Chief Company Introduction

Stock Code：6561

Nov. 8, 2023
https://www.chief.com.tw

CHAPTER 1
Company Profile

1. Chief Profile

- Chief ESG Report Certified in 2022~2023
- Ranked Top 5% of TPEx Corporate Governance Evaluation in Apr. 2023
- Awarded "CommonWealth Sustainable Citizen Award Top 100" in Sept. 2023
- Awarded "Best IT Employer Award" in Oct. 2023

Founded   Jan. 19, 1991

Capital   NT$ 778,193,700

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

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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
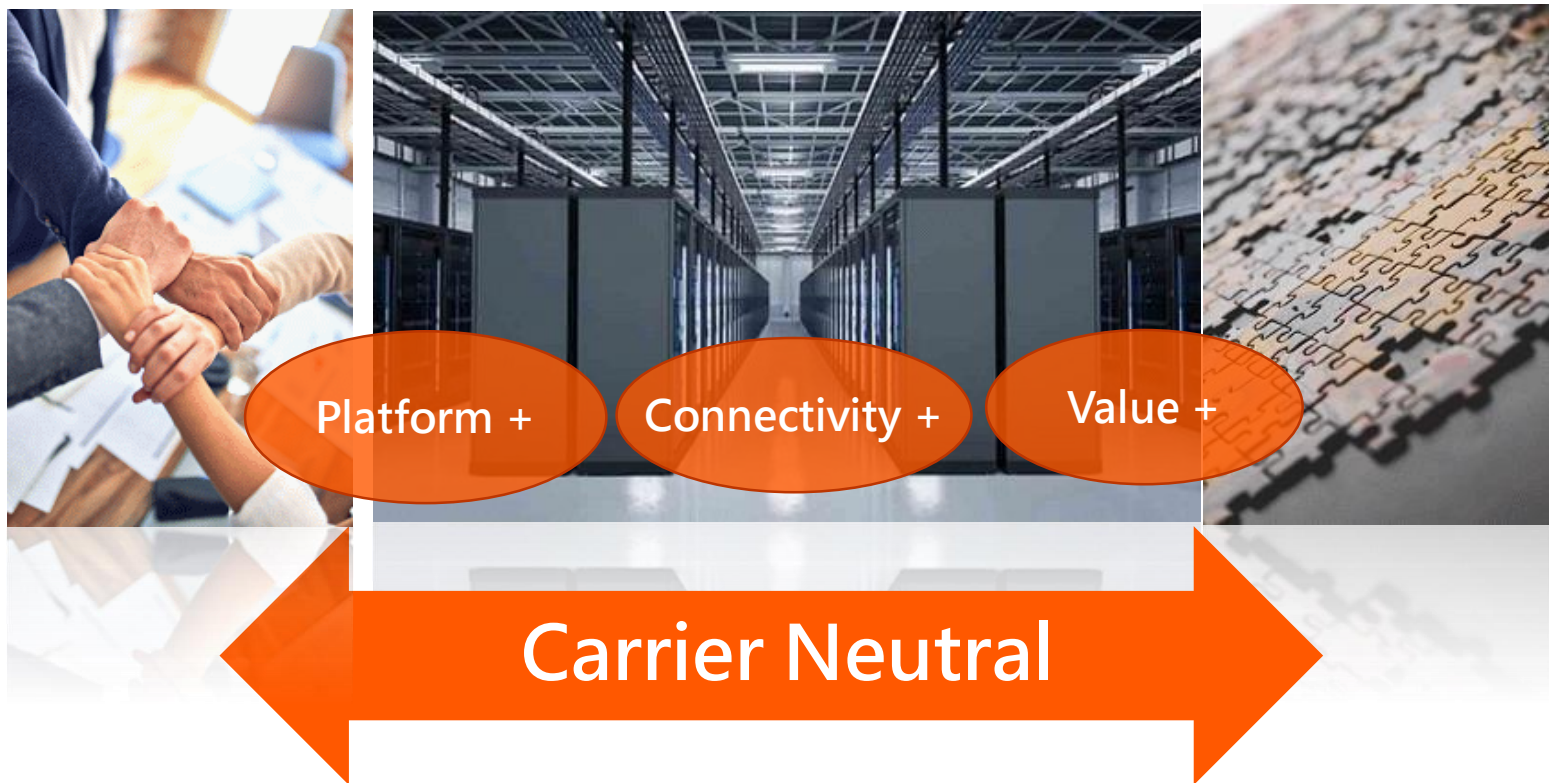**Jan.**- Proceed the project with the island-wide fiber network deployment and expand the Int'l backbone to 700G
Apr.- Ranked Top 5% of TPEx corporate governance evaluation
Sep.- TPIX ranked No. 98 IX in the world
　　 - Awarded "Top 100 Selected Taiwan Companies by Foreign Investors"
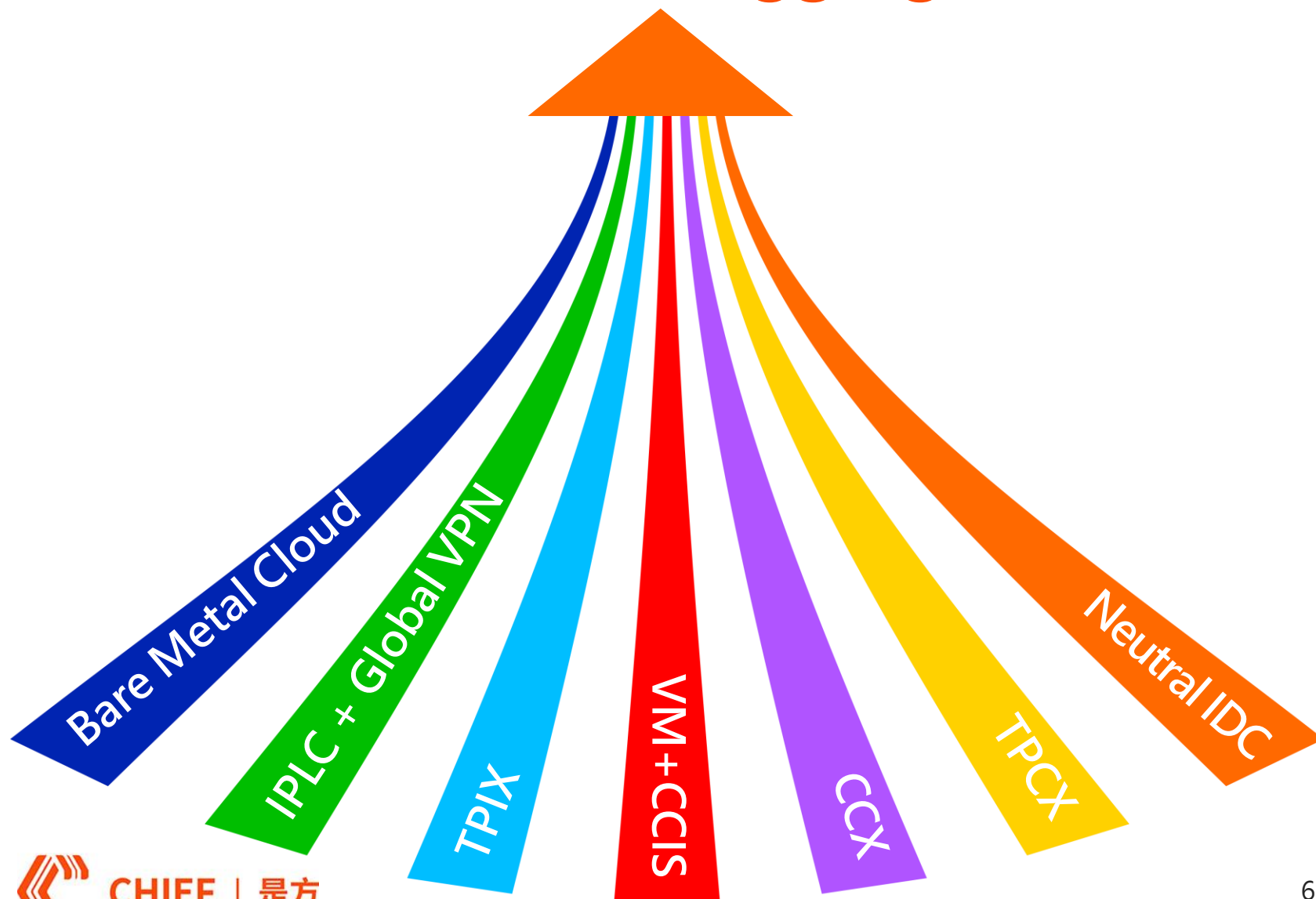　　 - Awarded " CommonWealth Sustainable Citizen Award Top 100"
Oct. – Awarded "Best IT Employer Award"

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3. Company Positioning

Specialization/ Resource Sharing/ Collaboration/ Multi-winners

Platform +   Connectivity +   Value +

Carrier Neutral

4. Platform+ (Service Aggregation)

Bare Metal Cloud

IPLC + Global VPN

TPIX

VM+CCIS

CCX

TPCX

Neutral IDC

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

Global Internet & Network
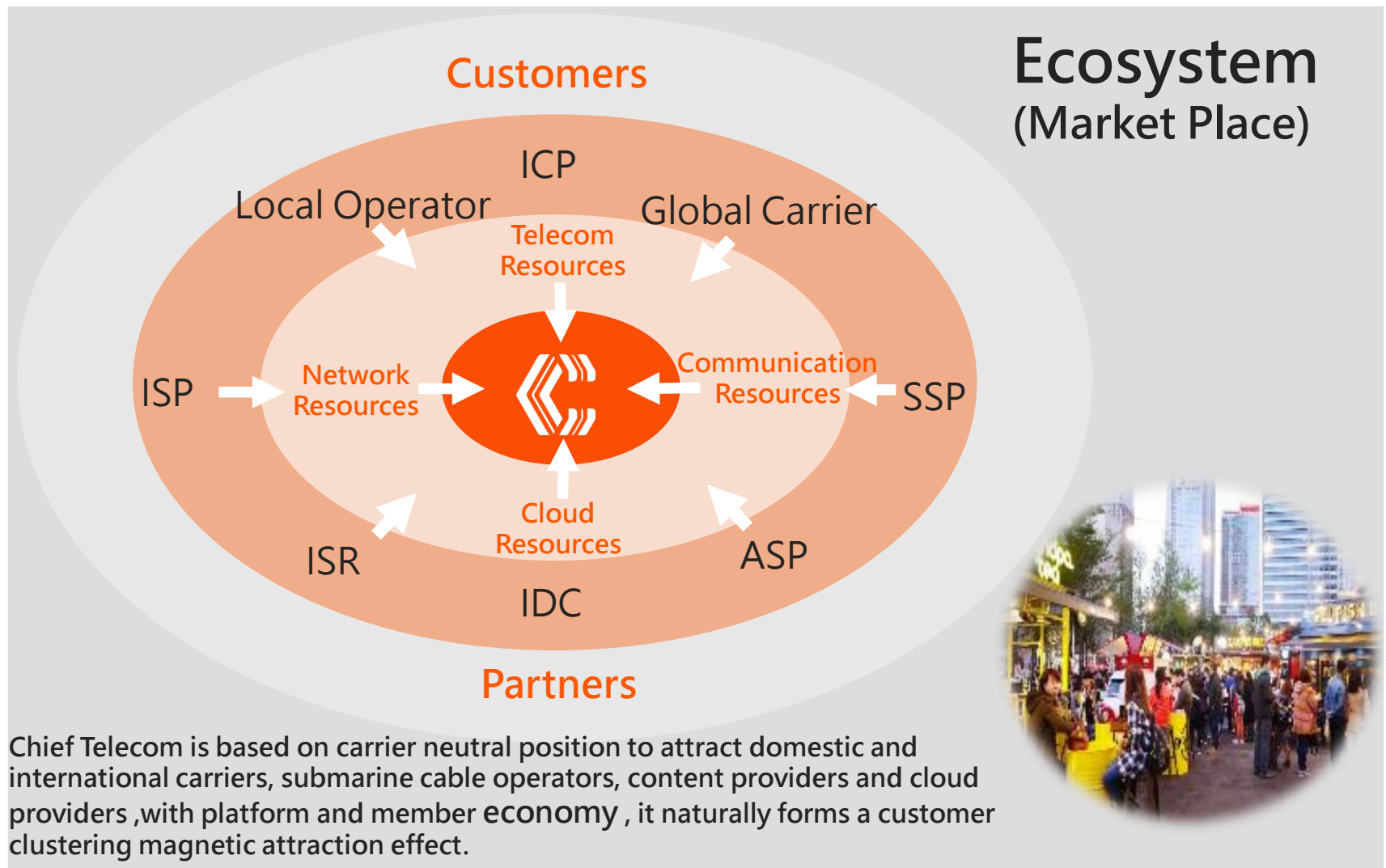
Type I :
Int'l Carriers

