Chief Company Introduction

Stock Code：6561

Feb. 22, 2024
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$778,663,700

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 Carrier Neutral IDCs
LY、HD、TF ：30,000 sqm
LY2(2024/Q2 Commercial Service): 16,500 sqm

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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, new LY2 IDC 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
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"
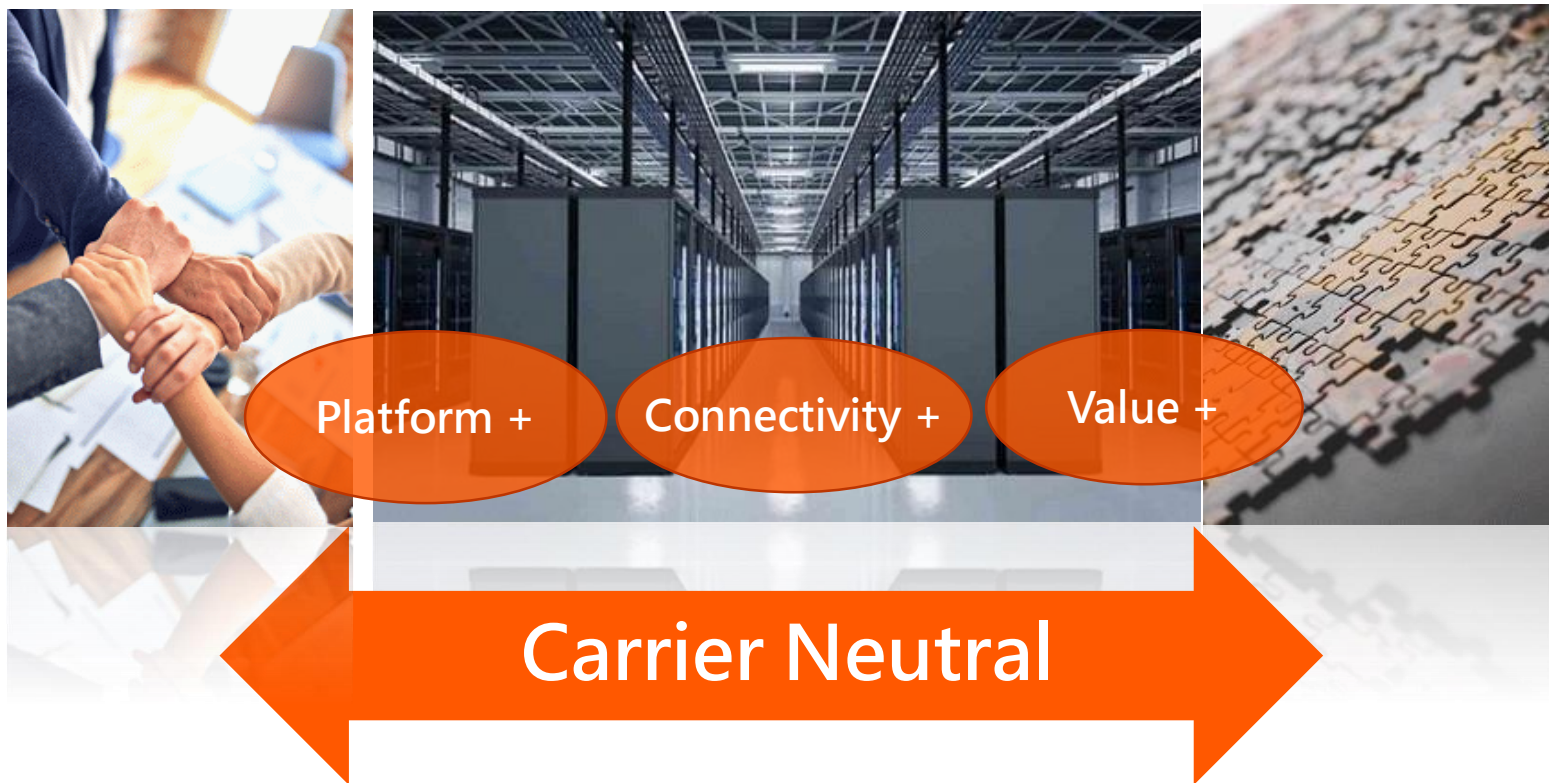Oct. – Awarded "Best IT Employer Award"
Dec.- Complete Island-wide Fiber Network and Extend Services to 40 Countries/60 Cities with Over 1000G Network Bandwidth 4

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3. Company Positioning

Specialization/ Resource Sharing/ Collaboration/ Multi-winners

Platform +   **Connectivity +**   **Value +**
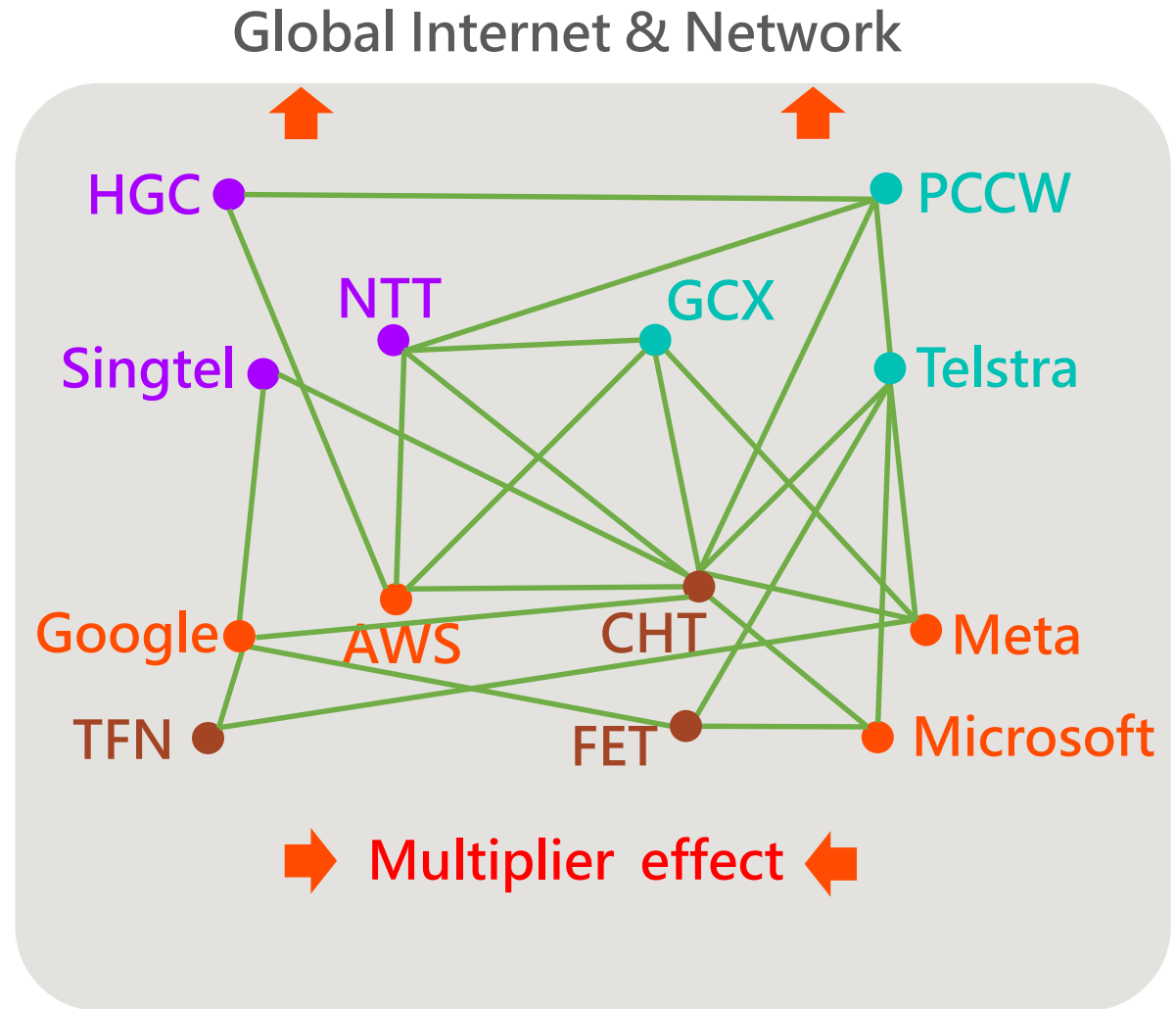
Carrier Neutral

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4. Platform+ (Service Aggregation)

Bare Metal Cloud

IPLC + Global VPN

TPIX

VM+CCIS

CCX

TPCX

Neutral IDC

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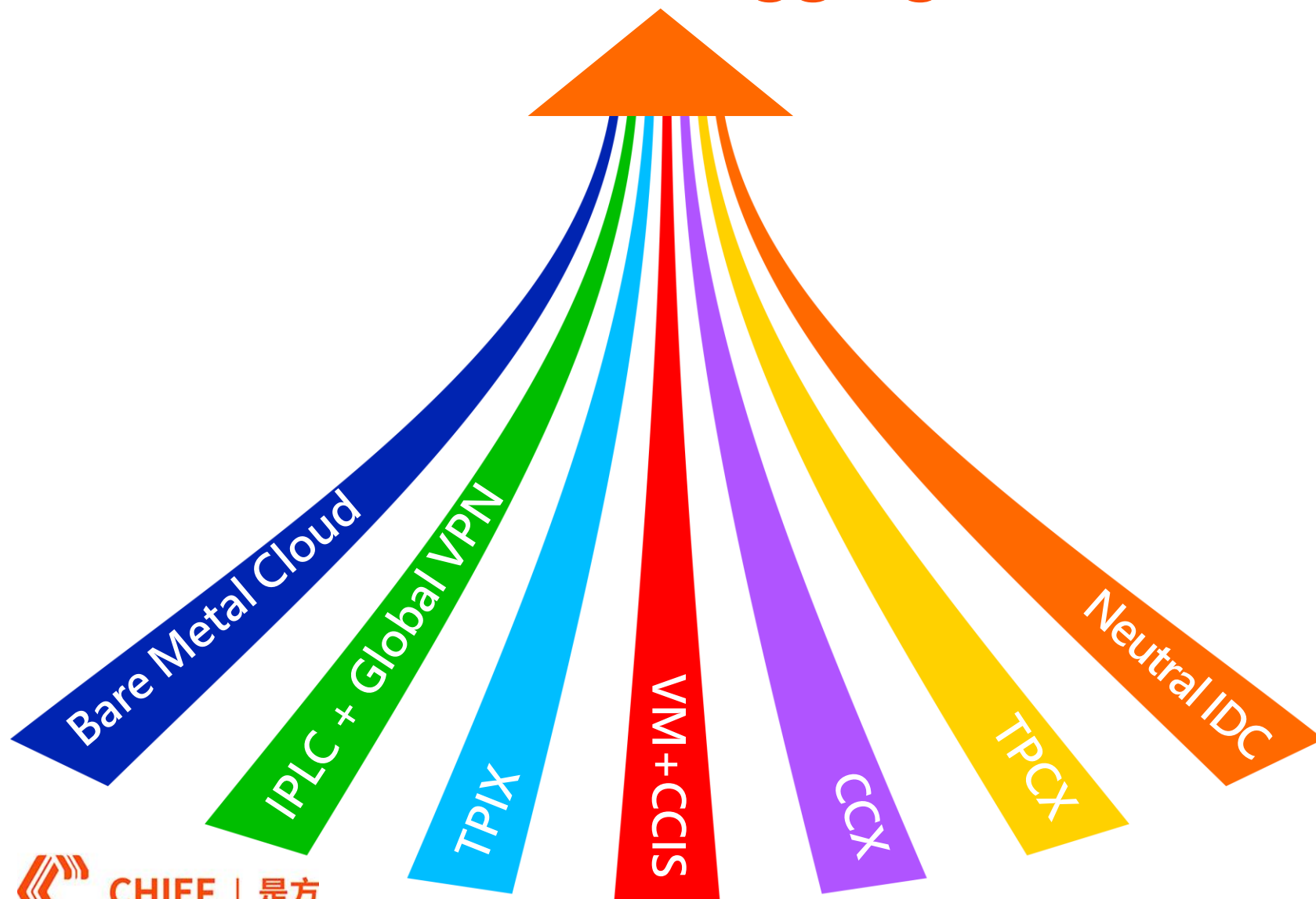
5. Connectivity+（AI、Network、Cloud）

