



**SOFTSTAR**

大宇資訊

**SOFTSTAR ENTERTAINMENT INC.**

**Investor Conference Presentation**

# Index

Intellectual  
Property (IP)  
Introduction

Current  
Status of  
SOFTSTAR

Business  
Strategy of  
SOFTSTAR

Prospect of  
SOFTSTAR



# The 1<sup>st</sup> Oriental Martial-art RPG Game – Xuan-Yuan Sword

1<sup>st</sup> 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 12 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.
- **Anime” Xuan-Yuan Sword: Luminary” broadcast in 2018.10.**
- **Next project “Xuan Yuan Sword 7” is coming in 2020 Q4.**



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

- 1<sup>st</sup> 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 1<sup>st</sup> 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”** coming soon in 2021.



# Classic & Phenomenal Casual Series - Richman

- 1<sup>st</sup> Monopoly-typed PC game launched in 1989
- Total 10 titles has been released.
- Near 100 originated characters and 300 items
- One of the longest game series ever in Chinese culture area
- **New project “Richman 10” is launched in 2019.10 and sales over 500,000 copies.**



# 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

- 1<sup>st</sup> 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 1<sup>st</sup> place on download chart in Japan.
  - “ Empire of Angels IV” port to Nitendo Switch is under-development.



# Various Authorized Products



## GAME

Released a total of 10,000,000 copies.

## TV

Over 600 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

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



## Sword and Fairy 3

2008

Best audience rating: 14.9%

Viewed 120 million times on  
online video sites



## 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 1<sup>st</sup> episode releasing  
Reached 100 million click rate in  
3 weeks, with total 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

## Sword and Fairy

TV series remake  
Film by Tencent  
Penguin Pictures  
Broadcast: Tencent

## Sword and Fairy IV

TV series  
IQiYi and Shanghai  
New Culture Media  
Group cooperate.

## Sword and Fairy V prequel

TV series  
Film by Beijing Sg-  
culture Media Corp

# 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



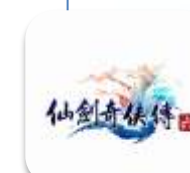
## Richman 4 Fun

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  
7<sup>th</sup> 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	2020.06.30		2019.12.31		2018.12.31	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current assets	477,263	40	418,699	34	602,860	55
Noncurrent Assets	709,593	60	820,242	66	480,299	45
Assets	1,186,856	100	1,238,941	100	1,083,159	100
Current Liabilities	265,723	22	341,474	28	410,839	38
Noncurrent Liabilities	71,268	6	92,527	7	185,834	17
Liabilities	336,991	28	434,001	35	596,673	55
Shareholders' Equity	849,865	72	804,940	65	486,486	45

# Consolidated Income Statement

Unit : NTD thousands

Item	2020.01~06		2019		2018	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Revenue	293,299	100	565,818	100	855,738	100
Gross Profit	252,119	86	474,816	84	774,228	90
Operating Income	124,674	43	(217,580)	(39)	146,456	17
Pre-Tax Income	67,647	24	335,867	58	138,562	16
Net Income	42,617	15	323,817	56	85,427	11
EPS	\$0.89		\$6.77		\$1.84	

# Consolidated Financial Ratios

Unit : %

	2020.01~06	2019	2018
Debt ratio	28.39	35.03	55.09
Current ratio	179.61	122.62	146.74
Quick ratio	154.30	105.28	100.76
Long term funds to fixed assets	9760.33	7435.16	2,869.85
Return on total assets	7.23	28.28	8.79
Return on total shareholder's equity	10.30	50.15	17.47



