



Tai Tung Communication Co., Ltd.

2021 Investor Conference

Dec. 2021





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Agenda

- Company Overview
- Organization Structure
- Industry Overview
- 2021 Q3 Financial Highlights
- About Joint Construction Project
- Business Development of Subsidiary Taifo
 - Taifo Company
 - 2021 Achievements
 - Business Strategy
 - Core Competencies
 - The Future
- Q&A



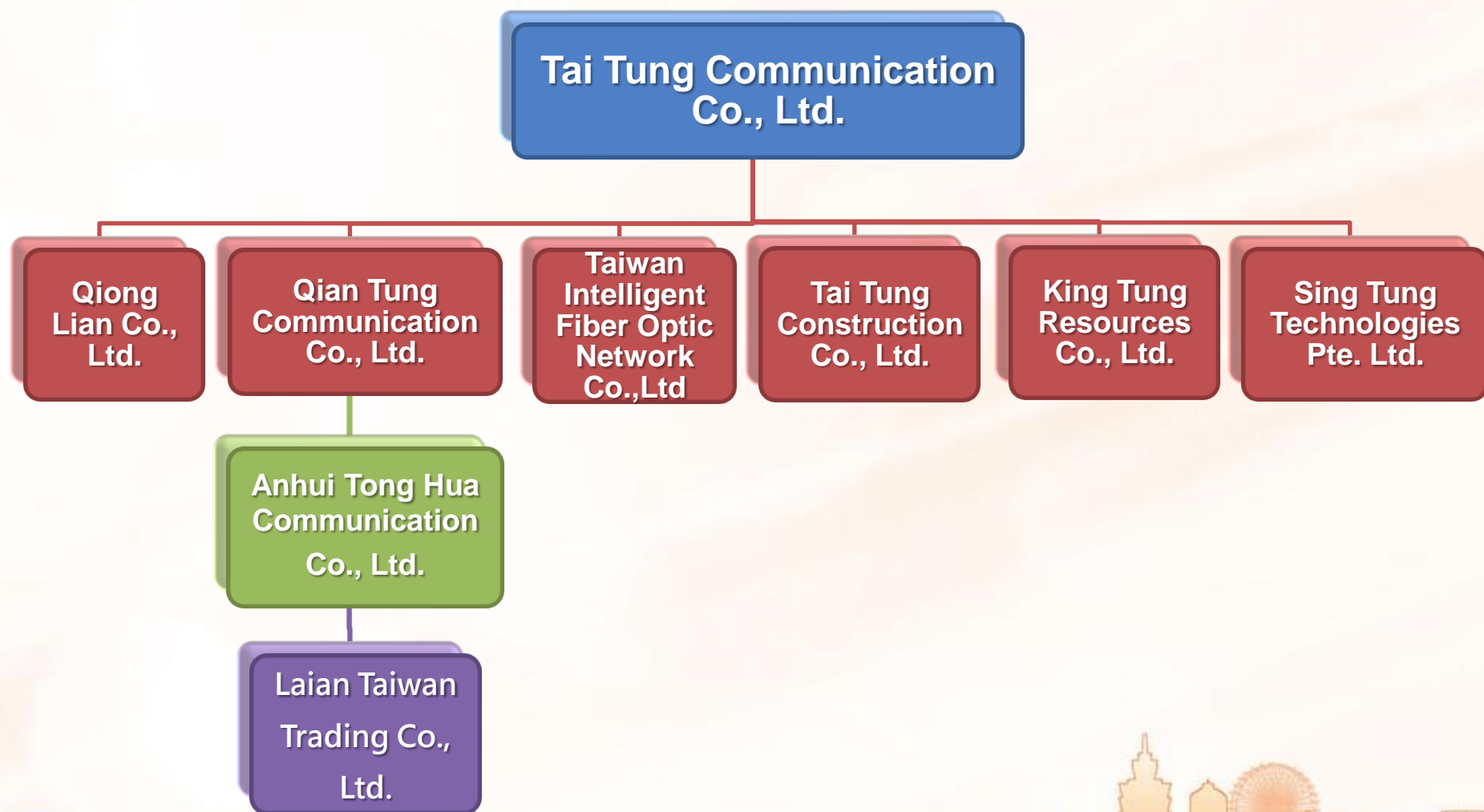
Company Overview

- Date of establishment : Dec,1981
- Paid-up capital : NT\$1.476B
- Head office : No.3, Lane12, Wuquan 3rd Road, Xinzhuang District, New Taipei City
- Main business : Fiber Optical Cable & Passive Component 、 Communication Cable 、 Smart City Fiber Optic Network Construction Project
- Major customers :





Organization Structure





Industry Overview

- As 5G application continue to ferment and the zero-touch Economy accelerates the digital transformation of the industry . It also expands the demand for 5G minor base stations and the national digital infrastructure .
- Recently , the national digital infrastructure is actively developing , such as the Ministry of Transport's forward-looking infrastructure program " Taiwan Optical Cable Channel Project " and the National Applied Research Laboratories(NARLabs) "Construction of dark fiber backbone" etc.



