Chief Company Introduction

Stock Code：6561

Aug. 02, 2023
https://www.chief.com.tw

CHAPTER 1
Company Profile

1. Chief Profile

- ➢ Chief ESG Report Certified in Sept. 2022
- ➢ Ranked Top 5% of TPEx Corporate Governance Evaluation in Apr. 2023

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Founded   Jan. 19, 1991

Capital   NT$ 707,448,810

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

Telecom Operational License
ISP、Internet 、LLC
VPN 、 ISR 、070 VoIP
International Bandwidth B&S

World-class IDC Buildings
LY、HD、TF Buildings：30,000 sqm
LY2(2024/Q1 Commercial Service): 16,500 sqm

2. Company History

1991 ──────────────────────────────── 2023 ➤

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
Sep. - Provide IBM Cloud service
Sep. - Awarded IDC DCOS-4 Certificate
Oct. - TPIX included in national CIP

2020
Jul. - Provide Oracle cloud DX to Tokyo
Aug. -Promote Health Cloud service via CHTM Hami pass
Dec. -Upgrade Int'l backbone to 600G

2021
Mar.- Sign partnership agreement with PLDT Global, cooperation with operators in 10 ASEAN countries
Oct. -Update company CIS, LY2 new IDC building groundbreaking ceremony

2022
Apr.- Establish sustainability committee
- Establish risk management committee
- Set up corporate governance supervisor
- Integrate Chief 070 with Microsoft Teams
Sep. -Complete the GHG emission inventory and certification
**Oct.** - Complete ESG sustainability report and certification

2023
Jan.- Proceed the project with the island-wide fiber network deployment and expand the Int'l backbone to 700G
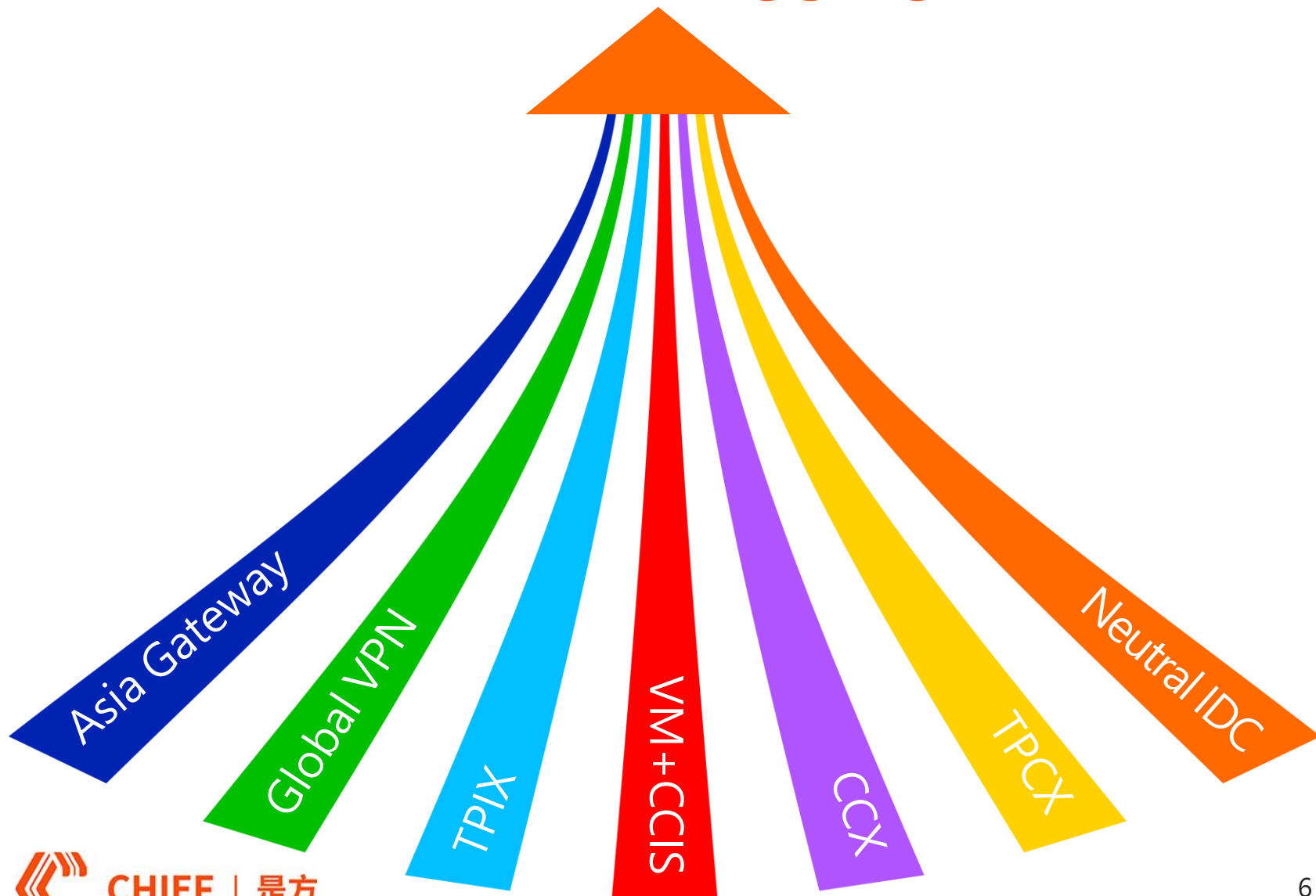**Apr.**- Ranked Top 5% of TPEx corporate governance evaluation
Jul.- TPIX ranked No. 103 IX in the world

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3. Company Positioning

Specialization/ Resource Sharing/ Collaboration/ Multi-winners

Platform +   Connectivity +   Value +

Carrier Neutral
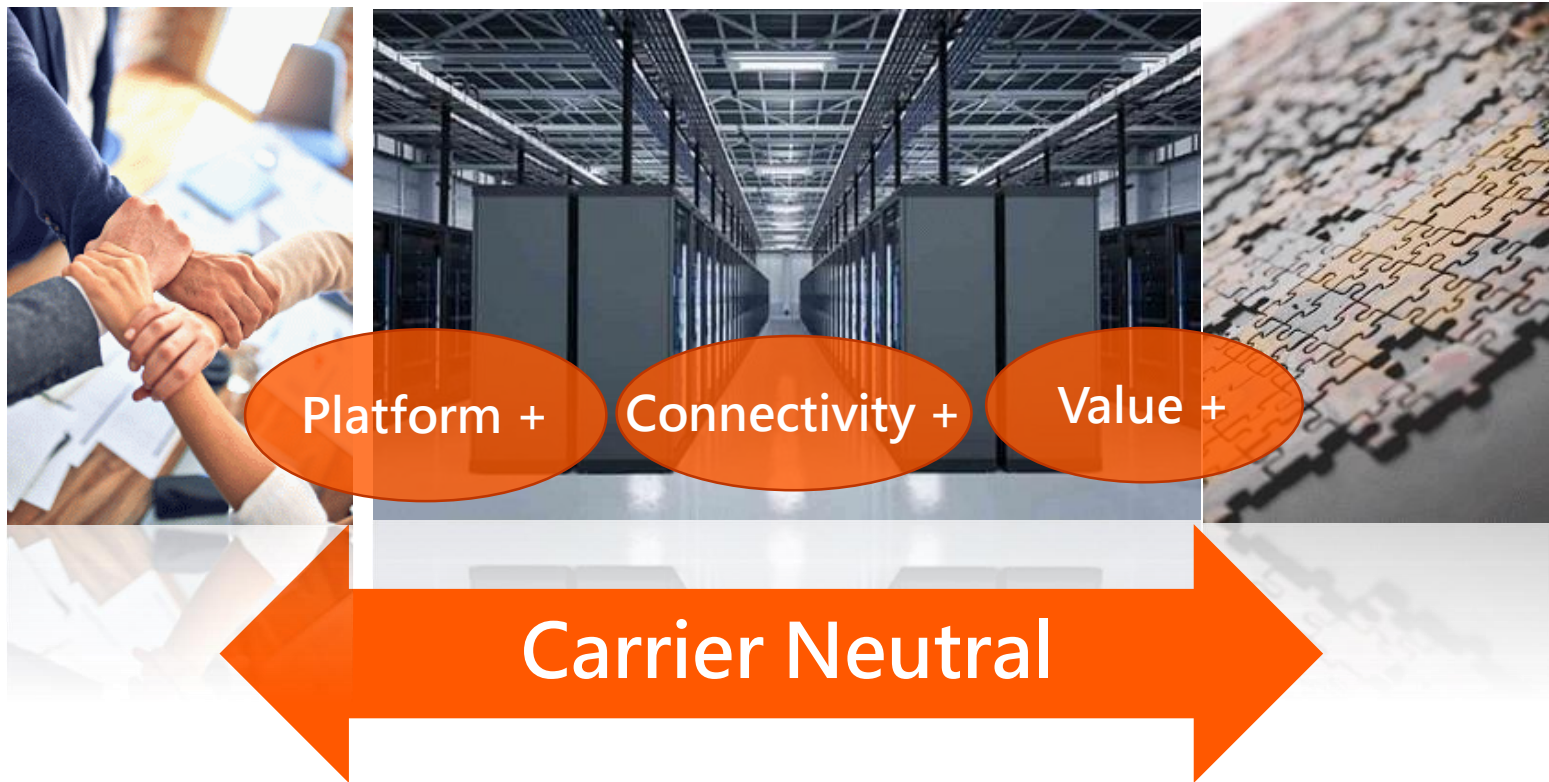
4. Platform+ (Service Aggregation)

