Castles Technology
【5258】

Investor Conference

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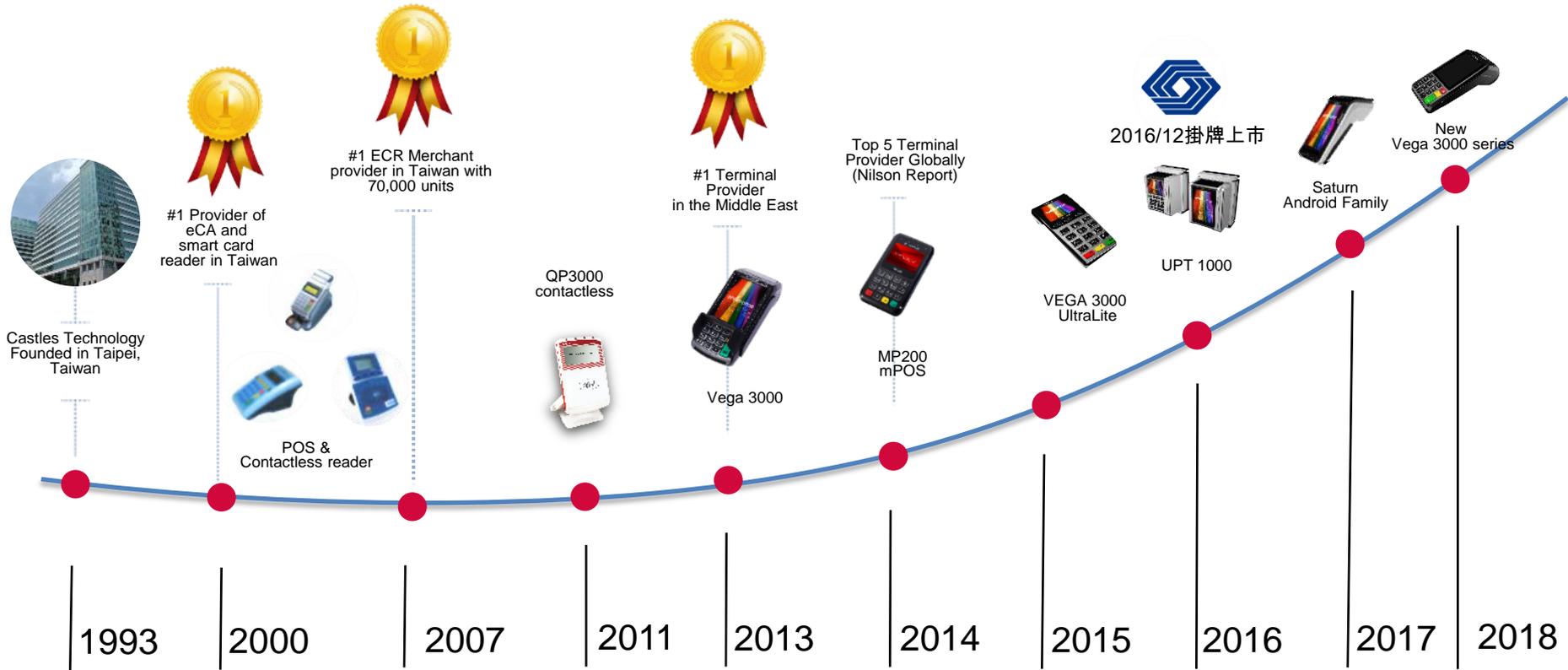
Agenda

–**Company Introduction**

–**Core Business**

–**Operation Performance**

–**Future Prospect**

Company Introduction

Company History

Castles Technology Founded in Taipei, Taiwan

#1 Provider of eCA and smart card reader in Taiwan

POS & Contactless reader

#1 ECR Merchant provider in Taiwan with 70,000 units

QP3000 contactless

#1 Terminal Provider in the Middle East

Vega 3000

Top 5 Terminal Provider Globally (Nilson Report)

MP200 mPOS

VEGA 3000 UltraLite

2016/12掛牌上市

UPT 1000

Saturn Android Family

New Vega 3000 series

| 1993 | 2000 | 2007 | 2011 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |

