

Stark Technology Inc.(2480)

2021Q4 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**
- **558+ Employees**
- **The largest domestic system integrator in Taiwan**
- **One of Taiwan's top 500 service enterprises company.**
- **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**

Corporate Governance Evaluation

- Rated as Taiwan's top 6% - 20% company over the 7th Corporate Governance Evaluation
- 2020/07 Included in the "Corporate Governance 100 Index"

| Year | Announce Results | STI Percentage | |
|-------------------------|------------------|----------------|--|
| 2014(1 st .) | The top 20% | 6%-20% | |
| 2015(2 nd .) | The top 50% | 6%-20% | |
| 2016(3 rd .) | 100% | 6%-20% | |
| 2017(4 th .) | 100% | 6%-20% | |
| 2018(5 th .) | 100% | 6%-20% | |
| 2019(6 th .) | 100% | 6%-20% | |
| 2020(7 th .) | 100% | 6%-20% | Note: The evaluation results of the market value of more than 5 billion to 10 billion (NTD\$) are listed as 6%~10% |

Awards

- ❑ **Awarded the 2021 Supplier Conference "Hand in Hand with Sustainability Pioneer-Best Partner" award by Far EastOne Telecom**
- ❑ **2020 "Enterprise Human Resource Improvement Plan" by the Taozhumiao Branch of the Labor Development Agency of the Ministry of Labor**
- ❑ **Fubon Financial Holdings was named "Sustainable Performance Excellent Supplier" in 2021**
- ❑ **Chunghwa Telecom 2021 "Supplier Corporate Social Responsibility Information Disclosure Excellence Award"**
- ❑ **System Products**
 - **HPE FY21 Best partner Award**
 - **HPE FY21 Excellent distribution partner**
 - **IBM_2020 Best LinuxOne Breakout Award**
 - **Lenovo_2020 Best Solution Sales Award**
 - **DELL_2020 Highest Growth Partner Award**
 - **HPE_FY20 Best partner Award**

Awards(Continued)

❑ Storage Products

- NetApp_FY20 Best partner Award
- NetApp_ FY21 Best Partner Award
- VMware_2020 Highest Growth Partner Award
- VEEAM_FY20 Gold Partner of the Year Award

❑ Info. Security/ Data comm. Products

- Fortinet 2021 Excellence Award
- Cisco-FY21 Reseller of the Year
- MicroFocus 2021 Outstanding Contribution Award
- Cisco_FY20 Rising Star Award
- HPE Aruba _FY20 Best Platinum partner of the Year
- Fortinet_2020 Outstanding Regional Distribution Partner Award
- Palo Alto_FY21 Top Performer in Driving Business Growth

❑ Other Products

- INFINITIES_2021 Beat Distributor of the Year. Best Sales Award
- Nutanix_FY20 Best Market Opportunity Development Award

STI Service Network

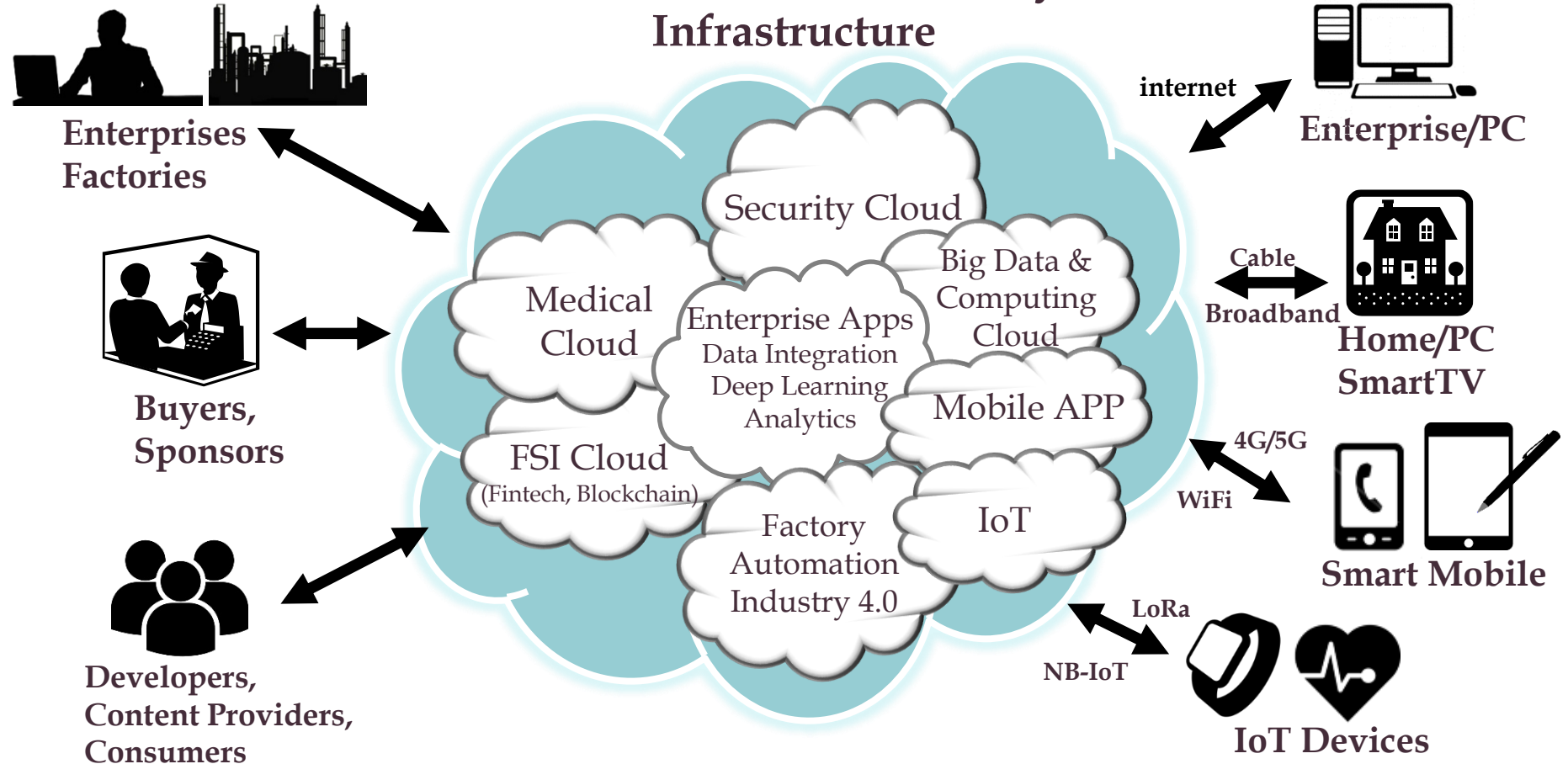


Sales Operation – by Industries

| Sales BU | Industry / Product / Region |
|----------|--|
| BU1 | IBM products, High-tech industries, E-commerce, Finance, and Automobiles, the main area in Hsinchu and middle Taiwan. |
| BU2 | High-tech manufacturing, Defense, Military, and Traditional production, Education, the main area in Hsinchu、Taoyuan and South Taiwan |
| BU6 | Finance, insurance, telecommunications, small and medium enterprises, manufacturing in Taipei The public sector including government, medical care, and education. The main area in Taipei and East Taiwan |
| BU8 | Private telecommunications, film and television media, energy, water and electricity, the main area in Taipei |
| BU9 | Chunghwa Telecom |

We've been worked and working on:

Cloud Services & Data Analytics Infrastructure



Inter-connect : Telecomm 、 Broadband/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

Vertical Apps.

IoT
(Environmental Monitoring)

MFG

Telco

FSI

Travel

Medical

Gov't

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*

AI(Machine 、 Deep Learning)

Data Science

Training

Modeling

Inference

Who? : End users

Who? : Auto ML

- . Rapid ML/DL modeling,
- . Manpower constraint

Who? : AI Engineer

- . Process customization
- . ML/DL inference deployment

STI : ML, DL computing hardware/software framework integration

3rd party alliance : Industrial domain consultant, Semi-auto. Tool vendor

AI Solution Consultant

- ✓ Stack holder lead project
- ✓ End-to-end solution planning
- ✓ DL@GPU
- ✓ Tech. staff training



工業技術研究院
Industrial Technology
Research Institute



Auto ML

- ✓ IT lead project
- ✓ Manpower constraint
- ✓ Time to deployment
- ✓ min. data input, max.
- ✓ Workload@CPU or @GPU