Type II :
Submarine Operators

Type III:
Int'l ICP & Cloud Service Providers

Type IV:
Domestic Carriers & ISP

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

Multiplier effect

Solve Expensive Last Mile Issue

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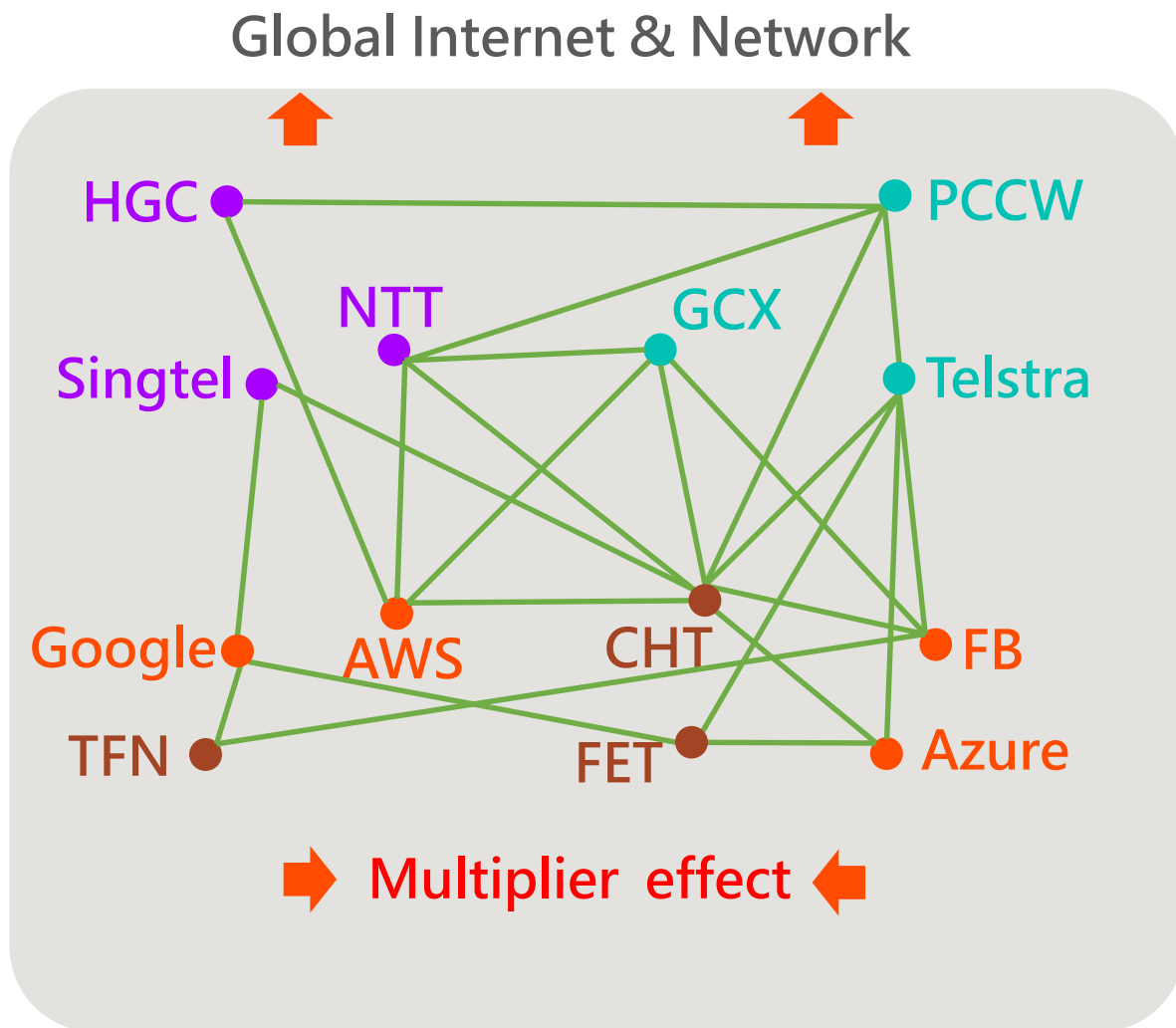
6. Value+（Clustering Magnetic Attraction Effect)

Ecosystem
(Market Place)

Customers

ICP

Local Operator

Global Carrier

Telecom Resources

ISP

Network Resources

Communication Resources

SSP

ISR

Cloud Resources

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.

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7. Major Customers

Domestic Carriers

中華電信 Chunghwa Telecom · FET 遠傳 · 台灣大哥大 · T STAR 台灣之星 · 亞太電信 Gt · So-net · Taifo · MKY · TIGC · eASPNet 數位通國際

Chief Solution

International Carriers

Telstra · TM · KDDI · Telin · PCCW 電訊盈科 · Singtel · PACNET · TATA · GLOBAL CLOUD XCHANGE · NTT Communications On the Distance

Enterprise Customers

GARMIN · ASUS · CHB 彰化銀行 · 五福旅遊 · 仁寶電腦 COMPAL · LOCK&LOCK · SMThe · Samsonite · PEGATRON 和碩聯合科技

Global Cloud Providers

aws · Google Cloud · Azure · IBM Cloud · ORACLE CLOUD · Alibaba Cloud

TPIX Members

Meta · amazon · Microsoft · Apple · Google · NETFLIX

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
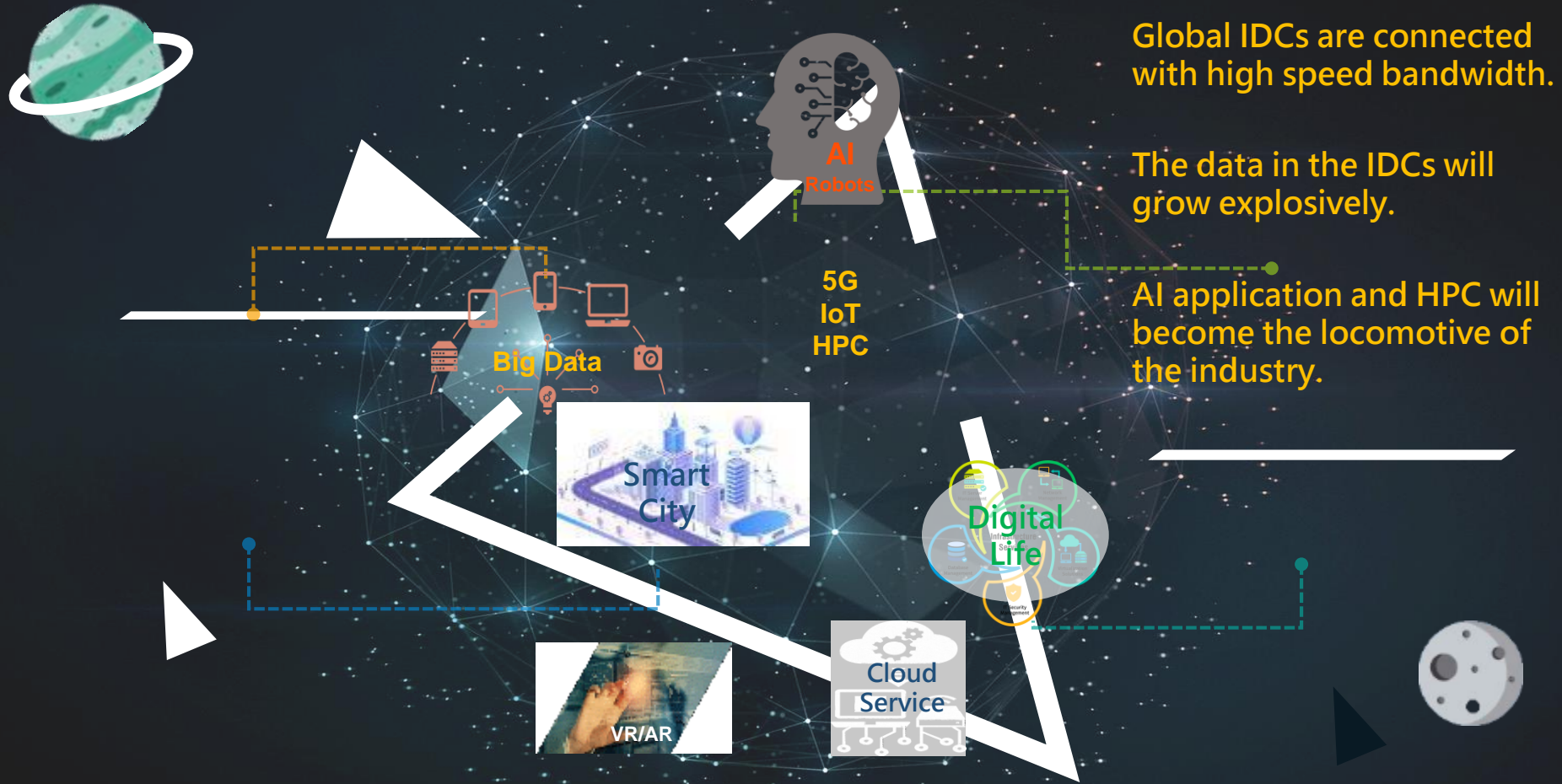- **Global Network**
- **High Speed Internet**

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

VR/AR

Cloud Service

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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CHAPTER 2
Product Introduction

