



SOFTSTAR

大宇資訊

SOFTSTAR ENTERTAINMENT INC.

Investor Conference Presentation

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Intellectual
Property (IP)
Introduction

Current
Status of
SOFTSTAR

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Strategy of
SOFTSTAR

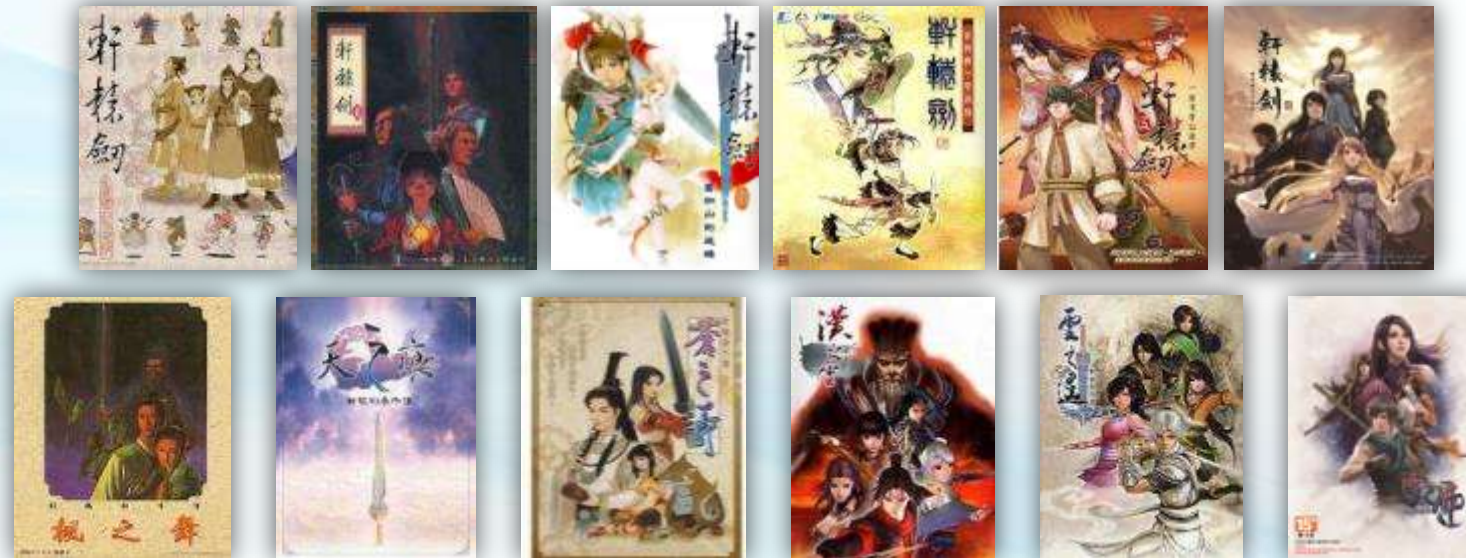
Prospect of
SOFTSTAR



The 1st Oriental Martial-art RPG Game – Xuan-Yuan Sword

1st title launched In 1990, the first Oriental Style chinese RPG game.

- “Xuan-Yuan Sword” emphasizes on historical background, players create their own adventure under great ages.
- More than 40 awards among Chinese culture area.
- Released 13 pc games, 4 online games and the sub-title series such as “Scar of the Sky,” “Dream of Mirror Online” and “Flying PuPu.”
- Launched PS4 & XBOX version in 2017.
- **Next project “Xuan Yuan Sword 7” is under-development.**



Classical Romance-martial-art RPG Game – Sword and Fairy

- 1st title launched In 1995, the most popular martial-art and love romance RPG game ever in Chinese communities, Issued nearly 5,000,000 packages.
- “Sword and Fairy I” stayed at the top ranks for 68 months and won 1st place player voting in consecutive 24 times in Chinese game magazine.
- “Sword and Fairy V” and “Sword and Fairy V prequel” issued over 2,000,000 copies which broke a new record of PC games sales volume among Chinese PC game titles ◦
 - Sword and Fairy 6” launched PS4 platform in 2019.04.
 - Next project “Sword and Fairy 7” is under-development.



