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Chief Company Introduction

Stock Code：6561

May. 04, 2022
https://www.chief.com.tw

CHAPTER 1

Company Profile

1. Chief Profile

Founded Jan. 19, 1991

Capital NT$ 706,823,810

Major Products IDC Services
Cloud Services
Data Network Services
Voice Services
Exchange Services

Type II Telecom Operational License

General Type II：ISP、Internet
Special Type II：VPN 、 ISR 、 070 VoIP
International Bandwidth B&S

World-class IDC Buildings

LY、HD、TF Buildings：30,000 square meters

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2.Company History

1990 → 2021

1991
Founded

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

2004
Expand Taiwan n& China network services PoPs

2006
Acquired by CHT (over 70 % shares)

中華電信 關係企業
Chunghwa Telecom Group

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

2016
Apr. - Chief Subsidiary awarded ISP/VPN telecom license in Shanghai

2017
Jul. - Awarded government cloud services contracts
Dec. - First operator to award ISO27017, ISO27018 in for cloud services

2018
Feb. - Provide Microsoft Azure Express route in HK
Mar. - Provide AWS DX service in Taipei
Mar. - Work with IBM for Smart Health Cloud service
IPO at Taipei Exchange (TPEx) on June 5

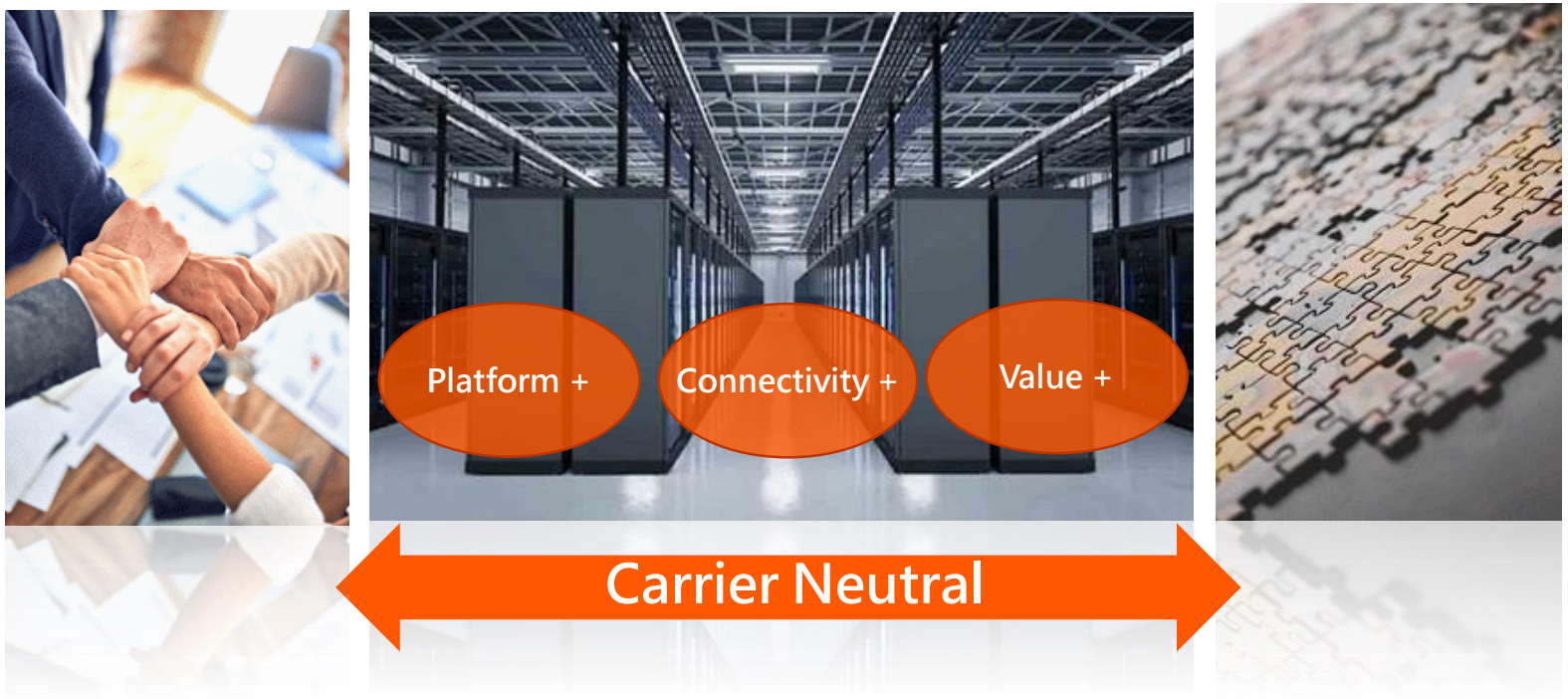
2019
Mar. - Localized GCP & Azure services
Apr. - Provided Ali cloud express in HK
Jun.- Upgrade TPE/HK backbone to 200G
Sep. - Provide IBM Cloud service
Sep. - Awarded IDC DCOS-4 Certificate
Oct. - TPIX included in national CIP

2020
Jan. - Newly added 20G network backbone to each of Japan and Singapore
Jul. - Provide Oracle cloud direct connect to Tokyo
Aug. -Promote Health Cloud service via CHTM Hami pass
Dec. -Upgrade international backbone to 600G

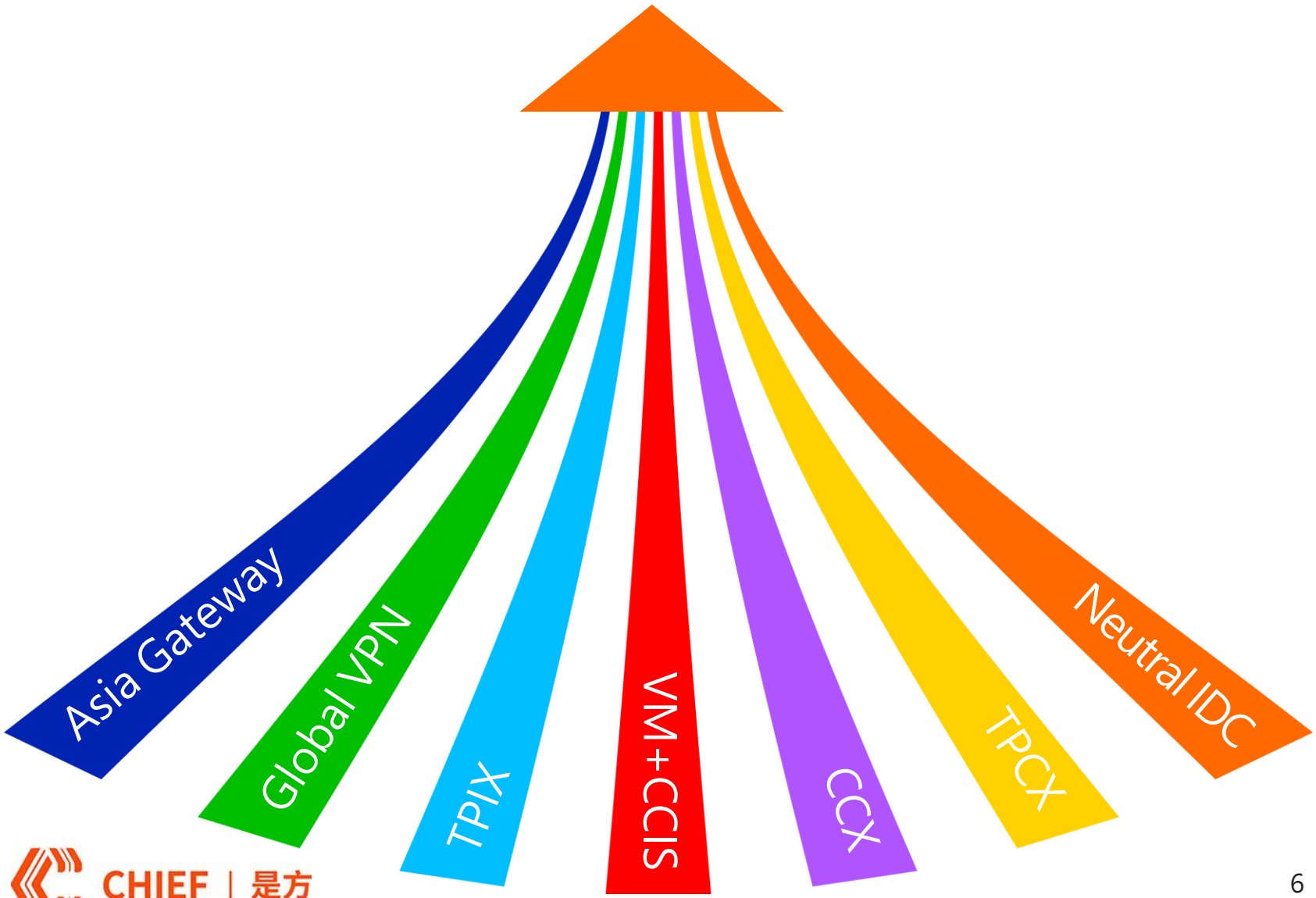
2021
Mar.- Sign partnership agreement with PLDT Global, open the door to telecommunications cooperation among the 10 ASEAN countries
Oct. -Update company CIS, LY2 new IDC building groundbreaking ceremony

3. Company Positioning

Specialization/ Sharing/ Collaboration/ Multi-winners



4. Platform+ (Service Convergence)



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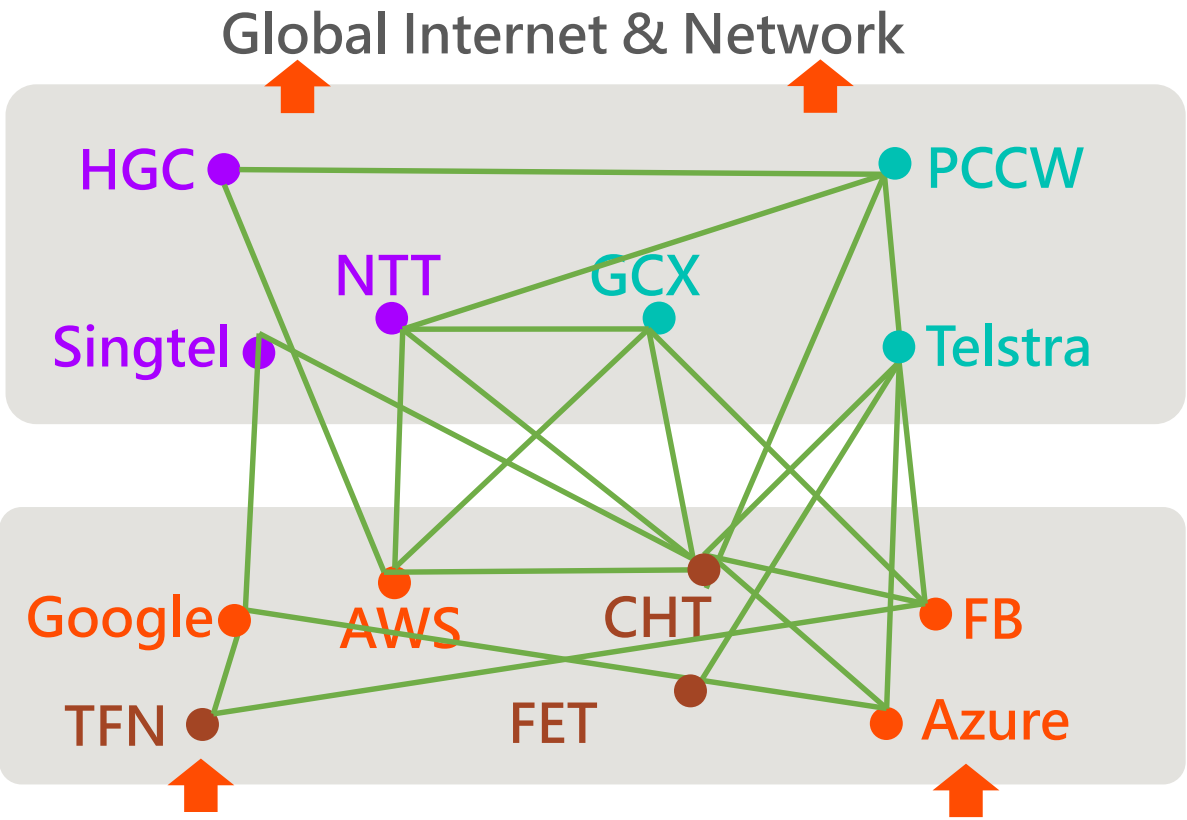
5. Connectivity+ (Tele Market)

