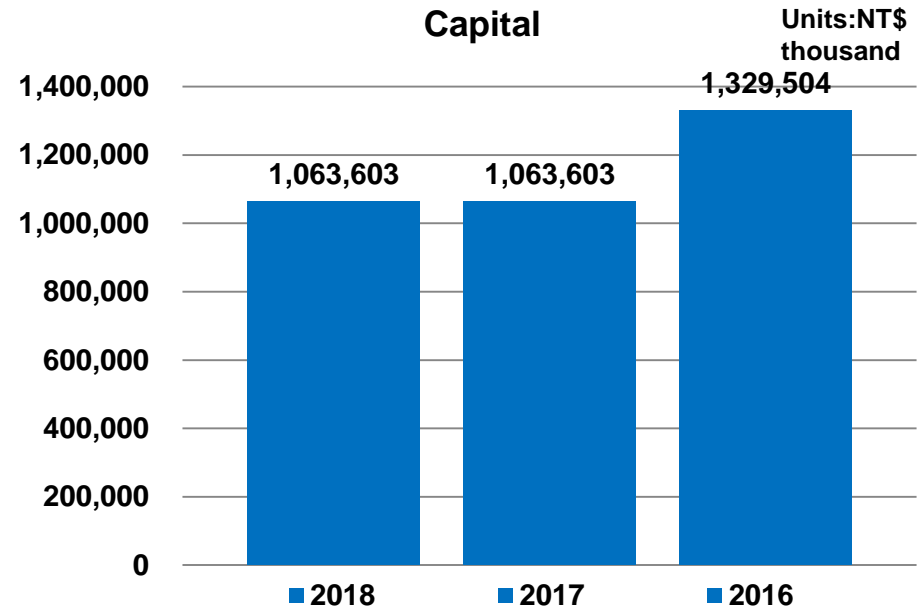
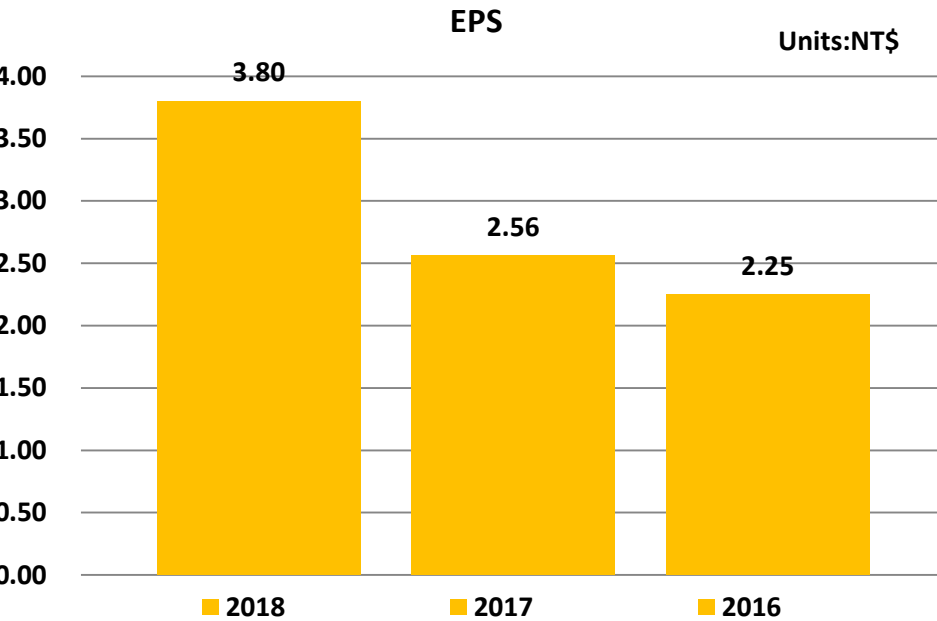
**Note:**2018 revenue and gross margin increased by 447,332K and 265,627K from the last year, mainly due to the increase in Consulting/Maintenance and Enterprise Network; EPS was NT\$3.8, the highest in recent years.

# Sales Revenue & Net Income





# EPS & Capital



Record date of the capital reduction :2017/07/01, ratio:20%,  
common shares after the capital reduction:1,063,603