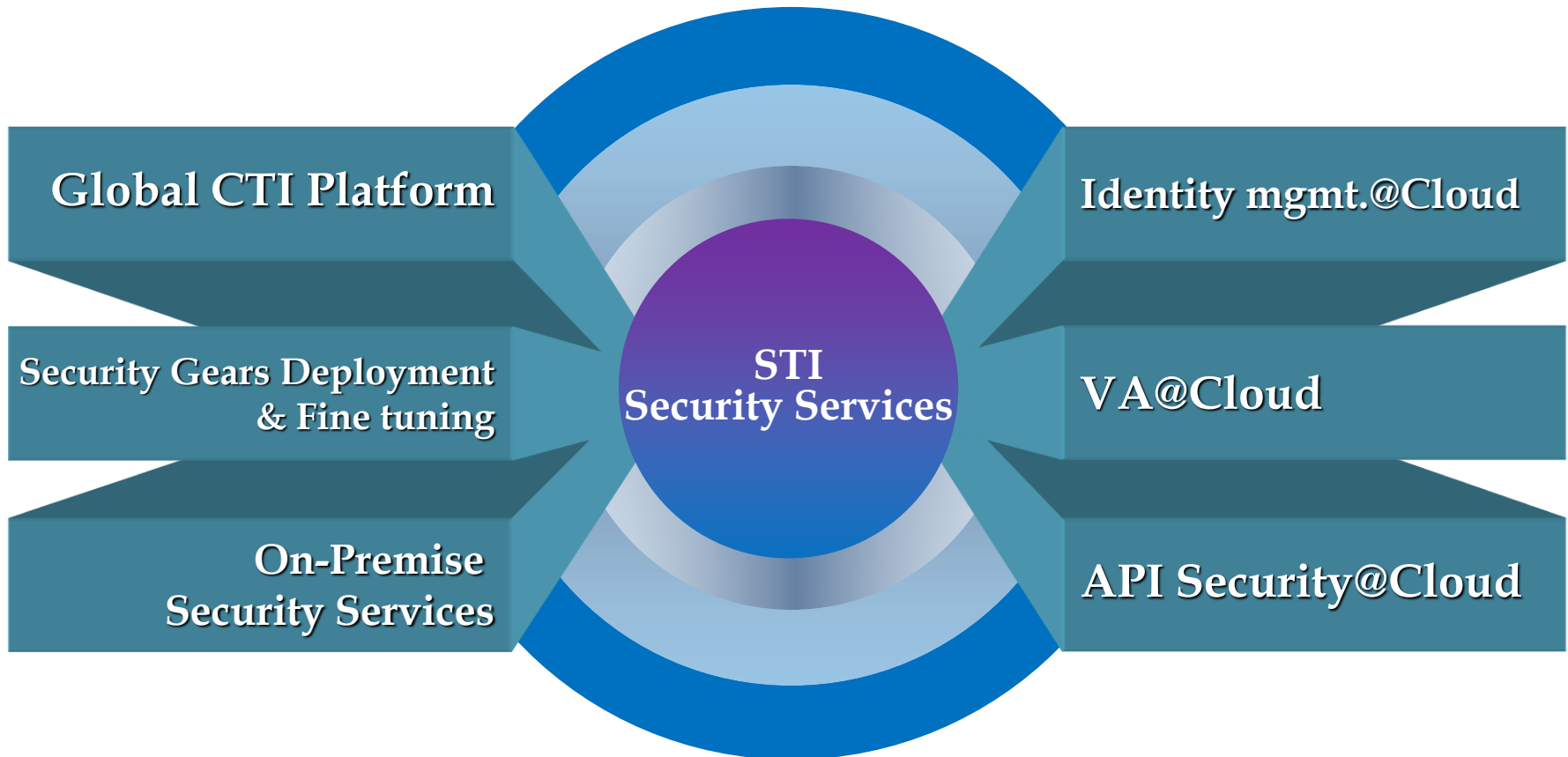
探智立方
Intelligence Qubic



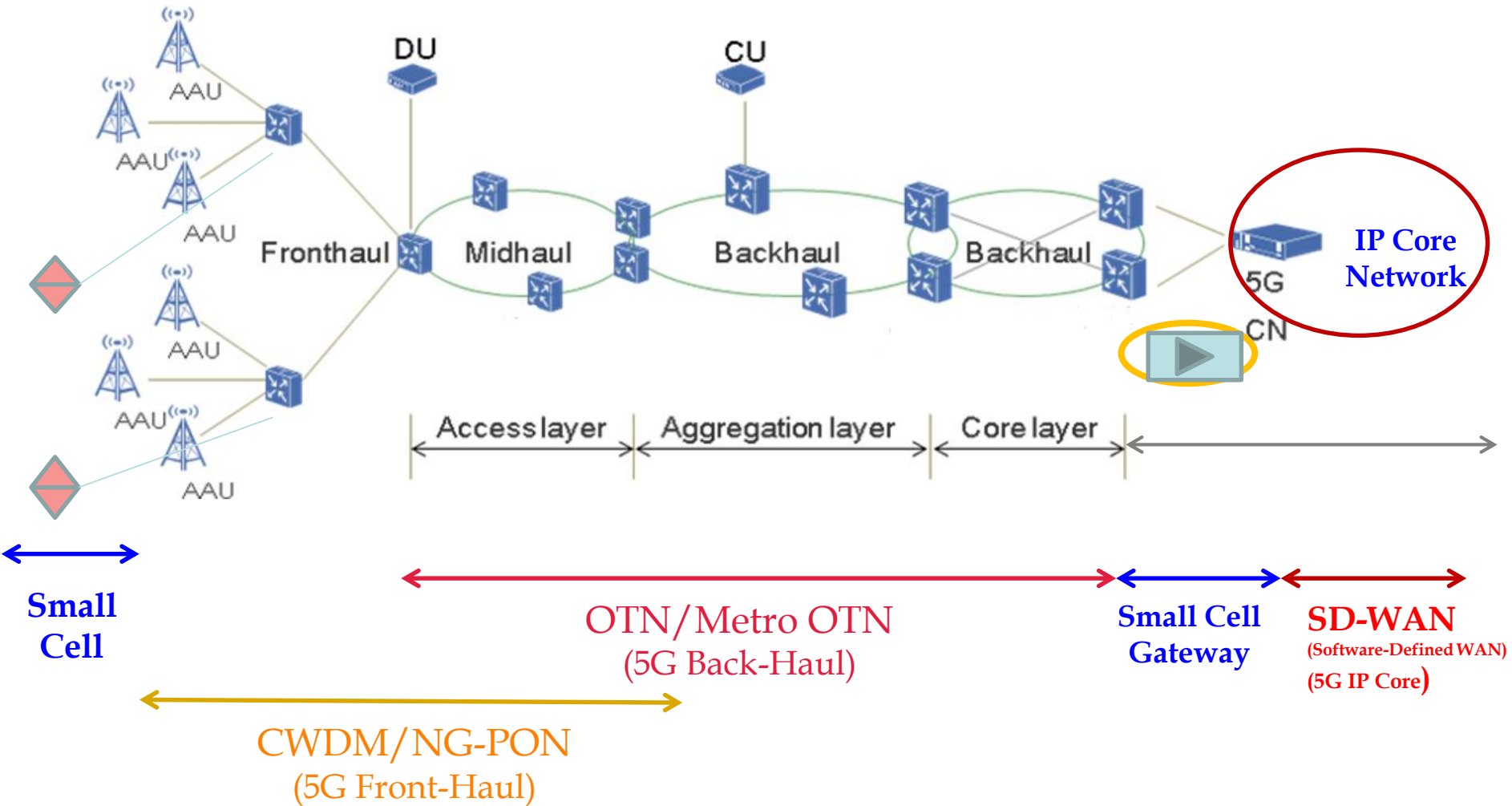
Stark Technology Inc.

敦陽科技股份有限公司

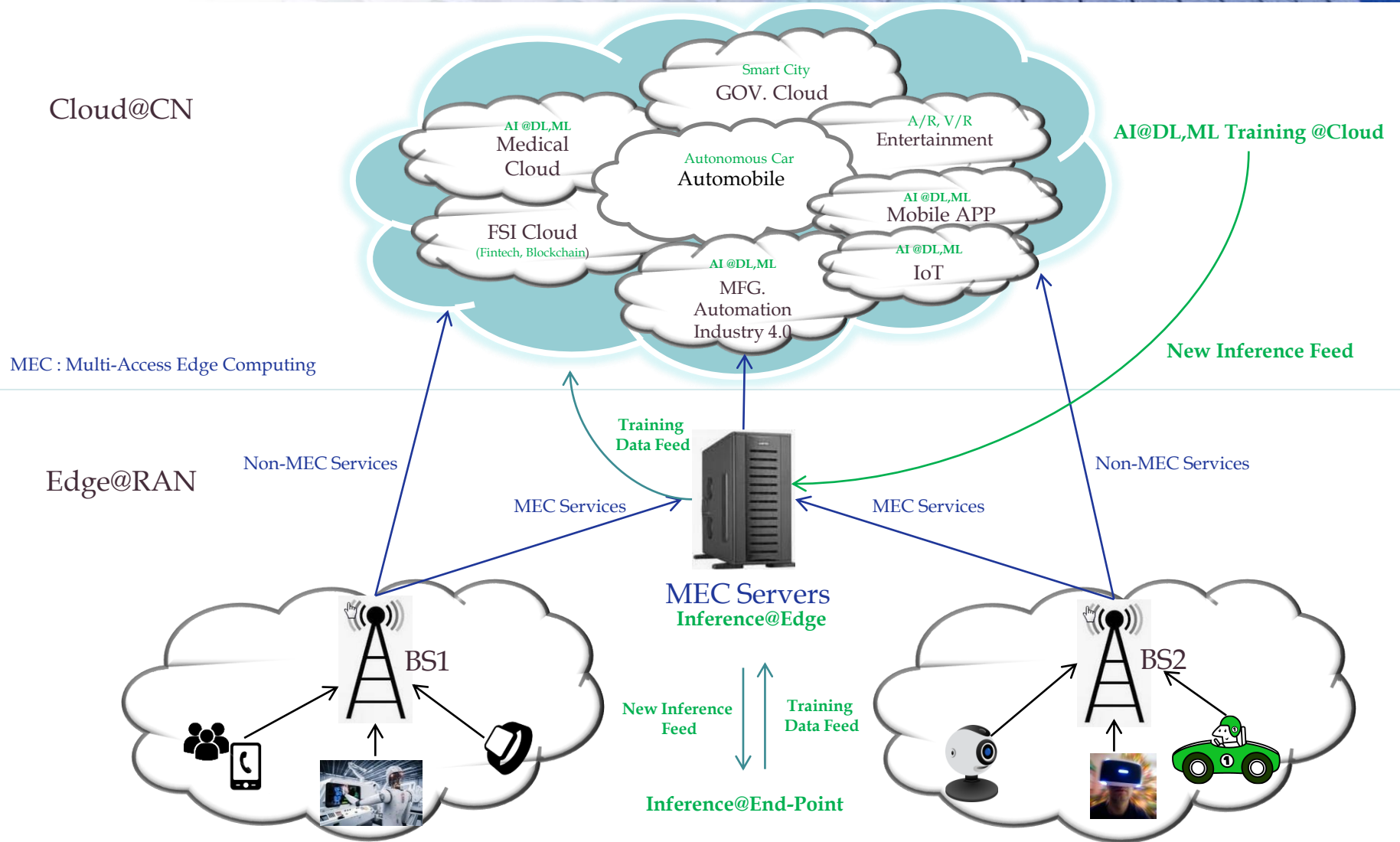
Managed Security Service Provider (MSSP)



Tel-Communication Technologies (5G)



Meet up 5G + MEC@AI@Cloud



Products & Solutions

Info. Security



Data Comm.



Software Development Tools



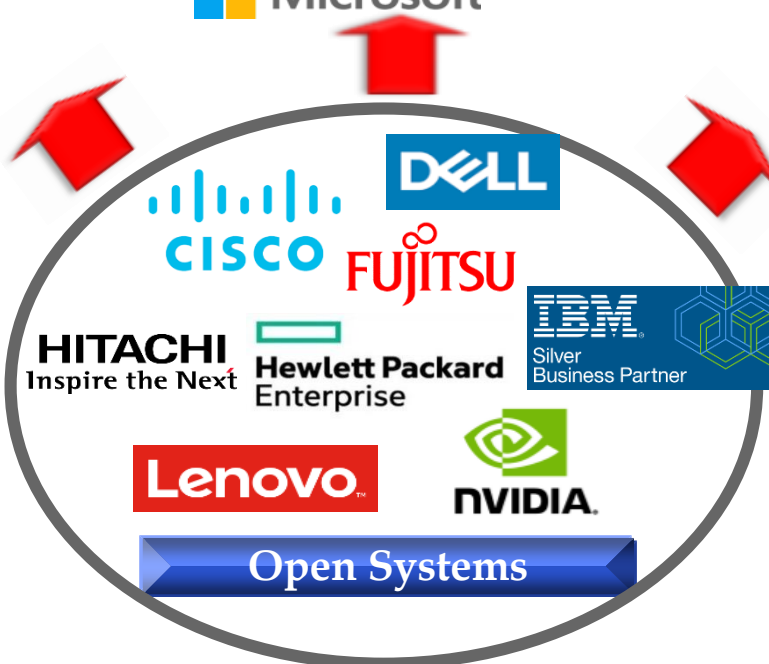
Resource MGMT.



Data MGMT.



Telcomm.



Open Systems



Balance Sheet Overview (Consolidated)

Units:NT\$ thousand

| Item | 2021/12/31 | | 2020/12/31 | | 2019/12/31 | |
|--|------------------|-------------|------------------|-------------|------------------|-------------|
| | AMT | % | AMT | % | AMT | % |
| Cash and cash equivalents | 1,450,910 | 25% | 1,348,404 | 24% | 1,567,177 | 30% |
| Accounts receivable(including contract assets) | 962,617 | 17% | 1,108,125 | 20% | 874,148 | 17% |
| Inventories | 1,991,209 | 34% | 1,957,859 | 34% | 1,470,524 | 29% |
| Property,Plant and equipment | 446,238 | 8% | 453,651 | 8% | 452,727 | 9% |
| Total Assets | 5,786,869 | 100% | 5,743,047 | 100% | 5,113,720 | 100% |
| Current Liabilities | 2,665,481 | 46% | 2,807,884 | 49% | 2,211,857 | 43% |
| Total Liabilities | 2,766,996 | 48% | 2,914,035 | 51% | 2,315,992 | 45% |
| Equity | 3,019,873 | 52% | 2,829,012 | 49% | 2,797,728 | 55% |

Source: Market Observation Post System

Income Statements Overview (Consolidated)

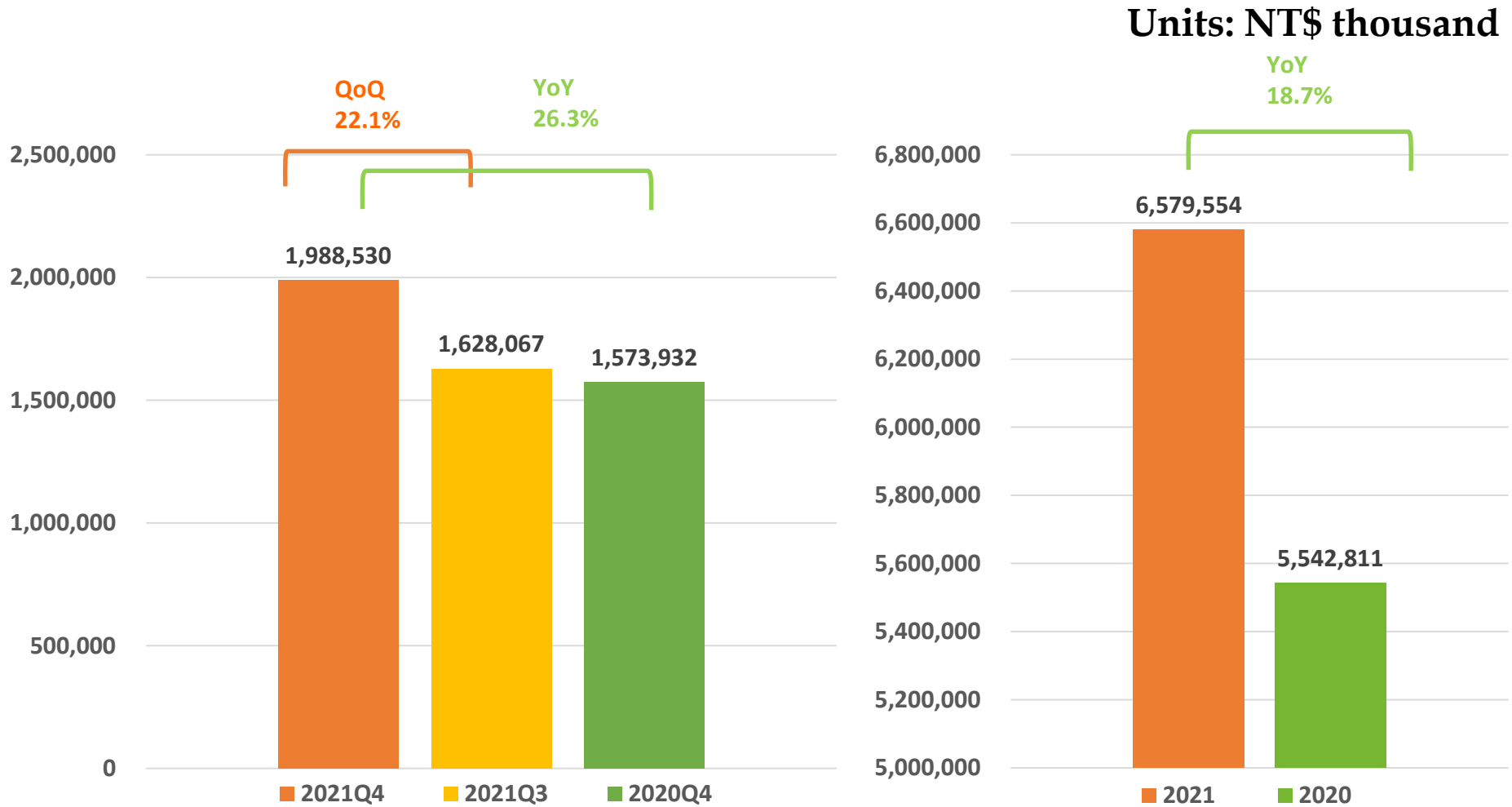
Units: NT\$ thousand

| Item | 2021 Jan.-Dec. | | 2020 Jan.-Dec. | | YOY |
|-------------------|----------------|------|----------------|------|--------|
| | AMT | % | AMT | % | |
| Revenues | 6,579,554 | 100% | 5,542,811 | 100% | 18.7% |
| Gross profit | 1,598,636 | 24% | 1,377,627 | 25% | 16.0% |
| Operating expense | 838,103 | 13% | 834,206 | 15% | 0.5% |
| Operating income | 760,533 | 11% | 543,421 | 10% | 40.0% |
| Other income | 37,814 | 1% | 57,088 | 1% | -33.8% |
| Pre-tax income | 798,347 | 12% | 600,509 | 11% | 32.9% |
| Net income | 638,162 | 10% | 497,618 | 9% | 28.2% |
| EPS(NT\$) | 6.00 | | 4.68 | | 28.2% |