Classic & Phenomenal Casual Series - Richman

- 1st Monopoly-typed PC game launched in 1989
- Total 9 titles has been released.
- Near 100 originated characters and 300 items
- One of the longest game series ever in Chinese culture area
- **Next project “Richman 10” is coming soon.**



Pioneer of Simulation Game Series – Stardom

- First title released in 1995 with total 6 PC and 1 mobile titles.
- Popular simulation/adventure game series, multiple awards in game selection.
- As manager or celebrity, taking lessons, casting, acting, singing to experience the entertainment industry.
 - combined with romance and social elements, a potential IP to go viral.
 - Adopted to internet drama in 2016. ◦
- Next project “Stardom 4” is under-development.



Popular & Unique SLG Game Series – Empire of Angels

- 1st title launched In 1993, the first Chinese SLG Game Series.
- Total 4 PC game titles, 1 mobile title.
- Latest title “Empire of Angels 4” launched in June, 2016, more mobile titles launch in 2017 & 2018.
- “Empires of Angels 2” won “Best SLG Game Award” in 2 consecutive years in Taiwan.
- Whole female character, fantasy style story, Middle-aged graphic design made it more appealing to global market.
- Co-developed title (with Auer) “Empire of Angels: Lunar Phantom” launched got 1st place on download chart in Japan.



Various Authorized Products



GAME

Released a total of 10,000,000 copies.

TV

Over 500 million Viewers.
Total click rate 6 billion times

COMICS

Issued a total of 150,000 copies.

NOVEL

Released a total of 150,000 copies.

IP Adapted Drama Series

Sword and Fairy 3

2008

Best audience rating:14.9%

Viewed 120 million times on
online video sites



Sword and Fairy

2004

Best audience rating: 11.65%

The very first game title to license a
TV series over Chinese culture area
Broadcast in SEA, U.S. and Canada



Xuan-Yuan Sword: the Scar of the Sky

2012

Best audience rating: 11.5%

Viewed 270 million times on
online video sites



Sword and Fairy: the Tavern

2015

Broke the click rating record
among all 2015 Chinese on-line
drama on 1st episode releasing
Reached 100 million click rate in
3 weeks, with otal 400 million
click rate



Stardom

2016

Exclusively On IQiYi platform
Over 300 million click rate in 2
months



Xuan Yuan Sword: Han Cloud

2017

On Dragon TV & IQiYi platform
Over 1.3 billion click rate in 2 months

Award (Recent Titles)



Sword and Fairy 5

Bahamut Popular Domestic Game Golden Award
Bahamut Popular PC Game Silver Award
YAHOO Most Popular PC Single-player Game



Sword and Fairy: Sword and Maple

GAME STAR Domestic Mobile Game Golden Award



Sword and Fairy 5: Prequel

Bahamut Popular Domestic Game Silver Award
Bahamut Popular PC Game Bronze Award
China Game Industry Annual Conference Best 10 Popular PC Single-player Game



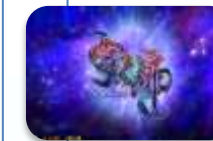
Xuan Yuan Sword: Distant to Cloud

China Game Industry Annual Conference Best 10 Popular PC Single-player Game



New Sword and Fairy Online

China Game Industry Annual Conference Best 10 Most Anticipating Web Game



Xuan Yuan Sword: the Gate of Firmament

GAME STAR PC Single-player Game Golden Award



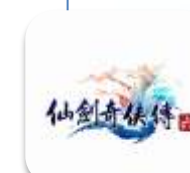
Richman 4 Fun

CCMG AWARD APP Contest Winner
Bahamut Popular Domestic Game Bronze Award
GAME STAR Mobile Game Puzzle Type Golden Award



Xuan Yuan Sword 6

China Game Industry Annual Conference Best 10 Popular PC Single-player Game



Sword and Fairy 6

GAME STAR PC Single-player Game Golden Award
7th China Game Developer Award Best Stage Design Award



Company Structure

SOFTSTAR Entertainment Inc. headquartered in Taipei, with publishing entity **LOFTSTAR INTERACTIVE ENTERTAINMENT INC.** and game media platform **Gamebase Digital Media Corporation.**

Correlating companies also built in Beijing and Shanghai.

Developing studio employees over 65% of total employees.



