

Stock Code : 6561

Chief Company Introduction

Date: June 9, 2021
<https://www.chief.com.tw>

CHIEF | 是方電訊

I、Chief Profile

- Founded in 1991
- Capital NT\$ 704,596,310
- Major Products: IDC, Data, Voice, Cloud services
- With Type II Telecom Licenses, including:
 - General Type II : ISP、VPN、Internet Access
 - Special Type II : ISR、070 VoIP、bandwidth B&S
- Carrier Neutral IDC : LY、HD、TF buildings, with 30,000 square meters, 4th IDC planned to be in service in 2023.
- Included in MSCI Global Small Cap Index



II、Company History

1991 Year
Founded

2004 Year
Expand Taiwan
China VPN
network
services

2011 Year
First operator in
Taiwan to award
ISO 27001 &
ISO27011
certifications

2017 Year

- Provide Oracle OCM cloud DB services in May
- Awarded government cloud services contracts in Jul.
- First operator to award ISO27017/ISO27018 in Dec. for cloud services

2019 Year

- Localize GCP and Azure service in Mar.
- Direct connect to Ali cloud in HK in Apr.
- Provide 200G BW between TPE and HK in Jun.
- Provide IBM cloud service in Sep.
- DCOS-4 certified in Sep.
- TPIX included in national CIP in Oct.

1991

1998

2000

2004

2006

2011

2016

2017

2018

2019

2020

2000 Year
Set up first IDC
to provide
TPIX、TPVX、
TPCX services

2006 Year
Acquired by
CHT (over 70
% shares)

中華電信關係企業
Chunghwa Telecom Group

2016 Year
• Chief Subsidiary
awarded
ISP/VPN
telecom license
in Shanghai

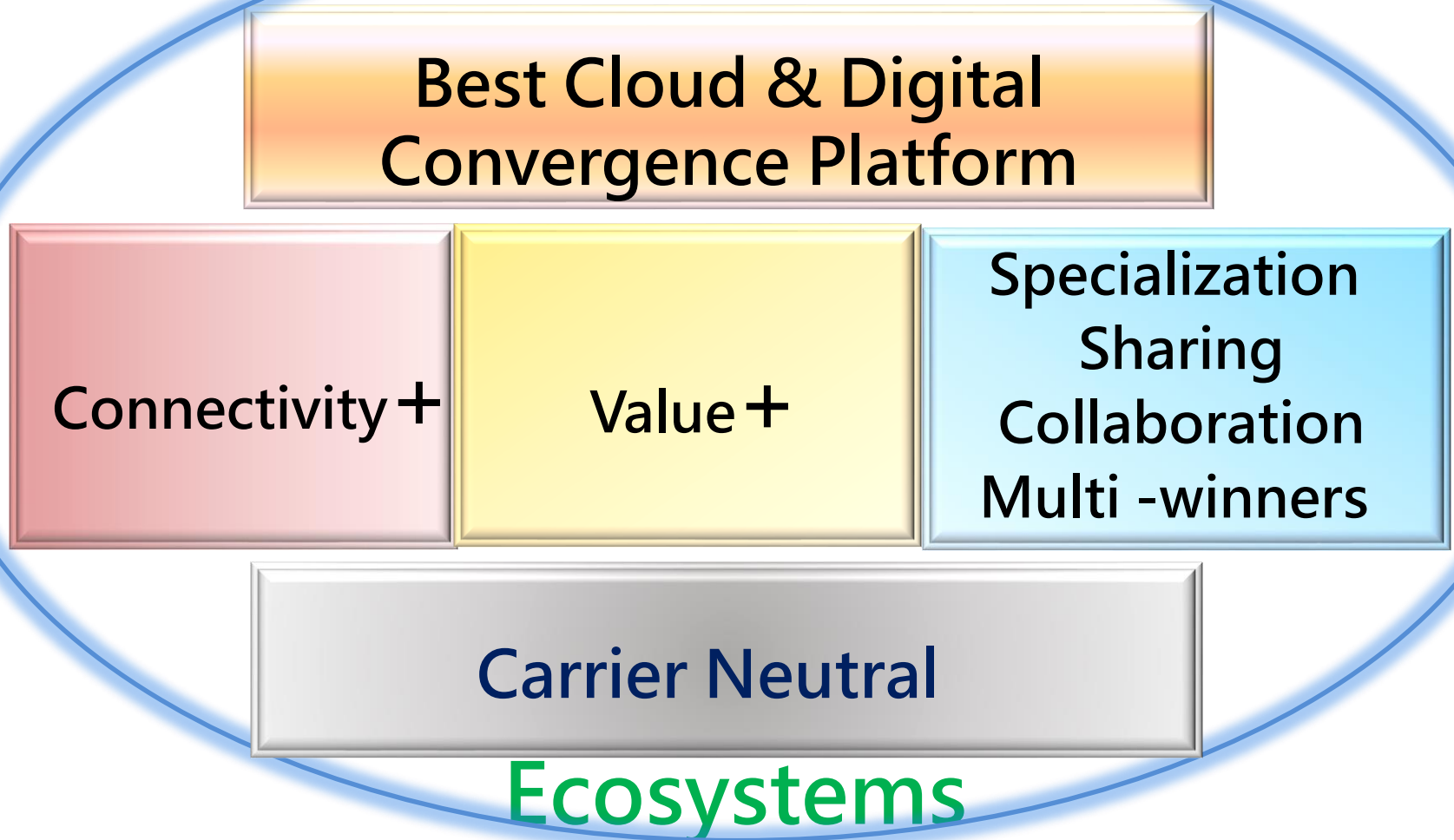
2018 Year

- Provide Microsoft Azure ExpressRoute service in Feb.
- Provide AWS DX service in Mar.
- Work with IBM for Smart Health Cloud service in Mar.
- IPO at Taipei Exchange (TPEX) on June 5

2020 Year

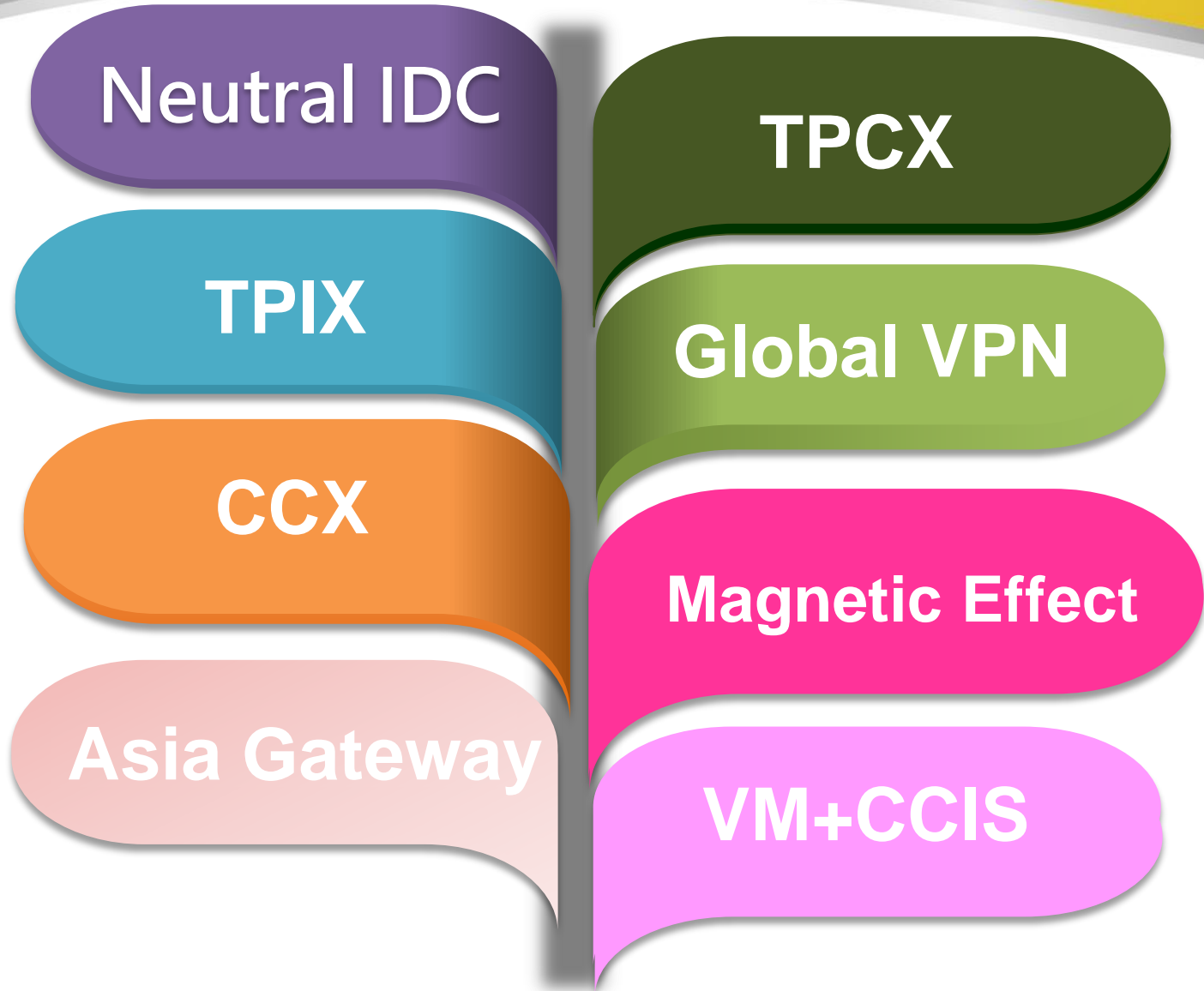
- Newly added 20G network backbone to each of Japan and Singapore in Jan.
- Provide Oracle cloud direct connect to Tokyo in Jul.
- Promote Health Cloud service via CHT-M Hami Pass in Aug. .
- Upgrade network backbone to 210G between Taiwan and Japan in Dec.

