Investor Conference
Tatung System Technologies Inc.
2024/08/27

Safe Harbor Notice

This presentation contains forward-looking statements and is subject to risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Agenda

- Profile / Business Focus and Services

- Financial Conditions & Analysis

- IT Industry Trend and Opportunities

- Strategies & Prospect

- Corporate Governance & ESG Sustainability

- Q&A

tst*i* 大世科 // Profile

Customer-centered and service-oriented, providing all-round smart transformation services for enterprises

Integrate the world's advanced digital technologies to create the maximum overall benefits and business value for our customers

610
Employees

Innovation, Services, Teamwork, Integrity

Core Value

7
Service base

Shanghai
Taipei
Hsinchu
Taichung
Chiayi
Tainan
Kaohsiung

Vision

- Be a paradigm of innovation and service competitiveness in the ICT service industry, focusing on the best integration solutions for sustainable and digital transformation.

- Prioritize customer-centricity, service orientation, and value-focused approaches, aiming to deliver the most outstanding customer experience and business outcomes.

4

// Profile

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Taipei

Hsinchu

Taichung

Chiayi

Tainan

Kaohsiung

Focus Field

ACE SI ICT Integration

Revenue NTD. **41.8 Billion** (Consolidated)

2000
Independent from TATUNG and established as TSTI
TWSE/TPEx : 8099 (Listed 2004/03)

2008
Established
「 Chyun Huei 」

2012
Established
「 tsti Shanghai Co. Ltd. 」

2015
Mergers and acquisitions
「 TISNet Technology Inc. 」

2023

ISO 45001
ISO 27001
ISO 20000
ISO 14064

4

// Business Focus and Services

tst*i* 大世科

> **Main Solution**

> AI service integration expert

> Cloud integration & Services

> ESG Ecosystem Integration

> Smart medical

> tiCC intelligent customer service

> **Main products**

> Modern data center

> Endpoint and peripheral equipment

> Software/Technical Services/Education and Training

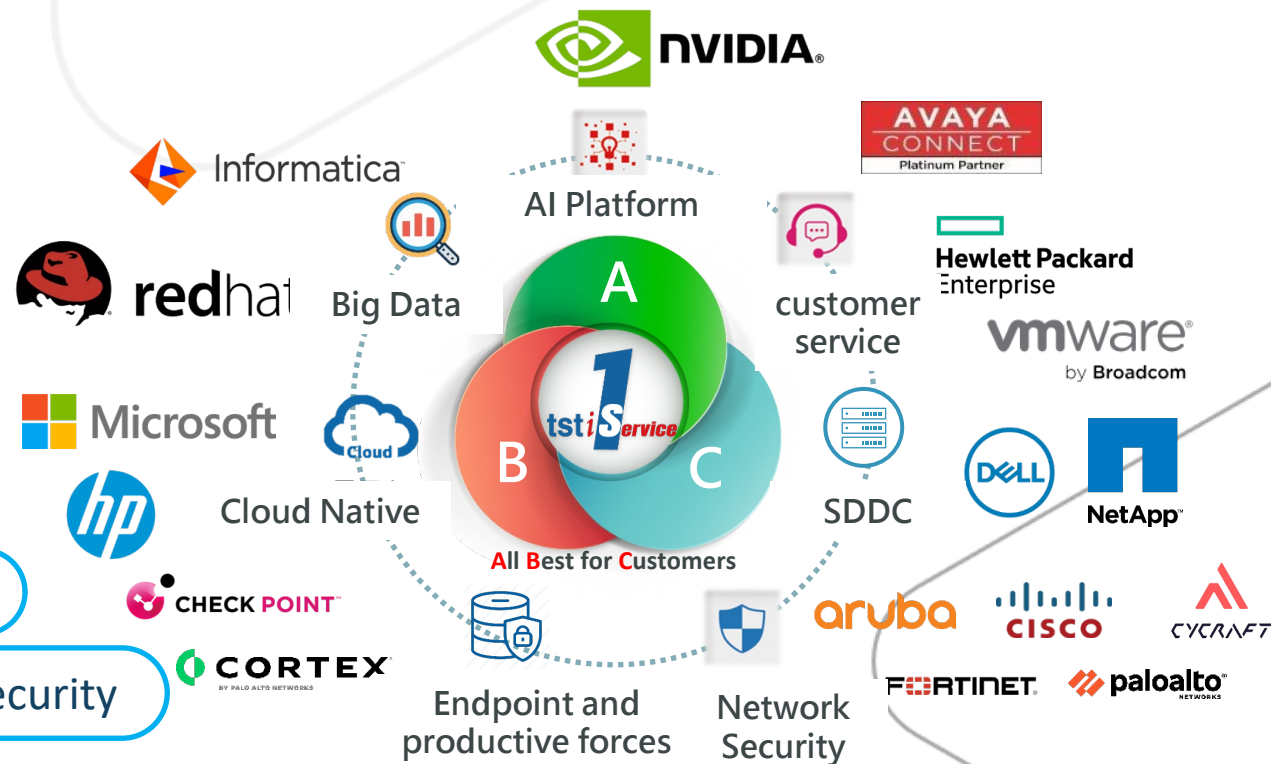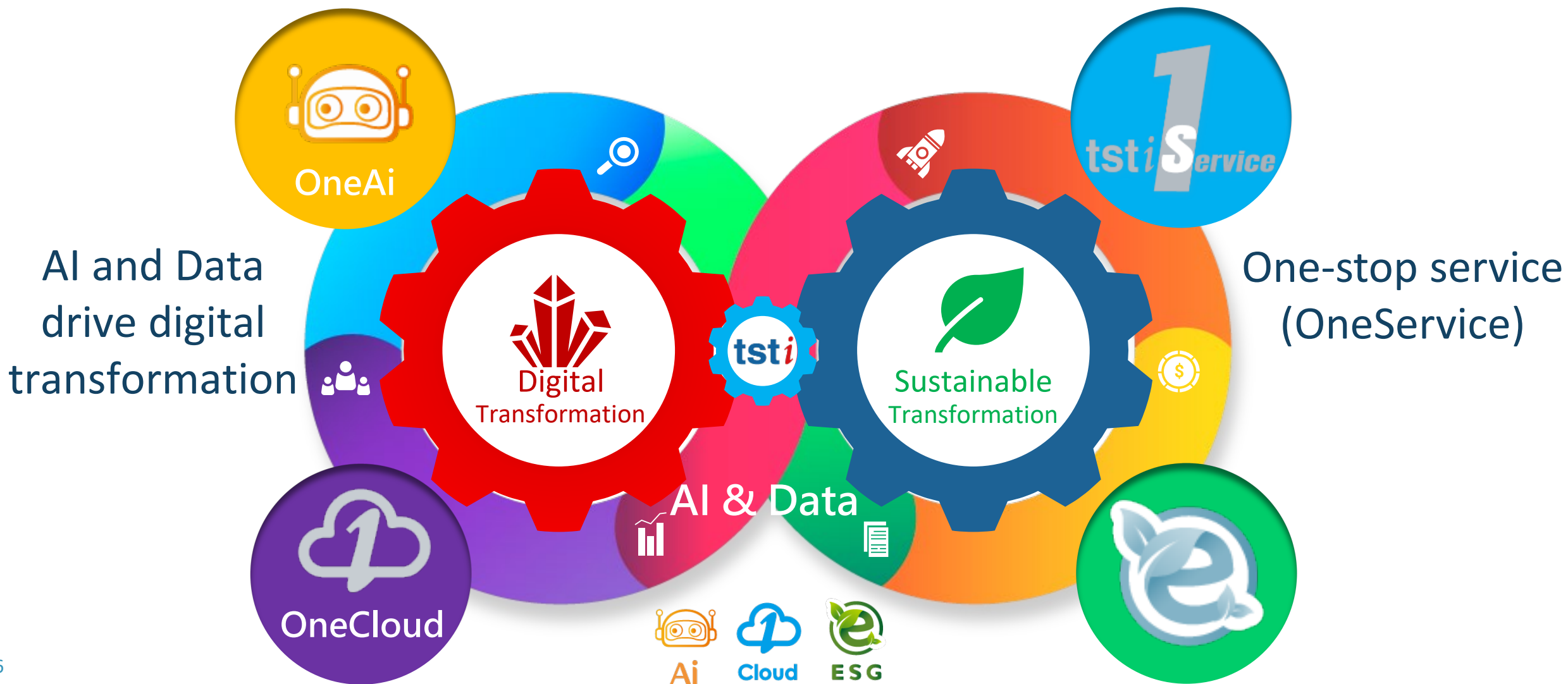> Communication collaboration/network/information security
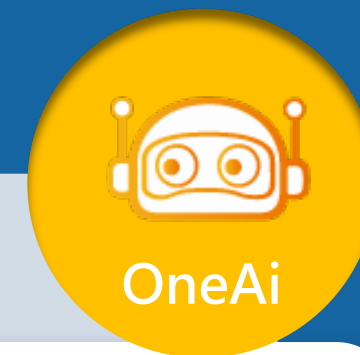
OneAi