6. Value＋（Clustering Magnetic Attraction Effect)

Ecosystem (Market Place)

Customers

ICP

Local Operator   Global Carrier

Telecom Resources

ISP → Network Resources → ⟨C⟩ ← Communication Resources ← SSP

ISR   Cloud Resources AI Applications   ASP

IDC

Partners

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

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7. Major Customers

Chief Solution

Domestic Carriers

中華電信 Chunghwa Telecom | 遠傳 FET | 台灣大哥大

台灣之星 T STAR | 亞太電信 Gt | So-net | Taifo | MKY

TIGC Taiwan International Gateway Corporation | eASPNet 數位通國際

International Carriers

Telstra | TM | KDDI | Telin

PCCW 電訊盈科 | Singtel | PACNET

TATA | GLOBAL CLOUD XCHANGE | NTT Communications

Enterprise Customers

GARMIN | ASUS | CHB 彰化銀行

五福旅遊 | 仁寶電腦 COMPAL | LOCK&LOCK

台哥SME | Samsonite | PEGATRON 和碩聯合科技

Global Cloud and AI Service Providers

aws | Google Cloud | Azure

IBM Cloud | ORACLE CLOUD | Meta

TPIX Members

Meta | amazon | Microsoft

Apple | Google | NETFLIX

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Product Introduction

Product Introduction

Chief Company Introduction
https://youtu.be/GwYa4Bw9lnM
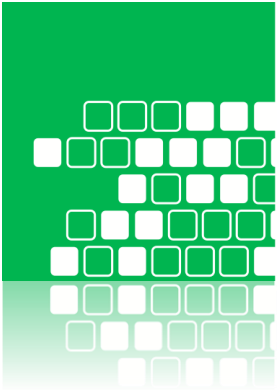
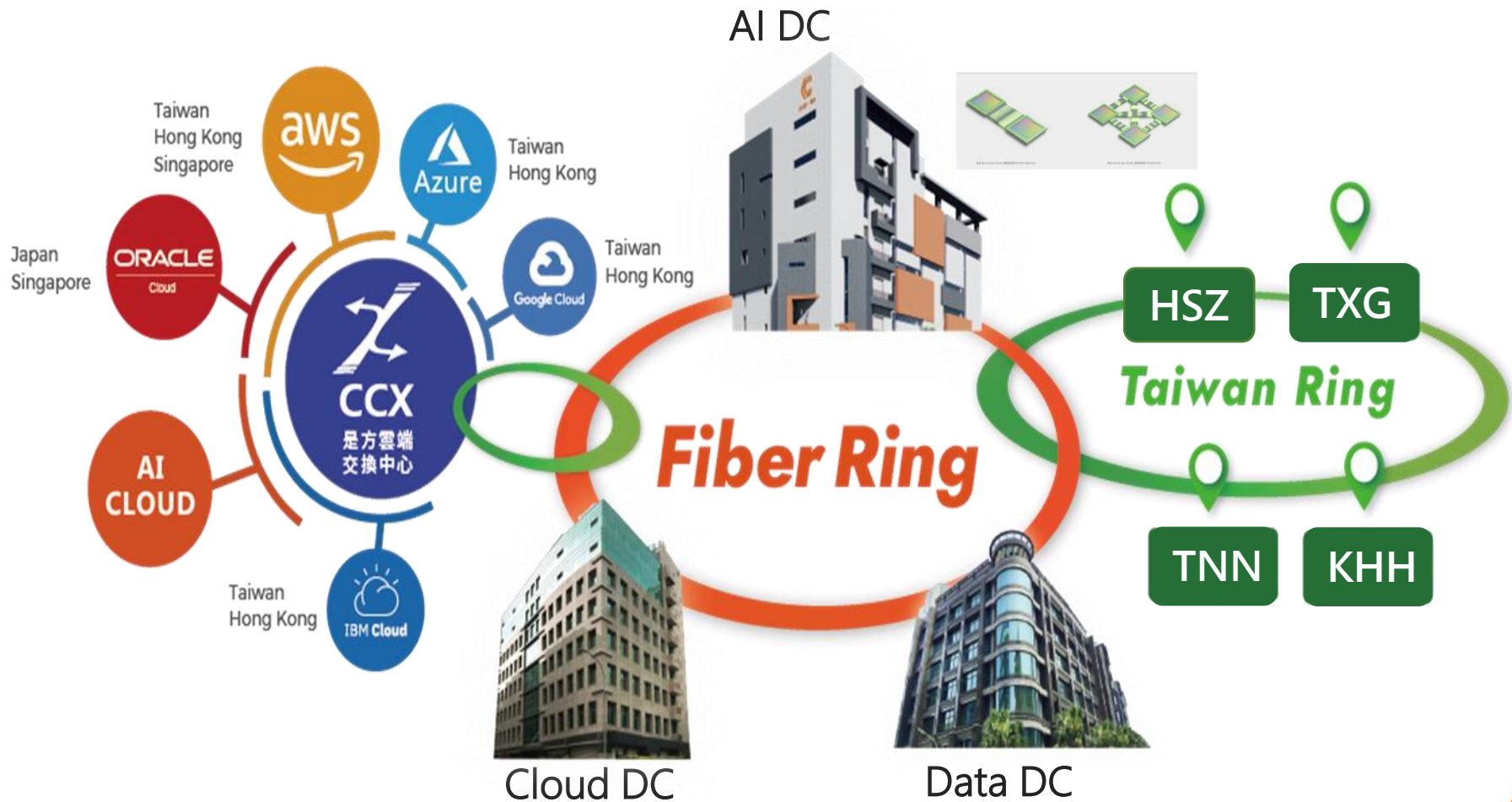| IDC Service	Data Service	Cloud Service	Voice Service	Exchange Center
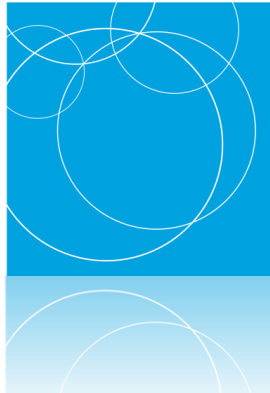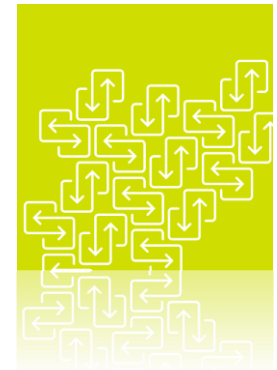
ISO Information Security Quadruple Certification & DCOS-4 Certification

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1.1 IDC Colocation Services – Carrier Neutral

- **World-class carrier neutral IDCs 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: USA, APAC, EMEA**
  - **Digital Realty: USA, APAC, EMEA**
  - **MEGA-i: Hong Kong**
  - **At Tokyo: Japan**
  - **KINX: Korea**

L.Y.

H.D.

FIBER RING

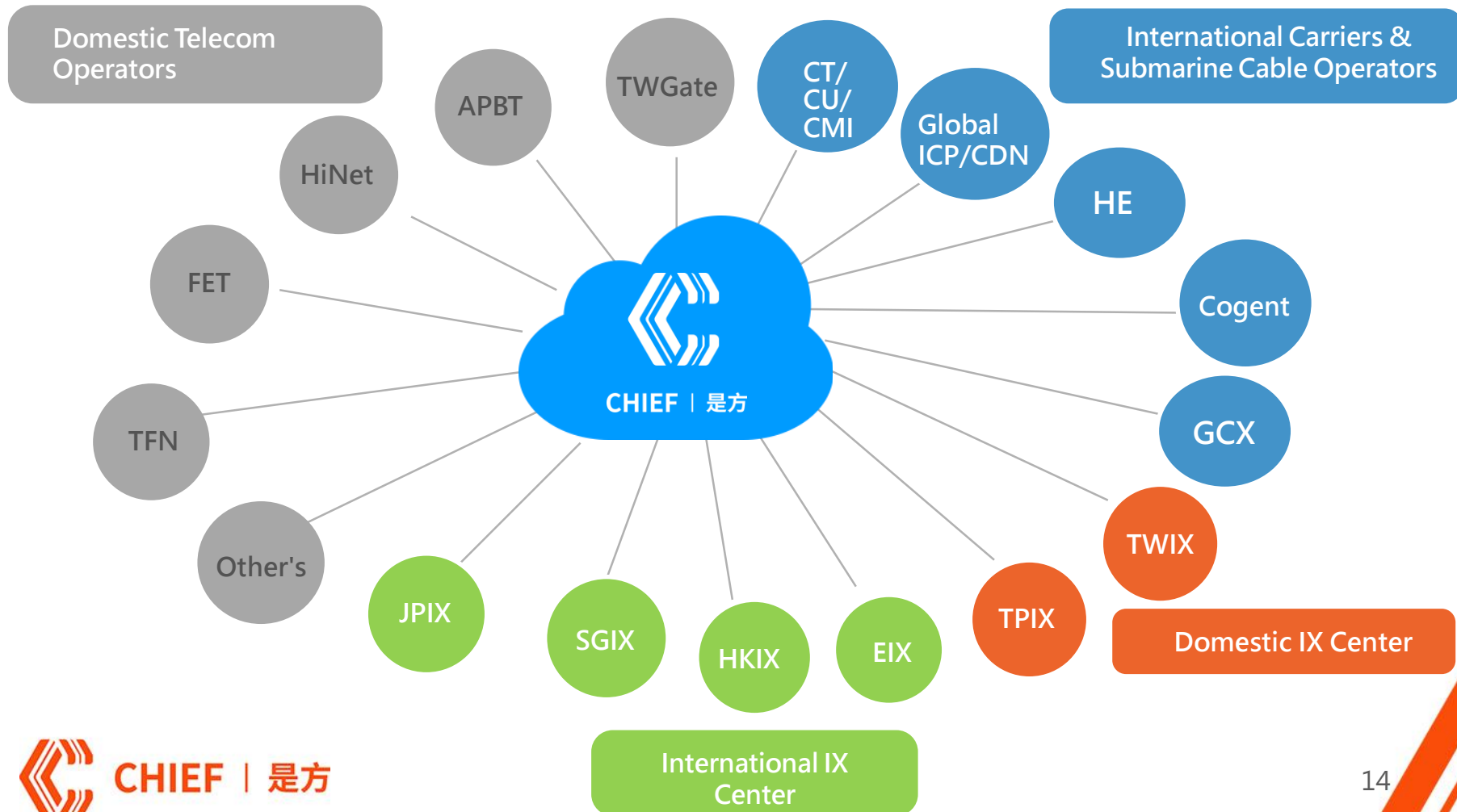L.Y.2

(Y2024 Q2)