III、Company Positioning

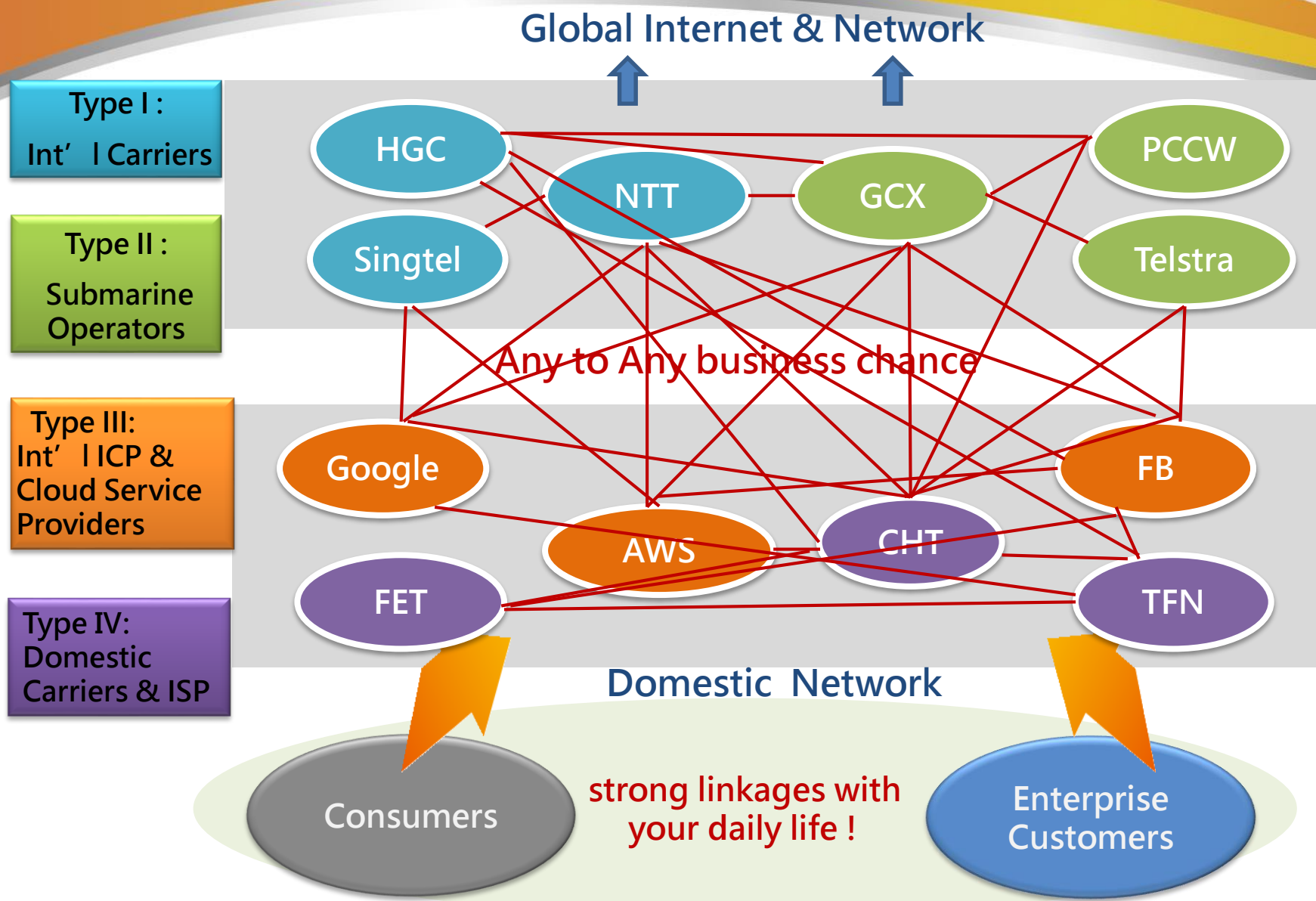


IV 、Competitive Advantages

1. Competitive Advantages

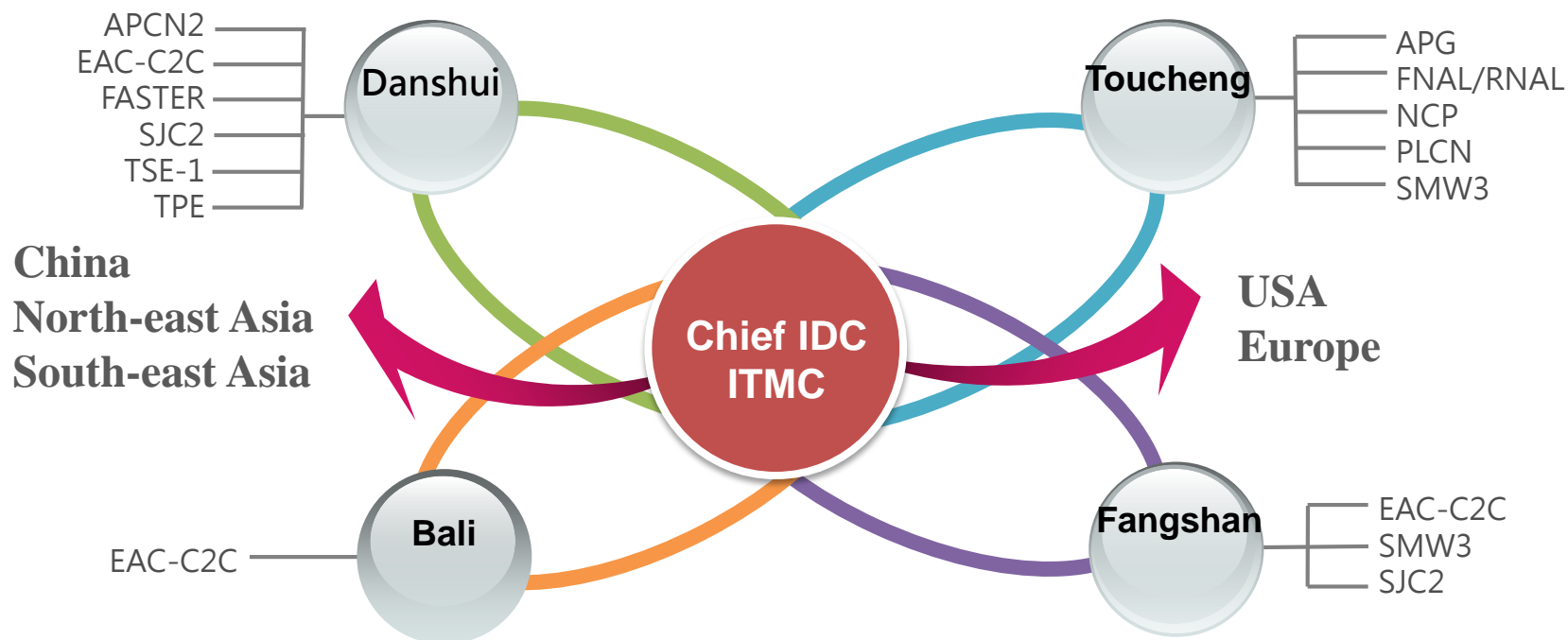


2. Tele Market Place (Platform+Connectivity)



3. TPCX (Taipei Submarine Cable Exchange Center)

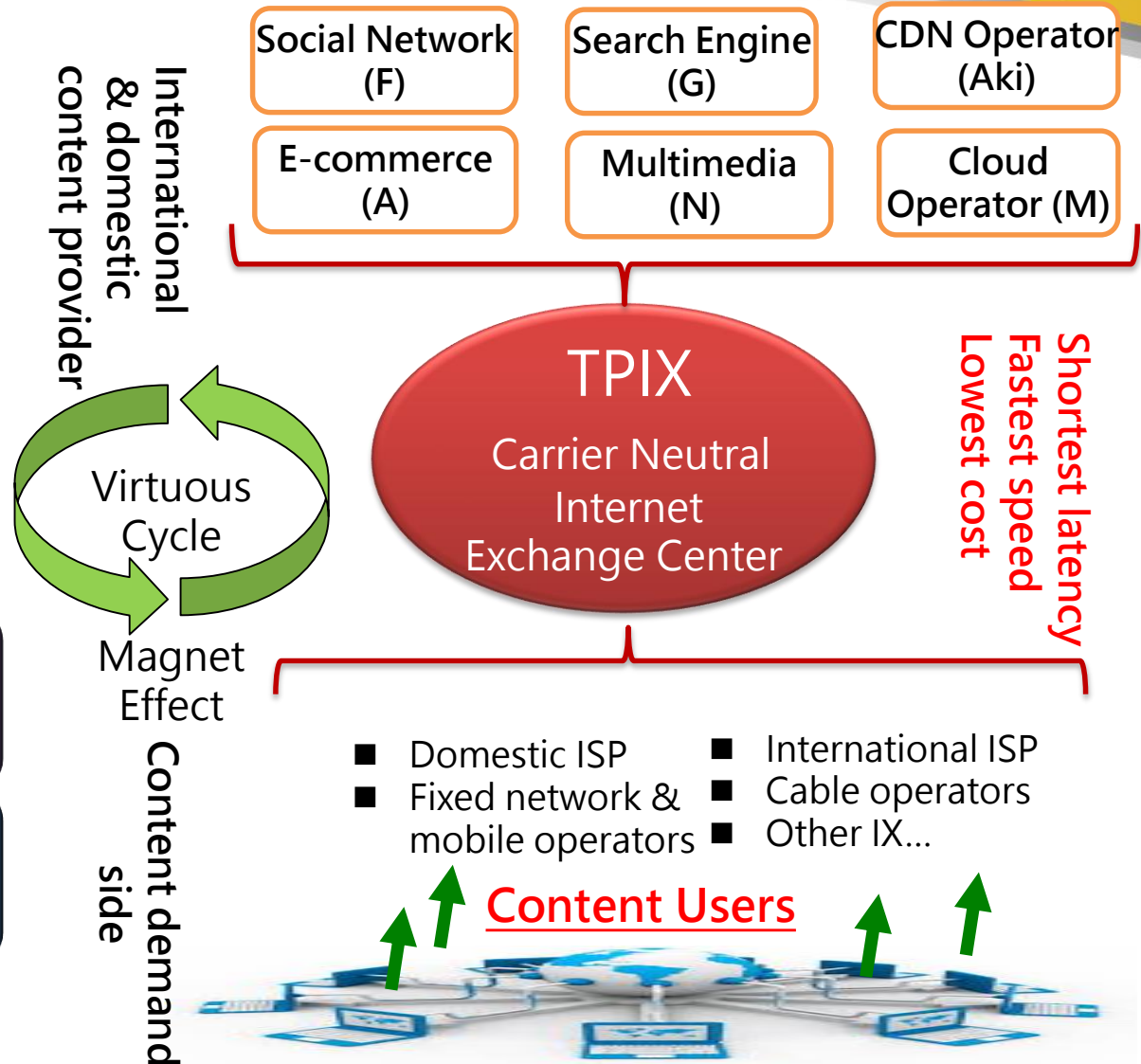
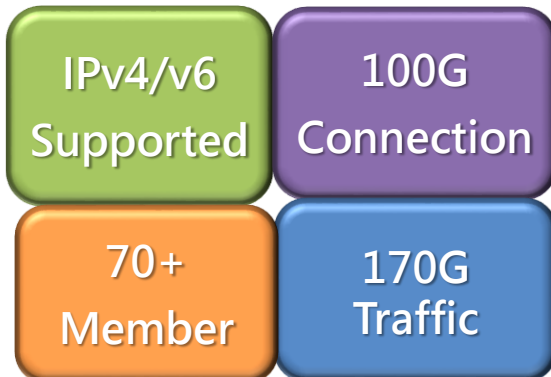
- Private cables (NCC licensed Pacnet/Telstra, TIGC, Reach, GCX) and consortium cables are connected in Chief IDC site, most of fixed network operators in Taiwan all set up PoPs in Chief IDC site for submarine cable interconnection.
- Chief TPCX is only one place to leverage Consortium cables and private cables in Taiwan .
- International 、 domestic operators and enterprise customers can get high cost performance network services from Chief.