CASTLES™ TECHNOLOGY

Company Introduction

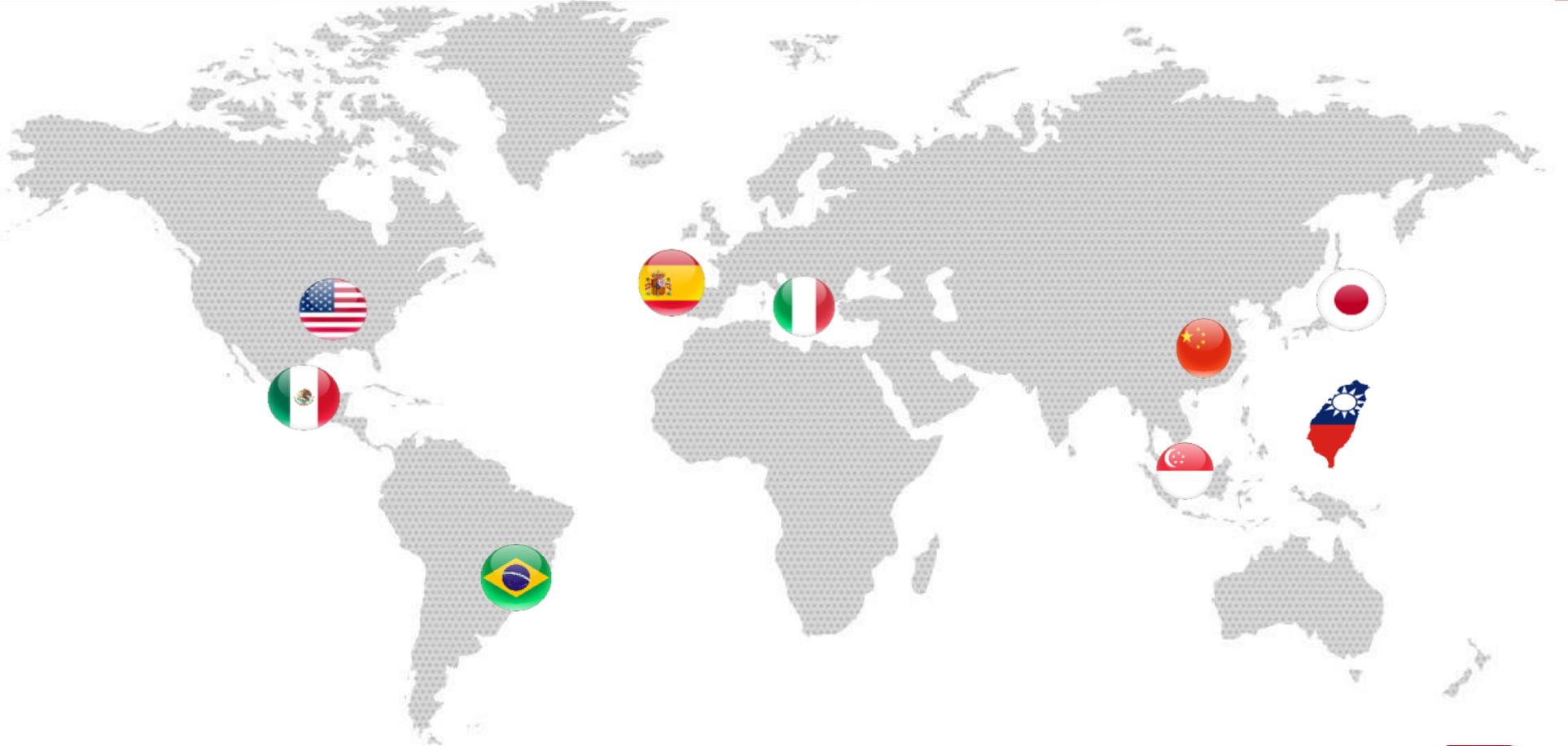| 20y+	5M+	300+	50+
Experience	Sales Amount	Global Employees	Countries Served