Product Introduction

Chief Company Introduction
https://youtu.be/GwYa4Bw9lnM
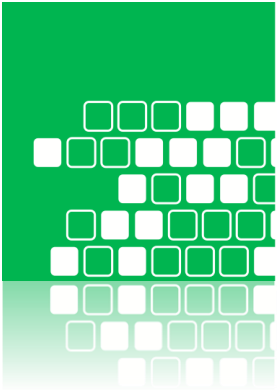
IDC Service	Data Service	Cloud Service	Exchange Center	Voice Service
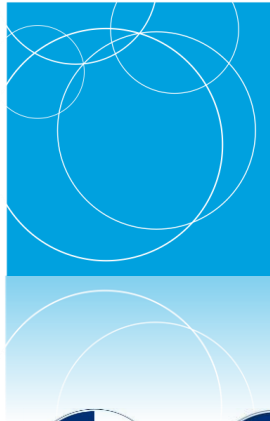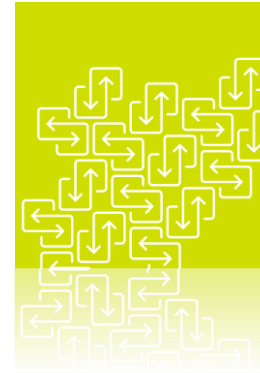
ISO 27001 ISO 27011 ISO 27017 ISO 27018 DCOS-4 Managed Operations & Maintenance
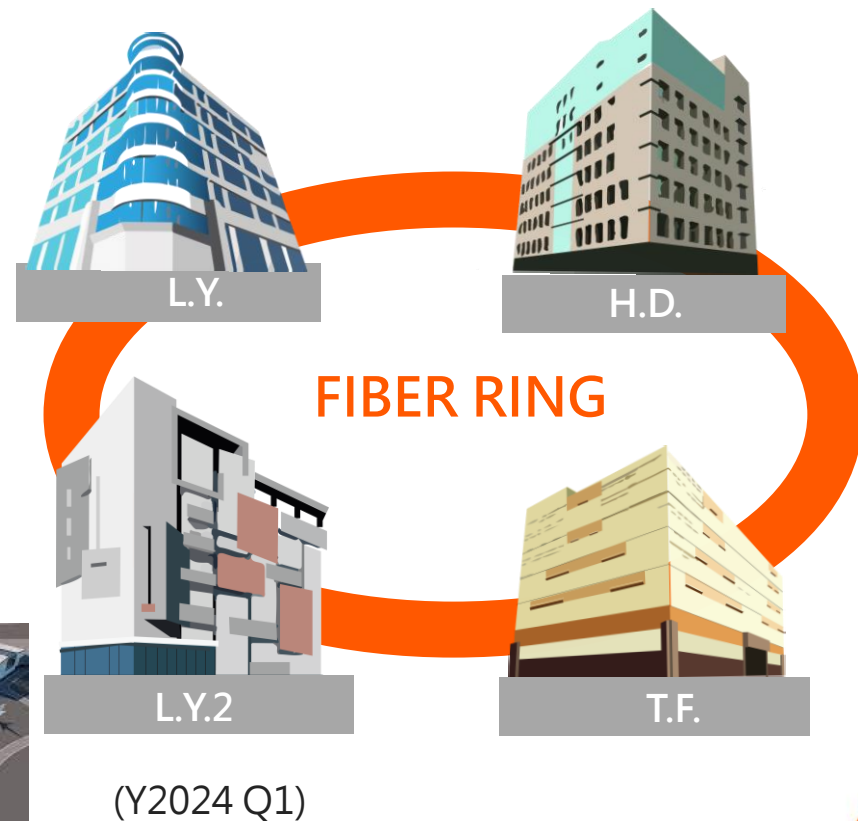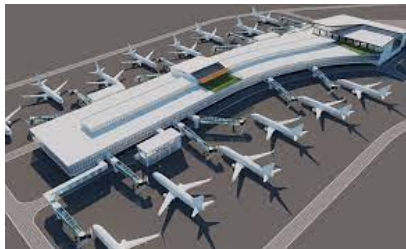
ISO Information Security Quadruple Certification & DCOS-4 Certification

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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**

L.Y.

H.D.

FIBER RING

L.Y.2

T.F.

(Y2024 Q1)

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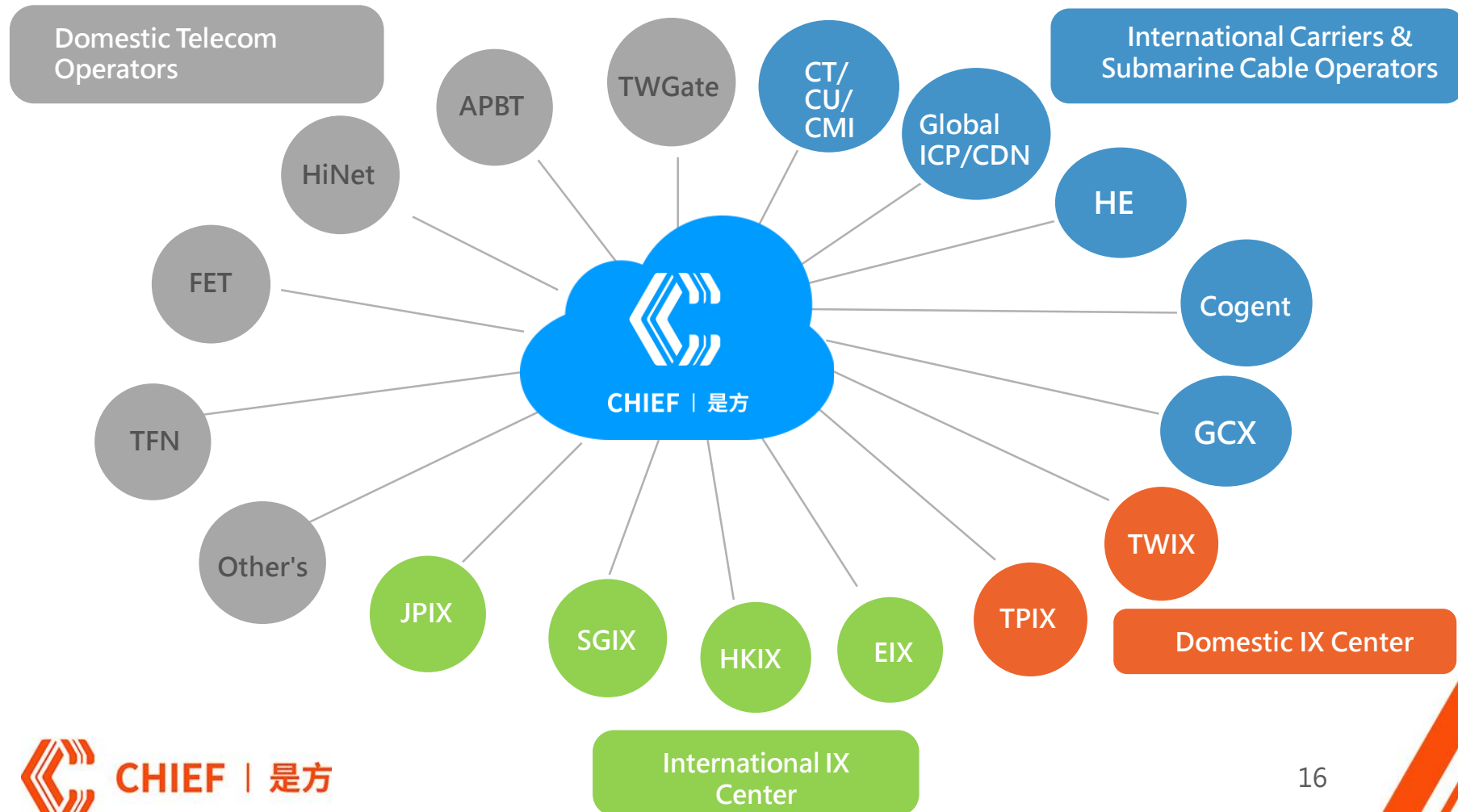Both Google & Microsoft Already Set up Regional Data Centers in Taiwan

Chief 4th IDC L.Y.2

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

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

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

HongKong

Taipei IDC
Taipei
Taoyuan
Hsinchu
Taichung
Tainan
Kaohsiung

Thailand

Philippines

Vietnam

Asia Area

Malaysia

Singapore

Jakarta

Vancouver

San Francisco

Los Angeles

International Area

Chief Taipei HQ

Asia Hub

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

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2.3 Chief SD-WAN Solutions
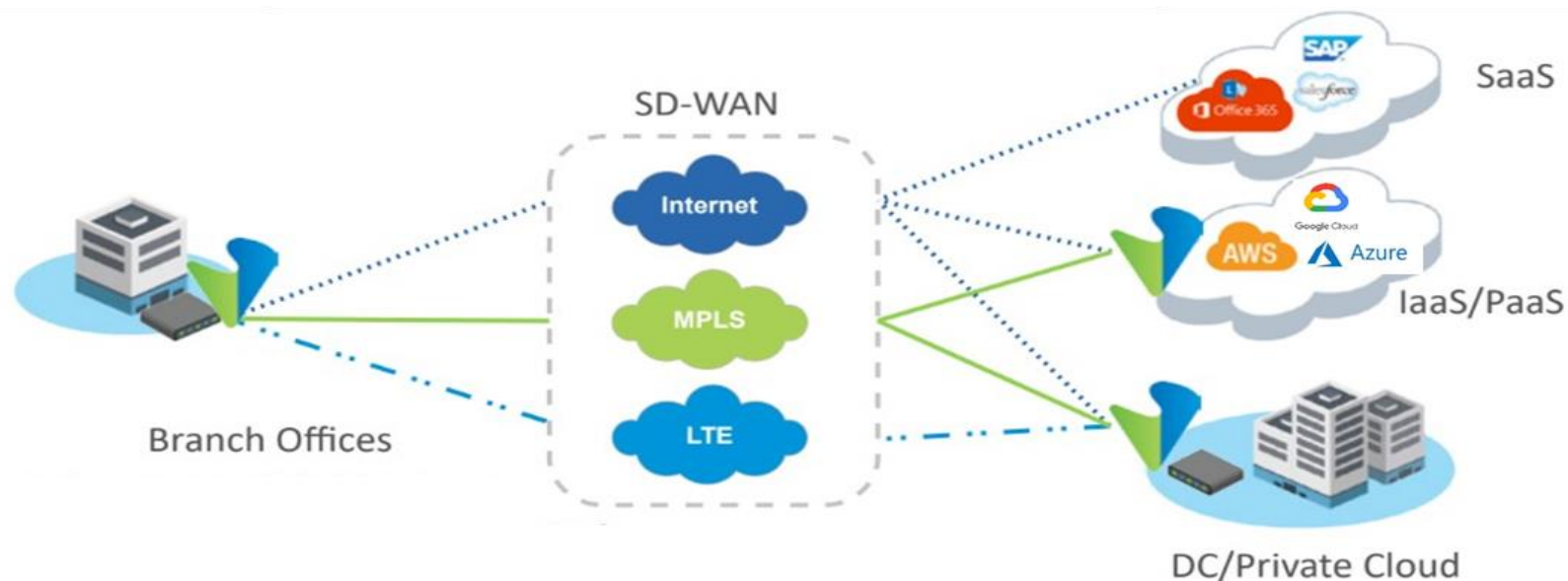
- Simple and fast deployment to solve the long deployment time and the expensive cost of the leased line circuits.
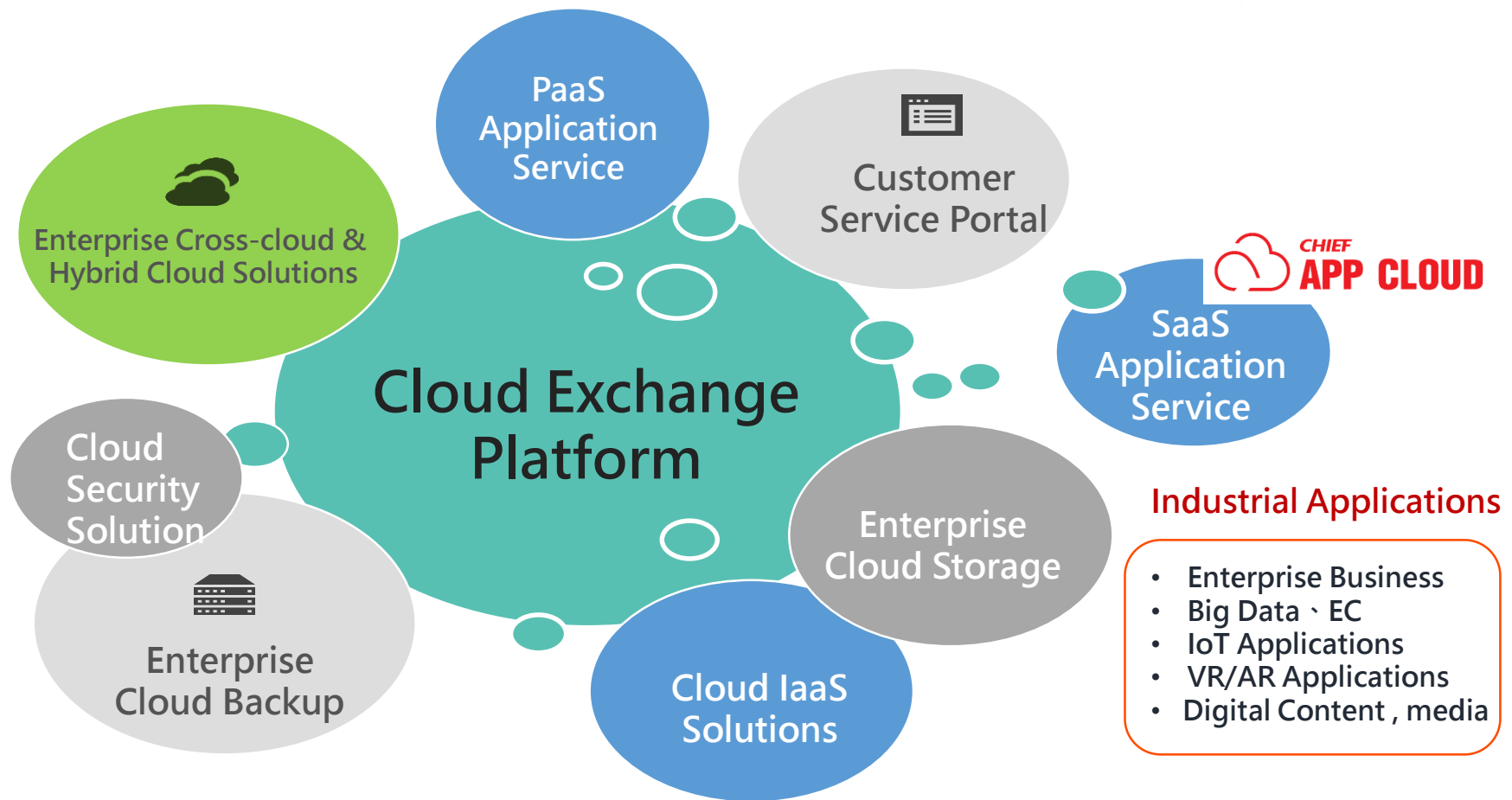- High security network access and control to solve the concerns of the public internet delay, packet loss and the information security issues.
- Subscription-based design, highly scalable and flexible to meet enterprise connection needs.
- Through the customer service portal to check the network traffic and usage status in real time.
- Plan to introduce SASE (Secure Access Service Edge) security functions.