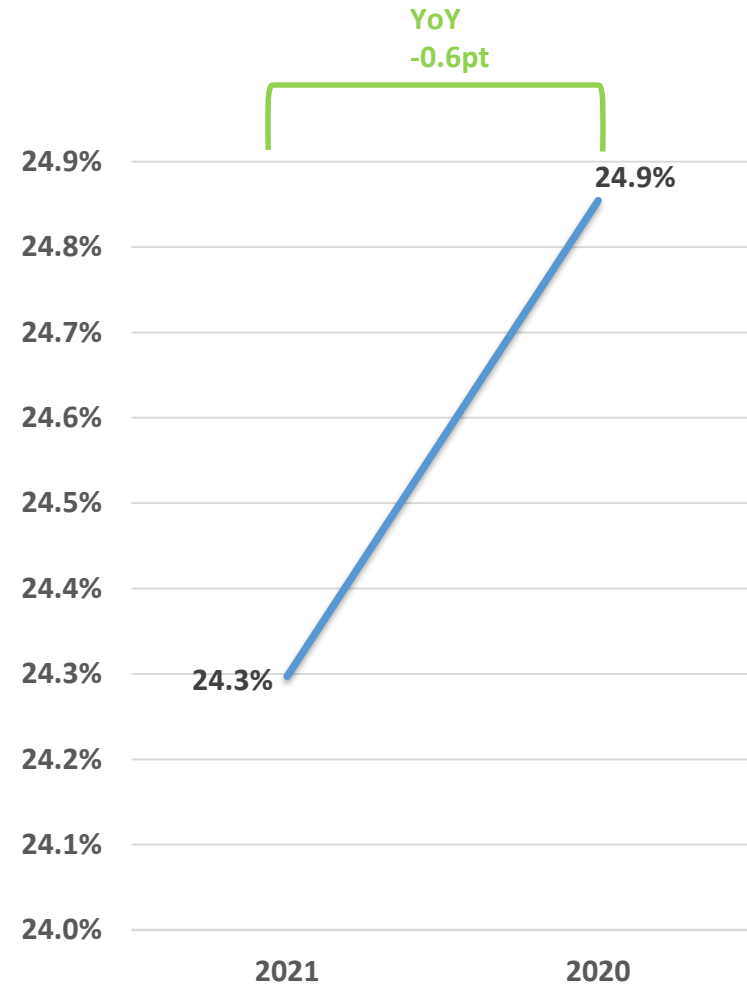
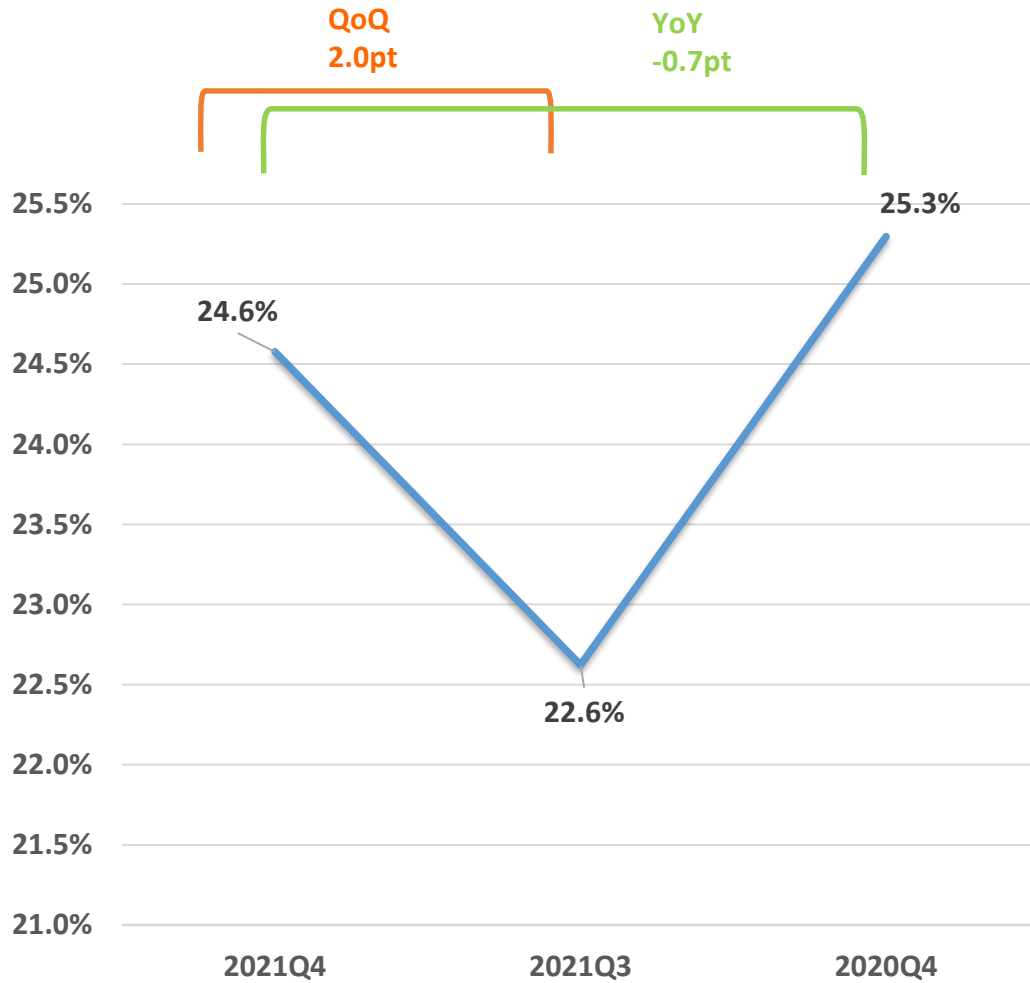
Source: Market Observation Post System