4. TPIX (Taipei Internet Exchange Center)

- TPIX, largest internet exchange center in Taiwan, provides internet traffic exchange service for both international and domestic customers.

www.tpix.com.tw



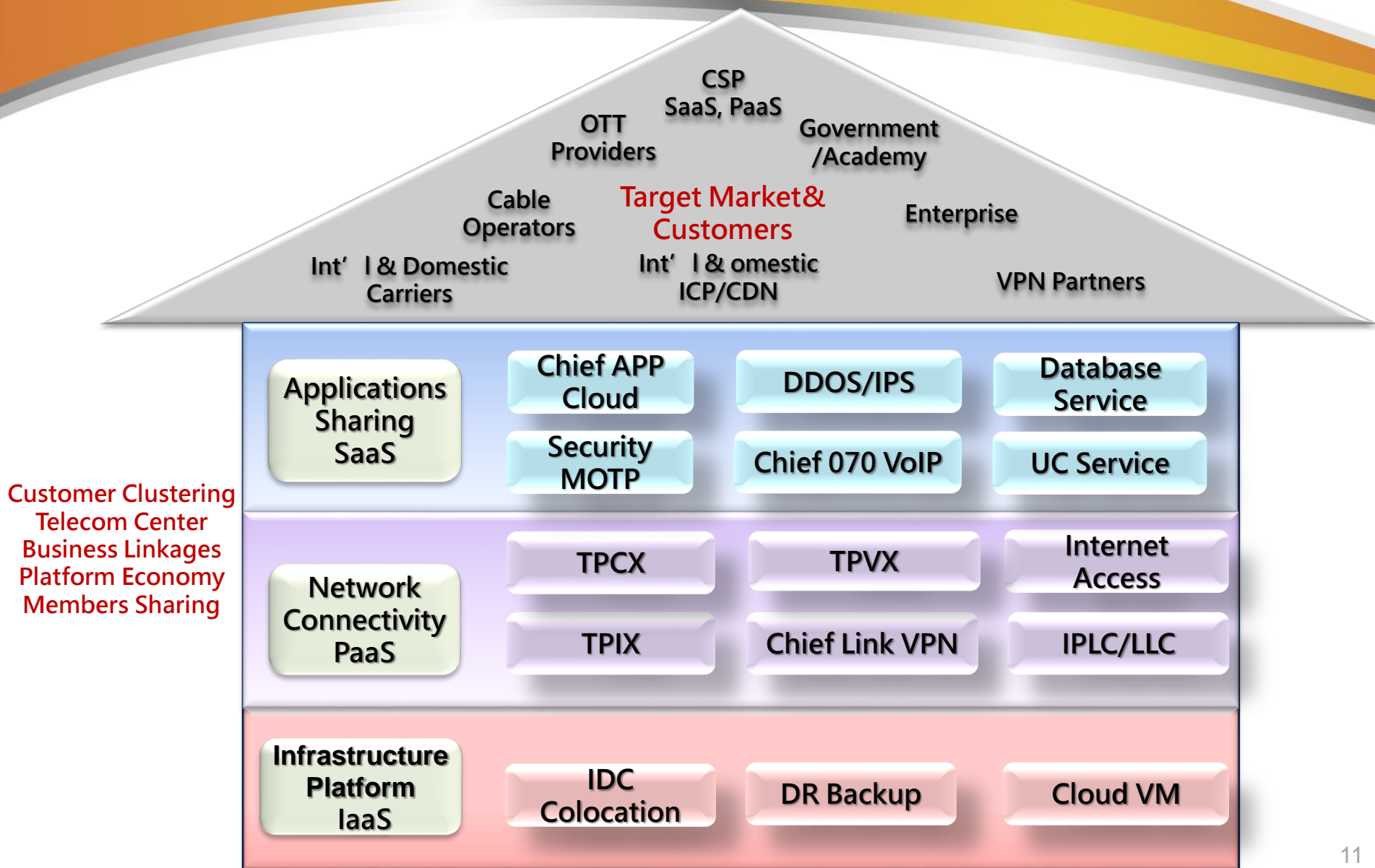
5. Chief Cloud eXchange (CCX)

CCX provides direct connection to major global cloud service providers with “high security , fast speed , low latency” private connection quality.

- Cross country 、 multi-cloud 、 hybrid cloud direct connect.
- Service PoPs include Taipei, Hongkong, Japan and Singapore.
- Taiwan only to provide AWS direct connect with 500M above bandwidth.
- Taiwan only to provide direct connect to IBM and Oracle.
- Taiwan only to provide direct connect to GCP for two zones.
- Most complete cloud exchange platform in Taiwan.
- Provide high speed data uploading to public cloud, big data migration, high-speed data transmission without traffic jam.



6. Telecom Hotel



7. Major Customers



Domestic Carriers



International Carriers



Enterprise Customers



Global Cloud Providers



TPIX Members



8. Clustering Magnetic Attraction Effect



- Chief Telecom is based on **carrier neutral position** to attract **domestic and international carriers, submarine cable operators, content providers and cloud service providers** for colocation in Chief IDC buildings. Through platform economy and membership economy operational model, Chief becomes the important business hub for **customer clustering magnetic attraction effect**。

9. Digital Application Navigator

Chief Telecom services have strong linkages with your daily life and provide ubiquitous service.



Digital Content

- Music/Video
- Gaming/News



Network

- Global Internet Access
- Global VPN/MSO



Business & Enterprise

- Cloud/Communication
- Search Engine/Social Media



E-Commerce/IoT

- B2B/B2B2C
- O2O/E-shopping



Big Data

- Smart Healthcare/PHR
- Public Sentiment/Data Center



Traveling and Retail

- Ticket/Order/Booking
- VR/AR applications

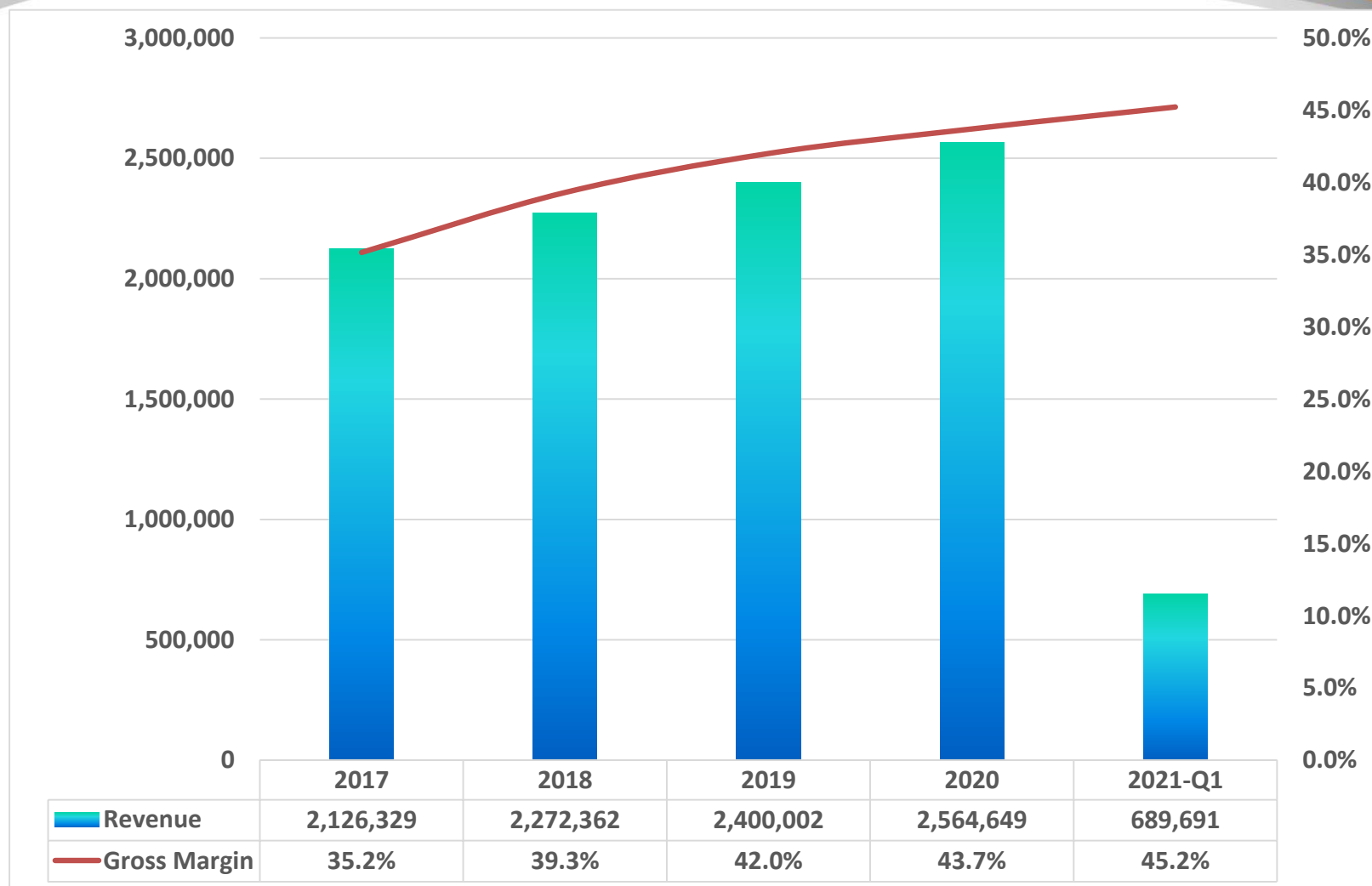
V、Recent Years Finance Performance

- Revenue & Gross Margin
- Net Margin & EPS
- Product Service Revenue Percentage
- Percentage of Cash Dividends



