Stock Code：6561

Chief Company Introduction

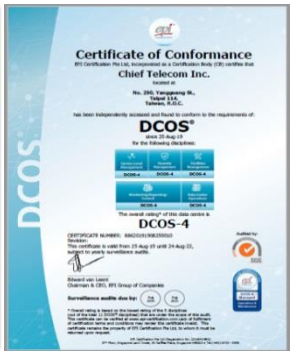
Date: Mar. 4, 2021

https://www.chief.com.tw

CHIEF | 是方電訊

I、Chief Profile

- Founded in 1991
- Capital NT$702,248,810
- Major Products: IDC, Data, Voice, Cloud services
- With Type II Telecom Licenses, including:
  - General Type II：ISP、VPN、Internet Access
  - Special Type II：ISR、070 VoIP、bandwidth B&S
- Carrier Neutral IDC：LY、HD、TF buildings, with 30,000 square meters
- ISO27001/ISO27011、 ISO27017/ISO27018 certifications
- IDC DCOS certification
- Included in MSCI Global Small Cap Index



II、Company History

CHIEF | 是方電訊

1991 Year
Founded

2004 Year
Expand Taiwan China VPN network services

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

2017 Year
- Provide Oracle OCM cloud DB services in May
- Awarded government cloud services contracts in Jul.
- First operator to award ISO27017/ISO27018 in Dec. for cloud services

2019 Year
- Localize GCP and Azure service in Mar.
- Direct connect to Ali cloud in HK in Apr.
- Provide 200G BW between TPE and HK in Jun.
- Provide IBM cloud service in Sep.
- DCOS certified in Sep.
- TPIX included in national CIP in Oct.

1991 1998 2000 2004 2006 2011 2016 2017 2018 2019 2020 2021

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

2006 Year
Acquired by CHT (over 70 % shares)

中華電信 關係企業
Chunghwa Telecom Group

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

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

2020 Year
- Newly added 20G network backbone to each of Japan and Singapore in Jan.
- Provide Oracle cloud direct connect to Tokyo in Jul.
- Promote Health Cloud service via CHT-M Hami Pass in Aug. .
- Upgrade network backbone to 210G between Taiwan and Japan in Dec.