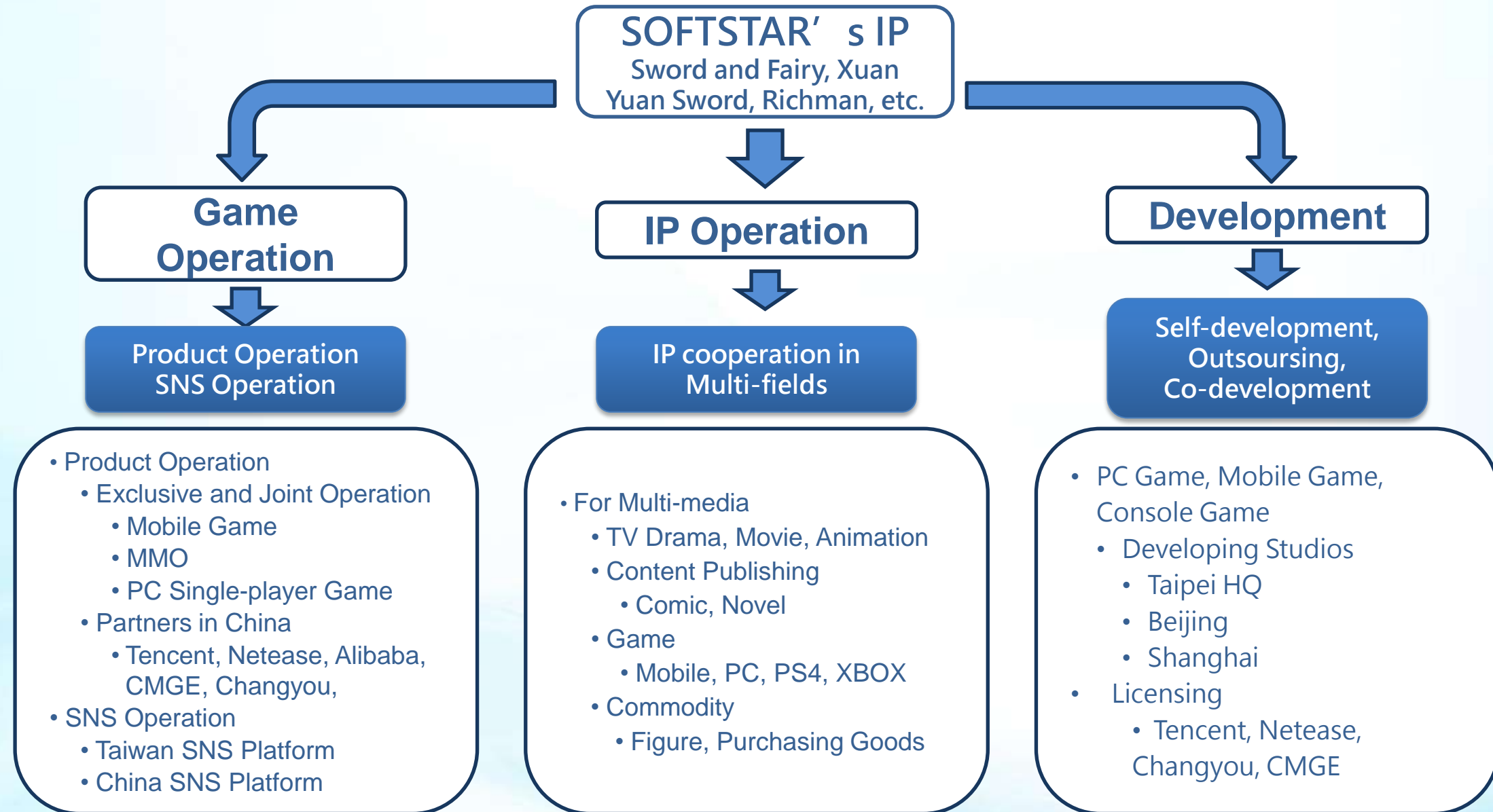
# Department Income

Unit : NTD thousands

	2020.01~06		2019		2018	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Operating	70,749	24	172,180	30	117,100	14
R&D/License	222,550	76	393,638	70	738,638	86
Total	293,299	100	565,818	100	855,738	100



# SOFTSTAR's current operating model



# SOFTSTAR IP & Game Performance (2014-2016)

- *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



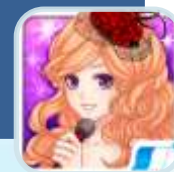
- *Co-development*
- Publisher: CMGE
- Genre: Card-battle RPG
- China: 2015.04 launched
- Top 10 on App Store Grossing Chart

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



- *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



# SOFTSTAR IP & Game Performance (2016-2020)

- 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
- No.1 on App Store Downloading Chart

Xuan Yuan Sword: Dragon upon the Cloud



- Co-development
- Publisher:
  - 2020.04 CMGE
- Genre: MMORPG
- 2020.09 SOFTSTAR (Taiwan)
- No.2 on App Store Downloading Chart

Xuan Yuan Sword: Source of sword



- Co-development
- Publisher:
  - 2020 .03 KUNLUN
- Genre: : MMORPG
- 2020.07 Futurl Game (Taiwan)
- No.1 on App Store Downloading Chart (Taiwan)

Sword and Fairy -Destiny



# Self- developed mobile game



Developer:SOFTSTAR(HQ)

Genre: SLG

Traditional Chinese ver. :  
LOFTSTAR(2016.12)  
Simplified Chinese ver. :  
IQIYI(2016.12)

**Stardom: Guard of  
the Star**



Developer:SOFTSTAR(Shanghai)

Genre: MMOARPG

Traditional Chinese ver. :  
LOFTSTAR(2017.05)  
Simplified Chinese ver. :  
BAIDU(2017.04)  
Korean ver. : GRAVITY(2017.12)

**Sword and Fairy:  
Mirror's Mirage**



Developer:SOFTSTAR(Shanghai)

Genre:TCG

With exquisite art style and  
new strategy gameplay, is  
now under-developed.

