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Chief Company Introduction

Stock Code : 6561

May. 08, 2024
<https://www.chief.com.tw>



CHAPTER 1
Company Profile

1. Chief Profile



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



- Chief ESG Report Certified in 2022~2023
- Awarded "CommonWealth Sustainable Citizen Award Top 100" in Sept. 2023
- Awarded "Best IT Employer Award" in Oct. 2023
- Ranked in the top 5% of TPEX listed company governance evaluations for two consecutive years in 2023~2024

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

2. Company History

1991

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

2023

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 O70 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"

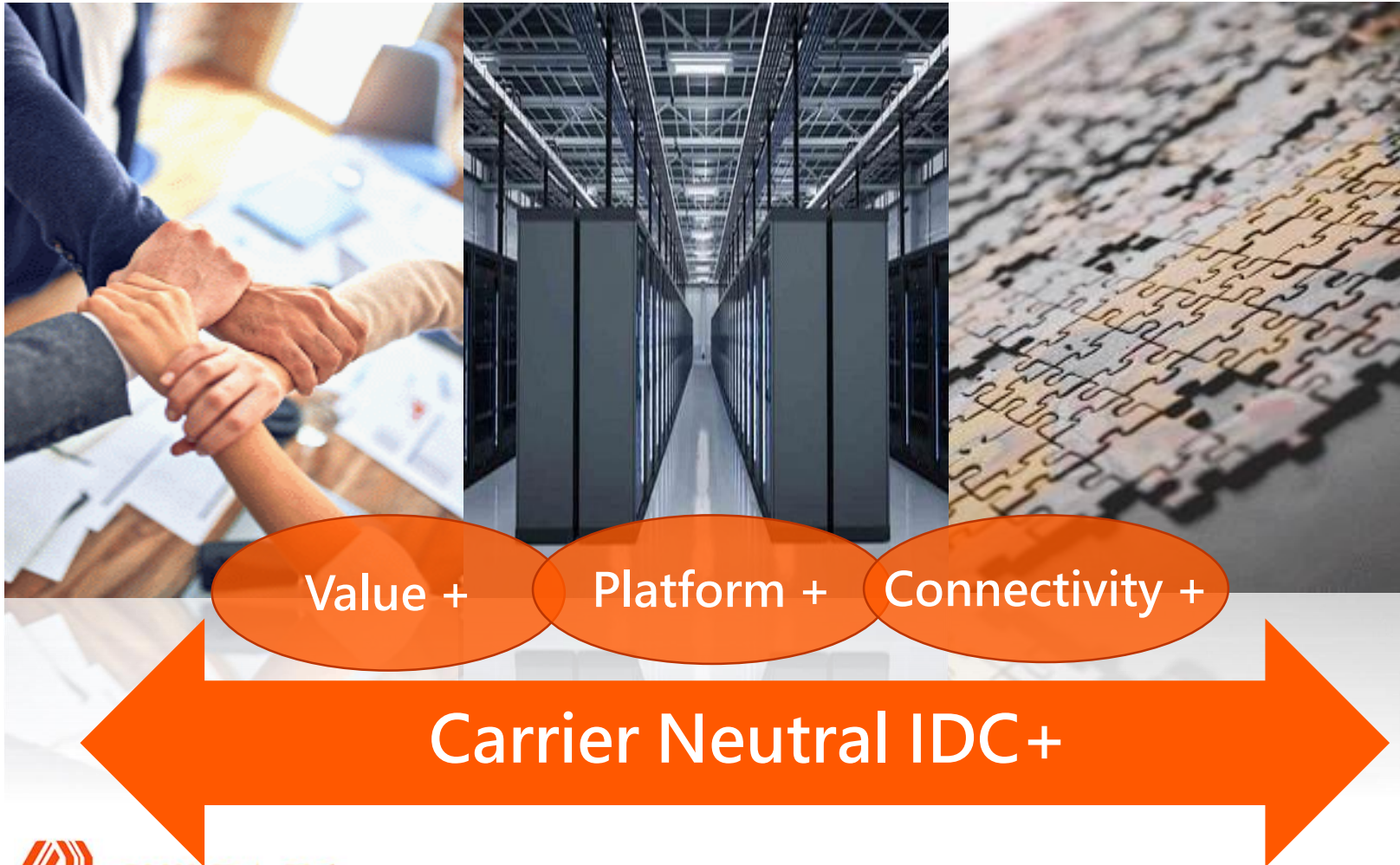
Oct. - Awarded "Best IT Employer Award"

Dec. - Complete Island-wide Fiber Network and Extend Services to 40 Countries/60 Cities with Over 1000G Network Bandwidth 4



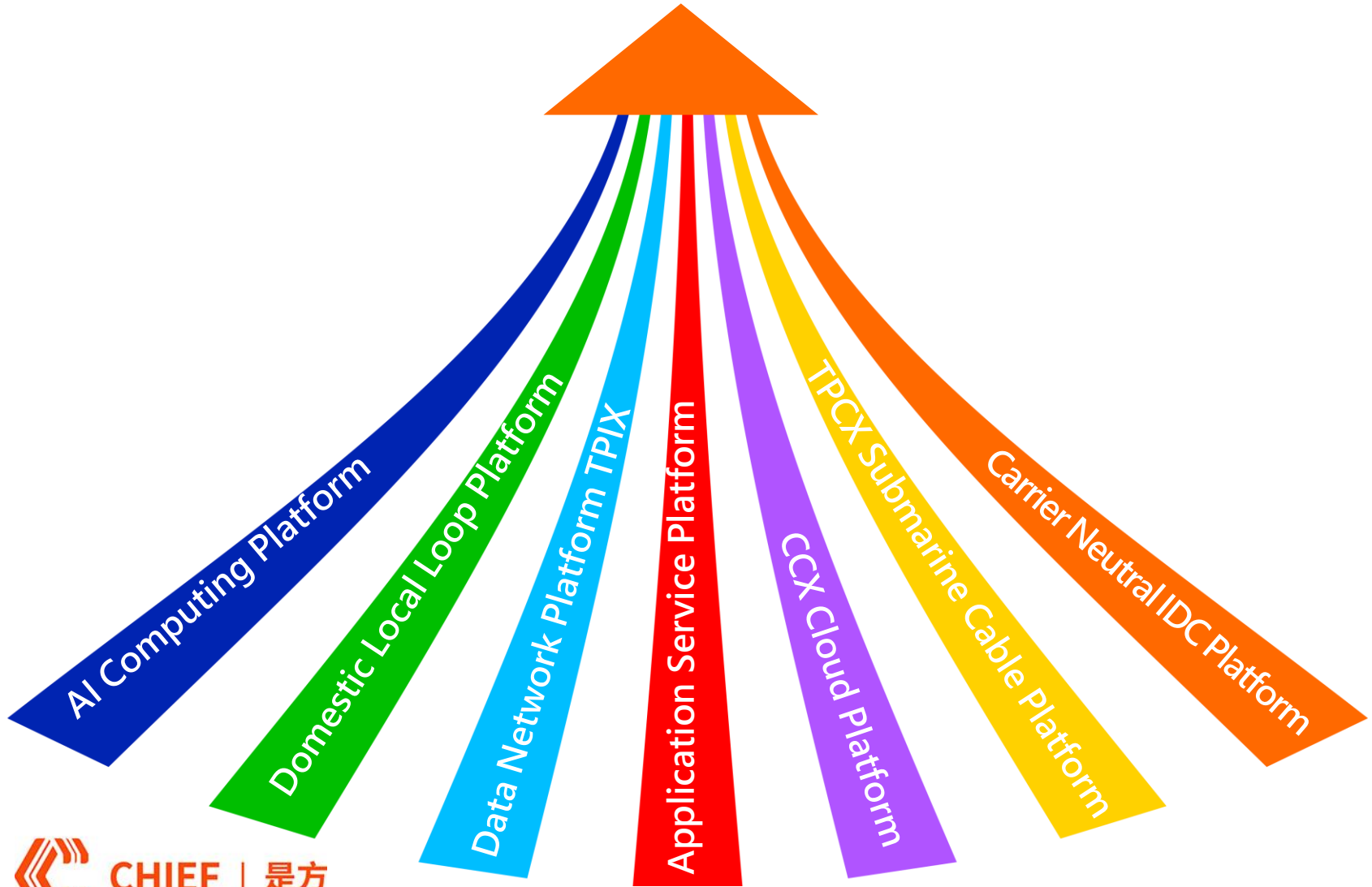
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3.1 Company Unique Positioning



3.2 Platform+

(Specialization/ Resource Sharing/ Collaboration/ Multi-winners)