SOFTSTAR's Core Business

Development

- 11 studios
- PC game
- Console game
- Mobile game

IP Licensing

- New games
- TV/internet/stage drama series
- Animation
- Novel/Comic publishing

Game Publishing

- Taiwan, HK, Macau
- PC game
- Client-based/web-based online game
- Mobile game

Entertainment

- Movie/TV/internet/stage drama series collaboration & production

Consolidated Balance Sheet

Unit : NTD thousands

Item	2019/6/30		2018/12/31		2017/12/31	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current assets	568,215	35	602,860	55	502,389	56
Noncurrent Assets	1,040,425	65	480,299	45	388,808	44
Assets	1,608,640	100	1,083,159	100	891,197	100
Current Liabilities	468,207	29	410,839	38	343,341	38
Noncurrent Liabilities	104,692	7	185,834	17	55,167	6
Liabilities	572,899	36	596,673	55	398,508	44
Shareholders' Equity	1,035,741	64	486,486	45	492,689	56

Consolidated Income Statement

Unit : NTD thousands

Item	2019.1H		2018		2017	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Revenue	345,473	100	855,738	100	789,128	100
Gross Profit	294,578	85	774,228	90	665,389	84
Operating Income	-130,007	-38	146,456	17	36,533	4
Pre-Tax Income	488,977	141	138,562	16	25,117	2
Net Income	471,527	136	85,427	11	9,528	-
EPS	\$9.85		\$1.84		\$0.38	

Consolidated Financial Ratios

Unit : %

	2019/6/30	2018/12/31	2017/12/31
Debt ratio	35.61	55.09	44.72
Current ratio	121.36	146.74	146.32
Quick ratio	97.06	100.76	106.67
Long term funds to fixed assets	7,389.35	2,869.85	1,651.77
Return on total assets	22.61	8.79	1.19
Return on total shareholder's equity	39.63	17.47	1.89