Asia Gateway

Global VPN

TPIX

VM+CCIS

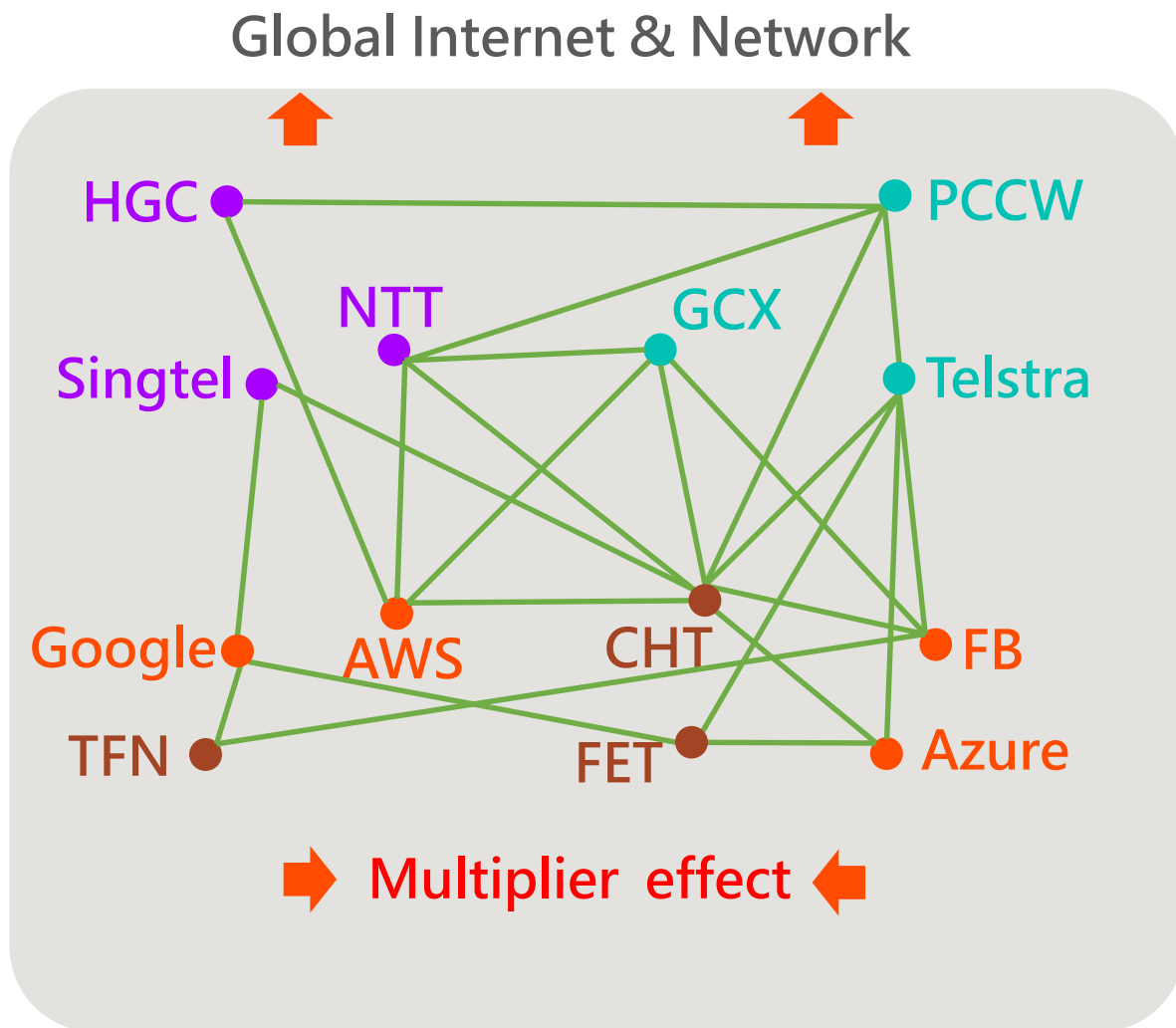CCX

TPCX

Neutral IDC

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5. Connectivity+（Telecom、Network、Cloud Cluster)

Type I :
Int'l Carriers

Type II :
Submarine Operators

Type III:
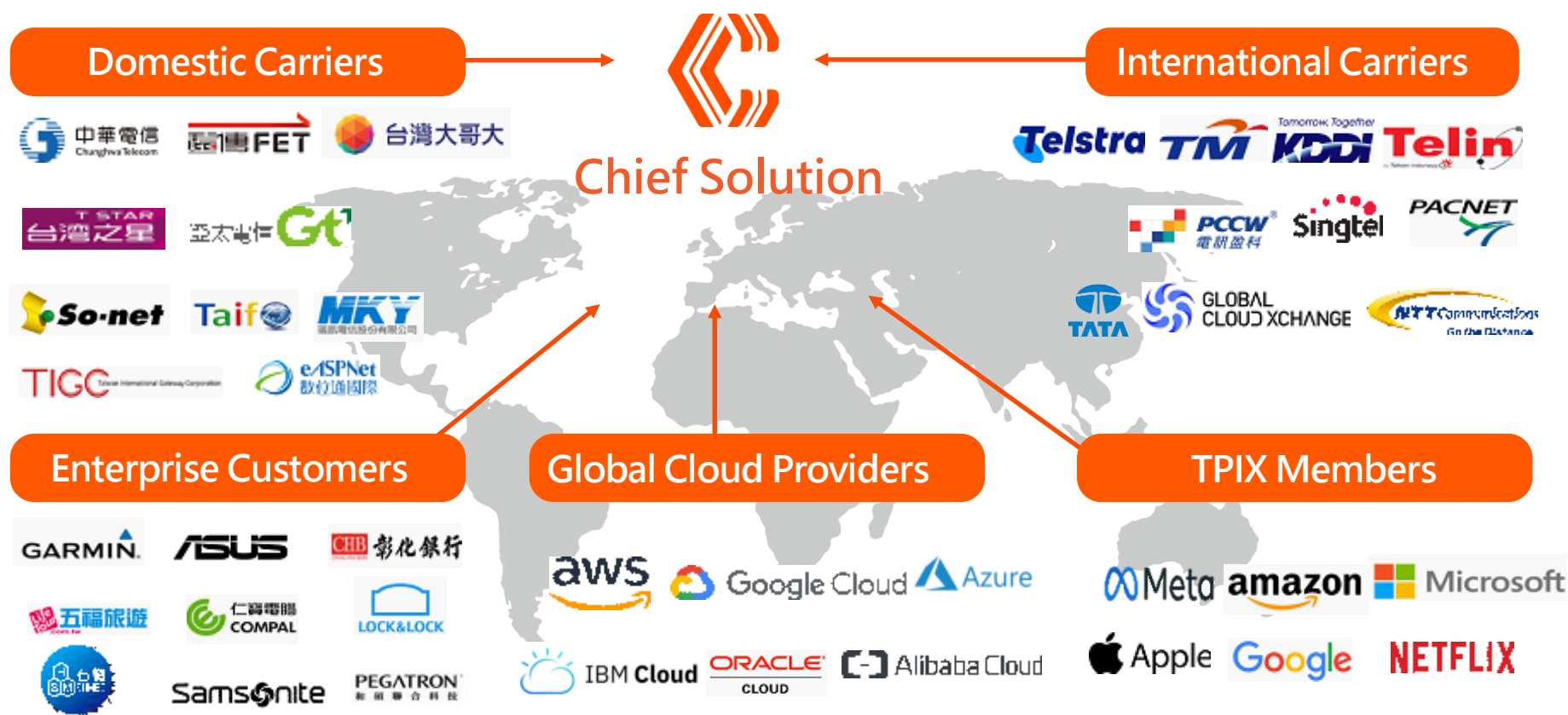Int'l ICP & Cloud Service Providers

Type IV:
Domestic Carriers & ISP

Global Internet & Network

HGC PCCW NTT GCX Singtel Telstra Google AWS CHT FB TFN FET Azure

Multiplier effect

Solve Expensive Last Mile Issue

6. Value＋（Clustering Magnetic Attraction Effect)

Ecosystem
(Market Place)

Customers

ICP

Local Operator

Global Carrier

Telecom Resources

ISP

Network Resources

Communication Resources

SSP

Cloud Resources

ISR

ASP

IDC

Partners

Chief Telecom is based on carrier neutral position to attract domestic and international carriers, submarine cable operators, content providers and cloud providers ,with platform and member economy , it naturally forms a customer clustering magnetic attraction effect.

7. Major Customers

Chief Solution

Domestic Carriers

International Carriers

Enterprise Customers

Global Cloud Providers

TPIX Members

8. Chief and Client Services Start Every Day of Your Life!

Digital Life

DIGI LIFE 2.0

CLOUD COMPUTING

Digital Content • Network

- Music/Video
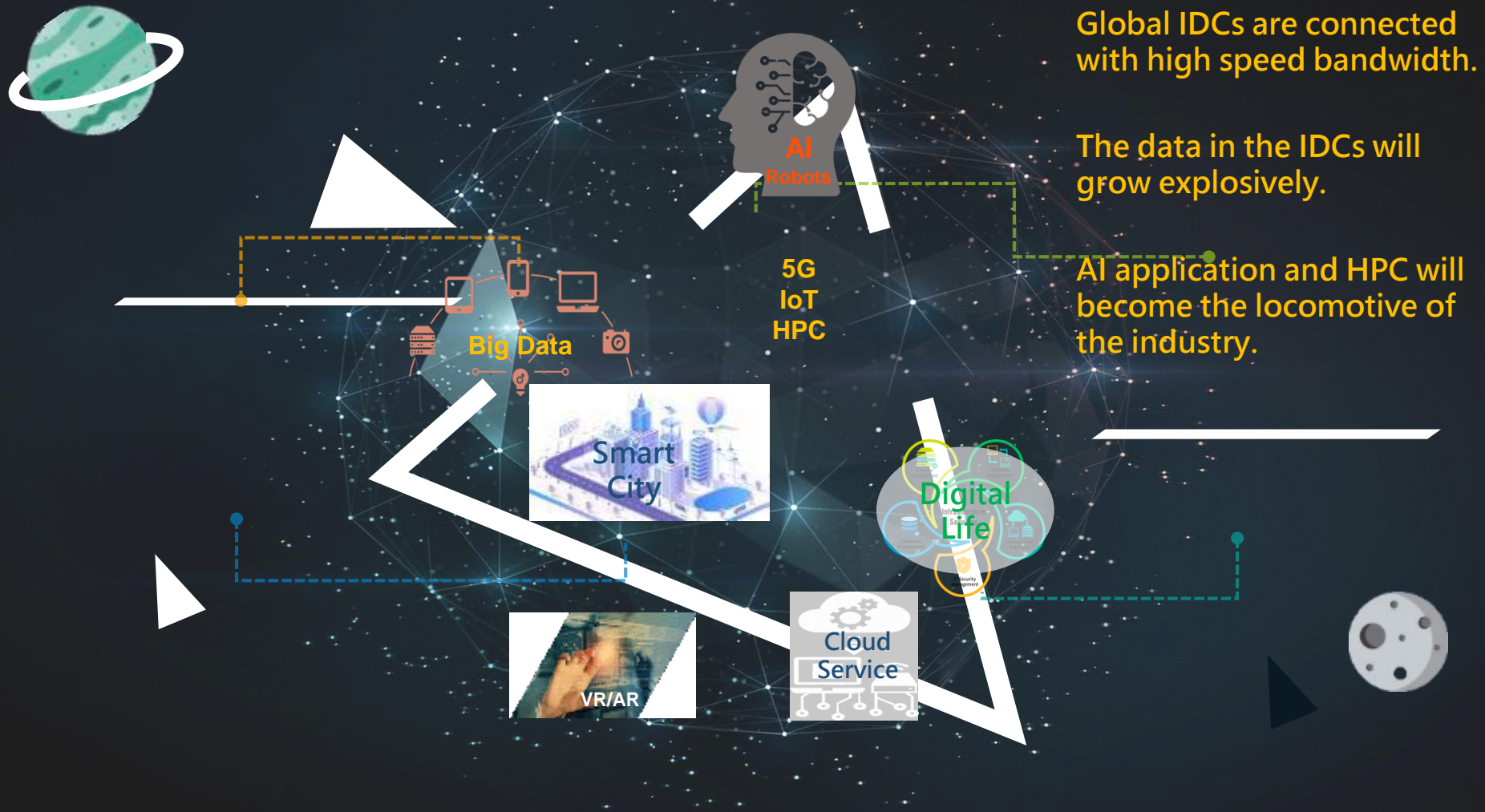- Games/News
- **Global Network**
- **High Speed Internet**

IOT• e-Commerce

- **B2B/B2B2C**
- **O2O/Shopping**
- **Traveling/Ticketing**

Big Data

- **Smart Health**
- **Public Opinion**
- **Digital Marketing**
- **Data Analysis**

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9. . Imagine Future Global Trends of Digitalization

AI
Robots

5G
IoT
HPC

Big Data

Smart City

Digital Life

Cloud Service

VR/AR

Global IDCs are connected with high speed bandwidth.

The data in the IDCs will grow explosively.