3.1 Cloud Service _Comprehensive Solution

PaaS Application Service

Customer Service Portal

Enterprise Cross-cloud & Hybrid Cloud Solutions

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Cloud Exchange Platform

SaaS Application Service

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 Chief Global Bare Metal Cloud Services

Bare Metal Cloud

1. **Bare Metal Server**
   Dedicated Hardware、High Performance、Security Guaranteed

2. **Cloud Services**
   Flexible Resources、Fast Deployment

3. **Global Service Coverage**
   40+ Countries/60+ Cities

4. **Flexible Pricing Options**
   Subscription-based or Pay as You Go

5. **Self-Service Portal**
   Self-service Ordering、Monitoring、Management
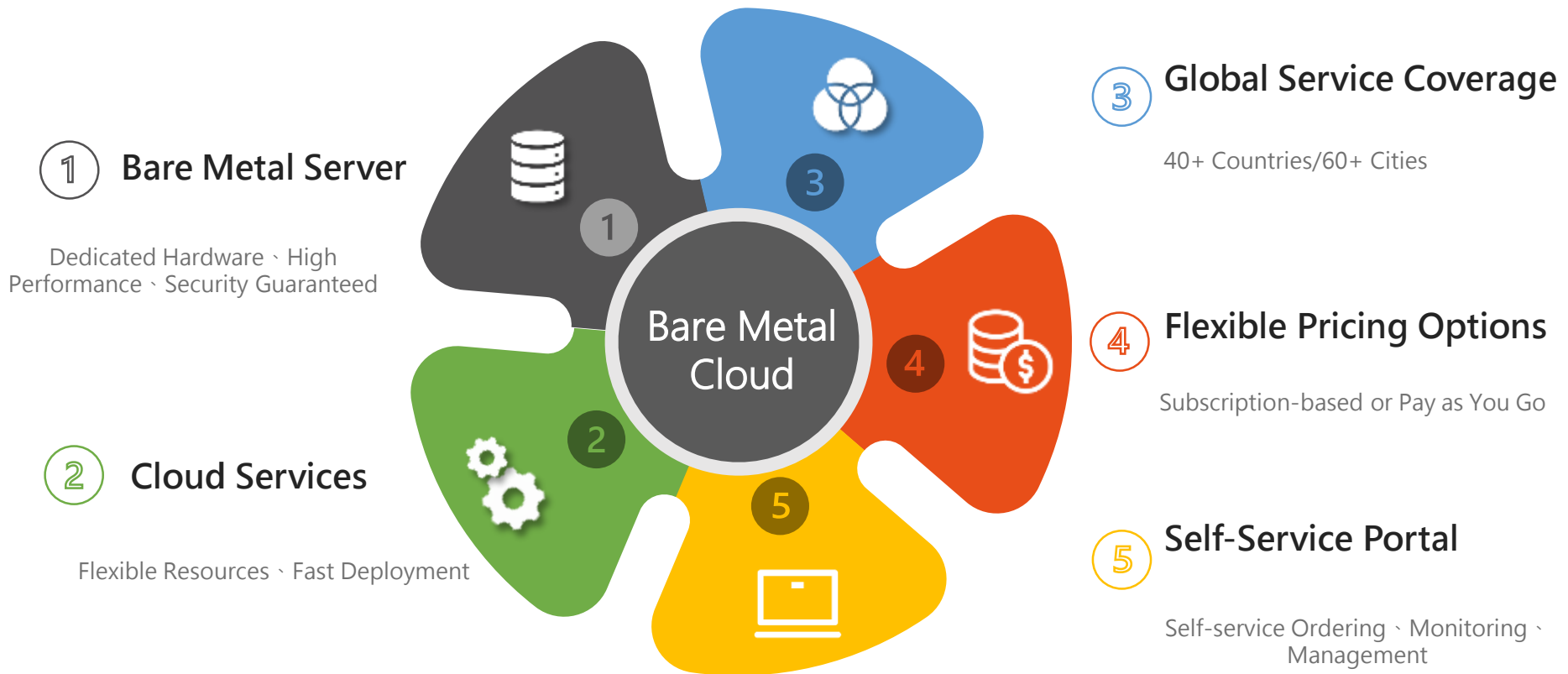
BMC Service Coverage (40+ Countries/60+ Cities)

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3.3 SaaS Application – Chief i Health

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
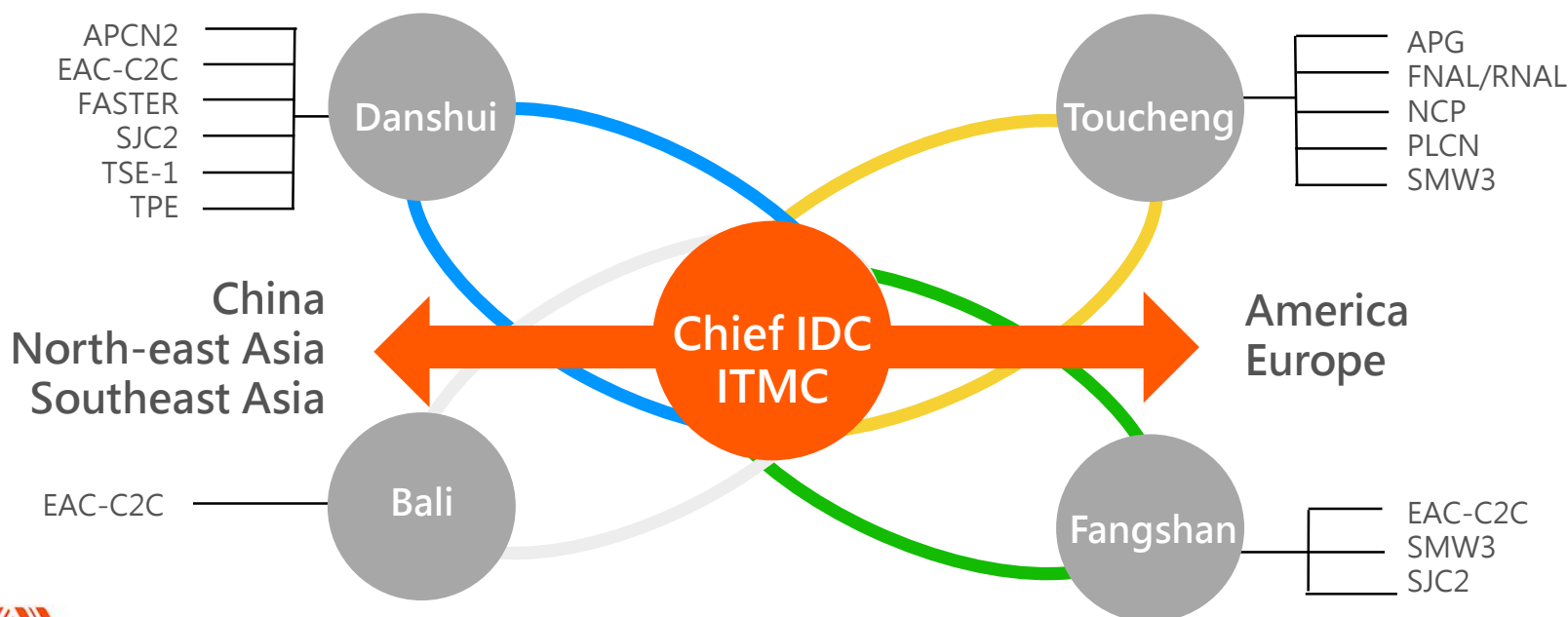- Combining weather information and air quality index to provide personal exercise advice

Get partners to exercise together

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

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.
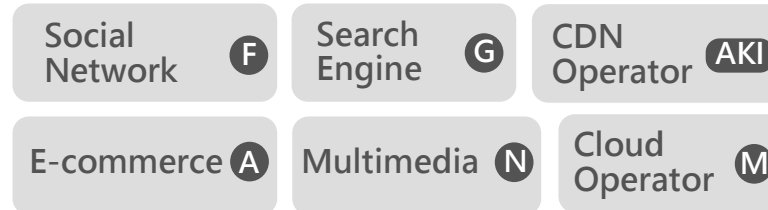
APCN2
EAC-C2C
FASTER
SJC2
TSE-1
TPE

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

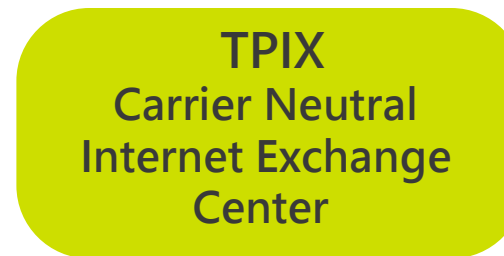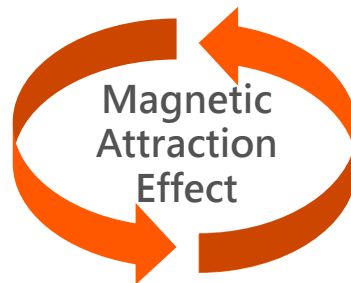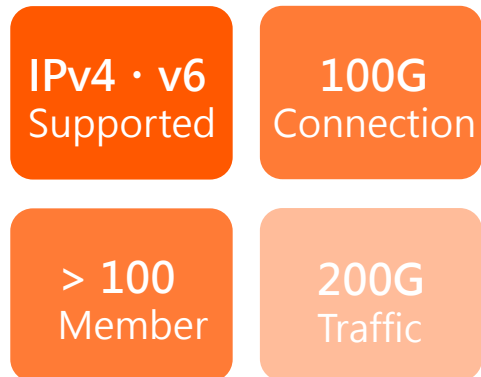| Rank	Internet Exchange		Members	Country	City	Website
#94	PTT Belo Horizonte	🇧🇷	139	BR	Belo Horizonte	ix.br
#95	PTT Florianópolis	🇧🇷	138	BR	Florianópolis	ix.br
#95	BIX Jakarta	🇮🇩	138	ID	Jakarta	bix.id
#97	IXManchester	🇬🇧	137	GB	Manchester	www.linx.net
#98	TPIX-TW	🇹🇼	133	TW	Taipei	www.tpix.net.tw
#98	BCIX	🇩🇪	133	DE	Berlin	www.bcix.de
#98	NAPAfrica IX Durban	🇿🇦	133	ZA	Durban	www.napafrica.net
#101	ECIX Dusseldorf	🇩🇪	132	DE	Duesseldorf	www.ecix.net
#102	MyIX	🇲🇾	131	MY	Kuala Lumpur	www.myix.my

Source: Hurricane Electric Internet Exchange Report Sep. 11, 2023

TPIX ranked #98 (2023 Hurricane Internet Exchange Report)

Social Network **F**

Search Engine **G**

CDN Operator **AKI**

E-commerce **A**

Multimedia **N**

Cloud Operator **M**

International & domestic content provider

Achieve

IPv4・v6 Supported

100G Connection

Magnetic Attraction Effect

TPIX Carrier Neutral Internet Exchange Center

- Shortest latency
- Fastest speed
- Lowest cost

> 100 Member

200G Traffic

www.tpix.net.tw

Content demand side

- Domestic ISP
- Fixed network operators

- Cable operators
- Other IX...