3.3 Connectivity+

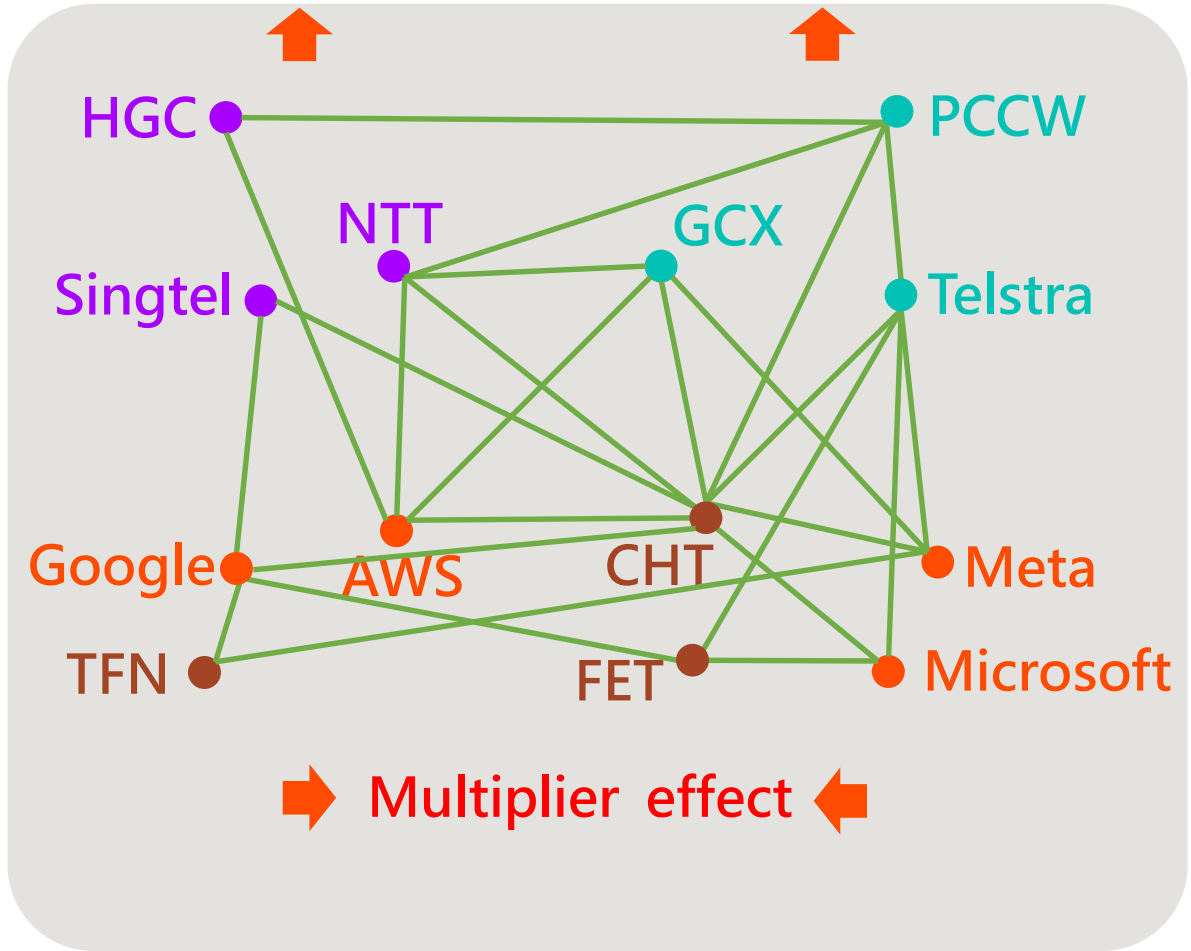
Type I :
Int' l Carriers

Type II :
Submarine Operators

Type III:
ICP/Cloud/AI
& Network Service
Providers

Type IV:
Domestic Carriers
& ISP

Global Internet & Network



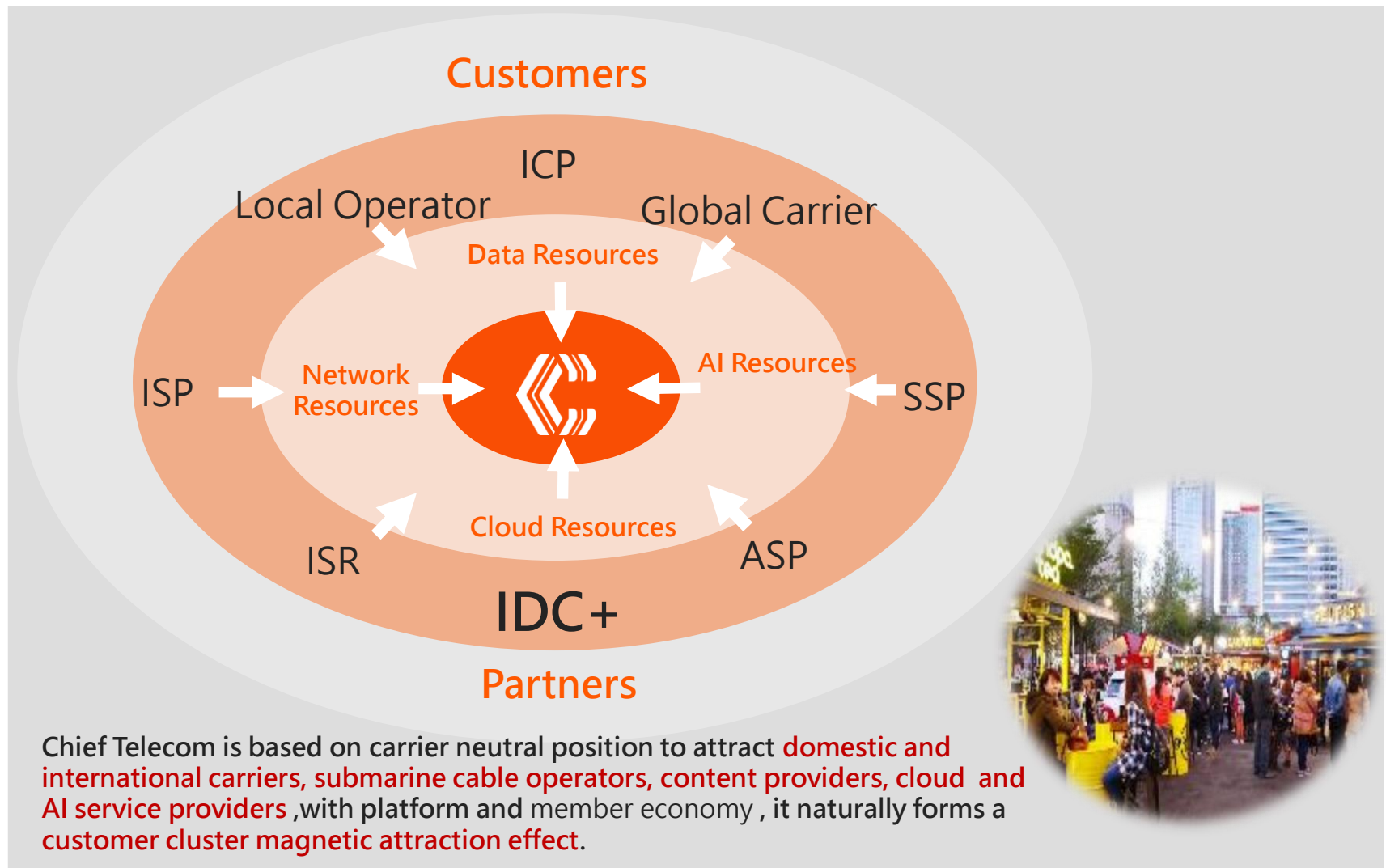
Data 、 network 、 cloud 、 AI related customers use fiber optic high-speed bandwidth for connections among IDCs.

3.4 IDC+

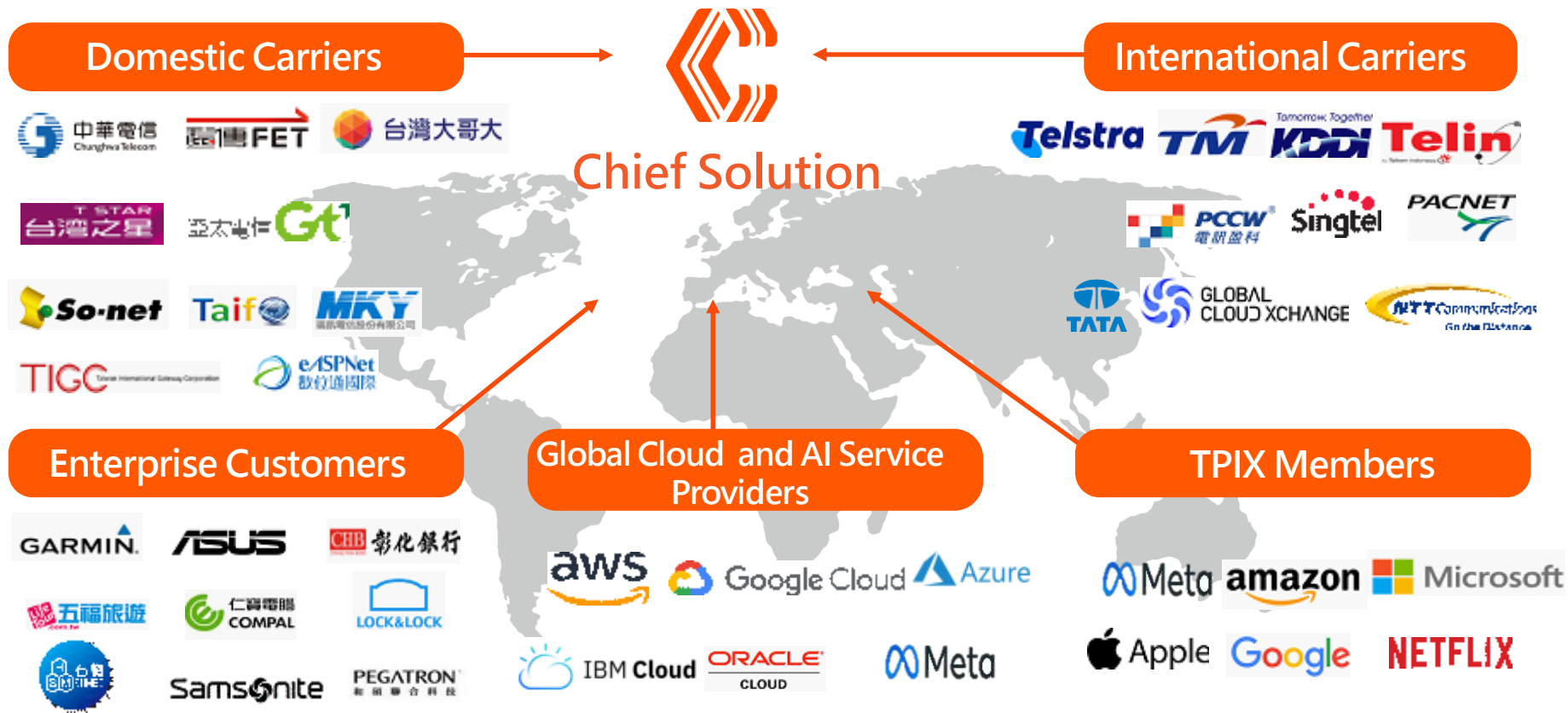


- The Data Center Is The Computer
- The Network Defines The Data Center
- Cloud、AI、Data Three DCs @ Chief

3.5 Value+



4. Major Customers



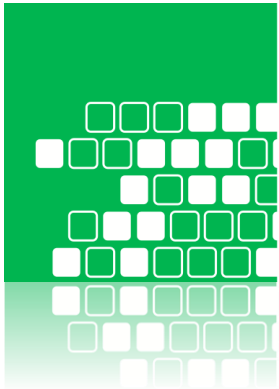


CHAPTER 2
Product Introduction

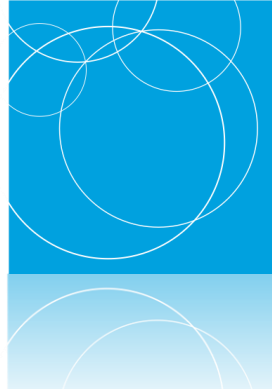
Product Introduction

Chief Company Introduction
<https://youtu.be/GwYa4Bw9InM>

IDC Service



Data Service



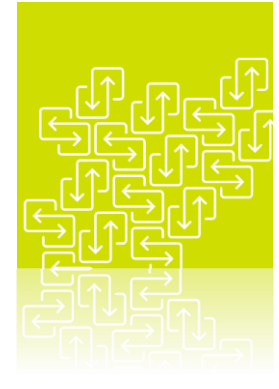
Cloud Service



Voice Service



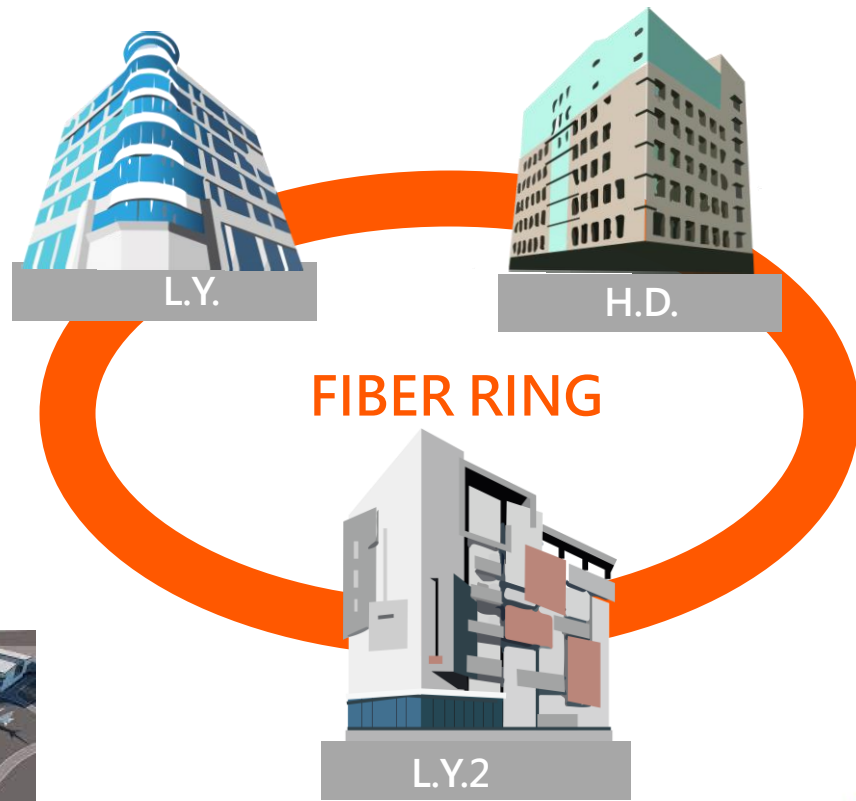
Exchange Center



ISO Information Security Quadruple Certification & DCOS-4 Certification

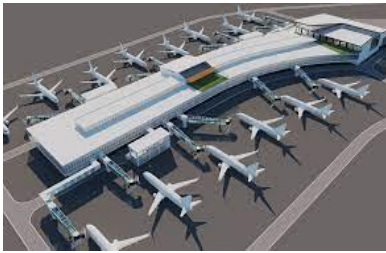
1.1 IDC Colocation Services – Carrier Neutral