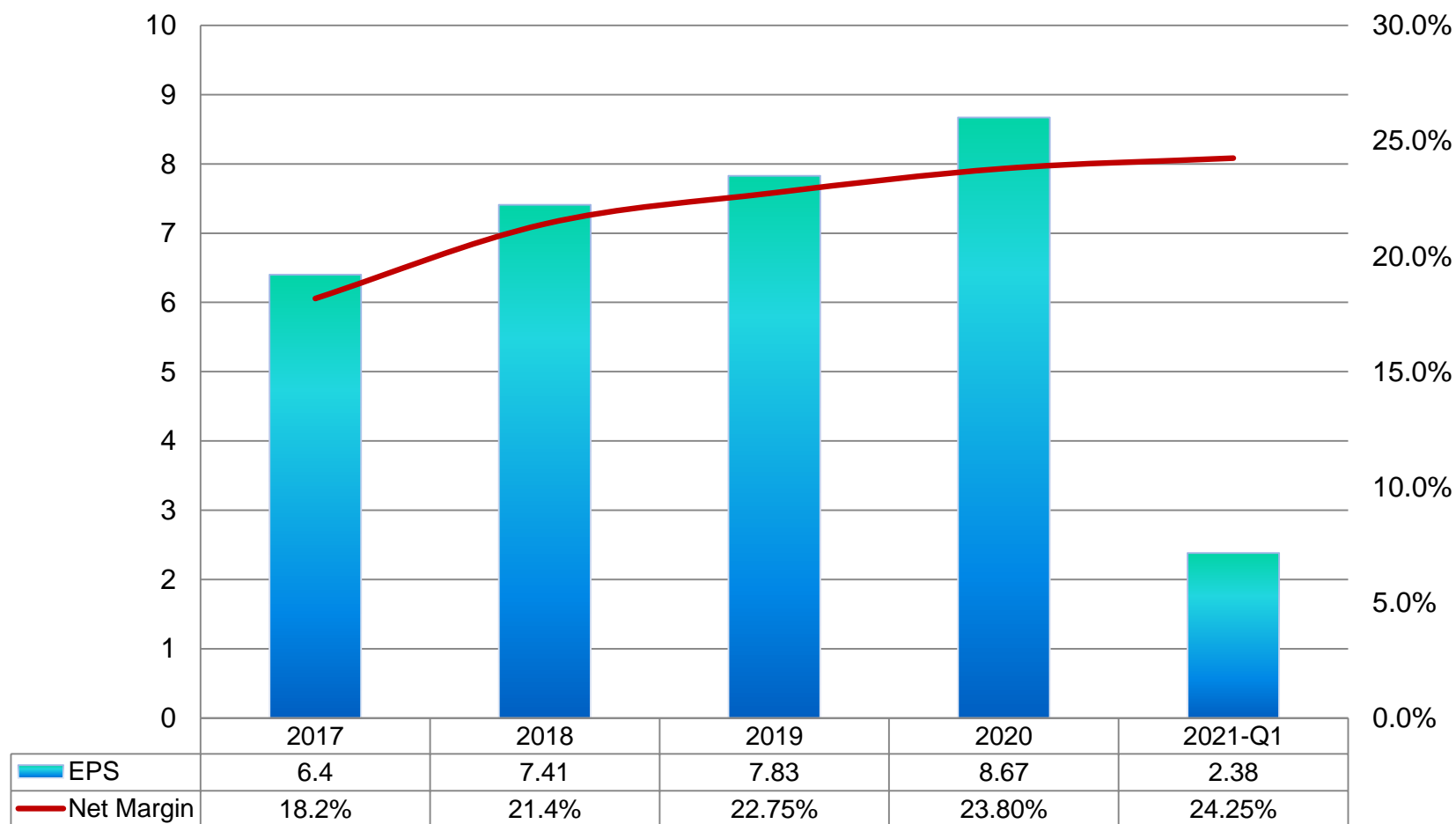
1. Revenue & Gross Margin

Unit: NT\$K



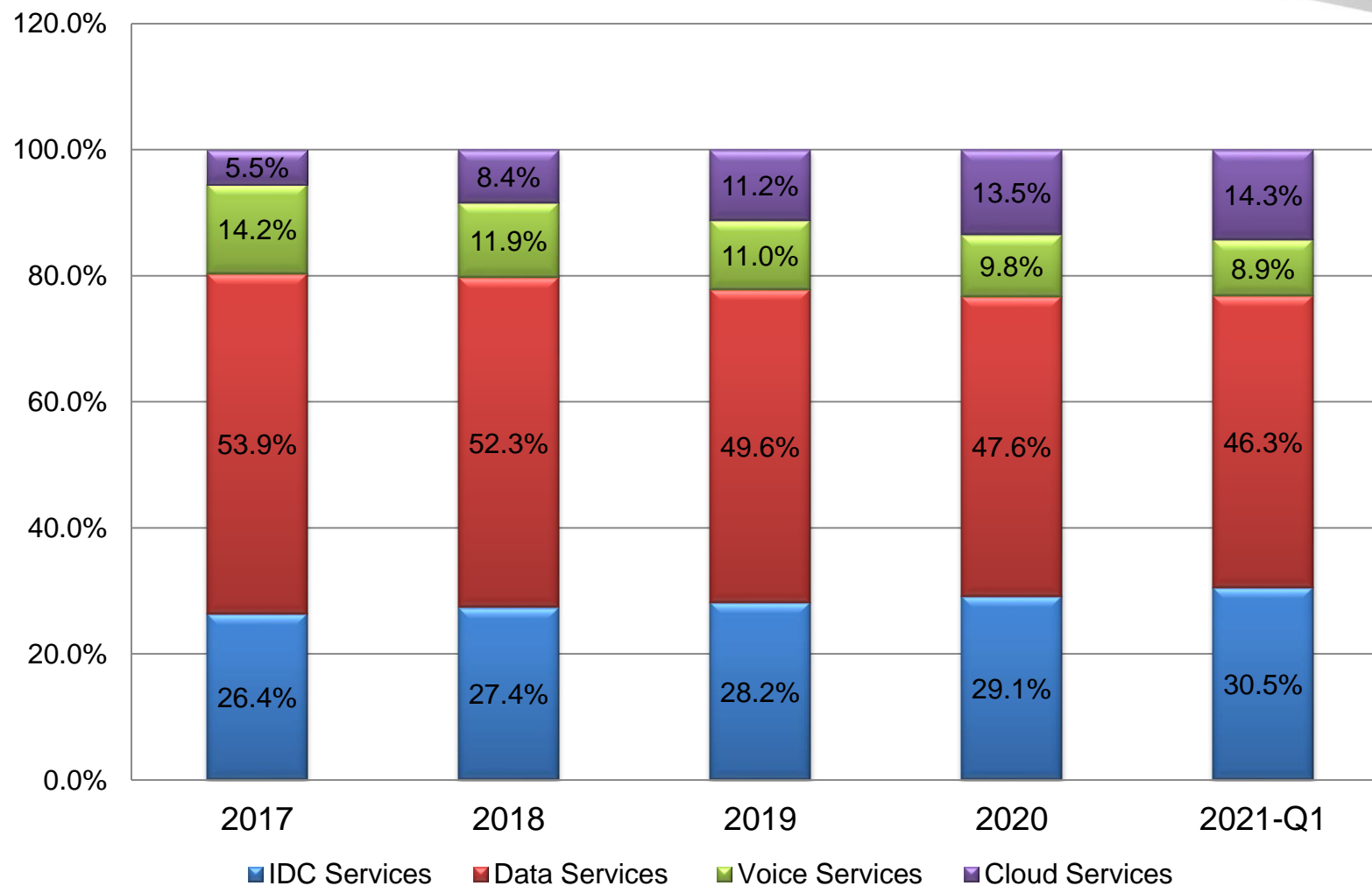
2. Net Margin & EPS

Unit: NTD

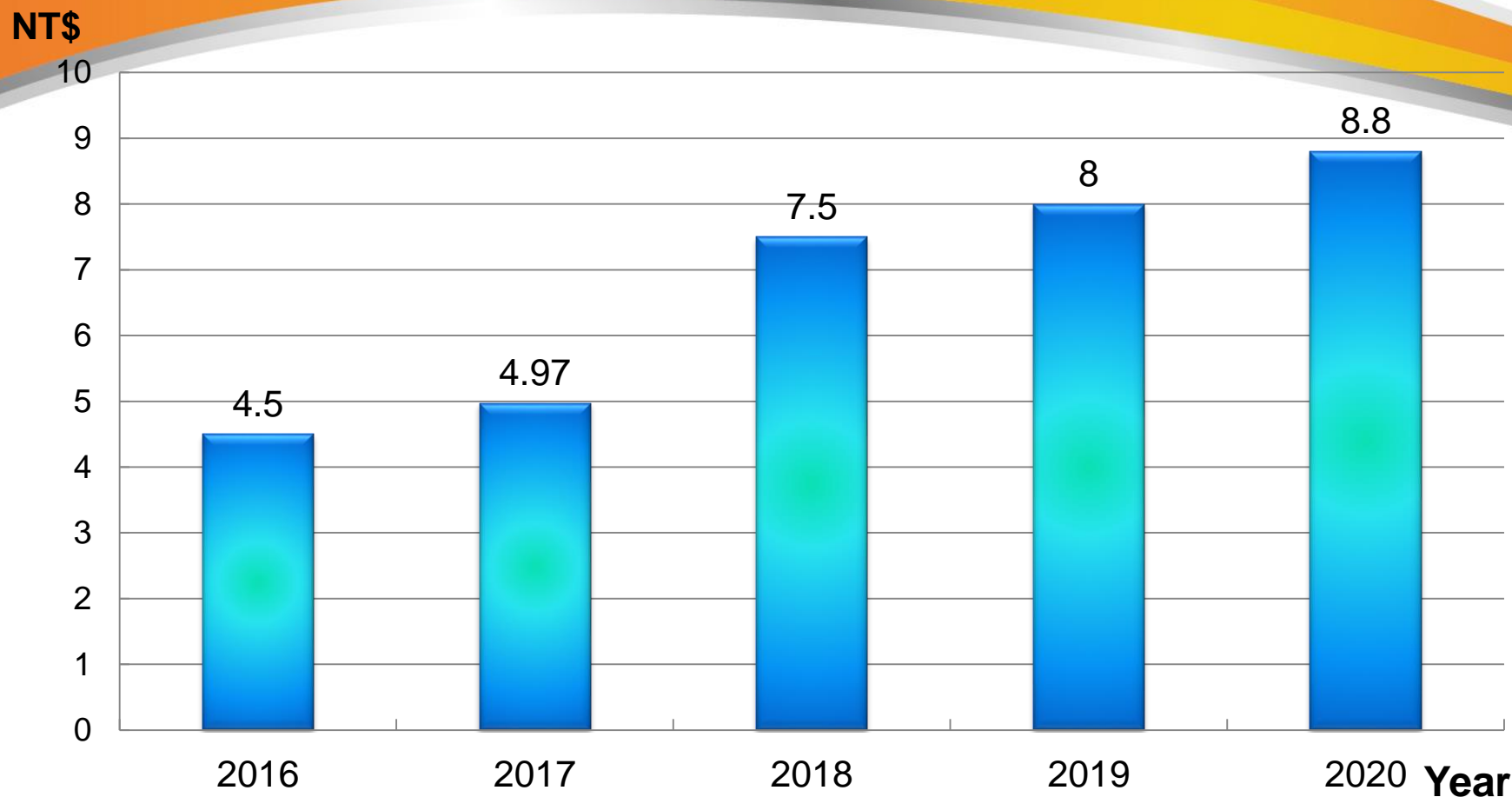


Note : 2020 with 70,069K shares; 2021 Mar. with 70,284K shares.