Type I : Int’ l Carriers

Type II :
Submarine Operators

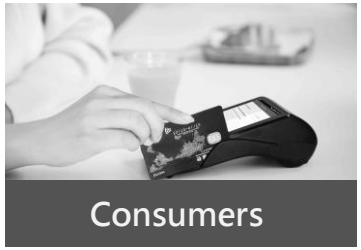
Type III:
Int’ l ICP & Cloud
Service Providers

Type IV:
Domestic
Carriers & ISP



Enterprise Customers

Domestic
Network


Consumers

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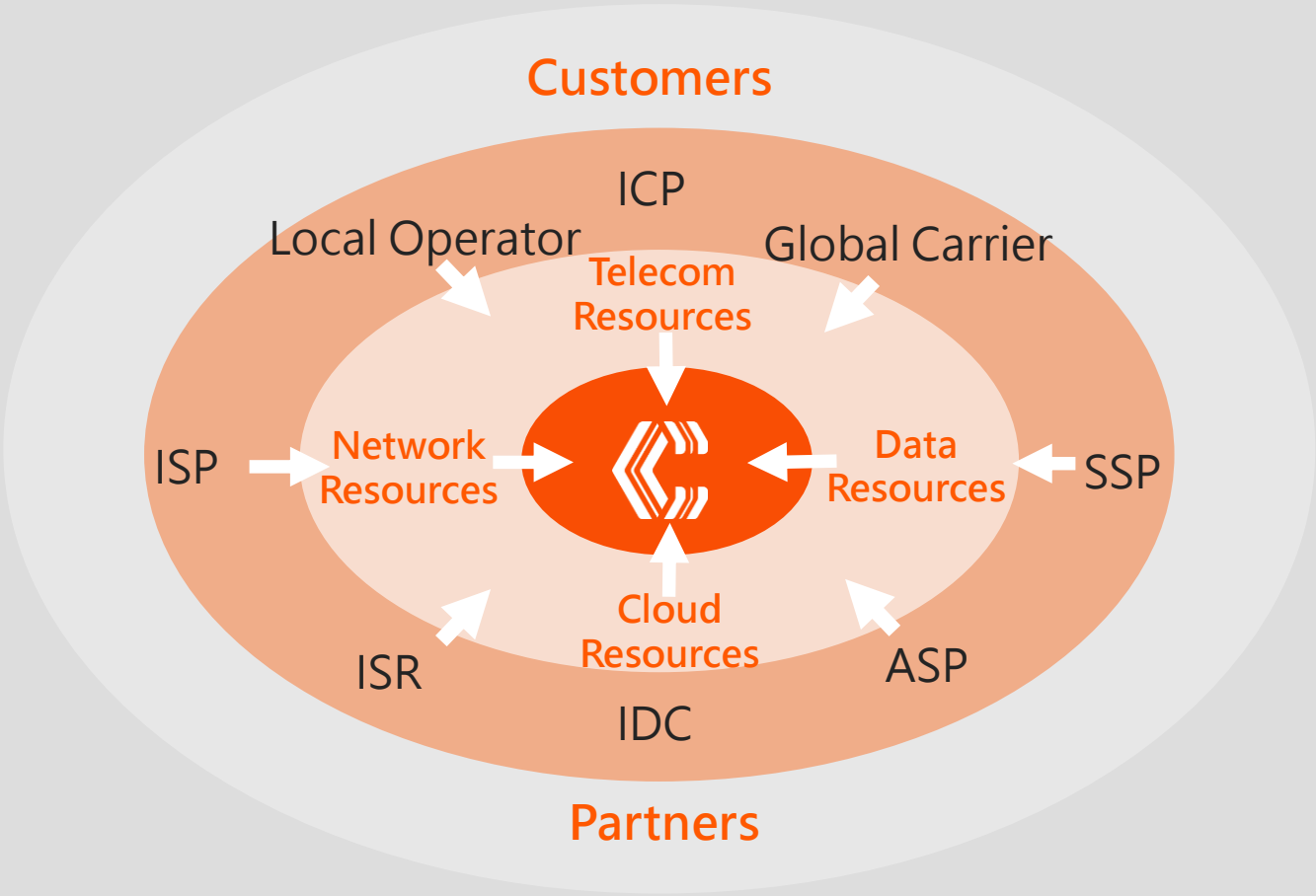
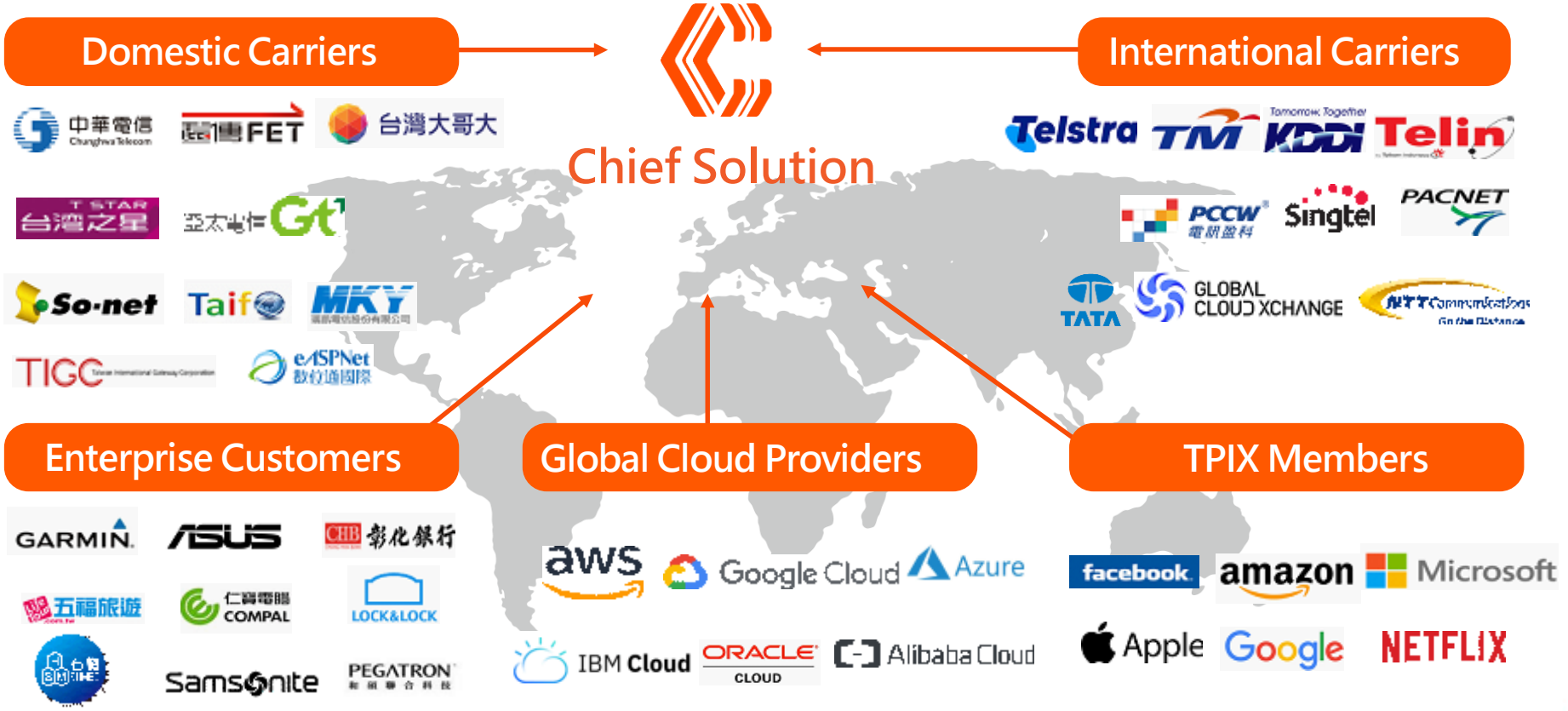
Chief and its customers’
services have strong linkages with daily life !

6. Value+ (Customer 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. With the business development model of platform economy and member economy co-prosperity and coexistence, combined with the tele-market and the cloud industry chain, it naturally **forms a customer clustering magnetic attraction effect**.