- 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



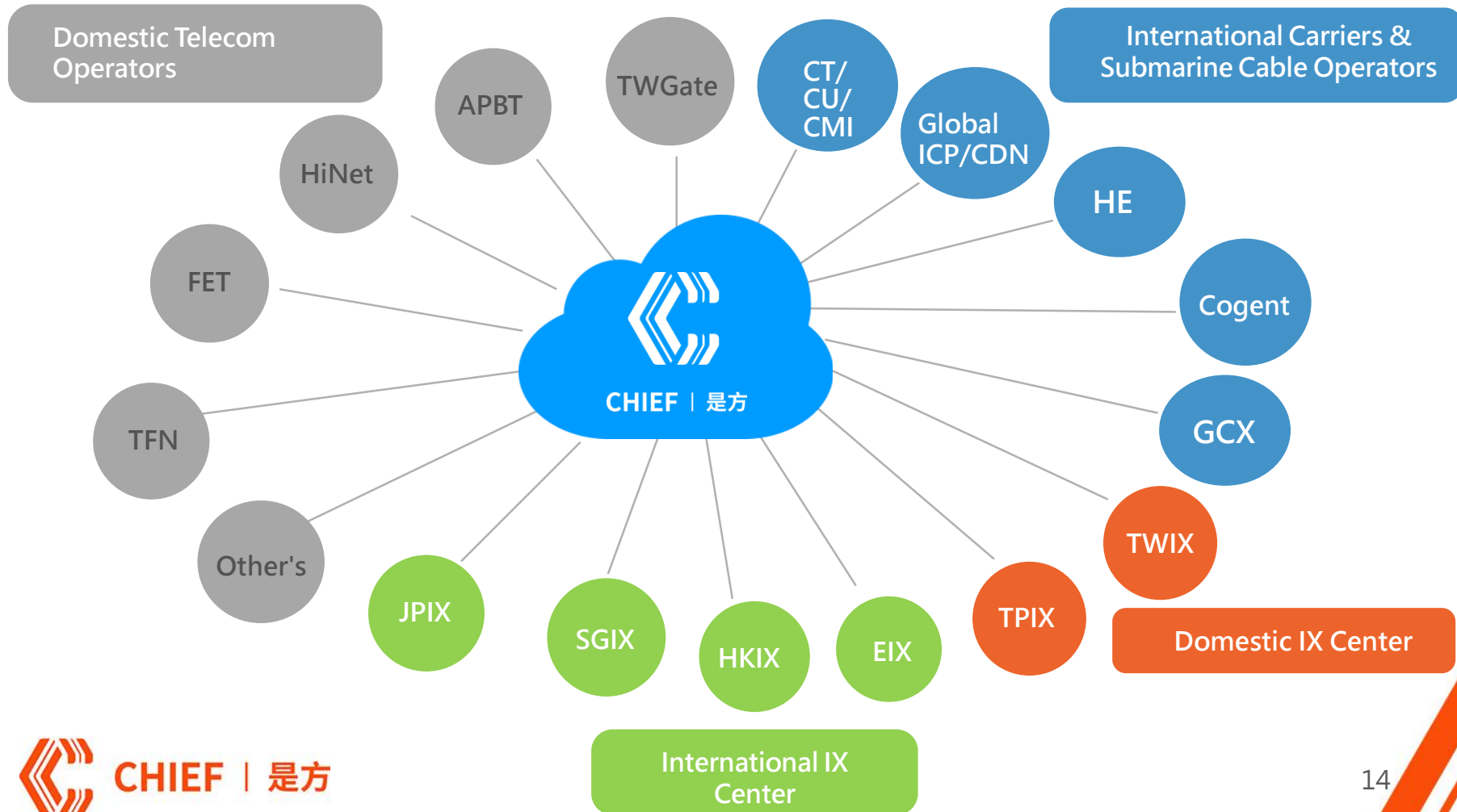
(Y2024 Q2 Commercial)

- Similar foreign IDC service providers:
 - Equinix: USA, APAC, EMEA
 - Digital Realty: USA, APAC, EMEA
 - MEGA-i: Hong Kong
 - At Tokyo: Japan
 - KINX: Korea



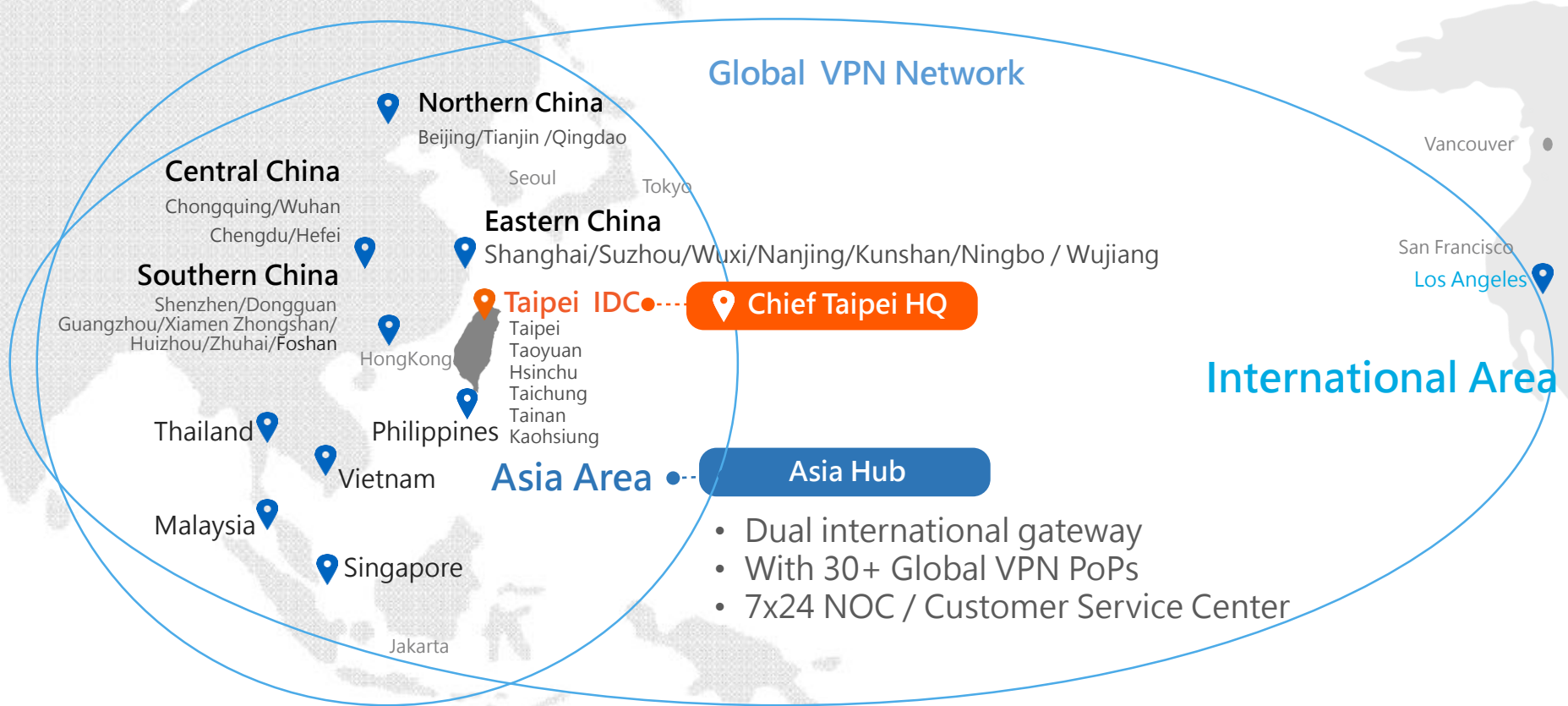
2.1 Data Service _ Global Internet Services

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

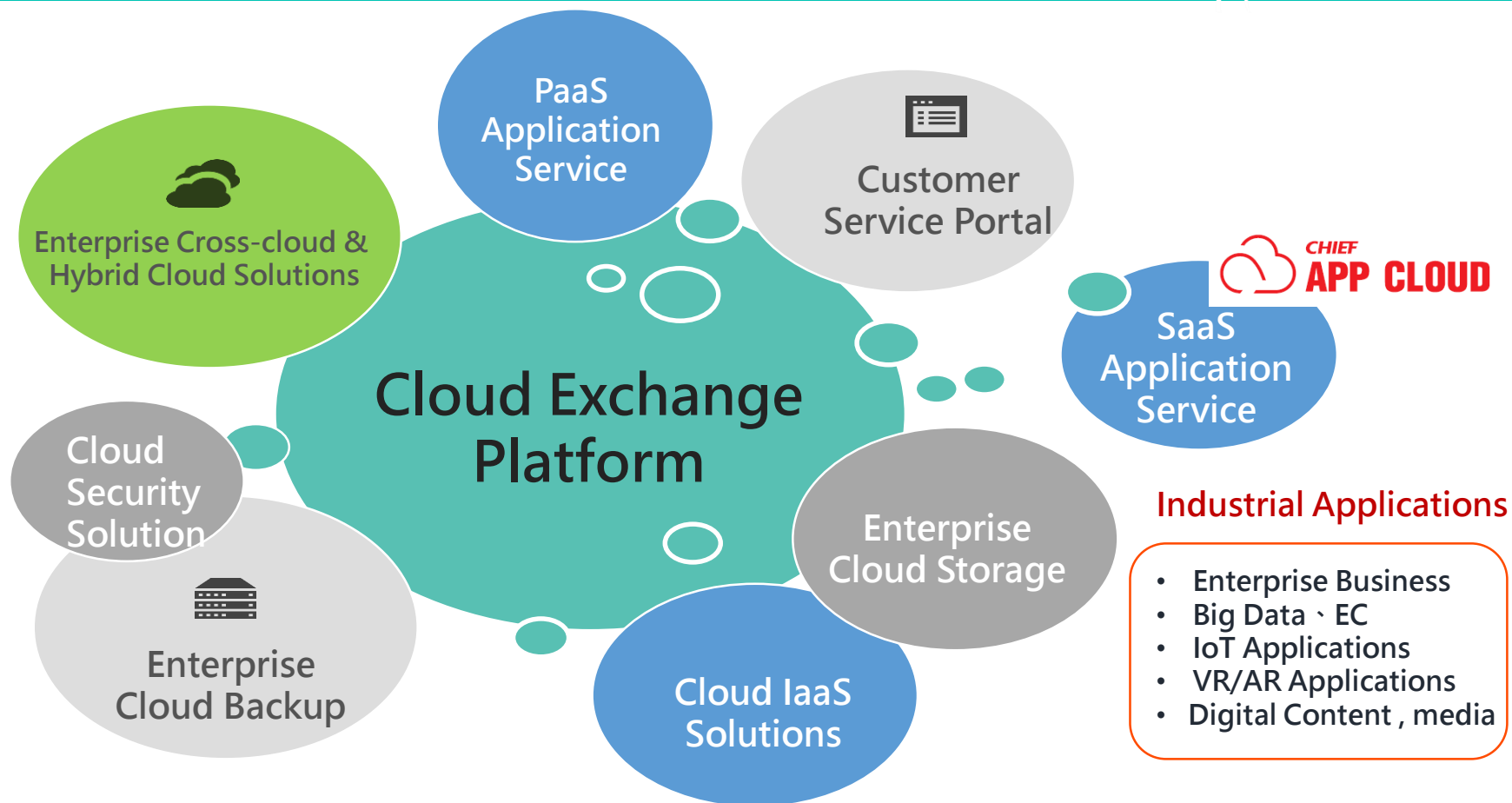


2.2 Data Service - Global IPLC & VPN & SD-WAN Solutions

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



3.1 Cloud Service _Comprehensive Solution



- All cloud data is stored domestically, which meets information security and audit requirements (the principle of cloud data landing)
- ISO27017/27018 certified with cloud security and public cloud personal information protection
- BMC global service coverage (exceeds 40 countries / 60 cities)

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



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



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



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 PBX

Provide **Cloud PBX** to reduce capex and opex

Management Center

Customer **web portal** to manage voice services and check CDR

Business Applications

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

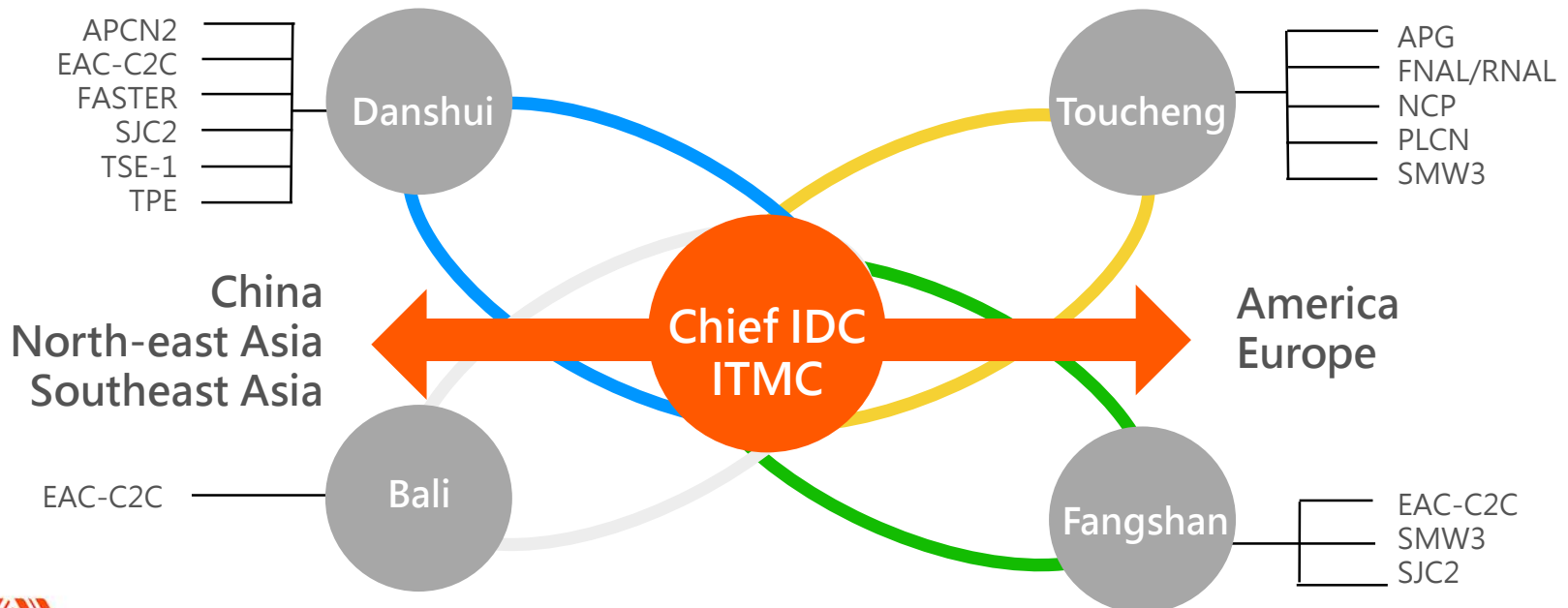
System Integration

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



5.1 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.