OneCloud

ESG AIoT

OneService

Partners

NVIDIA

Informatica

AVAYA CONNECT — Platinum Partner

AI Platform

redhat

Big Data

customer service

Hewlett Packard Enterprise

vmware by Broadcom

Microsoft

Cloud Native

A

B   C

tst*i* Service

All Best for Customers

SDDC

DELL

NetApp

hp

CHECK POINT

CORTEX BY PALO ALTO NETWORKS

Endpoint and productive forces

Network Security

aruba

CISCO

CYCRAFT

FORTINET

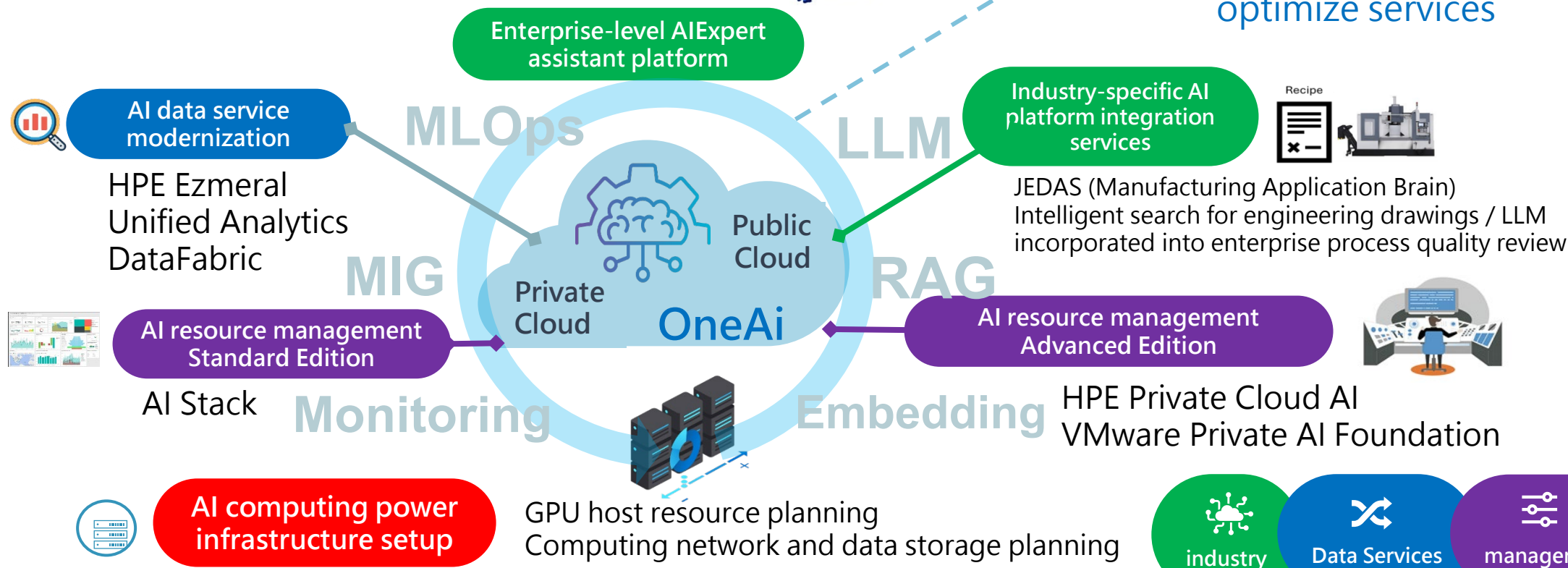paloalto NETWORKS

// Business Focus and Services

OneAi full solution

OneAi

External AI expert smart services for governments and enterprise
AI expert assistant services within governments and enterprises

AI import consulting services. Continuously optimize services

Enterprise-level AIExpert assistant platform

AI data service modernization

MLOps

LLM

Industry-specific AI platform integration services

HPE Ezmeral
Unified Analytics
DataFabric

MIG

Public Cloud

Private Cloud

OneAi

RAG

JEDAS (Manufacturing Application Brain)
Intelligent search for engineering drawings / LLM incorporated into enterprise process quality review

AI resource management Standard Edition

AI resource management Advanced Edition

AI Stack

Monitoring

Embedding

HPE Private Cloud AI
VMware Private AI Foundation

AI computing power infrastructure setup

GPU host resource planning
Computing network and data storage planning

industry

Data Services

management

// Business Focus and Services

OneService for All

AI
- Ibo.ai
- Nvidia、NVAIE
- AI platform

Big Data
Hadoop、Data Fabric
Data Lake
OSI PI

ESG/Endpoint Security
ESG Zero Carbon 、Energy power optimization solution & AIoT Innovation
CyCraft、Check Point Harmony
EDR/MDR、Cortex

Cloud / Container
M365 、Backup to Cloud
Container for Cloud
HPE GreenLake Cloud Platform

Container Essential Service
Red Hat OpenShift
VMware VCF

HPC

Data Center
VMware、Windows、Linux
Veeam、Dell EMC Backup
HPE、NetApp、Dell EMC ... Storage

網路資安解決方案 Network & Cypersecurity
Project Management 專案管理服務
tst*i* **1** Service

B A C D E

From AI to Endpoint 360° Service

// Business Focus and Services

Recent Significant Award Recognition

➢ **[2024 Golden Yang Award-Technology for the Elderly] Second Runner-up - tiCARE Remote Care Application**

➢ Won the [Annual Supplier Sustainability Evaluation Quality Service Award

➢ [2024 Elite Suppliers and Outstanding Service Providers]

// Business Focus and Services

Recent Significant Award Recognition

**Winner of the 2024 CSEA
Excellence in Customer Service Award!
[Best AI system supplier company]**

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Condensed consolidated balance sheet

Unit: NT$ thousand, except EPS

Items	2024 H1		2023 H2		2023 H1	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	611,499	21	738,910	23	627,717	21
Notes and accounts receivable & Contract assets)	879,601	28	970,964	30	978,297	33
Inventories	732,213	25	716,280	23	663,876	22
Property, plant and equipment	72,058	3	81,686	3	92,137	3
TOTAL ASSETS	2,984,077	100	3,170,387	100	3,038,333	100
Current liabilities	1,341,968	45	1,533,376	49	1,487,139	49
TOTAL LIABILITIES	1,588,594	53	1,704,439	54	1,690,040	55
SHAREHOLDERS'EQUITY	1,395,483	47	1,465,948	46	1,348,293	45
Net value per share (NTD)	15.76		16.55		15.22	

tsti 大世科

Condensed consolidated income statement

Unit: NT$ thousand, except EPS

	2024 H1		2023 H1		YoY
	Amount	%	Amount	%	
Net Operating Revenues	1,845,828	100.0	2,041,491	100.0	(9.58%)
Gross Profit	433,175	23.5	441,988	21.7	(1.99%)
Operating Expenses	350,686	19.0	351,643	17.2	(0.27%)
Operating Income	82,489	4.5	90,345	4.4	(8.70%)
Nonoperating Income and Expenses	29,266		(3,006)		
Net income before tax	111,755	6.1	87,339	4.3	⬆ 27.96%
Net income	93,514	5.1	70,051	3.4	⬆ 33.49%
EPS-before tax(NTD)	1.26		0.99		
EPS-afer tax(NTD)	1.06		0.79		