**Sword and Fairy:  
Nine Wilds**



Developer:SOFTSTAR(HQ)

Genre: SLG

Combine AVG+SLG+ACT,  
simulate entertainment  
industry.  
Now under-developed.

**Stardom 4**



# 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 keep developing new mobile games.



A traditional Chinese incense burner with a tiered roof and ornate carvings, set in a lush bamboo forest. The scene is misty and atmospheric, with sunlight filtering through the trees.

# Project Under-Development - - Sword and Fairy

## **Sword and Fairy VII**

Single-player title developed by SOFTSTAR (Beijing), using Unreal Engine to upgrade art scene and gaming experience, will publish PC and console versions. Coming soon in 2021.

## **Sword and Fairy: Nine Wilds**

MMOARPG mobile game developed by SOFTSTAR (Shanghai), with exquisite art style and new strategy gameplay, is now under-developed.

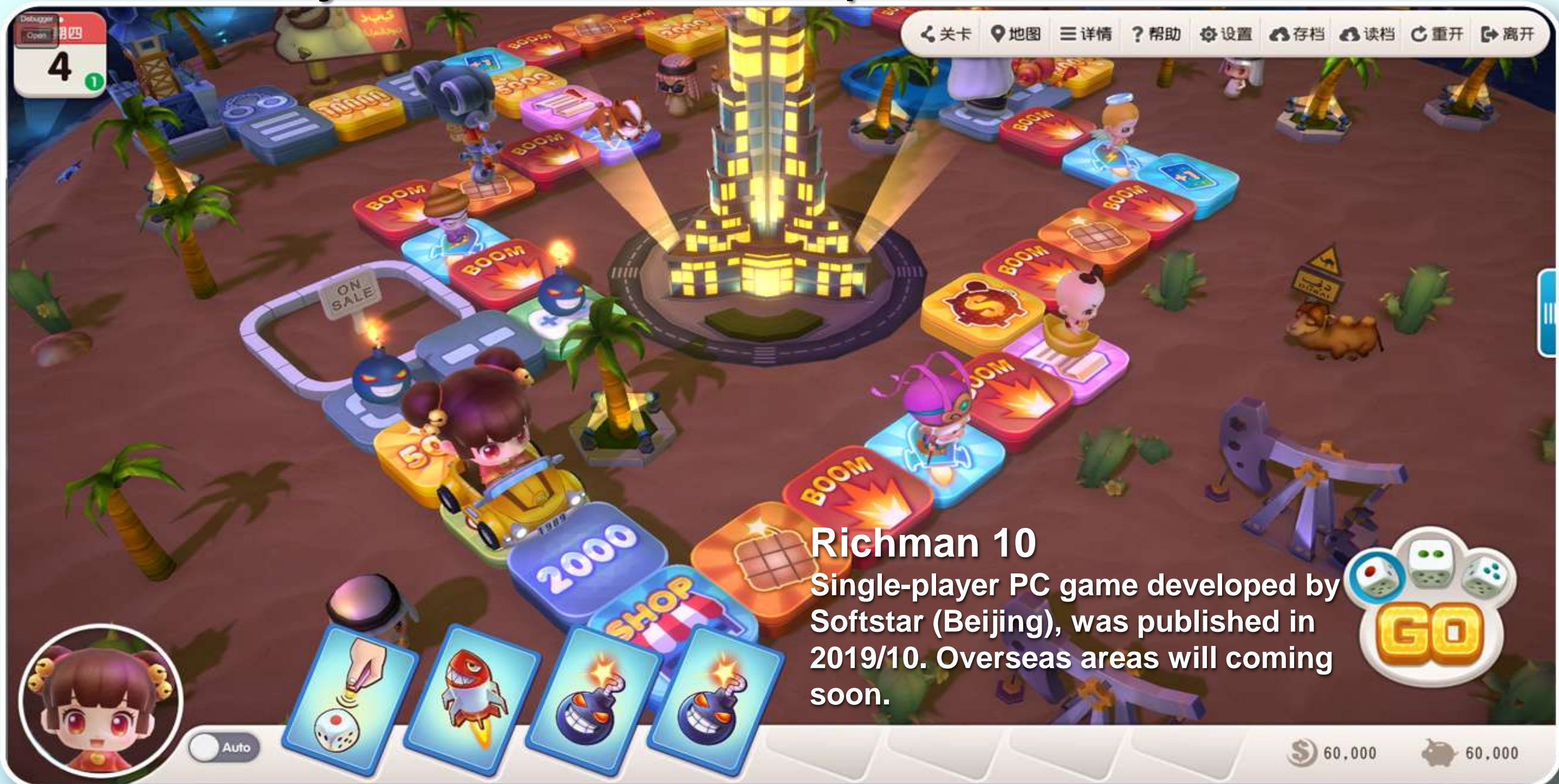
# Project Under-Development - Xuan Yuan Sword

## **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. Coming soon in 2020 Q4.



# Project Under-Development - Richman



## Richman 10

Single-player PC game developed by Softstar (Beijing), was published in 2019/10. Overseas areas will coming soon.