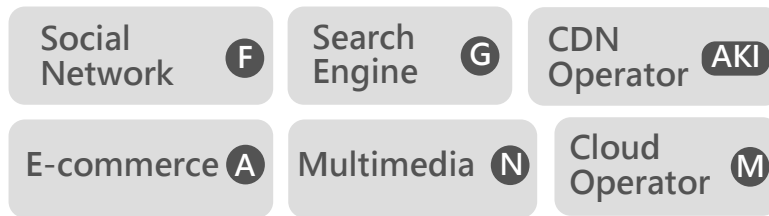


5.2 Taipei Internet Exchange Center (TPIX)

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
#83	NIXI Mumbai	165	IN	Mumbai	ix.nixi.in
#84	MICE	162	US	Minneapolis	micemn.net
#85	Extreme IX	160	IN	Delhi	extreme-ix.org
#86	TPIX-TW	159	TW	Taipei	www.tpix.net.tw
#86	Equinix São Paulo	159	BR	São Paulo	www.equinix.com.br
#86	Frys-IX	159	NL	Fryslân	www.frys-ix.net
#89	NetIX	158	BG	Sofia	www.netix.net
#90	ESPANIX Lower LAN	154	ES	Madrid	www.espanix.net

Source: Hurricane Electric Internet Exchange Report Mar. 28, 2024

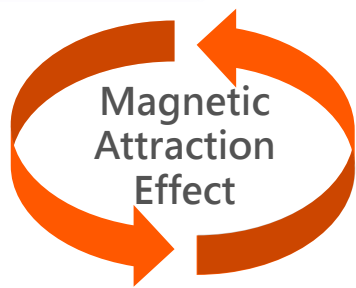
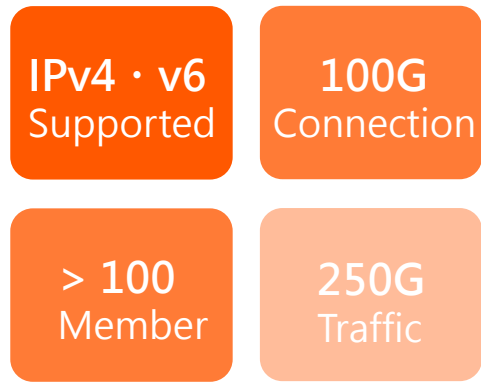


International & domestic content provider

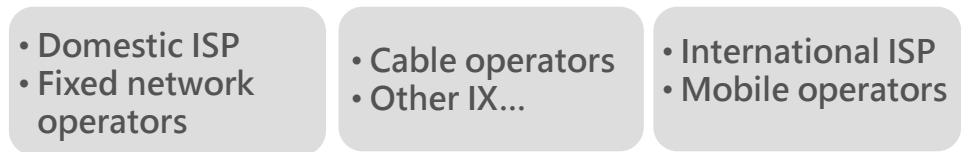
Achieve



- Shortest latency
- Fastest speed
- Lowest cost



Content demand side

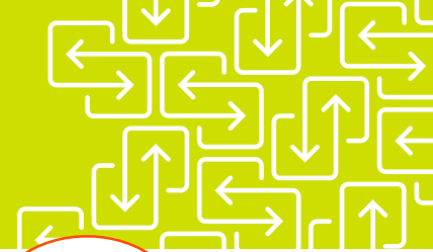


www.tpix.net.tw



TPIX with 159 members ranked #86 worldwide in Mar. 2024

5.3 Chief Cloud eXchange (CCX)



Public Cloud
Hybrid Cloud
Private Cloud

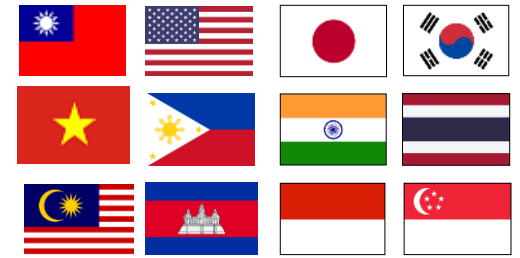
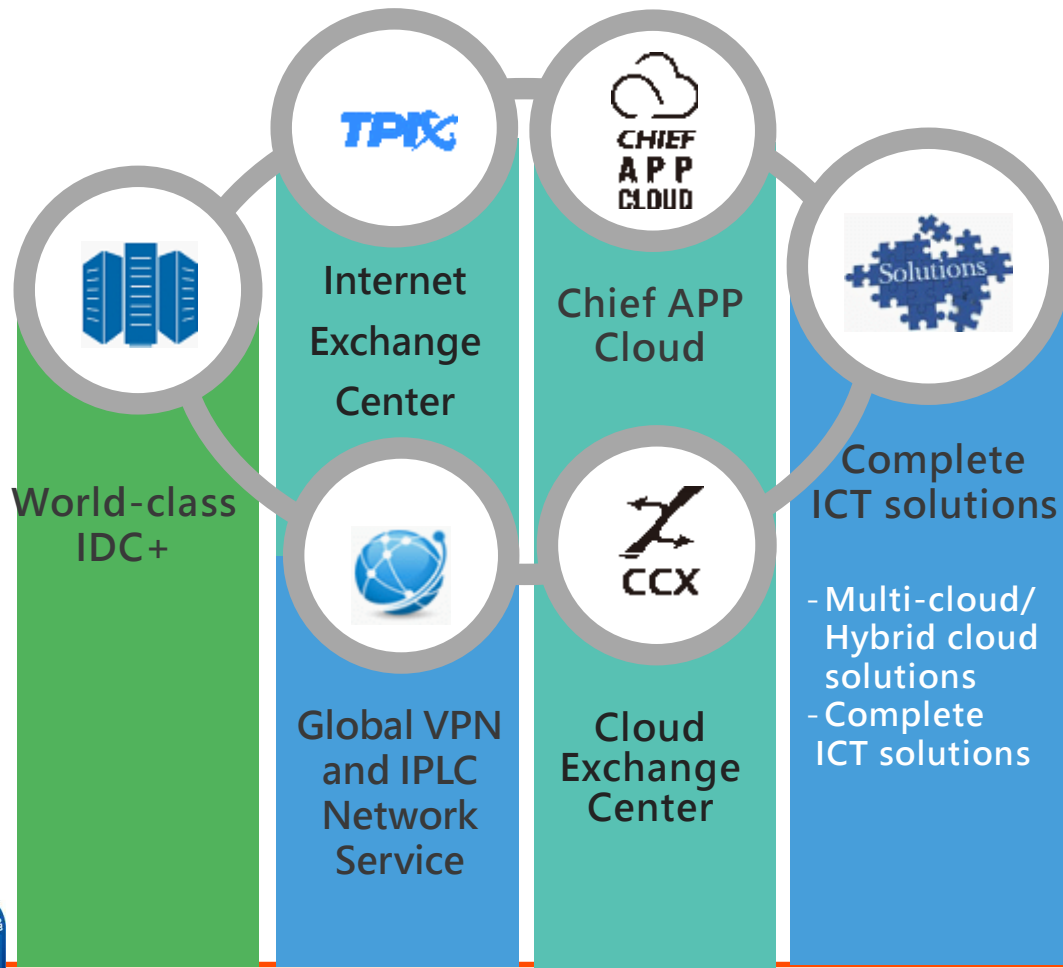