3Q2021 Statements of Comprehensive Income

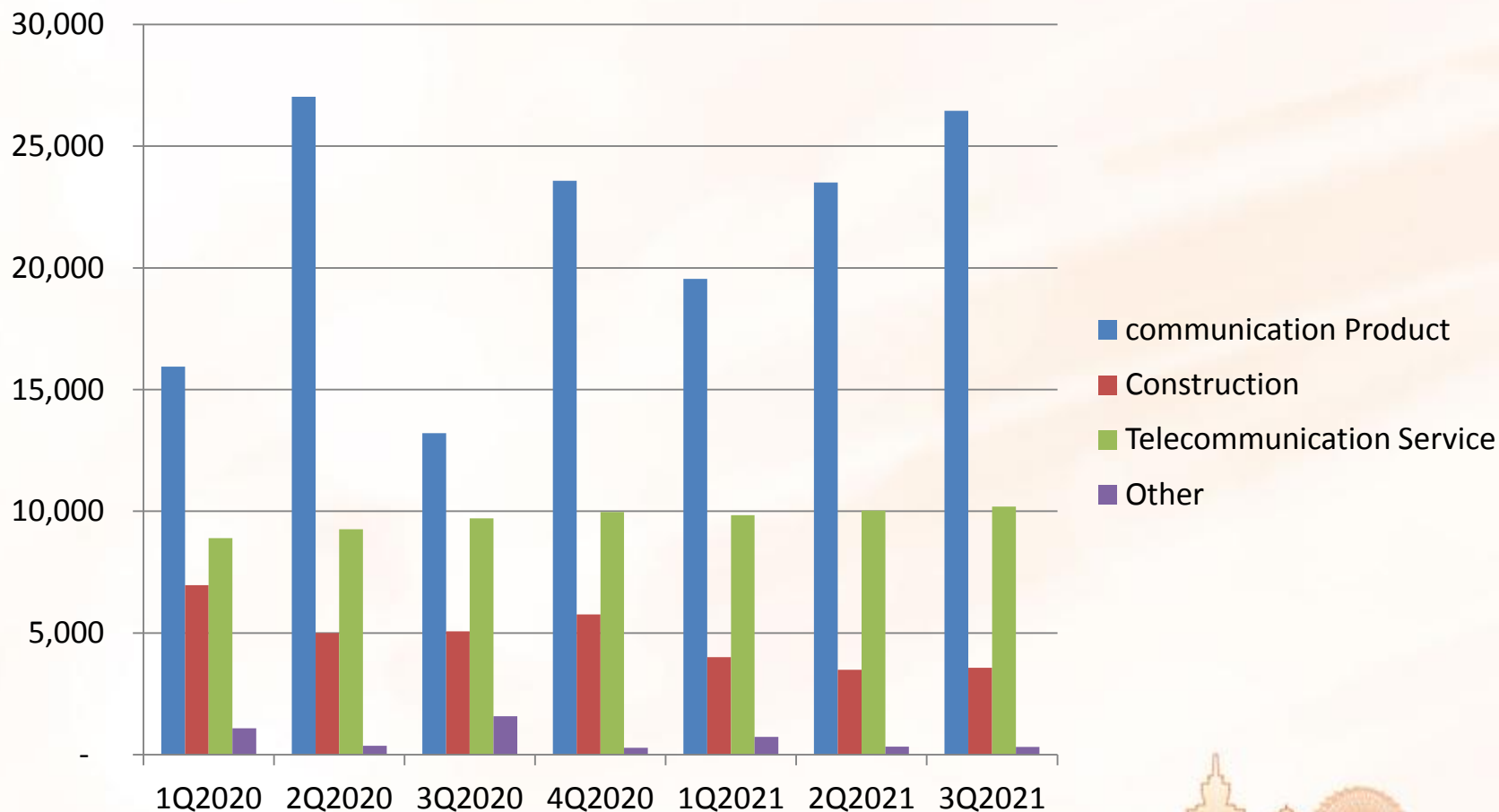
In NT\$10K

	3Q2021		2Q2021		QoQ	3Q2020		YoY
	Amount	%	Amount	%	%	Amount	%	%
Operating revenue	40,543	100	37,349	100	9	29,568	100	37
Operating costs	39,746	98	33,326	90	19	28,123	95	41
Gross profit	797	2	4,023	10	-80	1,445	5	-45
Operating expenses	6,427	16	6,047	16	6	4,236	14	52
Non-operating income and expenses	-3,814	-9	-1,646	-4	-132	165	0	-2,412
Net Profit / Net Loss before tax	-9,444	-23	-3,670	-10	-157	-2,626	-9	-260
Net Profit / Net Loss for the year	-8,646	-21	-3,664	-10	-136	-2,734	-9	-216
Net Profit / Net Loss attributable to owners of the parent	-7,252	-18	-2,627	-7	-176	-1,415	-5	-413
Net Profit /Net Loss attributable to non-controlling interest	-1,394	-3	-1,037	-3	-34	-1,319	-4	-6
Basic loss per share/ Basic earnings per share(NT\$)	-0.49		-0.18			-0.12		



Consolidated Sales Revenue

In NT\$10K





2021 Year-to-Q3 Statements of Comprehensive Income

In NT\$10K

	2021 Year -to-Q3		2020 Year -to-Q3		YoY
	Amount	%	Amount	%	%
Operating revenue	112,012	100	104,115	100	8
Operating costs	105,112	93	88,997	86	18
Gross profit	6,900	7	15,118	14	-54
Operating expenses	18,866	17	15,737	15	20
Non-operating income and expenses	-6,435	-6	-2,548	-2	-153
Net Profit / Net Loss before tax	-18,401	-16	-3,167	-3	-481
Net Profit / Net Loss for the year	-17,938	-16	-4,834	-5	-271
Net Profit / Net Loss attributable to owners of the parent	-14,470	-13	-1,222	-1	-1,084
Net Profit /Net Loss attributable to non-controlling interest	-3,468	-3	-3,612	-4	4