# Project Under-Development - Stardom

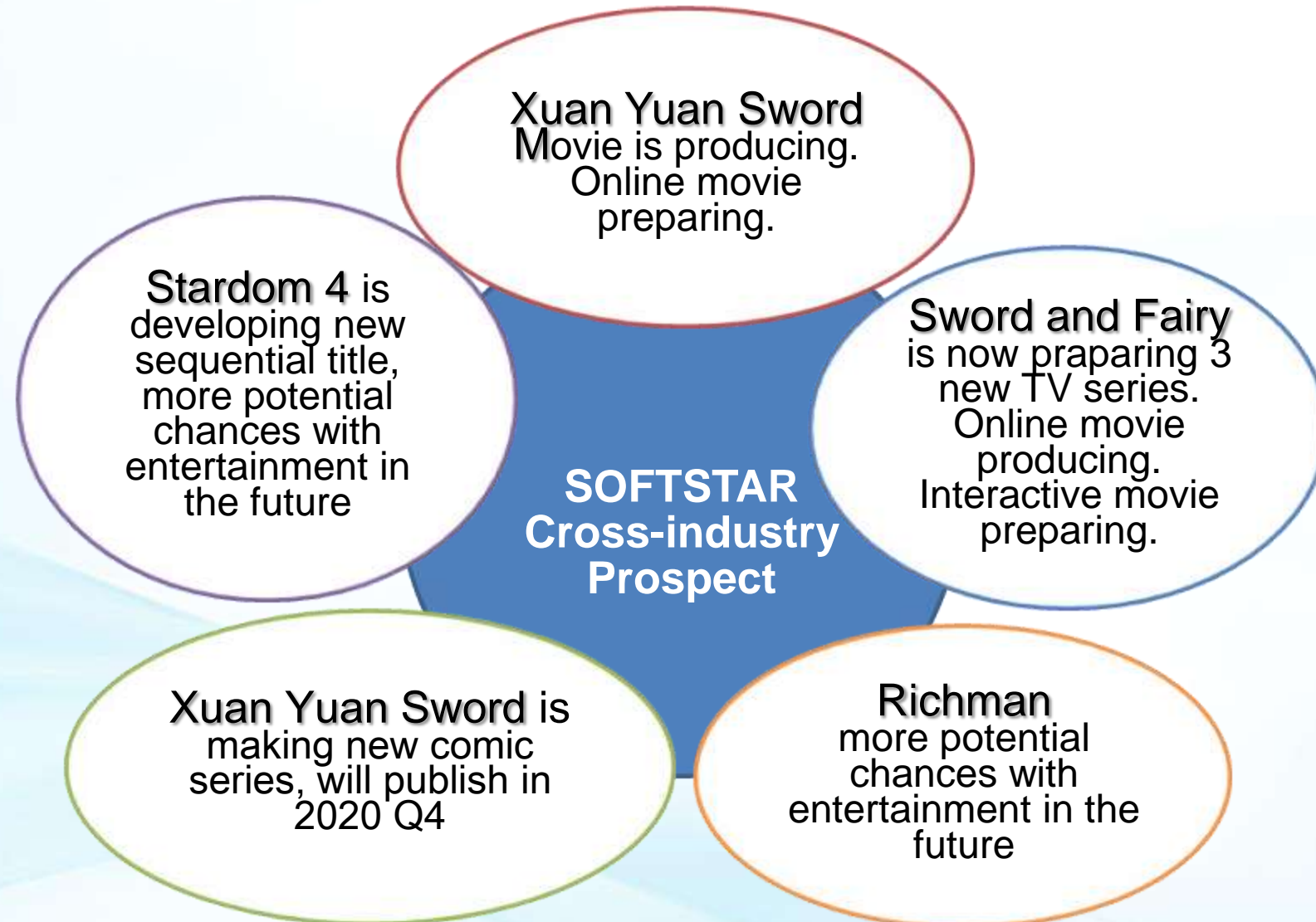


## 明星志願 璀璨星戀

**Stardom 4**  
The 4<sup>th</sup> title of the series is mobile game,  
developed by Softstar (HQ),  
Combine AVG+SLG+ACT.



# IP's Cross-industrial Achievements and Prospects



# Entertainment Projects in near future

Sword and Fairy

Sword and Fairy V prequel

Xuan Yuan Sword the Movie

Richman

TV Drama, Movie  
Online movie

TV Drama, Online movie

Movie

Movie

More projects are preparing.....



# SOFTSTAR

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