III、Company Positioning

CHIEF | 是方電訊

Best Cloud & Digital Convergence Platform

Connectivity＋

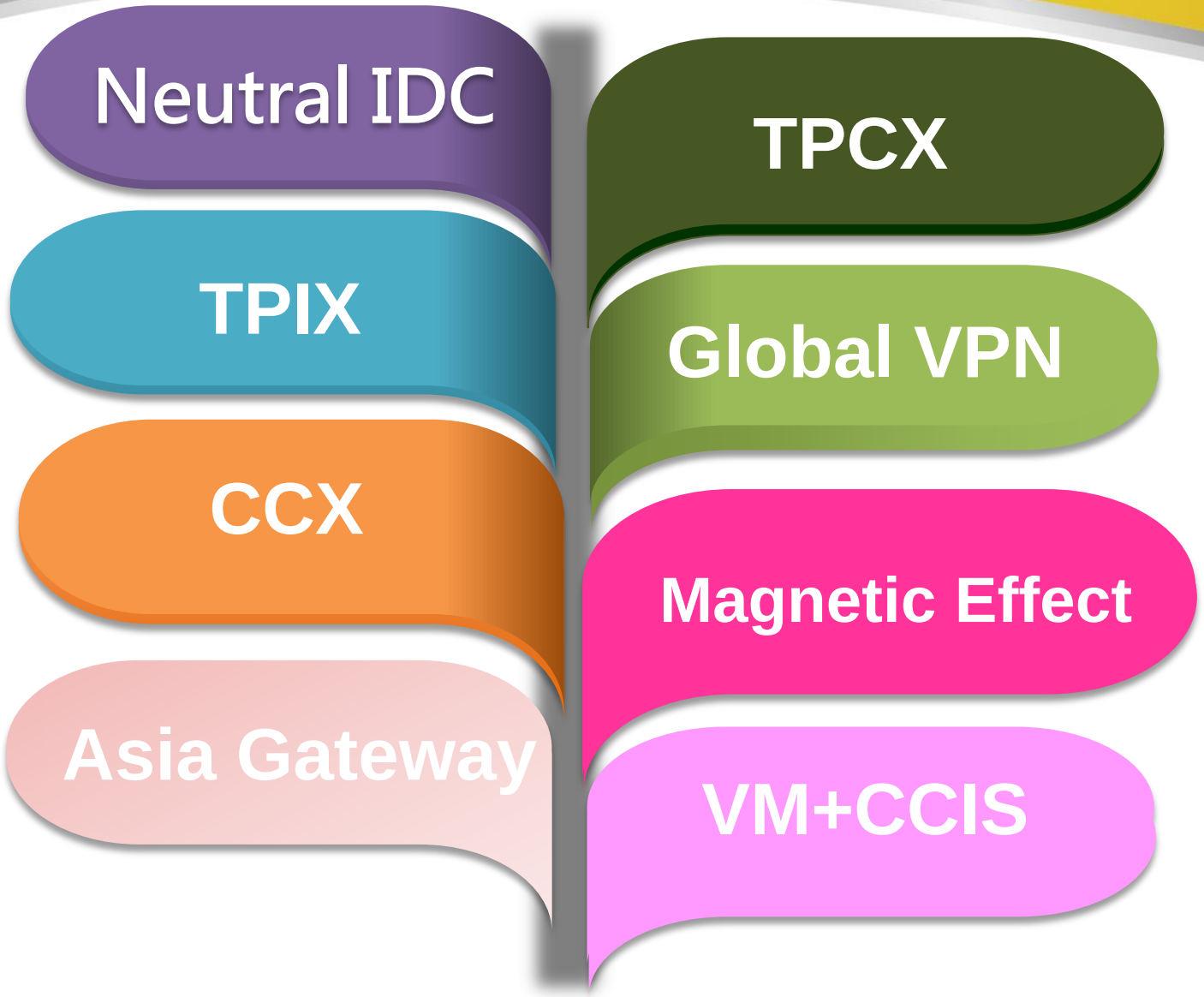
Value＋

Specialization
Sharing
Collaboration
Multi -winners

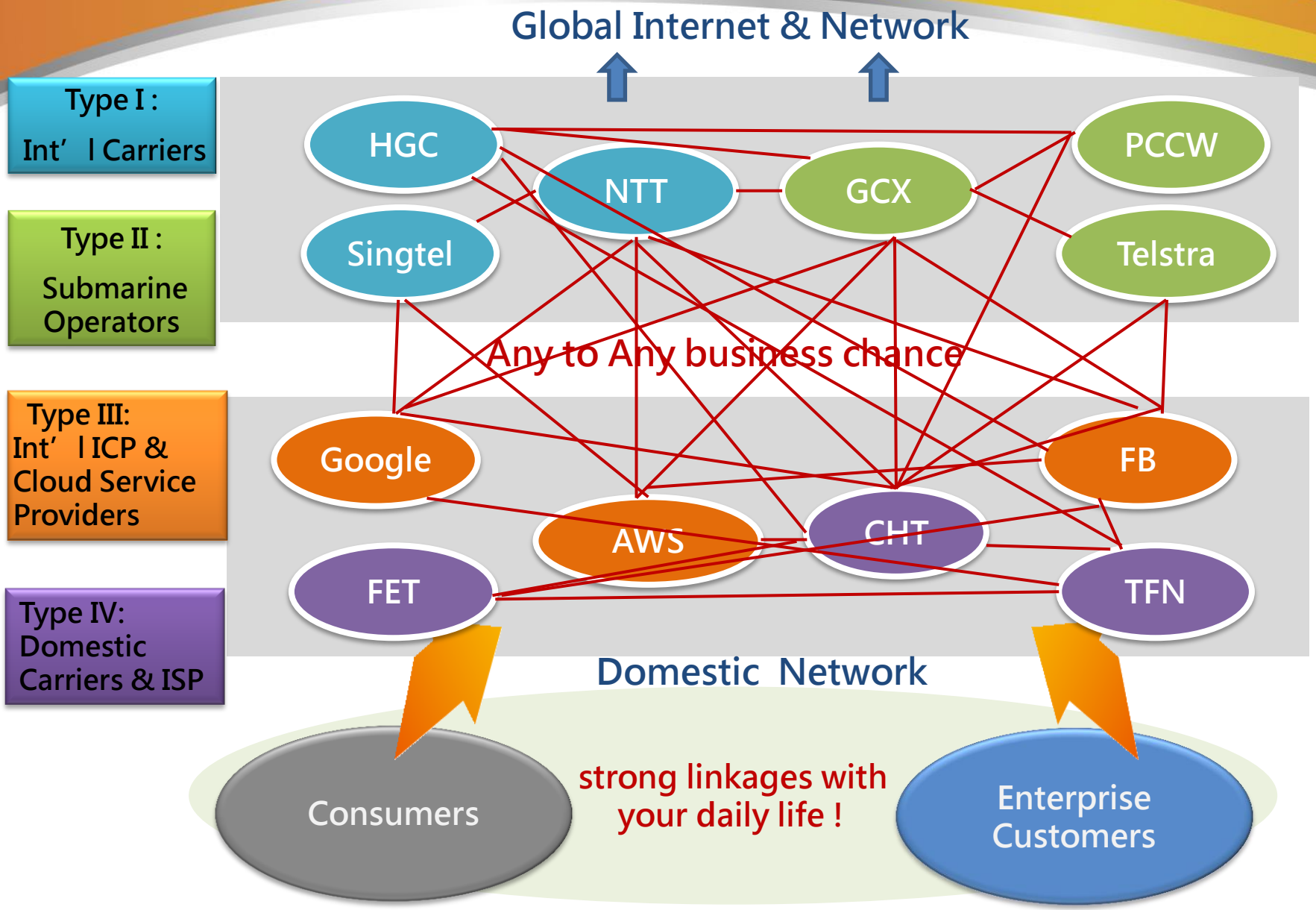
Carrier Neutral

IV、Competitive Advantages

CHIEF | 是方電訊

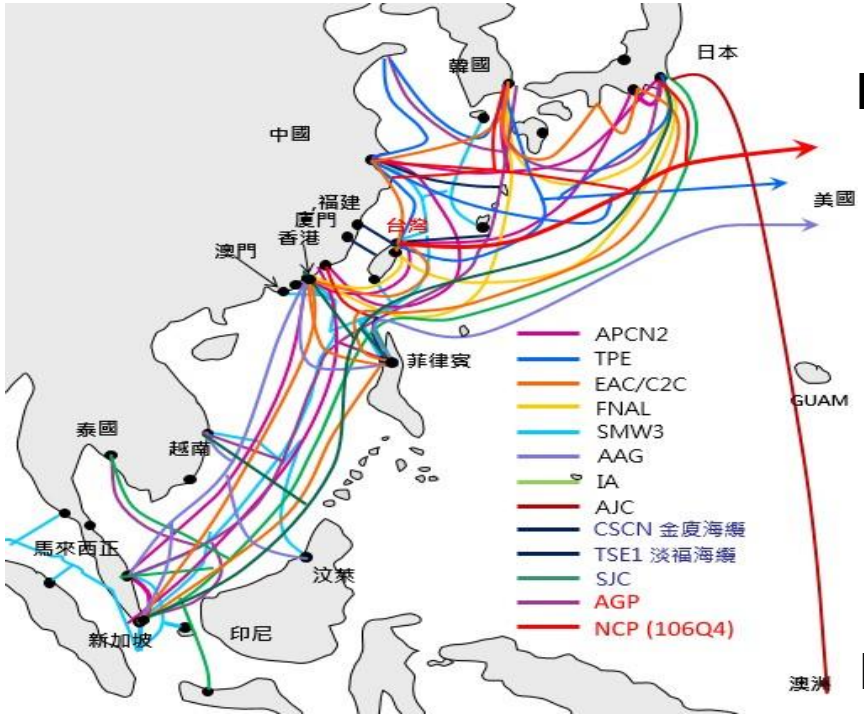


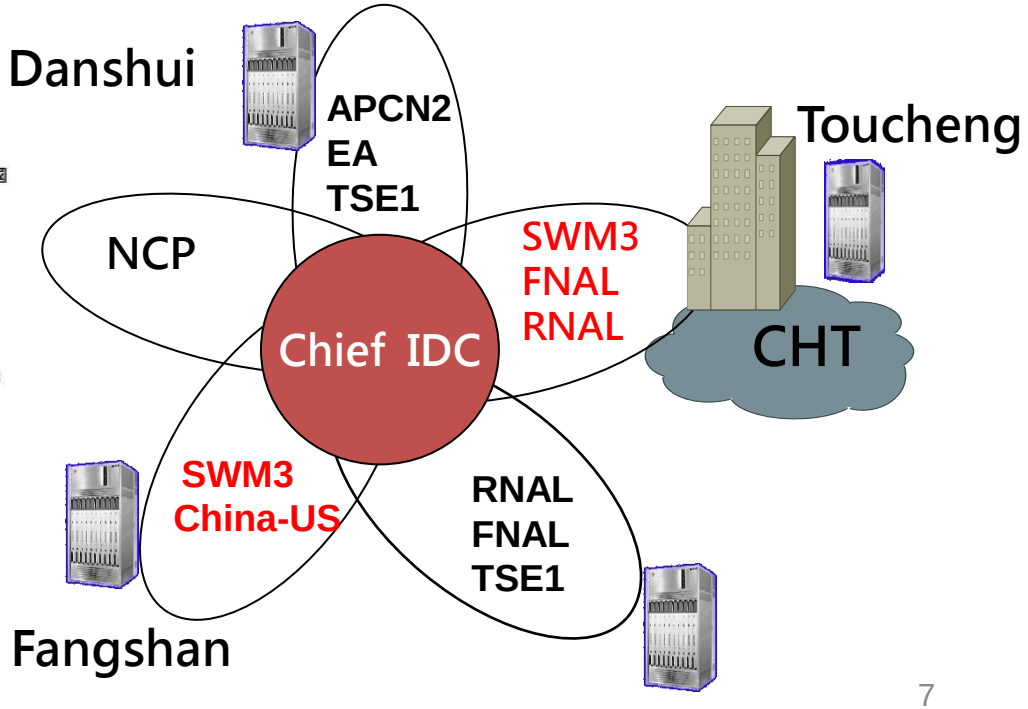
V、Tele Market Place (Platform+Connectivity)



VI 、 TPCX (Taipei Submarine Cable Exchange Center)

- 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.

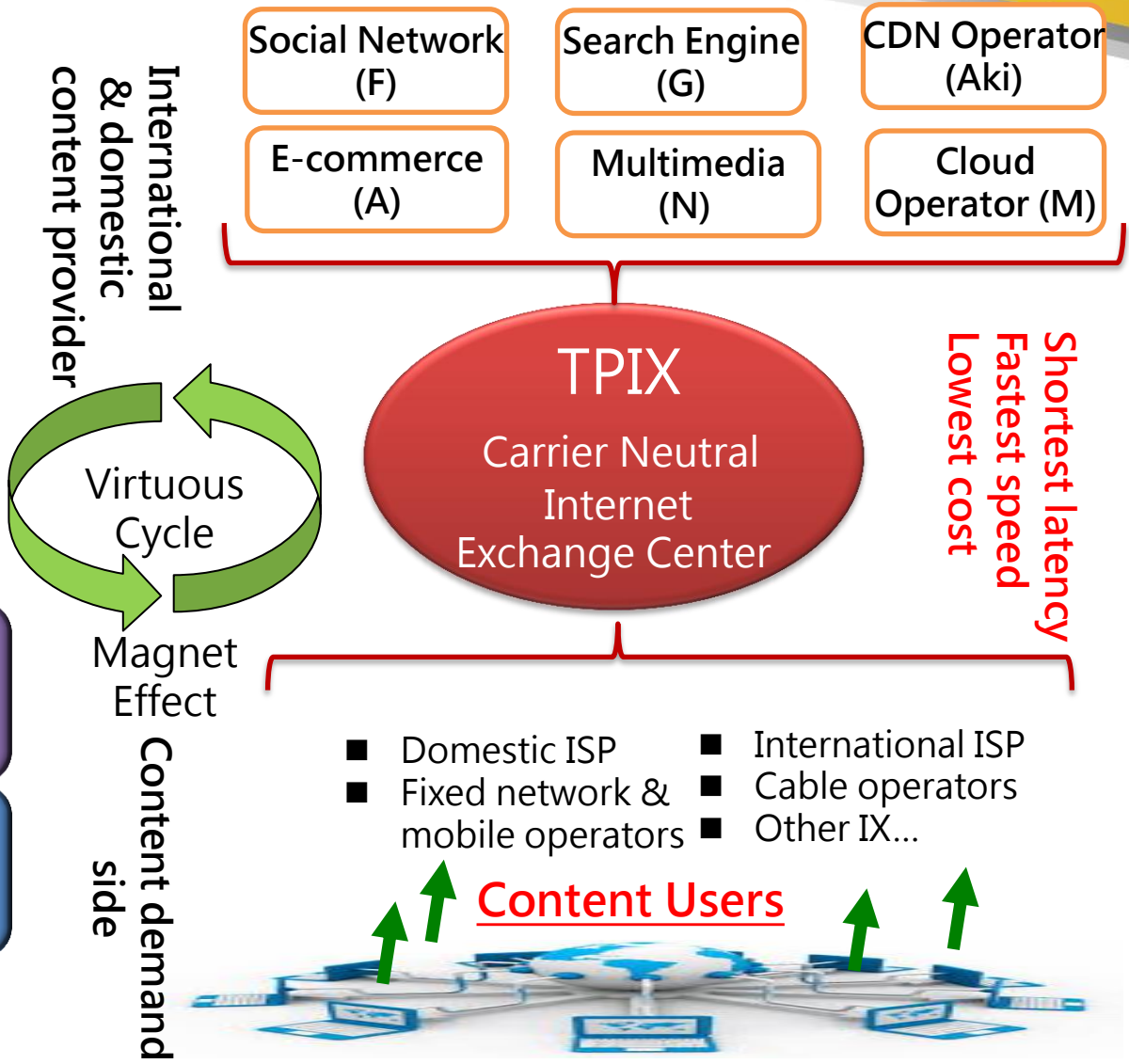




VII 、 TPIX (Taipei Internet Exchange Center)

- TPIX, largest internet exchange center in Taiwan, provides internet traffic exchange service for both international and domestic customers.
  www.tpix.com.tw

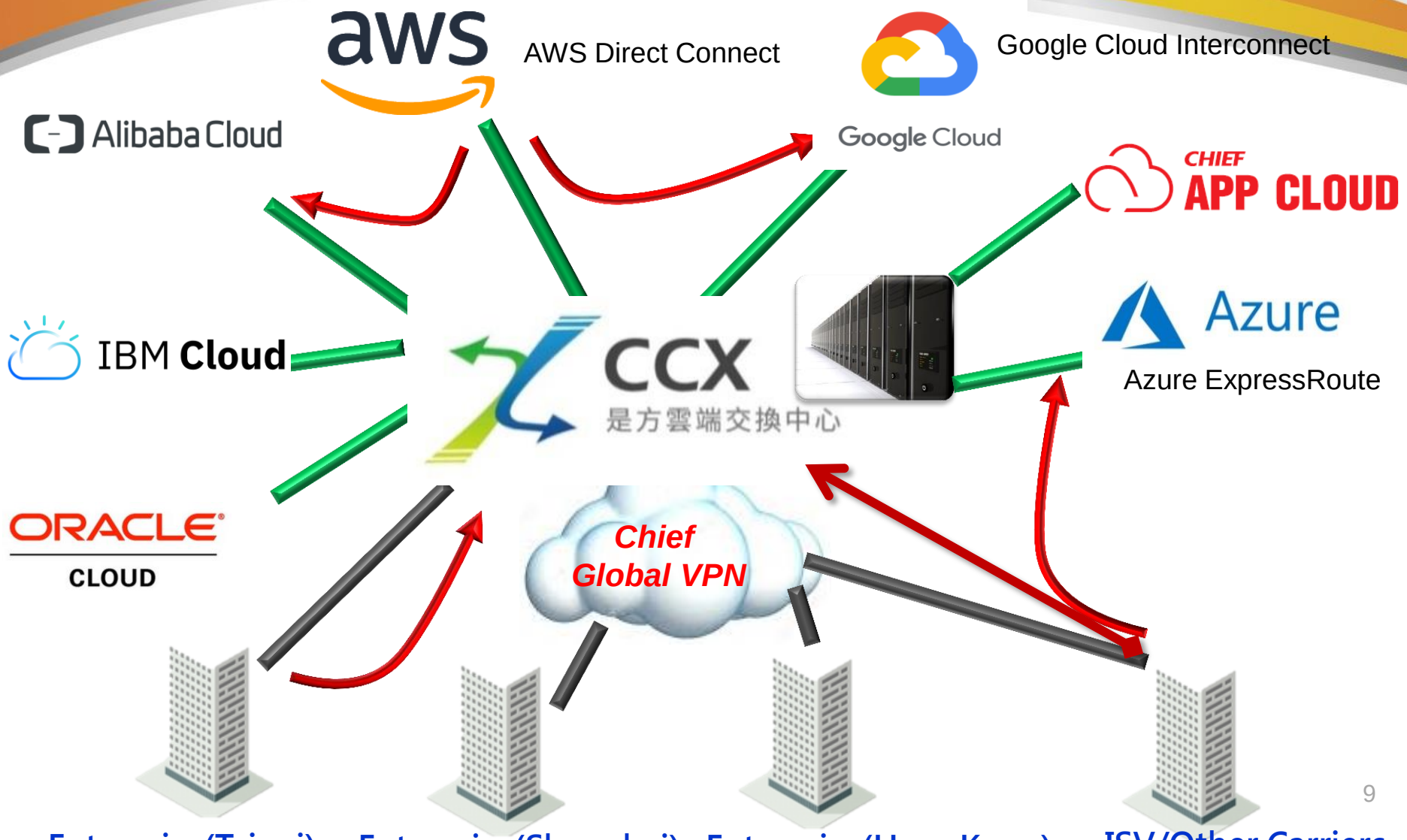
IPv4/v6 Supported	100G Connection
65+ Member	170G Traffic