Global Operation Base

Core Business

Application Industry

Retail Channel

Mobile Payment

Finance Industry

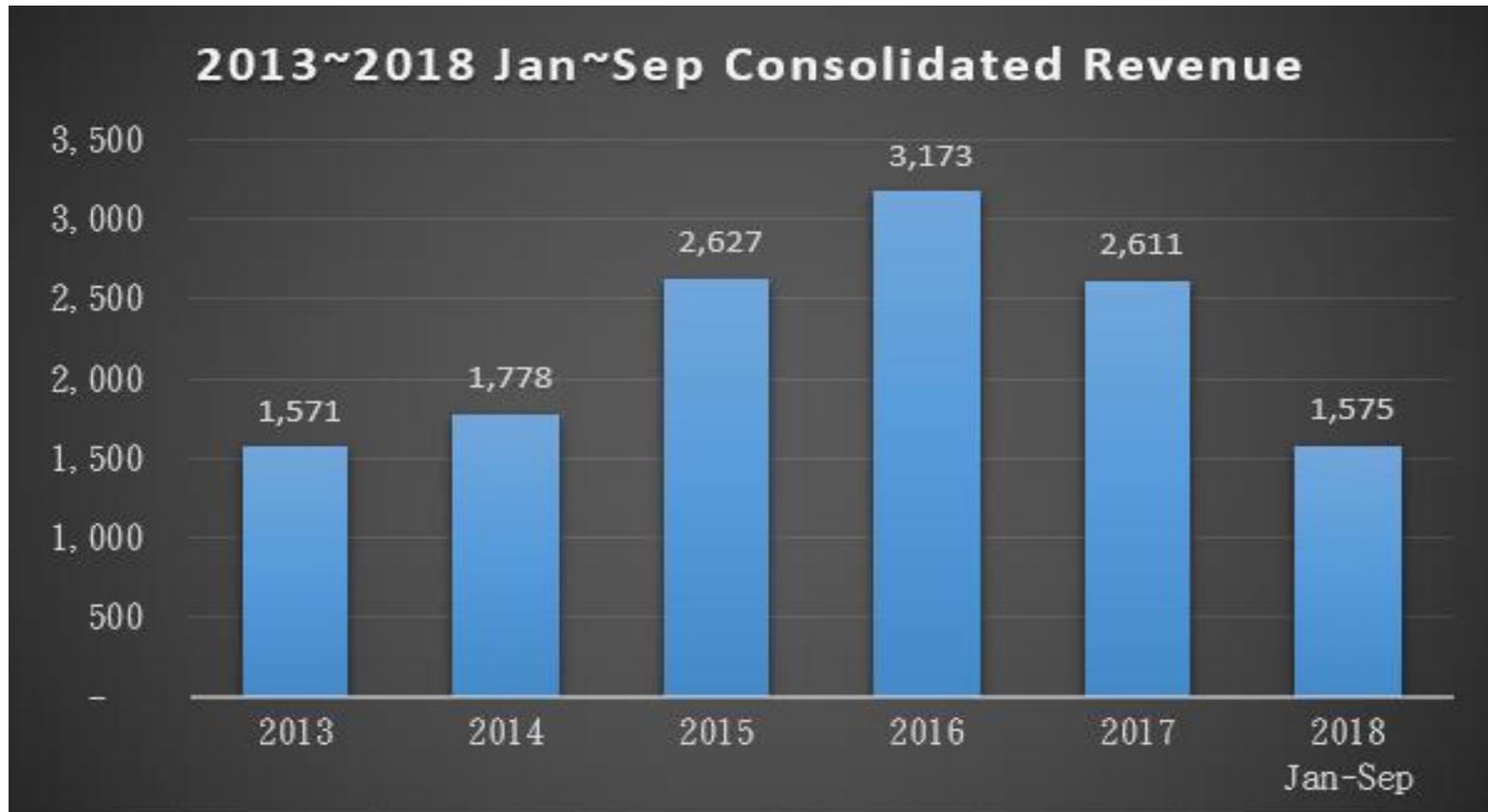Table side Payment

Self-service Payment

Transportation

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Produtct Lines

Operation Review

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Business Performance - Consolidated Revenue