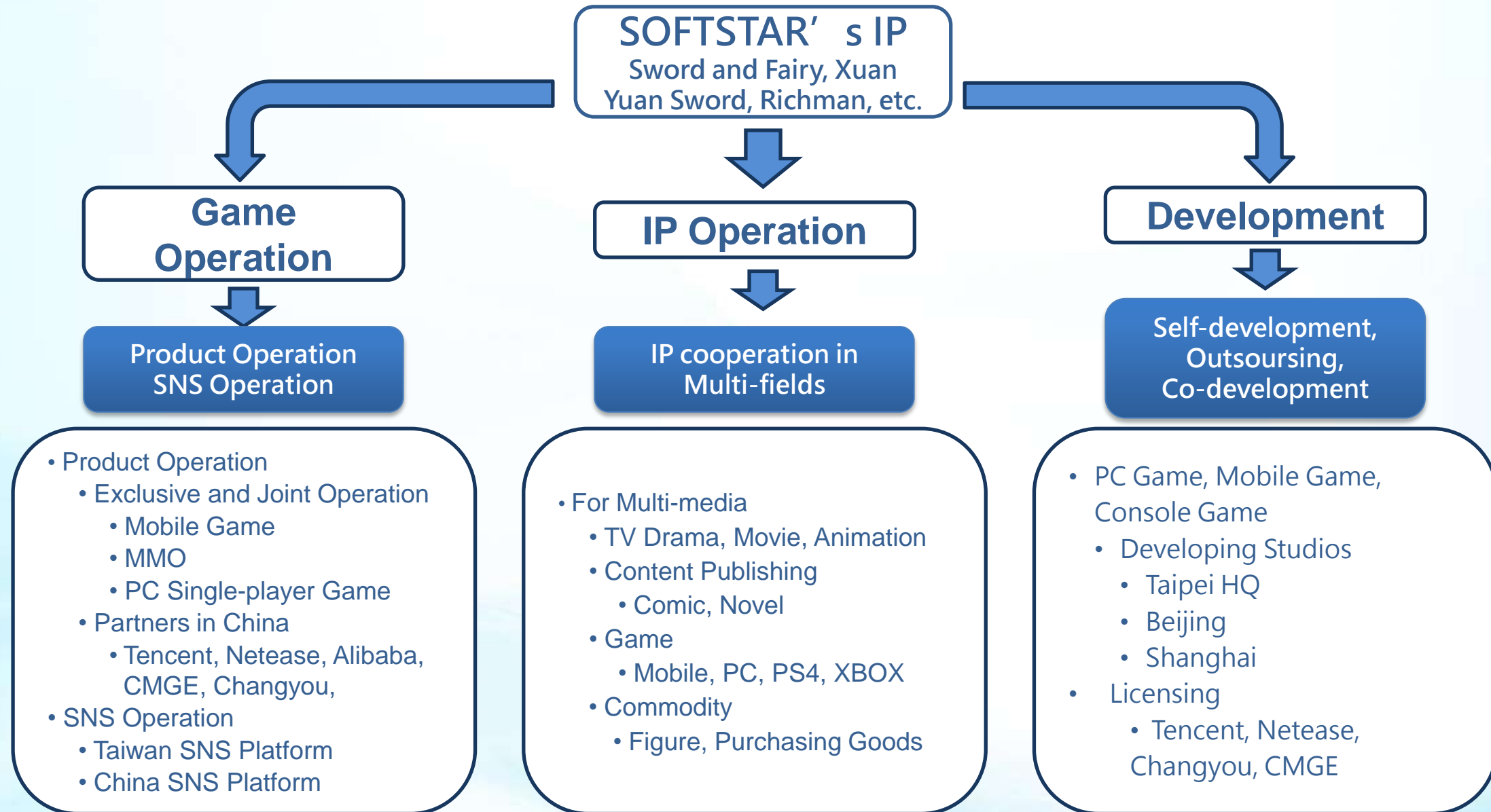
Department Income

Unit : NTD thousands

	2019.1H		2018		2017	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Operating	93,316	27	117,100	14	332,883	42
R&D/License	252,157	73	738,638	86	456,245	58
Total	345,473	100	855,738	100	789,128	100



SOFTSTAR's current operating model



SOFTSTAR IP & Game Performance (2014-2015)

- *Co-development*
- Publisher: **Tencent**
- Genre: Card-battle RPG
- China: 2014.11 launched
- Taiwan: 2015.08 launched
- **Top 1 on App Store Grossing Chart**

Sword and Fairy



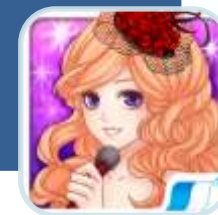
- *Co-development*
- Publisher: **CMGE**
- Genre: Card-battle RPG
- China: 2015.04 launched
- **Top 10 on App Store Grossing Chart**

Sword and Fairy: 3D



- *Self-development*
- Publisher
- **2015.12 SOFTSTAR (Taiwan)**
- **2016.12 IQIYI (China)**
- Genre: Simulation
- **Top 10 on App Store Grossing Chart**

Stardom: Guard of the Star



- *Self-development*
- Publisher:
- **2015.12 SOFTSTAR (Taiwan)**
- **2016.06 NetEase (China)**
- Genre: Strategy

Richman 9



SOFTSTAR IP & Game Performance (2016-future)

- *Co-development*

- Publisher:
- 2016.08 **GAEA Mobile** (China)
- 2016.10 **SOFTSTAR** (Taiwan)
- Genre: Round-based MMORPG
- **Top 10 on App Store Grossing Chart**

Sword and Fairy
Turn-based



- *Co-development*

- Publisher:
- 2017.03 **Tencent** (China)
- 2018.03 **Playground** (Taiwan)
- Genre: MMORPG
- **Top 10 on App Store Grossing Chart**

Sword and Fairy
Online



- *Co-development*

- Publisher:
- 2018.11 **Tencent** (China)
- Genre: Round-based MMORPG
- **Top 10 on App Store Grossing Chart**

Sword and Fairy
4 on Mobile



- *Co-development*

- Publisher:
- 2019Q4 **Netease** (China)
- 2019.03 **SOFTSTAR** (Taiwan)
- Genre: MMORPG

Xuan Yuan Sword:
Dragon upon the
Cloud





Game Cooperation Record and Strategy

Possessing stable partners, mobile game will still contribute to Softstar's revenue. Softstar also have more experience in PC game operation both Taiwan and overseas market, will expand popularity in the future.



Developing studios still extend new gameplay and graphic style.

With remaining hundreds of R&D staff, Softstar just added more studios to develop new mobile games.

Project Under-development - Sword and Fairy

仙剑奇侠传

幻境

Sword and Fairy 7

Single-player RPG developed by Softstar (Beijing), using Unreal Engine to upgrade graphic performance and exciting gameplay, will publish both PC and console versions.

Sword and Fairy: Nine Wilds

Mobile game developed Softstar (Shanghai), inherits refined graphics but innovated with strategic gameplay, latest CBT was hold in June.