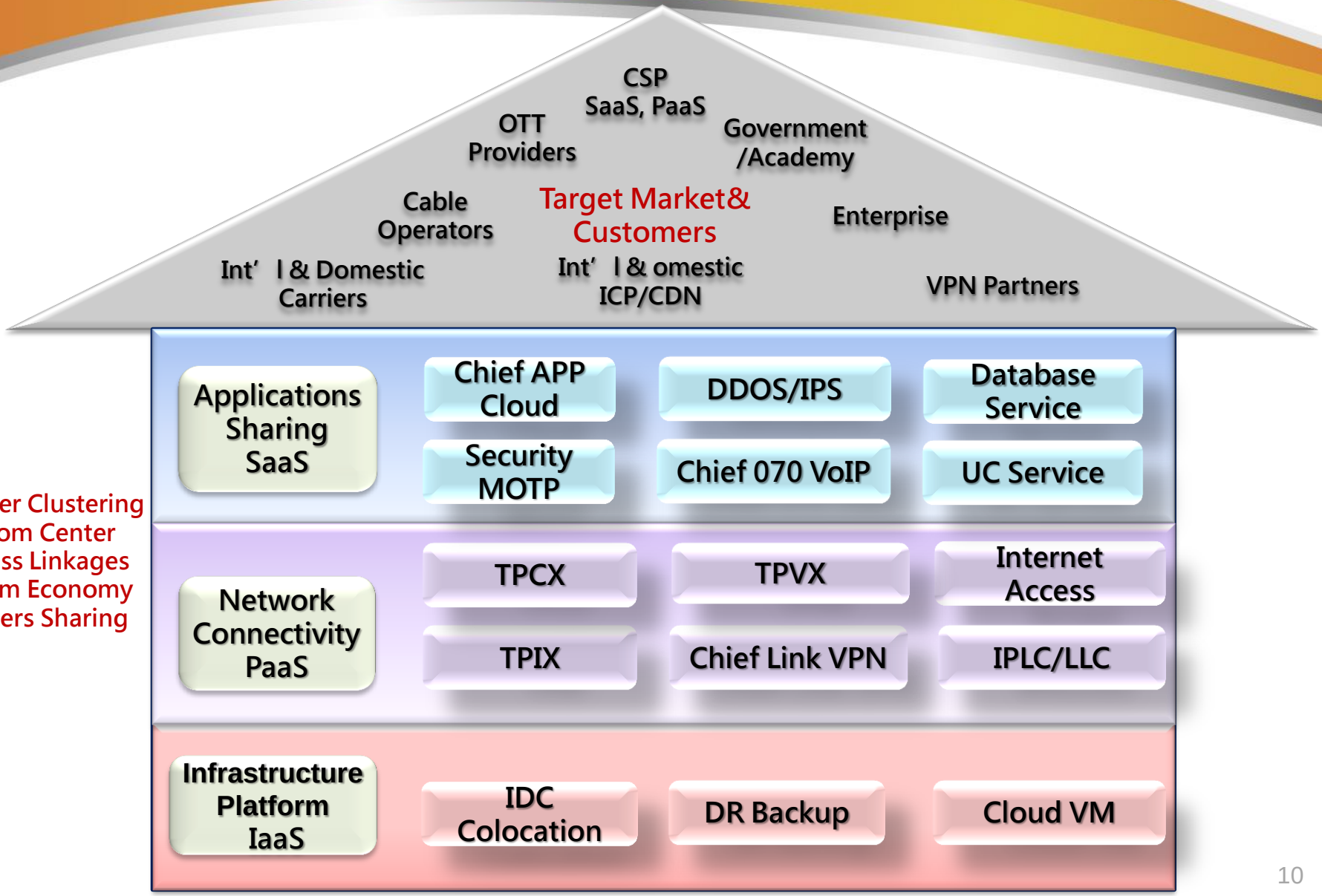
VIII 、 CCX (Chief Cloud eXchange Center)

Cross-country、Multi-cloud、Hybrid-cloud Direct Connect Services

CHIEF | 是方電訊



IX 、 Telecom Hotel



Customer Clustering
Telecom Center
Business Linkages
Platform Economy
Members Sharing

X、 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. Through platform economy and membership economy operational model, Chief becomes the important business hub for customer clustering magnetic attraction effect。

XI、Digital Application Navigator

Chief Telecom services have strong linkages with your daily life and provide ubiquitous service.