Basic loss per share/ Basic earnings per share(NT\$)	-0.98		-0.1		



Consolidated Balance Sheets

In NT\$10K

	2021/9/30		2020/12/31		2020/9/30	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	40,482	6	39,612	6	26,186	4
Other current assets	123,321	19	117,919	17	127,173	19
Property, plant and equipment	204,651	31	190,710	28	190,377	29
Intangible assets	210,199	32	216,173	32	218,804	33
Other non-current assets	81,423	12	110,490	17	96,250	15
Total Assets	660,076	100	674,904	100	658,790	100
Current liabilities	94,686	15	86,838	13	104,303	16
Non-current liabilities	200,107	30	213,231	31	214,365	32
Total liabilities	294,793	45	300,069	44	318,668	48
Equity attributable to owners of the parent	288,168	43	294,245	44	258,713	39
Non-controlling interest	77,115	12	80,590	12	81,409	13
Total Equity	365,283	55	374,835	56	340,122	52



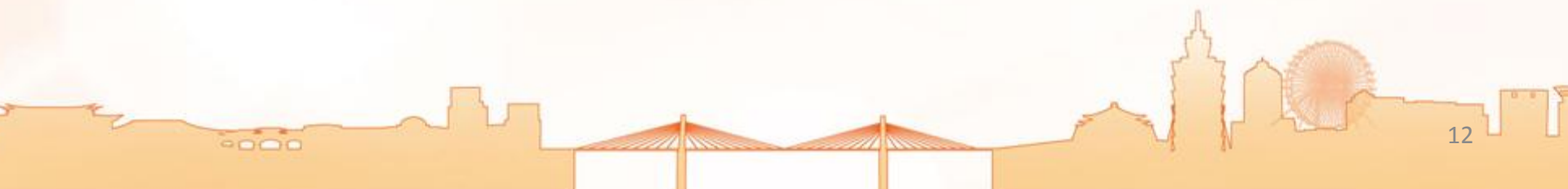
About Joint Construction Project

- On September 27, 2021, the audit committee and the board of directors decided to activate the assets. They develop and construct an office building and factory with 11 floors on the ground and 3 floors underground with the related party Chingtong Company and Founding Construction (5533). In the construction project, Tai Tung provides 4,612.46 square meters of land and Ching Tung provides 3,390.57 square meters of land, total 8,003.03 square meters. Founding plans to invest more than NT\$ 2 billion to build a new office building and factory in the New Taipei Industrial Park.
- After development, the distribution ratio is 31.07% for Tai Tung, 23.93% for Ching tung, and 45% for Founding.