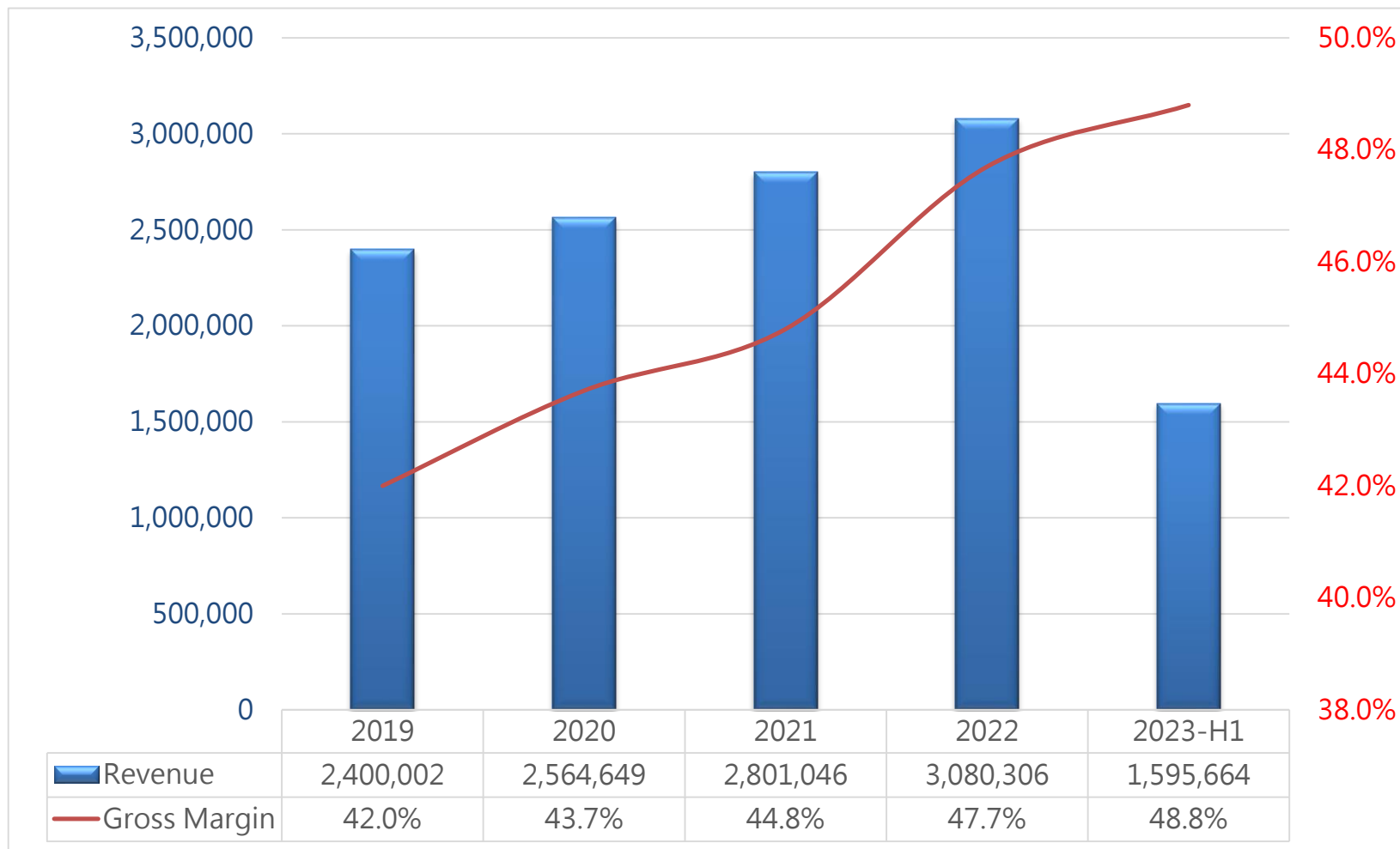AI application and HPC will become the locomotive of the industry.

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Recent Years Finance Performance

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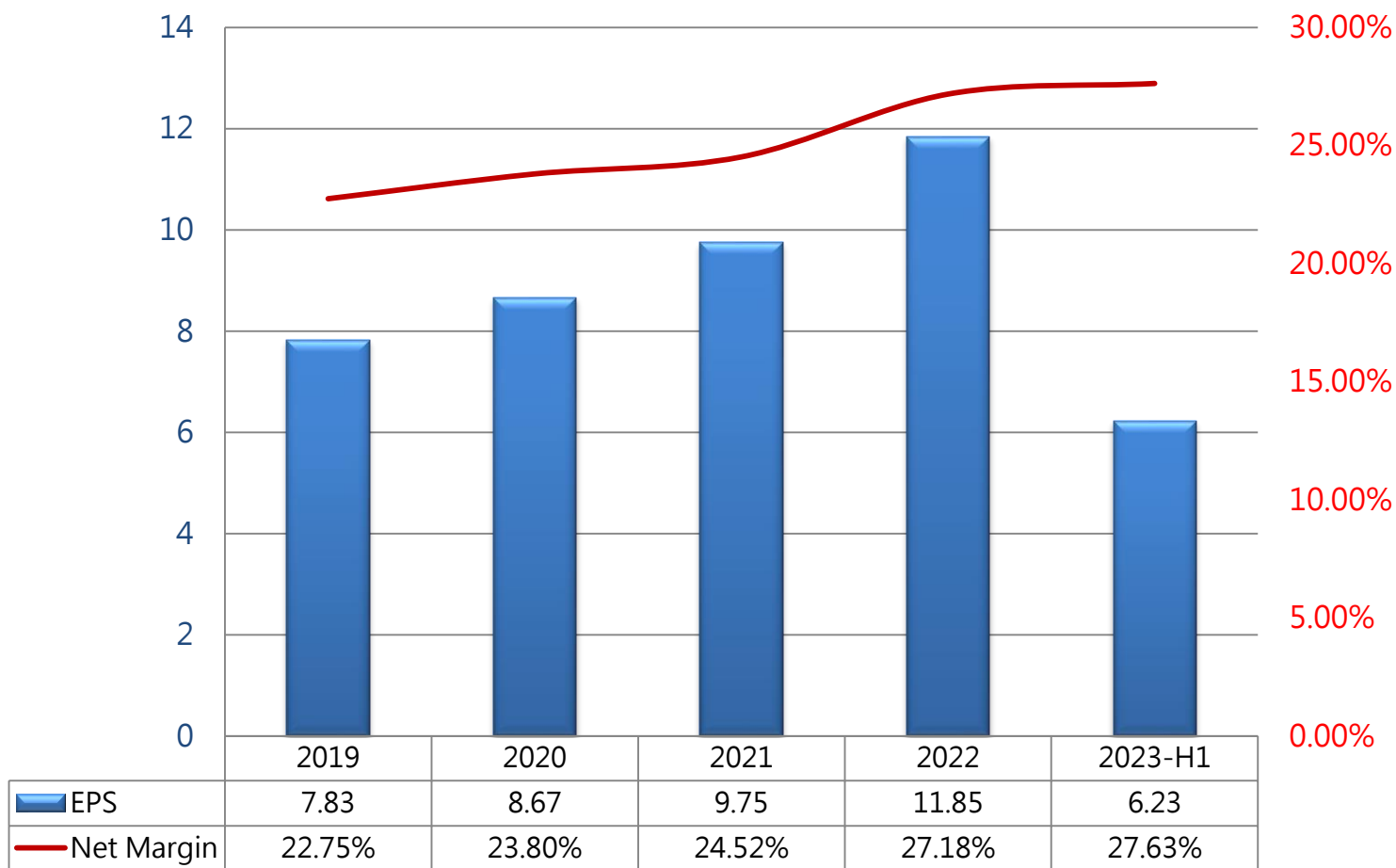- Percentage of Dividends
- Product Service Revenue Percentage

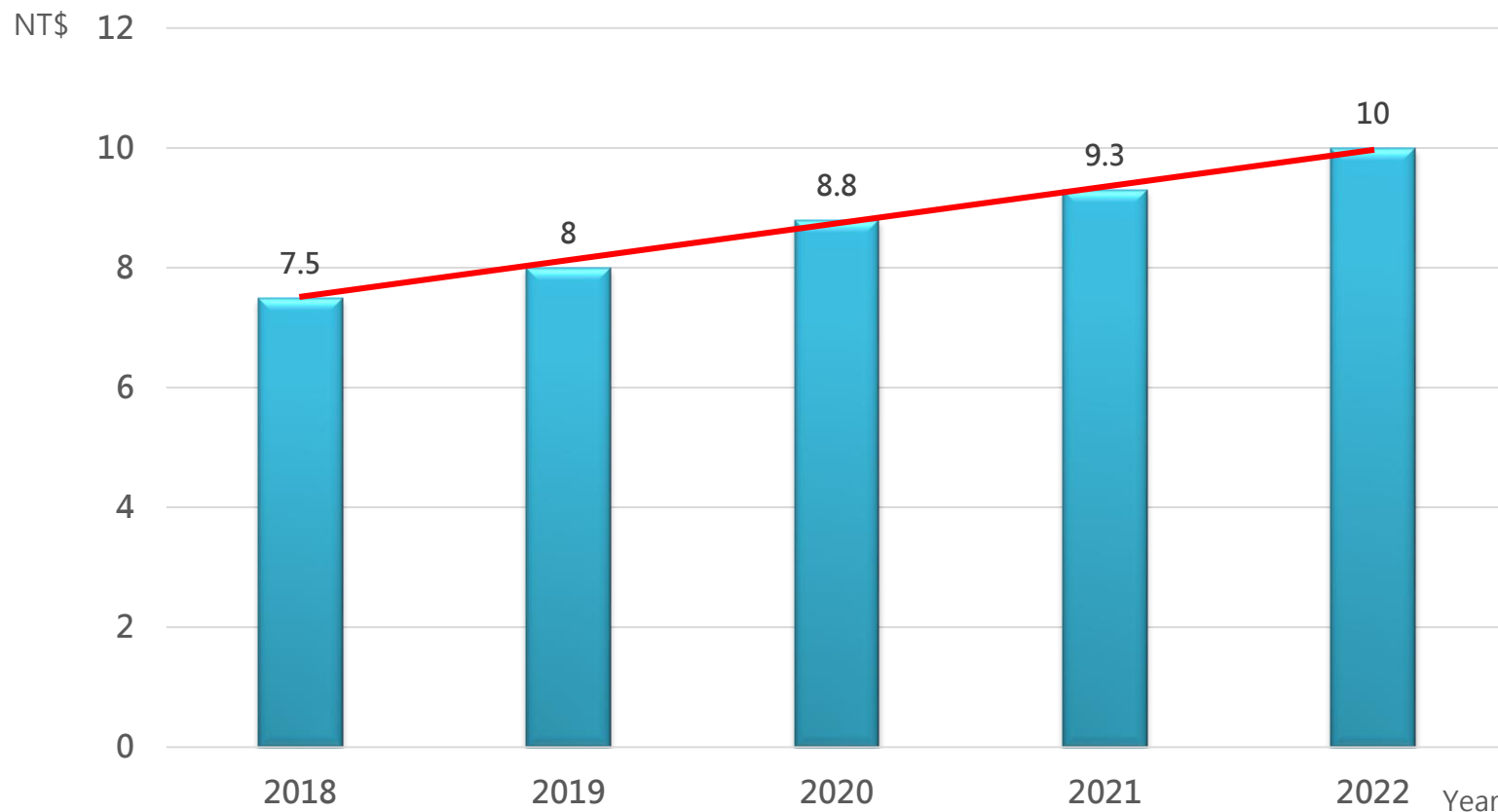# 1. Revenue & Gross Margin

Unit: NT$K

	2019	2020	2021	2022	2023-H1
Revenue	2,400,002	2,564,649	2,801,046	3,080,306	1,595,664
Gross Margin	42.0%	43.7%	44.8%	47.7%	48.8%