Digital Content

- Music/Video
- Gaming/News

Network

- Global Internet Access
- Global VPN/MSO

Business & Enterprise

- Cloud/Communication
- Search Engine/Social Media

E-Commerce/IoT

- B2B/B2B2C
- O2O/E-shopping

Big Data

- Smart Healthcare/PHR
- Public Sentiment/Data Center

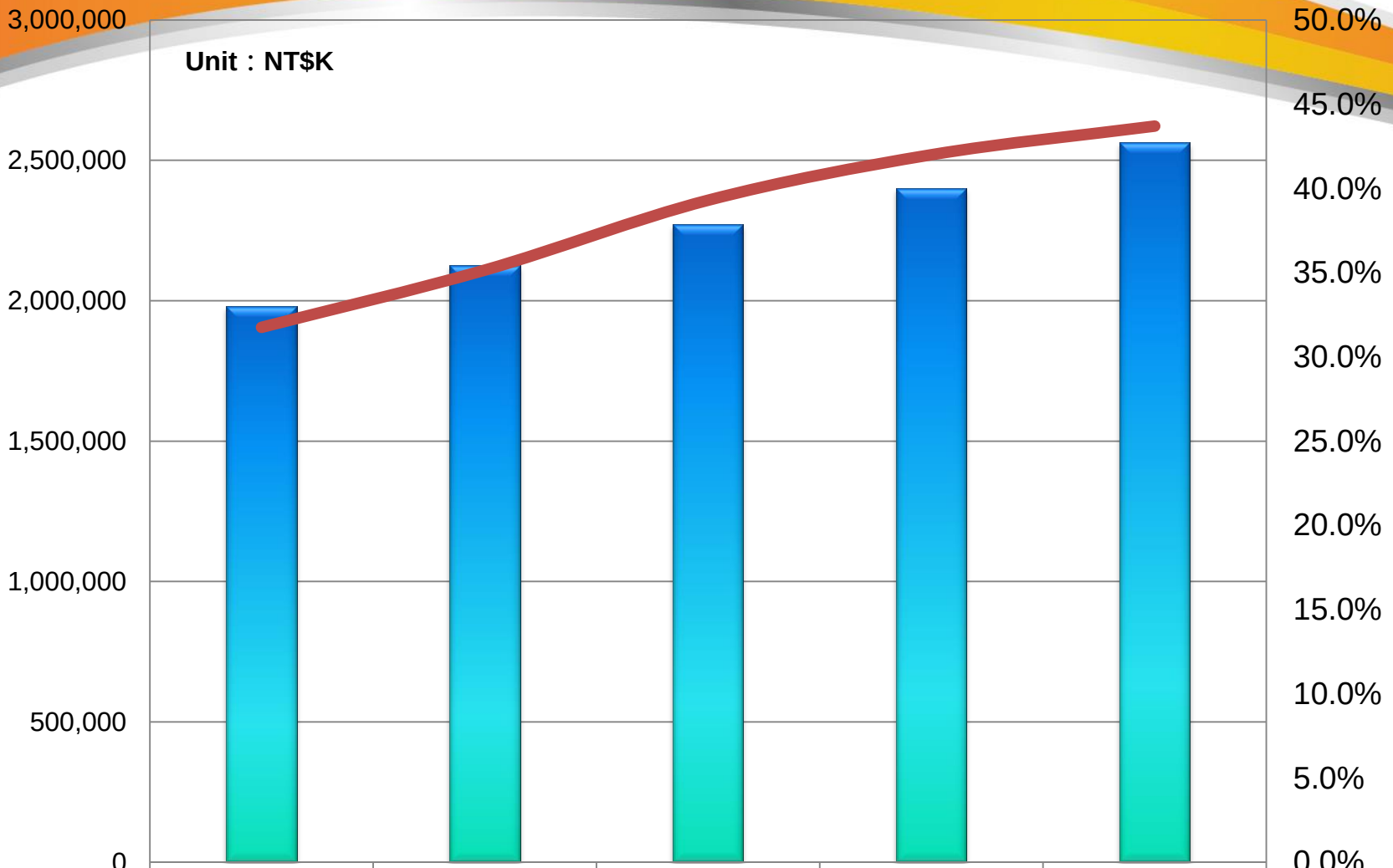
Traveling and Retail

- Ticket/Order/Booking
- VR/AR applications

XII 、 Recent Years Finance Performance

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

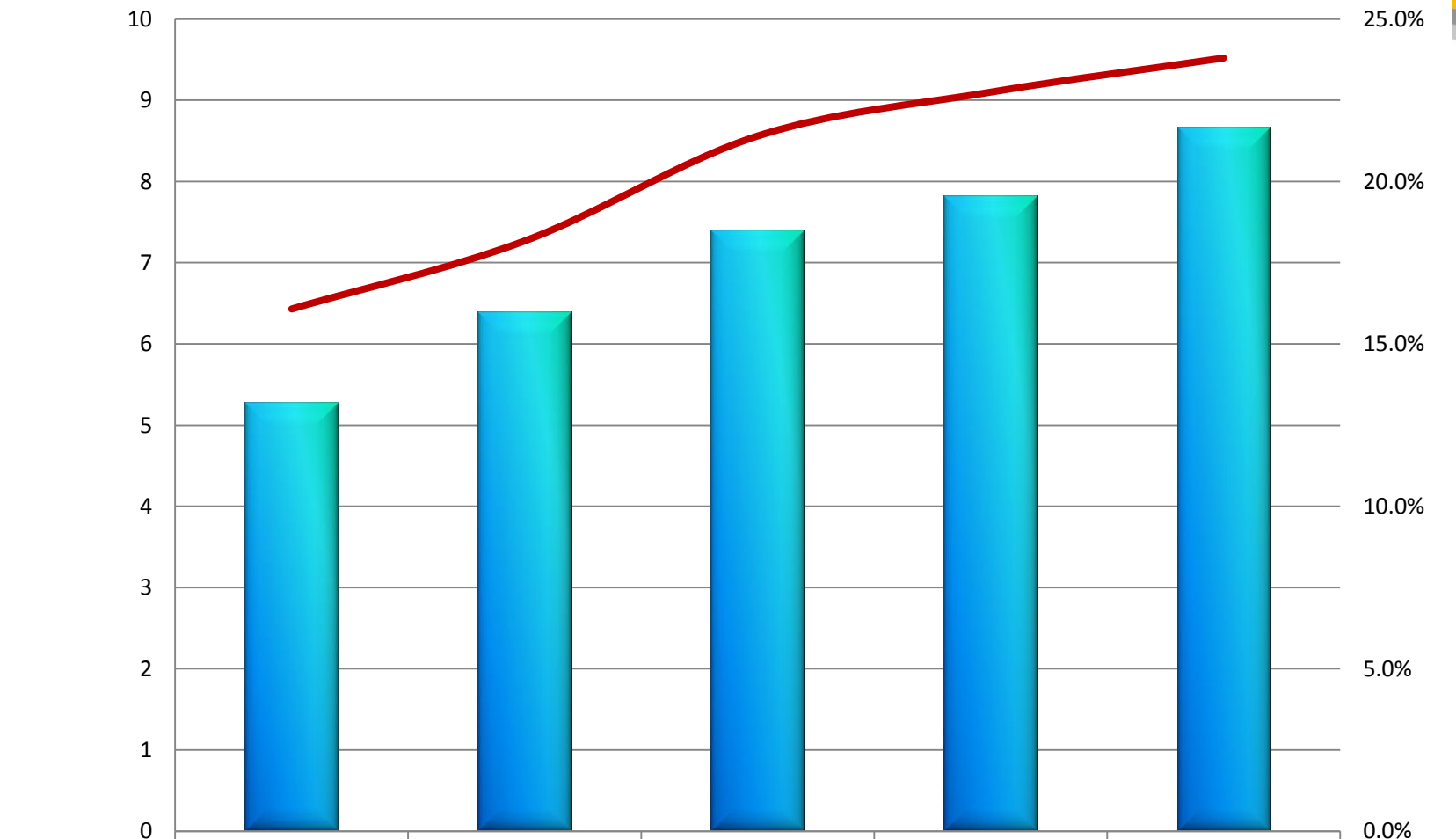
1. Revenue & Gross Margin



	2016	2017	2018	2019	2020
Revenue	1,980,472	2,126,329	2,272,362	2,400,002	2,564,649
Gross Margin	31.8%	35.2%	39.3%	42.0%	43.7%

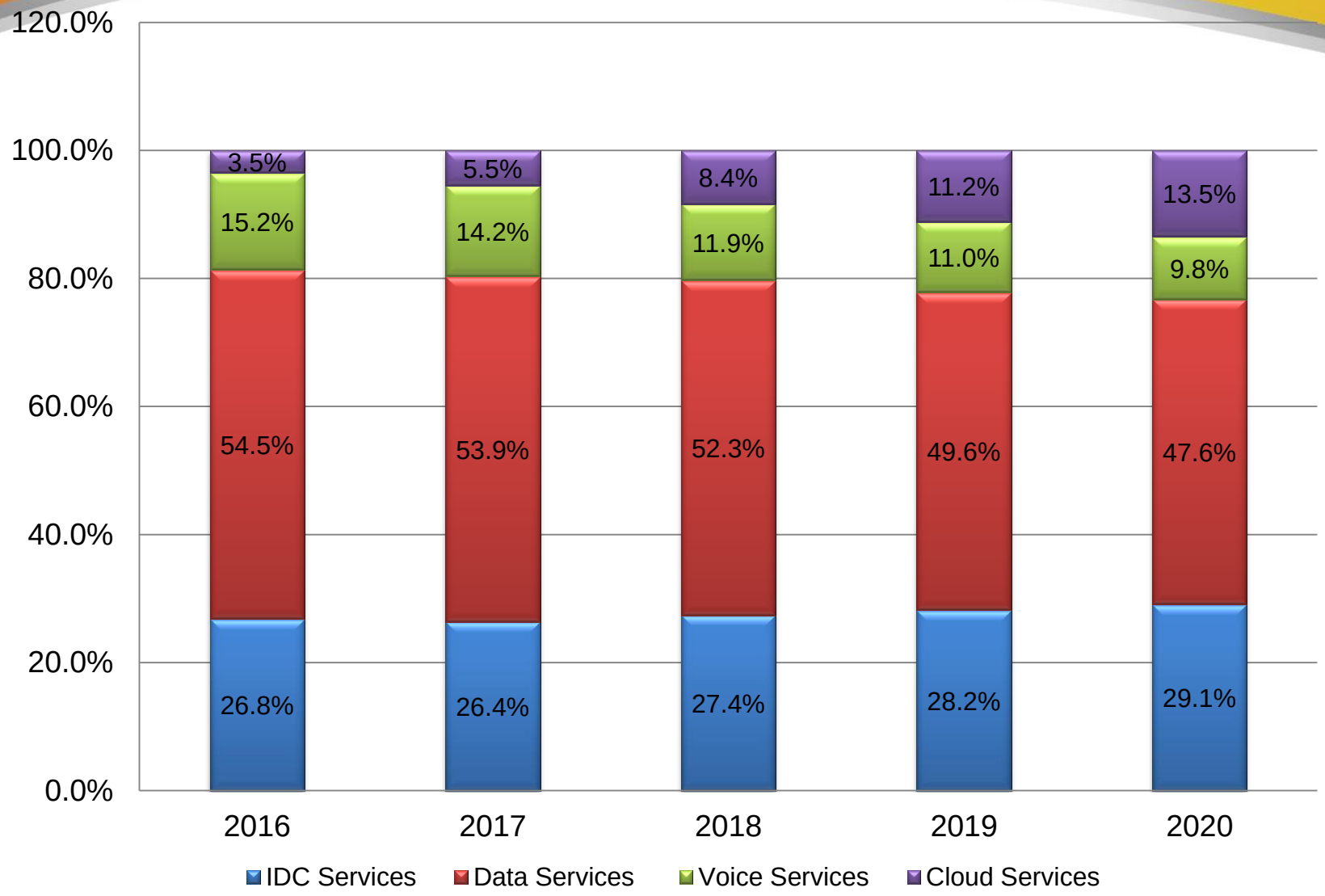
2. Net Margin & EPS

Unit：NTD

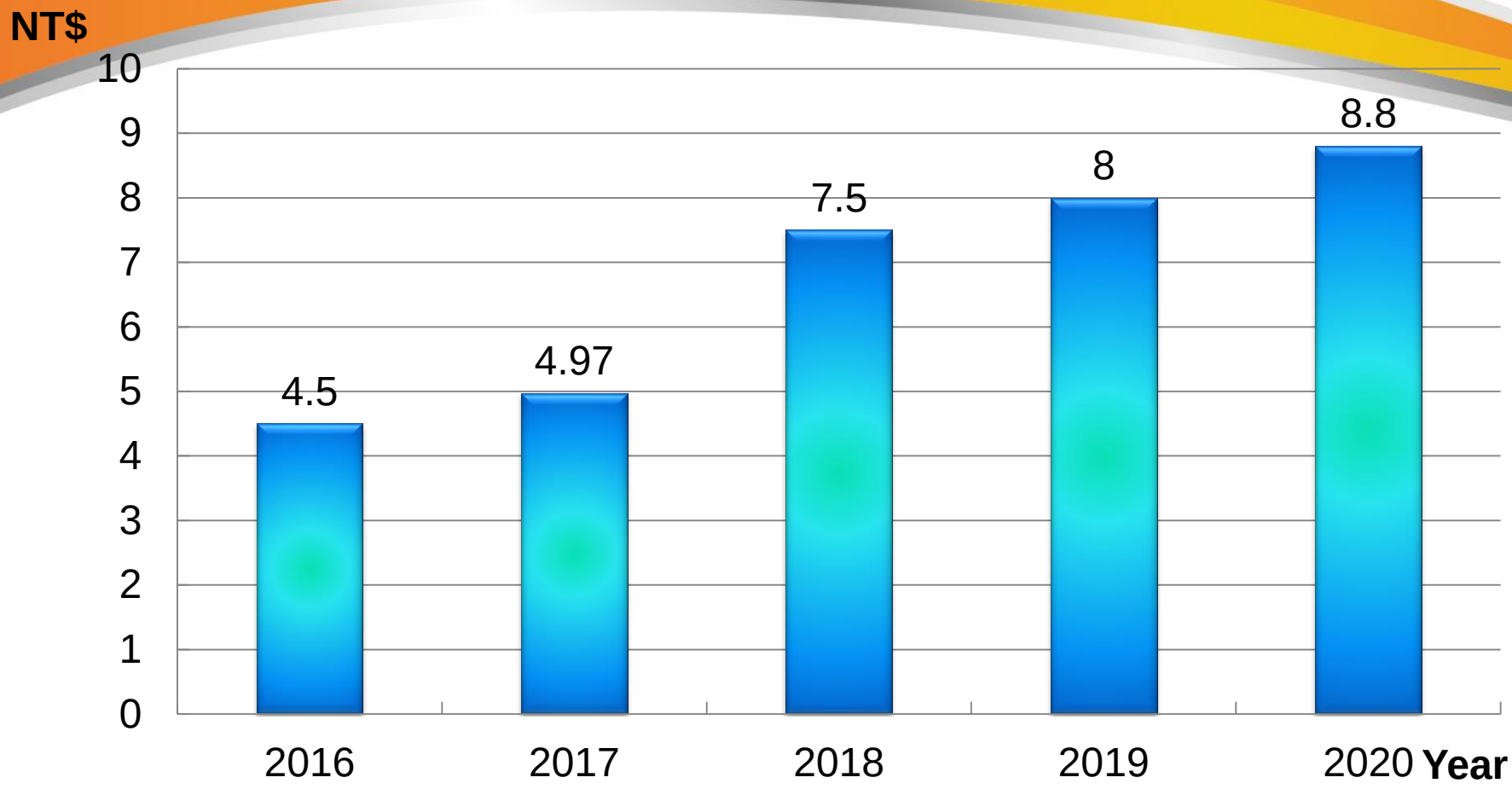


	2016	2017	2018	2019	2020
EPS	5.29	6.4	7.41	7.83	8.67
Net Margin	16.1%	18.2%	21.4%	22.75%	23.80%