7. Major Customers



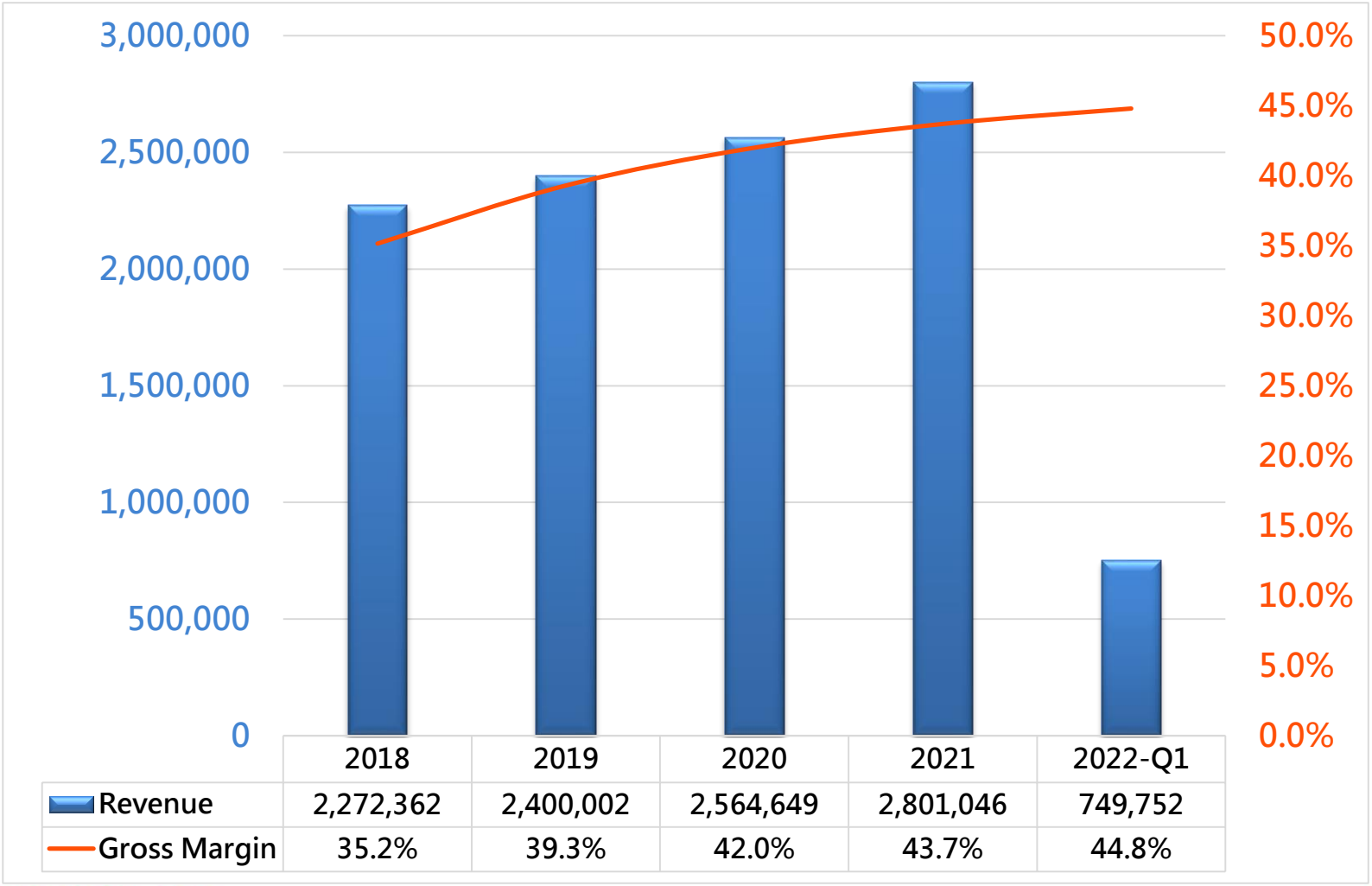
CHAPTER 2

Recent Years Finance Performance

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

1. Revenue & Gross Margin

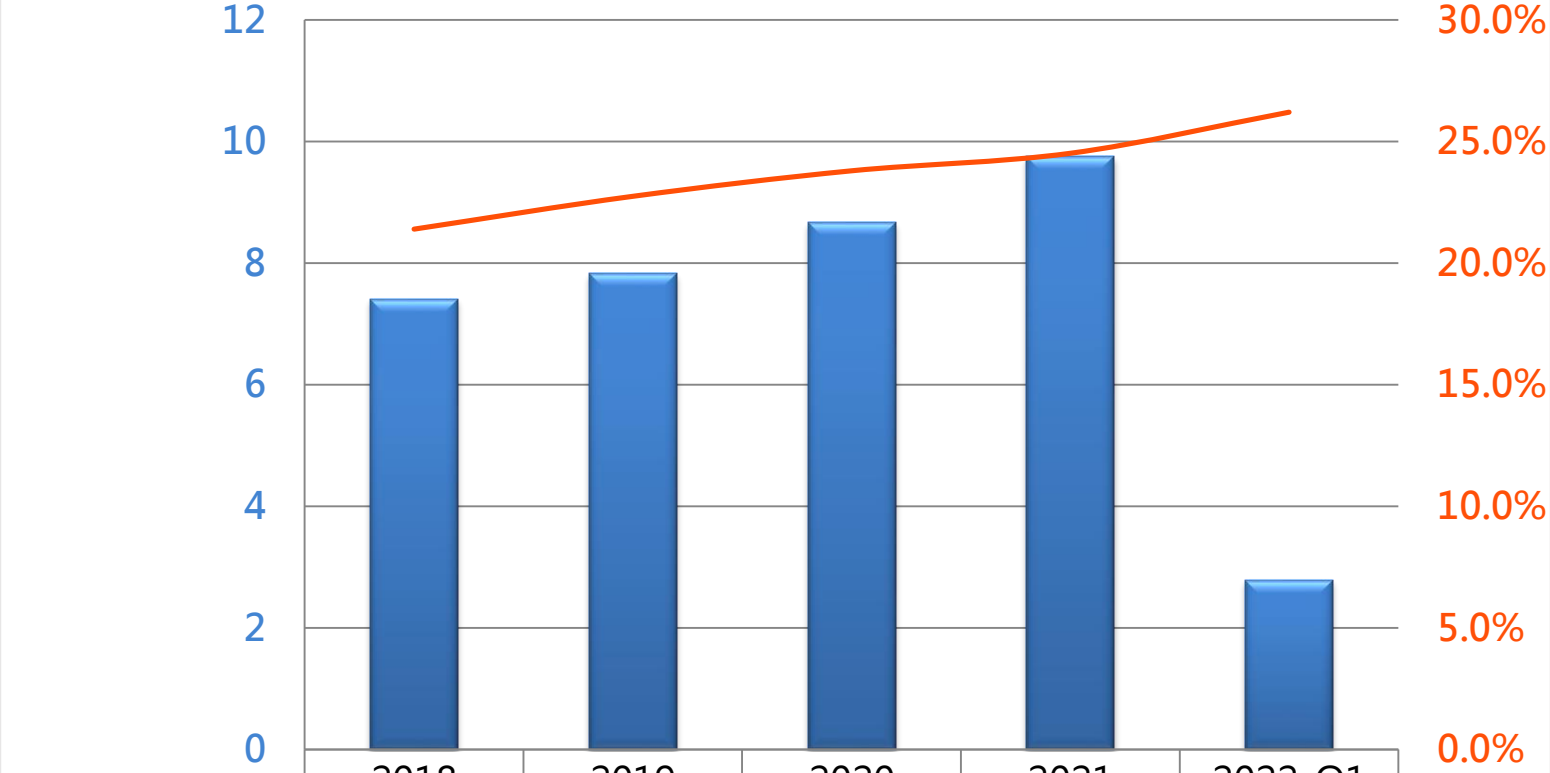
Unit: NT$K



	2018	2019	2020	2021	2022-Q1
Revenue	2,272,362	2,400,002	2,564,649	2,801,046	749,752
Gross Margin	35.2%	39.3%	42.0%	43.7%	44.8%

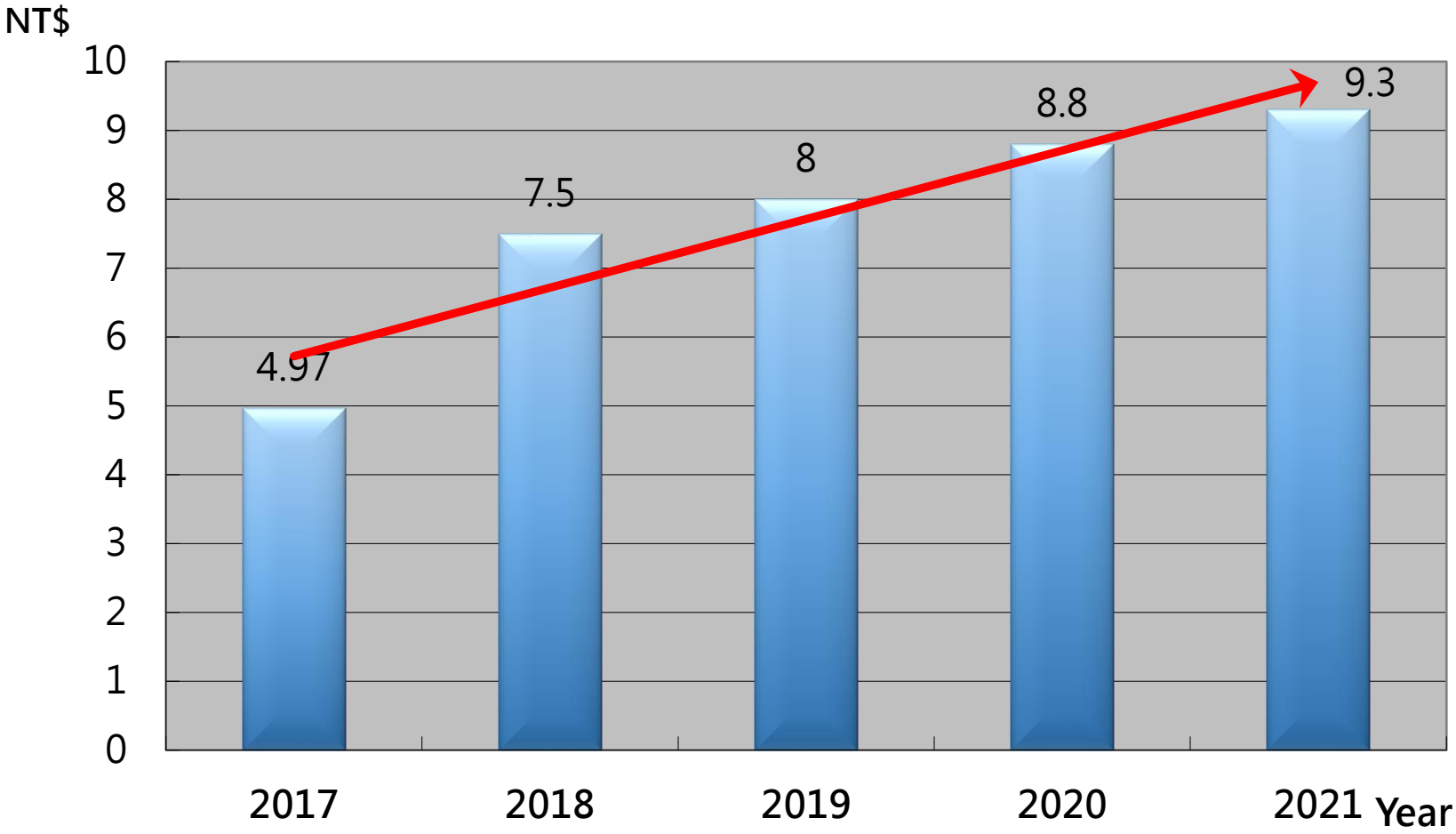
2. Net Margin & EPS

Unit: NT$



	2018	2019	2020	2021	2022-Q1
EPS	7.41	7.83	8.67	9.75	2.79
Net Margin	21.4%	22.75%	23.80%	24.52%	26.21%

3. Percentage of Cash Dividends



Note：Year 2021 with NT$9.3 cash dividend including NT$0.6 additional paid in capital

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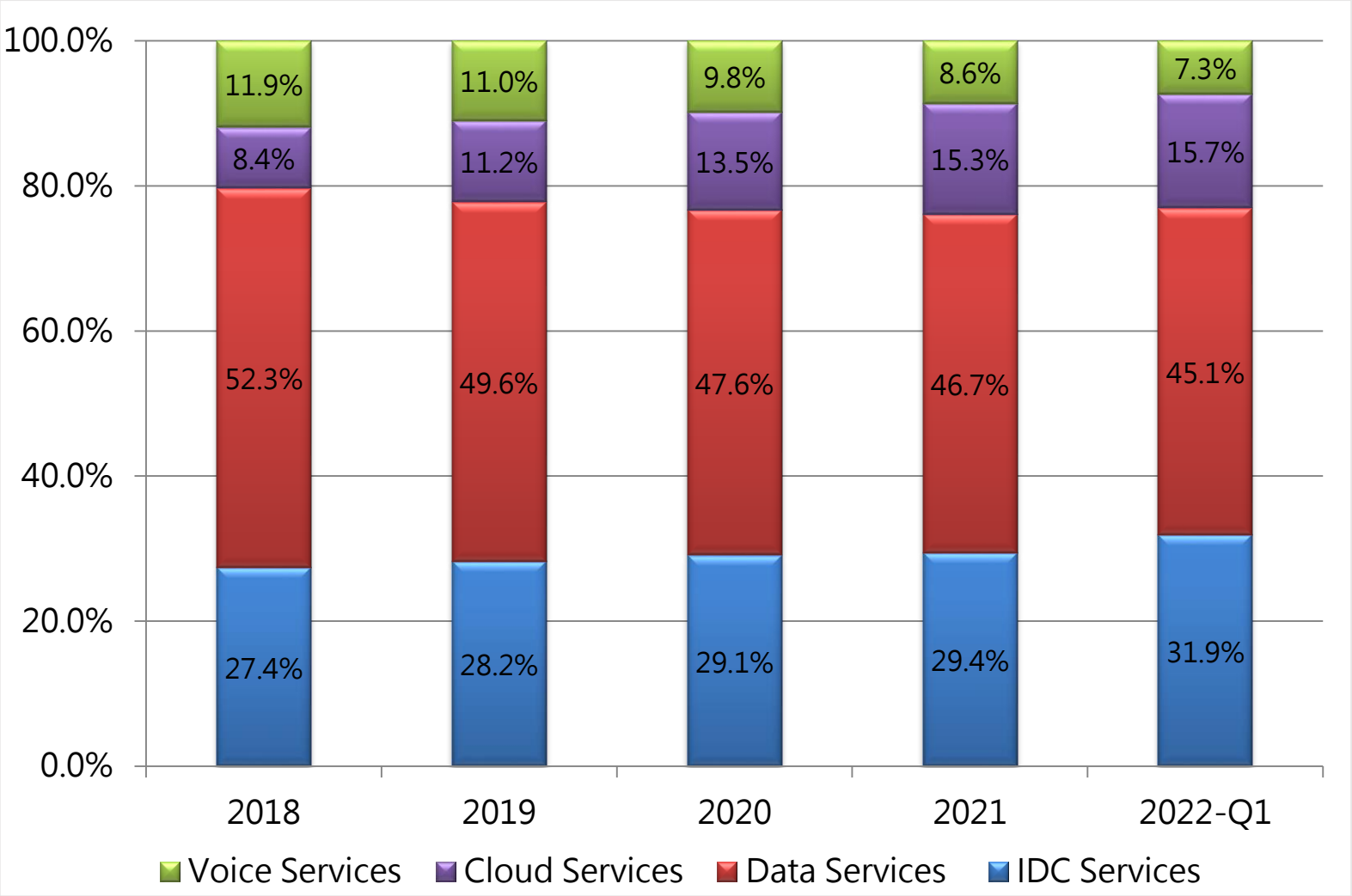
4. Product Revenue Percentage



