Steven Chiou
Managing Director
SGS Taiwan
7-9 November 2019
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EVOLUTION OF SGS TAIWAN

1952
SGS Far East established Commodities inspections

1960
Mineral & Chemical Import/Export inspection

1970
SGS Taiwan established ISO Certifications, Material Lab

1980
Consumer products’ inspections

1991
Laboratory Center established

2000
Well known Trustable Quality Safeguard for consumers

2010
Most diversified TIC company in Taiwan

2016

2020

SGS CCSRF merged

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SGS TAIWAN DISTRIBUTION

Total Staff: 3,100+
Oct. 2019
BUSINESS UNITS IN TAIWAN

Consumer and Retail
消費性及零售

Agriculture, Food and Life
農產及食品生命

Industrial
工業

Environment, Health and Safety
環境安全衛生

Certification & Business Enhancement
驗證及企業優化

Minerals
礦產

Oil, Gas & Chemicals
石化

Transportation
運輸

Governments and Institutions
公共事務

#1 Market share leader in all businesses
13 BUILDINGS IN WUKU
REVENUE & LC PORTFOLIO IN 2018

Revenue
- AFL 14.8%
- CBE 7.7%
- GIS 0.3%
- TRP 0.9%
- EHS 13.9%
- MIN 2.3%
- OGC 1.5%
- CRS 42.6%
- IND 16.0%

LC
- AFL 18.1%
- CBE 8%
- GIS 0.3%
- TRP 0.7%
- EHS 8.6%
- MIN 2.7%
- OGC 1.2%
- CRS 46.4%
- IND 14%
<table>
<thead>
<tr>
<th>Central Chemical Lab</th>
<th>CPCH Lab</th>
<th>UTIS Lab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless Lab</td>
<td>Central RF Lab</td>
<td>Safety &amp; Optics Lab</td>
</tr>
<tr>
<td>EMC Lab</td>
<td>Reliability Lab</td>
<td>Food Lab</td>
</tr>
<tr>
<td>Material Lab</td>
<td>Environmental Lab</td>
<td>Calibration Lab</td>
</tr>
<tr>
<td>Hardline Lab</td>
<td>Softline Lab</td>
<td></td>
</tr>
</tbody>
</table>
SGS

OUR STRENGTHS

- Leading position
- Most diversified TIC service provider
- SGS is a recognized consumer brand in Taiwan
- Continuous Improvement
- Aggressively endorsing new technologies (e.g. 5G and IoT)

Key Success Factors

- LOCALIZATION
  - Tailoring to local market
- FIGHTING SPIRIT
  - Strong history of innovation

CAGR 7.6 %
Building traceability

Bubble tea chain store

Carrefour
Building inspection

Olive oil

7-11
### SGS mark recognition by general consumer

<table>
<thead>
<tr>
<th>Brand</th>
<th>Recognition Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAS/台灣優良農產品</td>
<td>34%</td>
</tr>
<tr>
<td>SGS</td>
<td><strong>20%</strong></td>
</tr>
<tr>
<td>GMP</td>
<td>19%</td>
</tr>
<tr>
<td>ISO</td>
<td>8%</td>
</tr>
<tr>
<td>CNS</td>
<td>8%</td>
</tr>
<tr>
<td>小綠人/健康食品標章</td>
<td>7%</td>
</tr>
<tr>
<td>吉園圃</td>
<td>6%</td>
</tr>
<tr>
<td>環保標章</td>
<td>6%</td>
</tr>
<tr>
<td>節能標章</td>
<td>5%</td>
</tr>
<tr>
<td>鮮乳標章</td>
<td>5%</td>
</tr>
<tr>
<td>MIT微笑標章</td>
<td>3%</td>
</tr>
<tr>
<td>CE</td>
<td>2%</td>
</tr>
<tr>
<td>HACC</td>
<td>2%</td>
</tr>
<tr>
<td>ST安全玩具</td>
<td>2%</td>
</tr>
<tr>
<td>CIS</td>
<td>2%</td>
</tr>
<tr>
<td>正字標記</td>
<td>2%</td>
</tr>
<tr>
<td>食品衛生/安全標章</td>
<td>2%</td>
</tr>
<tr>
<td>TQF</td>
<td>2%</td>
</tr>
<tr>
<td>TAP產銷履歷農產品</td>
<td>2%</td>
</tr>
</tbody>
</table>

### SGS corporate recognition rate from other competitors by consumer

<table>
<thead>
<tr>
<th>Competitor</th>
<th>Recognition Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intertek 全國公證</td>
<td>8%</td>
</tr>
<tr>
<td>SGS 台灣檢驗科技</td>
<td><strong>79%</strong></td>
</tr>
<tr>
<td>TUV 德國萊茵</td>
<td>18%</td>
</tr>
<tr>
<td>SuperLab 台美檢驗</td>
<td>4%</td>
</tr>
<tr>
<td>FSI暐凱國際檢驗科技</td>
<td>3%</td>
</tr>
<tr>
<td>SourceTec 振泰檢驗</td>
<td>3%</td>
</tr>
<tr>
<td>eurofins 台灣歐陸食品檢測</td>
<td>4%</td>
</tr>
<tr>
<td>食品工業發展研究所</td>
<td>24%</td>
</tr>
<tr>
<td>都不知道</td>
<td>16%</td>
</tr>
</tbody>
</table>

* end consumers survey in Dec. 2017
BRAND RECOGNITION
(B2C2B PORTAL)

- 8,566 test reports published in 2018
- 2018 monthly pageviews around 50,000
- YoY pageviews +12% growth
- All Taiwan Labs running with LIMS
- 90% Chemical testing & reporting fully automatic
- World Class Services implemented in 2019, starting from Food Lab
21 projects launched between October 2018 to June 2019

Expected man-hour savings 1,524 hrs / month
(18,288 hrs / year) by end of 2019
DIGITALIZATION AND AUTOMATION (I.E. IOT IN EHS)

Remote Measurement Stations

Communication Medium

Control Center(s) "C.C."

Clients

Alert

Hualien Environmental monitoring

Wireless-4

Internet

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Applications in daily operation – Publish (Alert)
NEW SERVICES IN DEVELOPMENT

- Semiconductor services
  - Incoming material chemical tests & clean room validation
- Consultant services
- Training and Business Enhancement
  - Functional Safety
  - Food testing protocol
  - Electrical & Electronic - RSTS Risk Management
- New technologies
  - 5G
  - AI (partnership with Allion)
- Regional support center (e.g. Food services to Hong Kong & Japan)
- Alignment or Acquisitions