3. Product Service Revenue Percentage



4. Percentage of Cash Dividends



Note：Year 2018 with NT$7.5 cash dividend including NT$1 additional paid in capital

Note：Year 2019 with NT$8 cash dividend including NT$1 additional paid in capital

Note：Year 2020 with NT$8.8 cash dividend including NT$1 additional paid in capital

XIII 、 Product Line Introduction

IDC Services

Data Services

Voice Services

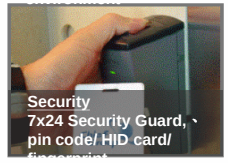
Cloud Services

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

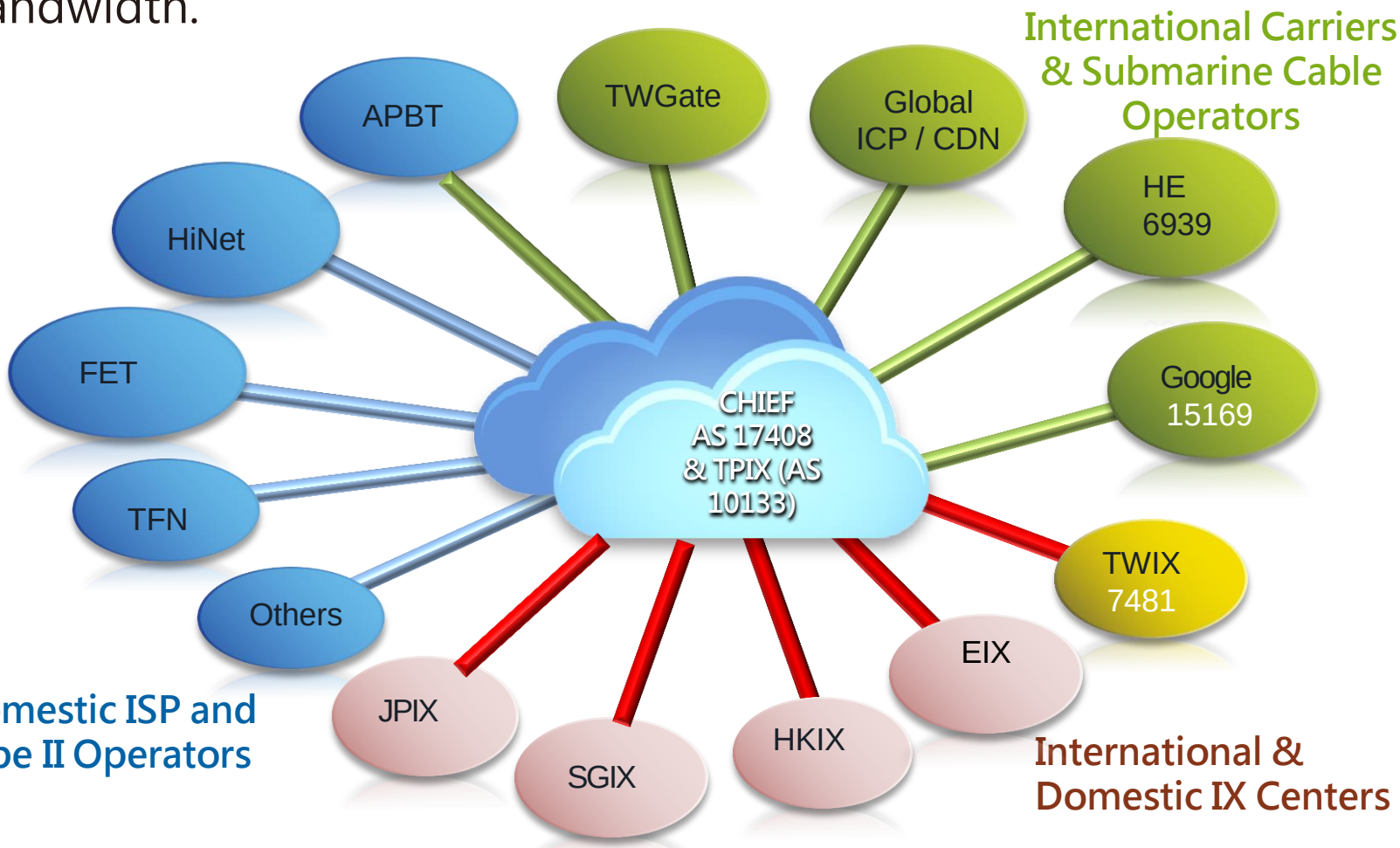
Similar foreign service providers:

- Equinix, Coresite, Qts, Sakura, 21Vianet, Digital Reality



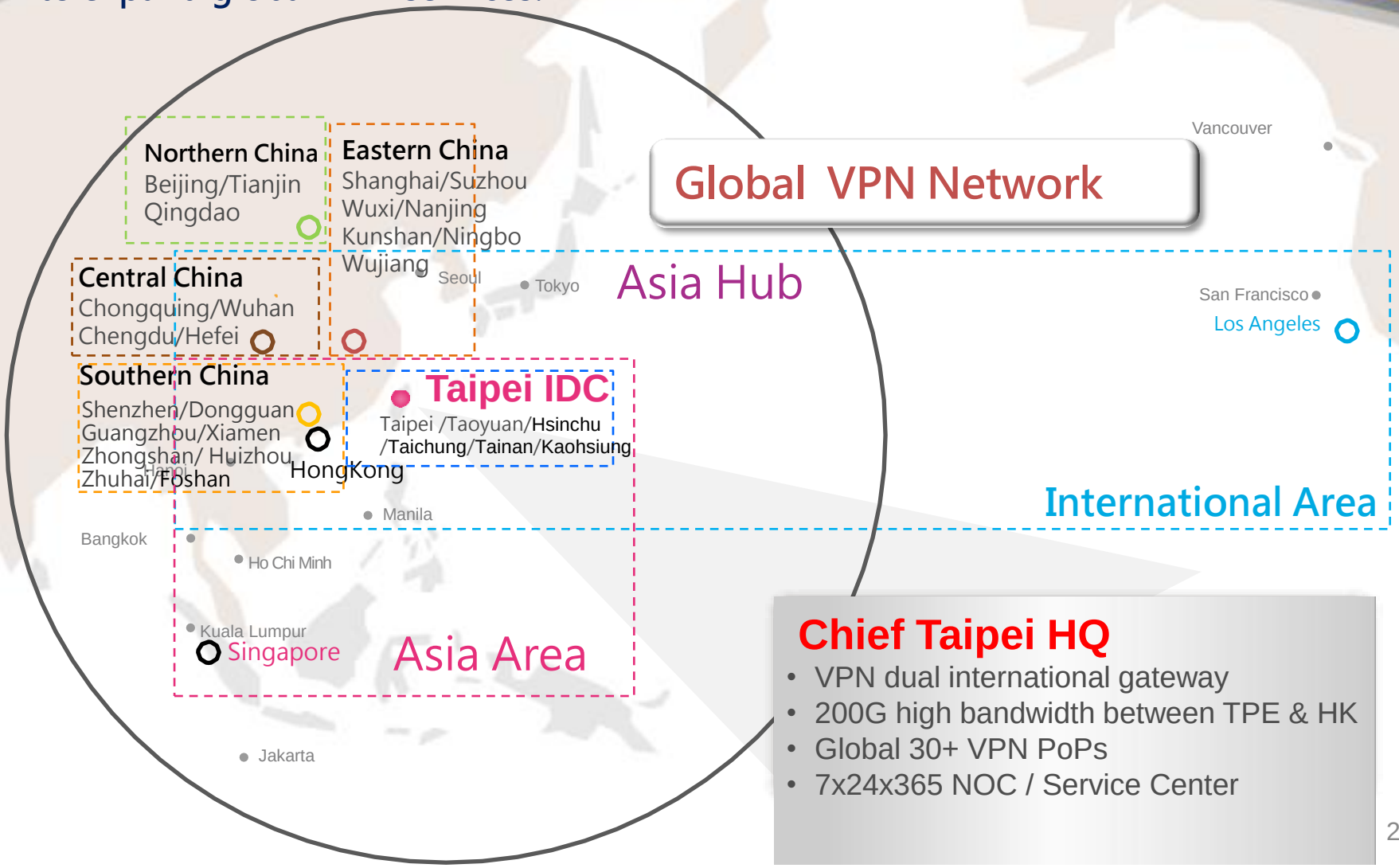
2. Data Service – Global Internet Services

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



3. Global VPN Network

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



Chief Taipei HQ

- VPN dual international gateway
- 200G high bandwidth between TPE & HK
- Global 30+ VPN PoPs
- 7x24x365 NOC / Service Center

4. 070 Cloud PBX UC Services

070 VoIP: 1st choice for enterprise mobility applications

Cross-Operator/Network/Platform/Device

- NCC E.164 Numbers for worldwide use
- Support FMC network
- Support Android、iOS
- Support PC 、NB、Pad
- 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

System Integration

Work with international could service providers to provider customers with integrated solutions, such as Microsoft Teams, car machine services, etc.