# Dividends Policy

## Dividends in recent years

Units:NT\$

Year	2018	2017	2016	2015	2014
Amount	3.42	2.62	2.1	2	2

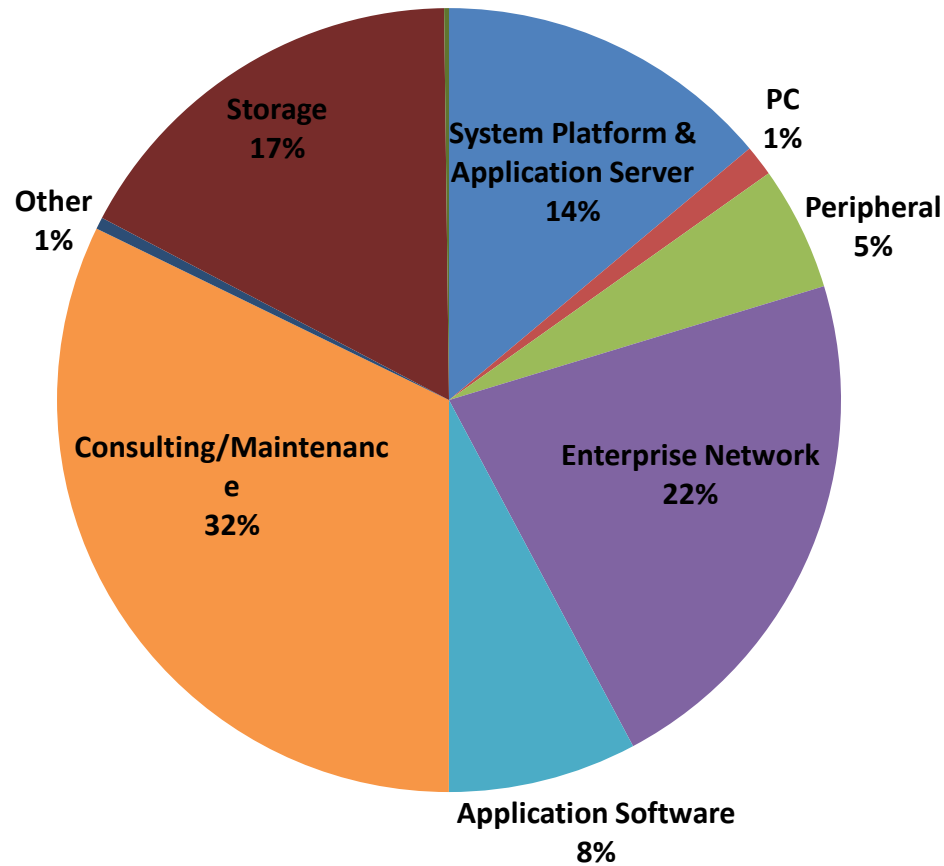
## Payout ratio in recent years

Units:%

Year	2018	2017	2016	2015	2014
Ratio	90.0%	102.3%	93.3%	99.0%	99.5%