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CHAPTER 3

Product Line Introduction

Product Line Introduction

Chief Company Introduction
https://youtu.be/GwYa4Bw9lnM

IDC Service | Data Service | Cloud Service | Exchange Center | Voice Service

ISO Information Security Quadruple Certification & DCOS-4 Certification

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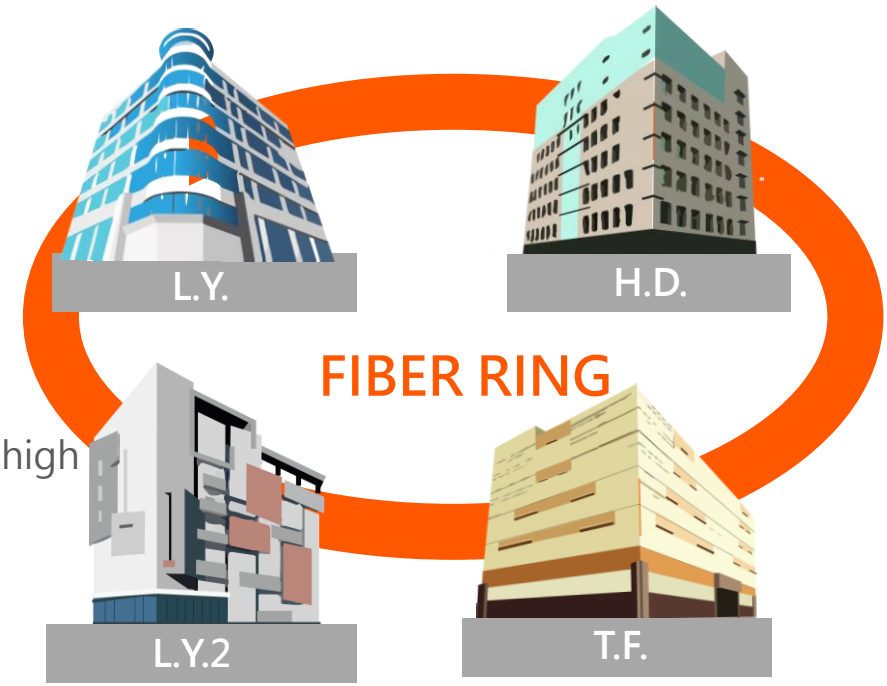
1. IDC Colocation Services – Carrier Neutral

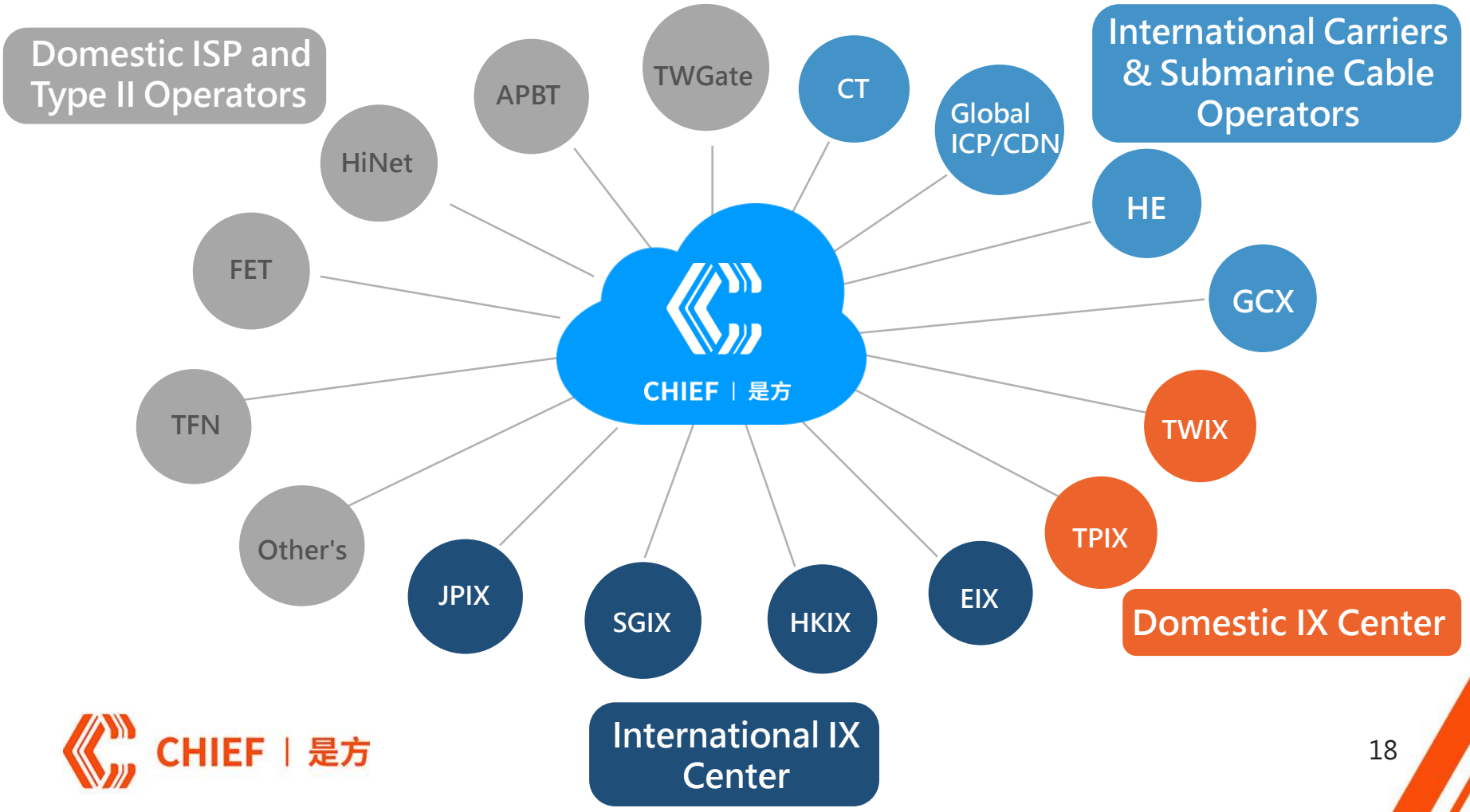
- **World-class carrier neutral IDC to provide high quality IDC services**
  - World-class IDC SLA
  - Customized design and deployment
  - 99.999% power system design
  - Dual-loop UPS system and cooling system
  - Fire detection and suppression system
  - 7X24hrs NMC
  - ISO & DCOS certified
- **Rich domestic/international network & internet resources – 1st choice of PoP site set up for vender**
  - Fiber ring around three 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 IDC service providers:**
  - Equinix, Coresite, Qts, Sakura, 21Vianet, Digital Realty, GDS



(Y2024 Q1)

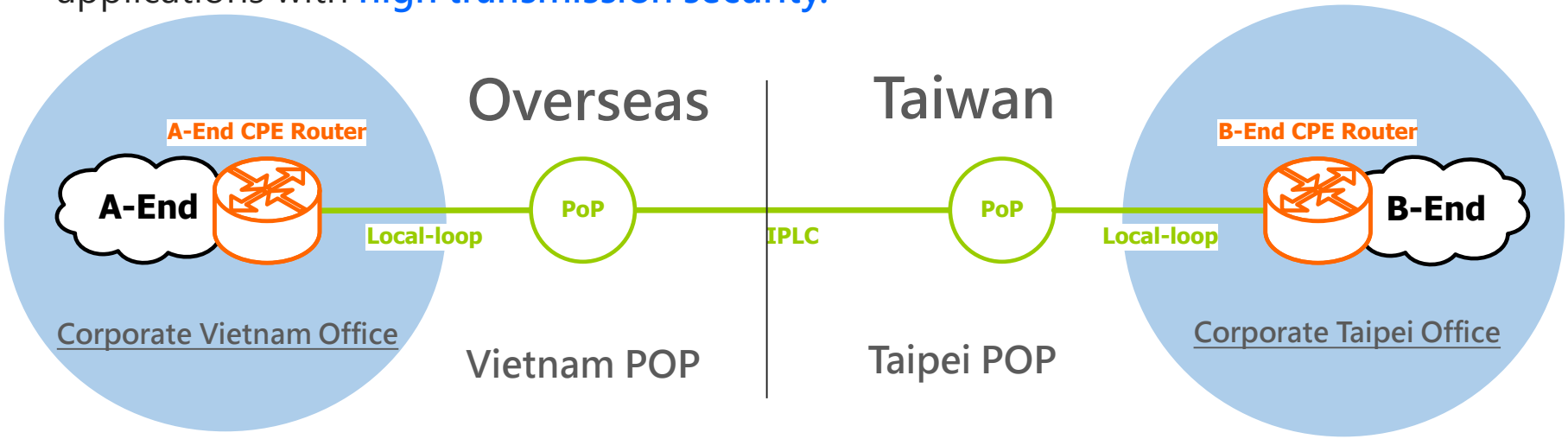
2.1 Data Service – Global Internet Services

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



2.2 Data Service_ IPLC

- IPLC can be used as an **end-to-end physical transmission path for important branches of multinational enterprises.**
- With stable and high-performance **dedicated fixed bandwidth services** to provide customers with various commercial applications of the actual transmission requirement.
- Suitable for applications with **high sensitivity of transmission delay** (video/voice), or applications with **high transmission security.**



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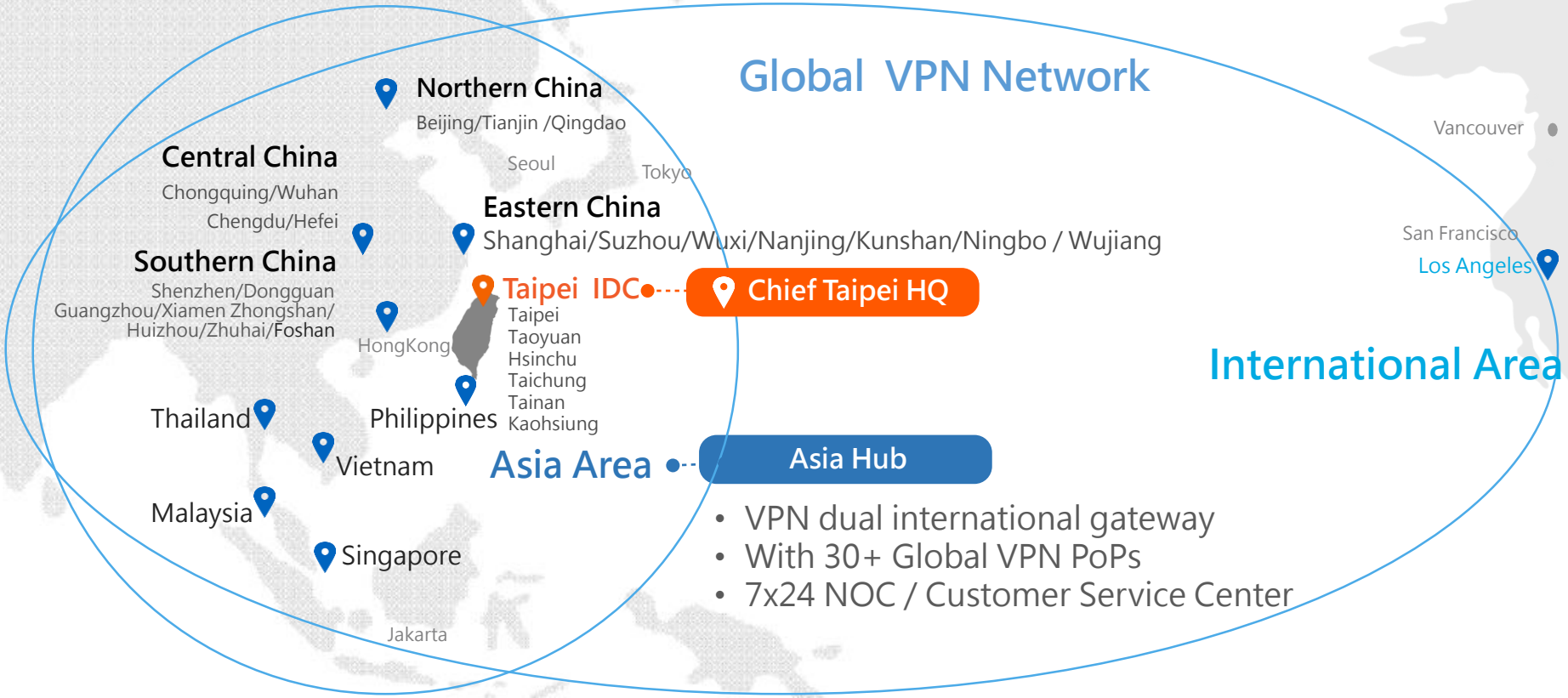
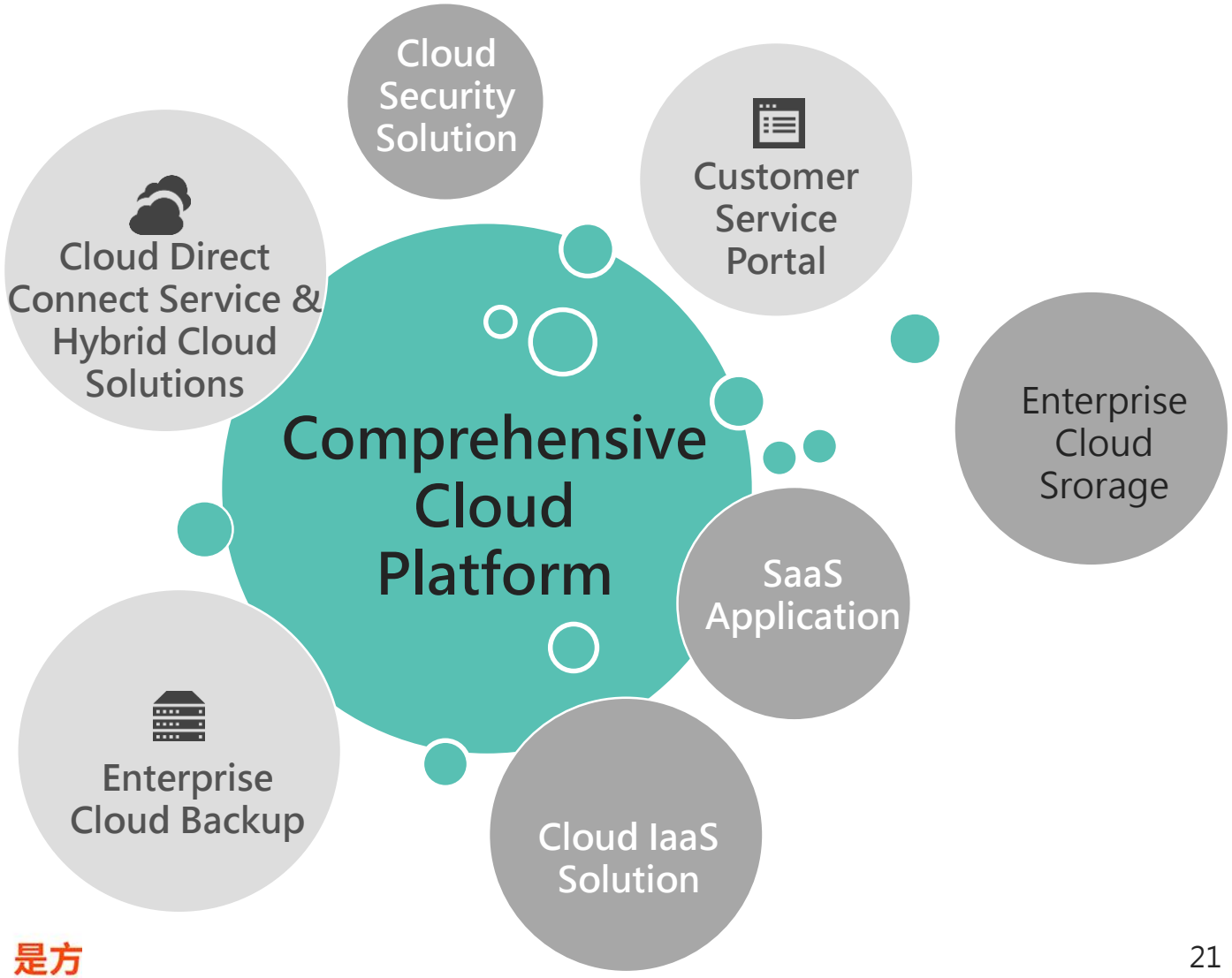
2.3 Global VPN (virtual private network) Service