Project Under-Development - Xuan Yuan Sword



軒
元
劍
耀

烽 煙 焰 塵

淬 鑄 新 章

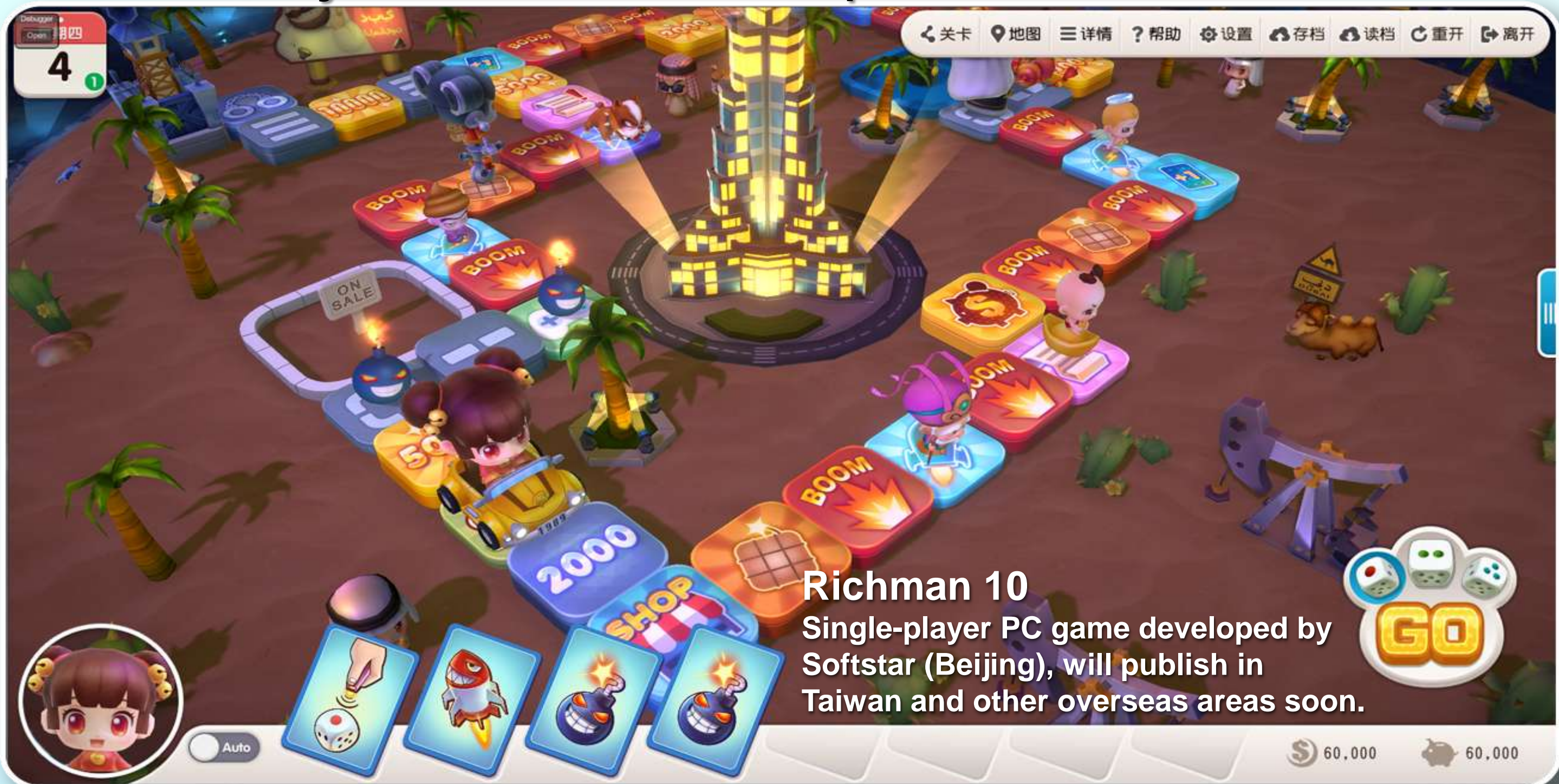
Xuan Yuan Sword 7

Single-player title developed by Softstar (HQ), using Unreal Engine to upgrade the freedom in game world, will publish PC and console versions.

Xuan Yuan Sword: Luminary

MMOARPG mobile game developed by Softstar (Shanghai), will hold second technical test in later September.

Project Under-Development - Richman



Richman 10

Single-player PC game developed by Softstar (Beijing), will publish in Taiwan and other overseas areas soon.