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2. Net Margin & EPS

Unit: NT$

	2019	2020	2021	2022	2023-H1
EPS	7.83	8.67	9.75	11.85	6.23
Net Margin	22.75%	23.80%	24.52%	27.18%	27.63%

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3. Percentage of Dividends

NT$

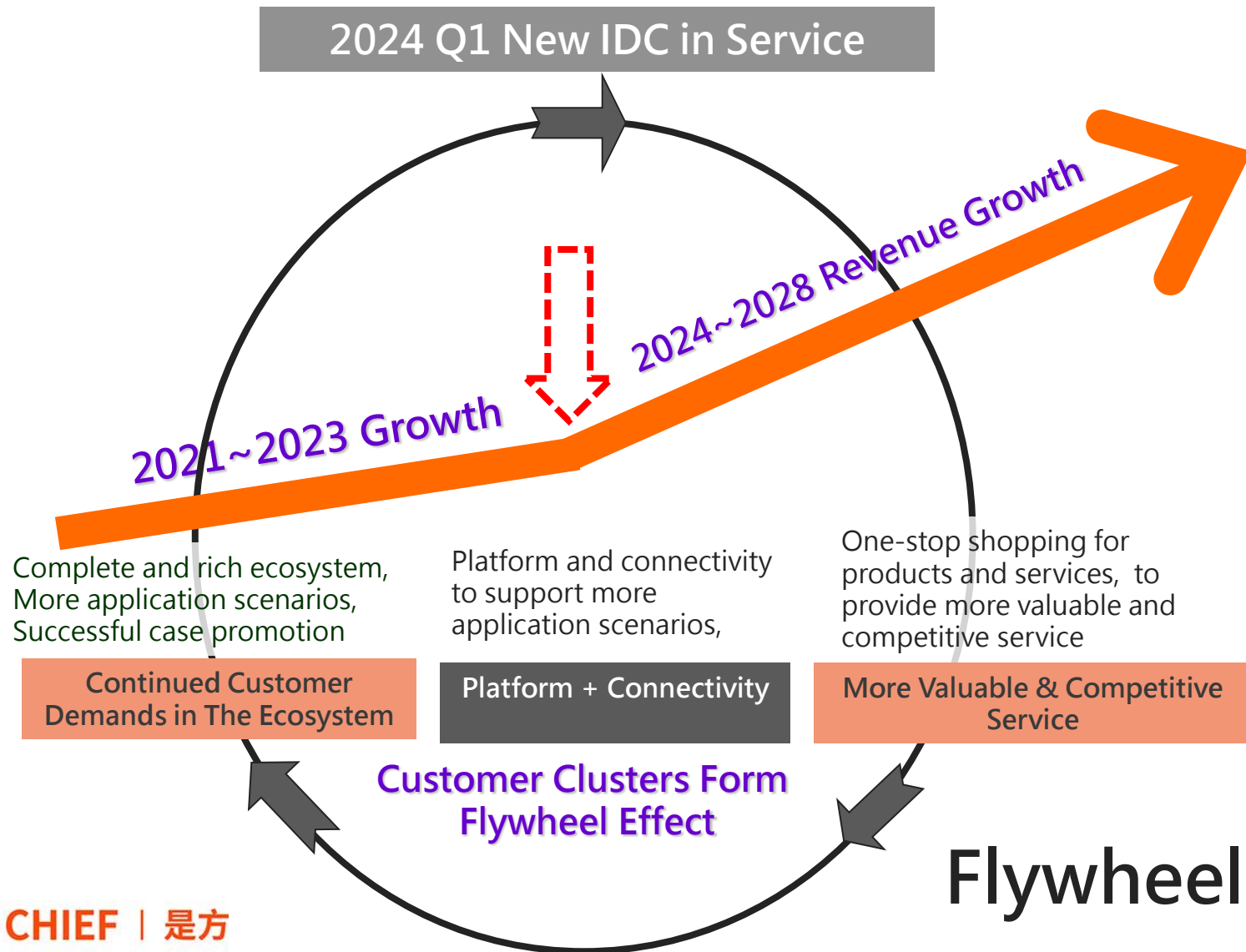| Year	Value
2018	7.5
2019	8
2020	8.8
2021	9.3
2022	10

Year

Note：2022dividends include 9 dollars cash dividends plus one dollar stock dividend (total 10 dollars)

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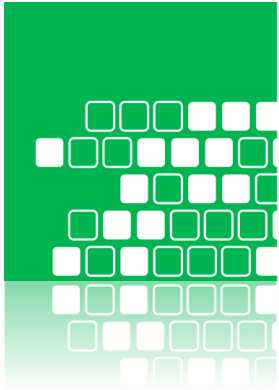
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4. Product Revenue Percentage
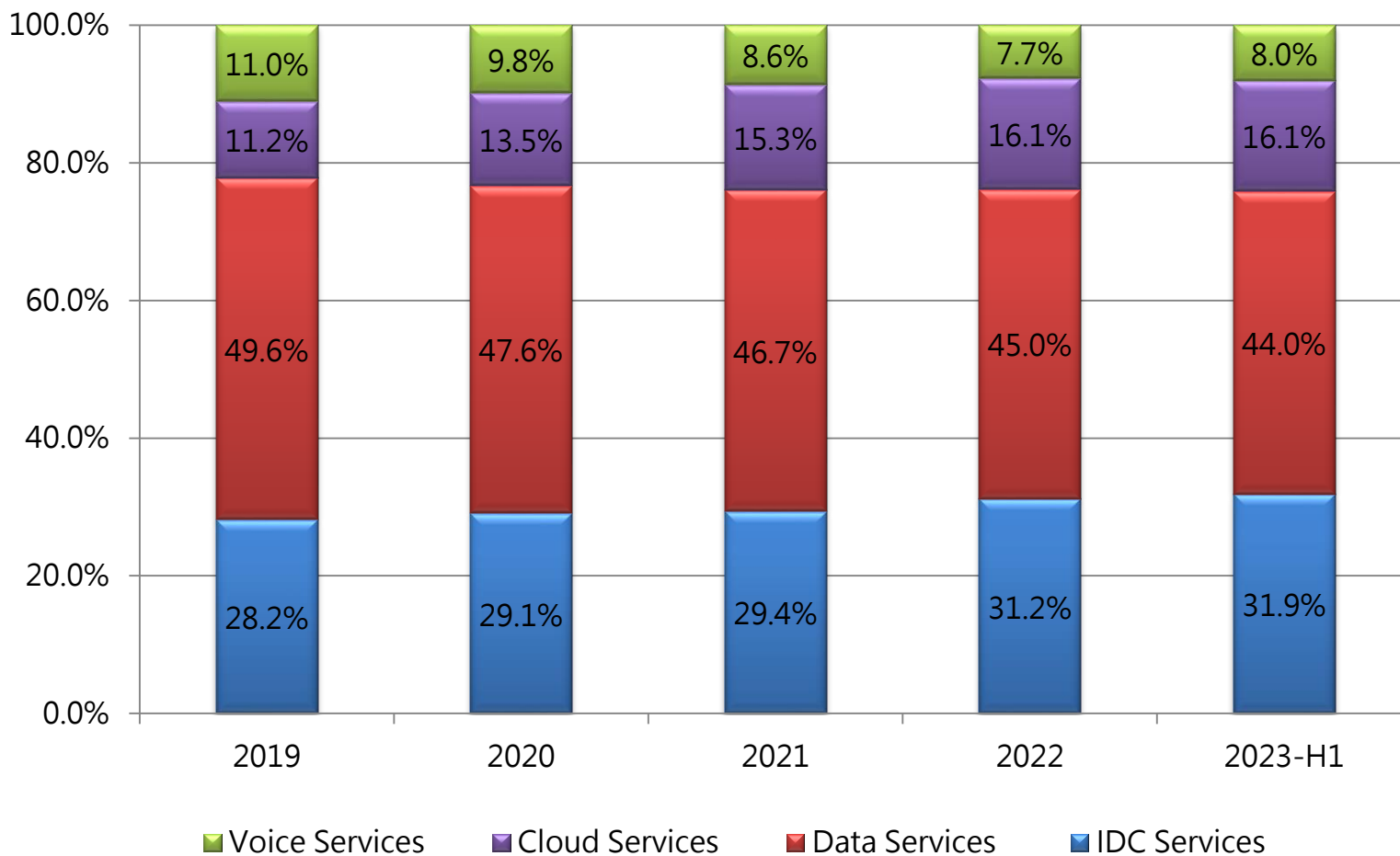
5. Chief Telecom Flywheel

2024 Q1 New IDC in Service

2024~2028 Revenue Growth

2021~2023 Growth

Complete and rich ecosystem, More application scenarios, Successful case promotion

Continued Customer Demands in The Ecosystem

Platform and connectivity to support more application scenarios,

Platform + Connectivity

Customer Clusters Form Flywheel Effect

One-stop shopping for products and services, to provide more valuable and competitive service

More Valuable & Competitive Service

Flywheel

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Product Introduction

Product Introduction

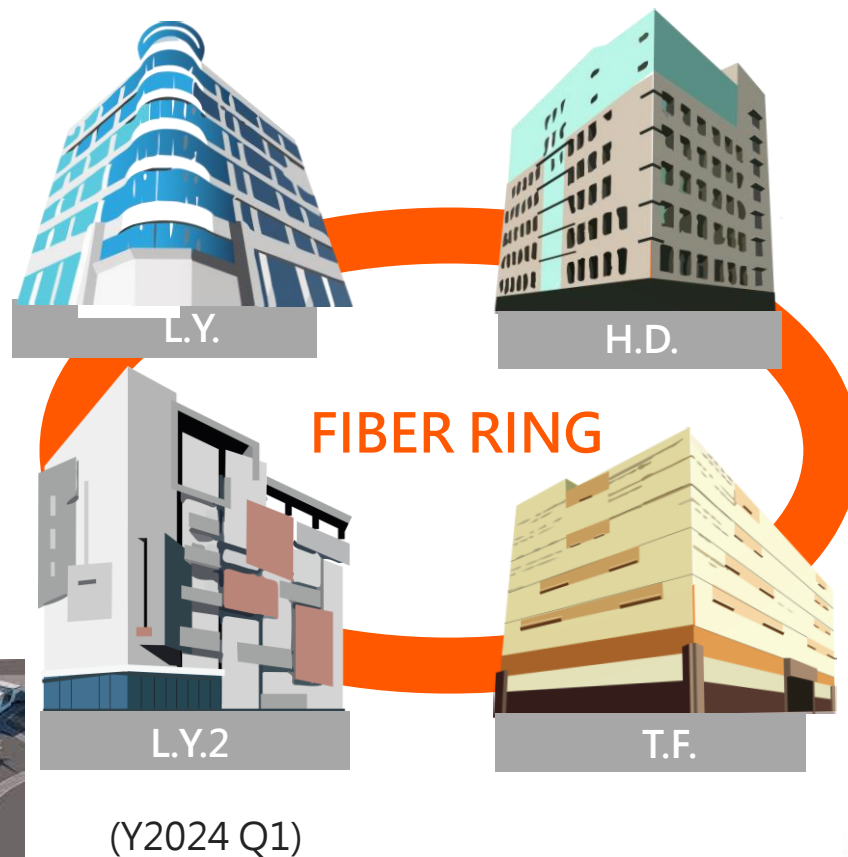| IDC Service	Data Service	Cloud Service	Exchange Center	Voice Service
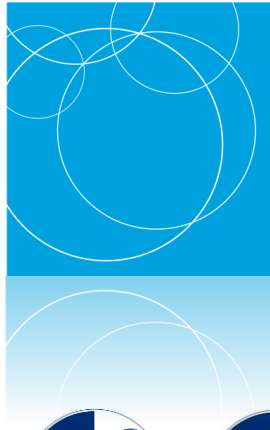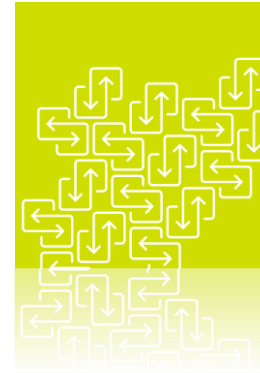
ISO Information Security Quadruple Certification & DCOS-4 Certification

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1.1 IDC Colocation Services – Carrier Neutral

- **World-class carrier neutral IDC to provide high quality IDC services**
  - World-class IDC SLA
  - Customized design and deployment
  - 7X24hrs NOC
  - **ISO & DCOS certified**

- **Complete connection for domestic/international optical network**
  - Fiber ring among four buildings to provide ultrahigh speed bandwidth
  - International submarine cable connection center
  - Richest resources for local loop access

- **Similar foreign IDC service providers:**
  - **Equinix・Coresite・Qts・Sakura・GDS Digital Realty**

FIBER RING

L.Y.
H.D.
L.Y.2
T.F.