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



3.1 Comprehensive Cloud Solutions



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3.2 Cloud IaaS Solution

PaaS Level

Integrate Oracle、Azure etc. external public cloud resources

SaaS Level

CHIEF APP CLOUD

Industrial Applications

- Enterprise Business Applications
- Big Data、EC
- IoT Applications
- VR/AR Computing Applications
- Digital Content Hosting, Cloud Multimedia Convergence

IaaS Level

- Cloud Computing VM
- Cloud Storage Data Sharing
- Cloud Security Detection &Defense
- Network Integration SLB
- Customer Self-management Service

Cloud Application Service Deployment System

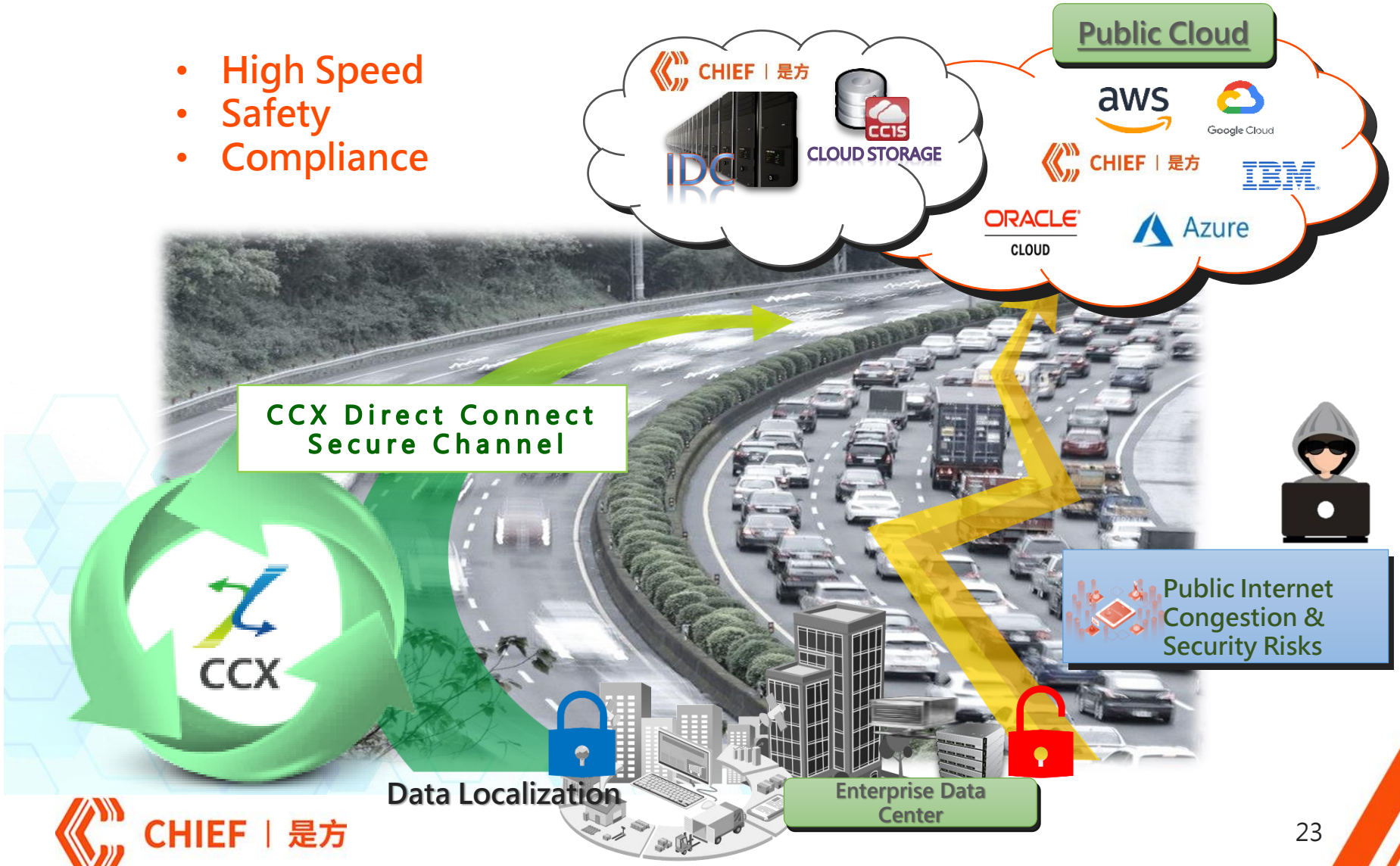
Cloud Resource and Service Management System

Cloud OS | System Platform Software | Cloud Storage System

- Cloud data are stored in country and meet the requirements of information security and auditing (cloud data landing principle)
- Passed ISO27017/27018 cloud information security and public cloud personal information protection international certification

3.3 Cloud Direct Connect – Multi Cloud、Hybrid Cloud Solutions

- High Speed
- Safety
- Compliance



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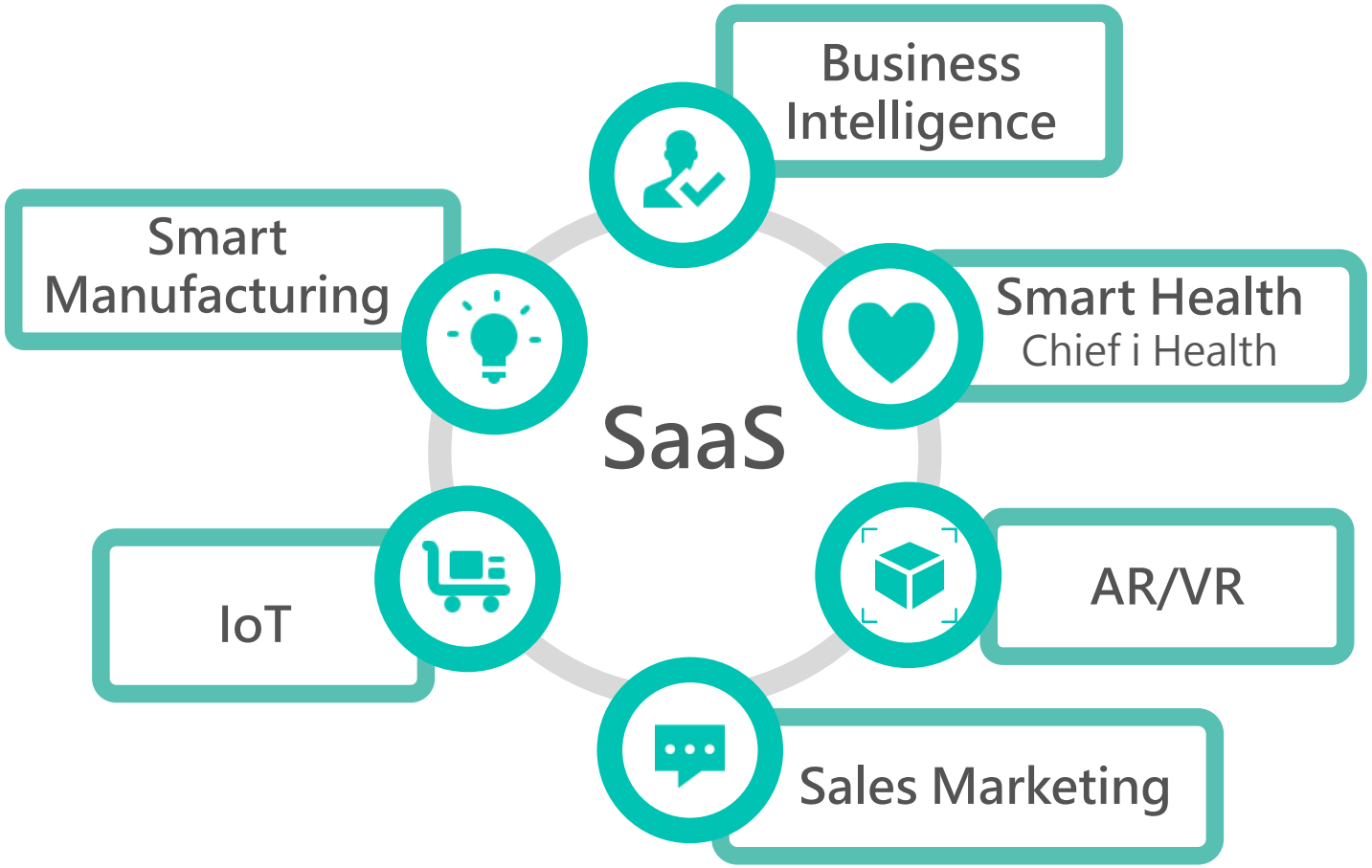
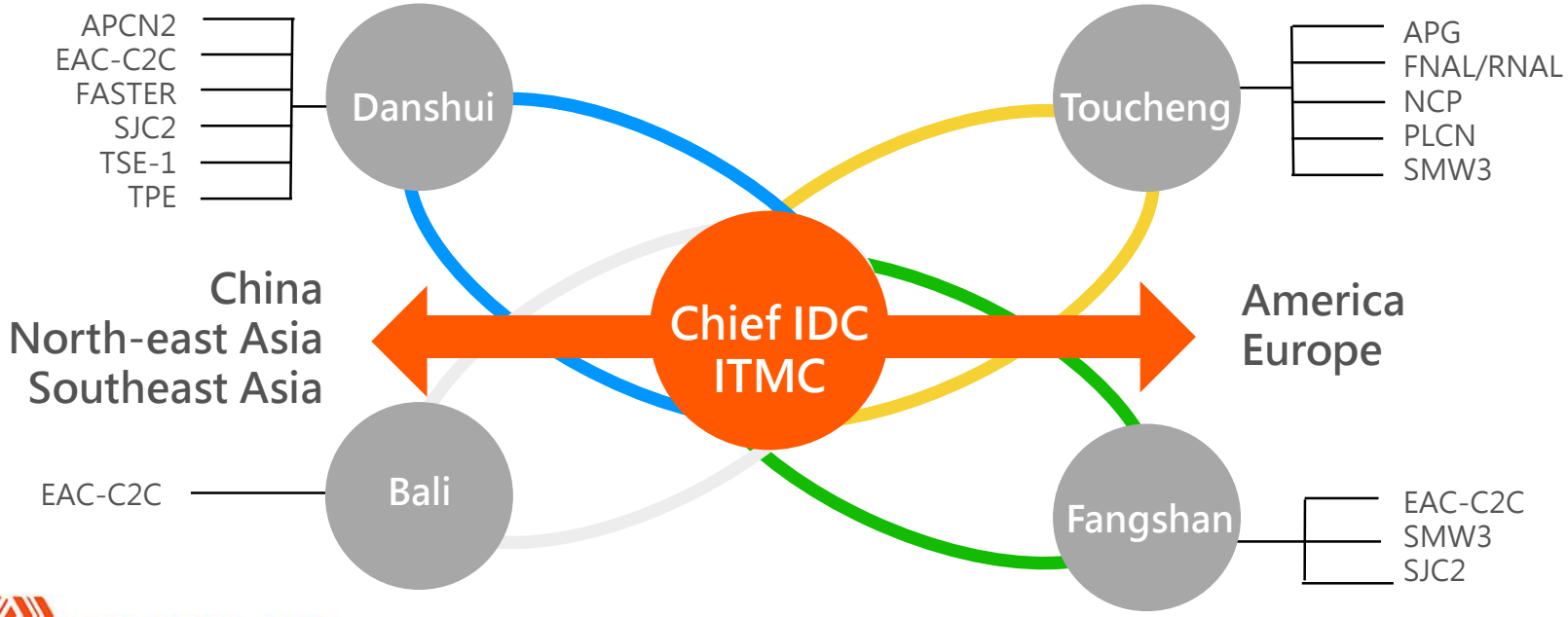
3.4 Cloud SaaS