- International ISP
- Mobile operators

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TPIX with 133 members ranked #98 worldwide in Sep. 2023

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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

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

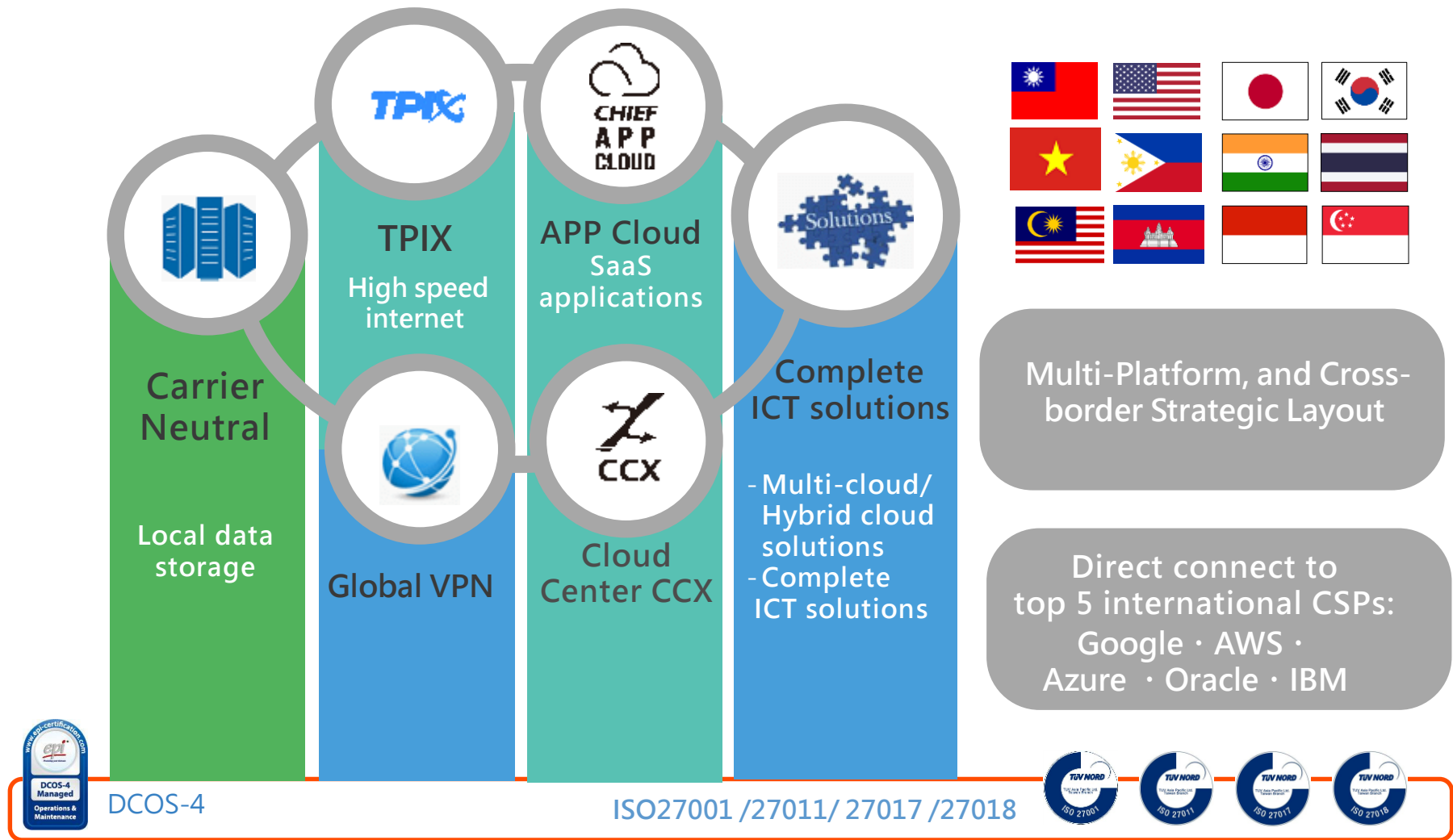Work with service providers to provider integrated solutions, such as Microsoft Teams.

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

Chief Campus Service : from Point to Line and to Area

Industry Application Solutions

Chief Digital Ecosystem

Service Providers' Solutions
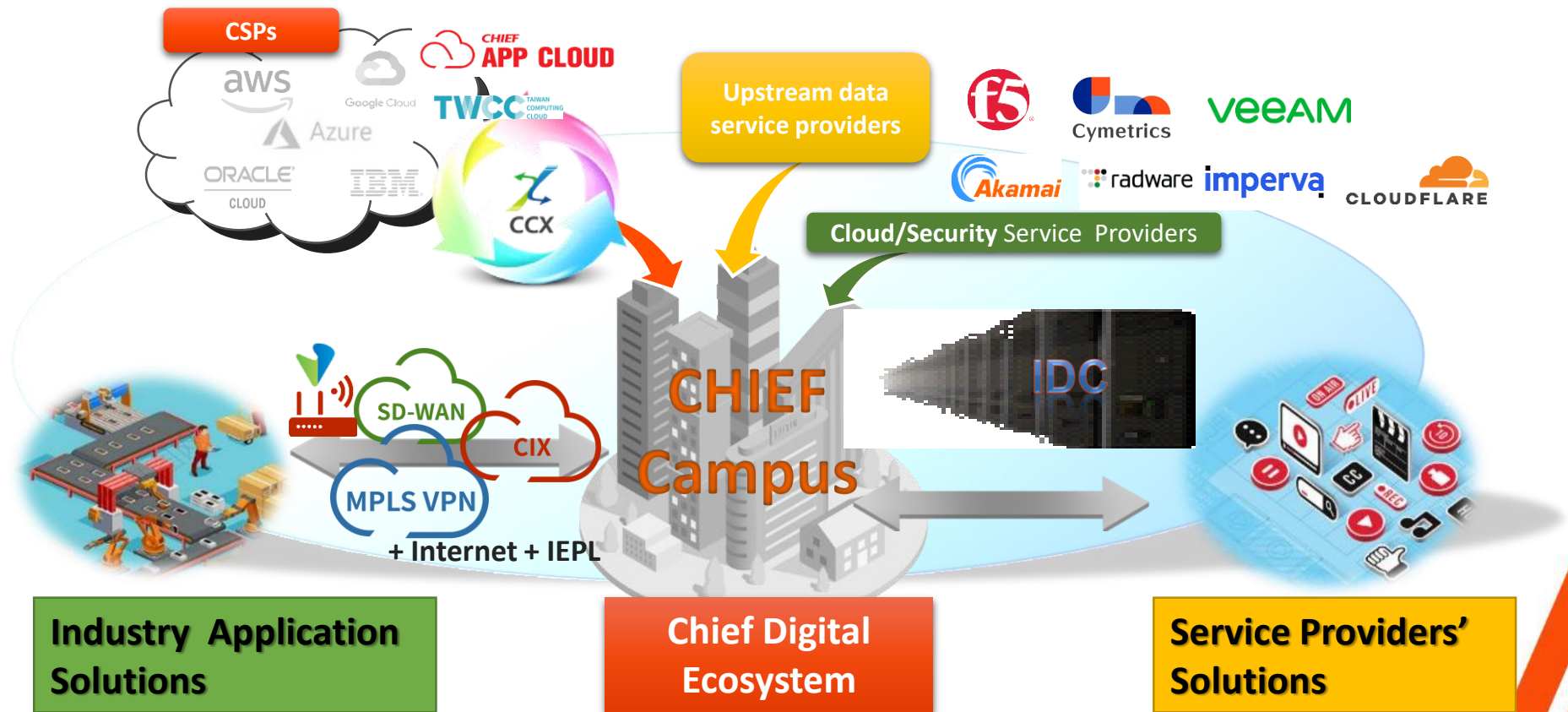
7. Multi-Product to Drive Growth Curve

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
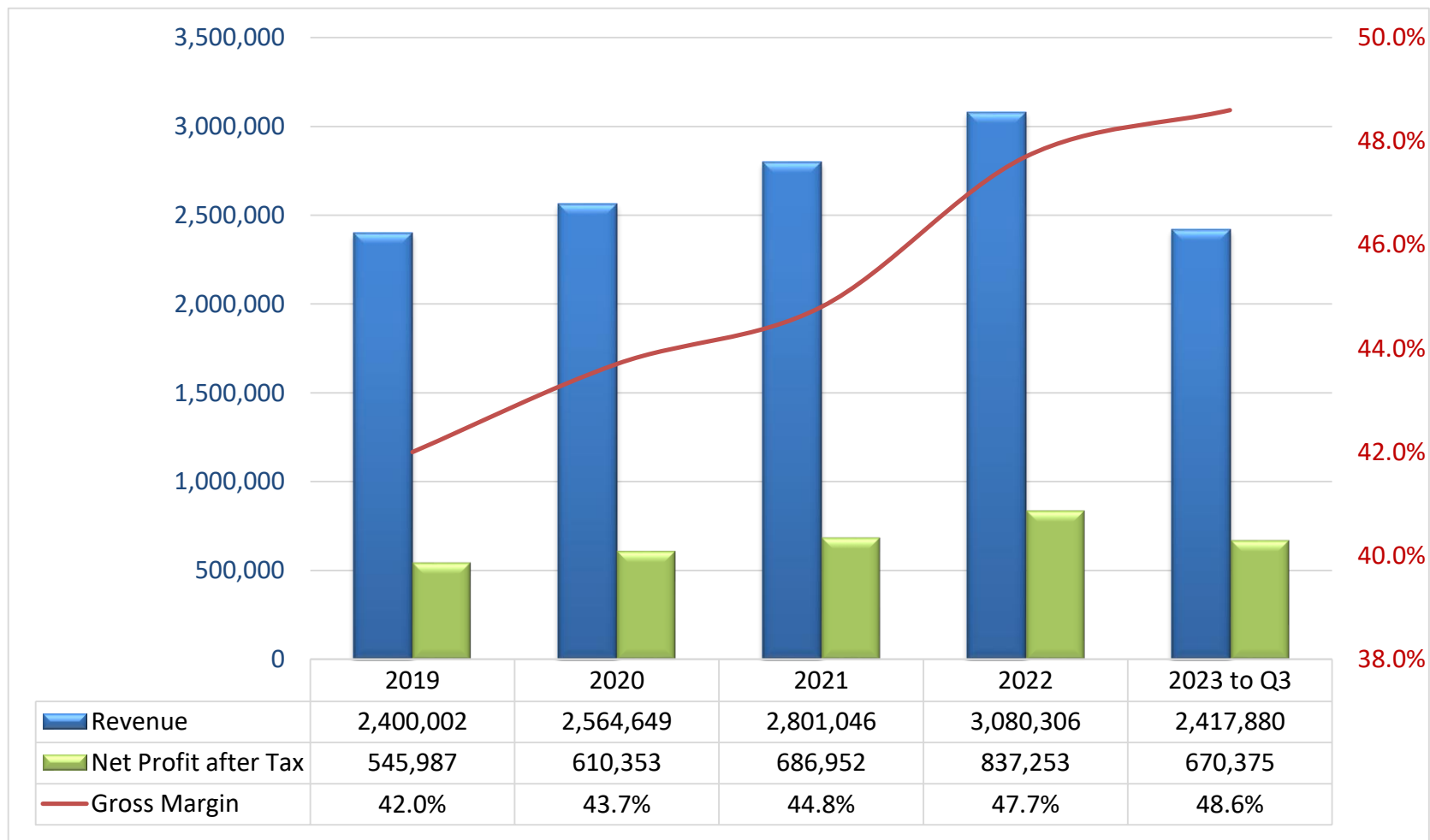
DCOS-4