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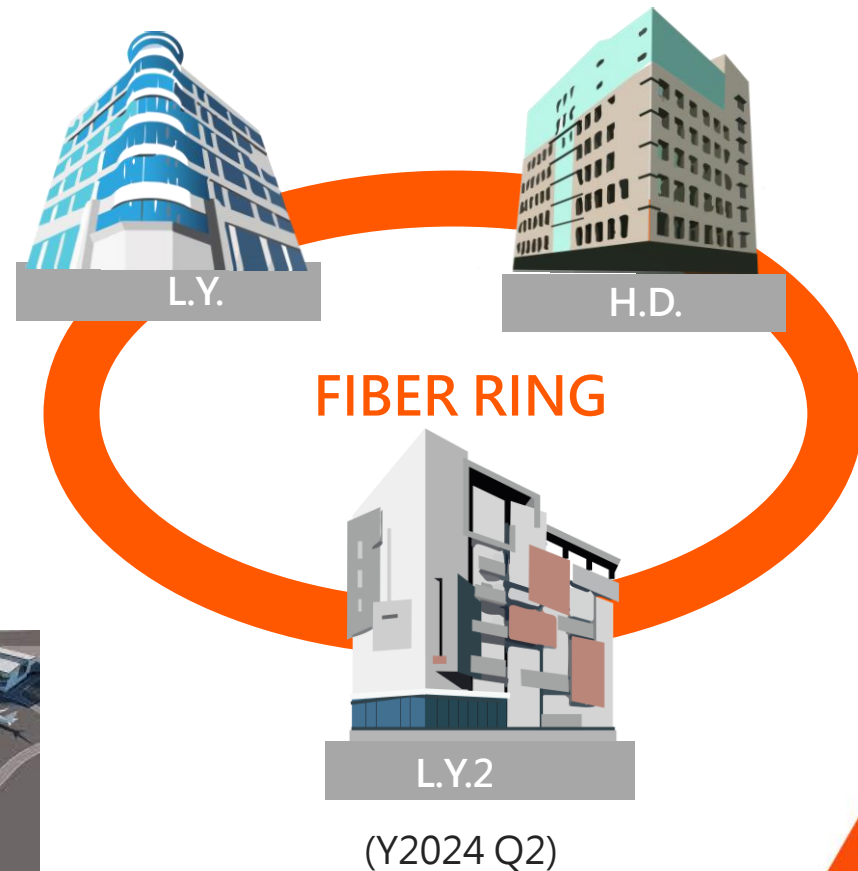
1.2 AI & Cloud & Data IDC@ Chief

AI DC

Cloud DC

Data DC

- The Data Center Is The Computer.
- The Network Defines The Data Center.

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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 & SD-WAN Solutions

With forward-looking network deployment and complete enterprise solutions to expand global network 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
Taipei
Taoyuan
Hsinchu
Taichung
Tainan
Kaohsiung

Chief Taipei HQ

International Area

Thailand

Philippines

Vietnam

Asia Area

Asia Hub

Malaysia

Singapore

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

Jakarta

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Cloud Exchange Platform

- PaaS Application Service
- Customer Service Portal
- Enterprise Cross-cloud & Hybrid Cloud Solutions
- SaaS Application Service
- Cloud Security Solution
- Enterprise Cloud Storage
- Enterprise Cloud Backup
- Cloud IaaS Solutions

CHIEF APP CLOUD

Industrial Applications

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

- 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 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.
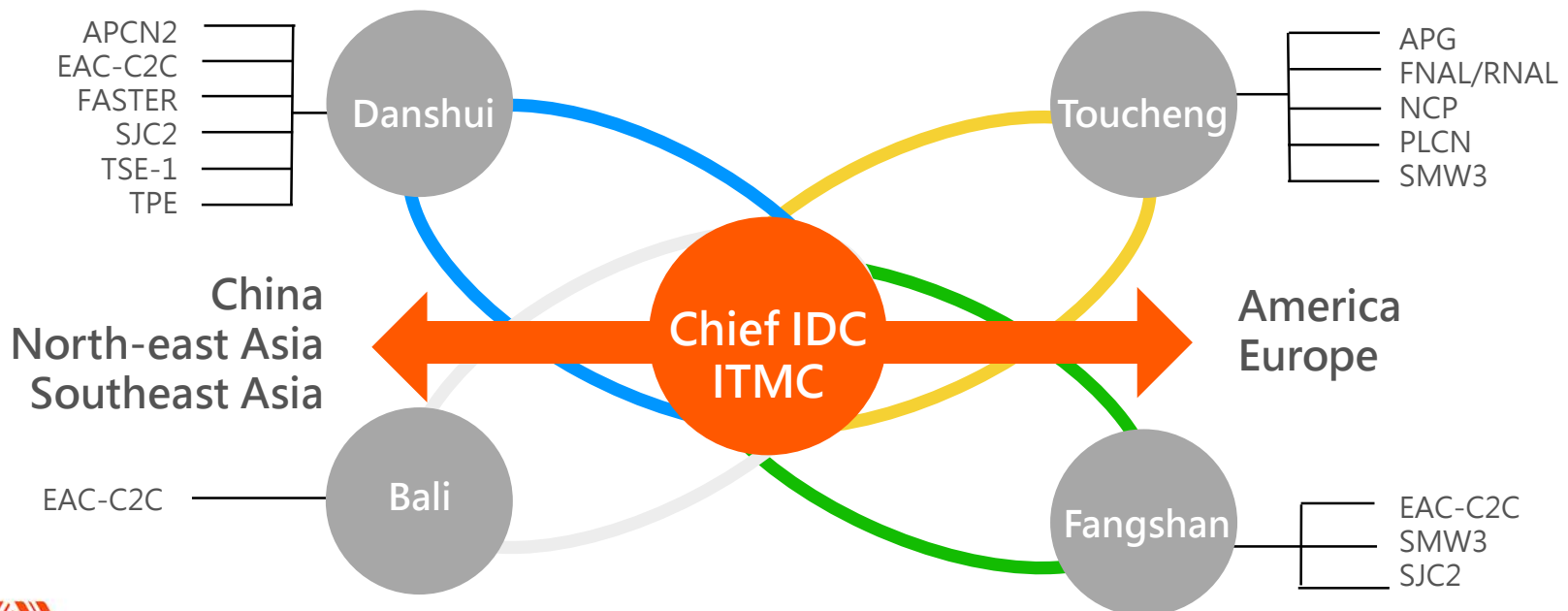
4. 070 Cloud PBX ＆ ISR Services

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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- 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
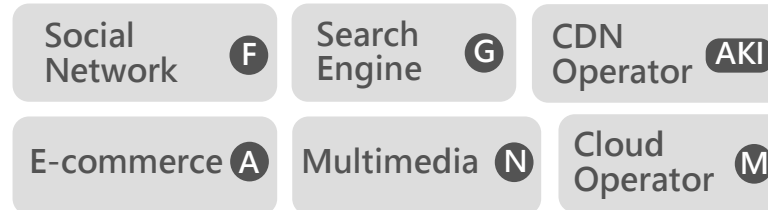
EAC-C2C
SMW3
SJC2

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5.2 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.

Rank	Internet Exchange		Members	Country	City	Website
#91	VIX		151	AT	Vienna	www.vix.at
#91	BIX Jakarta		151	ID	Jakarta	bix.id
#93	MegaIX Melbourne		150	AU	Melbourne	megaport.com
#94	PIT Chile		149	CL	Santiago	www.pitchile.cl
#95	TPIX-TW		148	TW	Taipei	www.tpix.net.tw
#96	PTT Belo Horizonte		146	BR	Belo Horizonte	ix.br
#97	ONIX		145	CA	Toronto	www.onix.cx
#98	W-IX		141	RU	Moscow	www.w-ix.ru
#99	IXManchester		140	GB	Manchester	www.linx.net

Source: Hurricane Electric Internet Exchange Report Feb. 15, 2024

TPIX ranked #95 (2024 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 | 250G 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 148 members ranked #95 worldwide in Feb. 2024
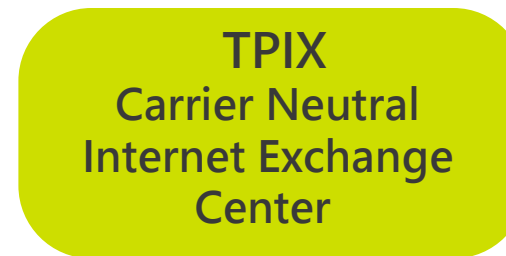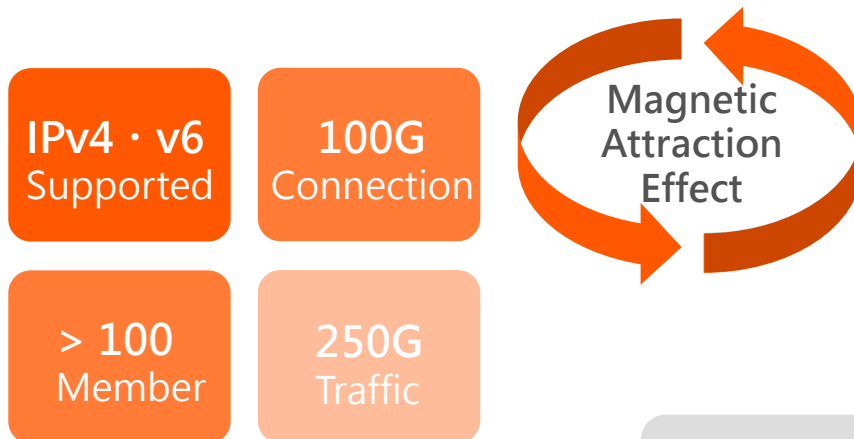
5.3 Chief Cloud eXchange (CCX)