// Financial Conditions & Analysis

Revenue breakdown by solution and service

2024 H1 Business Type
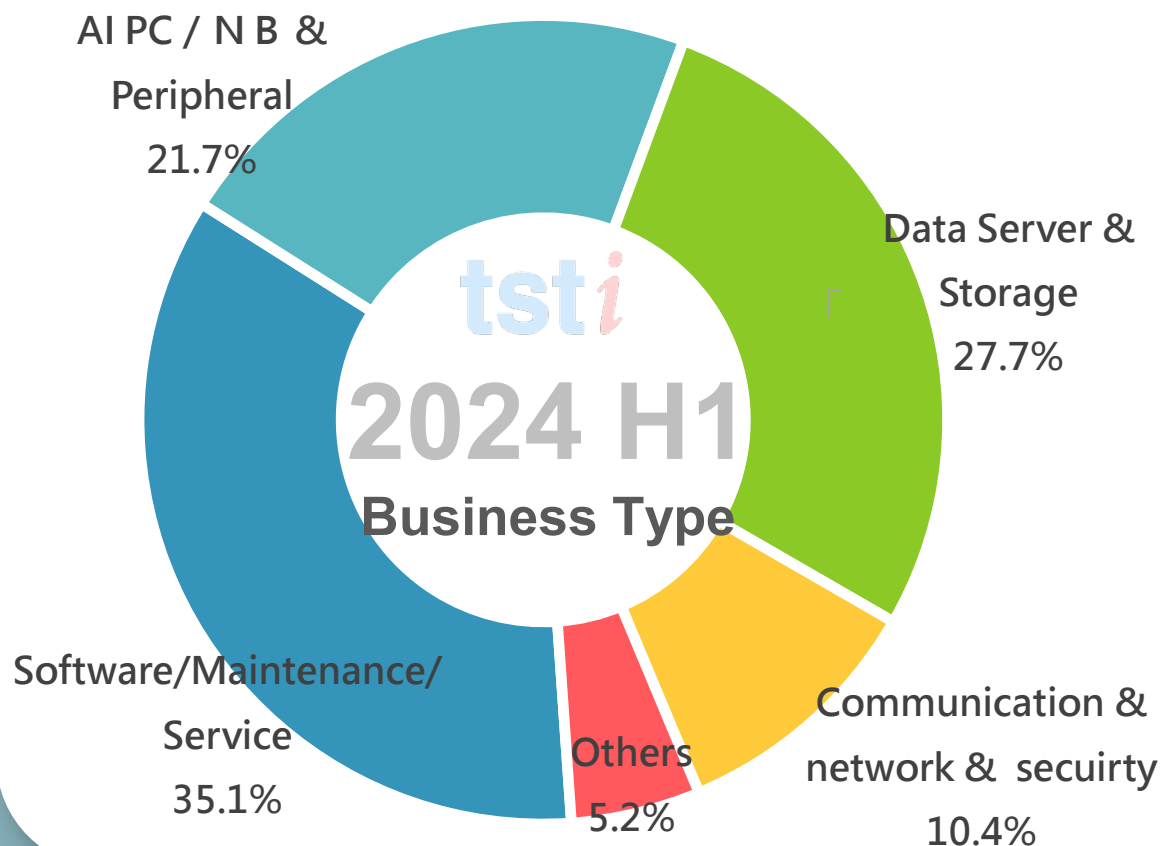
2024 H1 Business Type

- AI PC / N B & Peripheral 21.7%
- Data Server & Storage 27.7%
- Communication & network & secuirty 10.4%
- Others 5.2%
- Software/Maintenance/Service 35.1%