Note:China subsidiary's revenue of consolidated: 2021 3.0%;2020 4.3%

Consolidated Revenues

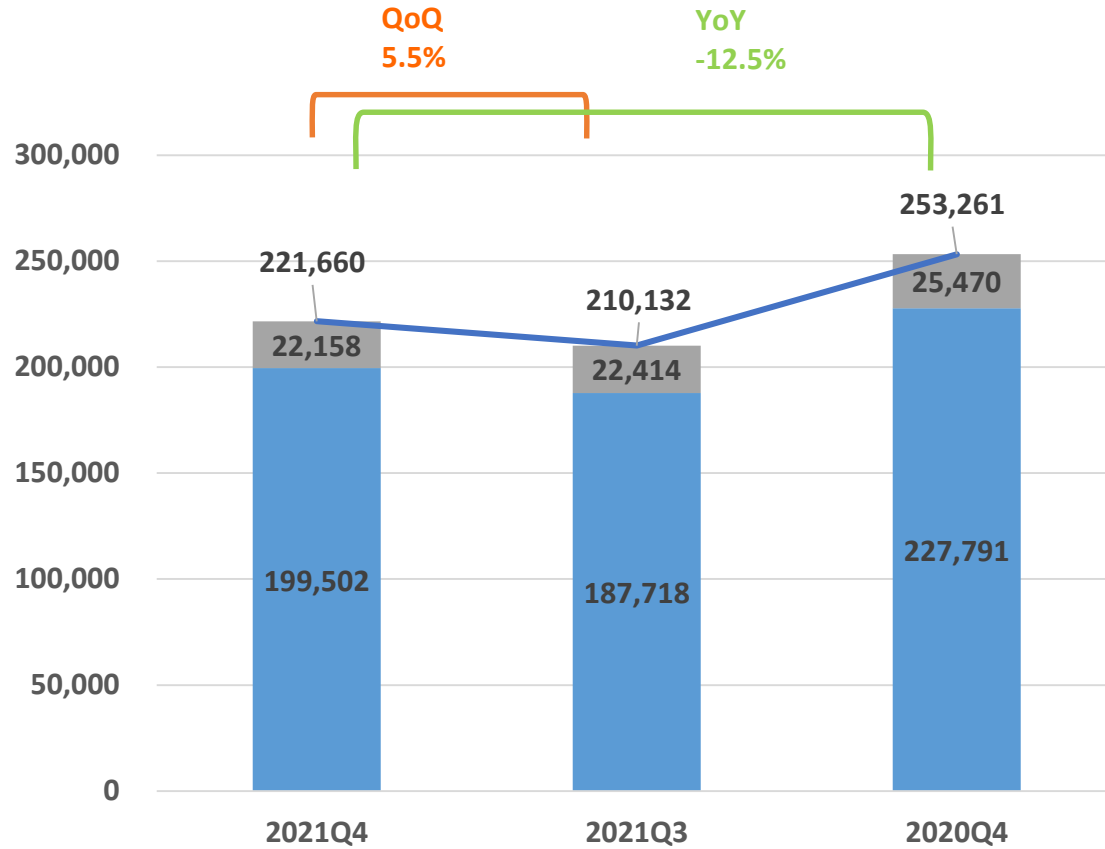


Consolidated Gross profit%

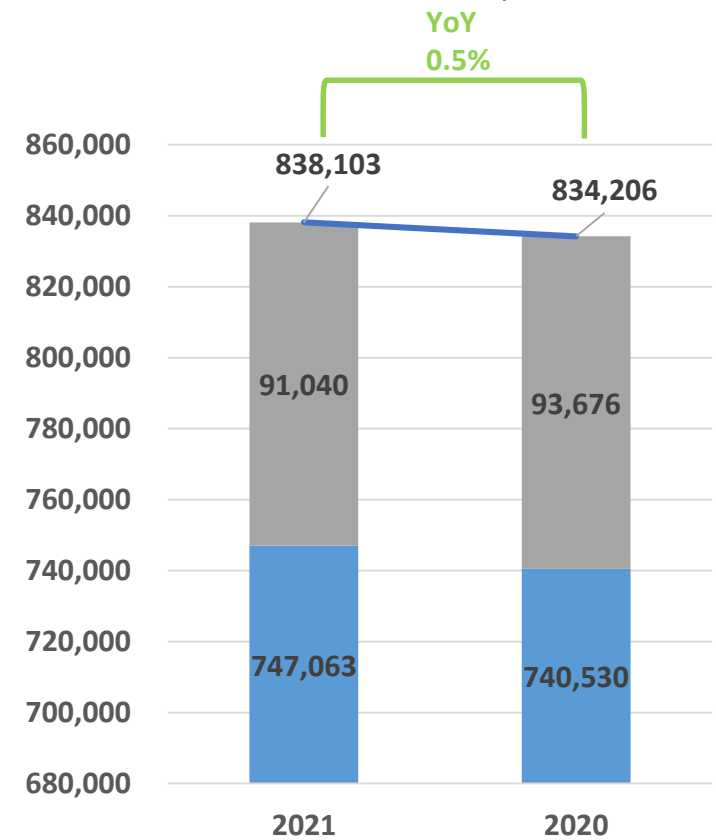


Consolidated Operating expenses

Units: NT\$ thousand



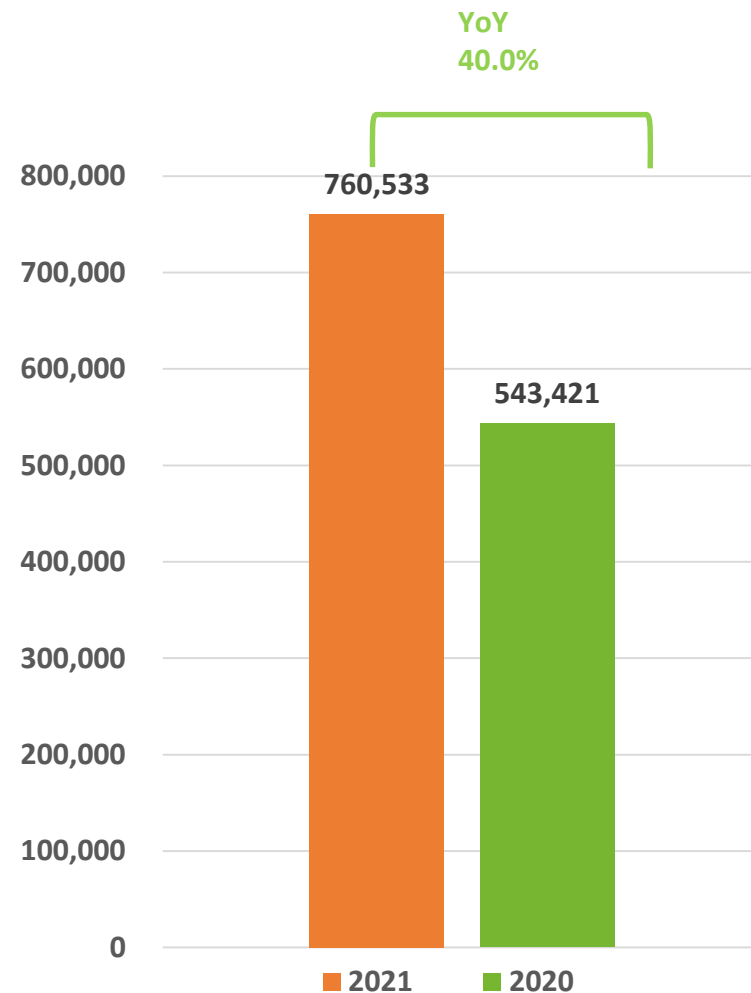
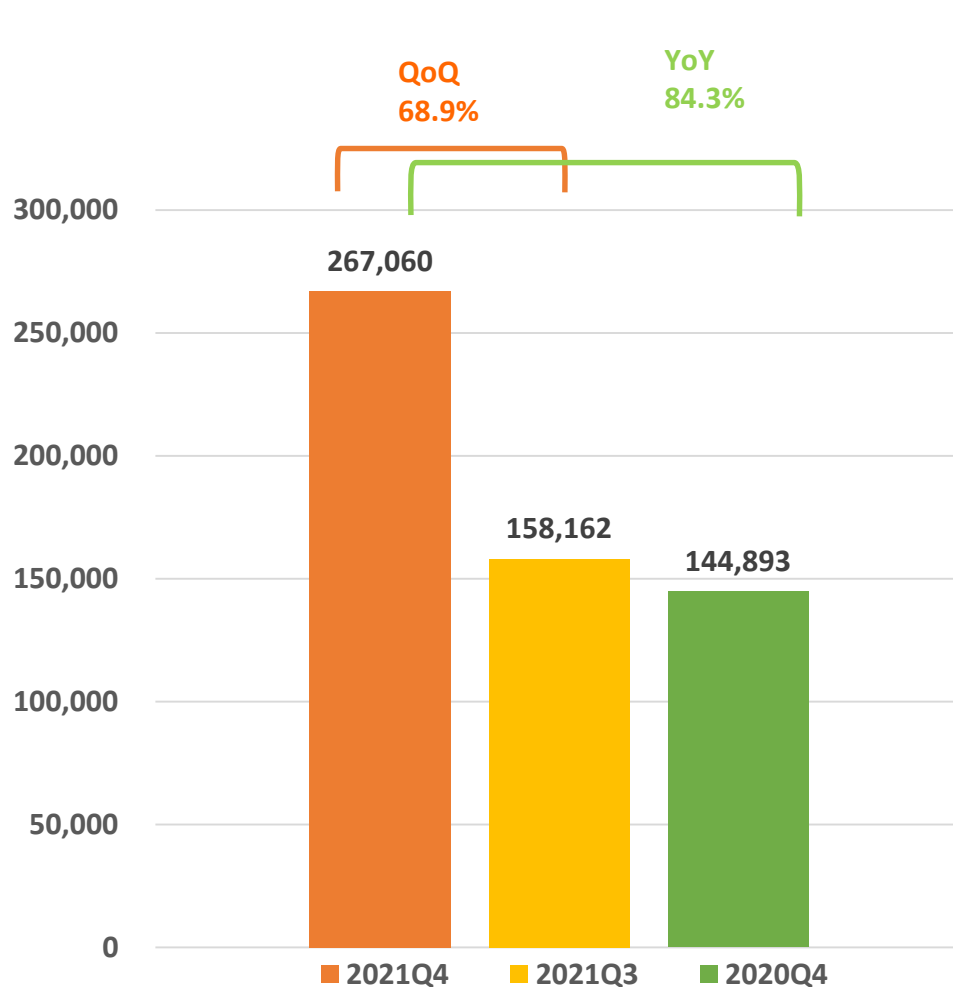
Research and development expenses
 Administrative expenses
 Operating expenses



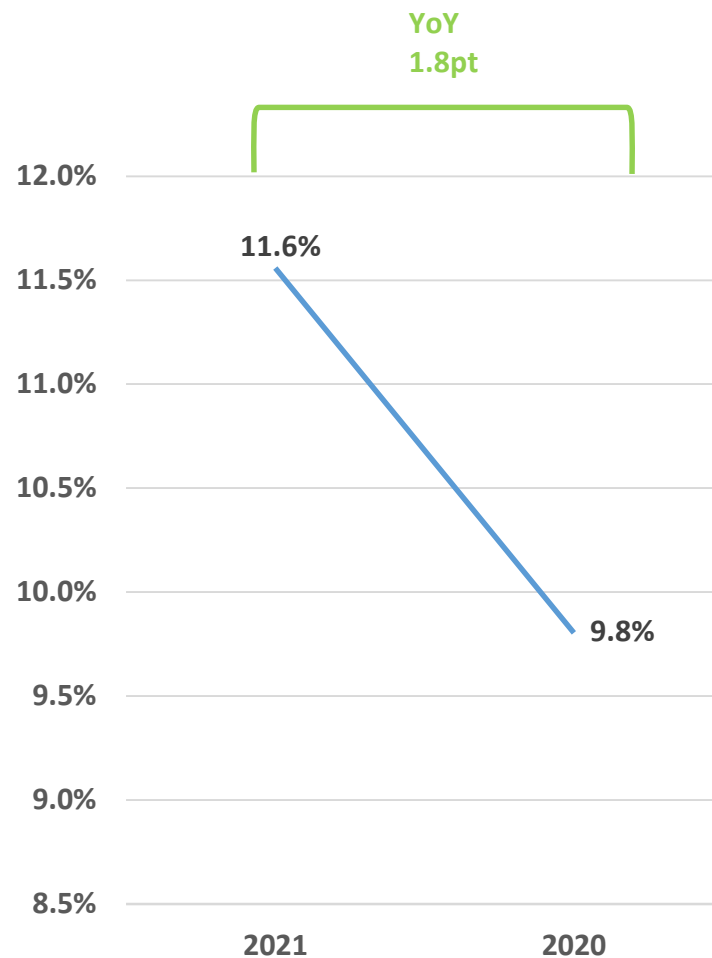
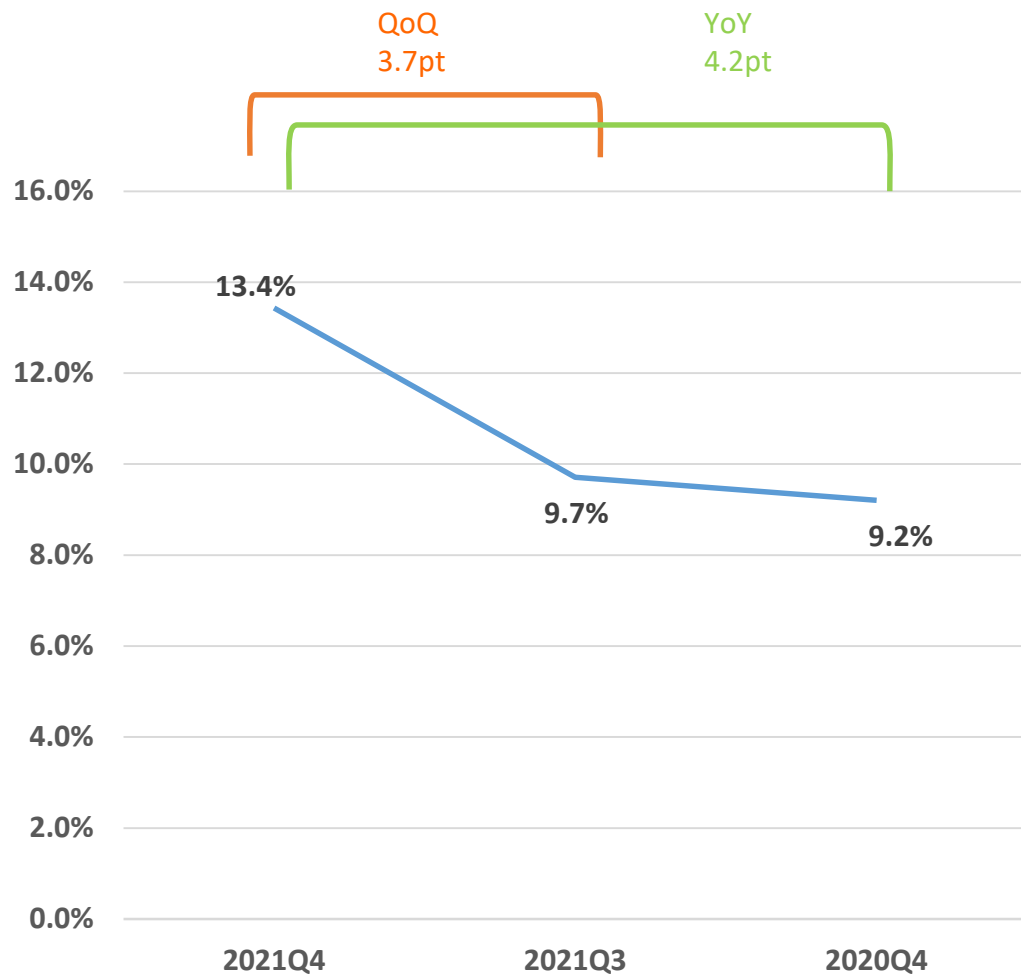
Research and development expenses
 Administrative expenses
 Operating expenses

Consolidated Operating income

Units: NT\$ thousand

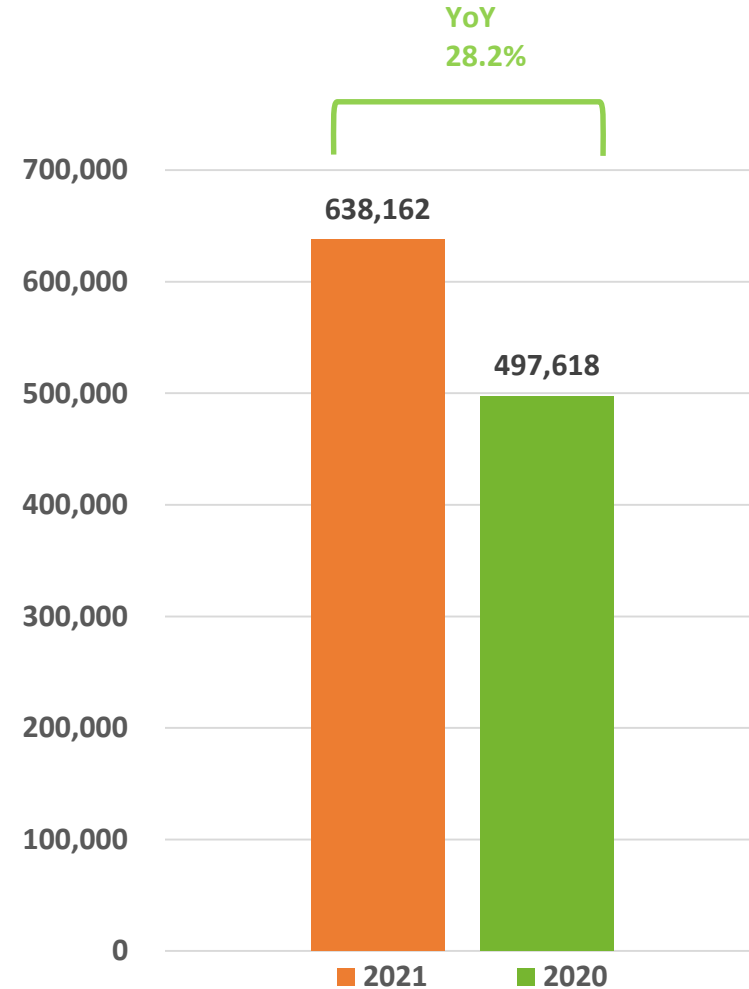
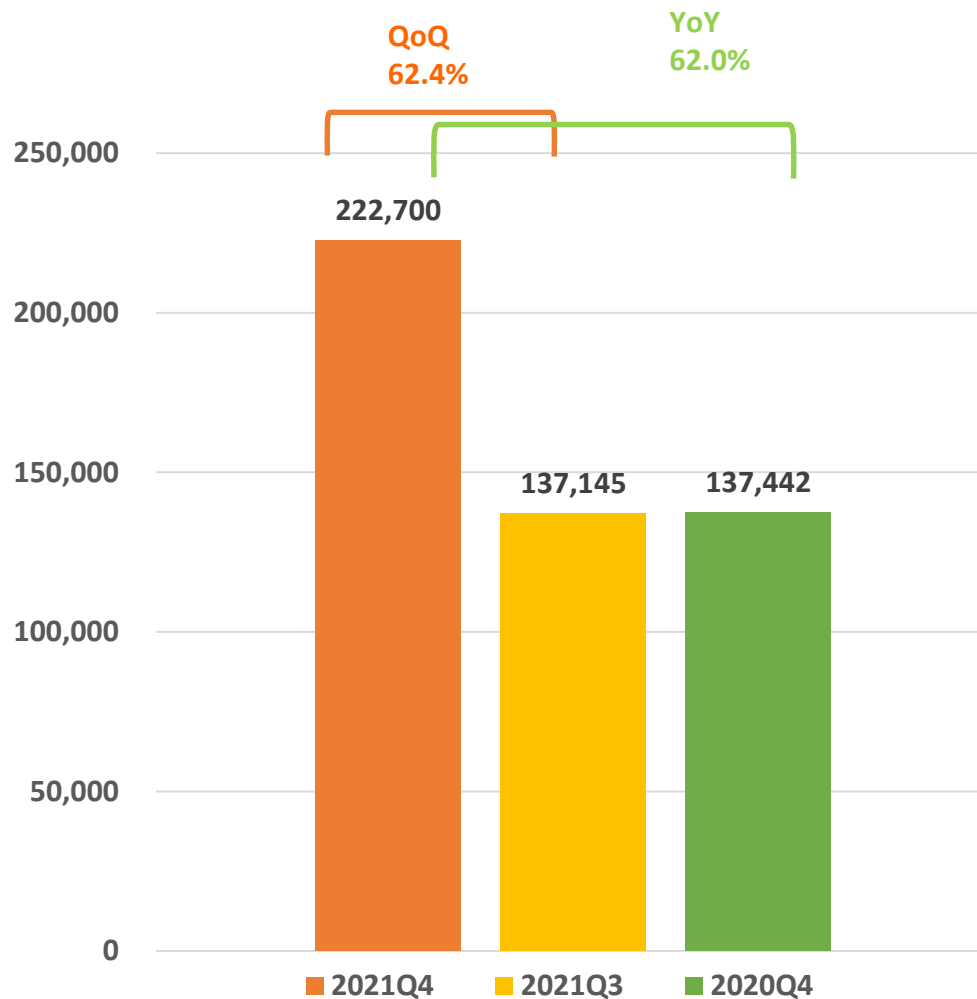