- High Speed
- Safety
- Compliance

Public Cloud

IDC

CLOUD STORAGE

aws

Google Cloud

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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6.1 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
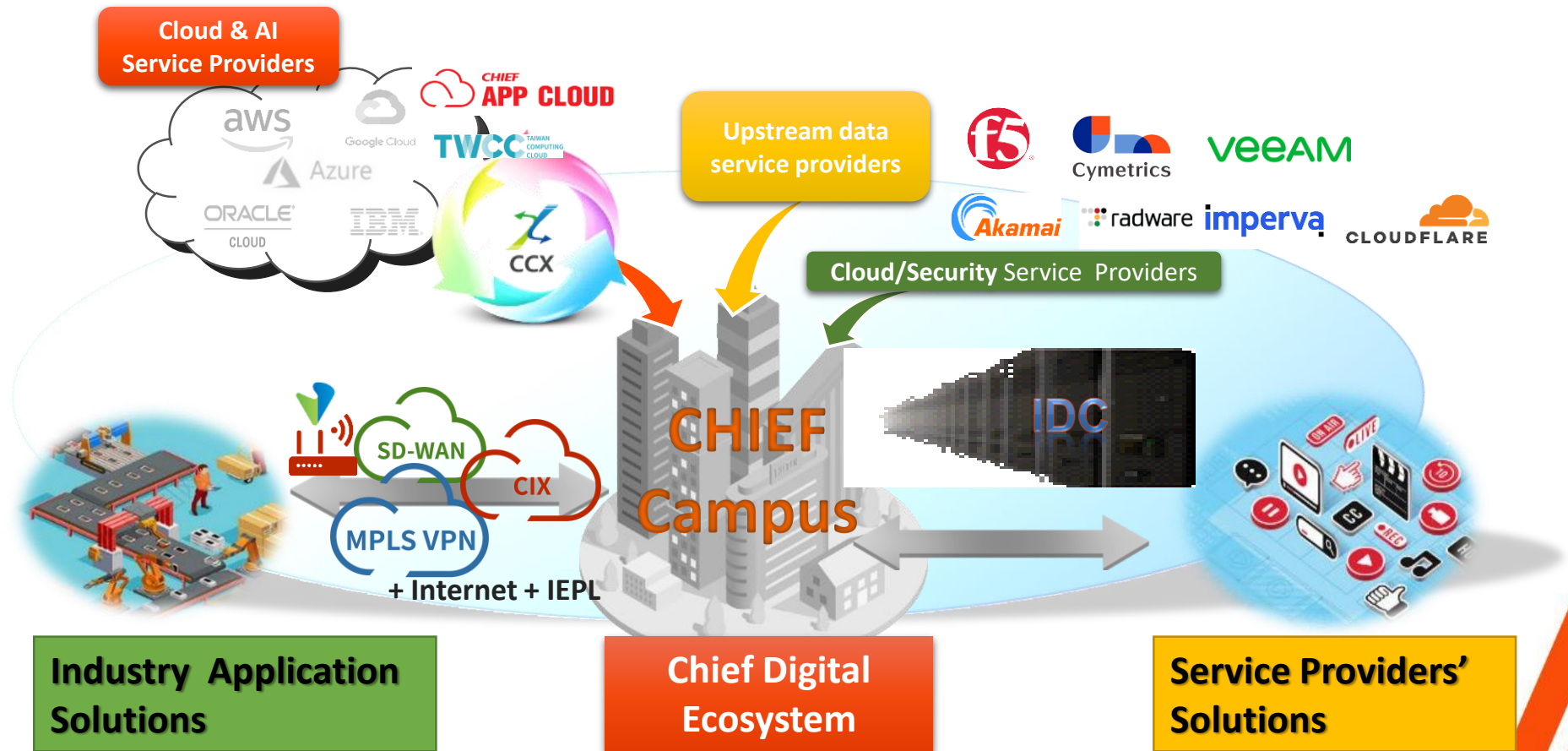
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6.2 Provide Total Solutions to Satisfy Industrial and Customer Service Demands in Areas of Cloud +Network+ Security

Chief Campus Service : from Point to Line and to Area

Cloud & AI Service Providers

CHIEF **APP CLOUD**

aws   Google Cloud   TWCC TAIWAN COMPUTING CLOUD   Azure   ORACLE CLOUD   IBM   CCX

Upstream data service providers

f5   Cymetrics   veeAM

Akamai   radware   imperva   CLOUDFLARE

Cloud/Security Service Providers

CHIEF Campus

IDC

SD-WAN   CIX   MPLS VPN

+ Internet + IEPL

Industry Application Solutions

Chief Digital Ecosystem
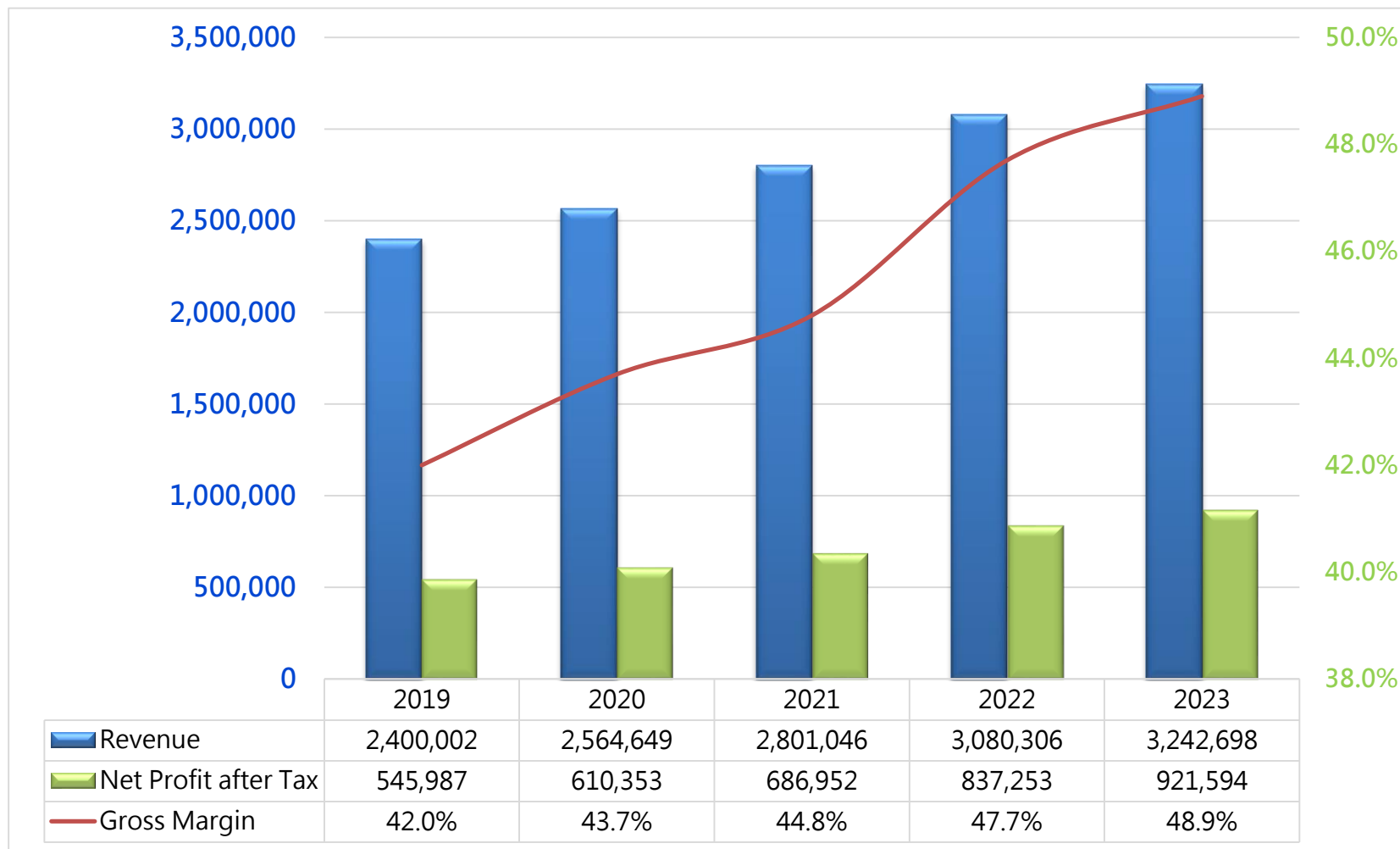
Service Providers' Solutions

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CHAPTER 3

Recent Years Finance Performance

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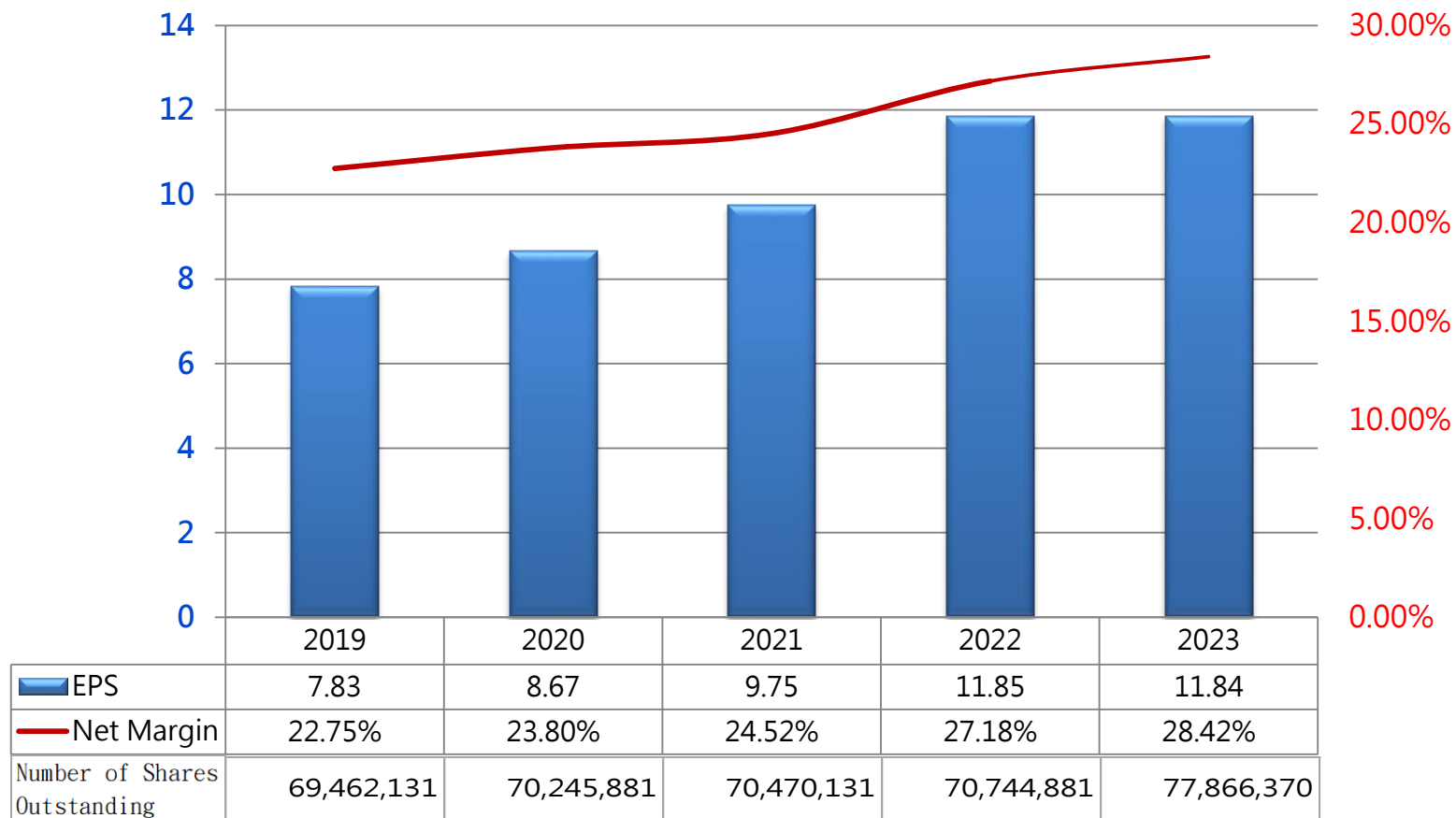- Product Service Revenue Percentage
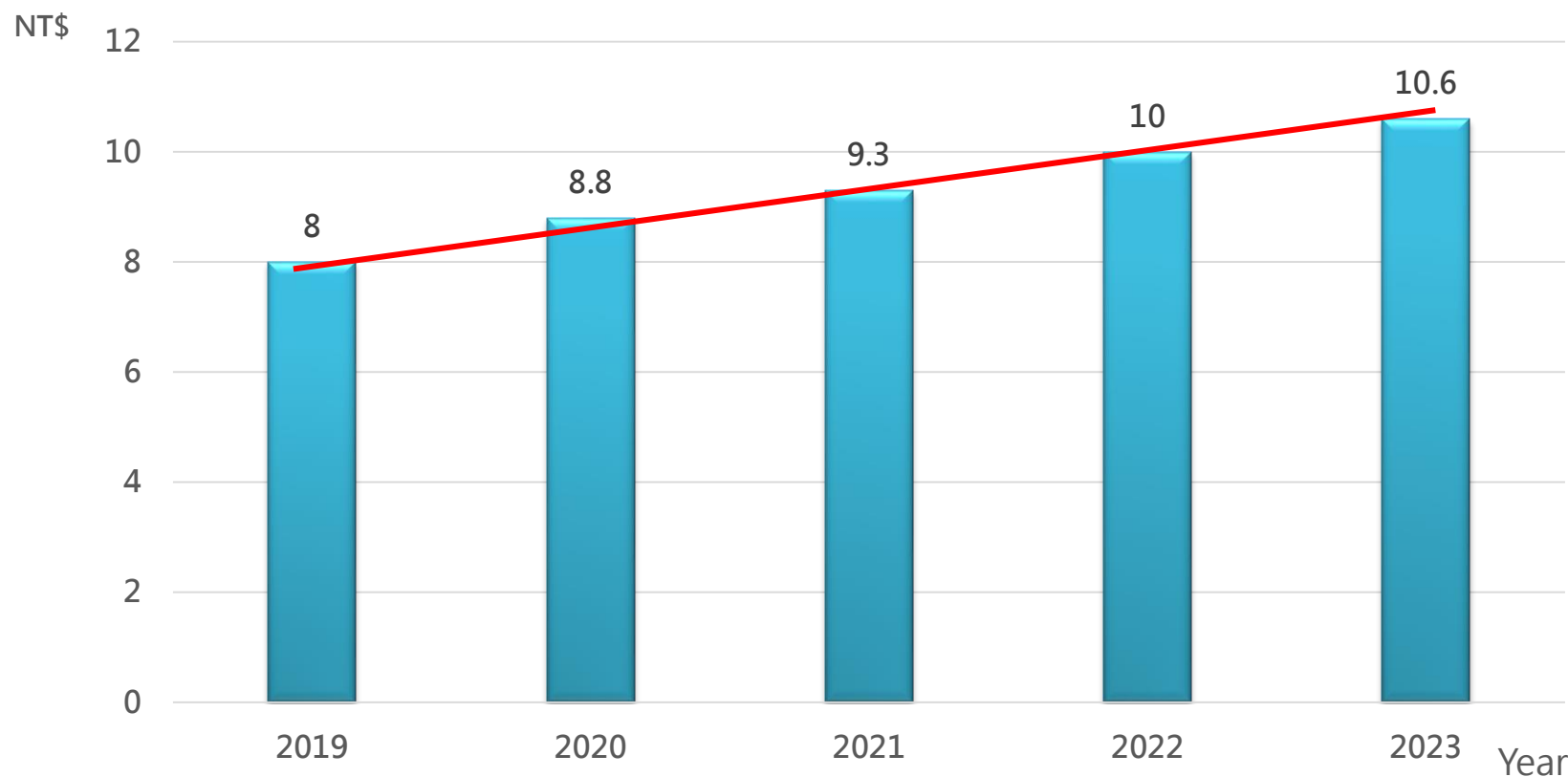
1. Revenue & Gross Margin