2023 H1 Business Type

2023 H1 Business Type
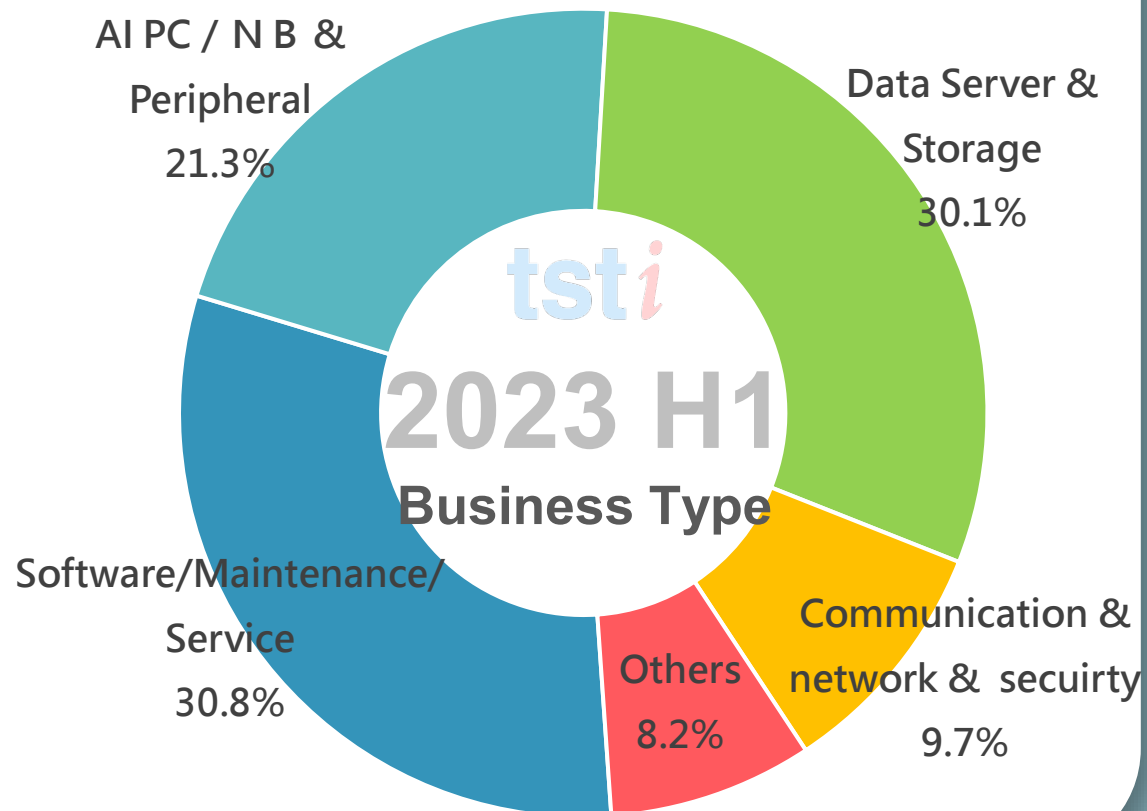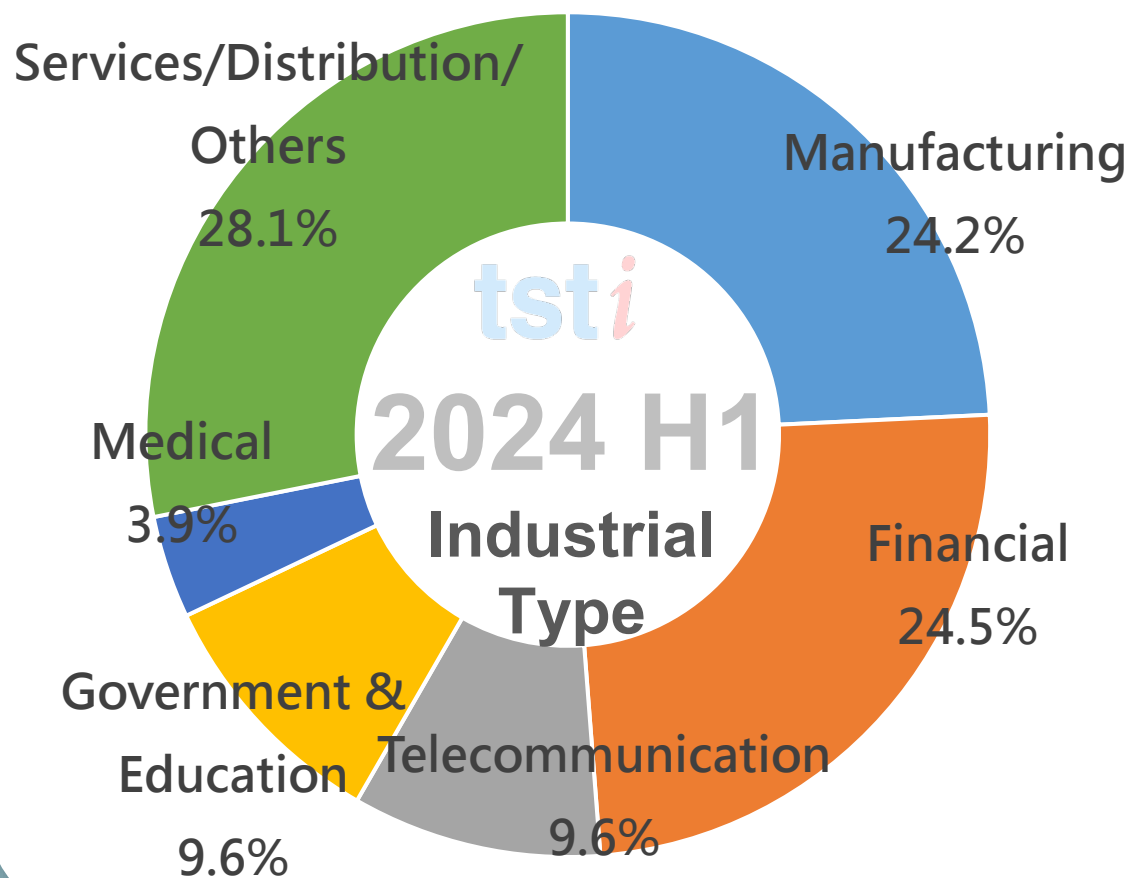
- AI PC / N B & Peripheral 21.3%
- Data Server & Storage 30.1%