Consolidated Operating income⁰%

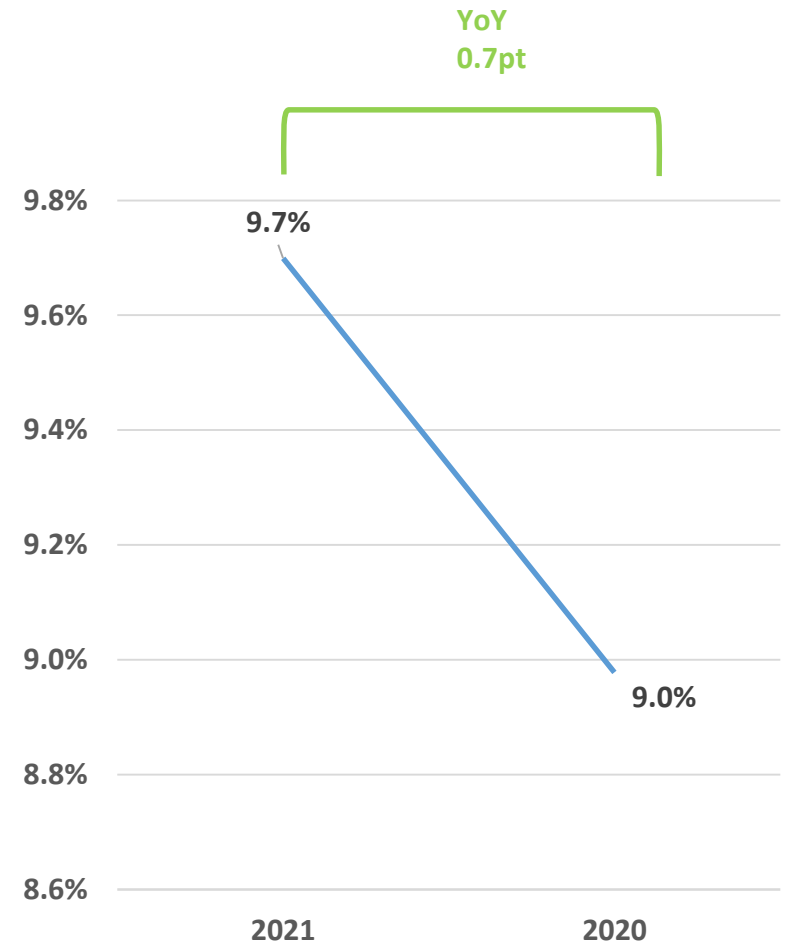
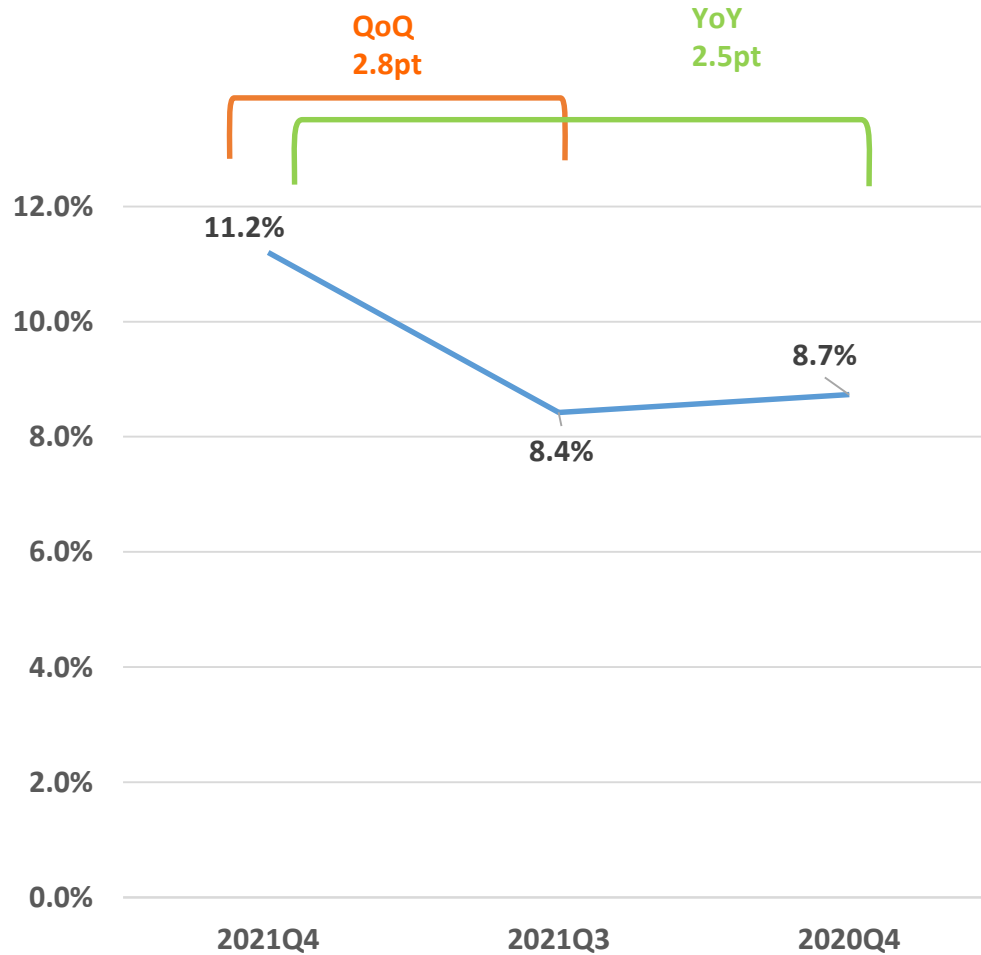


Consolidated Net income

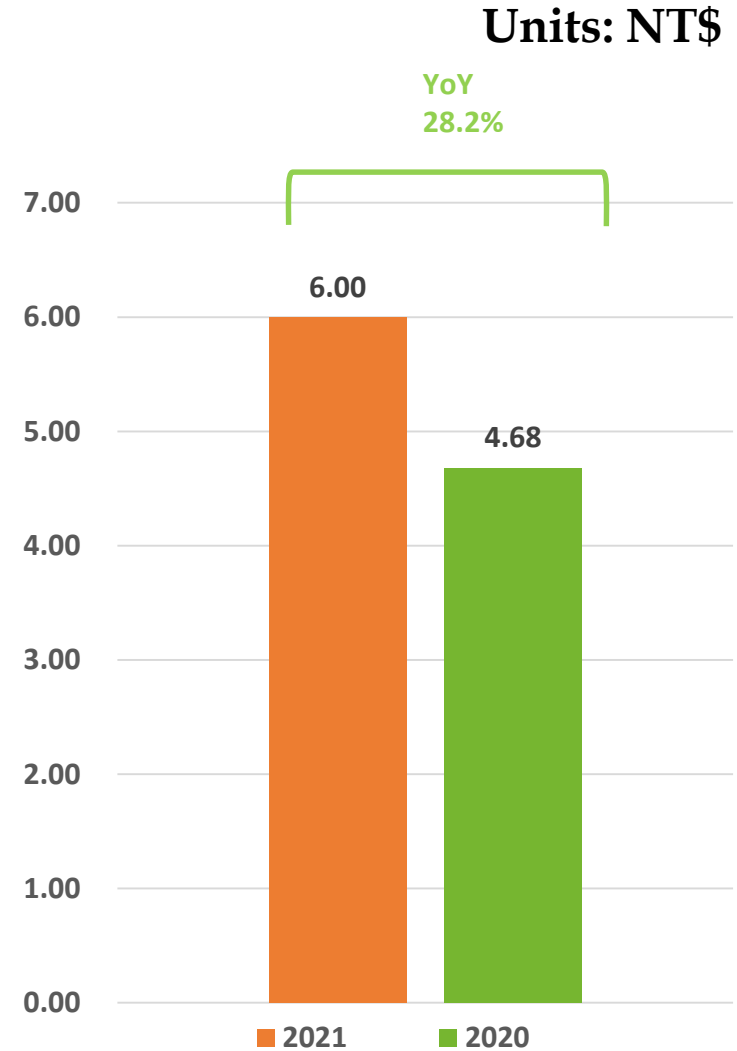
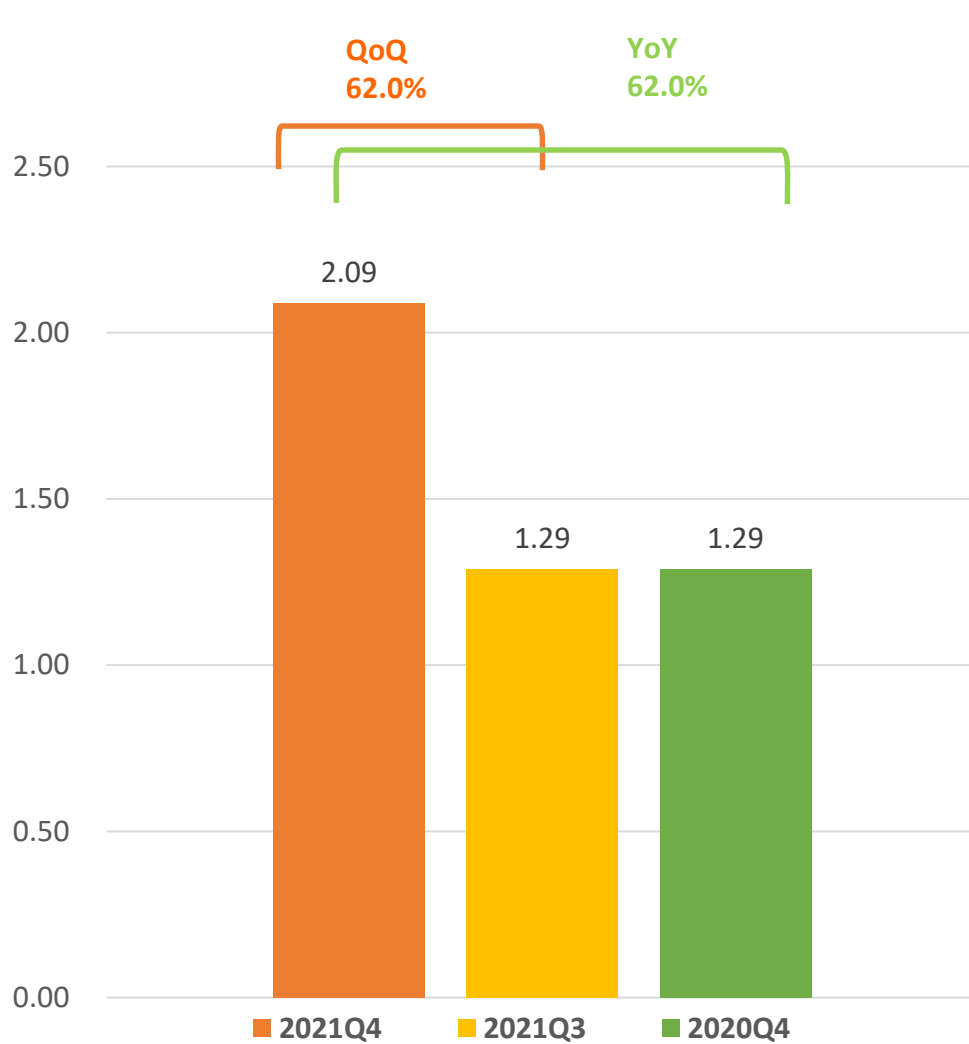
Units: NT\$ thousand