3. Product Service Revenue Percentage



4. Percentage of Cash Dividends



Note : Year 2018 with NT\$7.5 cash dividend including NT\$1 additional paid in capital

Note : Year 2019 with NT\$8 cash dividend including NT\$1 additional paid in capital

Note : Year 2020 with NT\$8.8 cash dividend including NT\$1 additional paid in capital

VI、Product Line Introduction

- Company Introduction: https://www.youtube.com/watch?v=3Mnji-3_d6Q



- ISO Certifications (27001, 27011, 27017, 27018), DCOS-4 Certification



1. IDC Colocation Services – Carrier Neutral

- **World-class carrier neutral IDC to provide high quality IDC services**

- World-class IDC SLA
- Customized design and deployment
- 99.999% power system design
- Dual-loop UPS system and cooling system
- Fire detection and suppression system
- 7X24hrs NMC
- ISO & DCOS certified

- **Rich domestic/international network & internet resources – 1st choice of PoP site set up for vender**

- Fiber ring around four buildings to provide ultrahigh speed bandwidth
- TPCX Cable Exchange Center
- Richest resources for local loop access
- Global VPN services
- Taiwan largest TPIX Internet Exchange Center
- CCX Cloud Exchange Center

Similar foreign service providers:

- Equinix, Coresite, Qts, Sakura, 21Vianet, Digital Reality



L.Y.
Building

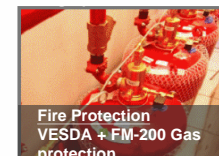
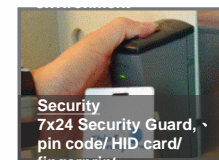
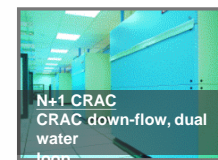
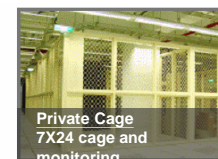
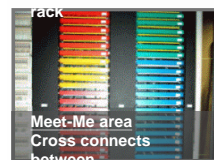
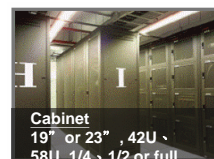


H.D.
Building

Fiber Ring



T.F.
Building



2.1 Richest Domestic & International Fiber Resources

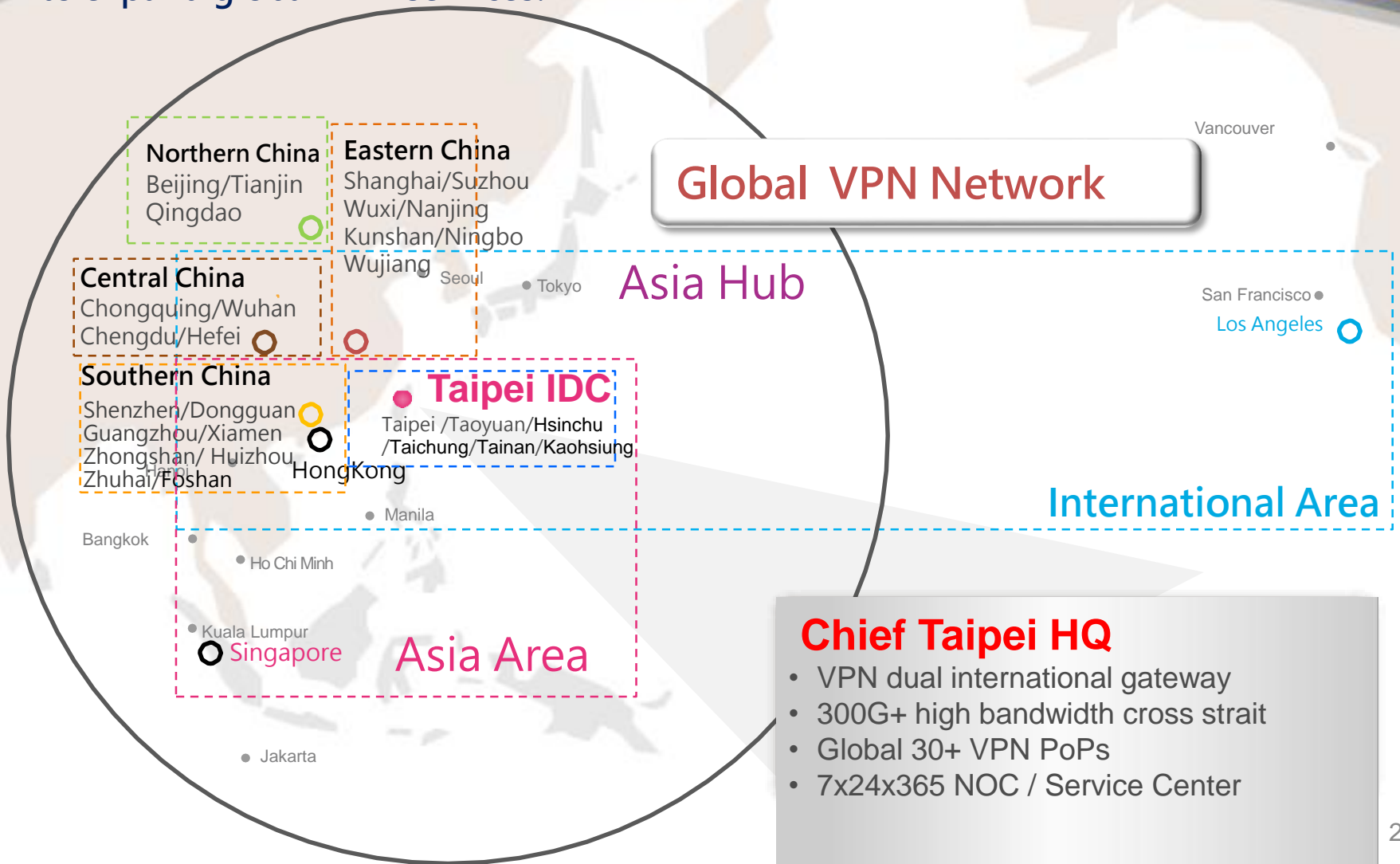
Complete portfolio of domestic and international fiber resource

- Carrier neutral IDC : Fixed network operators in Taiwan all set up PoPs here.
- Sufficient metro fiber resources among all Chief's IDCs.
- Taiwan submarine gateway : Private cables and consortium cables are connected here.



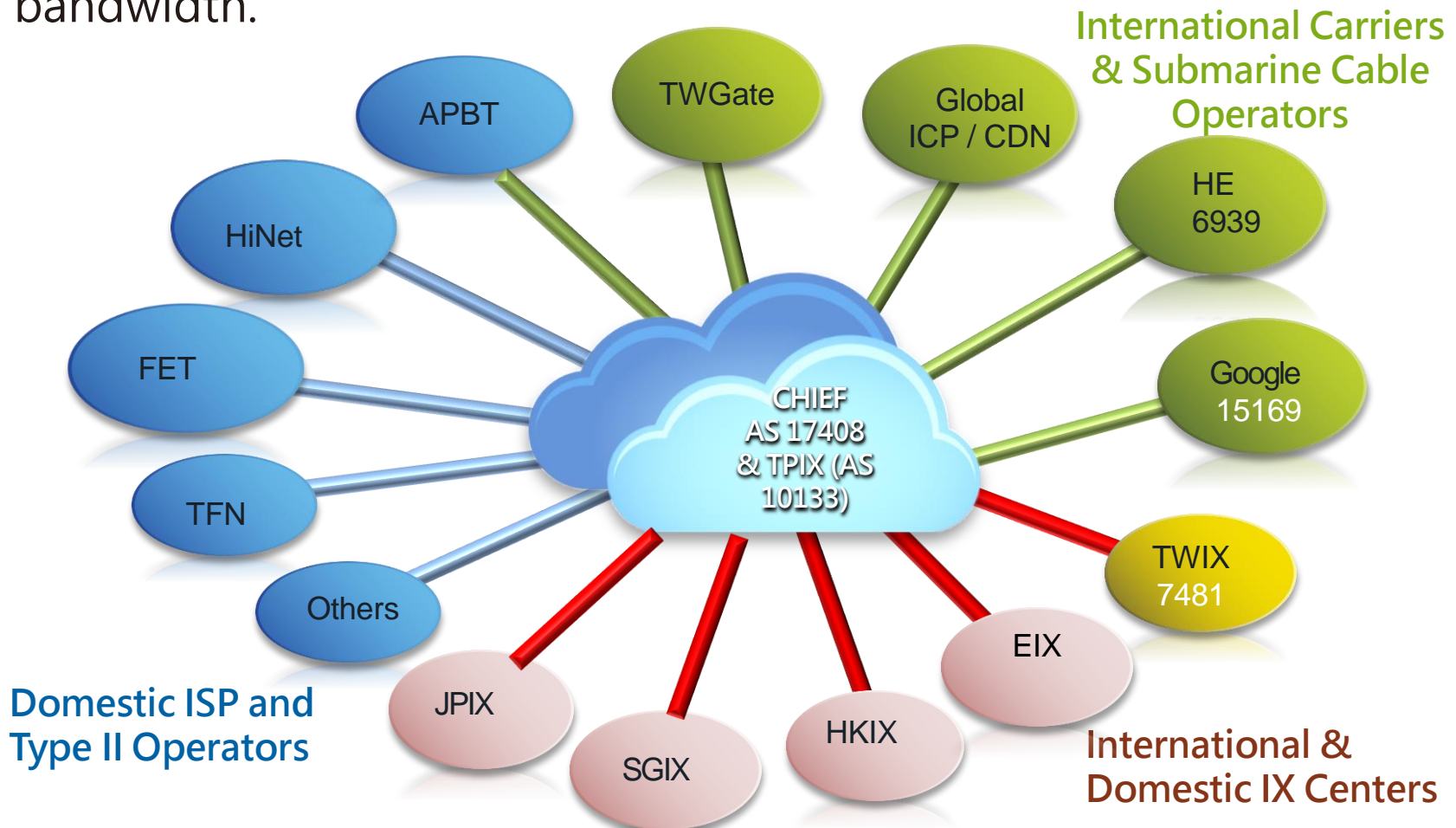
2.2 Global VPN Network

With forward-looking network deployment and complete enterprise solutions to expand global VPN services.