TAIFO Company Business Development

- Taifo Company
- 2021 Achievements
- Business Strategy
- Core Competencies
- The Future





Taifo Company

- Founded in 2012
- Current capital : NT\$2.75 B
- Number of employees : 130
- Major shareholders: Tai Tung 68.22% and Hon Hai Group 20.58%
- 25-years BOT contract with Taipei City Gov. starting from 2011
- Nearly 5,000KM Optical Fiber has been built in Taipei since 2012



2021 Achievements

■ Government

- **Fixed-line services** : Service quality has been highly recognized by all bureaus of the Taipei City Government, such as Police Dept., Fire Dept., Taipei City Hospital , Dept. of Rapid Transit Systems, Dept. of Health, Public Works Dept., Dept. of Education, Public Library, Parks and Street Lights Office, Public Transportation Office and Traffic Engineer Office etc.
- **AI Cloud-based surveillance service** : Department of Welfare 、 Revenue Service 、 Market Admirations office
- **Wi-Fi service** : Taipei Free 、 Songshan Cultural and Creative Park 、 Mortuary Services office

■ Campus

- **Intelligent campus** : Wego senior high school
- **Dormitory network** : Chinese Culture University 、 University of Taipei

■ Enterprise & Telecom

- **Short-range fiber and broadband services for base station** : Carrier
- **Circuit/Dark Fiber** : ISP / IDC /Enterprise

■ Domestic

- 55,000 households is Ready For Service in Taipei Public housing



Business Strategy

- **Government : Value-added network service provider**
 - Provide diversified value-added services to increase the need for network use, to achieve the goal of smart city
- **Campus : Network of intelligent campus**
 - Provide professional communication technology to help the campus to build next generation network
- **Telecom : 5G best partner**
 - Provides 5G high speed, high coverage and high quality diverse transmission network
- **Enterprise : High bandwidth and high quality service**
 - Provides customizable network services
- **Domestic : Brand image building**
 - Provide Fiber to The Home (FTTH) service for smart home



Core competencies

■ Professionals

- Own telecommunications network and engineering staff
- Diversify broadband services to meet the needs of government, enterprise and domestic customers

■ Exclusive resources

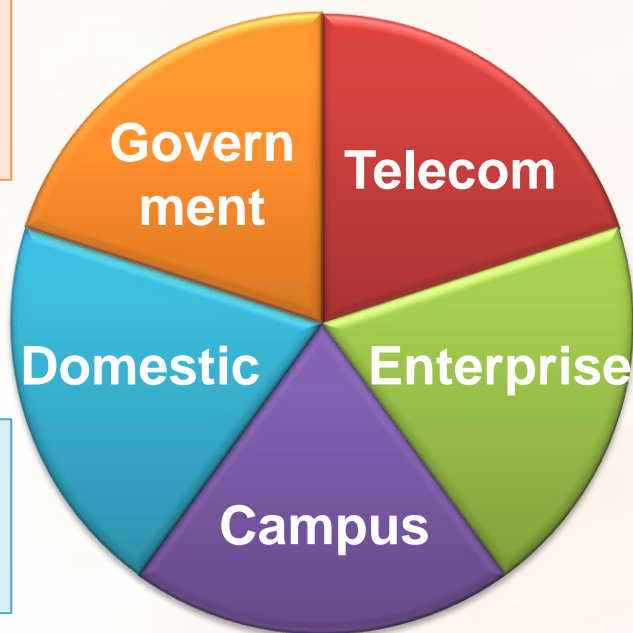
- Obtained 25-year exclusive network contract with Taipei City Government
- Optical fiber is attached to ditches and sewers in Taipei
- Nearly 5,000KM Optical Fiber has been built in Taipei
- More than 20,000 outdoor fiber points for services



The Future

- CCTV of Police dept
- AI surveillance service
- Wi-Fi service
- Smart rod service
- Intelligent fire service

- Public housing
- Short-term rentals
- Smart home cooperation



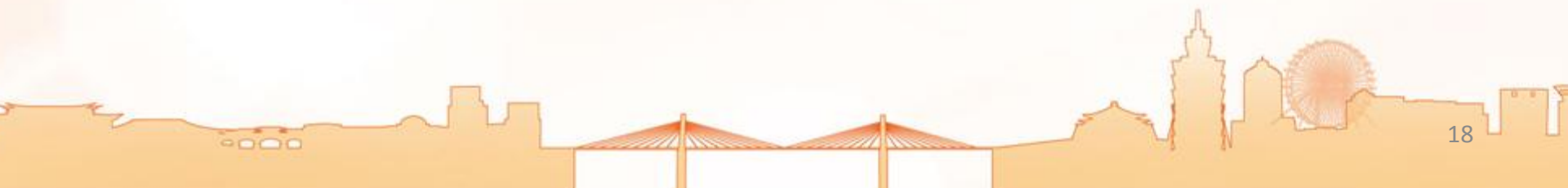
- Broadband service for IDC
- Short-range fiber and broadband services for 5G base station
- SD-WAN service

- Cover commercial buildings
- Fixed-line bundle with ISP
- Intelligent fire service
- Value-added service

- Network of intelligent campus
- Dormitory network
- AI surveillance service
- WiFi service



Q&A





Thank You