Consolidated Net income⁰%



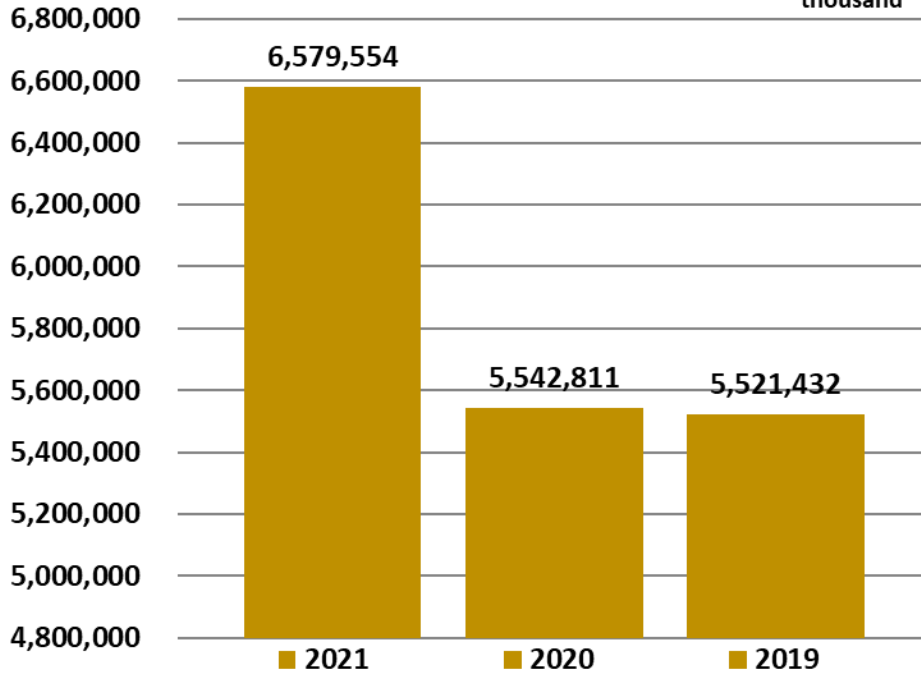
Consolidated EPS



Sales Revenue & Net Income

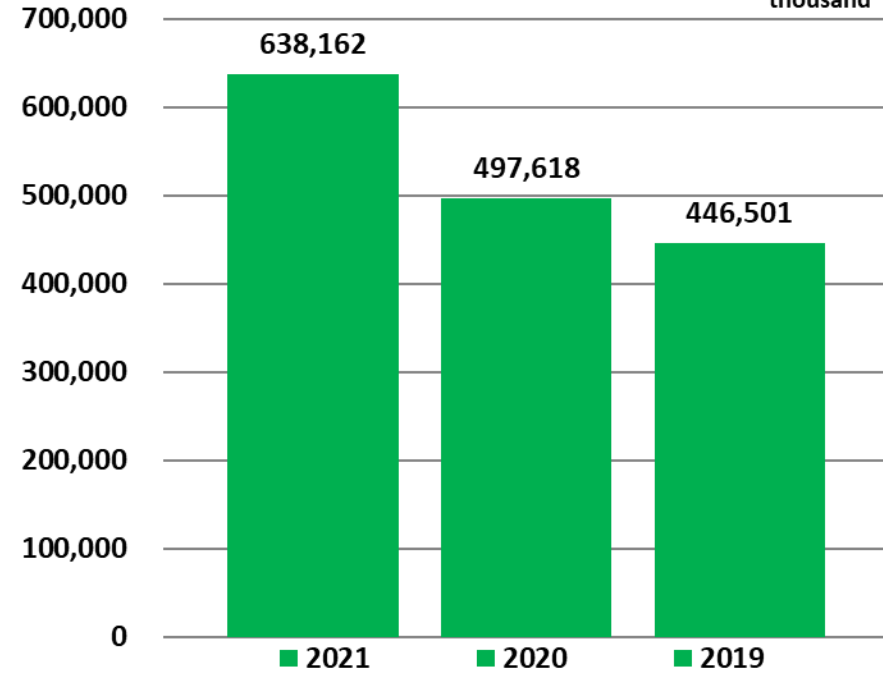
Sales Revenue

Units:NT\$
thousand

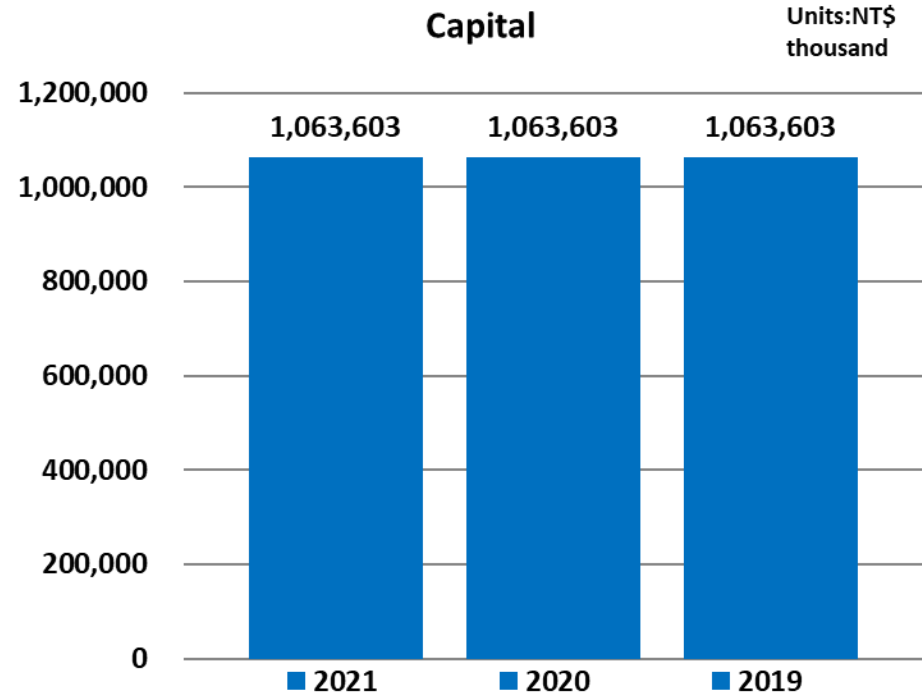
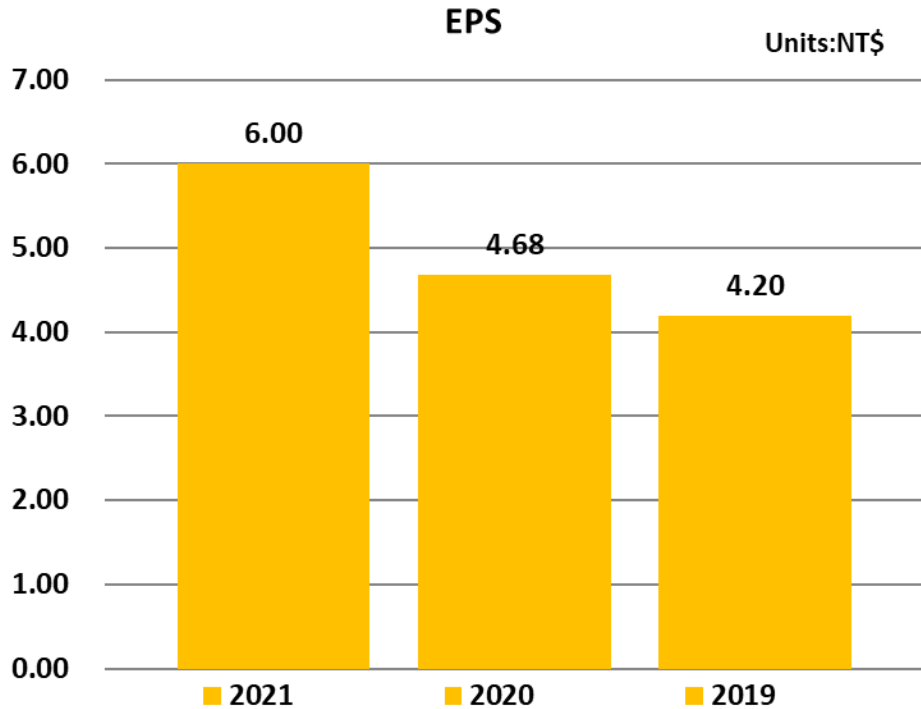


Net Income

Units:NT\$
thousand



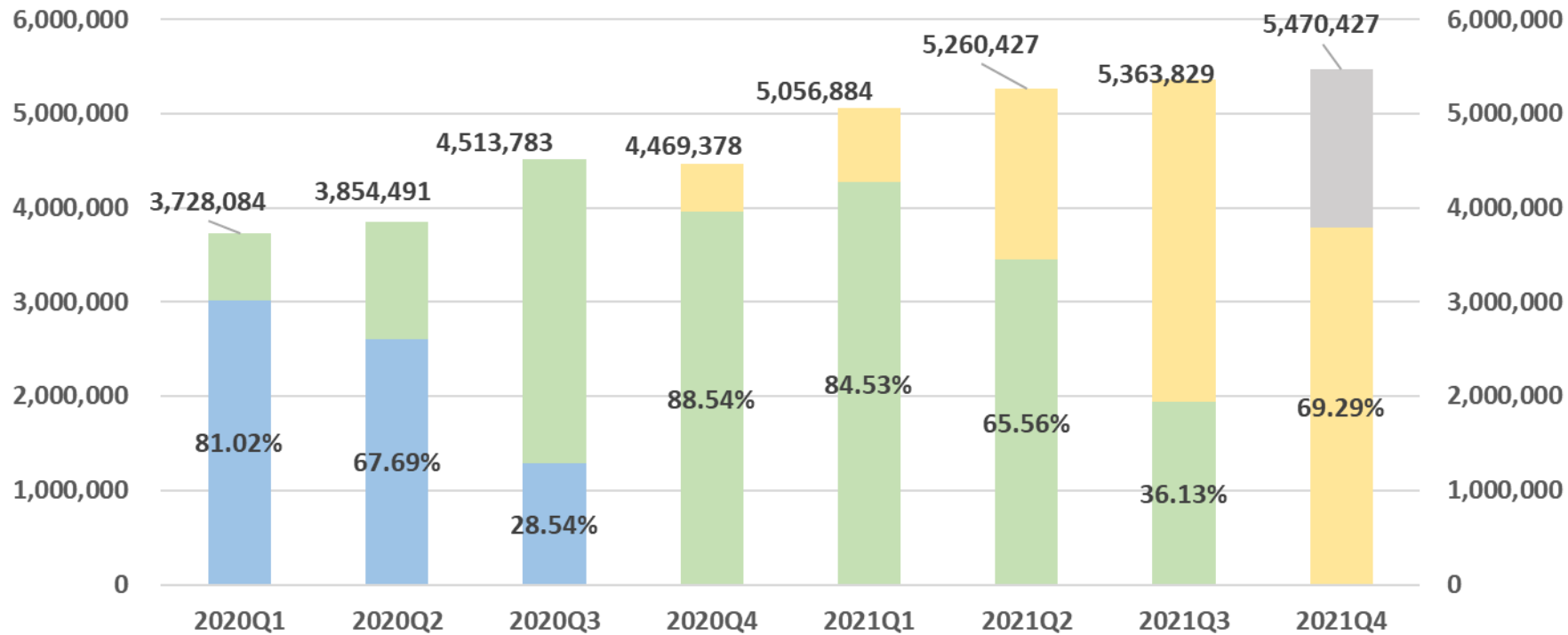
EPS & Capital



| | 2021 | 2020 | 2019 |
|------------|--------------|--------------|--------------|
| ROE | 21.82 | 17.69 | 16.42 |

Allocation of transaction price into unfulfilled contractual obligations

Units: NT\$ thousand



| | 2020Q1 | 2020Q2 | 2020Q3 | 2020Q4 | 2021Q1 | 2021Q2 | 2021Q3 | 2021Q4 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Allocation of transaction price into unfulfilled contractual obligations | 3,728,084 | 3,854,491 | 4,513,783 | 4,469,378 | 5,056,884 | 5,260,427 | 5,363,829 | 5,470,427 |
| Estimated Fulfill Ratio of 2020/2021/2022 | 81.02% | 67.69% | 28.54% | 88.54% | 84.53% | 65.56% | 36.13% | 69.29% |
| Estimated Fulfill Amount of 2020/2021/2022 | 3,020,494 | 2,609,105 | 1,288,234 | 3,957,187 | 4,274,584 | 3,448,736 | 1,937,951 | 3,790,459 |
| Estimated Fulfill Amount After 2021/2022/2023 | 707,590 | 1,245,386 | 3,225,549 | 512,191 | 782,300 | 1,811,691 | 3,425,878 | 1,679,968 |