ISO27001 /27011/ 27017 /27018

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CHAPTER 3

Recent Years Finance Performance

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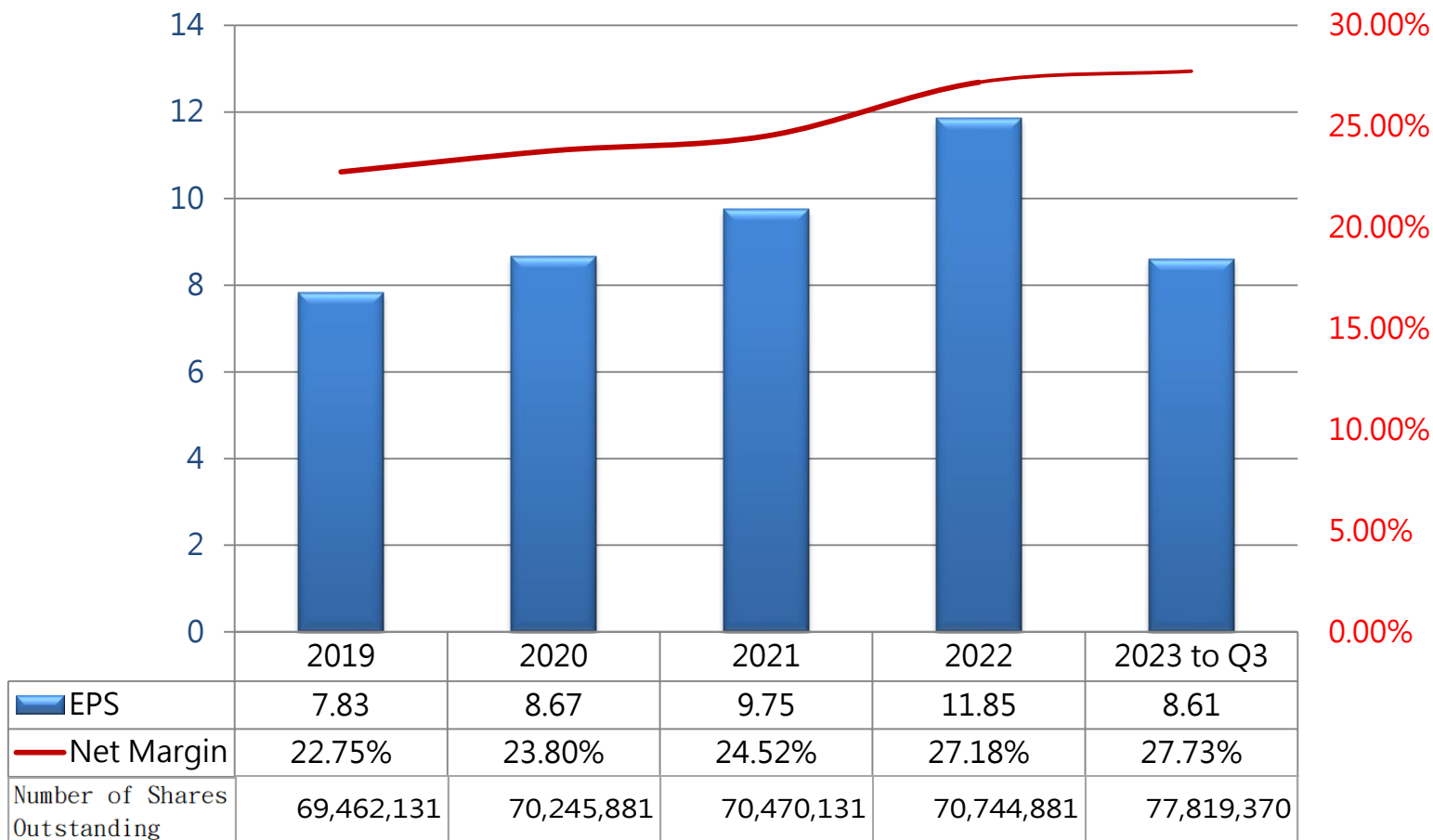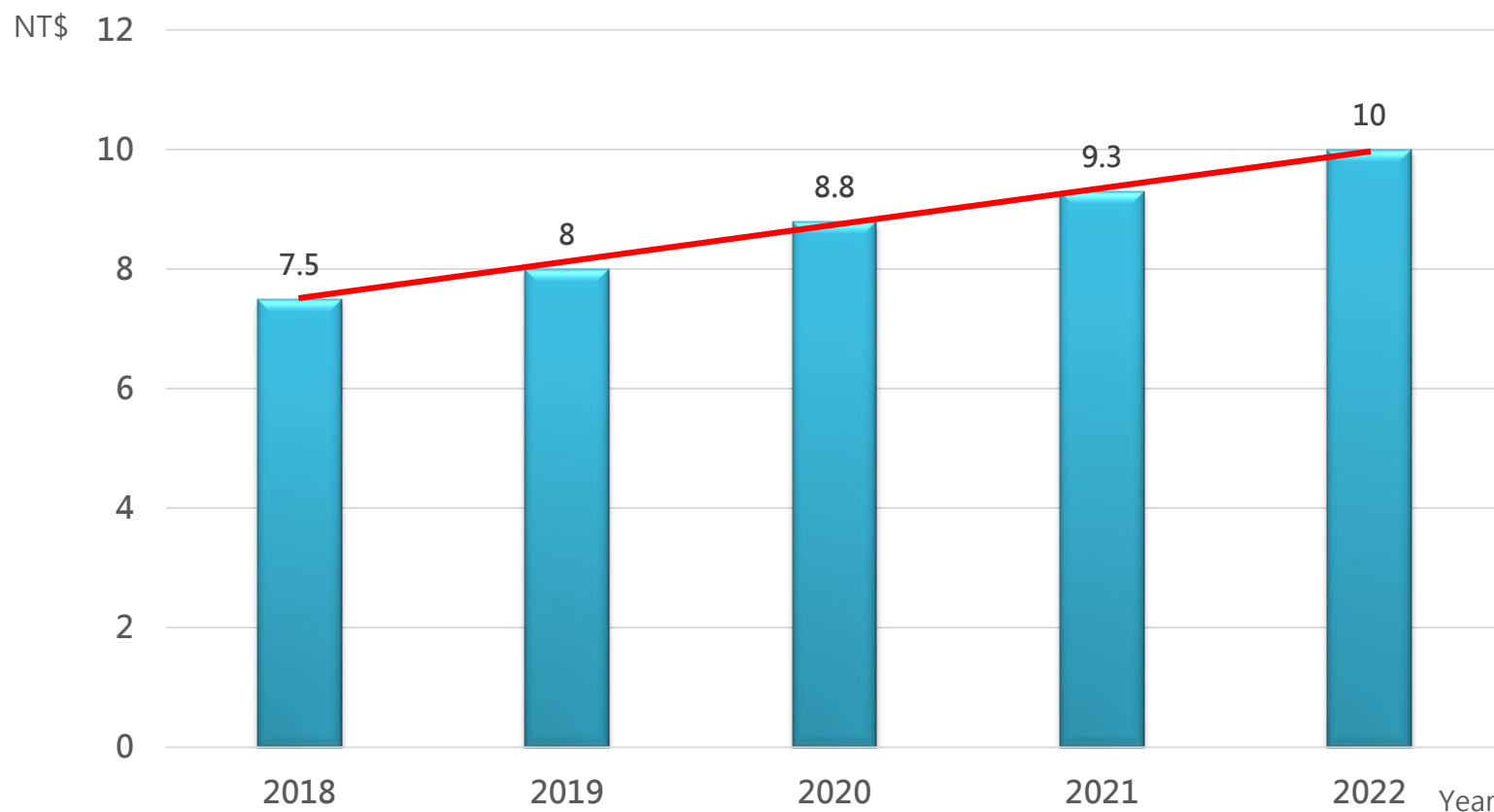- Product Service Revenue Percentage

1. Revenue & Gross Margin

Unit: NT$K

	2019	2020	2021	2022	2023 to Q3
Revenue	2,400,002	2,564,649	2,801,046	3,080,306	2,417,880
Net Profit after Tax	545,987	610,353	686,952	837,253	670,375
Gross Margin	42.0%	43.7%	44.8%	47.7%	48.6%