- Communication & network & secuirty 9.7%
- Others 8.2%
- Software/Maintenance/Service 30.8%
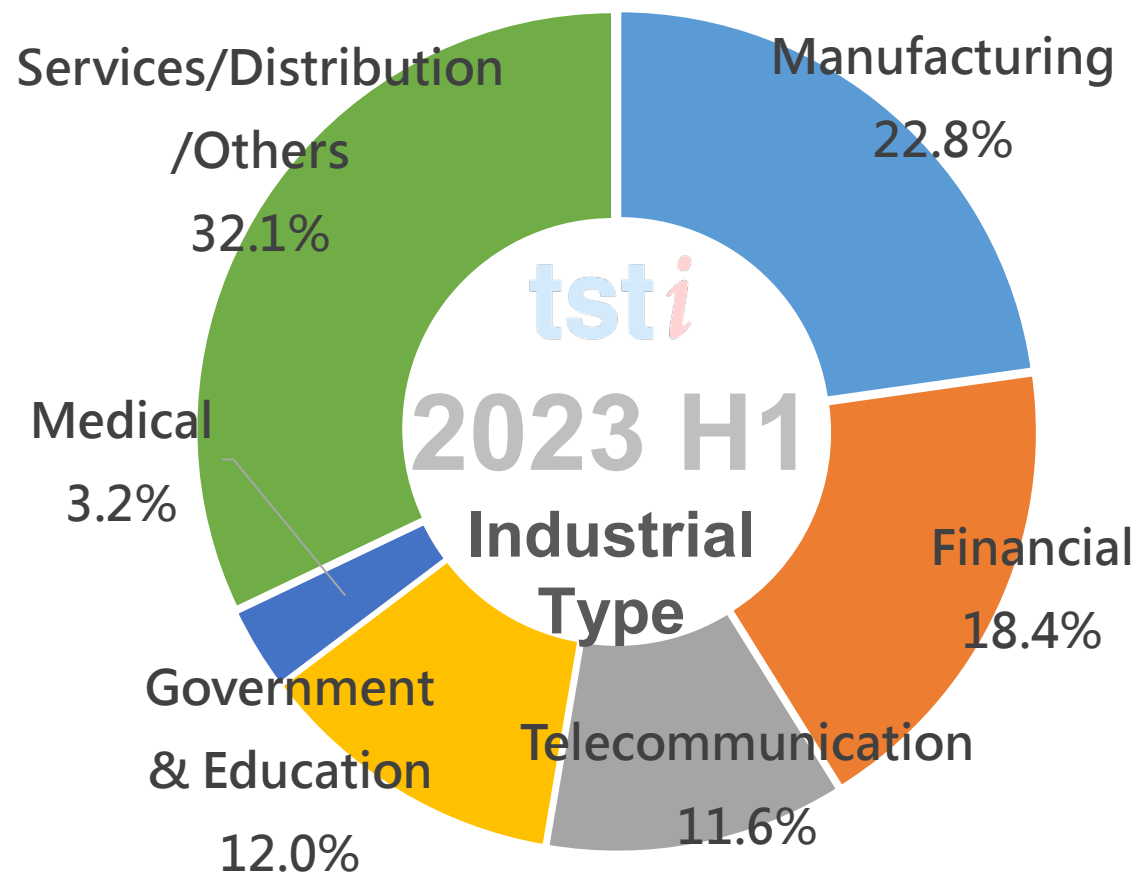
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以軟體為核心變化出多重新興技術