(Y2024 Q1)

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Chief 4th IDC L.Y.2

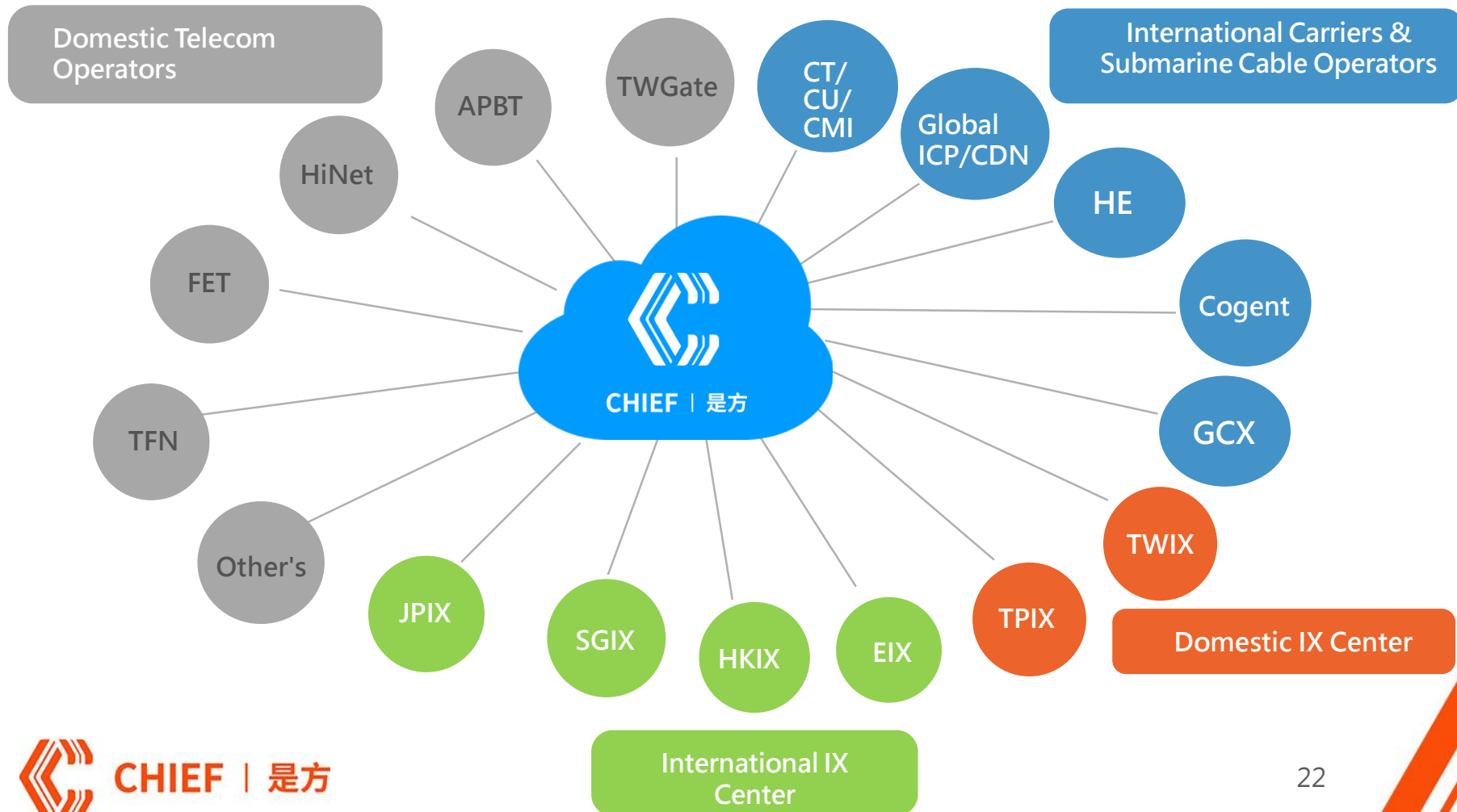Both Google & Microsoft Already Set up Regional Data Centers in Taiwan

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

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2.1 Data Service _ Global Internet Services

- Complete resources of domestic bandwidth and international bandwidth
- An important internet service hub in Taiwan

2.2 Data Service Global IPLC & VPN (virtual private network)

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

Global VPN Network

Northern China
Beijing/Tianjin /Qingdao

Seoul

Tokyo

Central China
Chongquing/Wuhan
Chengdu/Hefei

Eastern China
Shanghai/Suzhou/Wuxi/Nanjing/Kunshan/Ningbo / Wujiang

Southern China
Shenzhen/Dongguan
Guangzhou/Xiamen Zhongshan/
Huizhou/Zhuhai/Foshan

HongKong

Vancouver

San Francisco

Los Angeles

Taipei IDC ● ---- ⦿ **Chief Taipei HQ**
Taipei
Taoyuan
Hsinchu
Taichung
Tainan
Kaohsiung

International Area

Thailand

Philippines

Vietnam

Asia Area ● --- **Asia Hub**

Malaysia

Singapore

Jakarta

- Dual international gateway
- With 30+ Global VPN PoPs
- 7x24 NOC / Customer Service Center

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PaaS Application Service

Customer Service Portal

Enterprise Cross-cloud & Hybrid Cloud Solutions

CHIEF APP CLOUD

SaaS Application Service

Cloud Exchange Platform

Cloud Security Solution

Enterprise Cloud Storage

Industrial Applications

- Enterprise Business
- Big Data、EC
- IoT Applications
- VR/AR Applications
- Digital Content , media

Enterprise Cloud Backup

Cloud IaaS Solutions

- All cloud data is stored domestically, which meets information security and audit requirements (the principle of cloud data landing)
- Passed ISO27017/27018 cloud security and public cloud personal information protection standards

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3.2 Cloud Service _SaaS Application

Chief i Health App

Easy to control health status

- "Personal Health Information" management platform
- Green/Red traffic lights indication for personal health status

Convenient collection of health data

- Health Kit & Google Fit data collection
- Wearable and measuring device data upload
- With thousands of food nutrient content data for dietary records

Health housekeeper push message

- Provide selected articles every day to accompany you in taking care of your health
- Combining weather information and air quality index to provide personal exercise advice
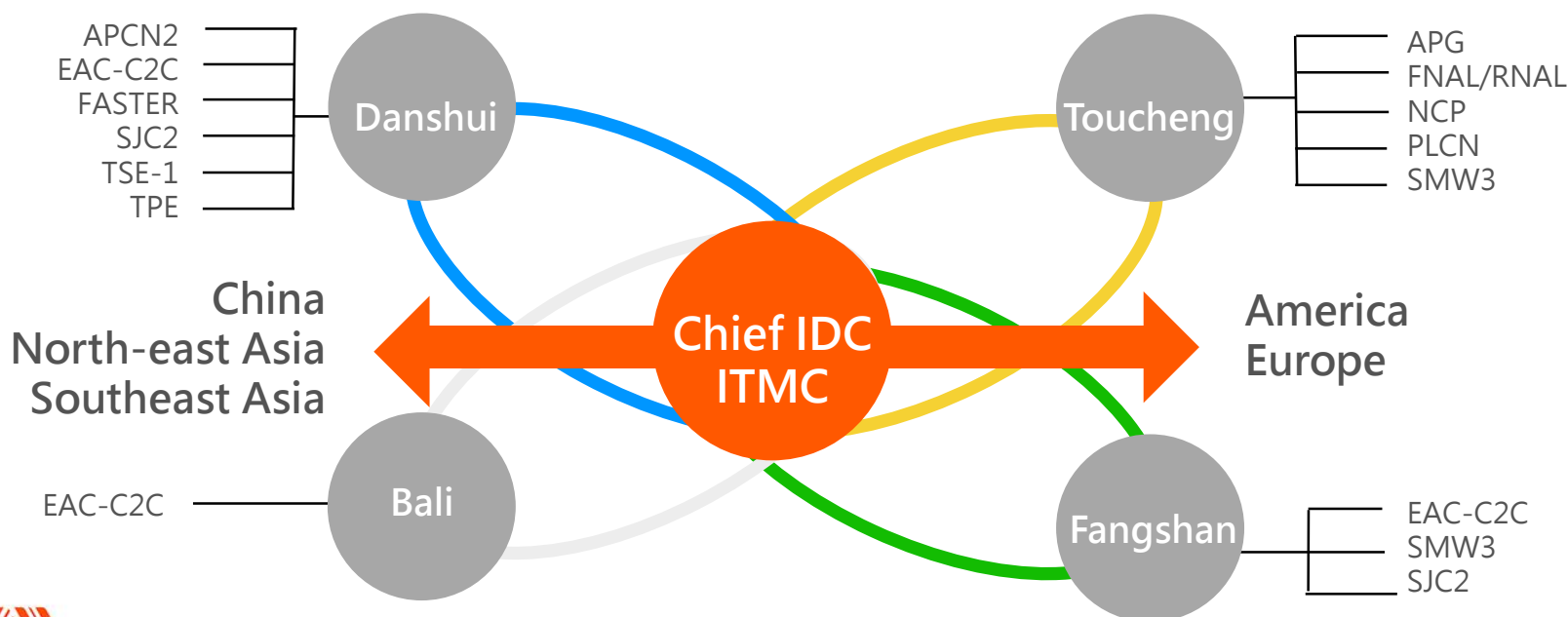
Get partners to exercise together

- Link activity records with community interaction and fun competitions. The process of pursuing health can also be fun.

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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 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.