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2. Net Margin & EPS

Unit: NT$

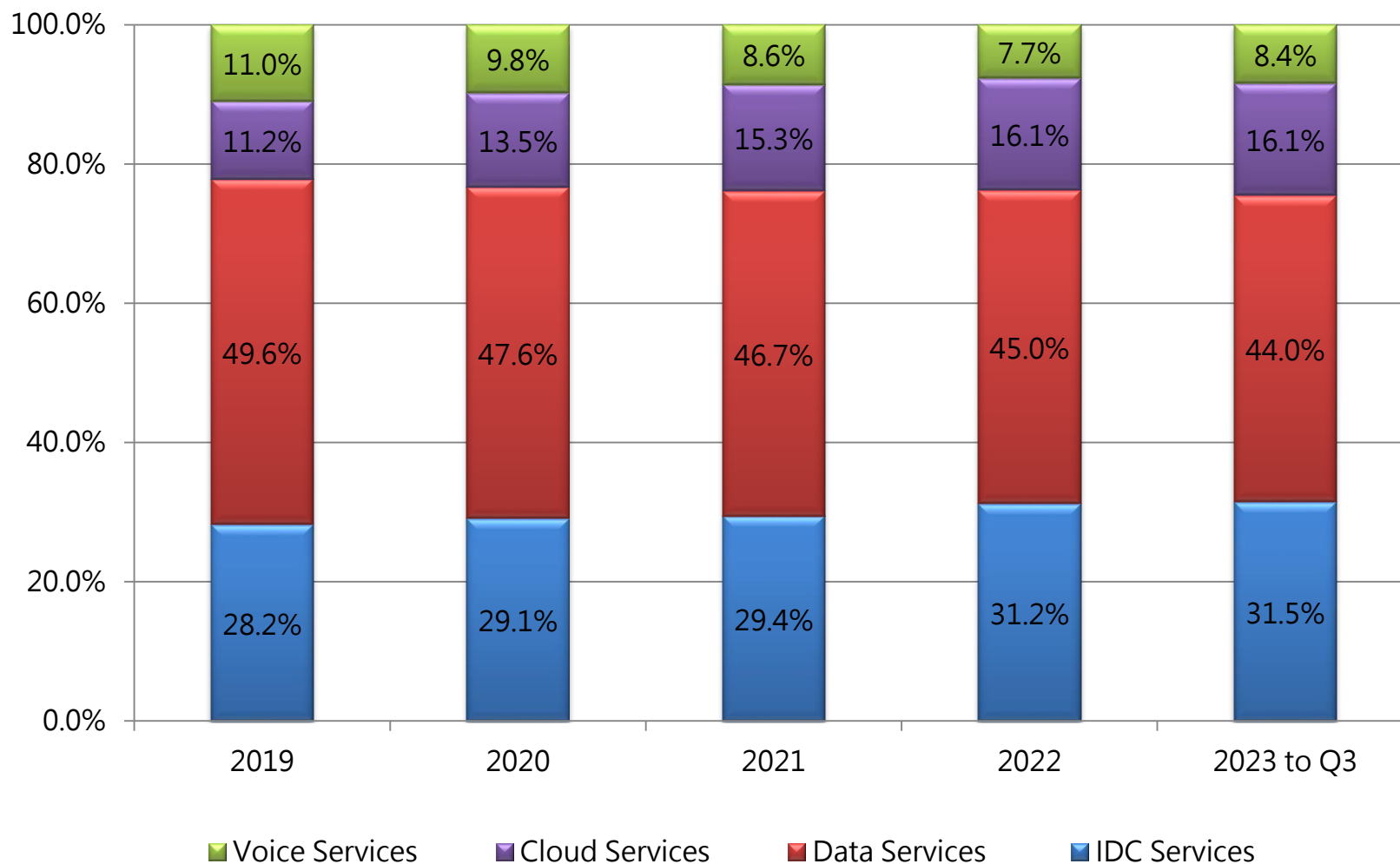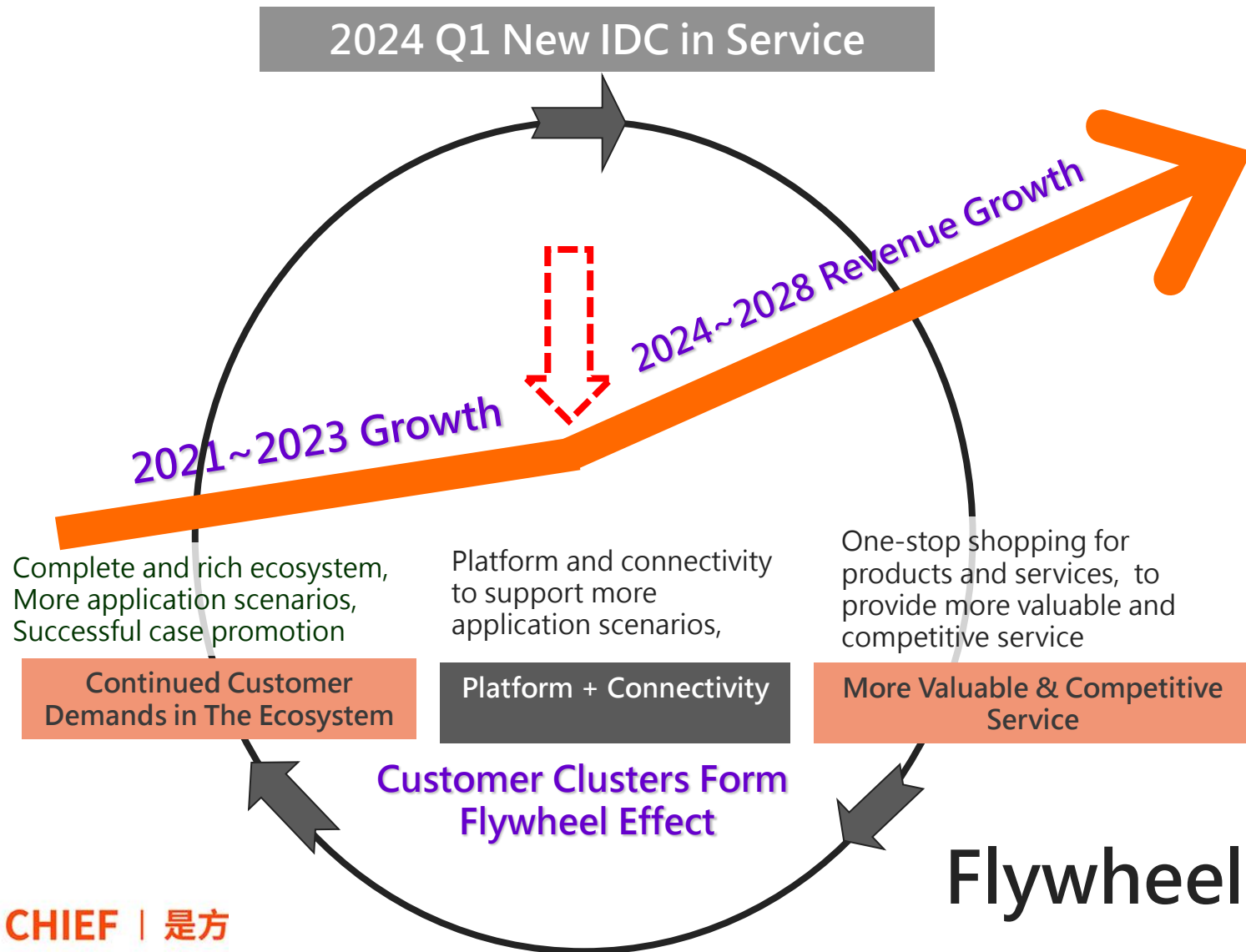|	2019	2020	2021	2022	2023 to Q3
EPS	7.83	8.67	9.75	11.85	8.61
Net Margin	22.75%	23.80%	24.52%	27.18%	27.73%
Number of Shares Outstanding	69,462,131	70,245,881	70,470,131	70,744,881	77,819,370

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3. Percentage of Dividends

NT$

Year

Note : 2022dividends include 9 dollars cash dividends plus one dollar stock dividend (total 10 dollars)
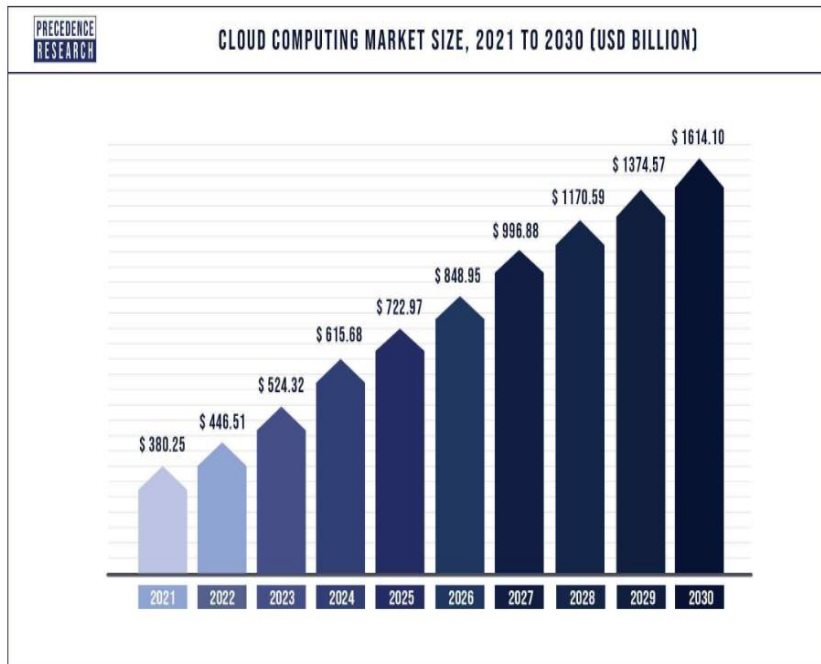
4. Product Revenue Percentage

	2019	2020	2021	2022	2023 to Q3
Voice Services	11.0%	9.8%	8.6%	7.7%	8.4%
Cloud Services	11.2%	13.5%	15.3%	16.1%	16.1%
Data Services	49.6%	47.6%	46.7%	45.0%	44.0%
IDC Services	28.2%	29.1%	29.4%	31.2%	31.5%