Security and Compliance

CCX Direct Connect
Private & Secure Channel



6.1 Multi-Product to Drive Growth Curve



Multi-Platform, and Cross-border Strategic Layout

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

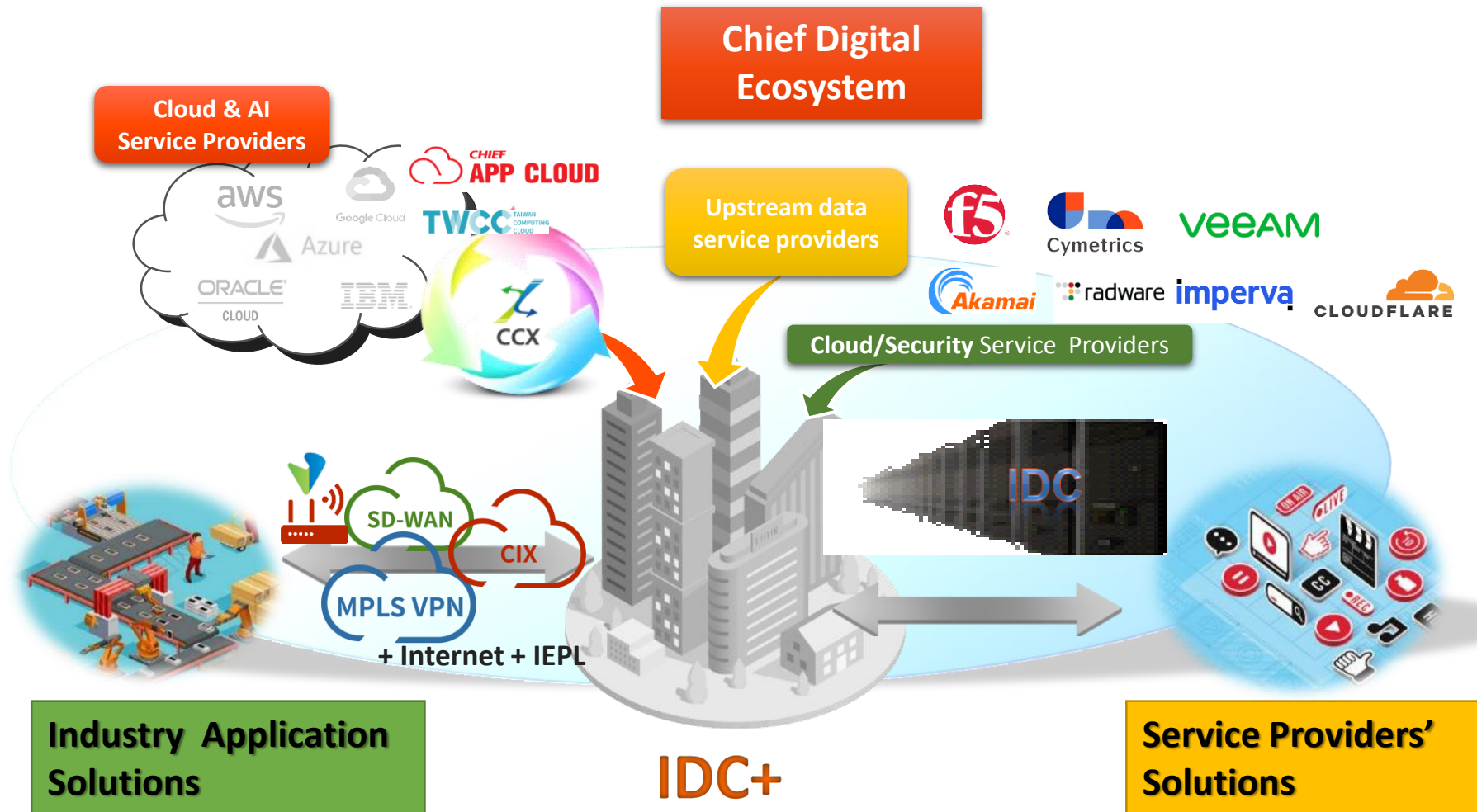


DCOS-4

ISO27001 /27011/ 27017 /27018



6.2 Satisfy Industrial and Customer Demands with Cloud + Network+ Security Services



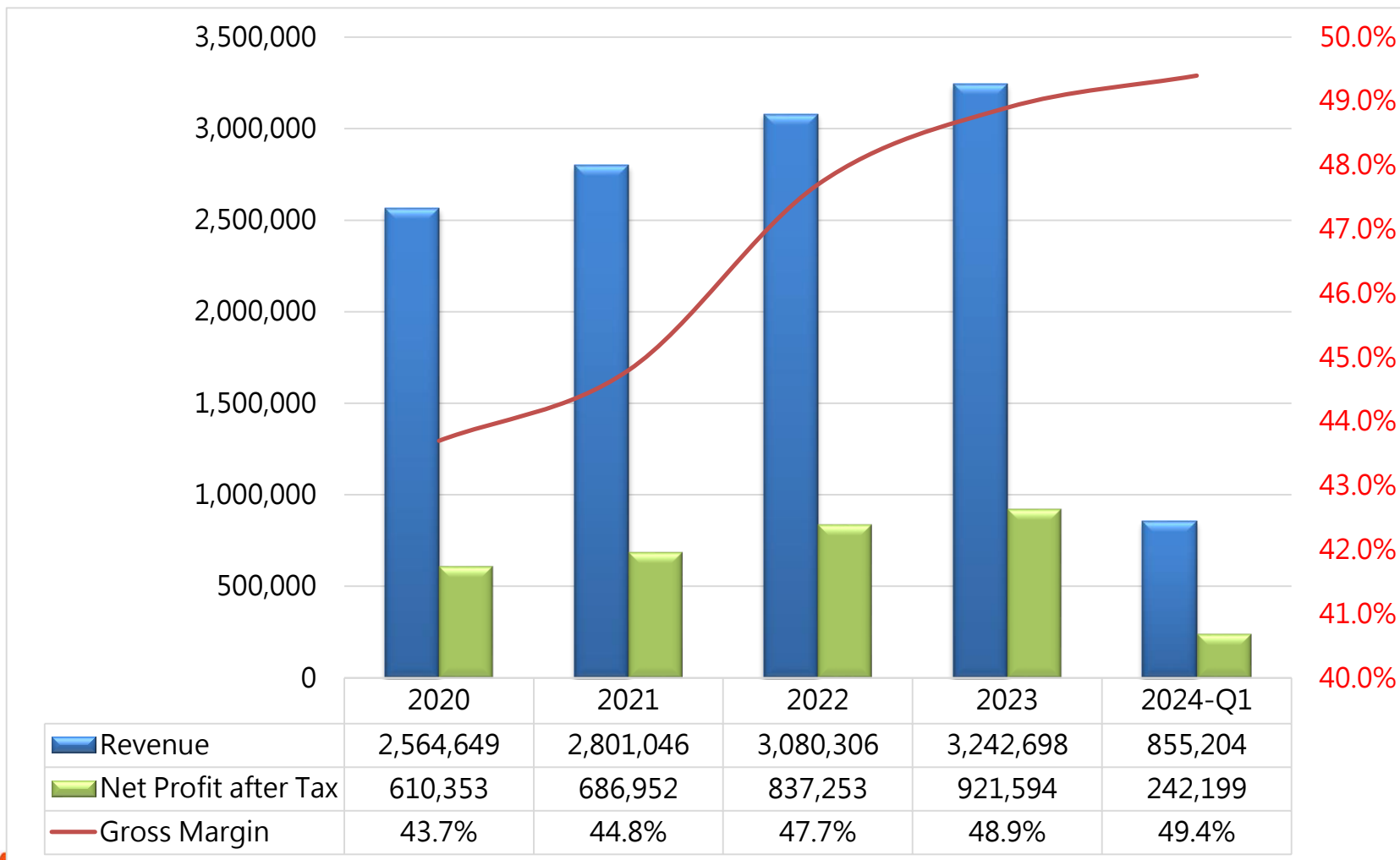
CHAPTER 3

Recent Years Finance Performance

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

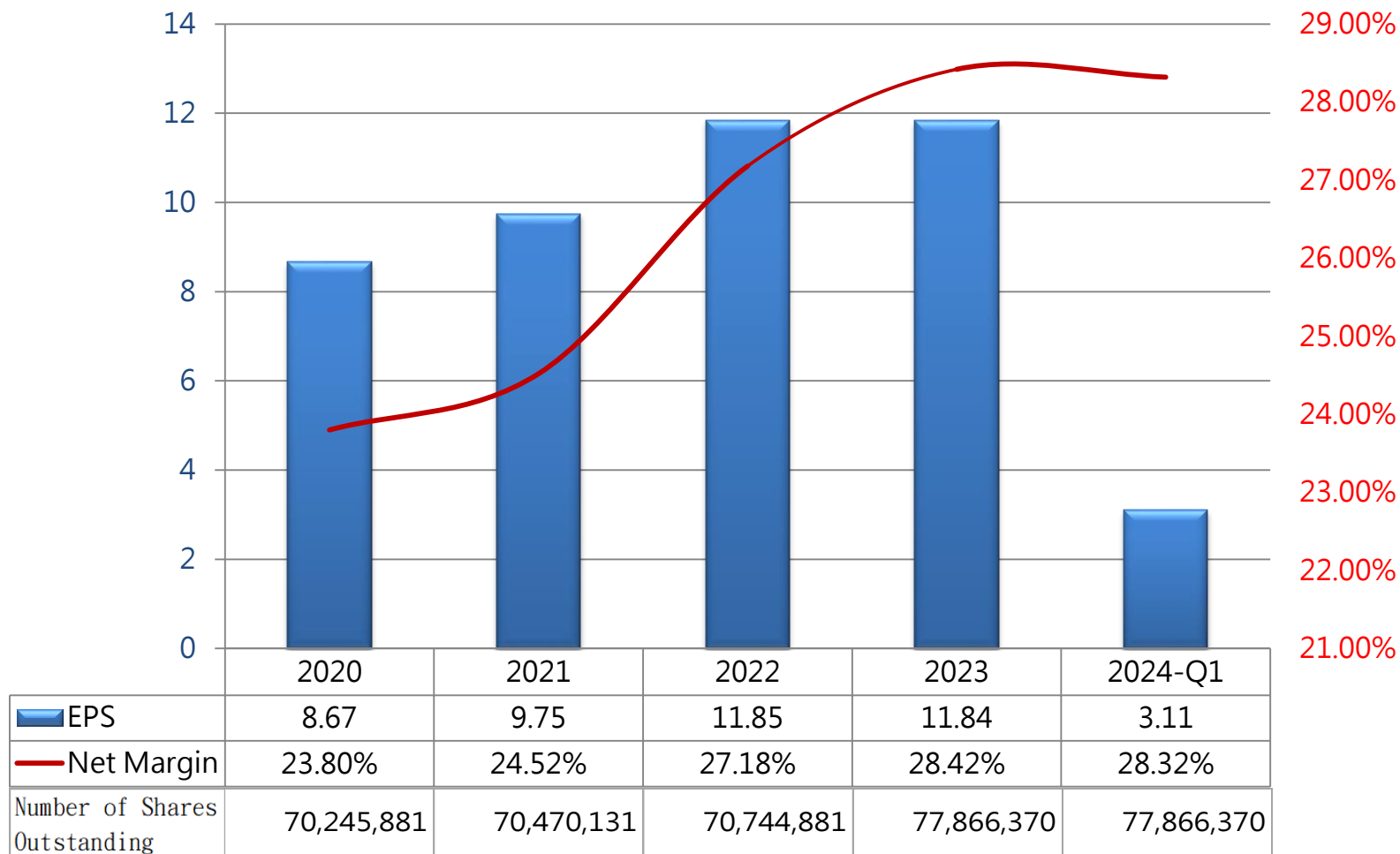