4 .1 Taipei Cable Exchange Center (TPCX)

- 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.



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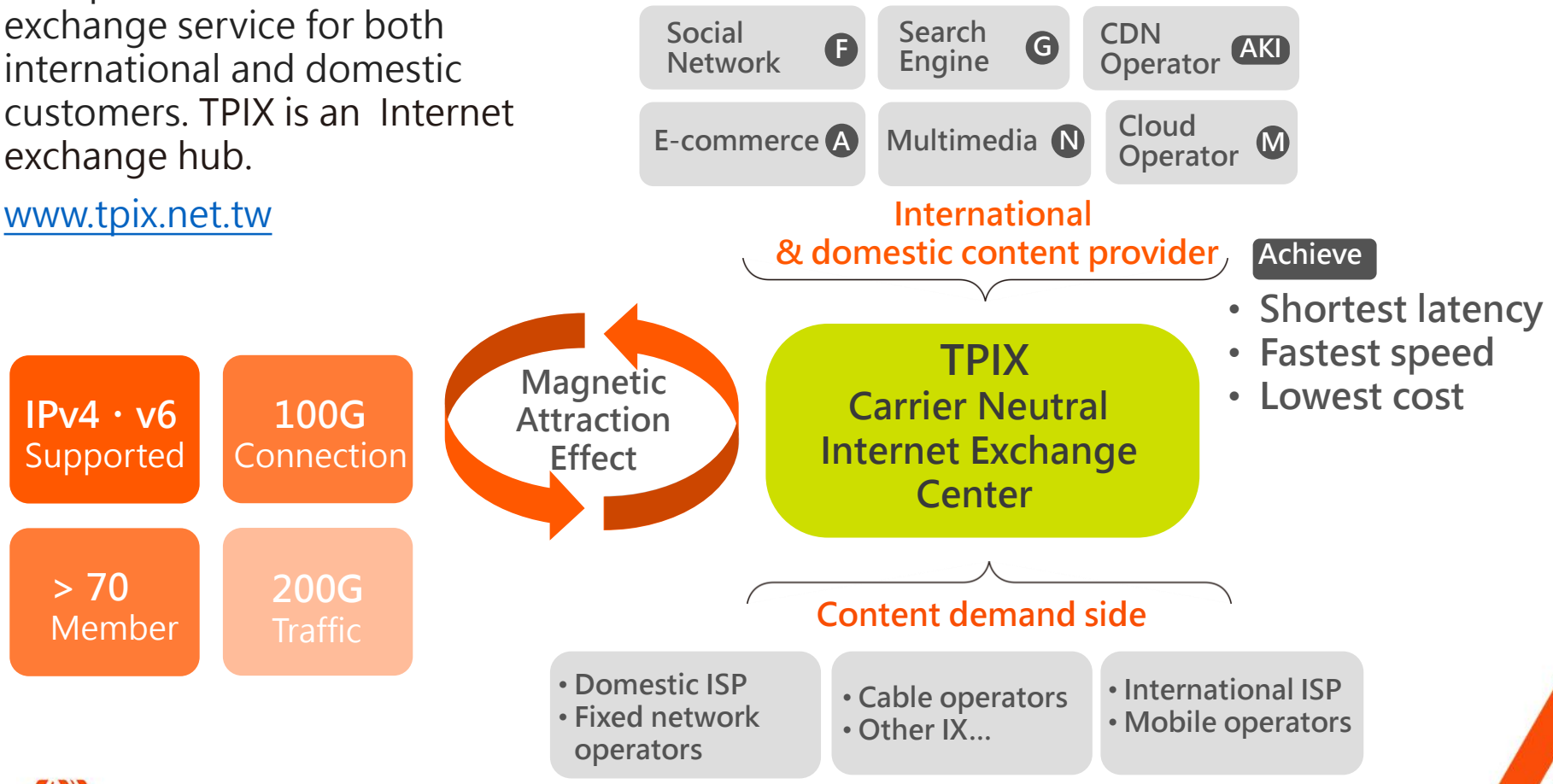
4.2 Taipei Internet Exchange Center (TPIX)

TPIX provides internet traffic exchange service for both international and domestic customers. TPIX is an Internet exchange hub.

www.tpix.net.tw



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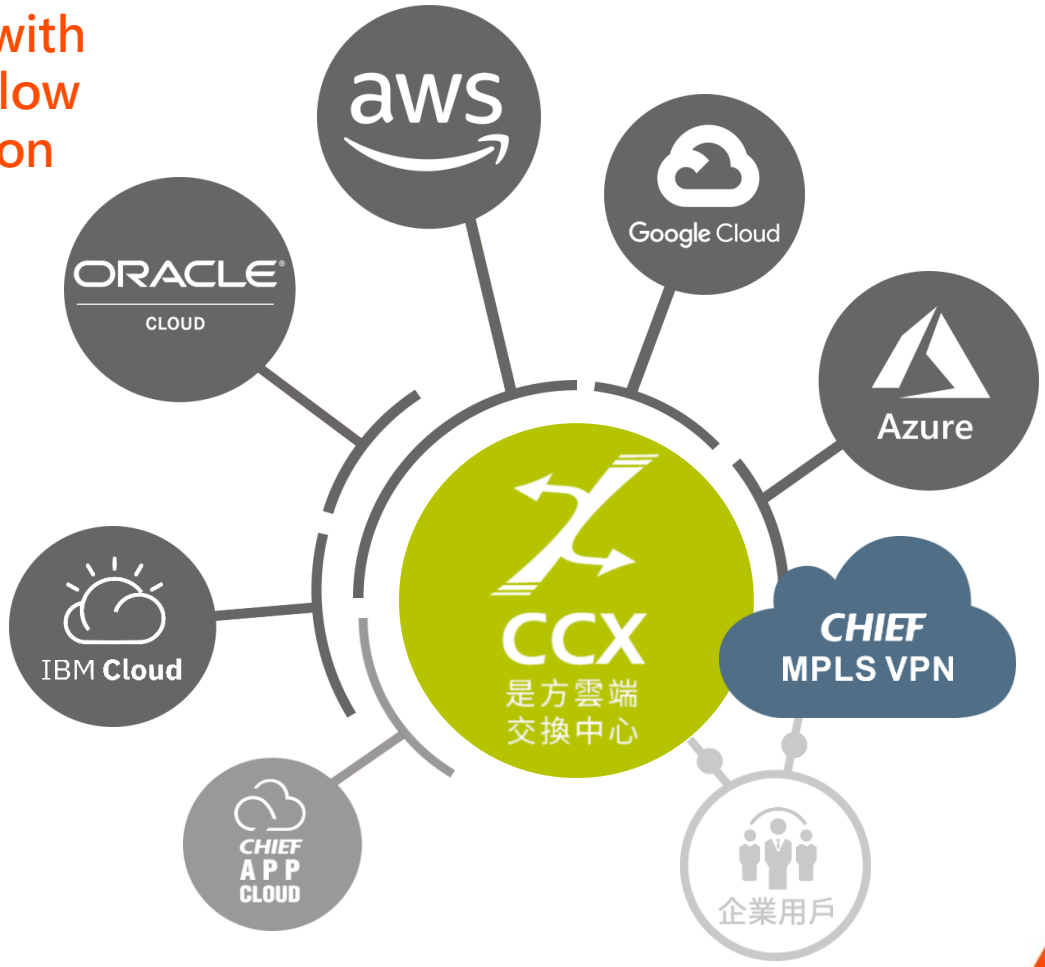
4.3 Chief Cloud Exchange (CCX)

CCX provides direct connect to global cloud service platform with high security, high speed, and low latency of the private connection quality.

- Transnational、multi-cloud、hybrid-cloud high speed direct connect.
- Service POPs include Taipei 、Hong Kong 、Japan 、and Singapore.
- Direct connect to global 5 major cloud platforms. The most complete multi-cloud exchange platform (AWS、Azure、GCP、IBM、ORACLE).



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5. 070 Cloud PBX UC Services

070 VoIP: 1st choice for Cloud PBX Service

Cross-Operator/Network/Platform/Device

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

Cloud IP-Centrex

Provide IP-Centrex services

Management Center

Customer web portal to manage voice services and check CDR

Business Applications

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

System Integration

Work with service providers to provider integrated solutions, such as Microsoft Teams, car parking management services, etc.

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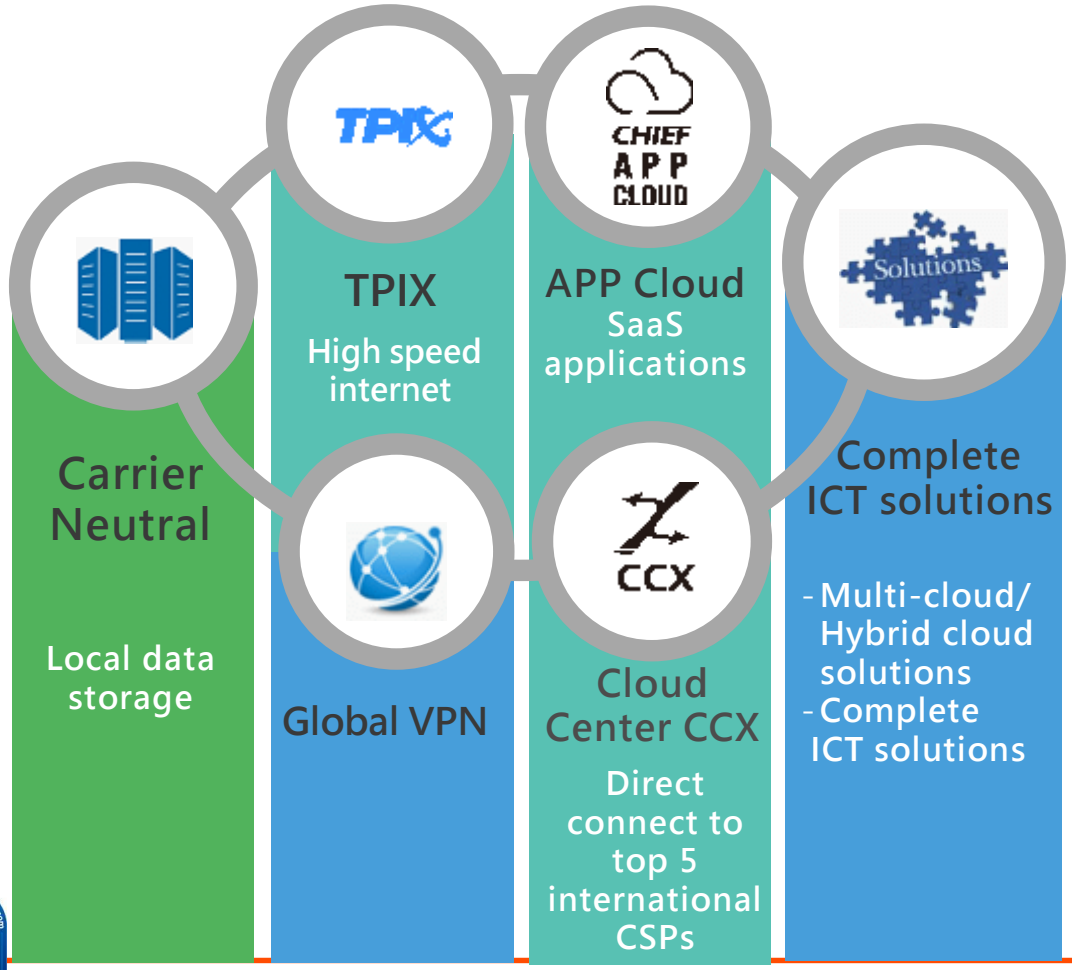
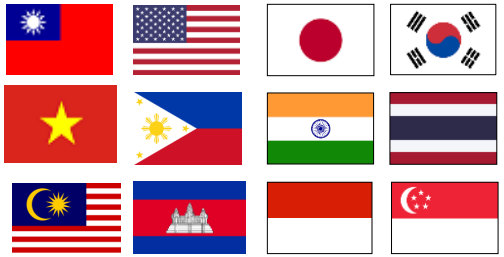
6. Four Product Lines to Drive Growth Curve