機構	未來科技趨勢預測
Gartner	民主化AI、人工智慧信任、風險和安全管理 (TRiSM)、人工智慧增強開發、智慧型應用、增強互聯勞動力、持續威脅暴露管理（CTEM）、機器客戶、永續發展、平台工程、產業雲端平台
IEEE	生成式AI、機器學習、自然語言處理、元宇宙、AR、VR、MR、雲端運算、5G、電動車、即時網路安全漏洞識別與攻擊防禦、供應鏈和倉庫自動化、量子運算、軟體開發加速、自動化客服、疾病圖譜和藥物開發加速、勒索攻擊軟體、網路釣魚攻擊、內部威脅、永續發展
CB Insight	GPU短缺、多模態人工智慧、合成資料、DIY軟體開發、量子運算商業化、網路安全整合、資料安全重新定義、人工智慧藥物競賽、數位療法(DTx)和健康整合、新科技戰場-大腦、銀行 AI FOMO、區塊鏈金融服務、電商AI代銷、人工智慧對遊戲業衝擊、人形機器人投入製造業、人工智慧協助零售商防盜
Deloitte	空間運算和工業元宇宙、超越暴力計算、生成式AI作為成長催化劑、從DevOps到DevEx：工程體驗強化、捍衛現實：在合成媒體時代的真相、核心訓練：從技術債務到技術健康
WEF	軟性電池、生成式AI、永續航太燃料、設計的噬菌體 (Designer phages)、改善心理健康的元宇宙、可穿戴植物感測器、空間體學（Spatial omics）、軟性神經電子、永續運算、AI輔助醫療
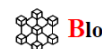
AI
AR／VR
Blockchain
Cloud
Data
Edge
Security

資料來源：Gartner、IEEE、CB Insight、Deloitte、WEF，MIC整理，2024年4月

● 綜整主要研究機構的研究，可發現未來關鍵新興ICT技術幾乎多**以軟體為核心**，特別是以AI、雲端、物聯網、自動化技術為核心，再藉**整合垂直領域知能**（如交通、交通、物聯網、機器人、健康照護等），帶動新興技術在產業領域落地，特別是**AI技術落地**與**資安強化**成為最受矚目焦點

4
MIC.
資料來源：MIC

雲服務正熱，跨平台管理與資料分析需求攀升

資料庫　企業應用軟體　行動應用App　企業網站　………

既有地端系統

資料來源：MIC，2024年4月

● 隨雲端服務技術逐漸成熟，企業多已將部分系統陸續遷移至雲端，但轉換過程中，不同時期的系統往往建構在不同雲平台，造成跨雲、跨平台管理的困難

● 面對複雜的雲地混合環境，如何協助企業進行跨環境、多雲、多應用/系統、多資料庫的整合管理、效能調教、用戶數據分析成為雲端服務供應業者的重要方向，其中透過導入AI技術，有助大幅提升用戶跨平台管理能力

資料來源：MIC

Emerging technology trends and business opportunities: AI implementation, information security enhancement

Cloud service trends and business opportunities: cross-platform data analysis and management

數位科技是協助供應鏈邁向淨零的重要助力

科技淨零協作
- 機器聯網，數據分析
- 智慧製造，精準控料
- 預測能力升級，物流倉儲優化
- 資訊共享，供應鏈自主調節

綠色管理解方
- 全員投入，共擬策略
- 系統模擬，優化落地
- 善用系統工具，提升盤查效能
- 串連共識，強化供應鏈減排成效

供應鏈自主調節

減碳策略擬定
- 檢視現有碳排數據
- 強化人員訓練，全員投入
- 進行策略模擬，建構最佳減碳策略

智慧科技導入
- ✓ 藉由感測科技，掌握能耗數據
- ✓ 分析數據，掌握能耗缺口
- ✓ 導入模型（如數位雙生），即時監控，並回應
- ✓ 運用區塊鏈等技術，追溯碳足跡