Dividends Policy

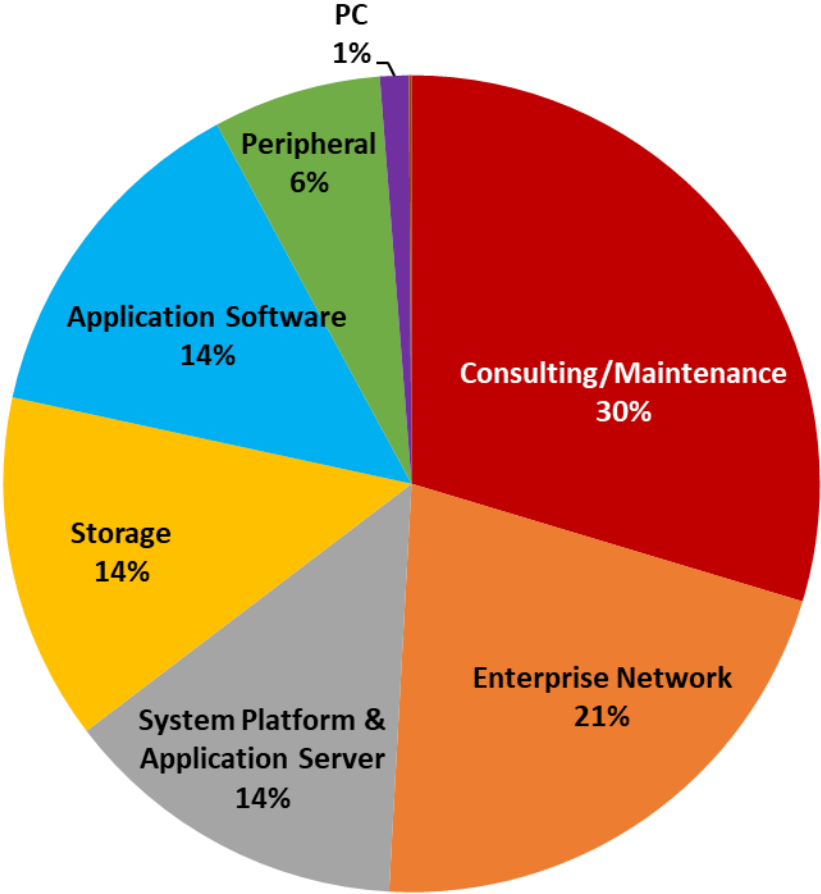
| ※ Dividends in recent years | | | | | | | Units:NT\$ | |
|-----------------------------|------|------|------|------|------|------|------------|--|
| Year | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | |
| Amount | 5.62 | 4.3 | 4.45 | 3.42 | 2.62 | 2.1 | 2 | |

| ※ EPS in recent years | | | | | | | Units:NT\$ | |
|-----------------------|------|------|------|------|------|------|------------|--|
| Year | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | |
| Amount | 6.0 | 4.68 | 4.2 | 3.8 | 2.56 | 2.25 | 2.02 | |

| ※ Payout ratio in recent years | | | | | | | Units:% | |
|--------------------------------|-------|-------|--------|-------|--------|-------|---------|--|
| Year | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | |
| Ratio | 93.7% | 91.9% | 106.0% | 90.0% | 102.3% | 93.3% | 99.0% | |

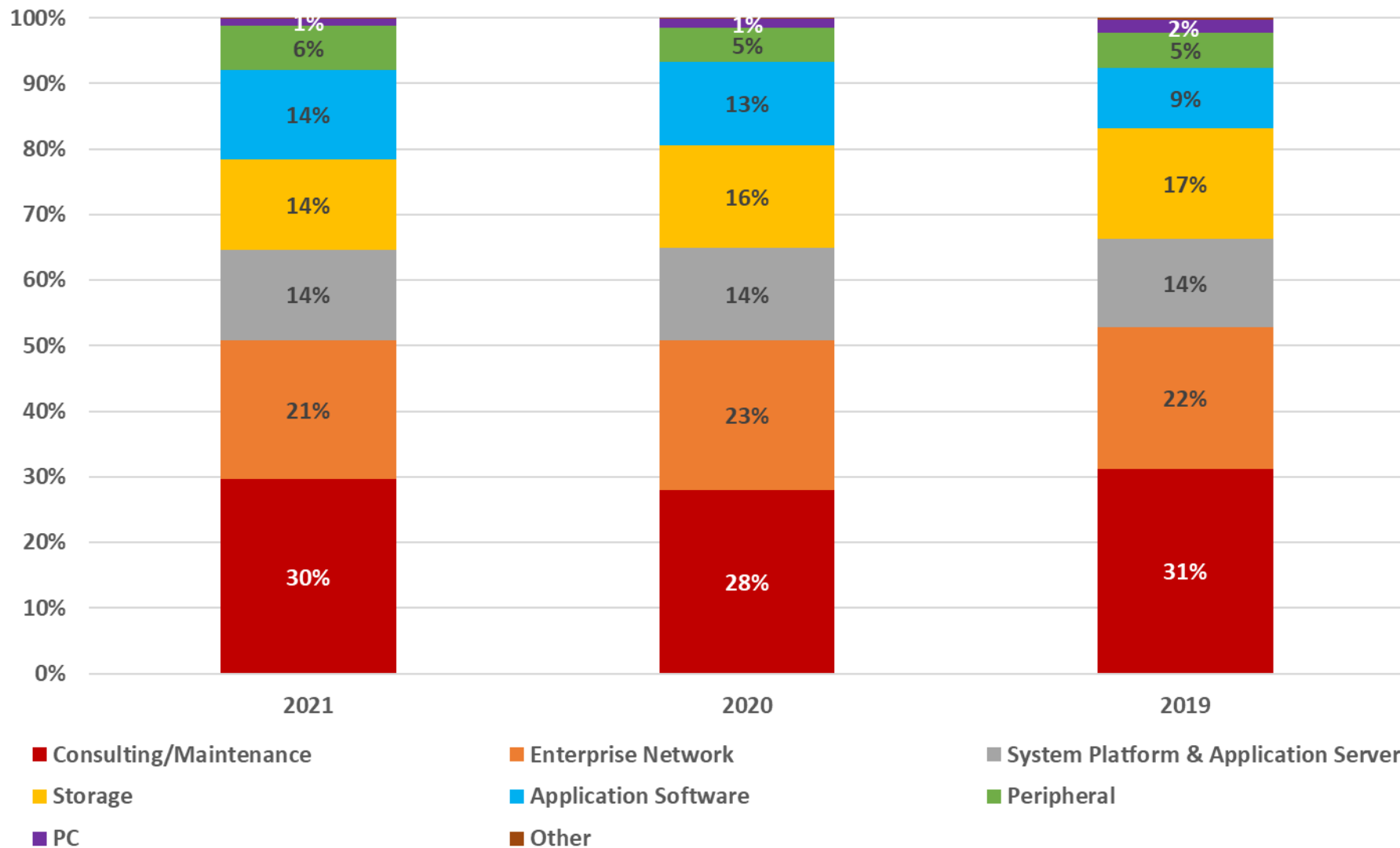
Note : Payout ratio in year 2019 due to the adjustment of IFRSs to shareholders' equity which can be part of distribution