Vertically Enrich Product Lines, Horizontally Multi-Platform, and Cross-border Strategic Layout

Direct connect to top 5 international CSPs:
Google · AWS · Azure · Oracle · IBM

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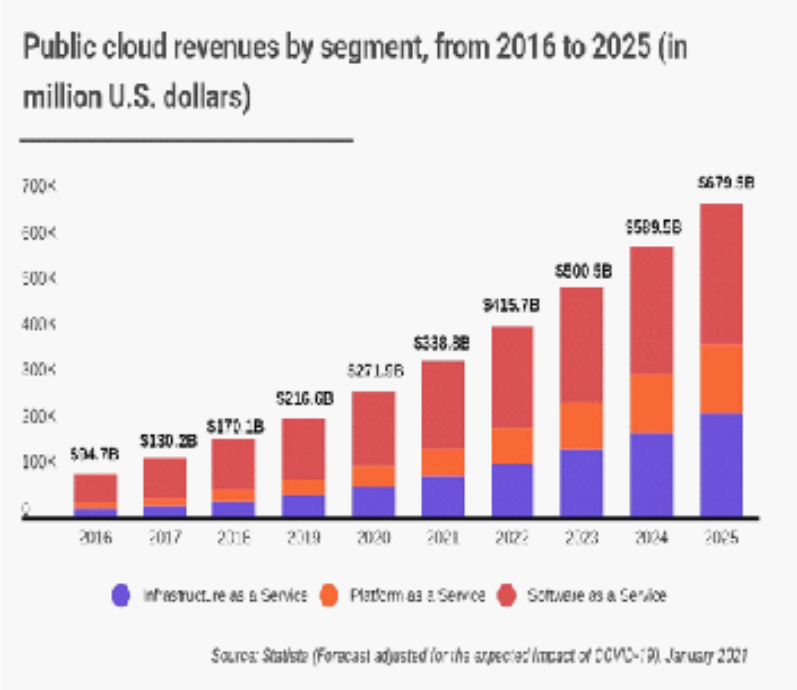
CHAPTER 4

Industry Trend & Future Business Focus

- Industry Trend
- Future Business Focus

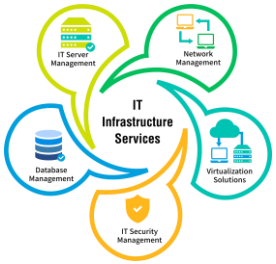
1.1 Global Cloud Service and IDC Service Market Trend



Note 1: Amazon(32%)/Microsoft(18)/Google(6)/IBM(5)/Alibaba top 5 CSPs account for 2/3 public cloud market.
2020~2025 CAGR 20% for global cloud market in 2020~2025.

Note 2: CAGR 11% for global IDC market in 2020~2028.

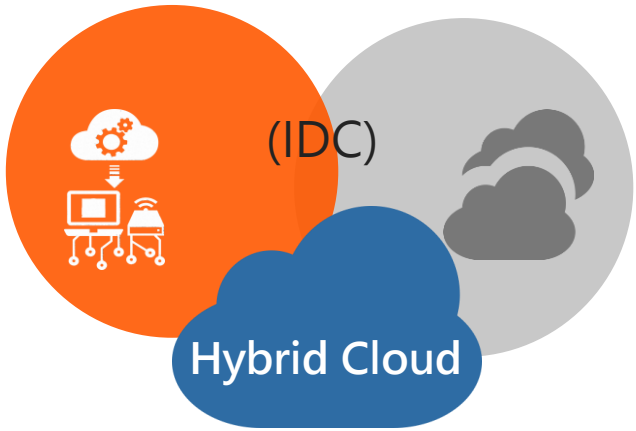
1.2 Cloud、AI 、VR/AR Industry Trend



IT Infrastructure

Digital Transformation

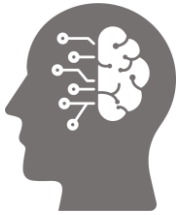
Edge Computing Multi_Cloud



Big Data

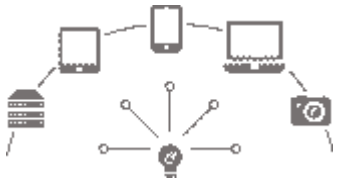
Machine learning, Modeling, Tagging

AI



Smart Device

Internet of Things



VR/AR

Popularization of 5G (speed is more than 10 times faster than 4G)
Optical fiber high-speed access is getting more popular

2.1 Future Business Focus

- Investing in building the fourth IDC
- Building island-wide high-speed broadband network
- Expanding Submarine Cable Backbone
- Cultivating the partnership with network service providers in East Asia
- Partnering over 10 countries in East Asia
- Extending CCX functions
- Promoting smart health cloud services
- Enriching Chief App Cloud

2.2 L.Y.2 IDC- Digital Convergence Center Connectivity Hub

2024 Q1 Commercial Service

16,500 sqm Floor Area

20 MW Power Capacity

LRB Seismic Isolation Design (A series magnitude 7.0 earthquakes)

Floor Loading 2,000 kg/m^2

Green/Smart Building Design

2.3 Attract Global Service Providers to Set up Regional Data Service Center

Azure

Google Cloud

aws

ORACLE CLOUD

IBM Cloud

Apple

facebook

NETFLIX

Google & Microsoft already Set up Regional Data Centers in Taiwan

Attract Global Service Providers to Set up Regional Data Service Centers at L.Y.2

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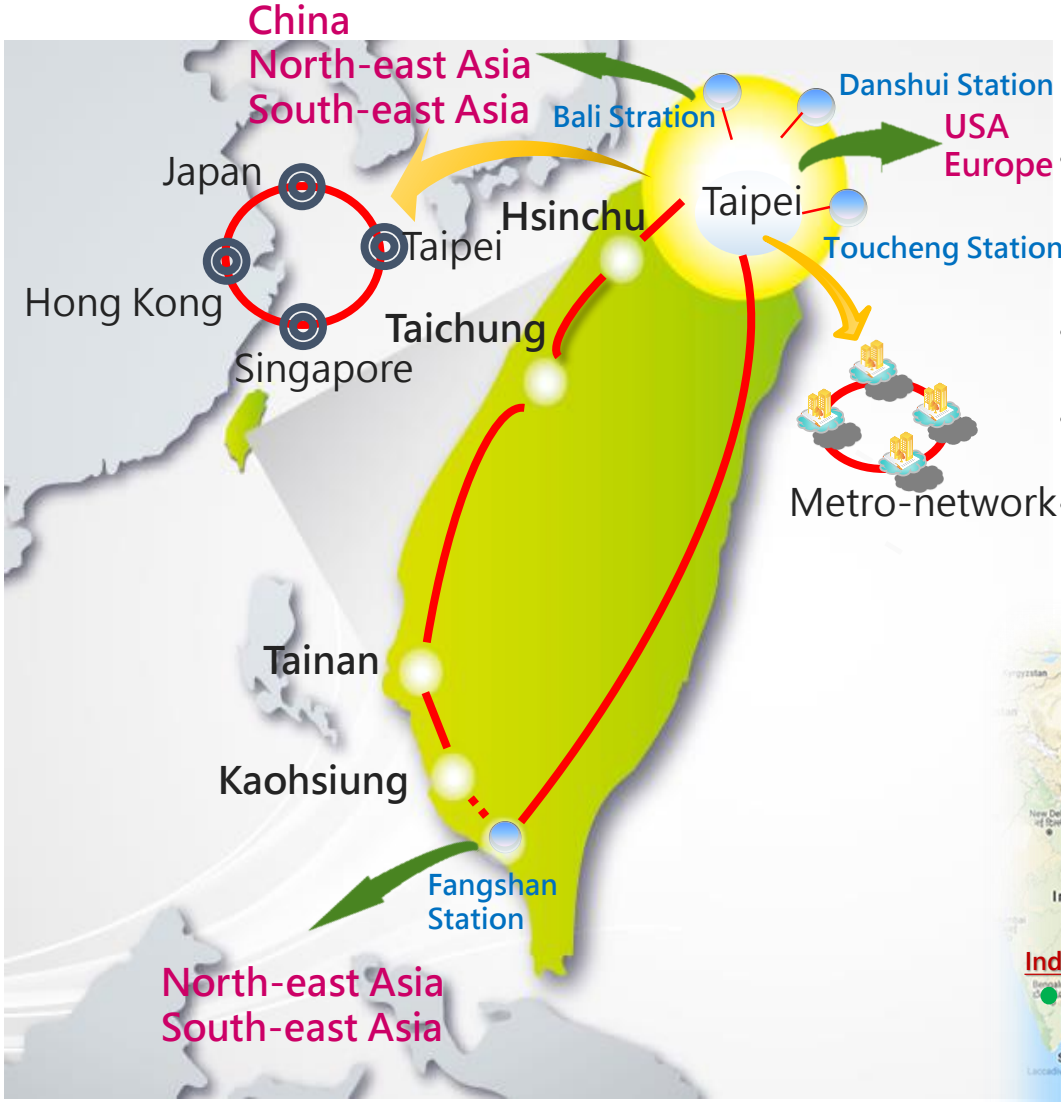
2.4 Three Rings Three Lines



Sufficient Domestic and Foreign Fiber Optic Cable Resources

- Optical fiber connecting 4 IDC buildings to support ultra speed bandwidth.
- Optical fiber connecting domestic 6 major cities to support ultra speed bandwidth.
- Ultra speed bandwidth to connect to Tokyo, Hong Kong and Singapore.
- Major fixed network operator all set up service PoPs at Chief IDC.
- Main ITMC: Taiwan's consortium and private cables Telecom building, which can directly connect to various submarine cable stations, connecting the USA, Europe, East Asia and China.