APCN2
EAC-C2C
FASTER
SJC2
TSE-1
TPE

Danshui

Toucheng

APG
FNAL/RNAL
NCP
PLCN
SMW3

China
North-east Asia
Southeast Asia

**Chief IDC
ITMC**

America
Europe

EAC-C2C

Bali

Fangshan
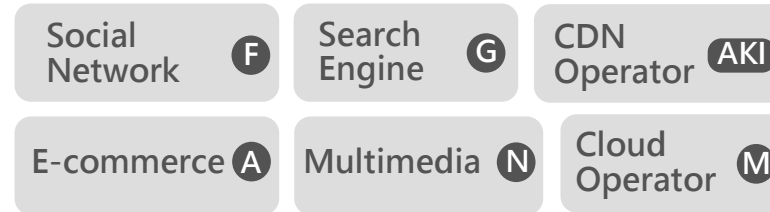
EAC-C2C
SMW3
SJC2

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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 a world class Internet exchange hub.
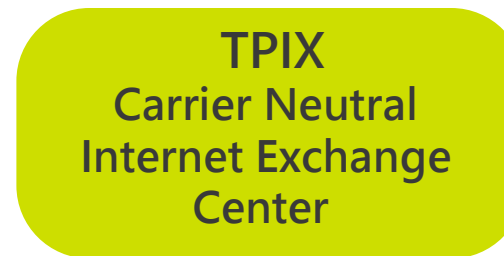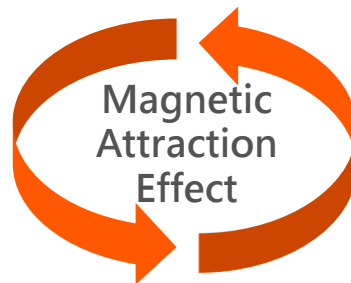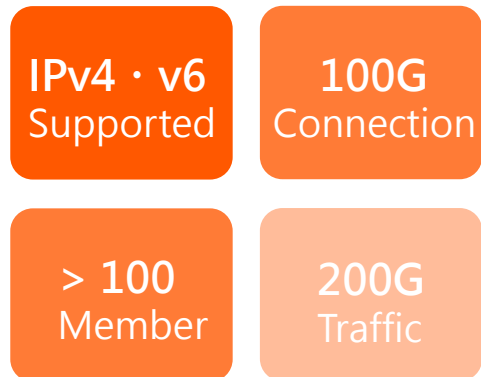
Internet Exchange		Members	Data	CC	City	Website
FCIX		148		US	Fremont	fcix.net
EVIX		145		US	Fremont	evix.org
DE-CIX Dallas		142		US	Dallas	www.de-cix.net
PTT Belo Horizonte		136		BR	Belo Horizonte	ix.br
IXManchester		135		GB	Manchester	www.linx.net
NAPAfrica IX Durban		135		ZA	Durban	www.napafrica.net
PTT Florianópolis		135		BR	Florianópolis	ix.br
BCIX		133		DE	Berlin	www.bcix.de
ECIX Dusseldorf		132		DE	Duesseldorf	www.ecix.net
MyIX		131		MY	Kuala Lumpur	www.myix.my
BIX Jakarta		130		ID	Jakarta	bix.id
InterLAN		128		RO	Bucharest	www.interlan.ro
TPIX-TW		127		TW	Taipei	www.tpix.net.tw

TPIX ranked #103 (2023 Hurricane Internet Exchange Report)

International & domestic content provider

Social Network F	Search Engine G	CDN Operator AKI
E-commerce A	Multimedia N	Cloud Operator M

Achieve

IPv4・v6 Supported	100G Connection
> 100 Member	200G Traffic

www.tpix.net.tw

Magnetic Attraction Effect

TPIX Carrier Neutral Internet Exchange Center

- Shortest latency
- Fastest speed
- Lowest cost

Content demand side

• Domestic ISP • Fixed network operators	• Cable operators • Other IX…	• International ISP • Mobile operators

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TPIX with 127 members ranked #103 worldwide in Jul. 2023

4.3 Chief Cloud eXchange (CCX)

- **High Speed**
- **Safety**
- **Compliance**

Public Cloud

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IDC

CLOUD STORAGE CCTS

aws

Google Cloud

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IBM Cloud

ORACLE CLOUD

Azure

Data Localization

**CCX Direct Connect
Private & Secure Channel**

CCX

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**Public Internet
Congestion &
Security Risks**

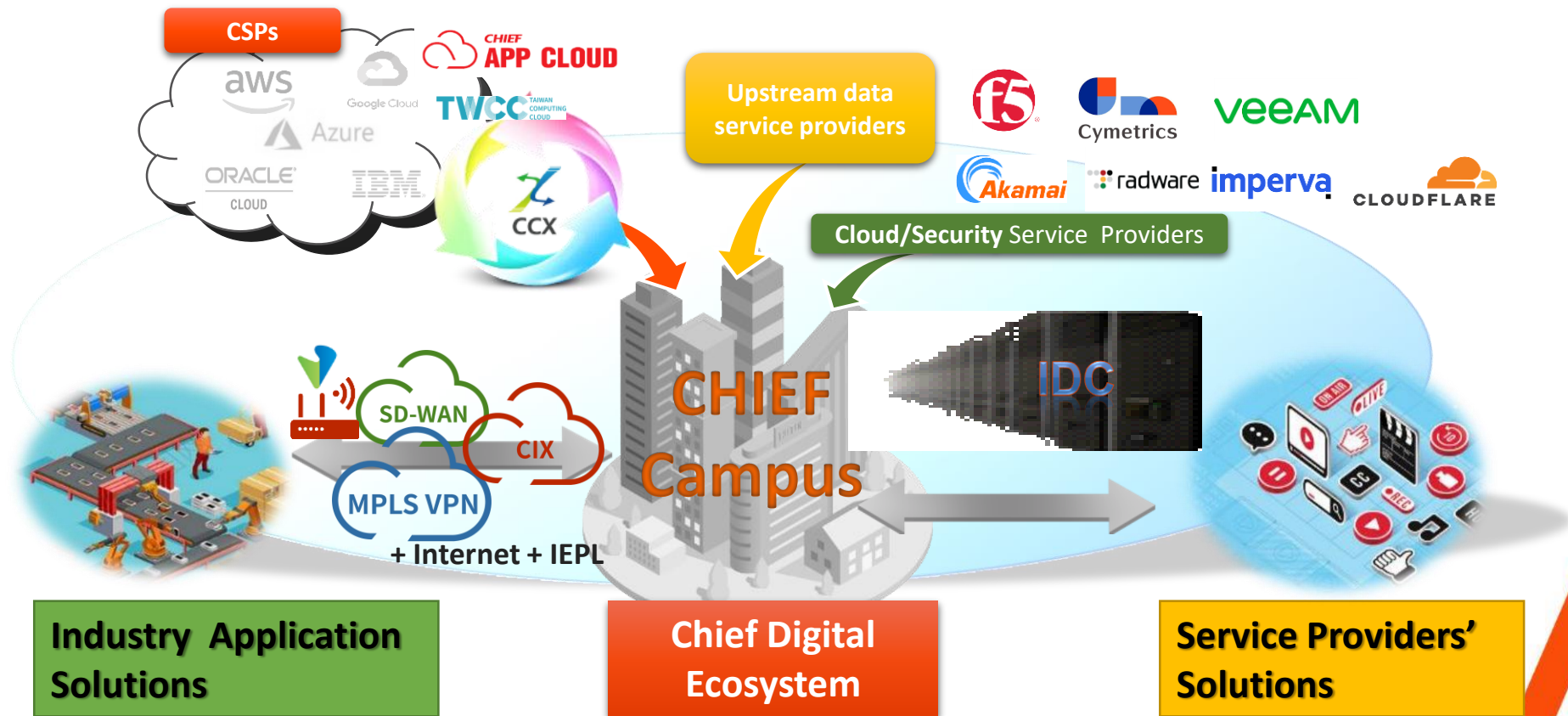**Enterprise Data Center**

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5. 070 Cloud PBX & ISR Services

Cross-Operator/Network/Platform/Device

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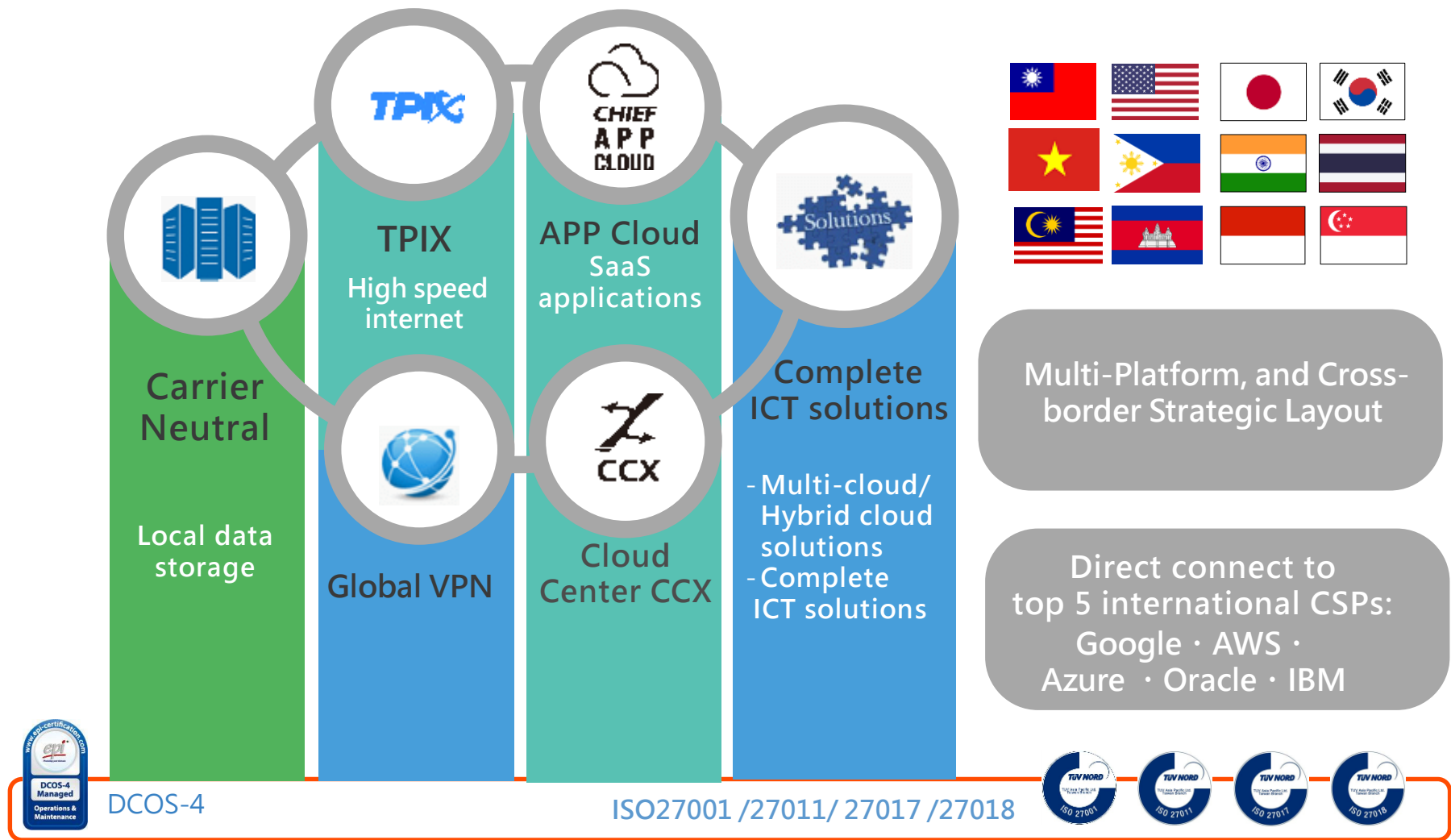
Cloud IP-Centrex

Provide IP-Centrex services

Business Applications

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

Chief 070 Applications

Management Center

Customer web portal to manage voice services and check CDR

System Integration

Work with service providers to provider integrated solutions, such as Microsoft Teams.