Business Applications

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

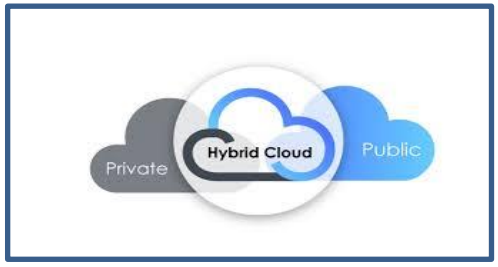
5. Comprehensive Cloud Application Solutions

- IaaS Solutions
- CCX Cloud Department Store & Hybrid Cloud Solutions
- Common Cloud Applications

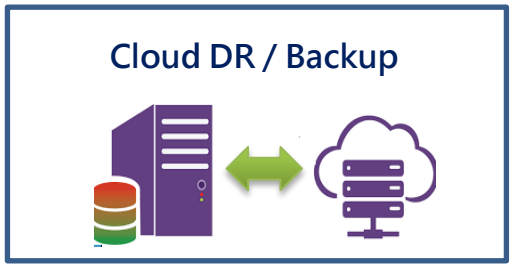
  Security、syslog analysis and management、email box and audit、e-form 、file storage and sharing、CRM、HRM
- Industry Type Cloud Applications

  Intelligent manufacturing、warehousing and supply chain management、IoT 、B2B 、O2O marketing、social media big data analysis、VR/AR applications

Enterprise CCX Multi-cloud / Hybrid Cloud



Enterprise Cloud Backup



Customer Service Portal

6. Major Customers

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Domestic Carriers

中華電信 Chunghwa Telecom
台灣大哥大
FAR EASTONE 遠傳
亞太電信 Asia Pacific Telecom
T STAR 台灣之星
eASPNet
TIGC Taiwan International Gateway Corporation
Taif
So-net
MKY 瑪凱電信股份有限公司

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
PEGATRON 和碩聯合科技
石梅 SUMEI
Samsonite

Global Cloud Providers

aws
Google Cloud
Azure
IBM Cloud
ORACLE CLOUD
Alibaba Cloud

TPIX Members

facebook
amazon
Apple
Microsoft
Google
ONLY ON NETFLIX

7. Four Product Lines to Drive Continuous Growth Curve

Multi-Platform Cross Countries Strategic Position

Carrier Neutral
- Local data storage

TPIX
- High speed internet

Global VPN
- Cross country secured private network

APP Cloud
- SaaS applications

Cloud Center CCX
- Direct connect to top 5 international CSPs: Google、AWS、Azure、Oracle、IBM

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

ISO 27001 27011 27017 27018

DCOS

TREND MICRO f5

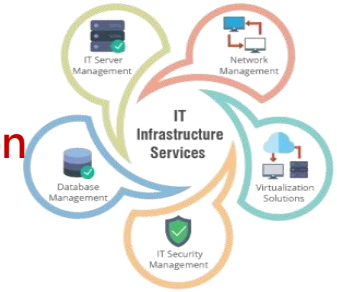
XIV、Future Trends

◆Future Trends

- AI、Cloud 、5G Development Trends
- Taiwan & Global IP Traffic & Growth Trends
- Global Public Cloud Market Trends

1. AI、Cloud、5G Development Trends

IT Infrastructure
Digital Transformation

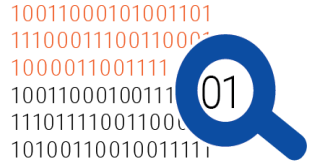


Multi_Cloud Service

Edge Computing
Hybrid Cloud

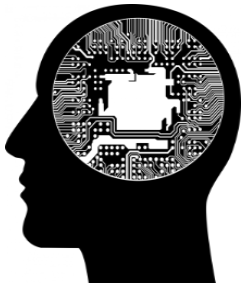
NOW IS FUTURE

4G 5G



Big Data
Machine learning

5G (Speed more than 10 Times with 4G)



AI
Applications

Smart Device

Internet of Things

Hybrid Cloud Service

2. Taiwan & Global IP Traffic Growth

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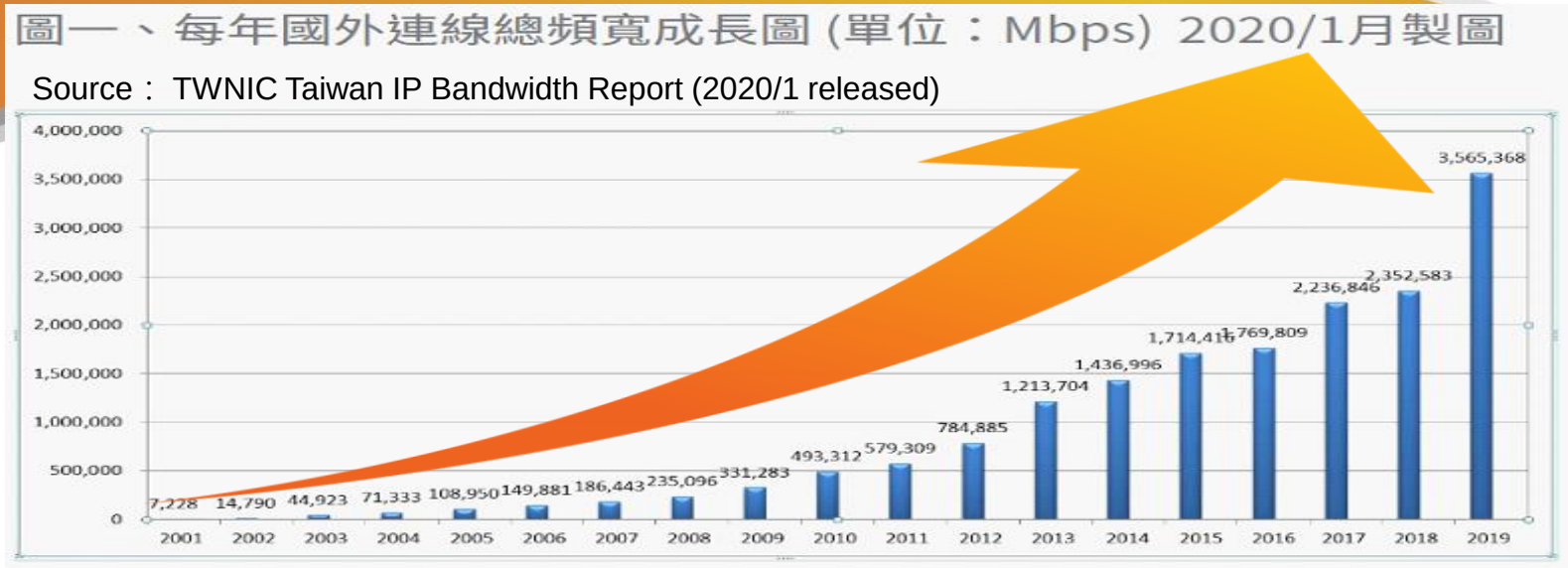
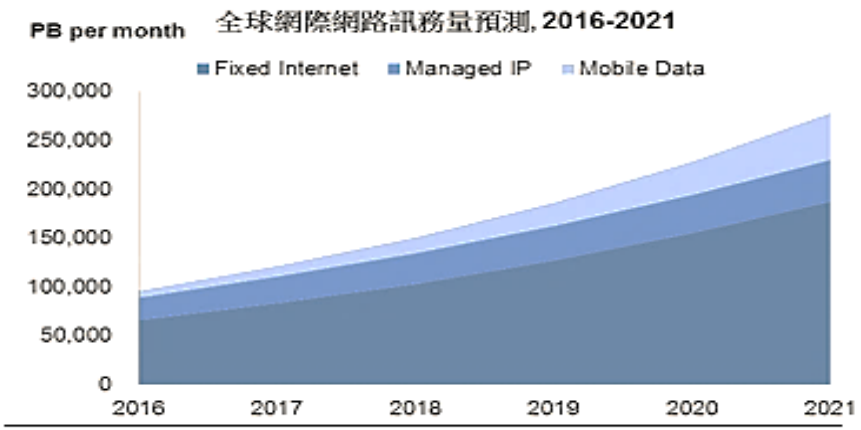
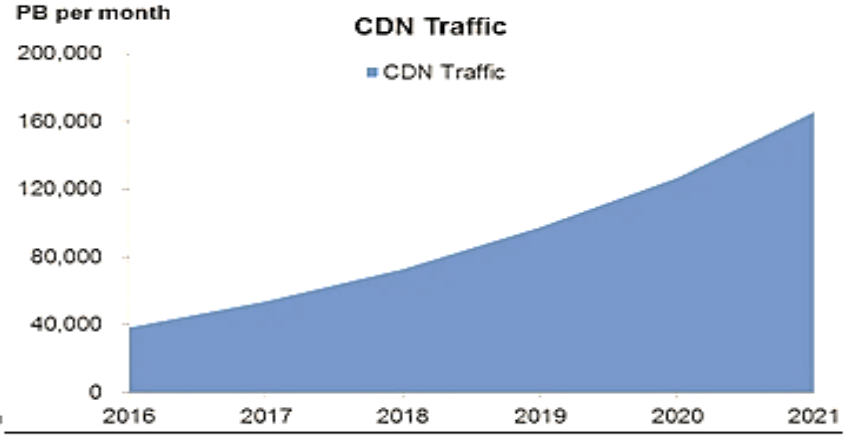