2021 Sales Revenues by Type

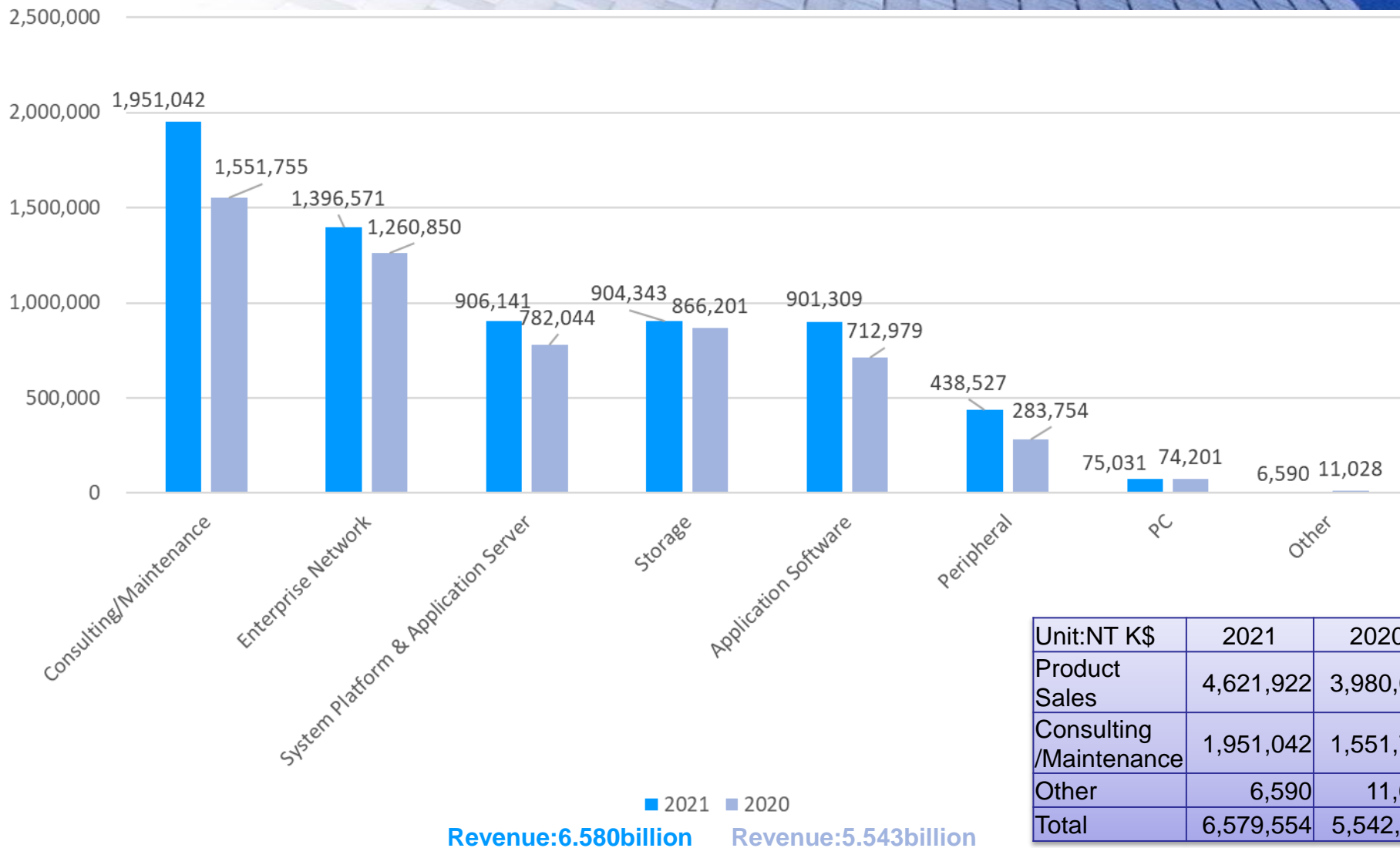


Revenue:6.580billion

Comparison of Sales Revenues by Type

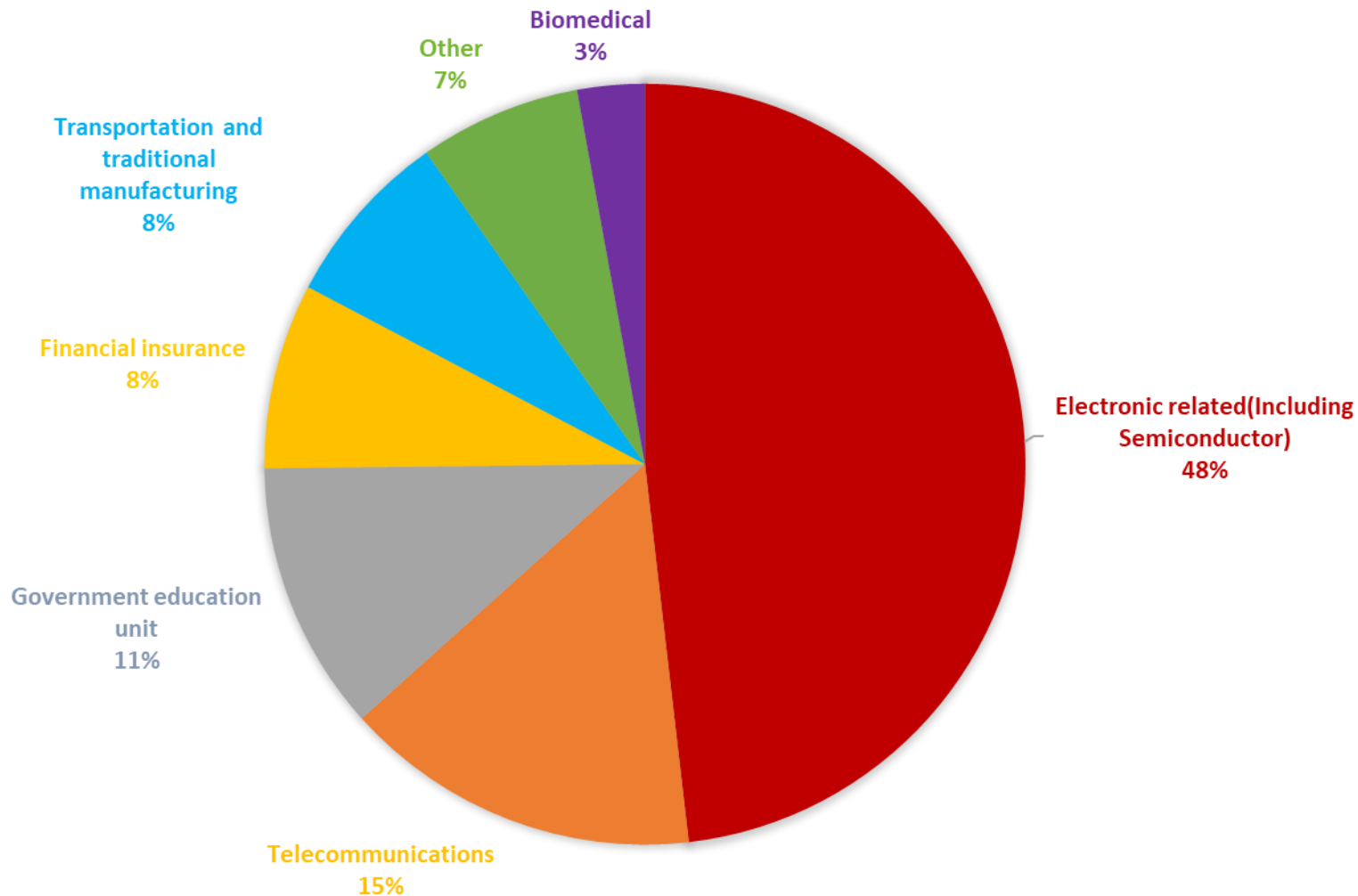


Compare Sales Revenues by Type



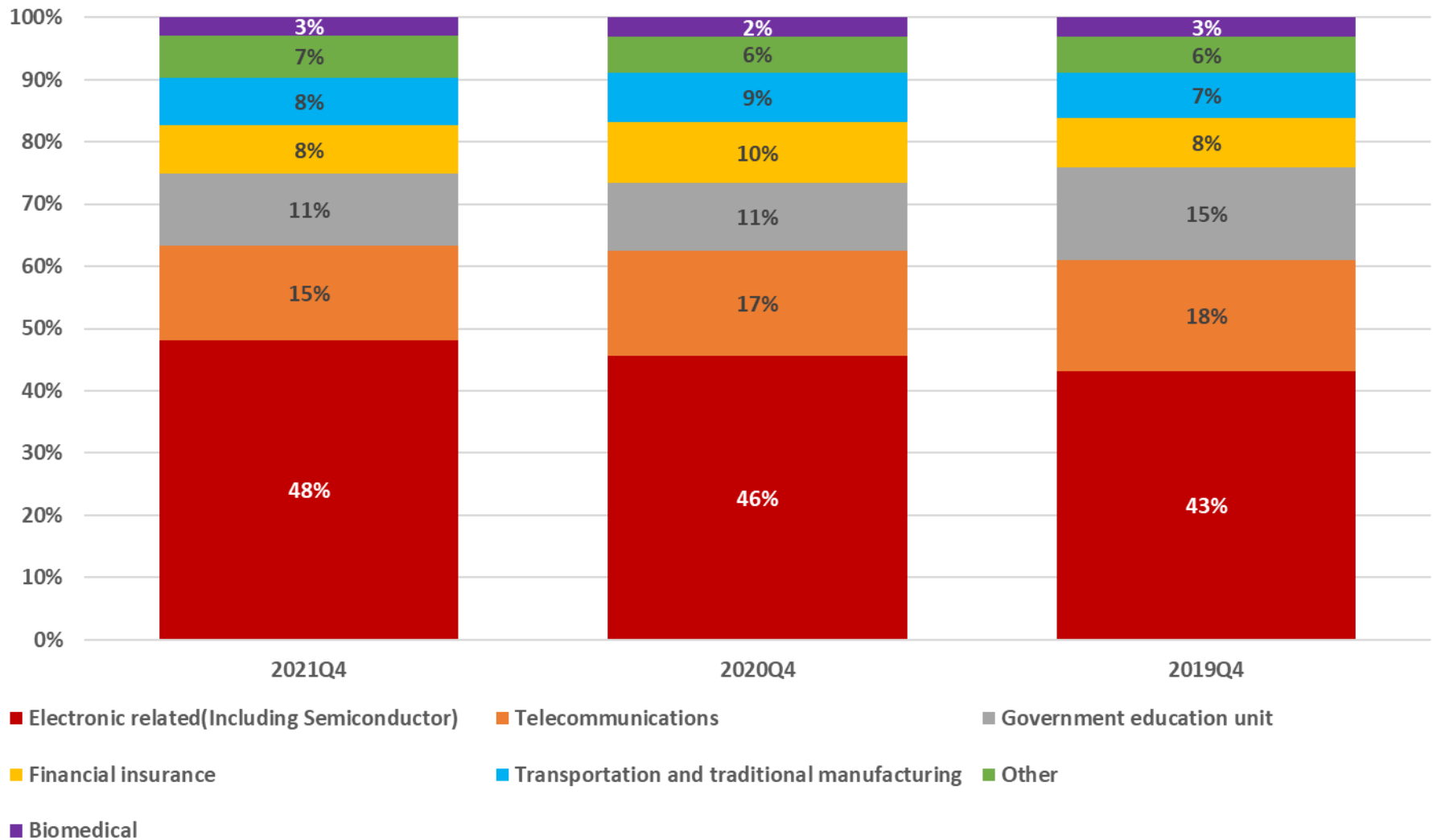
| Unit: NT K\$ | 2021 | 2020 |
|-------------------------|------------------|------------------|
| Product Sales | 4,621,922 | 3,980,028 |
| Consulting /Maintenance | 1,951,042 | 1,551,755 |
| Other | 6,590 | 11,028 |
| Total | 6,579,554 | 5,542,811 |

2021 Sales Revenues by Industry

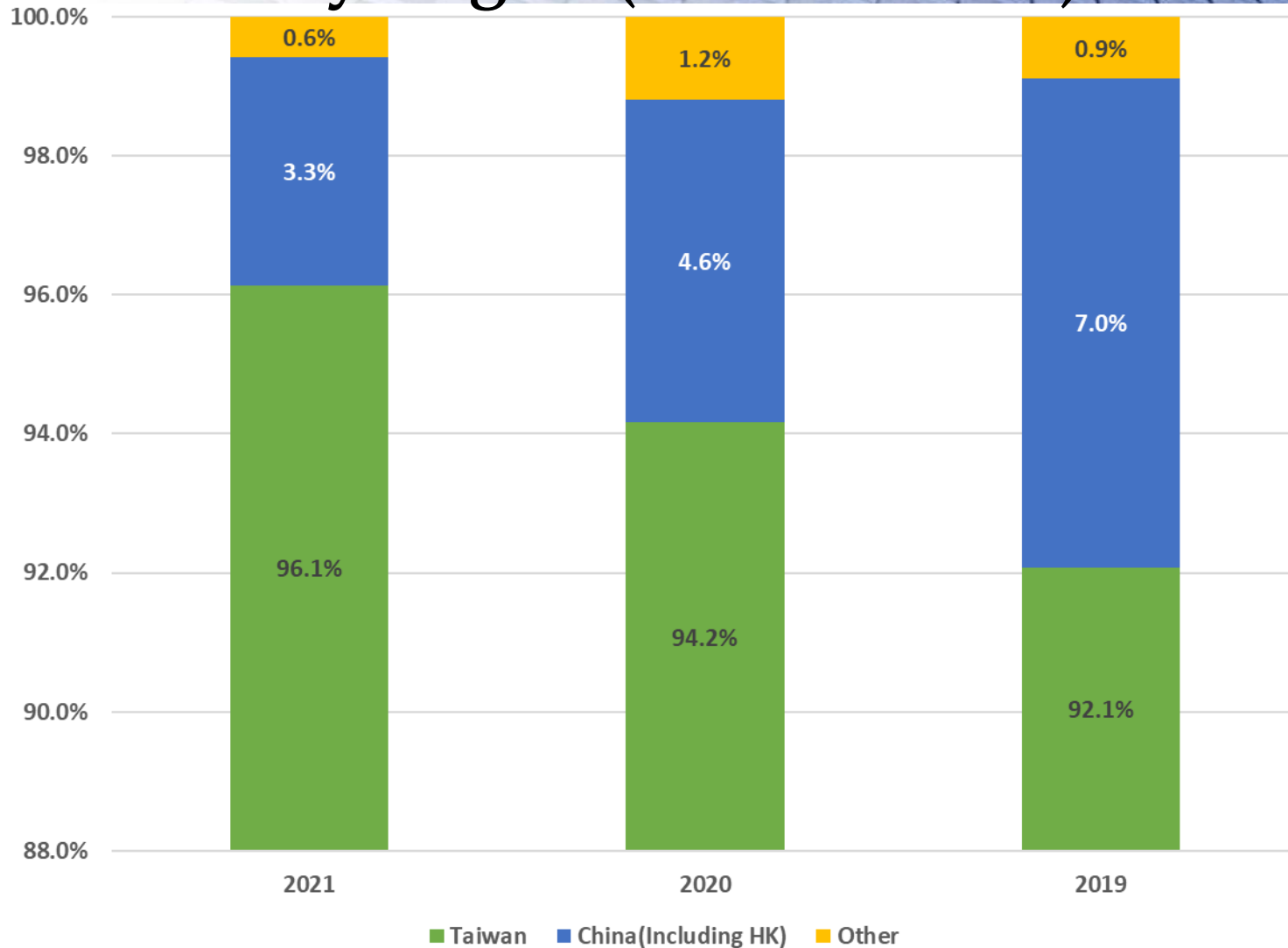


Revenue: 6.580 billion

Comparison of Sales Revenues by Industry(Accumulated)

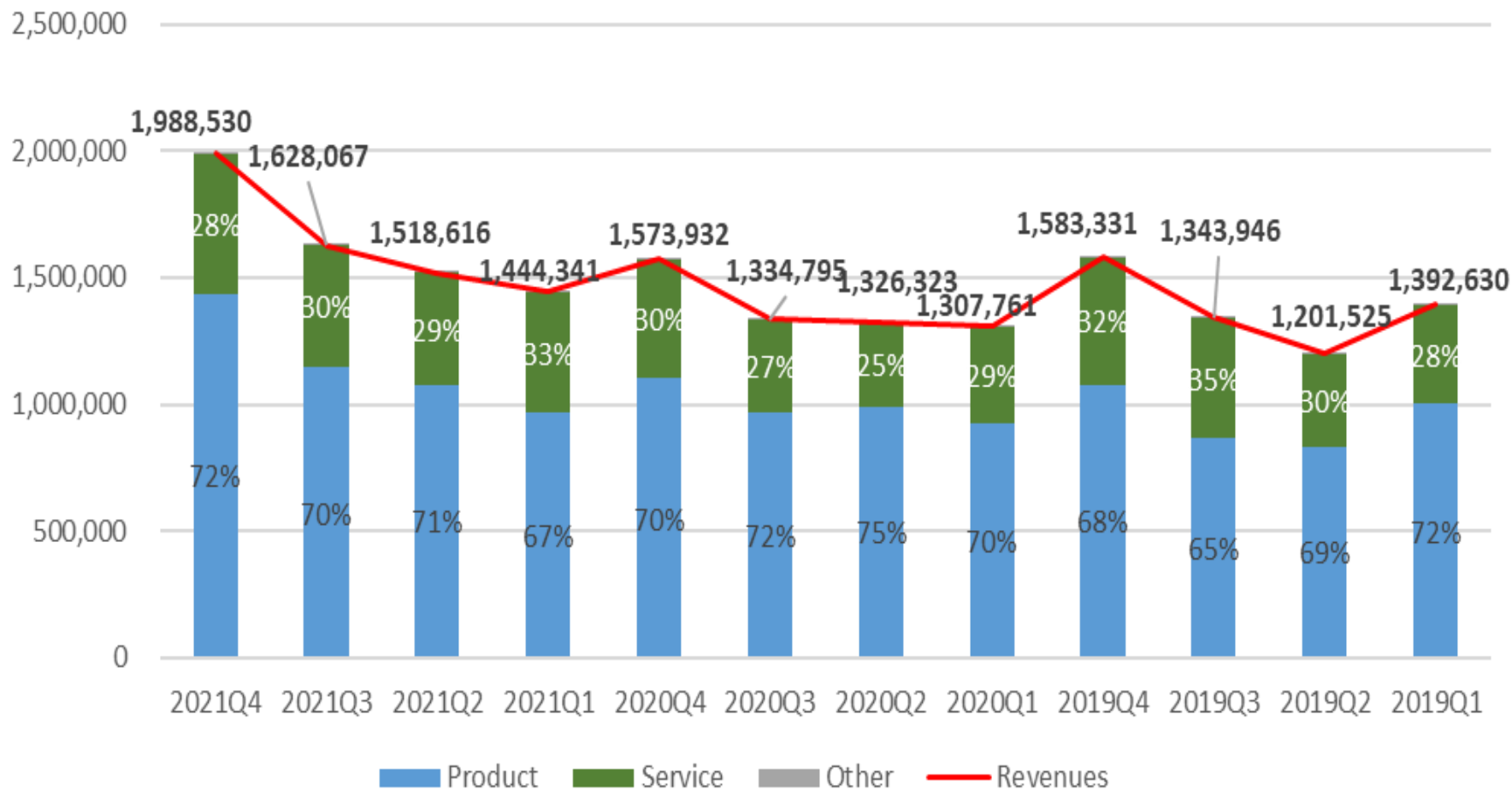


Comparison of Sales Revenues by Region(Accumulated)



Quarterly revenue status

Units:NT\$
thousand



Q & A
Thank you!!