維運優化
- 提升市場預測能力，強化庫存管理能耐
- 運用AI等科技優化製程，提升原物料使用效率
- 藉數據、AI技術，促使物流、倉儲最佳化，降低環境衝擊

製造永續生態體系

資料來源：MIC

AI強化企業資訊環境防禦縱深

AI在網路安全應用面

- **01** 偵測異常網路威脅
- **02** 強化威脅情資分析能力
- **03** 強化弱點管理
- **04** 偵測AI生成的文字、圖像、影音詐欺

資料來源：ZipDo、Bright Defense，MIC整理，2024年4月

網路威脅痛點
- 損害持續增加
  - 2023年，企業資料外洩成本上升了21.4%
  - 2031年，勒索軟體損害達2650億美元
- 安全維運複雜
  - 每天的安全警示，59%的組織收到500個，38%組織收到超過1,000個

AI強化網路安全
- 未來5年內，AI的網路安全市場規模達382億美元
- 防範資料外洩成本降低176萬美元，降幅39.3%，發現並控制資料外洩快了28天
- 漏洞發現並減緩，時間少88天
- 2023年，75%資安分析師使用AI輔助

資料來源：MIC

Net-zero technology trends and business opportunities: green carbon reduction, digital smart collaboration

Information security trends and business opportunities: AI application threat detection analysis and management

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// Strategies & Prospect

Five Major Professional Capabilities & Solutions

OneService

- Modern data center solution servicesProject management servicesSmart terminal serviceComprehensive network security servicesOMS SmartIT maintenance and operation hosting serviceSystematized, automated, and AI-based service operationsCustomer experience management

OneAi

- AI DC infrastructure construction planning and consultingMLOps, DevOps planning and constructionLand-based and cloud-based LLM application integration servicesEnterprise brain and expert assistant application consulting and introduction

OneCloud

- Provide XaaS comprehensive cloud servicesHybrid multi-cloud application architecture planning and importOne-stop service from Plan, Design, Deploy, Operate to OptimizeIT Operations Automation and Digital Resilience

ACE & Data

- OneAi full solutionData governance, data middle office and data analysisESG AIoT enterprise situation managementGreenergy creates energy, stores energy, saves energy, uses energy, and provides comprehensive power optimization solutions.Green and sustainable AI DC computer room planning and design

Network Security

- "Information Security Management and Control Guidelines for Listed OTC Companies" Full Solution ServiceXDR and Identity managementEdge-to-Cloud Security ArchitectureZero Trust DC NetworkData backup, redundancy, security planning

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// Strategies & Prospect

2024 H2 Growth Momentum

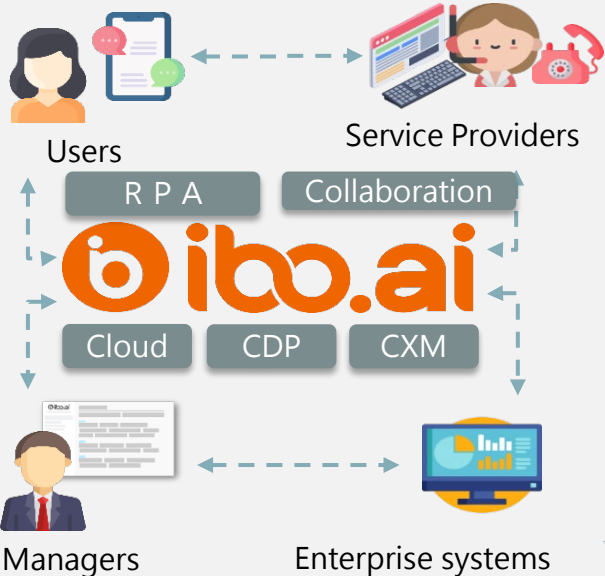|				
Grasp the strong demand from governments and enterprises for green and sustainable AI DC computing power platforms and AI applications	Smart Work AI smart terminal services new business opportunities, providing four major services of "high production value, security, connection, and experience"	OneService's customer-centric service sales transformation continues to grow and achieves the annual service revenue growth target of 20%	Focus on the sales of network, information security, data management and storage solutions, and grasp the business opportunities of modern data centers and hybrid multi-cloud	OneAi, OneCloud, Greenergy ACE's full solution meets the AI empowerment and dual-axis transformation needs of various industries

Smart service integration expert
AI SI

Professional AI trainer and consultant team

Users

Service Providers

RPA | Collaboration

b ibo.ai

Cloud | CDP | CXM

Managers

Enterprise systems

A

b ibo.ai

Diversified integration and domain experts

ibo.XaaS: ibo.HR 、 ibo. HelpDesk、 ibo.Buy

Multivariate model and AI-assisted training

Azure OpenAI Service LLM，ChatGPT
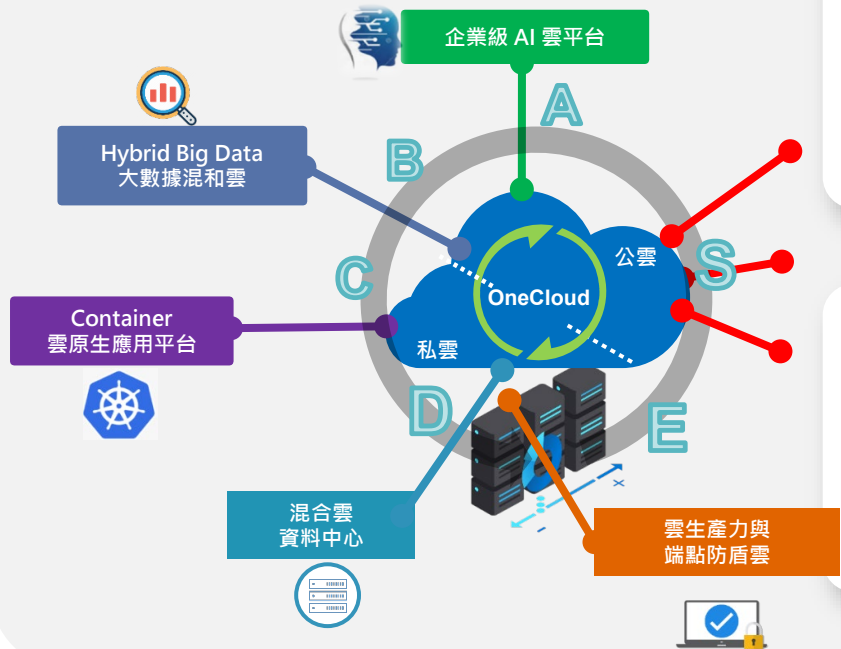
The best enterprise digital transformation experience