Figure6：全球訊務量持續成長



資料來源：Cisco。

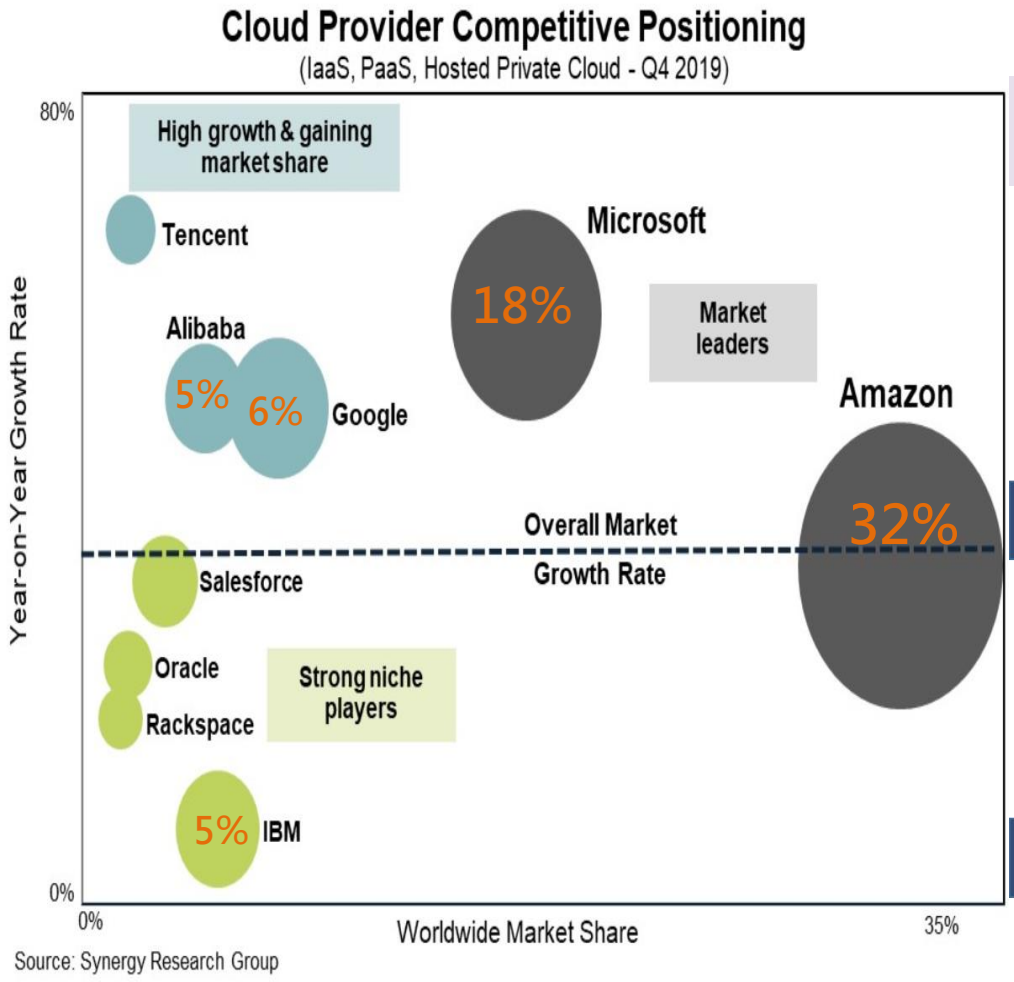
Figure7：內容傳輸業者(CDN)的訊務傳輸量預估將逐年攀升



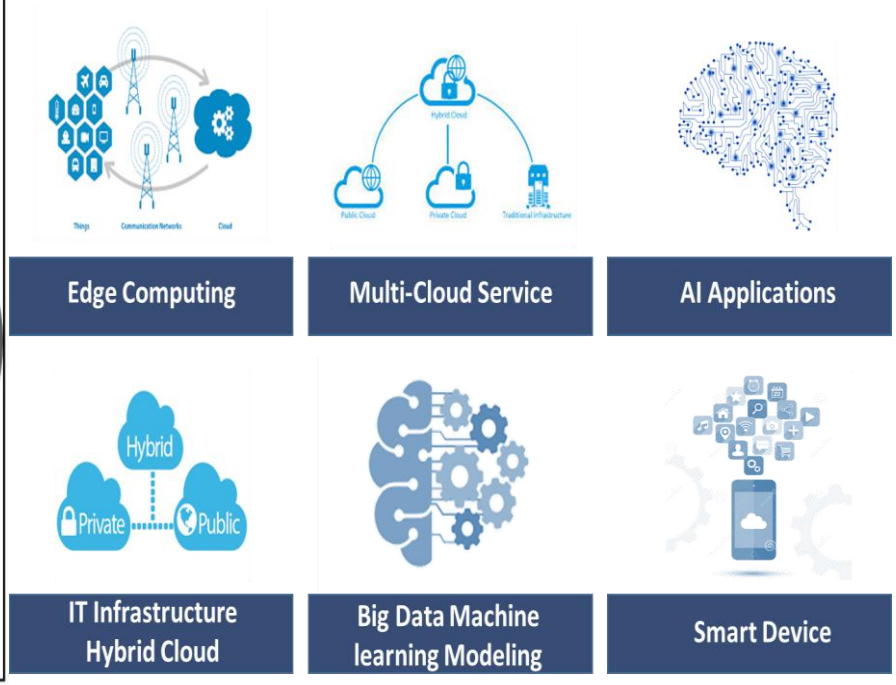
資料來源：Cisco。

OTT/Cloud/5G services will drive the data volume to grow exponentially.

3. Global Public Cloud Market Trends



2019-2022 CAGR 16%
Up to 2022, Cloud service market CAGR of 16%



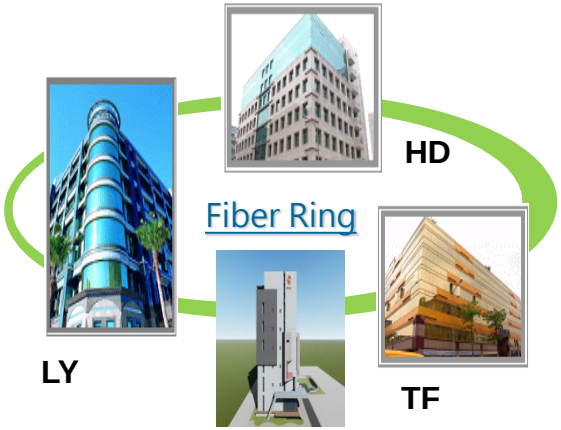
Source：Gartner Global Public Cloud Revenue Forecast

Note 1: Amazon/Microsoft/Google/IBM/Alibaba 5 CSPs occupy 2/3 public cloud market share.
Note 2: **Up to 2022, Cloud service market CAGR of 16%.**

XV、2021 Business Development Focus

2021 Product Development Focus

Carrier Neutral IDC Services



LY2

Location：Jiuzong Rd., Neihu, Taipei
Expected to be in service in 2023
(7 floors above ground, 2 floors under ground)

East Asia Telecom Hub

11 Countries / 600 G

CCX

CCX Plus Feature Enhancement

Develop channel and VIP customer sales package for industry solutions

Hybrid cloud management and flow analysis

CHIEF APP CLOUD

Storage

Security

Application

Chief Health Cloud

SurveyCake

1. 4th New IDC (LY-2)