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6. Provide total solution to Satisfy_ Cloud + Network+ Security Demands

Chief Campus Service : from Point to Line and to Area

CSPs

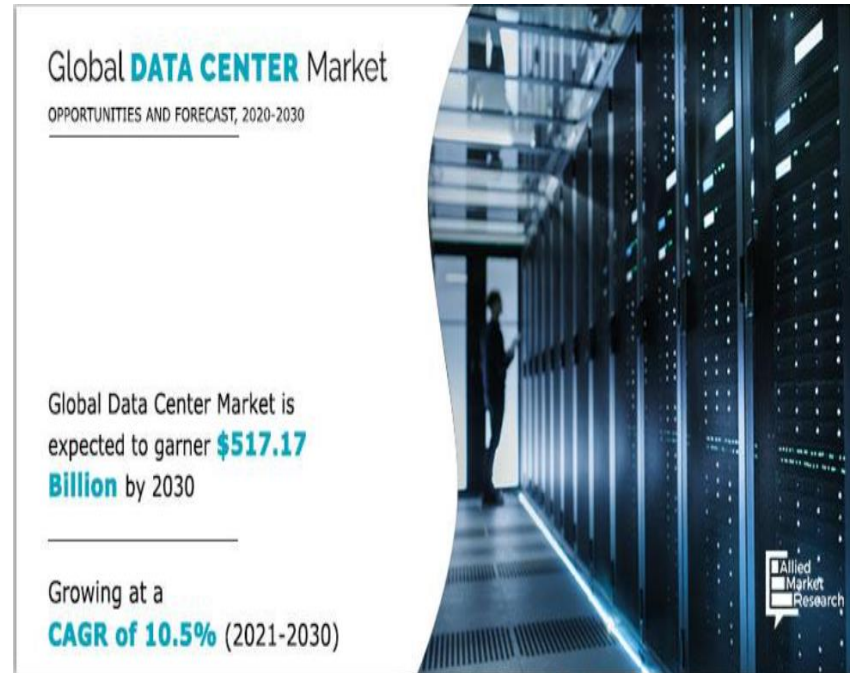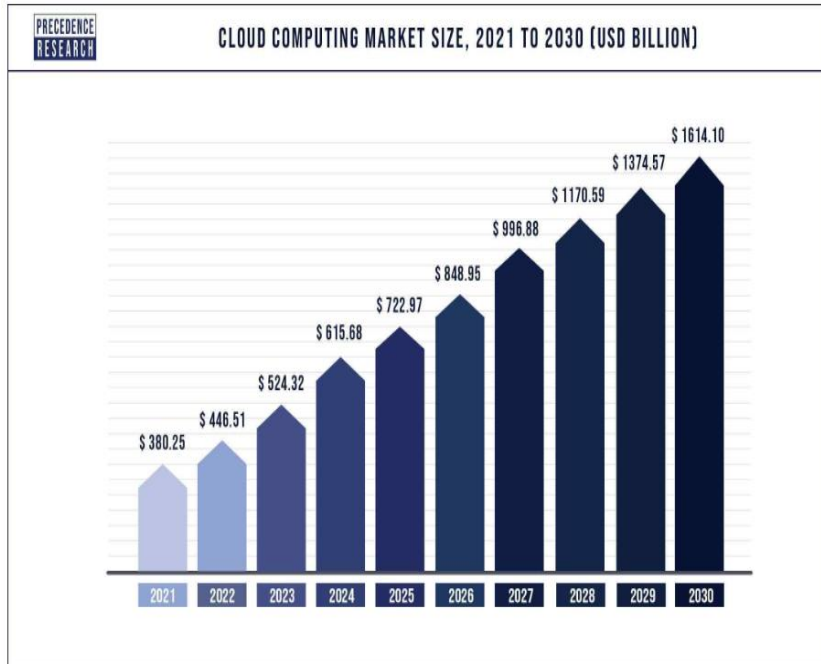**Upstream data service providers**

Cloud/Security Service Providers

CHIEF Campus

IDC

SD-WAN
CIX
MPLS VPN
+ Internet + IEPL

Industry Application Solutions

Chief Digital Ecosystem

Service Providers' Solutions

7. Multi-Product to Drive Growth Curve

Carrier Neutral

Local data storage

TPIX
High speed internet

Global VPN

APP Cloud
SaaS applications

Cloud Center CCX

Complete ICT solutions

- Multi-cloud/ Hybrid cloud solutions
- Complete ICT solutions

Multi-Platform, and Cross-border Strategic Layout

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

DCOS-4

ISO27001 /27011/ 27017 /27018

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Industrial Trends and Operational Focus

1. Global Cloud and IDC Market Trends

CLOUD COMPUTING MARKET SIZE, 2021 TO 2030 (USD BILLION)

- 2021: $ 380.25
- 2022: $ 446.51
- 2023: $ 524.32
- 2024: $ 615.68
- 2025: $ 722.97
- 2026: $ 848.95
- 2027: $ 996.88
- 2028: $ 1170.59
- 2029: $ 1374.57
- 2030: $ 1614.10

Global **DATA CENTER** Market

OPPORTUNITIES AND FORECAST, 2020-2030

Global Data Center Market is expected to garner **$517.17 Billion** by 2030

Growing at a **CAGR of 10.5%** (2021-2030)

Note1: **Global cloud service market in 2022~2030 CAGR 17.43%** (Precedence Research); Amazon(34%)/Microsoft(21%)/Google(11%)/Alibaba(5%)/ IBM(3%) **Top 5 CSPs account for 2/3 public cloud market** (Synergy Research Group) 。

Note 2: **Global IDC service market in 2021~2030 CAGR 10.5%** (Allied Market Research) 。
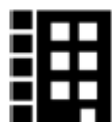
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2.1 Business Development Focus

Chief Campus

Taiwan island-wide optical ring

Smart Health Service

Expand CCX and Cloud Partners

4th IDC(LY2)

Enrich Network and Telecom Resources

Domestic and International Symbolic Leading Customers

Expand TPIX and International Network Backbone Ring

East Asia Alliance

SDWAN & Cloud Security

Cloud Service Hub
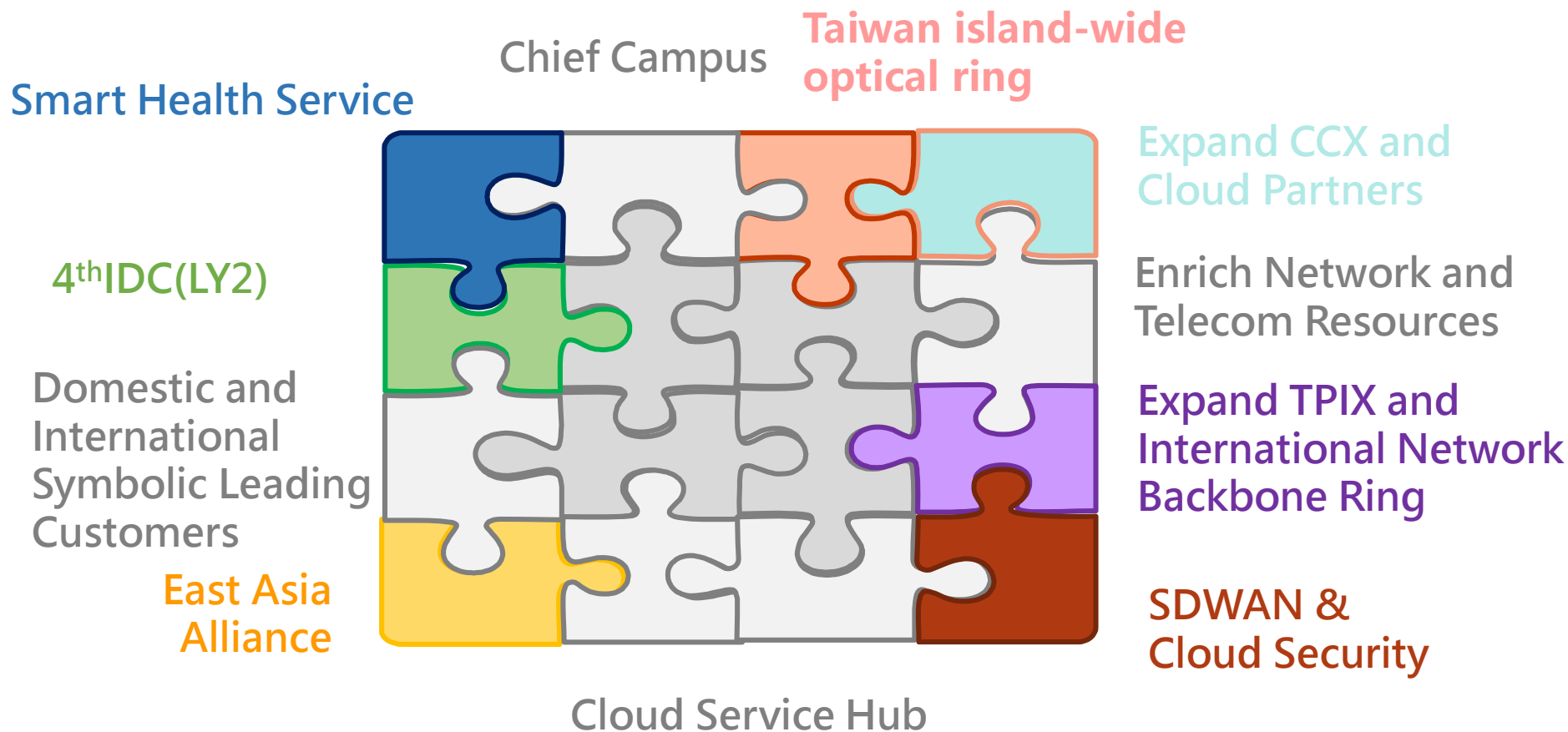
2.2 L.Y.2 IDC - Digital Convergence Center