Unit：NTD Million

2013~2018 Jan~Sep Consolidated Revenue

Consolidated Income Statement of 2017/2018

Unit：NTD thousands

Items	2018 Jan~Sep	2017 Jan~Sep
Sales revenue	1,575,021	1,716,945
Operating costs	1,100,566	1,306,076
Net operating margin	474,455	410,869
Operating expenses	503,064	335,696
Operating profit	(28,609)	75,173
Non-operating income and expenses	19,605	(36,353)
Profit before income tax	(9,004)	38,820
Income tax expense	3,161	29,344
Profit after income tax	(12,165)	9,476
Comprehensive income	(9,482)	2,562
EPS(NTD)	(0.49)	0.06

Consolidated Balance Sheet of 2018/2017

Unit：NTD thousands

Items	As at Sep 30,2018	As at Sep 30,2017
Current Assets	2,678,370	2,364,945
Non-current assets	509,651	407,811
Total assets	3,188,021	2,772,756
Current Liabilities	1,611,527	1,178,601
Non-current liabilities	107,451	111,359
Total Liabilities	1,718,978	1,289,960
Equity	1,469,043	1,482,796
Total liabilities and equity	3,188,021	2,772,756

Future Prospect

Introduction of Industry

- Most processor and acquirer used to provide payment related service only. However, with the success of Clover business scale, more processor and acquirer plan to provide solutions including customized hardware and software in order to increase competiveness and follow the trend.

- With the prevailing of e-payment, more and more stores are renewing their facilities to support diverse payment method. For example, payments terminals supporting barcode scanner and Biometric identification.

- Self-service application has been increasingly popular. Products supporting e-payment have become an industrial trend.

- An increased amount of POS providers are developing Android based products. To fulfill "All-in-One" solution, they are seeking for solutions integrating both hardware and software.

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New Product Application

Android Smart Terminal

- Provides end customers diverse payment+ECR POS solutions. Our global customers, for example, NTTData, SHARP, Global Payment, have been introducing Castles Android solutions.