1. Revenue & Gross Margin

Unit: NT\$K



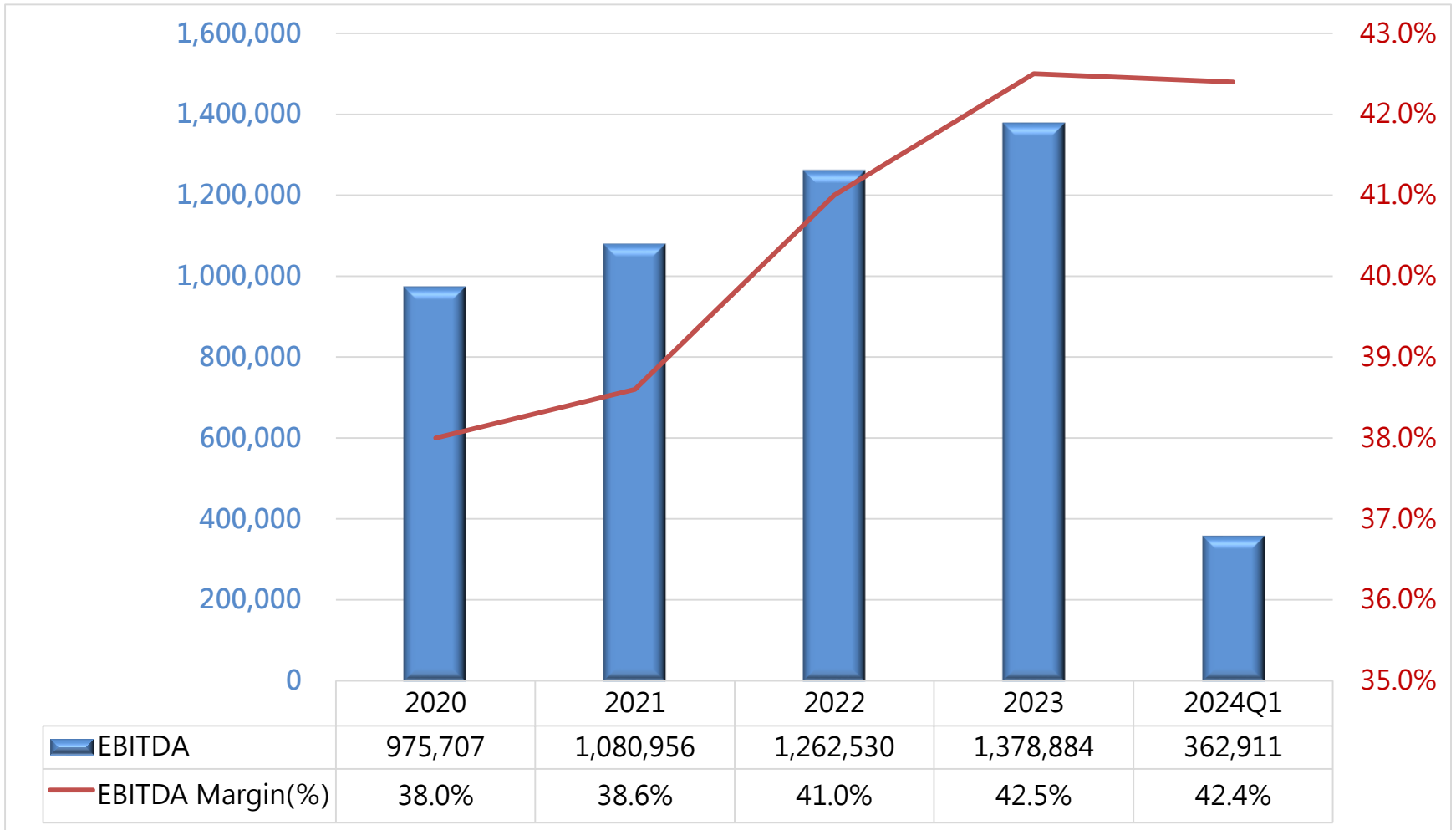
2. Net Margin & EPS

Unit: NT\$

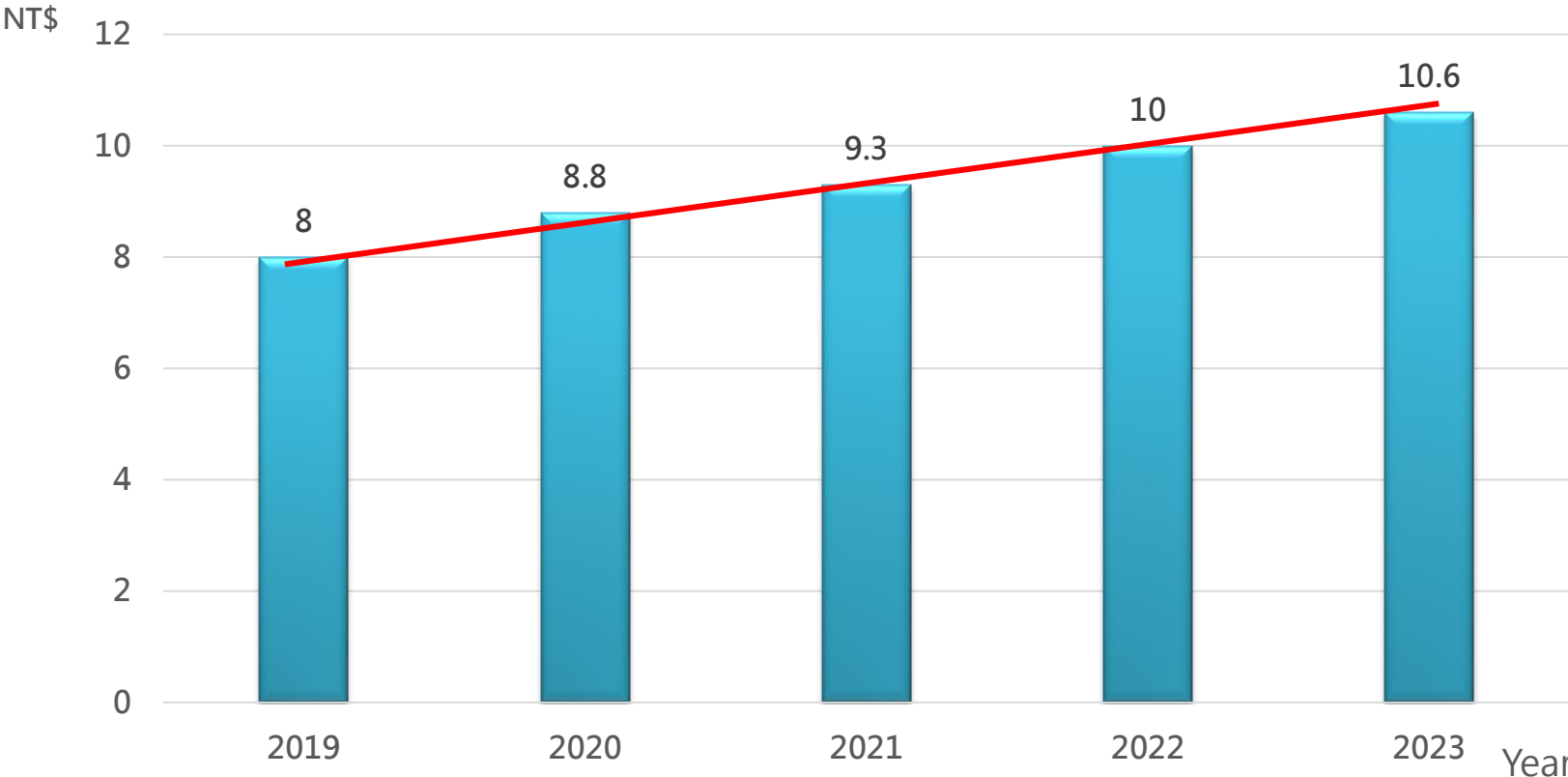


3. EBITDA & EBITDA Margin

Unit: NT\$K

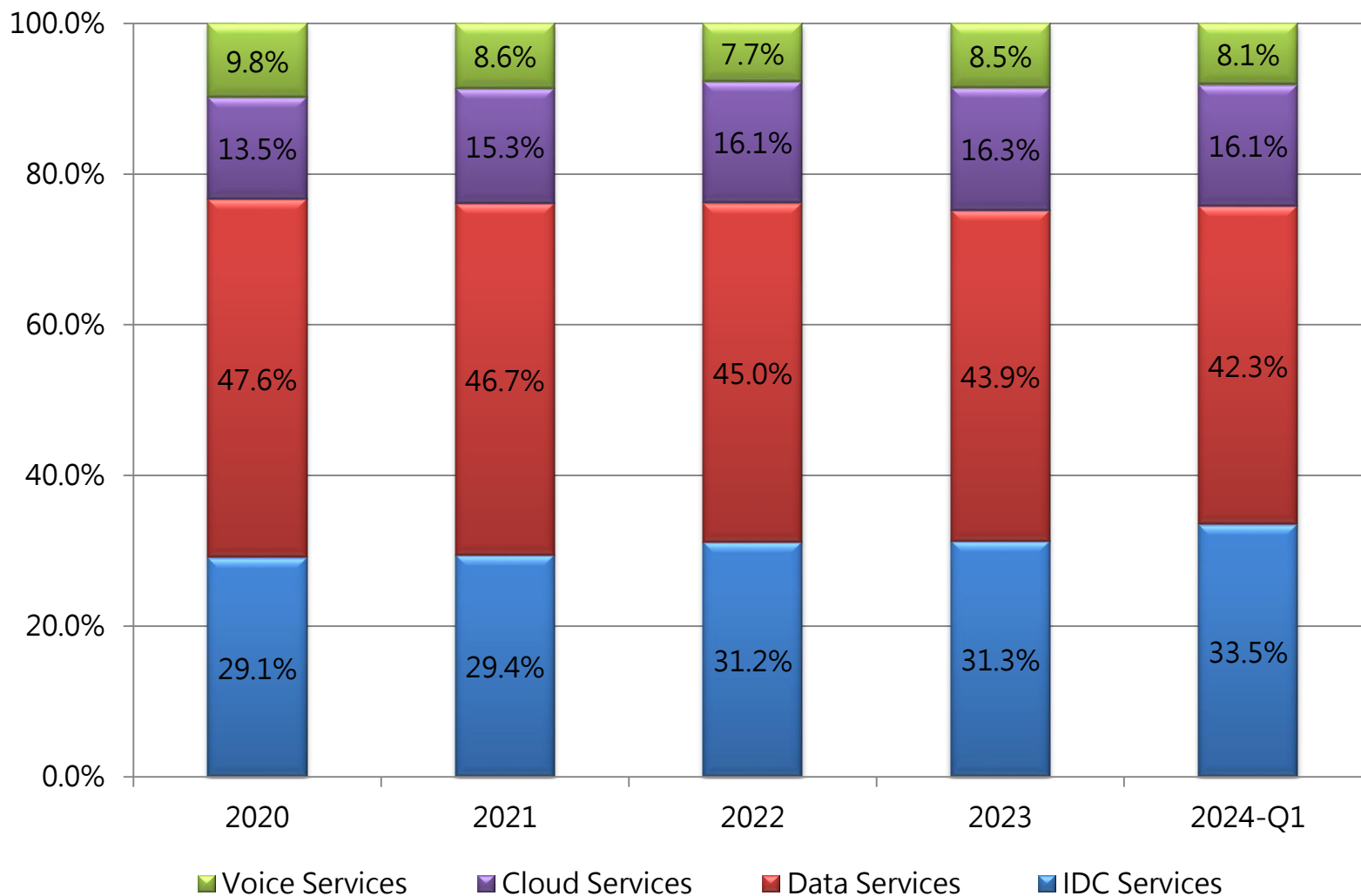


3. Percentage of Dividends



Note : 2023 dividends include 10.6 dollars cash

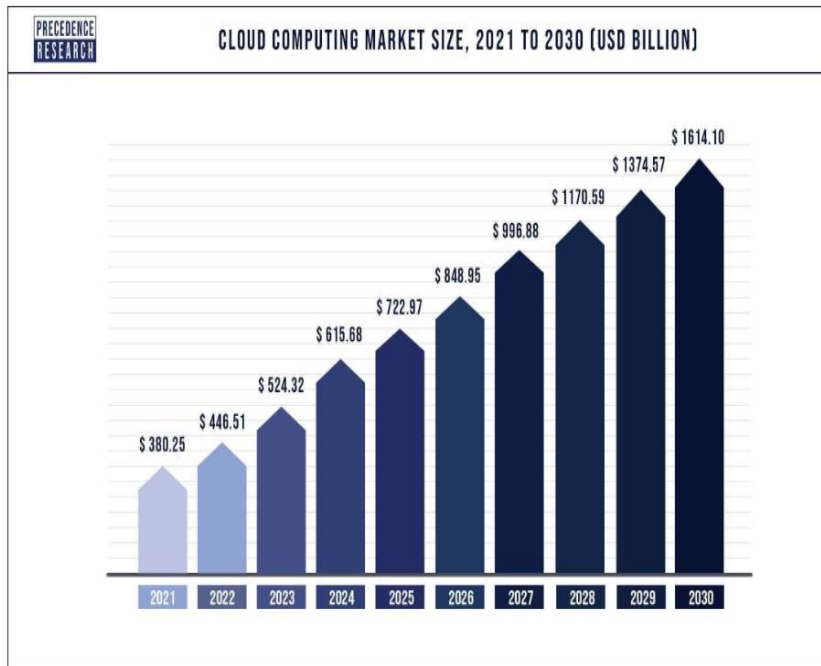
4. Product Revenue Percentage



CHAPTER 4

Industrial Trends

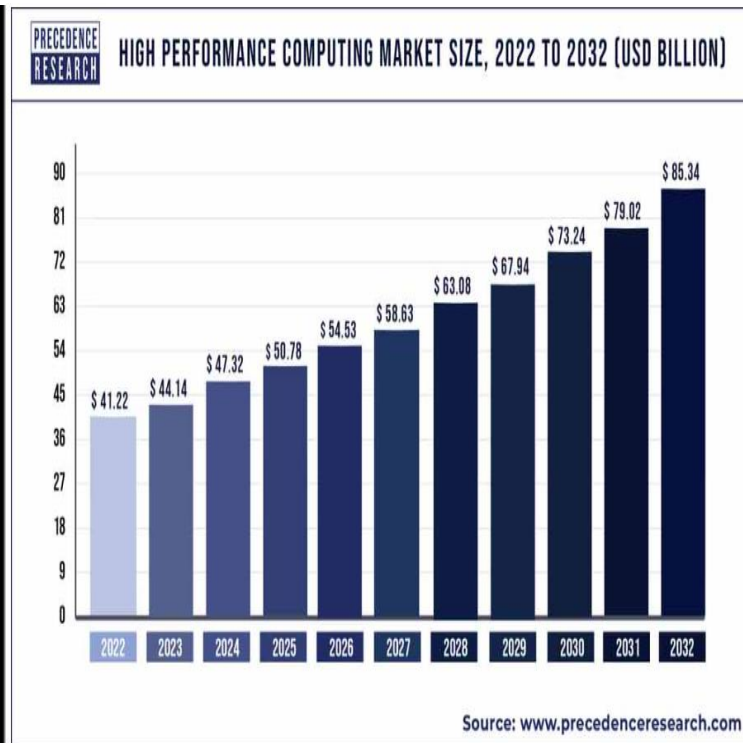
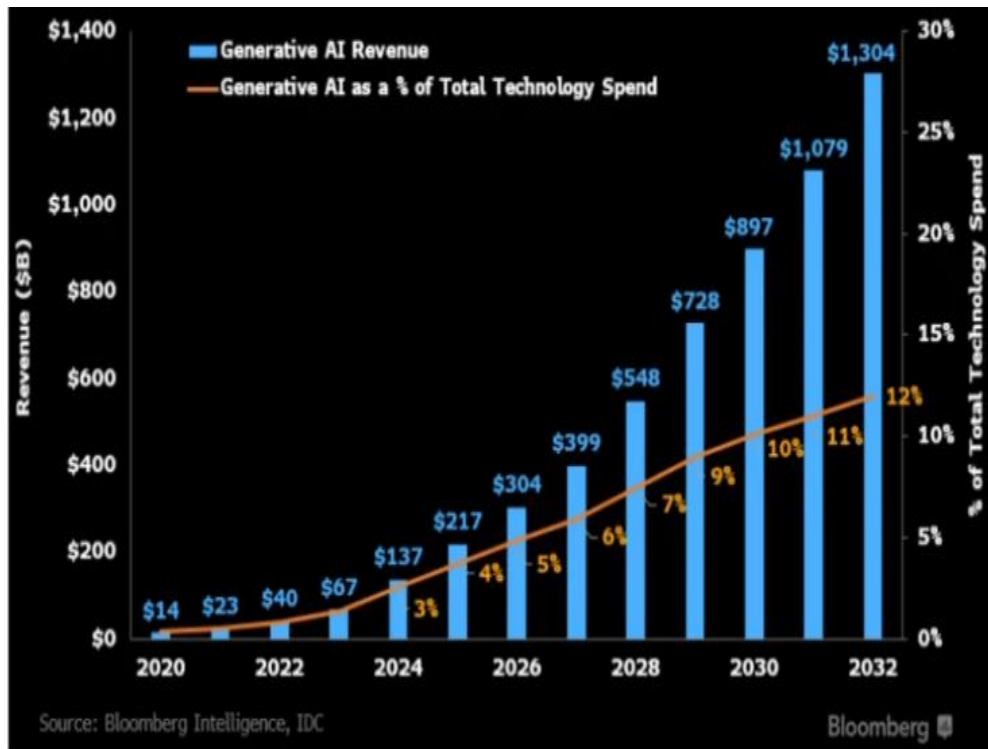
1. Global Cloud and IDC Market Trends