HD

Fiber Ring

LY

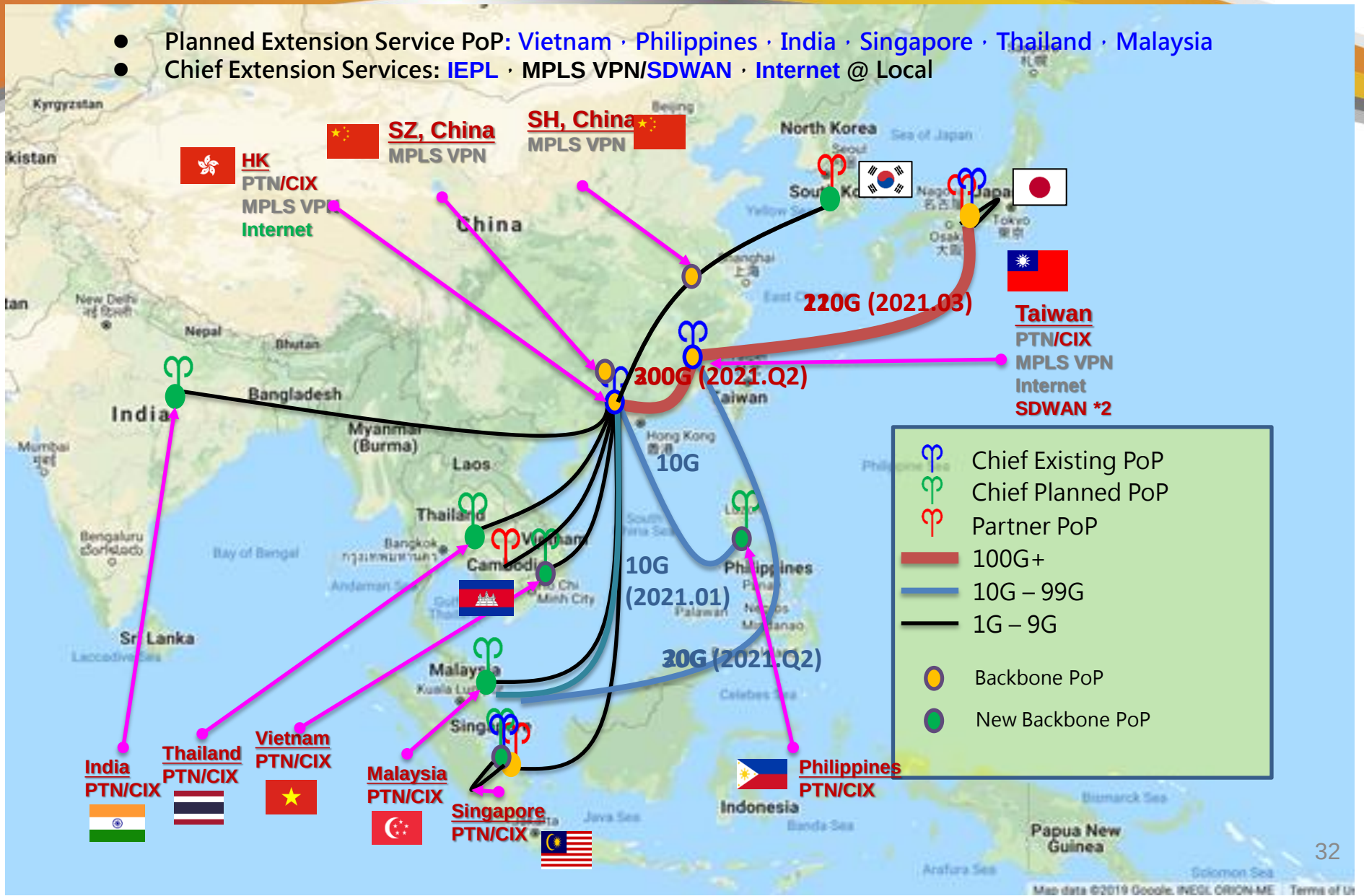
TF

LY2

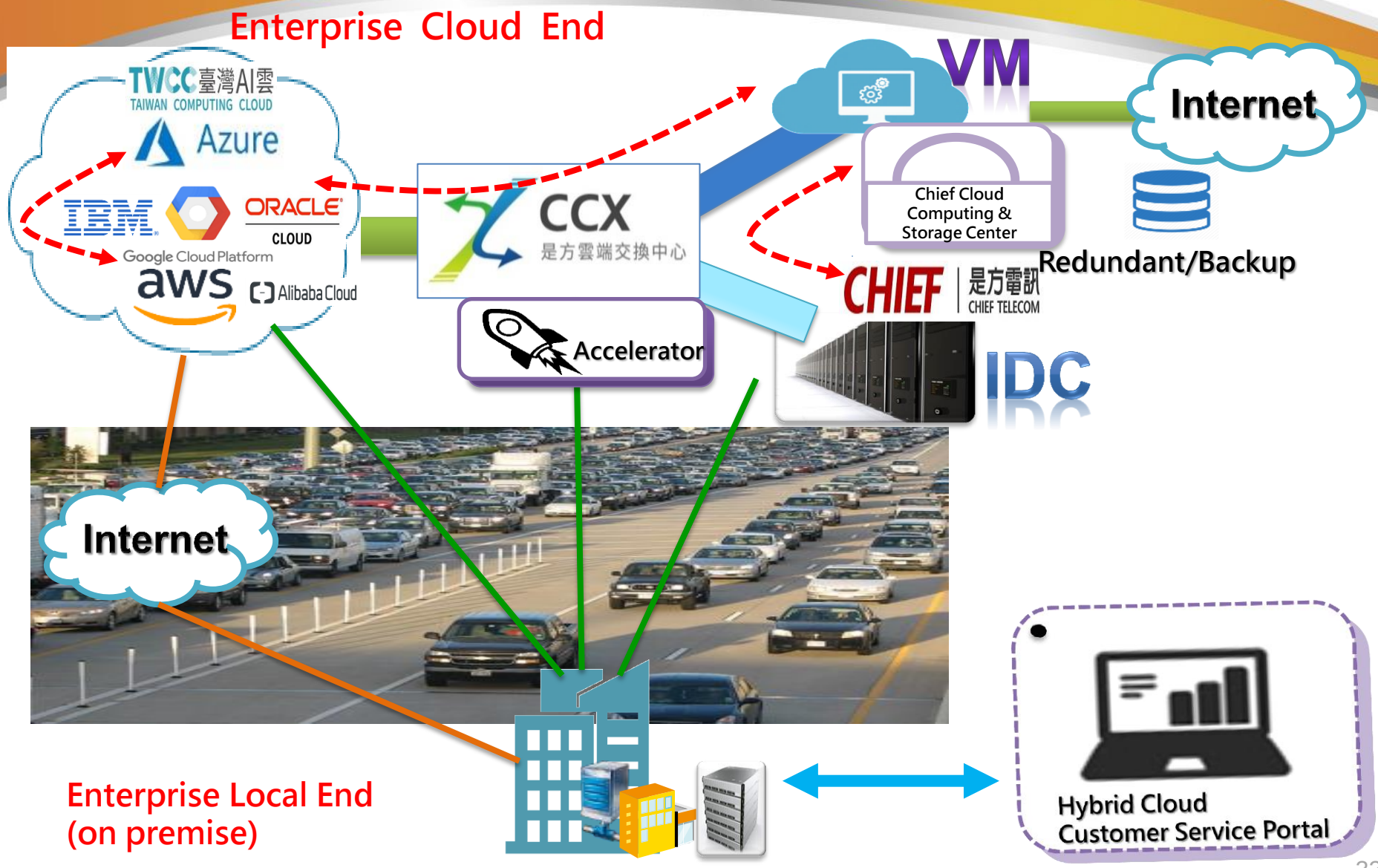
Location：Jiuzong Rd., Neihu, Taipei
Expected to be in service in 2023
(7 floors above ground, 2 floors under ground)

2. East Asia Telecom Hub

- Planned Extension Service PoP: Vietnam · Philippines · India · Singapore · Thailand · Malaysia
- Chief Extension Services: IEPL · MPLS VPN/SDWAN · Internet @ Local



3. Multi / Hybrid Cloud Fast Direct Connect Service



4. SaaS Cloud Applications

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E-signature/E-approval Forms

Cloud File Management Platform

Security E-mail System

Intelligent Manufacturing

Green environmental protection factory cloud

企業商務BI

智慧製造

智慧健康 Smart Health

Smart Health

CHIEF APP CLOUD

IoT物聯網

虛擬實境

行銷應用

Warehousing Management

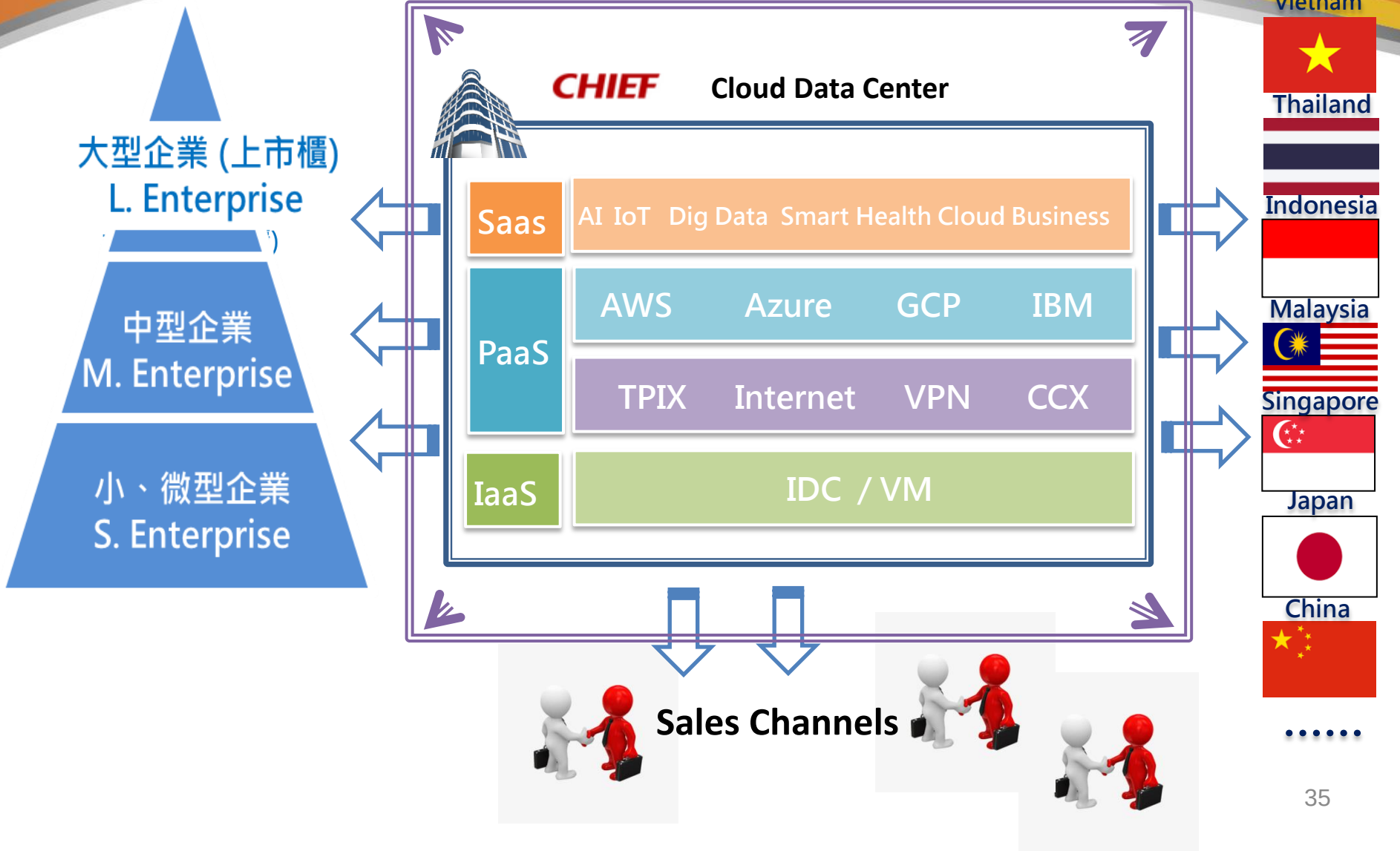
Social Media Analytics

O2O Marketing

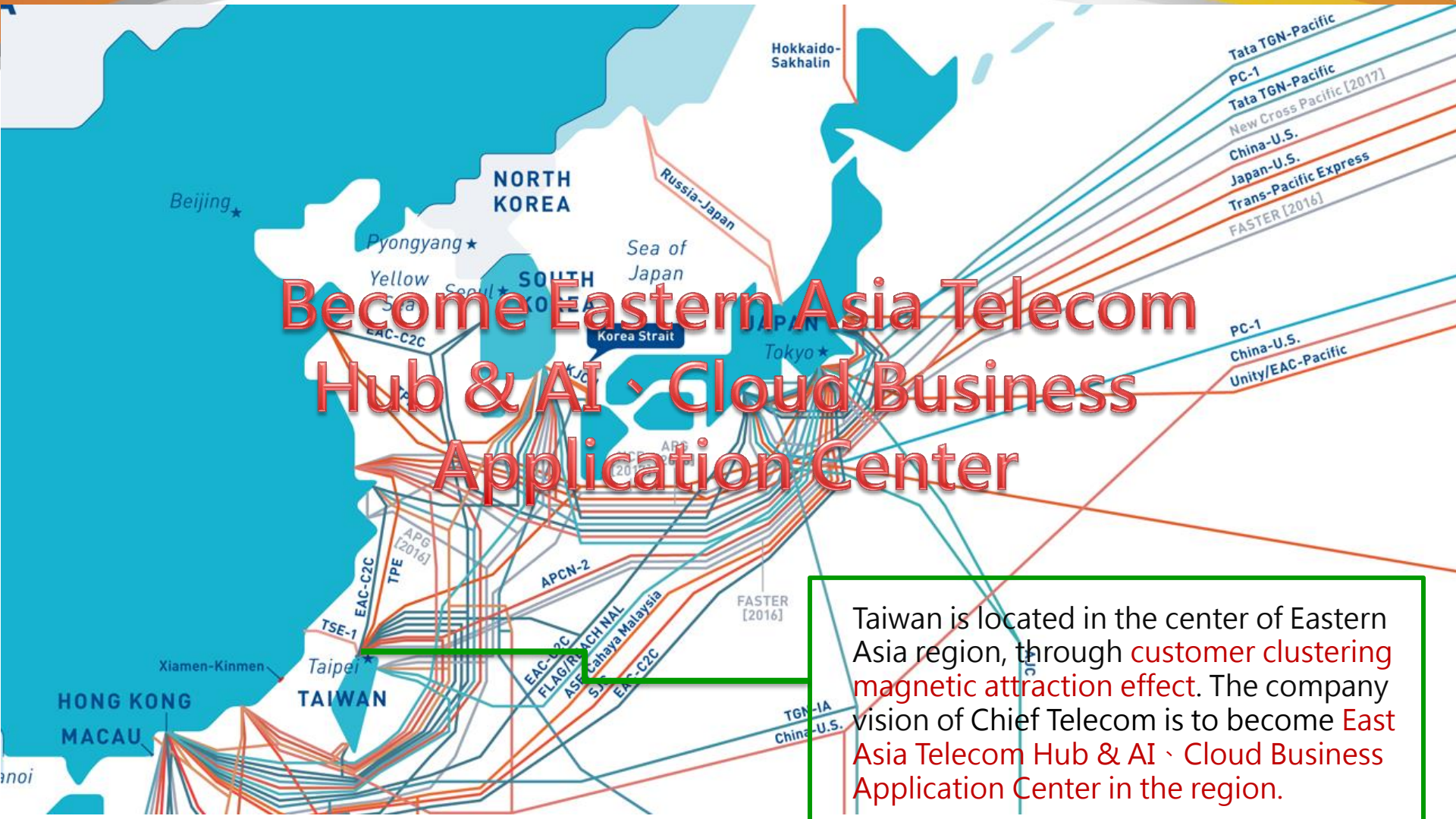
Cloud Computing Server Farms

AR/VR Applications

XVI、 Continue to Enlarge Product Portfolio & Target Customers



XVII、Become East Asia Telecom Hub & 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 Telecom Hub & AI、Cloud Business Application Center in the region.

Thank You

https://www.chief.com.tw