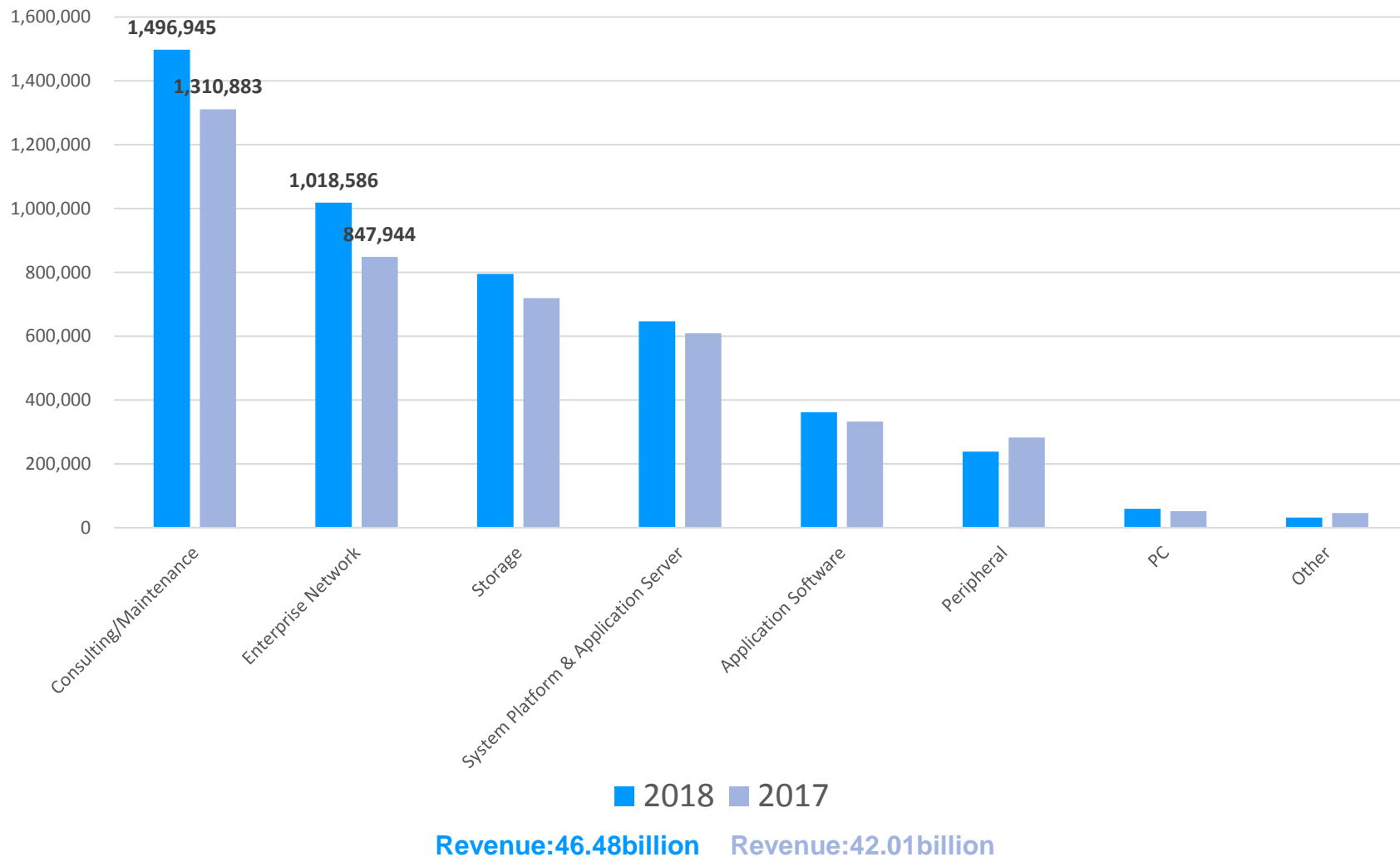
# 2018 Sales Revenues by Type

2018



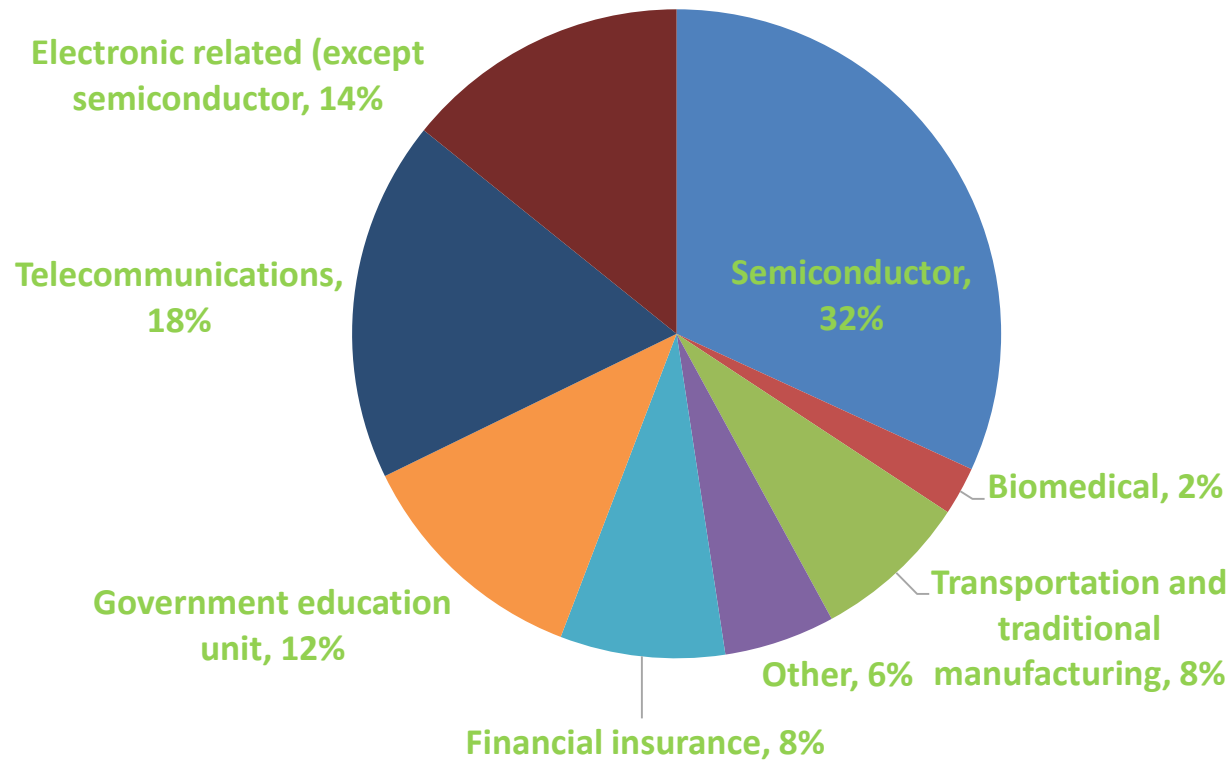
Revenue:46.48billion

# Compare Sales Revenues by Type






# 2018 Sales Revenues by Industry



Revenue:46.48billion



**Q & A**  
**Thank you!!**