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. 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) ◦

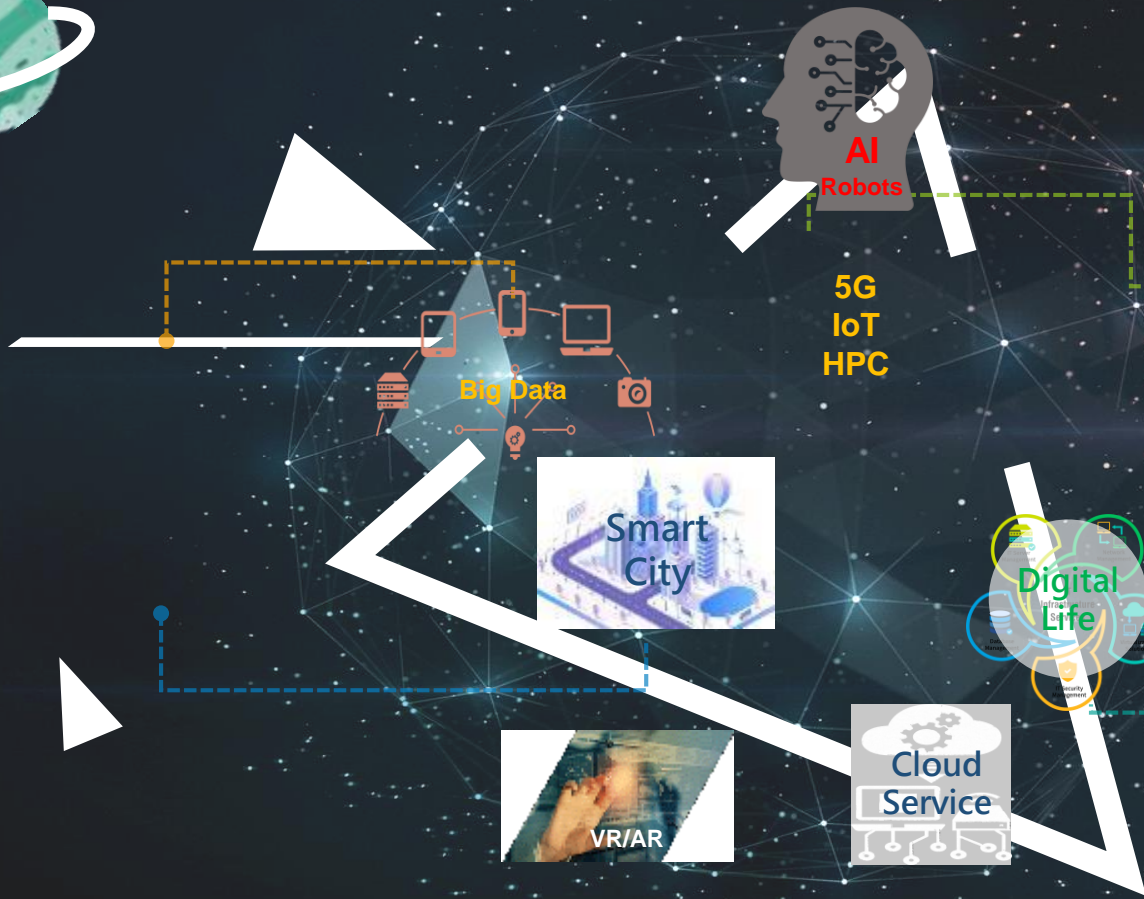
3. IDC_Locomotive of The Digital Industry (AI、HPC、Cloud、Data、Network Power)

- ◆ 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

4. Imagine Future Global Trends of Digitalization



Cloud IDCs are connected with high speed bandwidth.

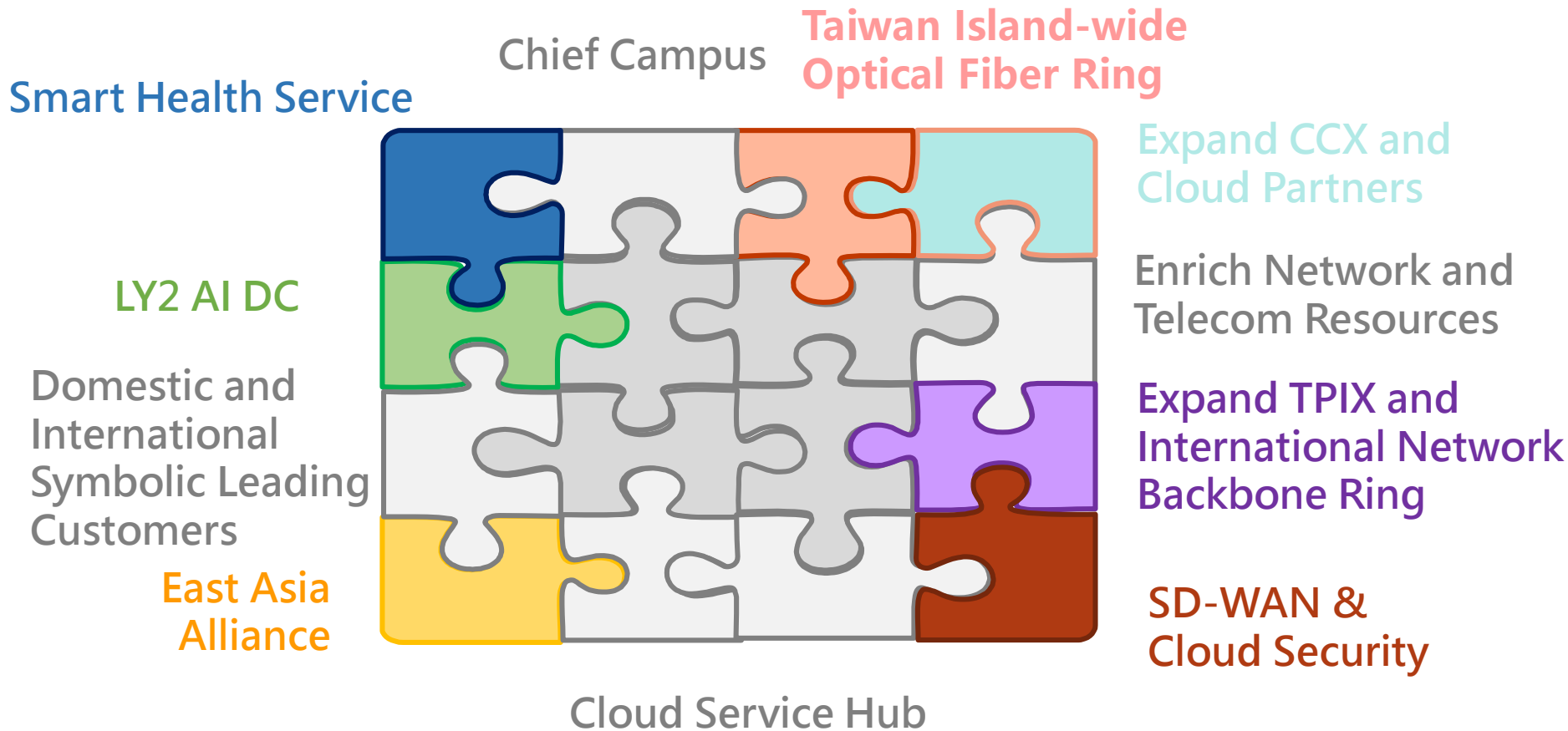
The data in th IDCs will grow explosively.