2.5 Expand International Backbone and Cooperate with East Asia Countries Operators

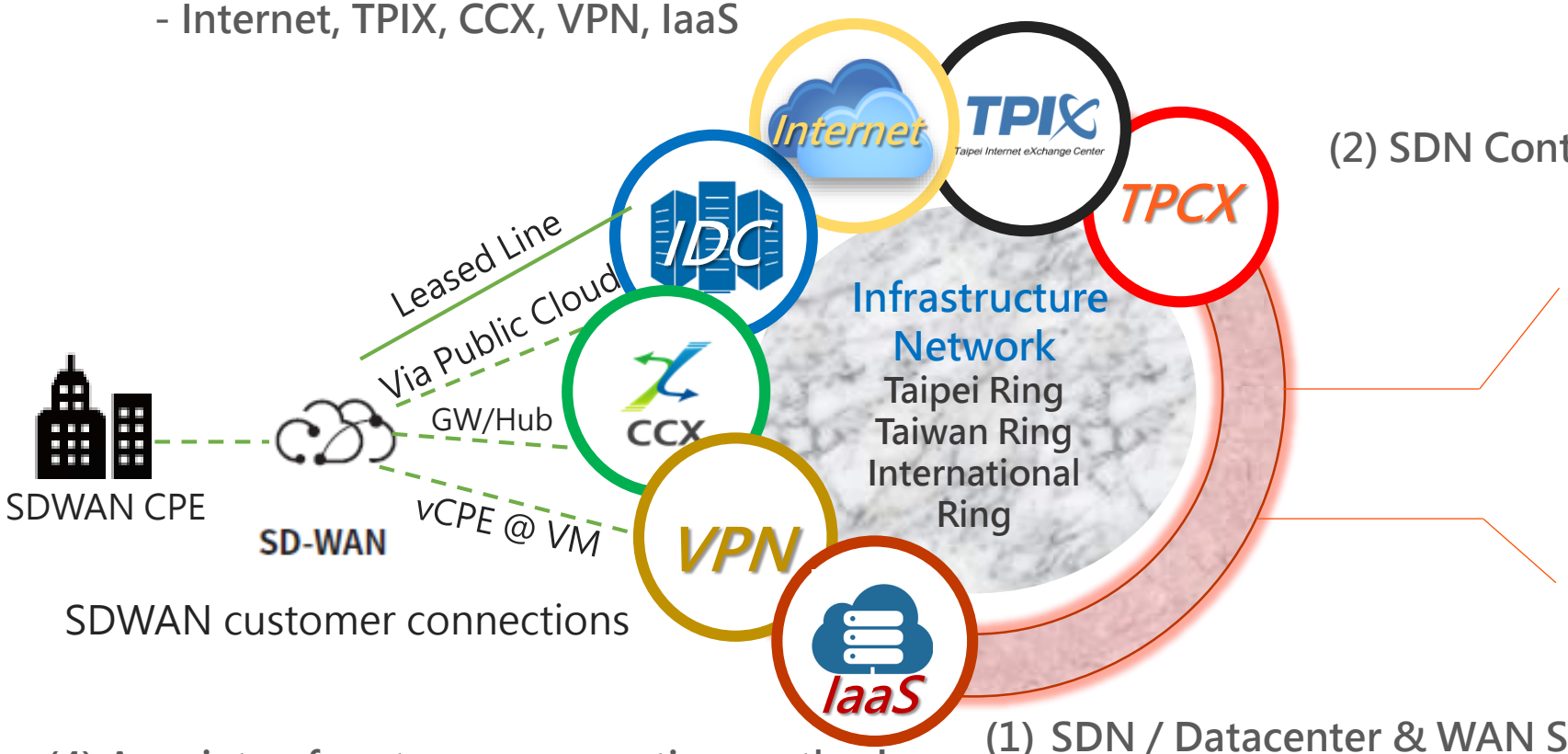
1st

- The 1st carrier neutral IDC in Taiwan
- The 1st IXP (TPIX) in Taiwan
- The 1st cloud exchange gateway in Taiwan
- The major submarine cable gateway in Taiwan

10+	11+	30+	600G+
Submarine Cable Connected	Countries Serviced	Global network Pops	Int' l backbone Capacity

2.6 CIX_Next Generation SDN Network Architecture

(3) Connect Chief Services or Partners' services
- Internet, TPIX, CCX, VPN, IaaS



(2) SDN Controller

SDWAN customer connections

(1) SDN / Datacenter & WAN Solution

(4) A variety of customer connection methods
- Leased Line、SDWAN、VPN、Internet.....

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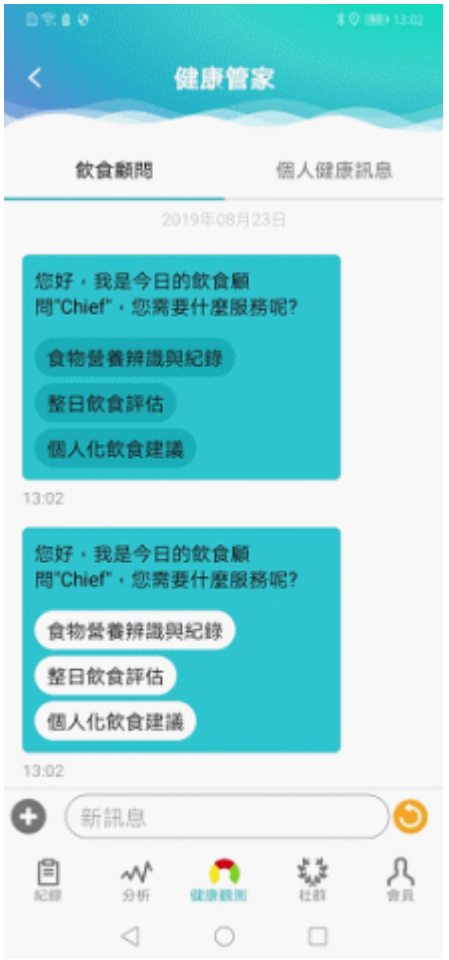
2.7 Smart Health Service - Chief i Health App



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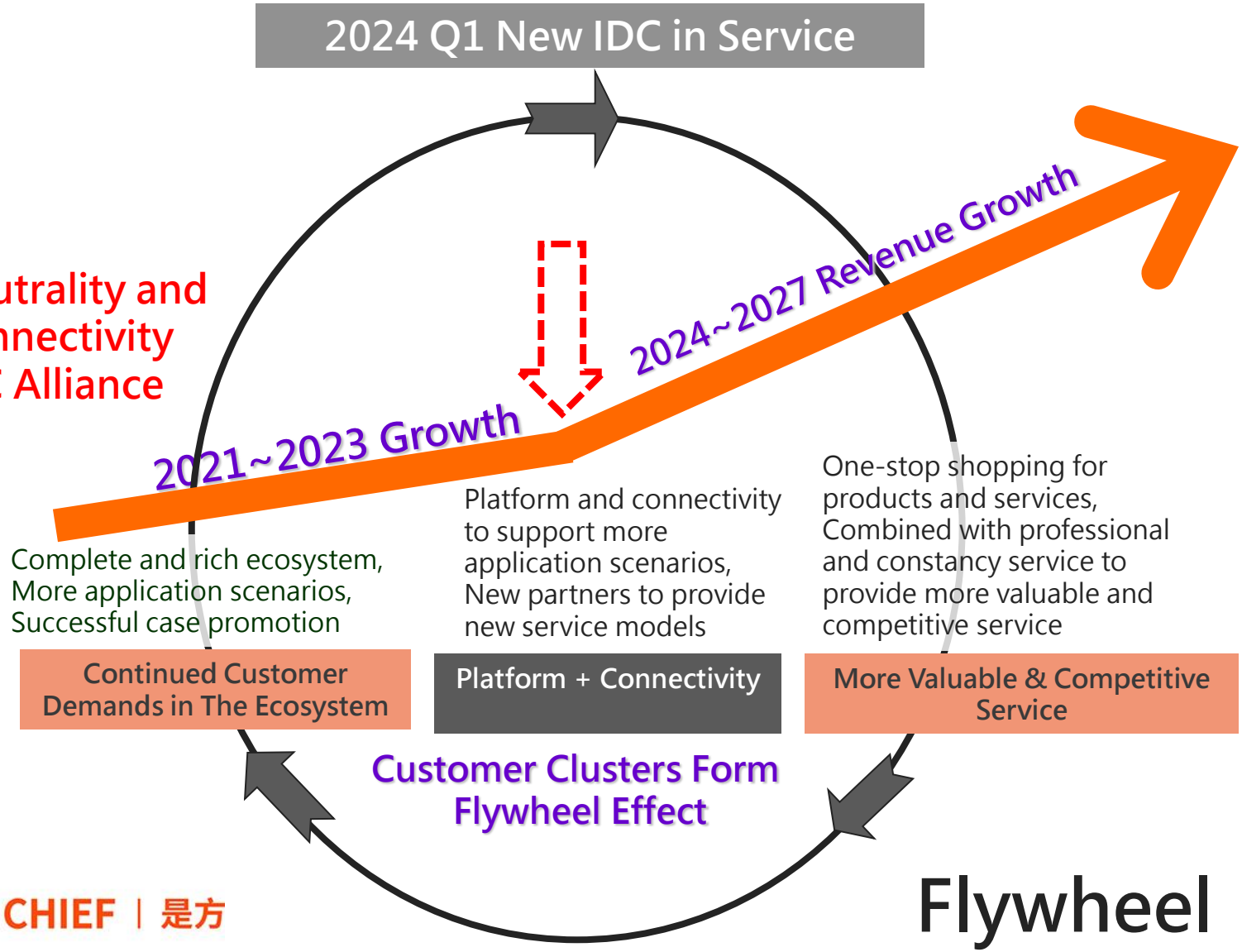
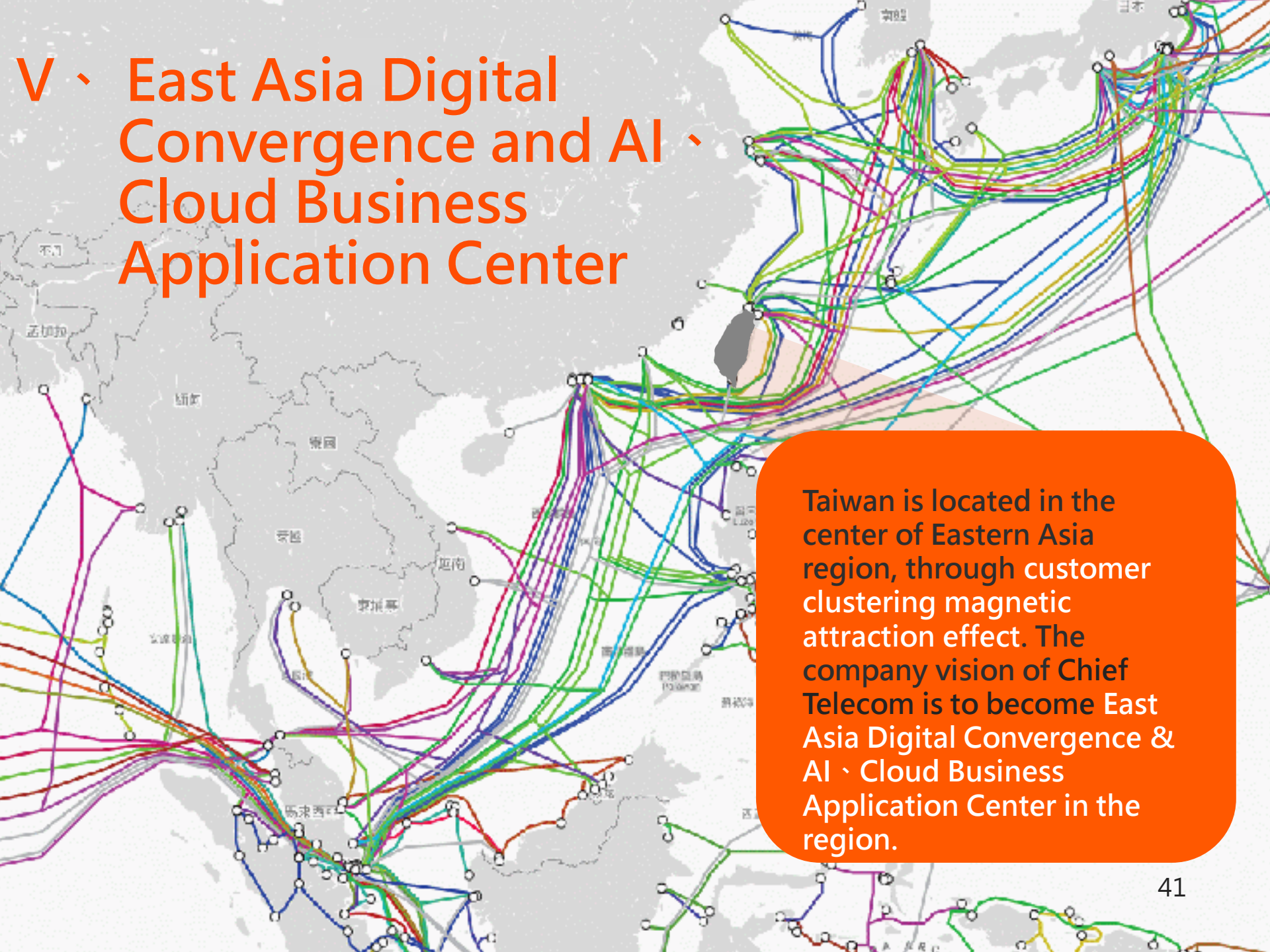
2.8 Chief Telecom Flywheel

- Neutrality and Connectivity
- IDC Alliance



Flywheel

V、East Asia Digital Convergence and 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 Digital Convergence & AI、Cloud Business Application Center in the region.

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Cloud | Connect | Communication

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