2.3 Data Service – Global Internet Services

- Important Internet service hub in Taiwan with complete Internet resource, including diverse domestic ISP connections and international bandwidth.



3. 070 Cloud PBX UC Services

070 VoIP: 1st choice for enterprise mobility applications

Cross-Operator/Network/Platform/Device

- NCC E.164 Numbers for worldwide use
- Support Android、iOS
- Support PC、NB、Pad
- Support mobile、ADSL、VPN、Wi-Fi



Cloud IP-Centrex

Provide IP-Centrex services

Business Applications

070 business applications, UC services, 100-party video conference, recording, whiteboard, file sharing, etc.



Management Center

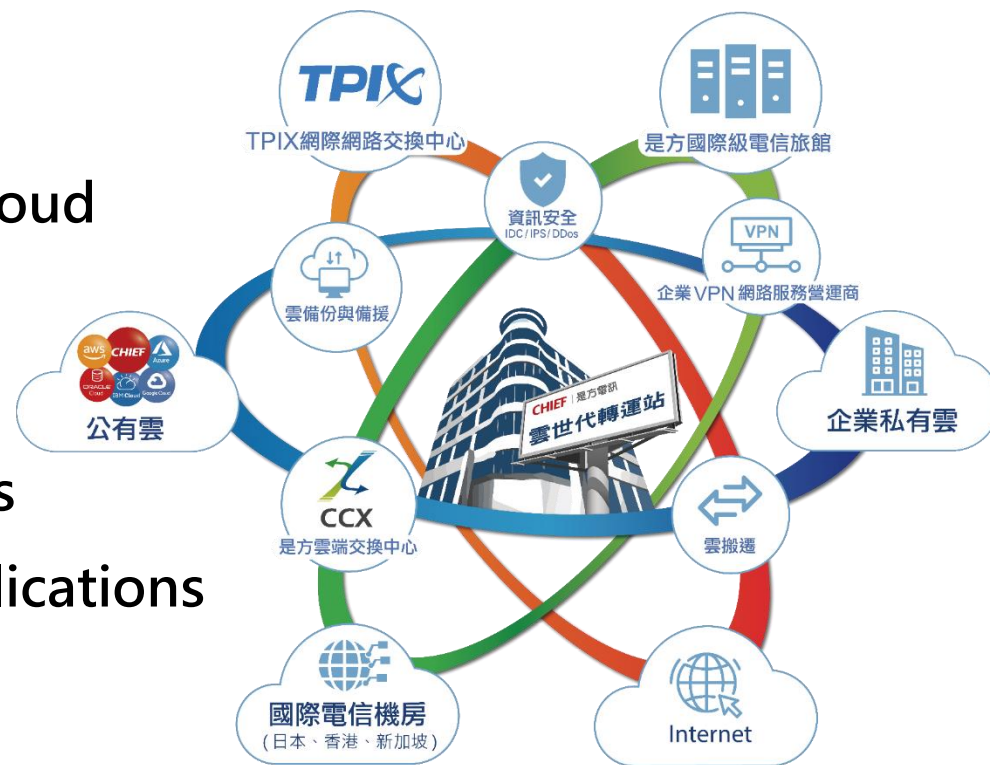
Customer web portal to manage voice services and check CDR

System Integration

Work with international cloud service providers to provide customers with integrated solutions, such as Microsoft Teams, car machine services, etc.

4.1 Complete Cloud Solutions

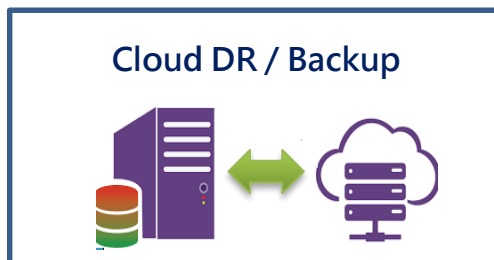
- Cloud eXchange Center
- CCX Multi-cloud, Hybrid Cloud
- Cloud IaaS Solutions
- Cloud Storage & Backup
- Common SaaS Applications
- Specific Industry SaaS Applications