Unit: NT$K

	2019	2020	2021	2022	2023
Revenue	2,400,002	2,564,649	2,801,046	3,080,306	3,242,698
Net Profit after Tax	545,987	610,353	686,952	837,253	921,594
Gross Margin	42.0%	43.7%	44.8%	47.7%	48.9%

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2. Net Margin & EPS

Unit: NT$

	2019	2020	2021	2022	2023
EPS	7.83	8.67	9.75	11.85	11.84
Net Margin	22.75%	23.80%	24.52%	27.18%	28.42%
Number of Shares Outstanding	69,462,131	70,245,881	70,470,131	70,744,881	77,866,370

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3. Percentage of Dividends

NT$

12 ─
10 ─
8 ─
6 ─
4 ─
2 ─
0 ─

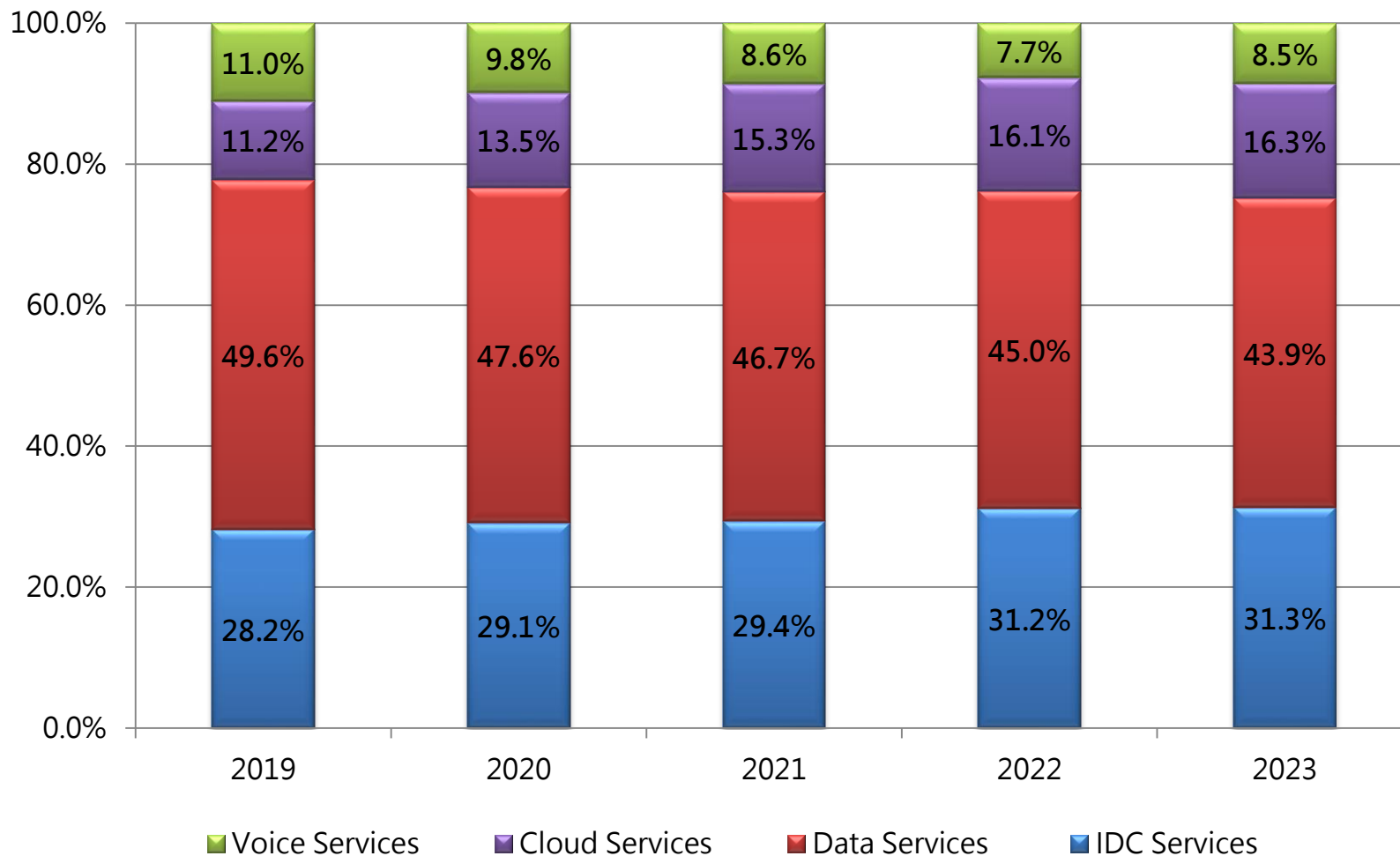| Year	2019	2020	2021	2022	2023
	8	8.8	9.3	10	10.6

Note：2023dividends include 10.6 dollars cash

4. Product Revenue Percentage

CHAPTER 4

Industrial Trends

1. Global Cloud and IDC Market Trends

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

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

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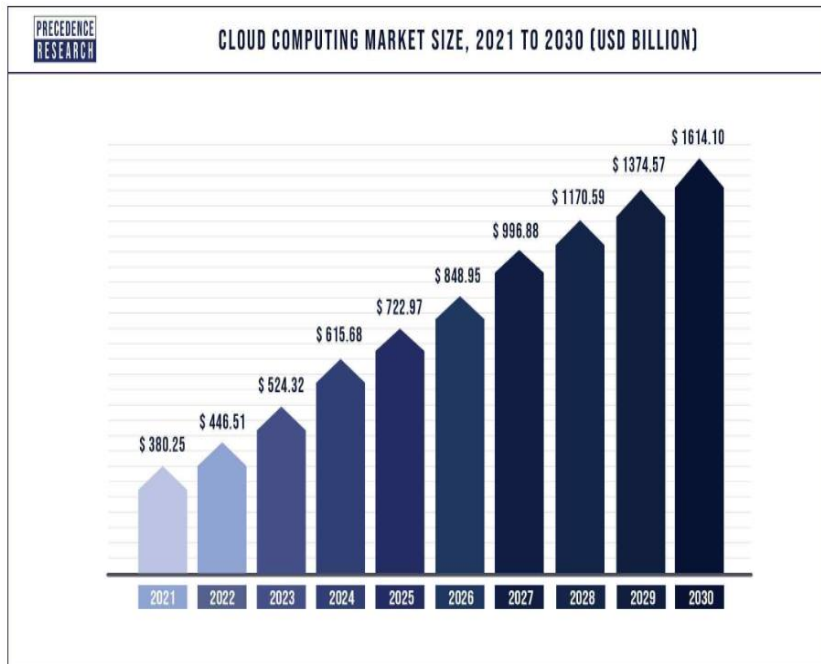
Note1: **Global cloud service market in 2022~2030 CAGR 17.43%** (Precedence Research); **Amazon(34%)/Microsoft(21%)/Google(11%)/Alibaba(5%)/ IBM(3%) Top 5 CSPs account for 2/3 public cloud market** (Synergy Research Group) 。