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

Platform and connectivity
to support more
application scenarios,

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

Continued Customer Demands in The Ecosystem

Platform + Connectivity

More Valuable & Competitive Service

Customer Clusters Form Flywheel Effect

Flywheel

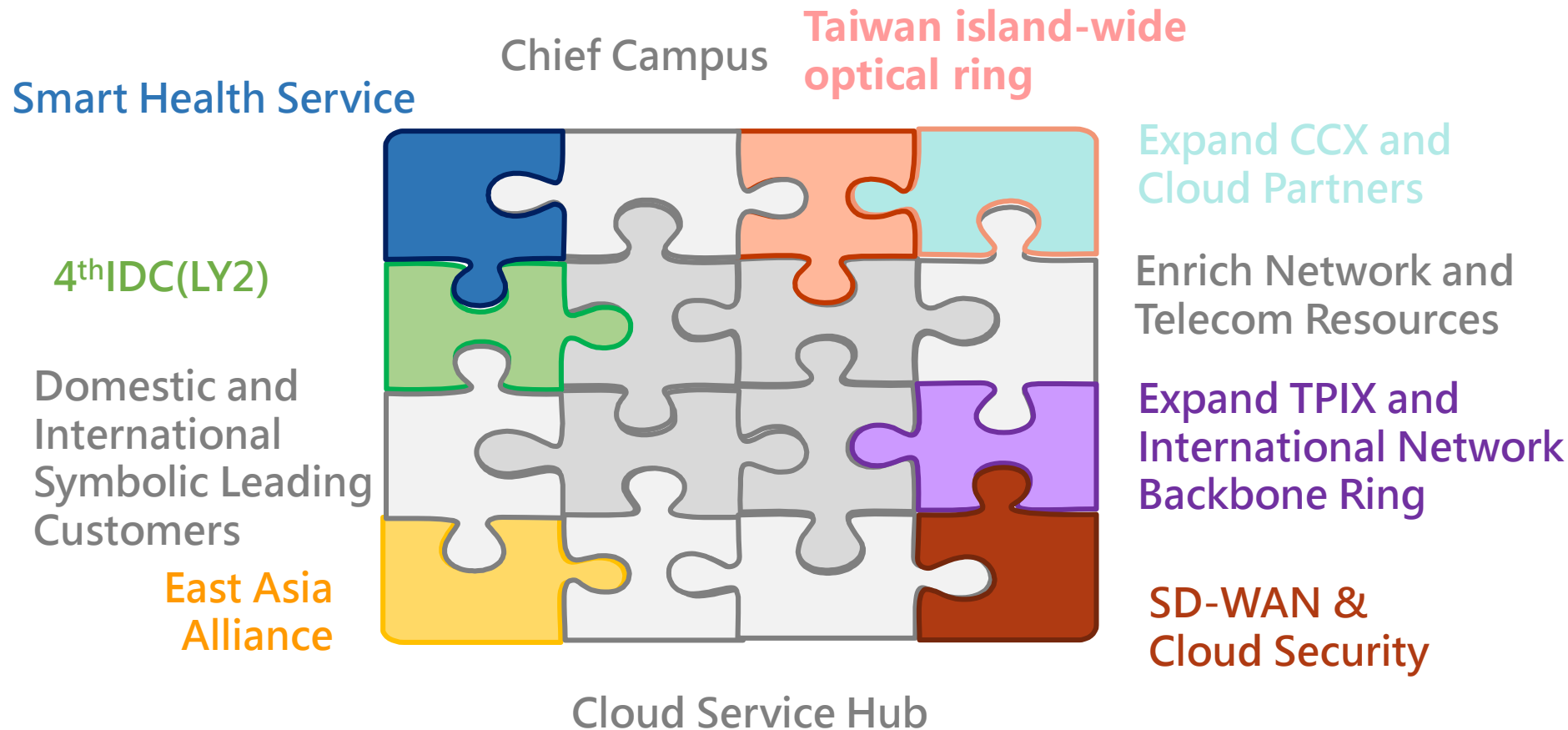CHIEF | 是方

Industrial Trends and Operational Focus

1. Global Cloud and IDC Market Trends

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) 。

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

SD-WAN & 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
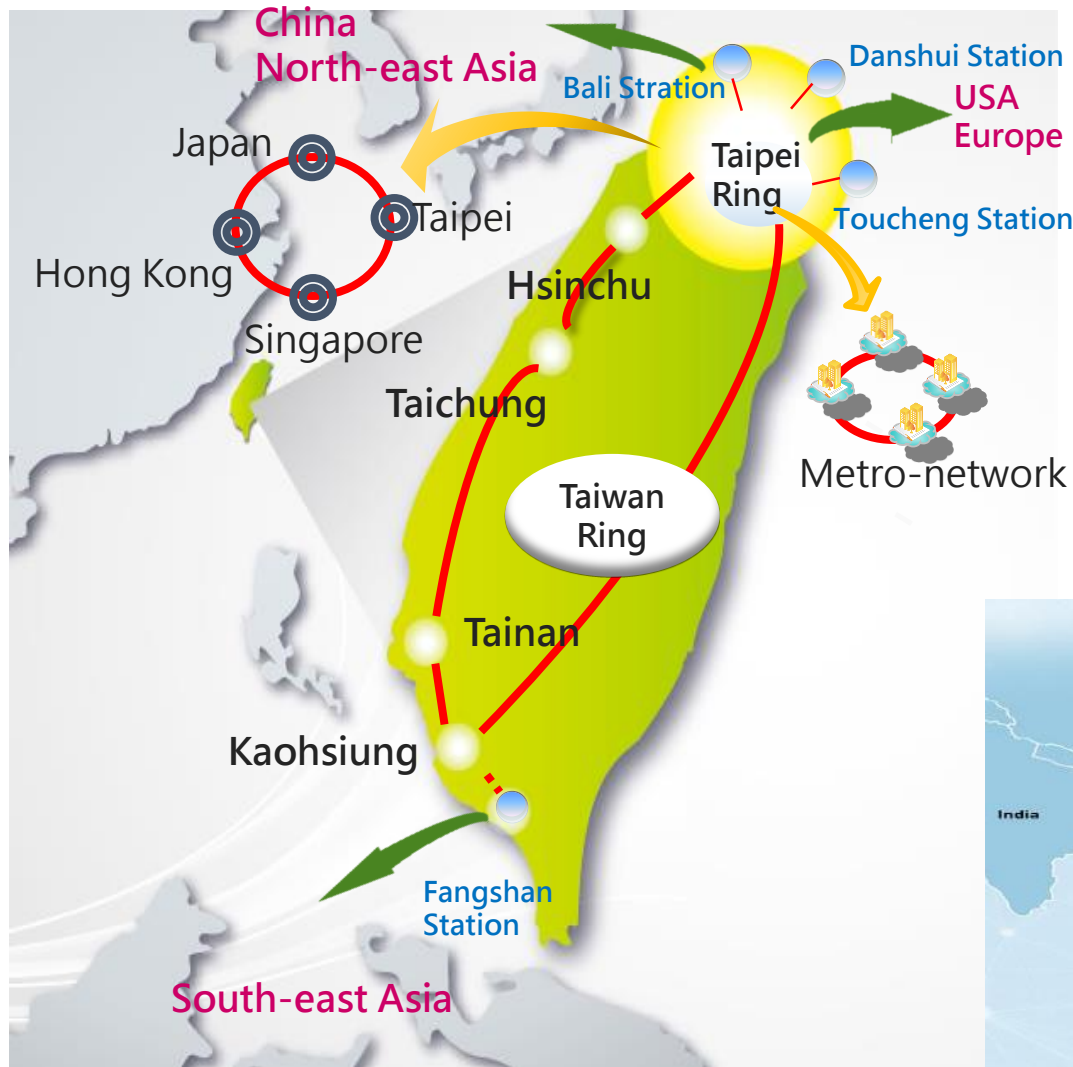**Airflow spec > 150CFM/KW**

Floor Loading 2,000 kg/m²
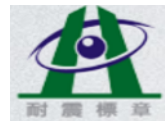
LRB Seismic Isolation Design
(A series magnitude 7.0
earthquakes)

Green/Smart Building Design

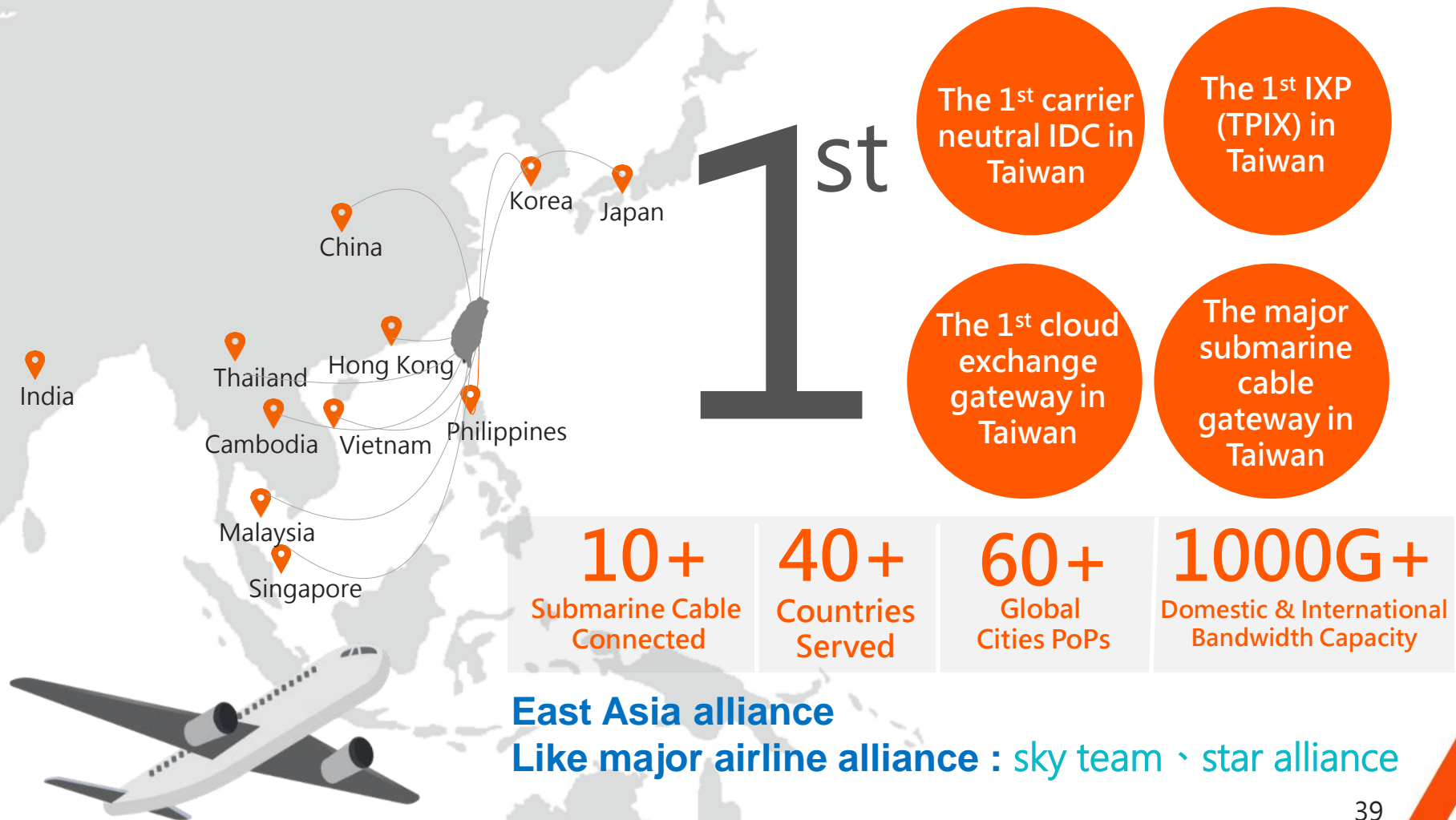# 2.3 Three Rings _ Link Domestic and International Network

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
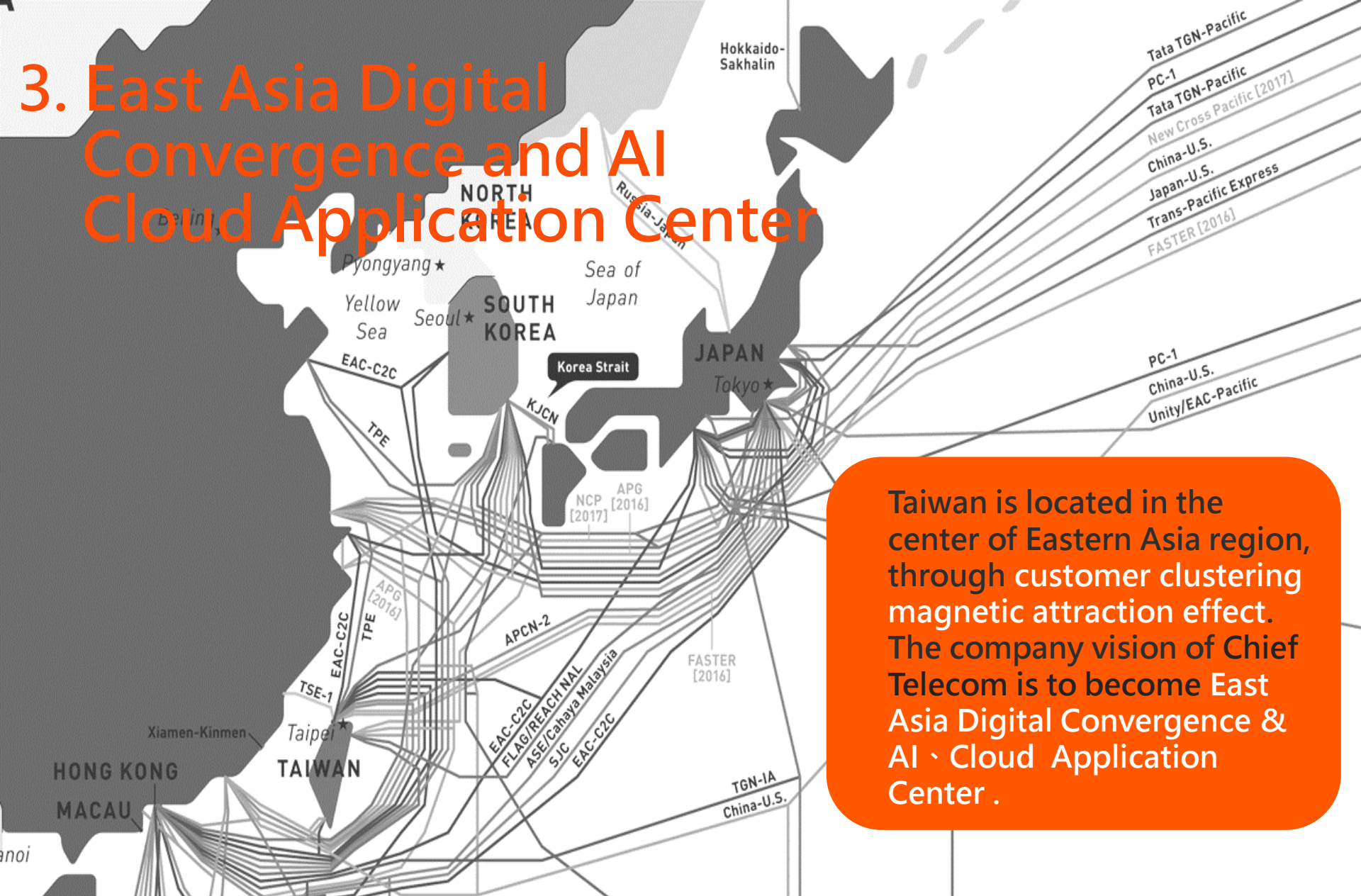- **International Submarine Cable Center** : direct connect to USA, Europe, East Asia and China

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2.4 Expand International Backbone and Cooperate with Partners in East Asia

Korea
Japan
China
Thailand
Hong Kong
India
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

40+ Countries Served

60+ Global Cities PoPs

1000G+ Domestic & International Bandwidth 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