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

CHAPTER 5

Future Operational Focus

1. Business Development Focus (IDC+ Platform+ Connectivity+ Value+)



2. LY2 – Cloud & AI Data Center



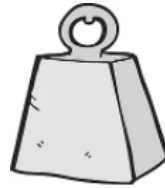
2024 Q2 Commercial Service



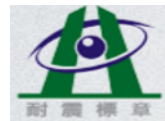
16,500 sqm Floor Area



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

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

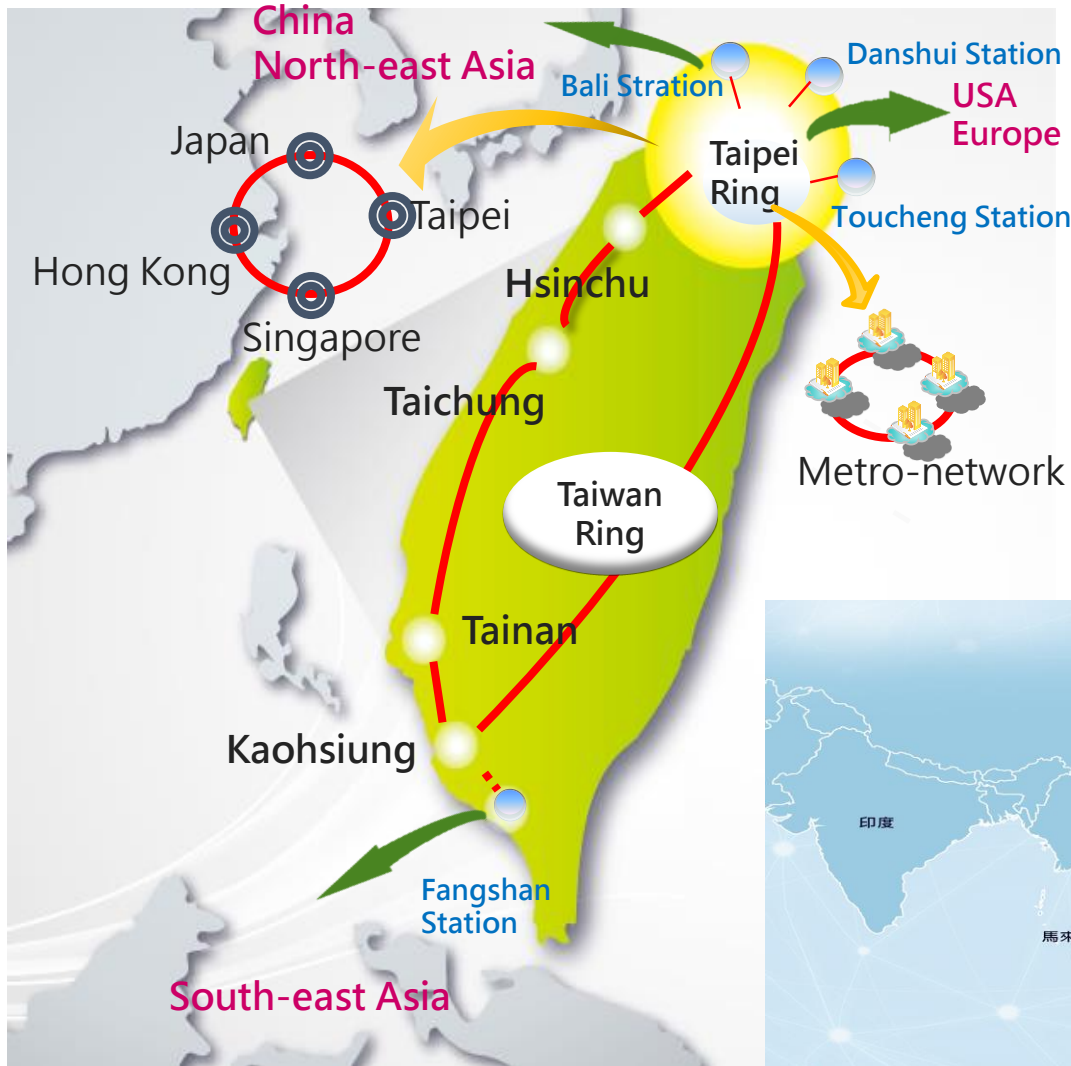


Both Google & Microsoft Already Set up Regional Data Centers in Taiwan



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

4. Three Rings _ Sufficient Domestic and International Network Resources

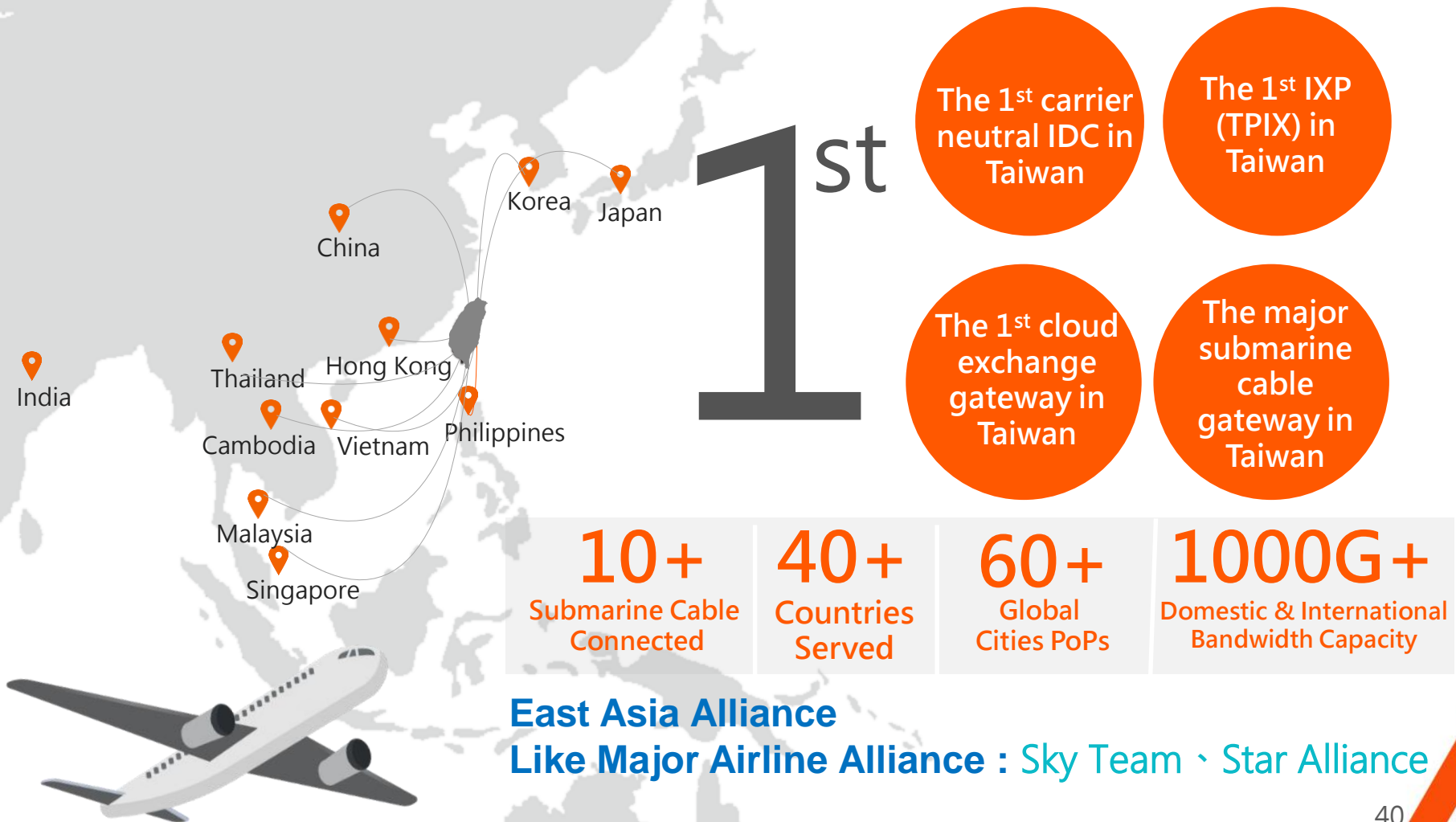


Complete Domestic and International Optical Networks

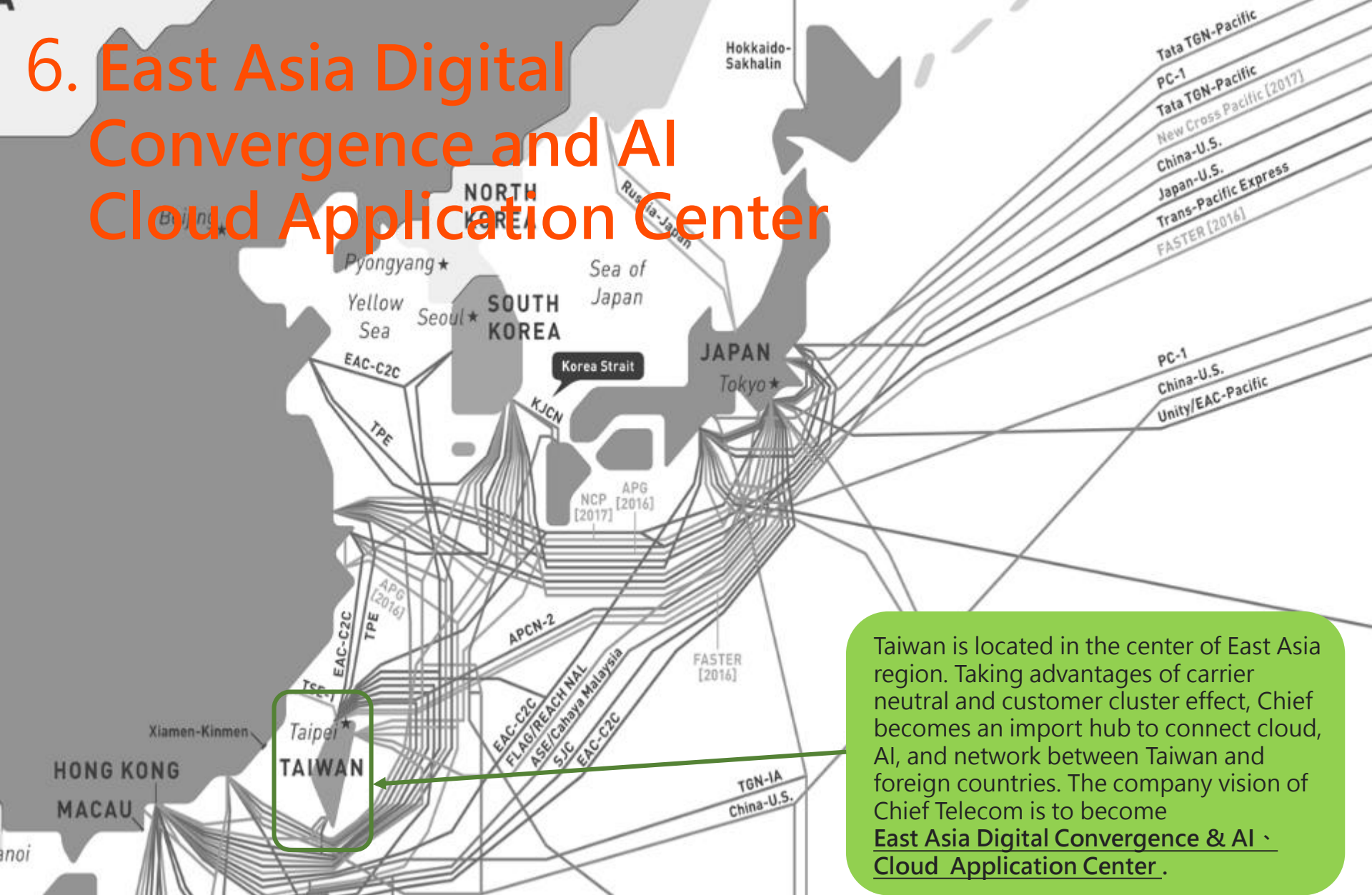
- **Taipei Ring:** optical fiber network to connect all Chief IDCs
- **Taiwan Ring:** optical fiber network to connect five metropolitan areas
- **International Ring:** High bandwidth to connect to Tokyo, Hong Kong and Singapore
- **International Submarine Cable Center :** direct connect to USA, Europe, East Asia and China



5. Cooperate with Partners to Expand International Backbone in East Asia

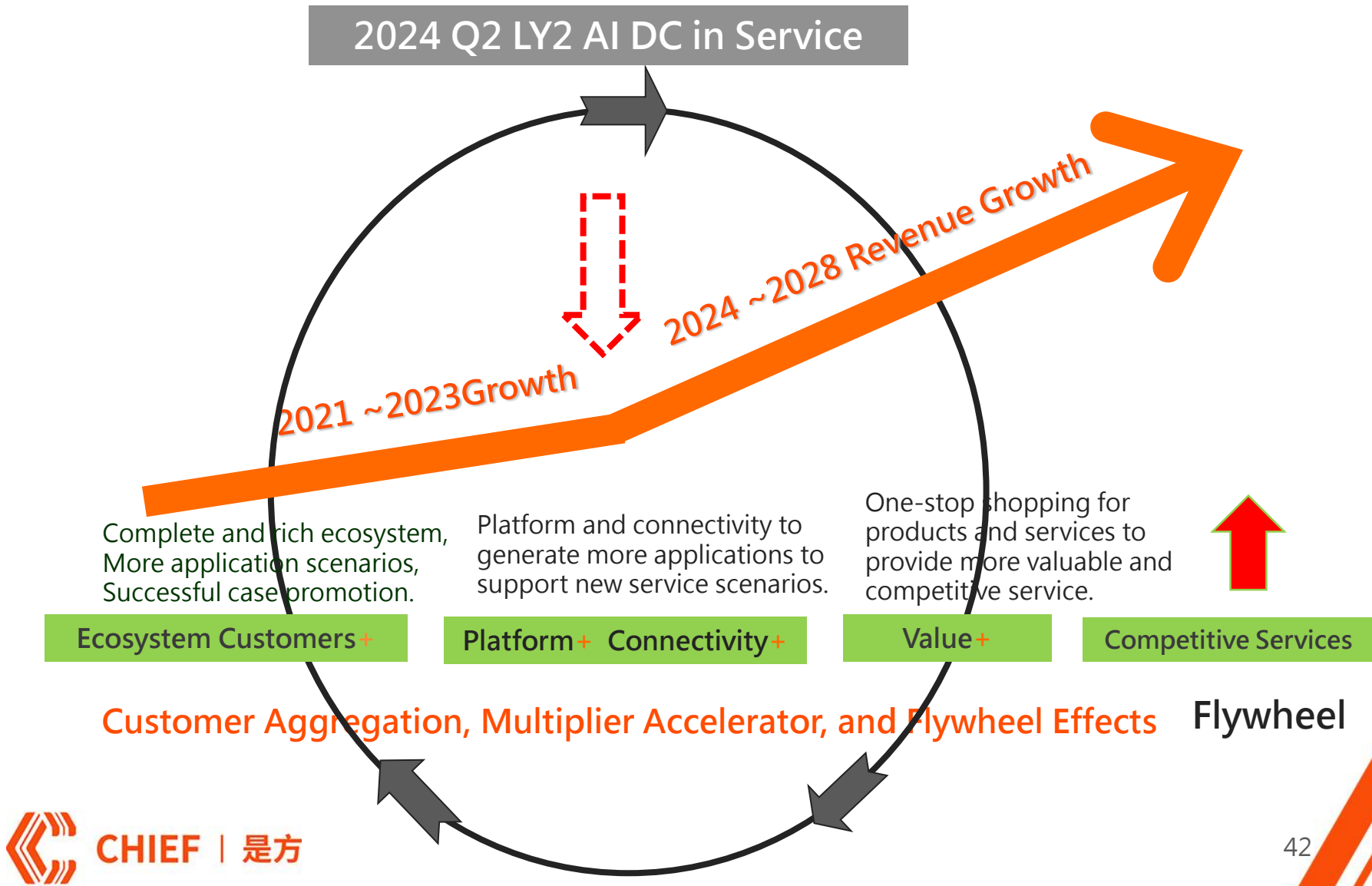


6. East Asia Digital Convergence and AI Cloud Application Center



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.

7. Chief Telecom Flywheel



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Cloud | Connect | Communication

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