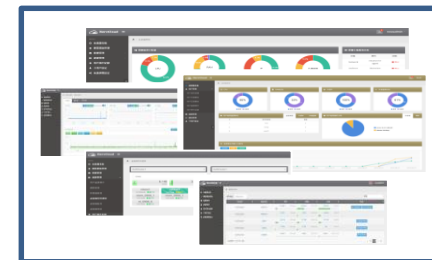
CCX Enterprise Hybrid Cloud



Enterprise Cloud DR / Backup



Customer Service Portal





4.3 Cloud SaaS Applications

- Smart Manufacturing
- Green environmental protection factory cloud

Smart Manufacturing

- Sentiment Monitoring System
- O2O Sales Marketing

Sales Marketing

Smart Health

AR/VR

- Cloud Computing Farm
- AR/VR Applications

IOT

- Logistics warehousing management

企業商務BI

CHIEF
APP CLOUD

CHIEF

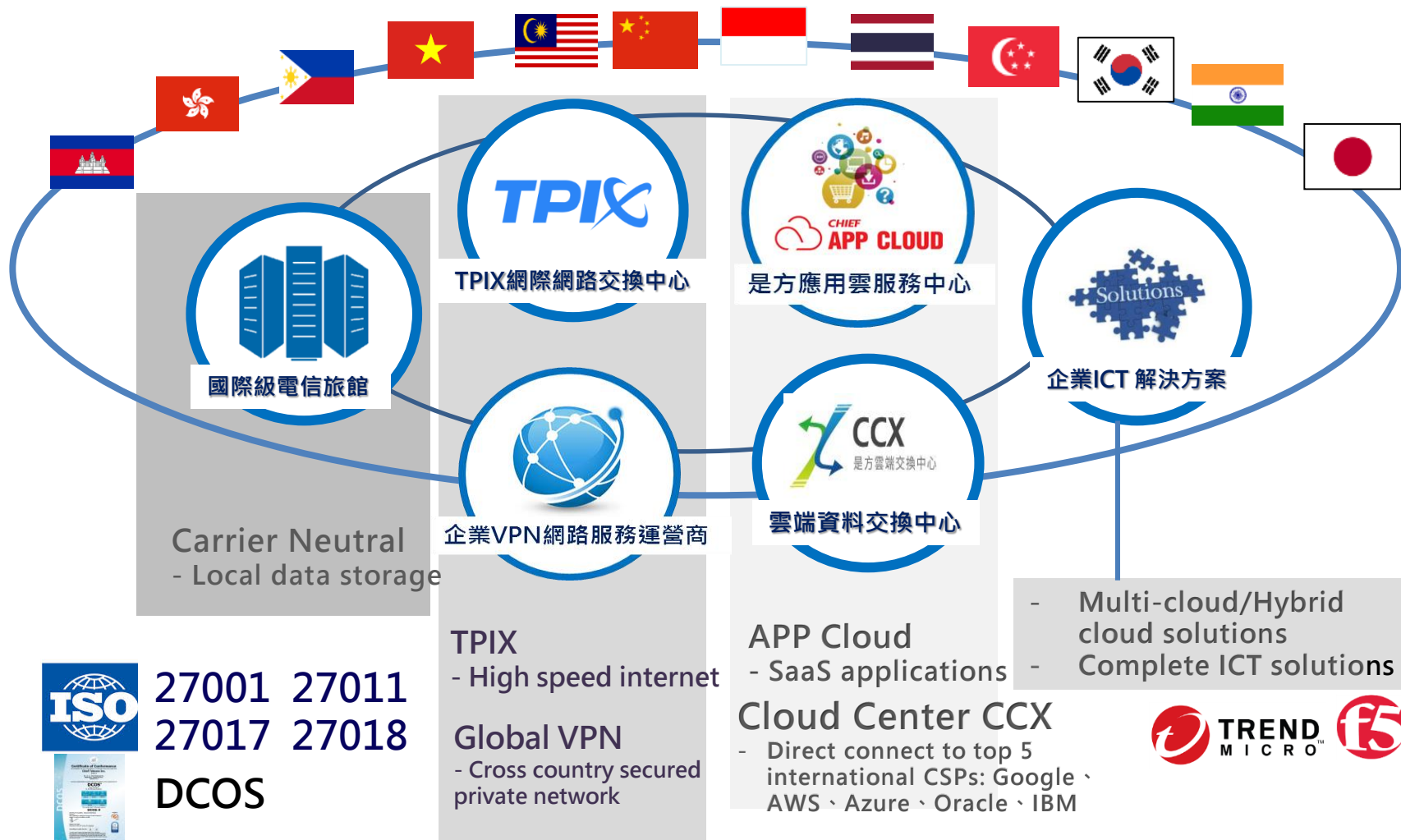
雲端運算平台
Cloud Computing Platform

- Chief i Health

- Commercial E-Approval forms
- Cloud file management
- Cloud secured mail box

5. Four Product Lines to Drive Continuous Growth

Multi-Platform Cross Countries Strategic Position



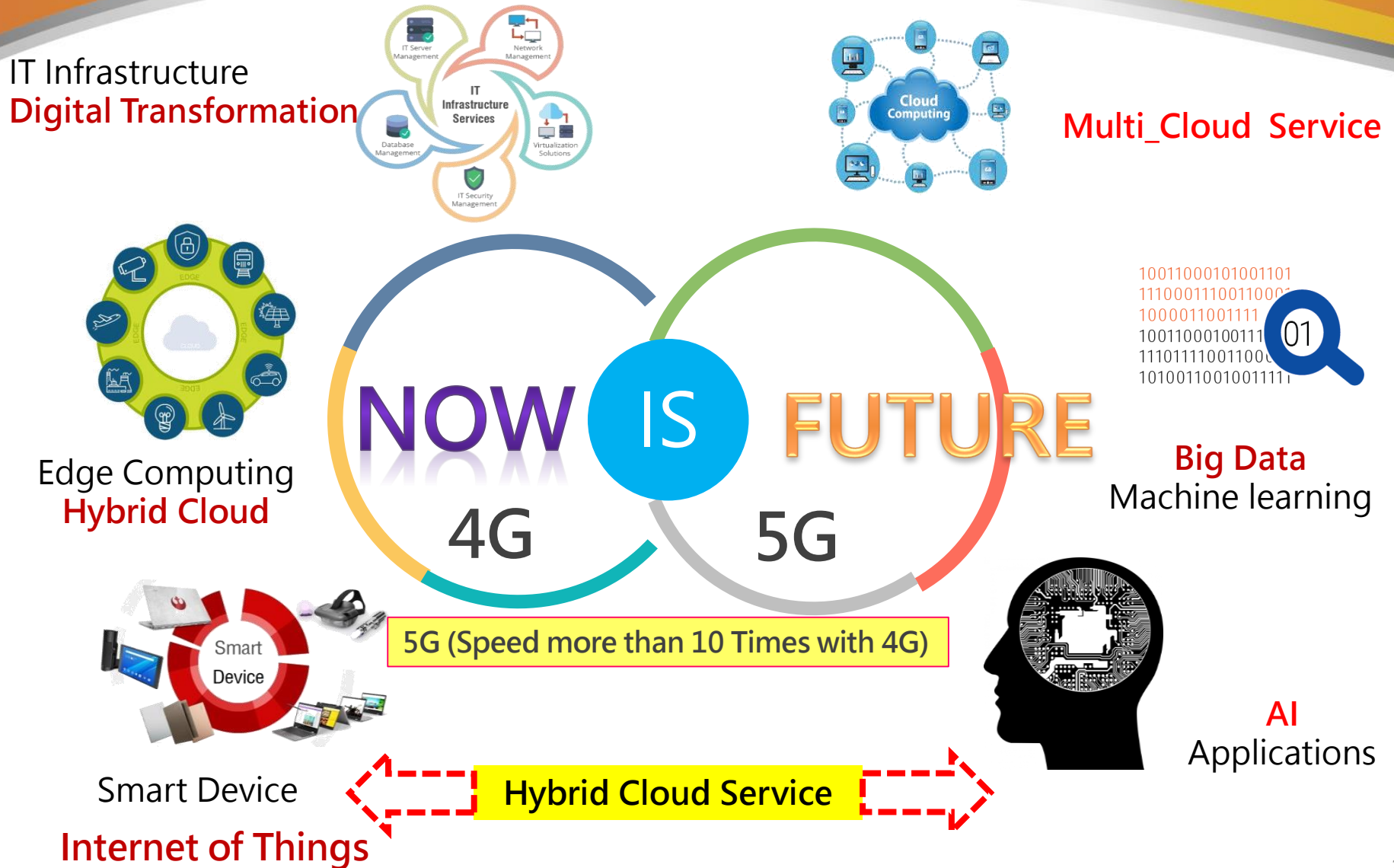
VII、Future Trends

◆Future Trends

- AI、Cloud、5G Development Trends
- Taiwan & Global IP Traffic & Growth Trends
- Global Public Cloud Market Trends



1. AI、Cloud、5G Development Trends



2. Taiwan & Global IP Traffic Growth

圖一、每年國外連線總頻寬成長圖 (單位：Mbps) 2020/1月製圖

Source : TWNIC Taiwan IP Bandwidth Report (2020/1 released)

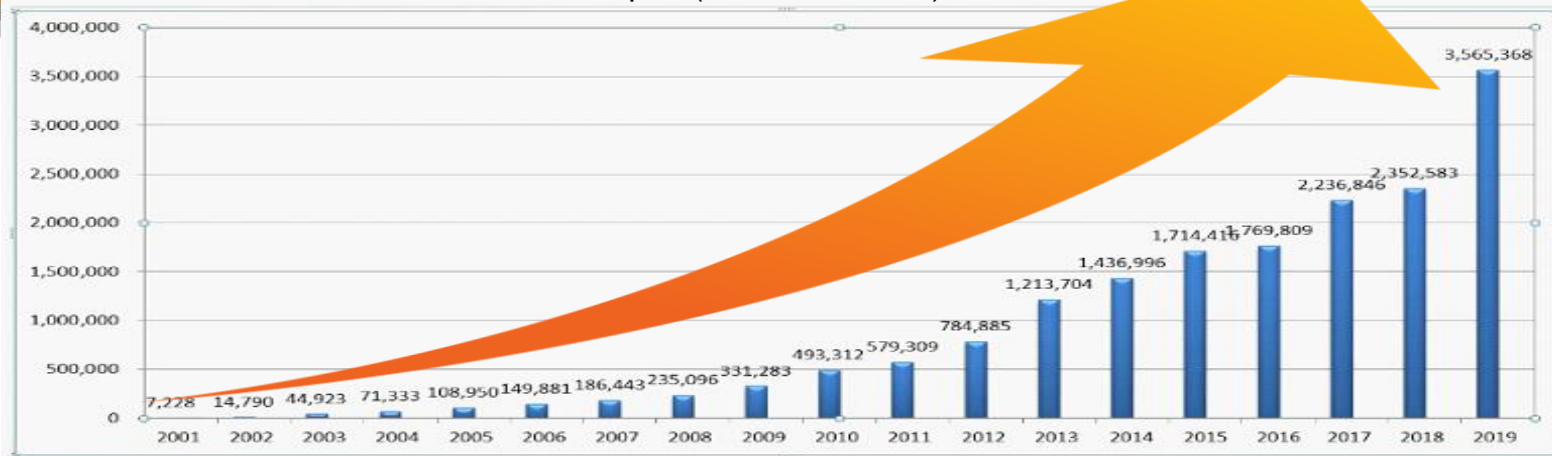
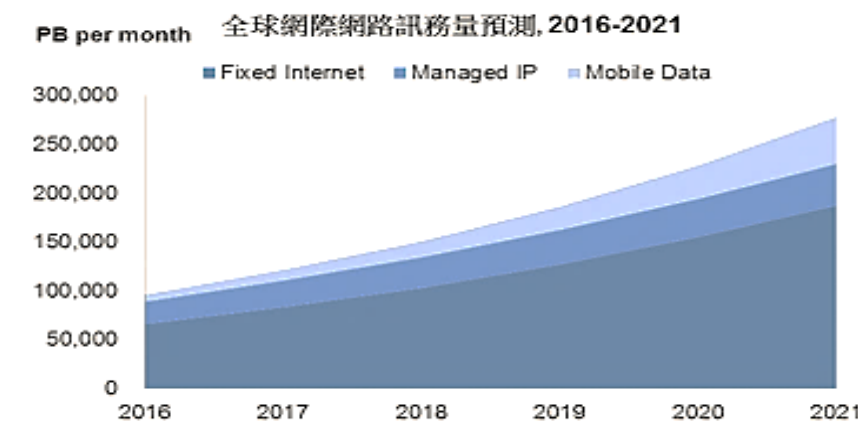
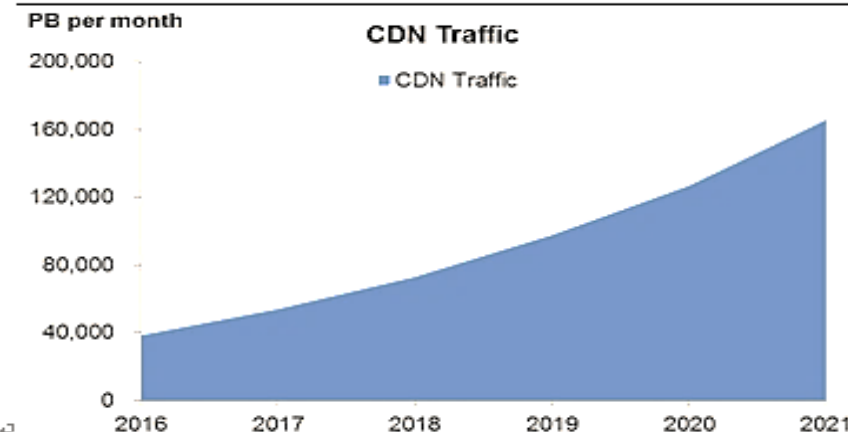


Figure6: 全球訊務量持續成長



資料來源: Cisco.

Figure7: 內容傳輸業者(CDN)的訊務傳輸量預估將逐年攀升

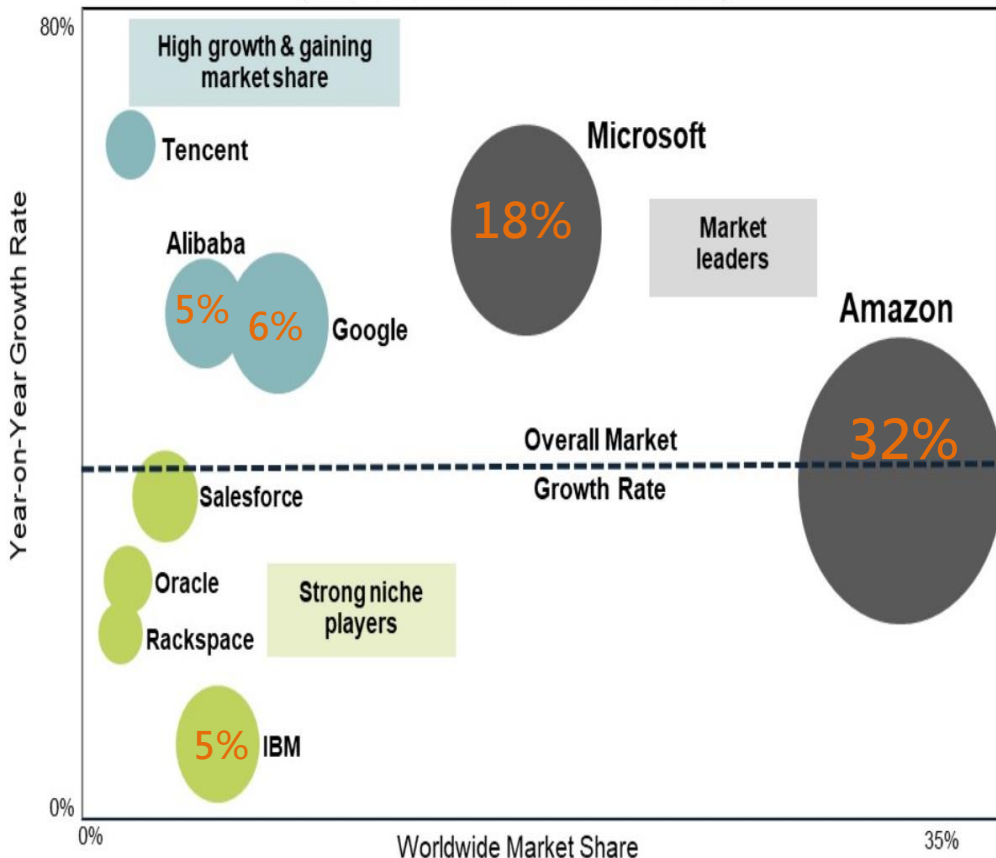


資料來源: Cisco.