Customers

Medical beauty, automobile sales, manufacturing

Cloud integration OneCloud

Cloud SI · integrated planning consulting services

企業級 AI 雲平台

Hybrid Big Data
大數據混和雲

Container
雲原生應用平台

混合雲
資料中心

雲生產力與
端點防盾雲

公雲

私雲

OneCloud

A B C D E S

TSTI SaaS

SaaS, PaaS, IaaS

Cloud Security

Cloud Security、Microsoft Azure Open AI、NVIDIA AI、NVIDIA Omniverse Cloud 、Azure GPU

360° OMS

OMS for Cloud；SaaS, PaaS, IaaS

C

(Cloud SI) – OneCloud

SaaS

AIoT low-carbon toilet,

ESG management,

ibo.ai smart service,

Medical FHIR platform,

Qualtrics XM,

AWS Amazon Connect

Cloud customer service

Low carbon smart toilet
AIoT

AIOT technology · comfort and protection

Smart Toilet Implementation Items

- Odor Detection and Cleaning (Ammonia)
- Refill of Toilet Paper/Hand Soap
- Calculation of Toilet Usage Frequency
- Calculation of Toilet Usage Frequency
- Detection of Abnormal Toilet Usage Time
- Fall Detection

more

IoT Sensors

Mobile Interface

E

Smart city essential

Multi-model service projects

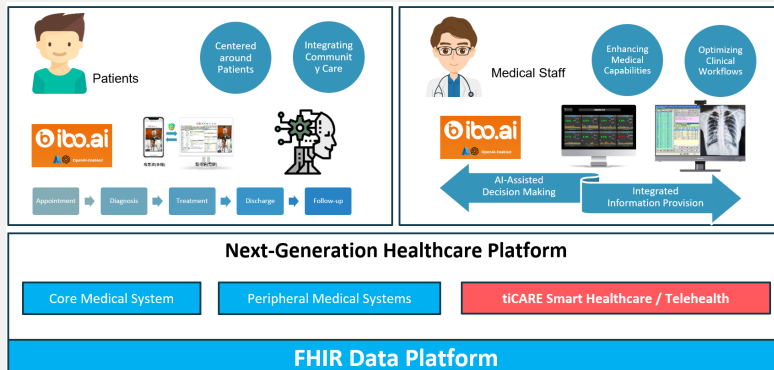**Best application benefit experience**

AIoT Low carbon smart toilet

Customers

Taipei Performing Arts Center,Taipei
Lungshan Temple Underground
Street,Taoyuan Hutoushan
Environmental Park,Tainan Siraya
National Scenic Area, Kaohsiung
Love River Turtle Lantern
Park,Kaohsiung Port Authority
Tourism Building.

Public Areas

tiCare Telecare & FHIR

C

People-oriented smart medical care

Next-Generation Healthcare Platform

| Core Medical System | Peripheral Medical Systems | tiCARE Smart Healthcare / Telehealth |

FHIR Data Platform

AI Smart Healthcare

FHIR smart medical

Next generation medical

Customers

Medical institutions, long-term care institutions, international medical, Rural care.

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Sustainable Disclosure/Risk Control/Citizen of the Earth

- 2024/8 Completion of ISO 14064-1 Greenhouse Gas Inventory Confirmation
  <mark>→ Earlier than the statutory regulatory schedule (2026)</mark>

- 2024/8 Completion Sustainability Report AA 1000 Third Party Verification Confirmation
  <mark>→ Earlier than the statutory regulatory schedule (2025)</mark>

- 2024/4 Complete the ISO 27001 transition and strengthen information security risk maintenance
  <mark>→ Launch ISO 27701 (Expected to be completed in 2025)</mark>

- 2023/12 Occupational health and safety management ISO 45001 certificate renewal completed
  <mark>→ The first one in Taiwan SI industry to pass the certification in 2020.</mark>

Environment (E)
GHG Inventory
ISO 14064-1

Society (S)
Occupational health and safety
ISO 45001

Governance (G)
Information Security & Service
ISO 27001；ISO 20000

// ESG Sustainability

Environment (E)

Society (S)

Governance (G)

ESG Sustainability Report

#Climatechange Governance
- Verification of ISO 14064-1 GHG inventory.
- Referring SBTi, initiative to reduce carbon emissions by 20% by 2030.
- SASB Code of Conduct and Climate Change Disclosures (TCFD).

#Friendly Happiness Safety Workplace
- ISO 45001 to provide employees with a safe and healthy working environment
- Core innovative technology and sustainable development cooperation.
- Long-term social welfare activities.
- 2024 Sports Enterprise Certification.

#Integrity Sustainability Governance
- Sustainable value chain management.
- The sustainability report follows GRI principles and completes AA 1000 third-party verification.

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