Project Under-Development - Stardom

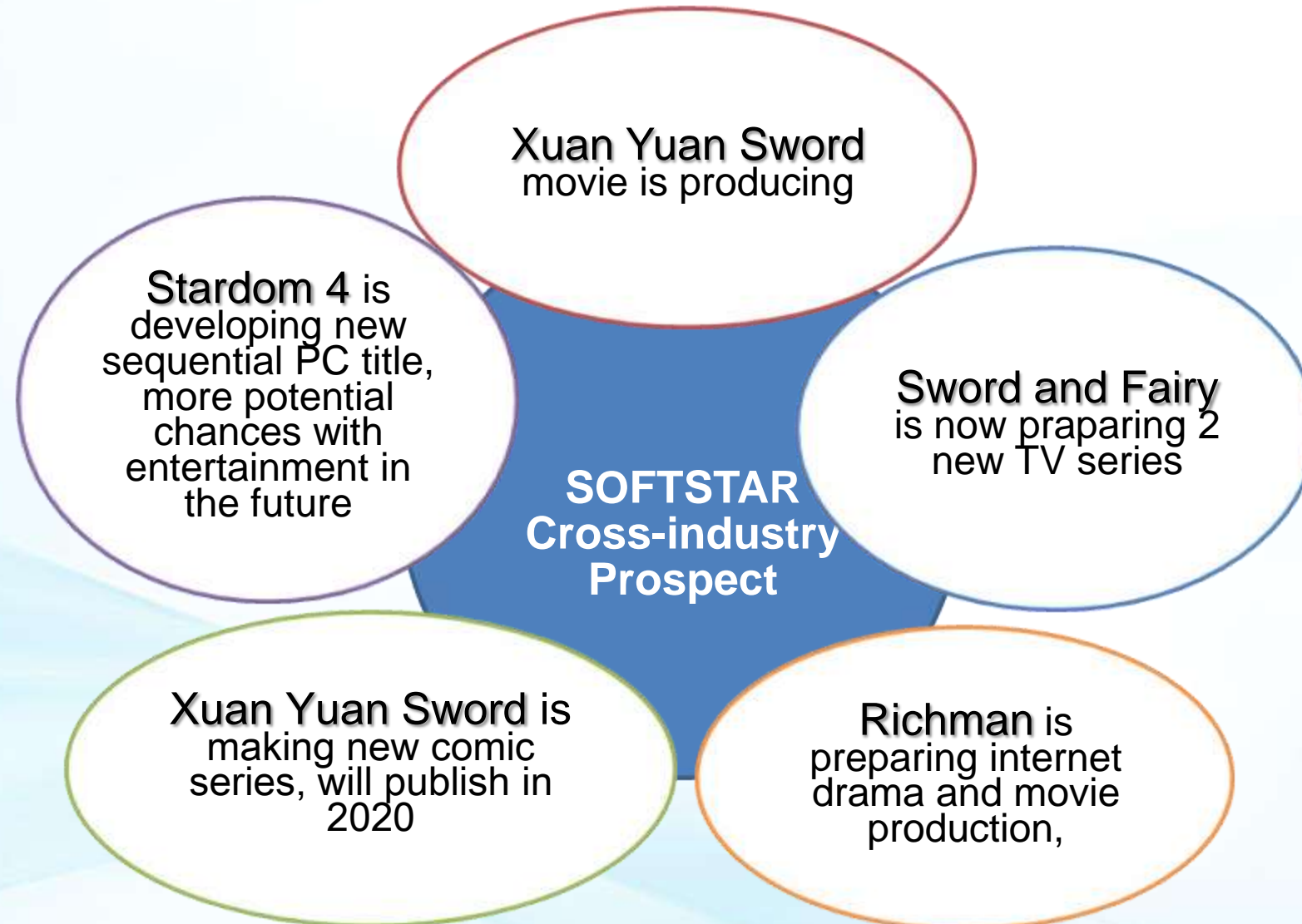


明星志願
星之守護

Stardom 4

The 4th title of the series is now under-developed by Softstar (HQ).

IP's Cross-industrial Achievements and Prospects



Cross-country Animation Cooperation: “Xuan Yuan Sword: Aoki Kakayaki”



Produced by Softstar, Nada holdings, TV Tokyo, ended its broadcast in early 2019, the same title mobile is under-development.

Entertainment Projects in near future

Sword and Fairy 4

Sword and Fairy (Remake)

Sword and Fairy: the Tavern 2

Xuan Yuan Sword the Movie

TV Drama

TV Drama

Internet Drama

Movie

More projects are preparing.....



SOFTSTAR

**Those classics are insurmountable,
therefore we create new classics!**