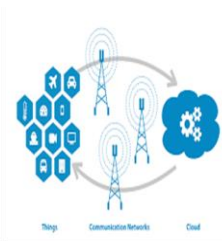
3. Global Public Cloud Market Trends **CHIEF** | 是方電訊

Cloud Provider Competitive Positioning

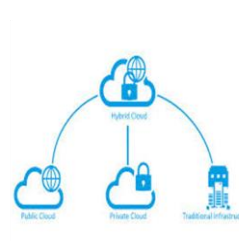
(IaaS, PaaS, Hosted Private Cloud - Q4 2019)



2019-2022 CAGR 16%
Up to 2022, Cloud service market CAGR of 16%



Edge Computing



Multi-Cloud Service



AI Applications



IT Infrastructure Hybrid Cloud



Big Data Machine learning Modeling



Smart Device

Source : Gartner Global Public Cloud Revenue Forecast

Note 1: Amazon/Microsoft/Google/IBM/Alibaba 5 CSPs occupy 2/3 public cloud market share.

Note 2: Up to 2022, Cloud service market CAGR of 16%.

VIII、2021 Business Development Focus

2021 Product Development Focus

Carrier Neutral
IDC Services

East Asia Telecom Hub
11 Countries / 600 G



CCX Plus Feature Enhancement

**Develop channel and VIP
customer sales package
for industry solutions**

**Hybrid cloud management
and flow analysis**



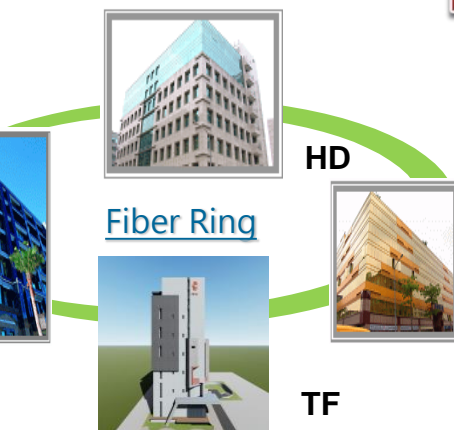
Application



**Chief Health
Cloud**

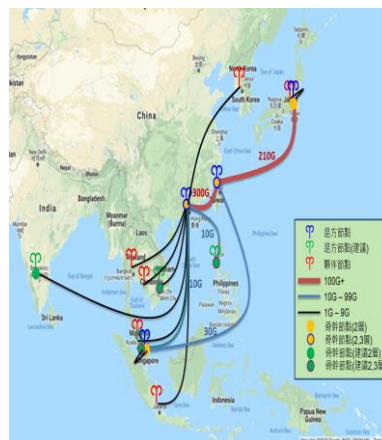


SurveyCake 34



LY2

Location : Jiuzong Rd., Neihsu, Taipei
Expected to be in service in 2023
(7 floors above ground, 2 floors under ground)



1. 4th New IDC (LY-2)



LY



HD

Fiber Ring



LY2

Location : Jiuzong Rd., Neihu, Taipei
Expected to be in service in 2023
(7 floors above ground, 2 floors under ground)



TF

2. Company Vision_ East Asia Telecom Hub



3. Enlarge Product Portfolio & Target Customers

大型企業 (上市櫃)

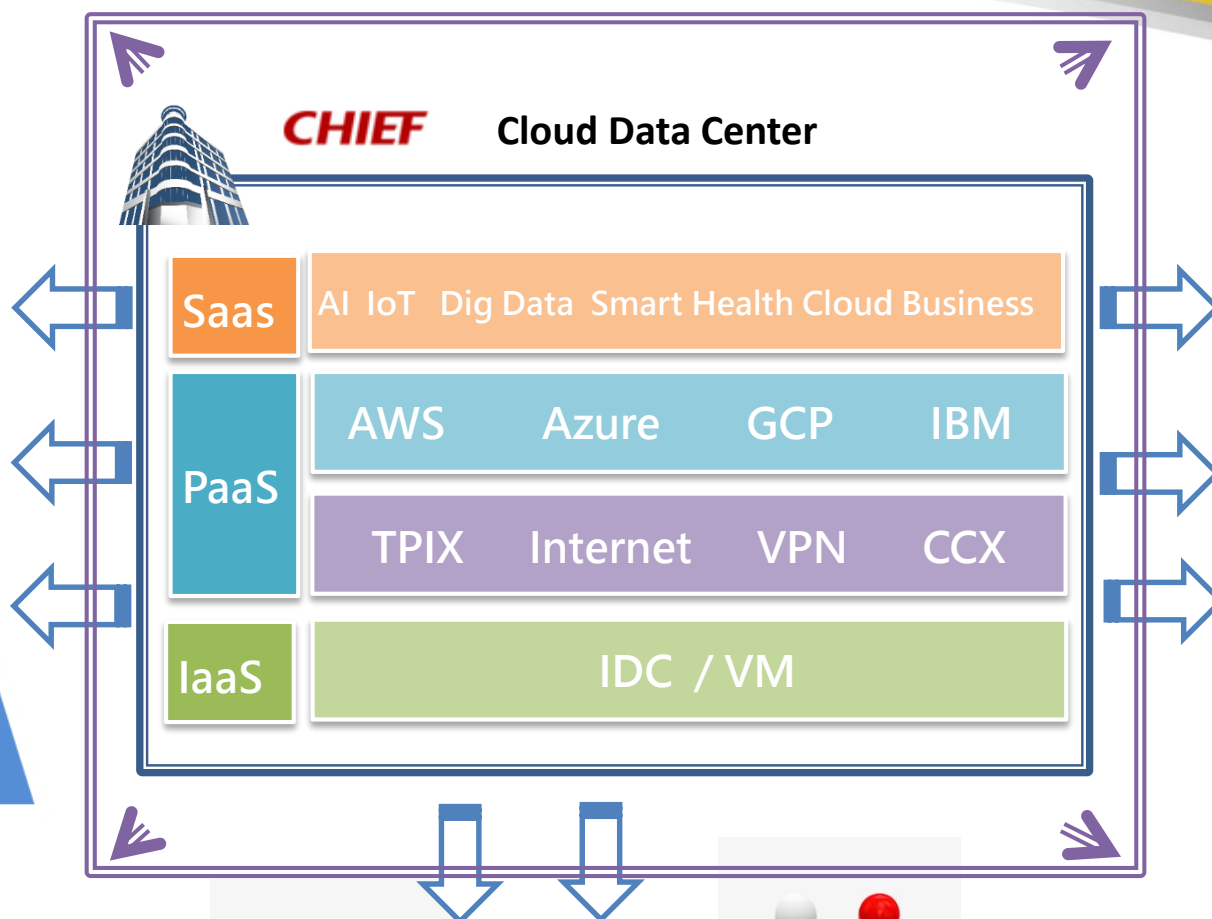
L. Enterprise

中型企業

M. Enterprise

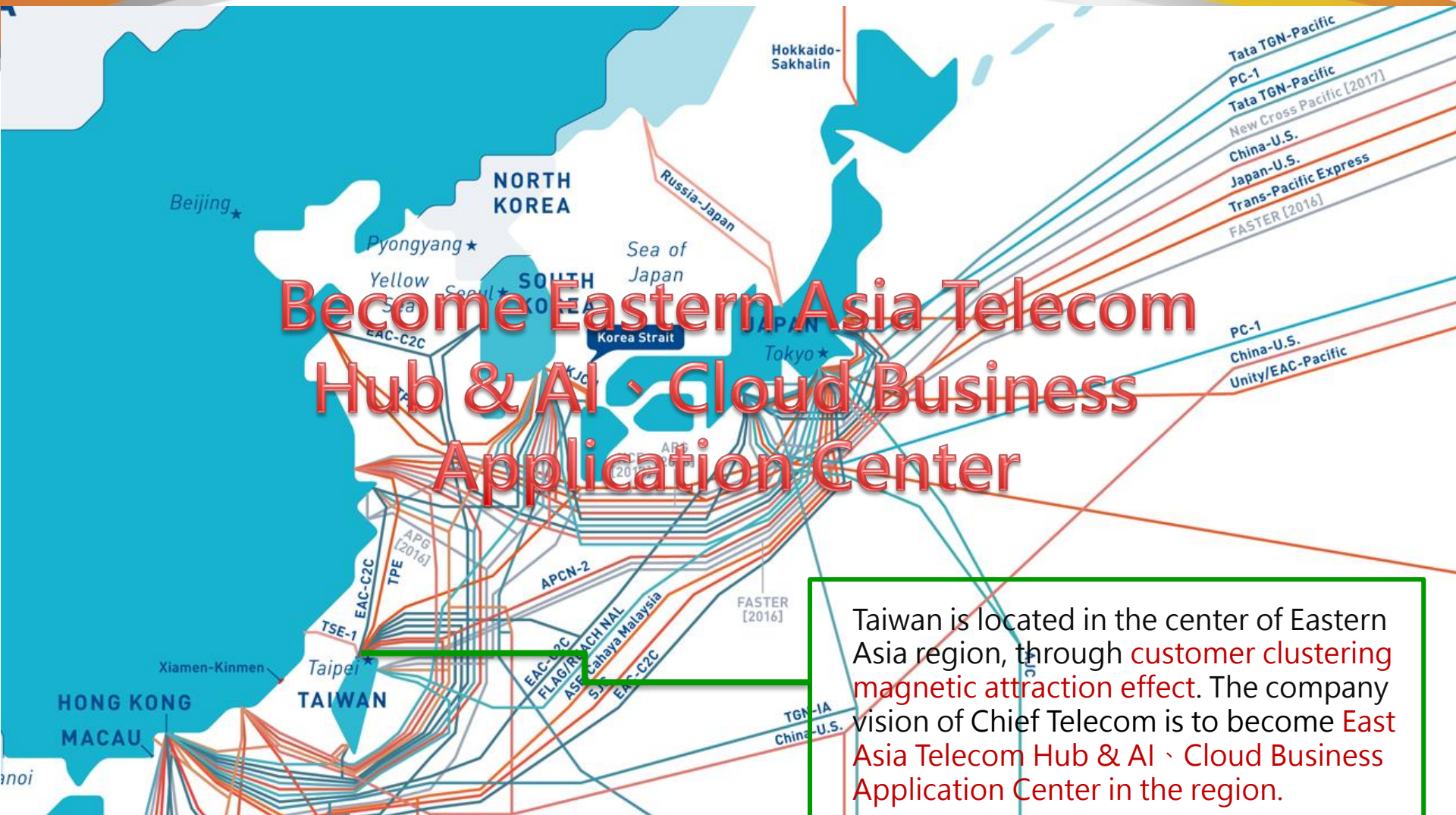
小、微型企業

S. Enterprise



Sales Channels

IX 、 Become East Asia Telecom Hub & AI 、 Cloud Business Application Center



Taiwan is located in the center of Eastern Asia region, through **customer clustering magnetic attraction effect**. The company vision of Chief Telecom is to become **East Asia Telecom Hub & AI 、 Cloud Business Application Center** in the region.



Thank You

<https://www.chief.com.tw>