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

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2. Global AI and HPC Market Trends
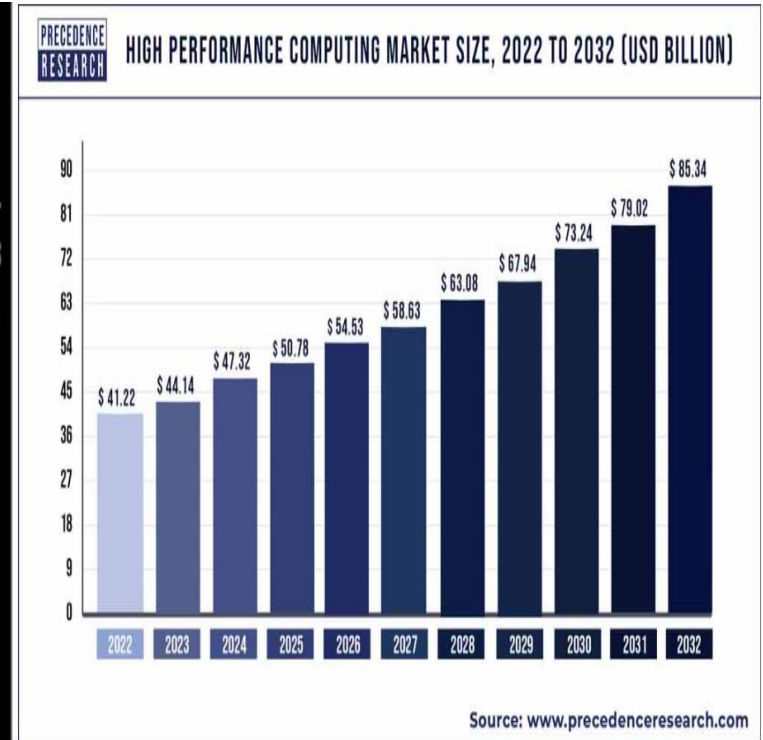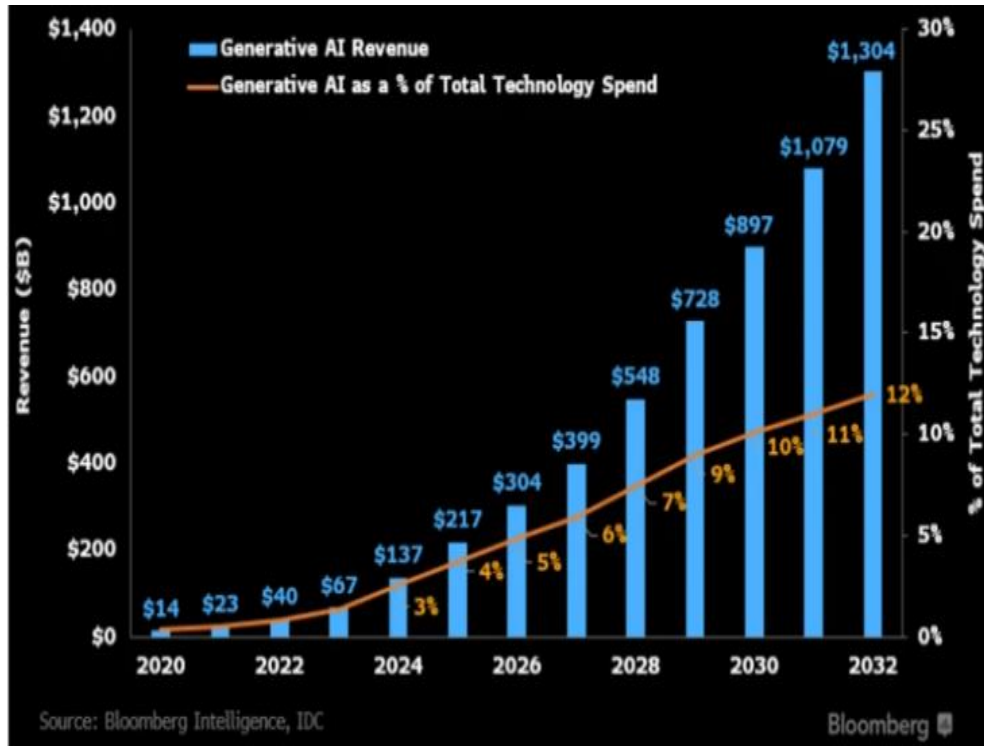
Note 1: **Global generative AI revenue US$40B in 2022, US$1.3T in 2032, CAGR 42% in 10-yr period.**
(Source: Bloomberg Intelligence)。

Note 2: **Global HPC revenue US$41B in 2022, US$85B in 2032, CAGR 7.6% in 10-yr period .**
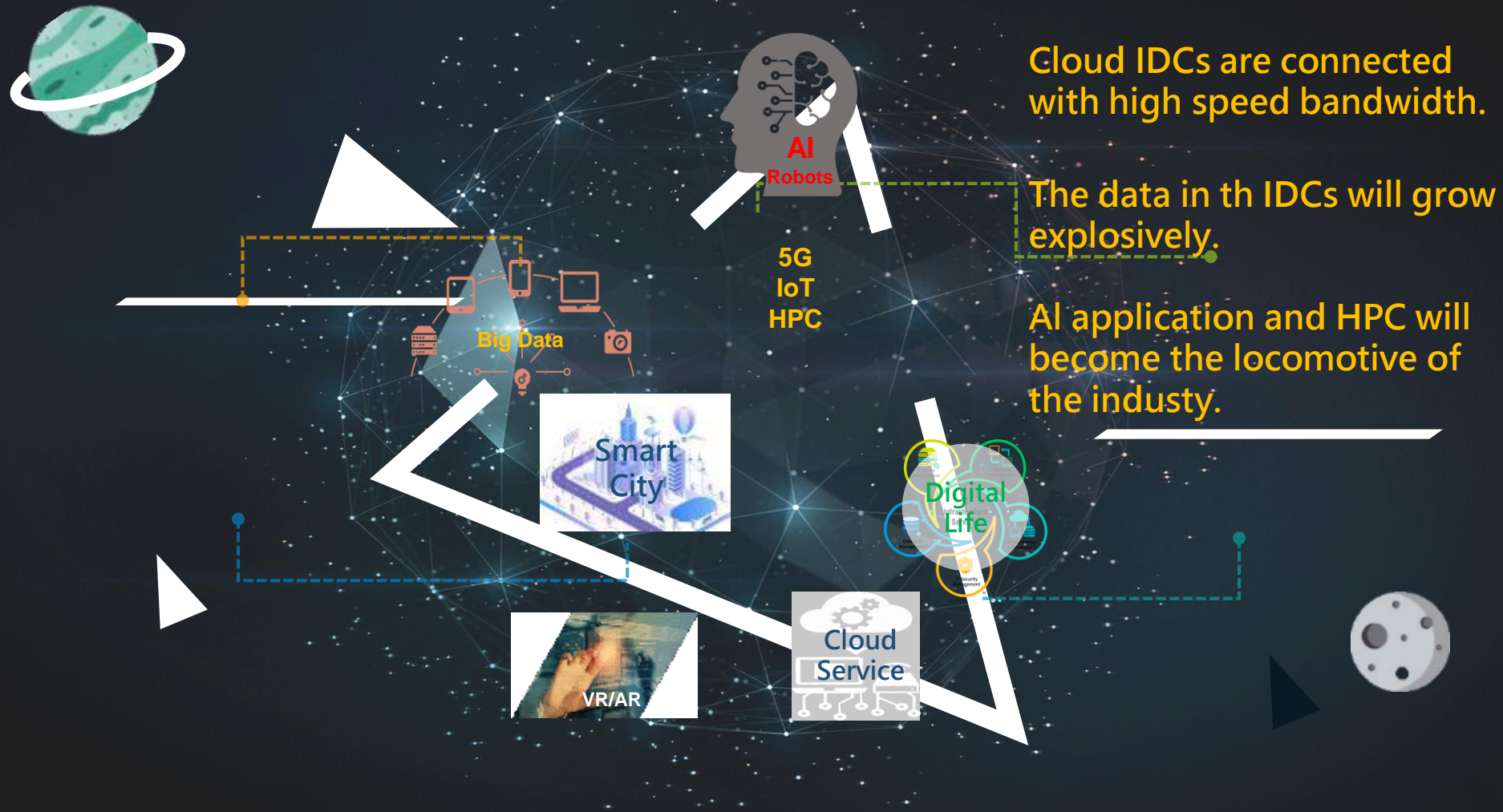(Source: Precedence Research)。

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3. AI、HPC、Connectivity Power、 Data Power vs IDC

◆ The data center is the core infrastructure of information, digitalization and networking.

◆ Global industries are accelerating digital transformation, further increasing the importance of data centers.

◆ Data centers carry a large number of data storage, processing and transmission tasks, supporting the rapid development of technologies such as cloud computing, big data and the Internet of Things.

◆ AI requires the support of big data. Data centers can be used as storage and processing centers for massive data, providing strong computing power so that AI algorithms can quickly process and analyze large amounts of data.

◆ Importance of Data Centers to the AI:
  ➢ Data storage and processing
  ➢ Computing power
  ➢ Model training and application development
  ➢ Data security and privacy protection
  ➢ Flexibility and scalability
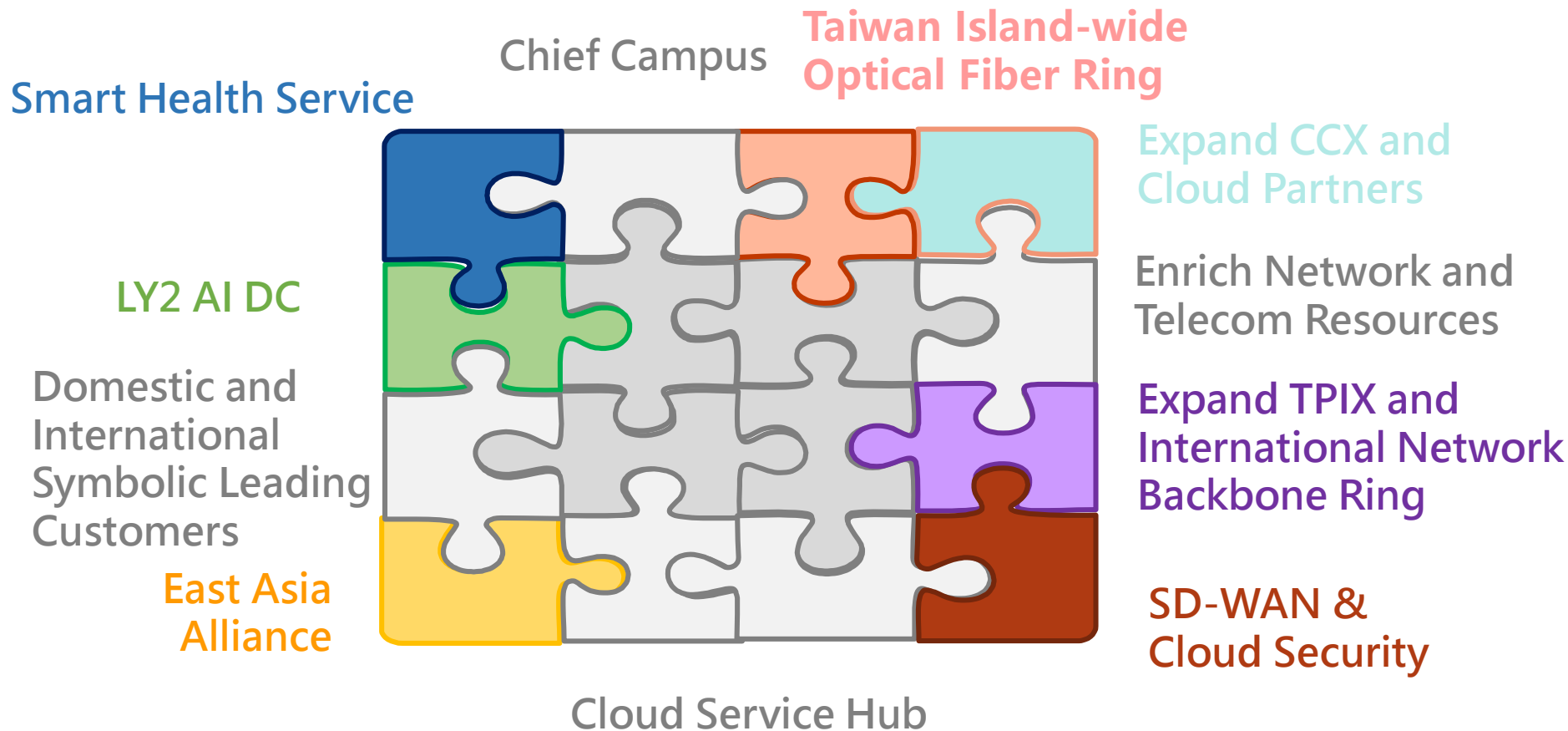

Chief LY2 AI Data Center

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4. Imagine Future Global Trends of Digitalization

AI
Robots

5G
IoT
HPC

Big Data

Smart City

Digital Life

Cloud Service

VR/AR

Cloud IDCs are connected with high speed bandwidth.