2024 Q1 Commercial Service

16,500 sqm Floor Area

20 MW Power Capacity
10KW/Rack design
Airflow spec > 150CFM/KW
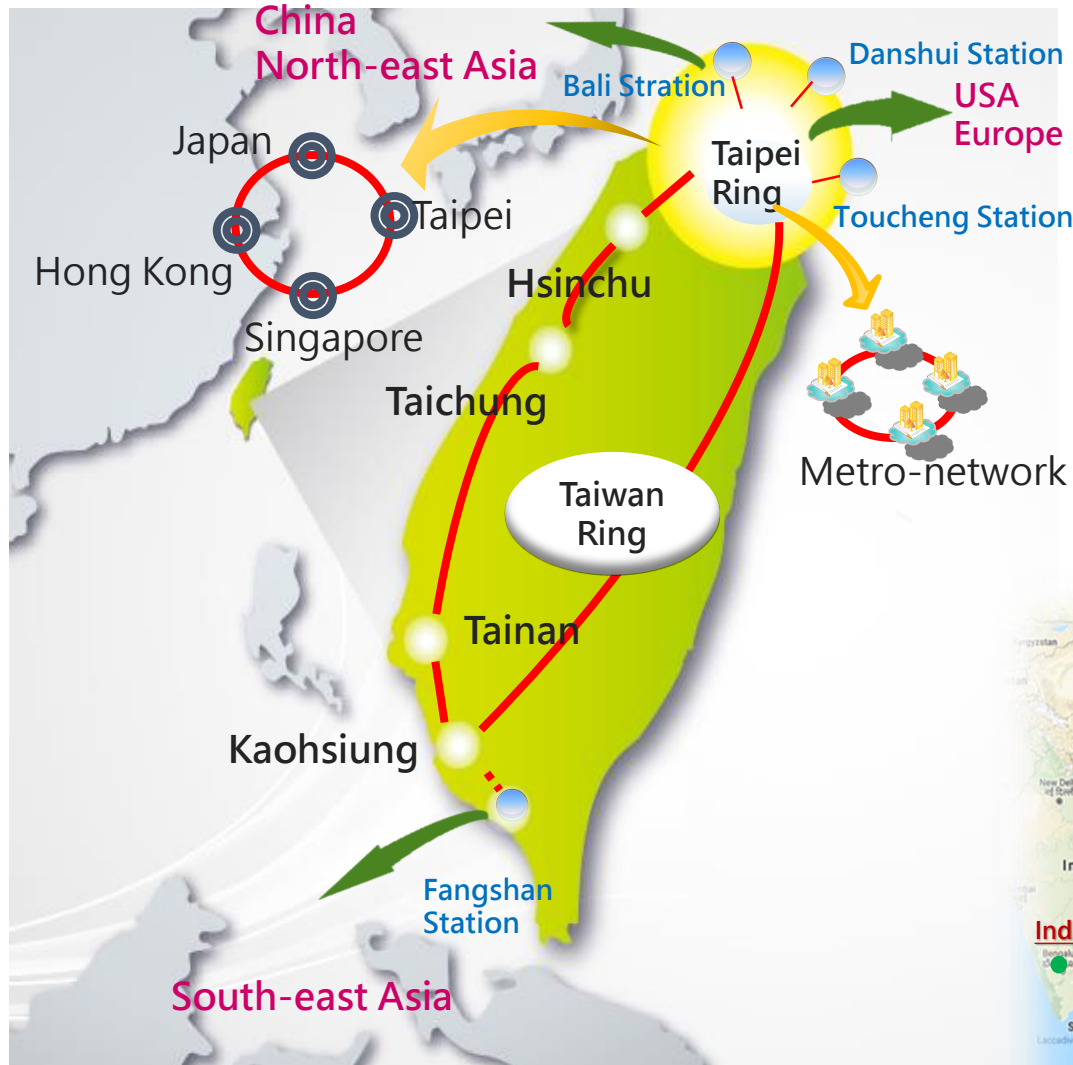
Floor Loading 2,000 kg/m²
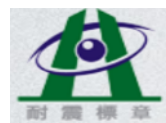
LRB Seismic Isolation Design
(A series magnitude 7.0
earthquakes)

Green/Smart Building Design

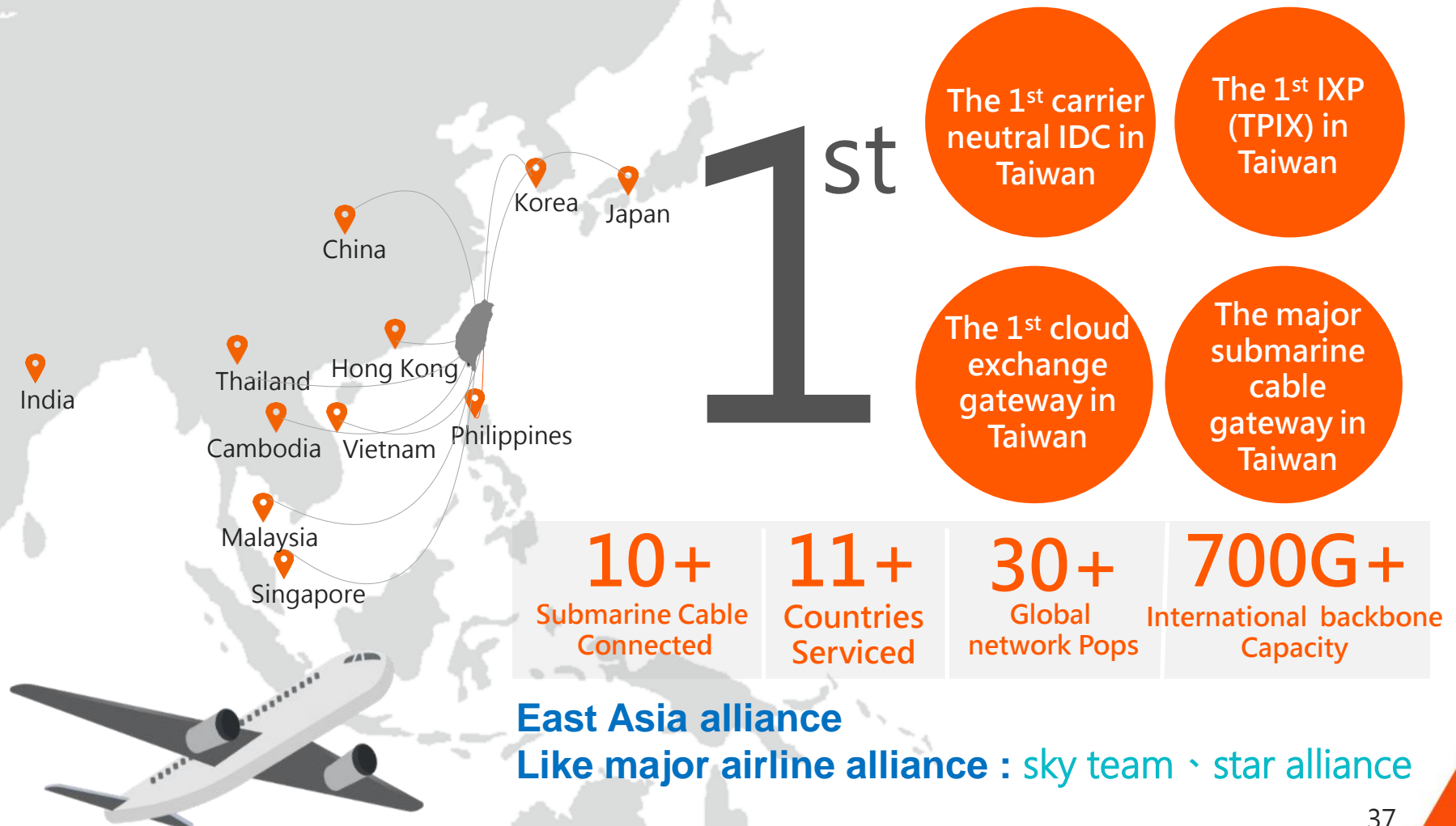# 2.3 Three Rings _ Link Domestic and International Network

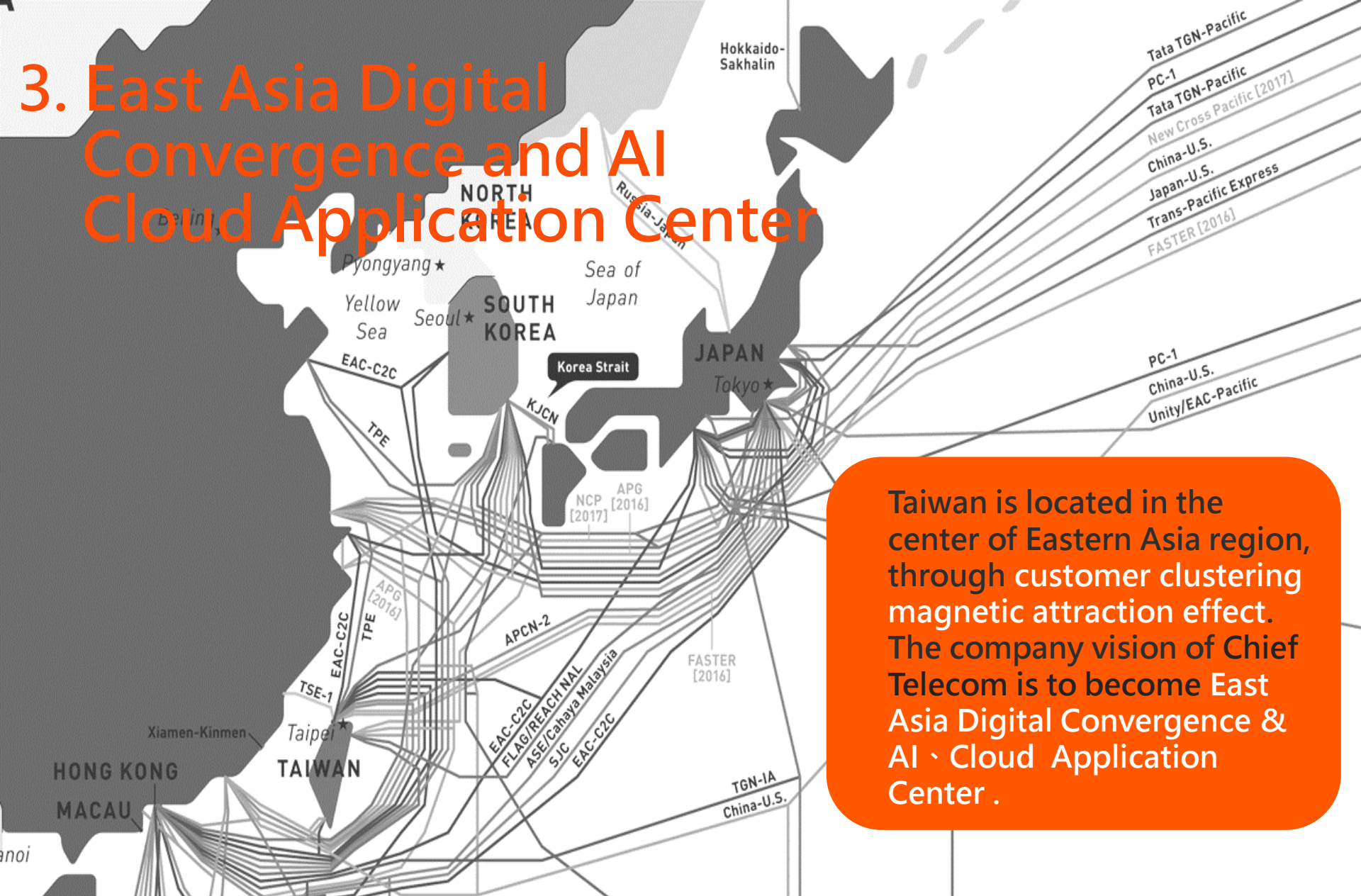**Complete Domestic and International Optical Networks**

- **Taipei Ring**: optical fiber network to connect 4 IDC buildings
- **Taiwan Ring**: optical fiber network to connect 5 science industries parks
- **International Ring**: High bandwidth to connect to Tokyo, Hong Kong and Singapore
- **International Submarine Cable Center** : direct connect to USA, Europe, East Asia and China

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2.4 Expand International Backbone and Cooperate with Partners in East Asia

Korea
Japan
China
India
Thailand
Hong Kong
Cambodia
Vietnam
Philippines
Malaysia
Singapore

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+ Submarine Cable Connected

11+ Countries Serviced

30+ Global network Pops

700G+ International backbone Capacity

East Asia alliance
Like major airline alliance : sky team、star alliance

3. East Asia Digital Convergence and AI Cloud 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 Application Center** .

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Cloud ｜ Connect ｜ Communication