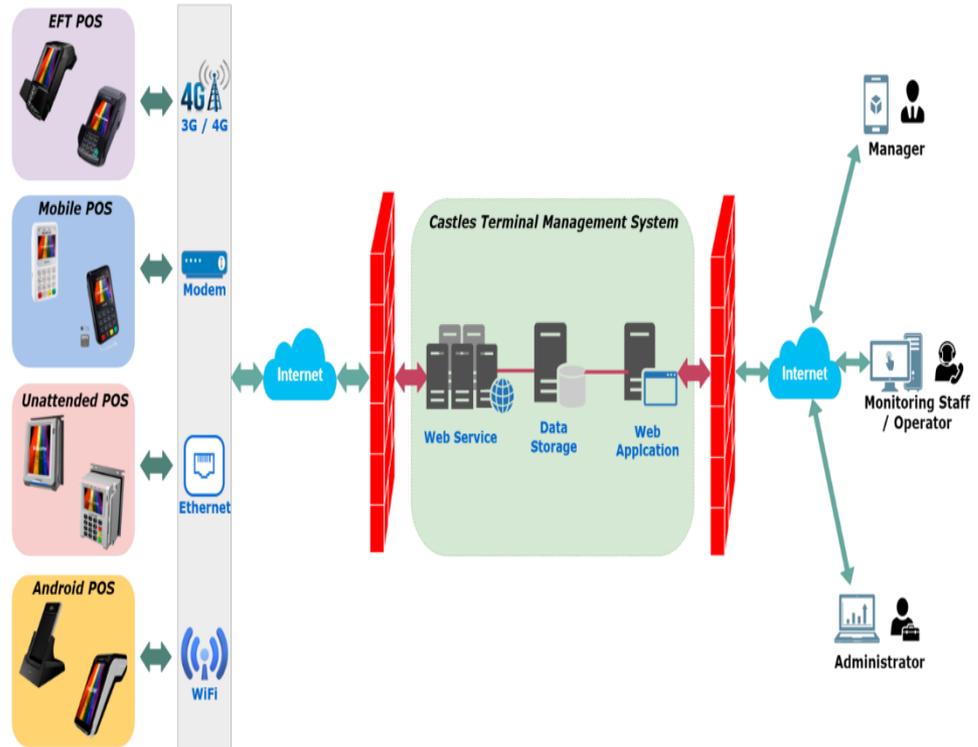# New Product Application

Self-service payment solutions

- Gasoline machine, vendor machine, unmanned store, self-service laundry…

New Product Application

Cloud Service

- Remote terminal management for payment and kiosk

- Remote software update

- Marketplace

New Product

Saturn1000-Elite Android Mobile POS

- Android 6.0 Operation System
- Supports multiple payment types: MSR, chip card, contactless
- Certified high security PIN entry
- Support ISO144443 type A/B, ISO18092, NFC, Mifare, Felica
- PCI PTS 5.0, EMV, PayWave, PayPass, ExpressPay, Discover D-PAS, J/Speedy, Interac Flash, CUP QuickPass certified
- Support Apple Pay, Android Pay,及Samsung Pay
- Support barcode payment: Alipay and WechatPay
- Support multiple wireless communications: Bluetooth/Wi-Fi/3G/4G/GPS
- Built-in rear camera, fingerprint reader and barcode scanner

New Product

Saturn1000-Lane Android Countertop POS

- Android 6.0 Operation System
- Supports multiple payment types: MSR, chip card, contactless
- Certified high security PIN entry
- Support ISO144443 type A/B, ISO18092, NFC, Mifare, Felica
- PCI PTS 5.0, EMV, PayWave, PayPass, ExpressPay, Discover D-PAS, J/Speedy, Interac Flash, CUP QuickPass certified
- Support Apple Pay, Android Pay,及Samsung Pay
- Support barcode payment: Alipay and WechatPay
- Support multiple wireless communications: Bluetooth/Wi-Fi/3G/4G/GPS
- Support multiple wired communications: RS232/USB/Ethernet
- Built-in front camera and barcode scanner

New Product

Saturn7000 Mobile POS

- Android 7.0 Operation System
- Supports multiple payment types: MSR, chip card, contactless
- Certified high security PIN entry
- Support ISO144443 type A/B, ISO18092, NFC, Mifare, Felica
- PCI PTS 5.0, EMV, PayWave, PayPass, ExpressPay, Discover D-PAS, J/Speedy, Interac Flash, CUP QuickPass certified
- Support Apple Pay, Android Pay,及Samsung Pay
- Support barcode payment: Alipay and WechatPay
- Support multiple wireless communications: Bluetooth/Wi-Fi/3G/4G/GPS
- Built-in rear camera and barcode scanner

New Product

Vega3000 Mobile POS PCI PTS 5.0 ver.

- Supports multiple payment types: MSR, chip card, contactless
- Certified high security PIN entry
- Support ISO144443 type A/B, ISO18092, NFC, Mifare, Felica
- PCI PTS 5.0, EMV, PayWave, PayPass, ExpressPay, Discover D-PAS, J/Speedy, Interac Flash, CUP QuickPass certified
- Support Apple Pay, Android Pay,及Samsung Pay
- Support barcode payment: Alipay and WechatPay
- Support multiple wireless communications: Bluetooth/Wi-Fi/3G/4G/GPS
- Built-in barcode scanner

New Product

UPT1000B Unattended Terminal

- Supports multiple payment types: MSR, chip card, contactless
- Certified high security PIN entry
- Support ISO144443 type A/B, ISO18092, NFC, Mifare, Felica
- PCI PTS 5.0, EMV, PayWave, PayPass, ExpressPay, Discover D-PAS, J/Speedy, Interac Flash, CUP QuickPass certified
- Support Apple Pay, Android Pay,及Samsung Pay
- Support barcode payment: Alipay and WechatPay and able to display barcode and QR code on the screen
- Support multiple wireless communications: Bluetooth/Wi-Fi/3G/4G/GPS
- Support MDB communication
- Support integrated payment solution with bill acceptor

Outlook

Through advantages listed below, affiliated with the opportunity of industrial transformation, Castles is expected to be a leading business in payment industry.

1. Provide software as well as service, improve product competitiveness

2. High development and integration skills in both software and hardware engineering

3. Expanding global branches

4. Provide localized integral payment service

5. Flexible product strategy

Besides, certification of new product/new customer will be completed, North America/Europe and Japan market will be booming.

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Thanks for Your Attention!

Delivering Innovation & Trust