The data in th IDCs will grow explosively.

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

CHAPTER 5

Future Operational Focus

1. Business Development Focus

Chief Campus

Taiwan Island-wide Optical Fiber Ring

Smart Health Service

Expand CCX and Cloud Partners

LY2 AI DC

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

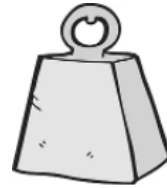Cloud Service Hub

2. LY2 – Cloud & AI Data Center
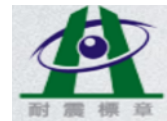
2024 Q2 Commercial Service

16,500 sqm Floor Area

10KW/Rack design
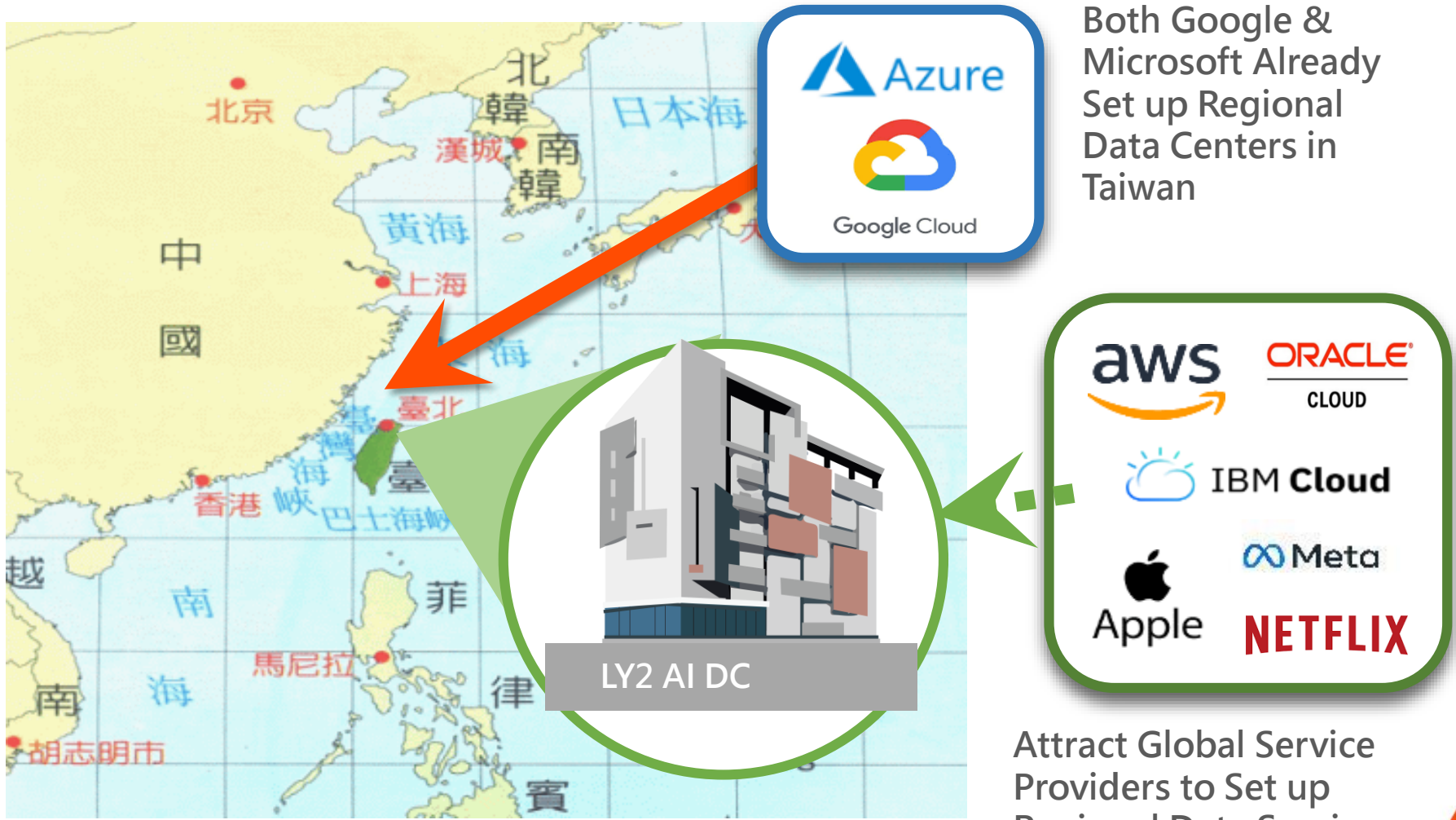**Airflow spec > 150CFM/KW**

Floor Loading 2,000 kg/m²

LRB Seismic Isolation Design
(A series magnitude 7.0
earthquakes)

Green/Smart Building Design

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3. Located in The Center of East Asia to Attract Global Service Providers

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

LY2 AI DC

Attract Global Service Providers to Set up Regional Data Service Centers at LY2

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4. Three Rings _ Sufficient Domestic and International Network Resources

China North-east Asia

Bali Stration

Danshui Station

USA Europe

Taipei Ring

Touristcheng Station

Japan

Taipei

Hong Kong

Singapore

Hsinchu

Taichung

Taiwan Ring

Metro-network

Tainan

Kaohsiung

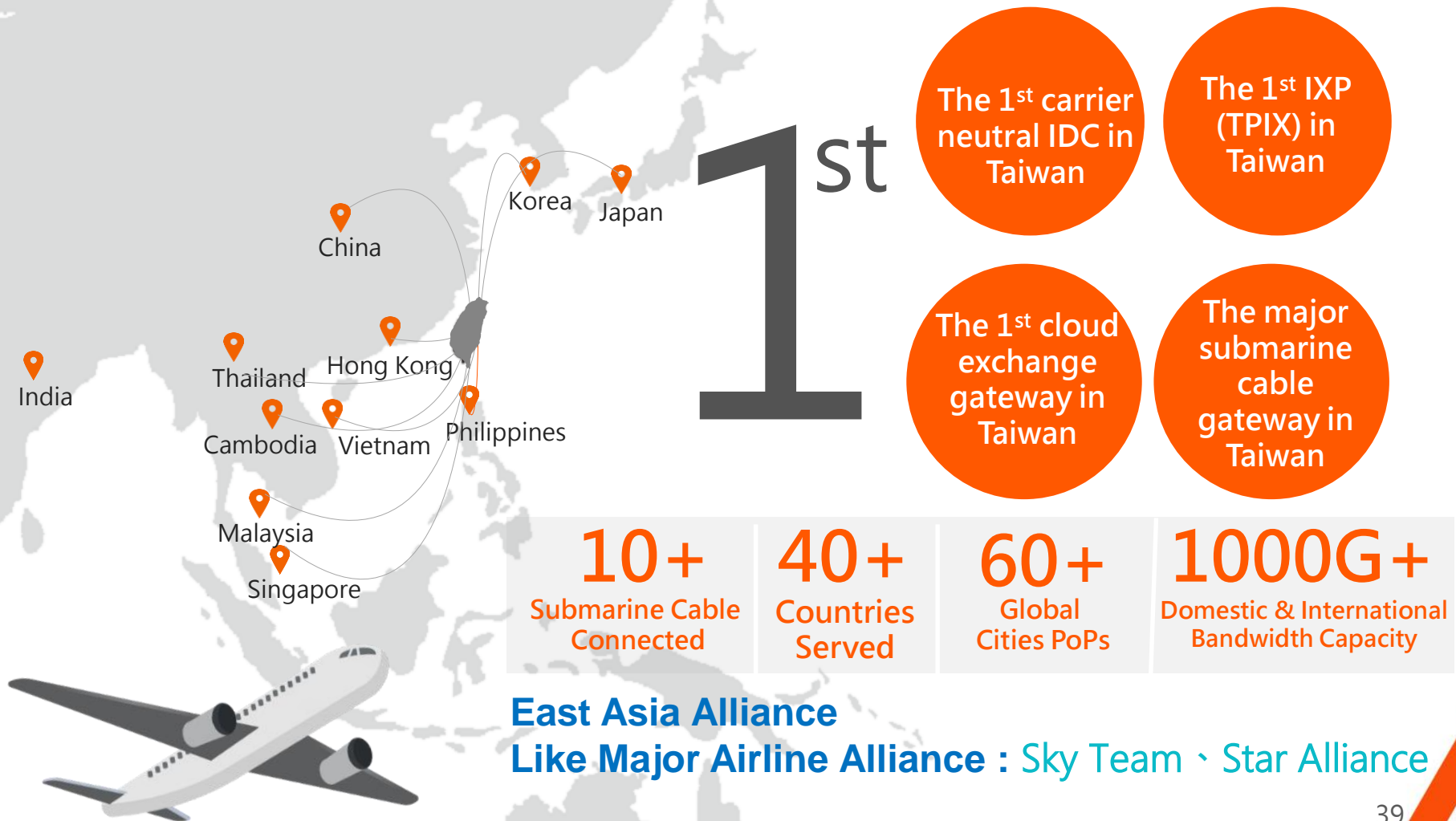Fangshan Station

South-east Asia
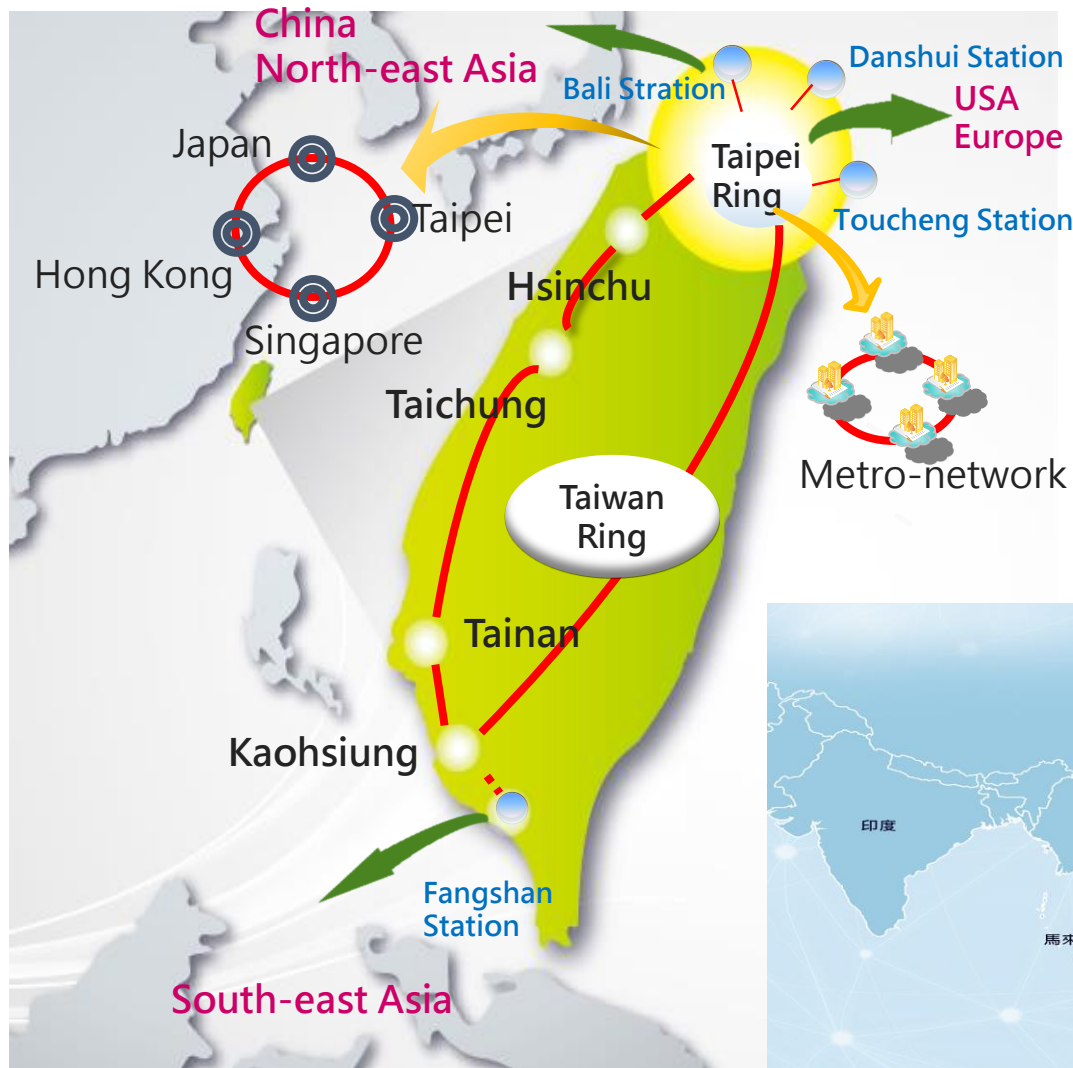
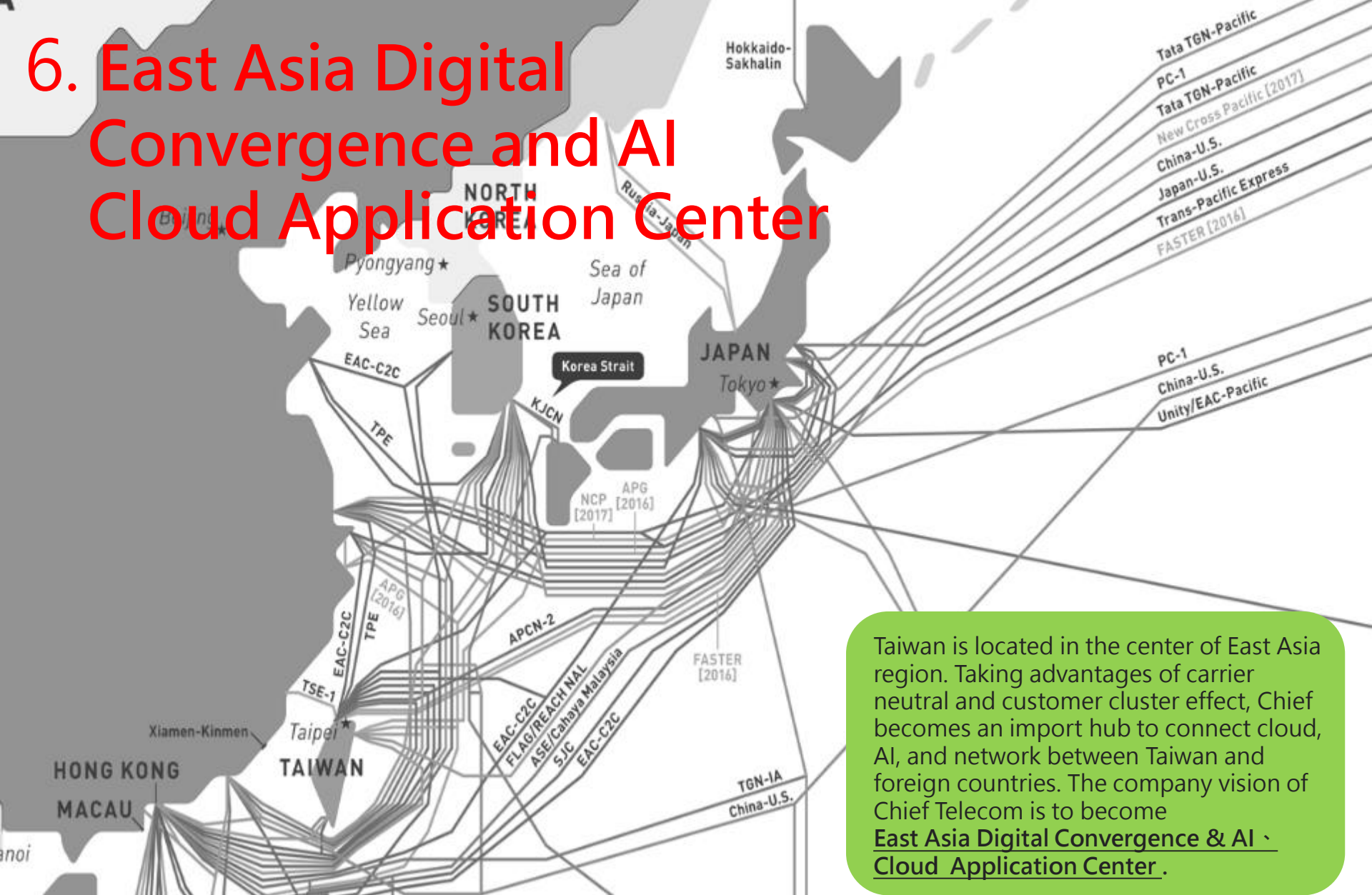## Complete Domestic and International Optical Networks

- **Taipei Ring**: optical fiber network to connect all Chief IDCs
- **Taiwan Ring**: optical fiber network to connect five metropolitan areas
- **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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5. Cooperate with Partners to Expand International Backbone 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
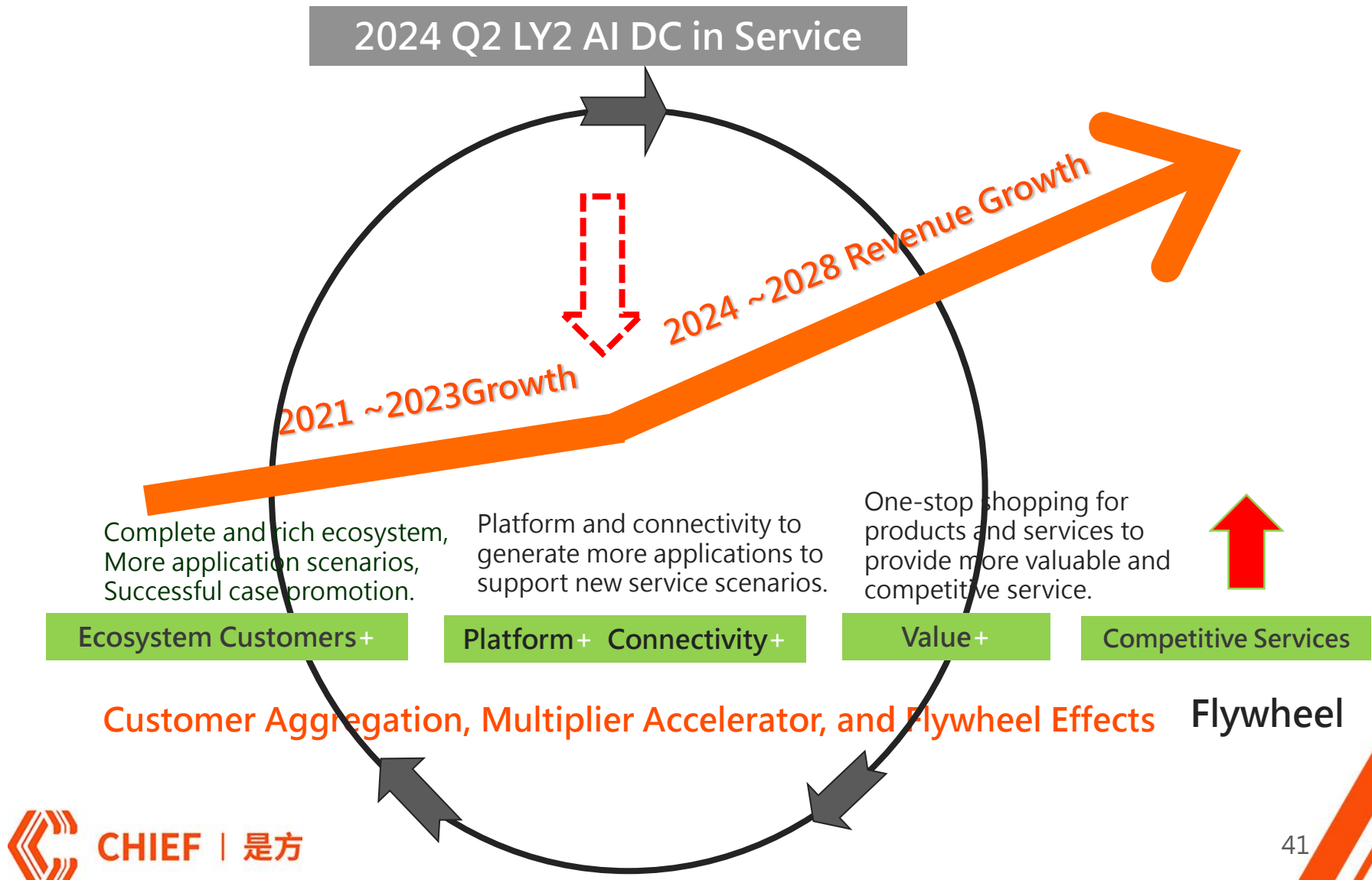**Like Major Airline Alliance :** Sky Team、Star Alliance

6. East Asia Digital Convergence and AI Cloud Application Center

Taiwan is located in the center of East Asia region. Taking advantages of carrier neutral and customer cluster effect, Chief becomes an import hub to connect cloud, AI, and network between Taiwan and foreign countries. The company vision of Chief Telecom is to become **East Asia Digital Convergence & AI、Cloud Application Center** .

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7. Chief Telecom Flywheel

2024 Q2 LY2 AI DC in Service

2021 ~2023 Growth

2024 ~2028 Revenue Growth

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

Platform and connectivity to generate more applications to support new service scenarios.

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

Ecosystem Customers+

Platform+ Connectivity+

Value+

Competitive Services

Customer Aggregation, Multiplier Accelerator, and Flywheel Effects

Flywheel

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Cloud | Connect | Communication