



Tai Tung Communication Co., Ltd.

2022 Investor Conference

Aug. 2022





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Agenda

- Company Overview
- Organization Structure
- Industry Overview
- Operation status
- 2022 Q2 Financial Highlights
- Business Development of Subsidiary Taifo
 - Taifo Company
 - 2022 Achievements
 - Business Strategy
 - Core Competencies
 - The Future
- Q&A



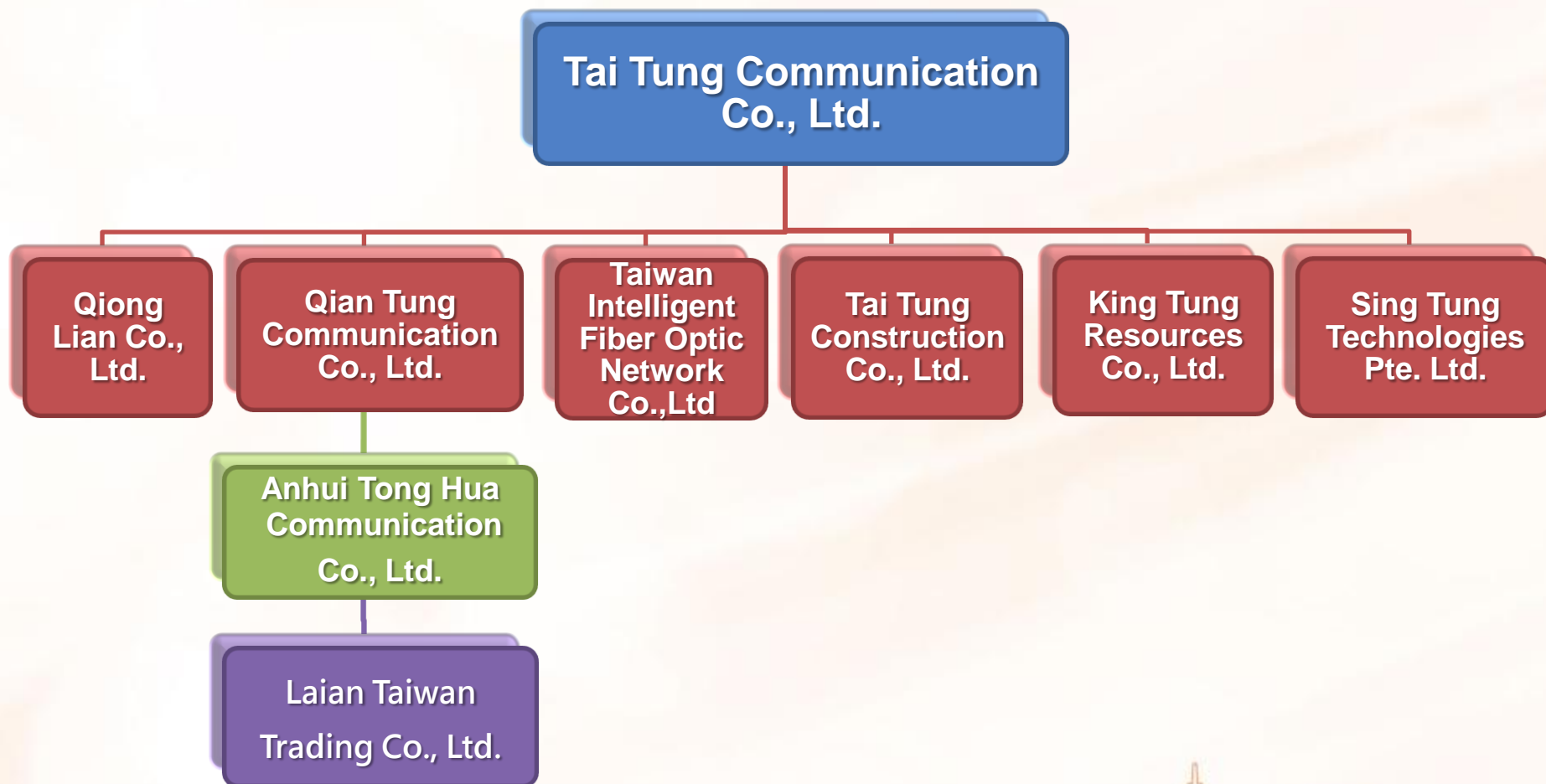
Company Overview

- Date of establishment : Dec,1981
- Paid-up capital : NT\$1.509B
- Head office : No.3, Lane12, Wuquan 3rd Road, Xinzhuang District, New Taipei City
- Main business : Fiber Optical Cable & Passive Component 、 Communication Cable 、 Telecommunication Service and Smart City Fiber Optic Network Construction Project etc.
- Major customers :





Organization Structure



Note : The resolution of the board of directors passed the dissolution and liquidation procedures of the subsidiary Anhui Tong Hua .



Industry Overview

- Driven by the digital transformation of enterprises and the zero-contact economy after the epidemic, the demand for high-quality audio and video, data transmission and the growth of 5G usage will become the positive driving force for the growth of the optical fiber and cable market.
- The national digital infrastructure continues to be promoted, and the "infrastructure environment" is mainly promoting the strengthening of public sector network services and computing infrastructure, and the upgrading of national networking channels.



Operation status

- **Considering the overall development and resource allocation of the TCC group, the resolution of the fifth session of the 15th board of directors passed the dissolution and liquidation procedures of the subsidiary Anhui Tong Hua Communication Co., Ltd. on January 14, 2022.**
- **King Tung Resources, Co., Ltd, a subsidiary company to TCC group, received the official letters, respectively in May and June 2022, from Taiwan railway administration, MOTC, stating the contract termination of the track geometry inspection vehicle procurement with 1 set, and the certain 4 sets of track construction engineering vehicle procurement. The contract termination would, according to Government Procurement Act, Taiwan Railway Administration, MOTC, would not refund the guarantee bond**



2Q2022 Statements of Comprehensive Income

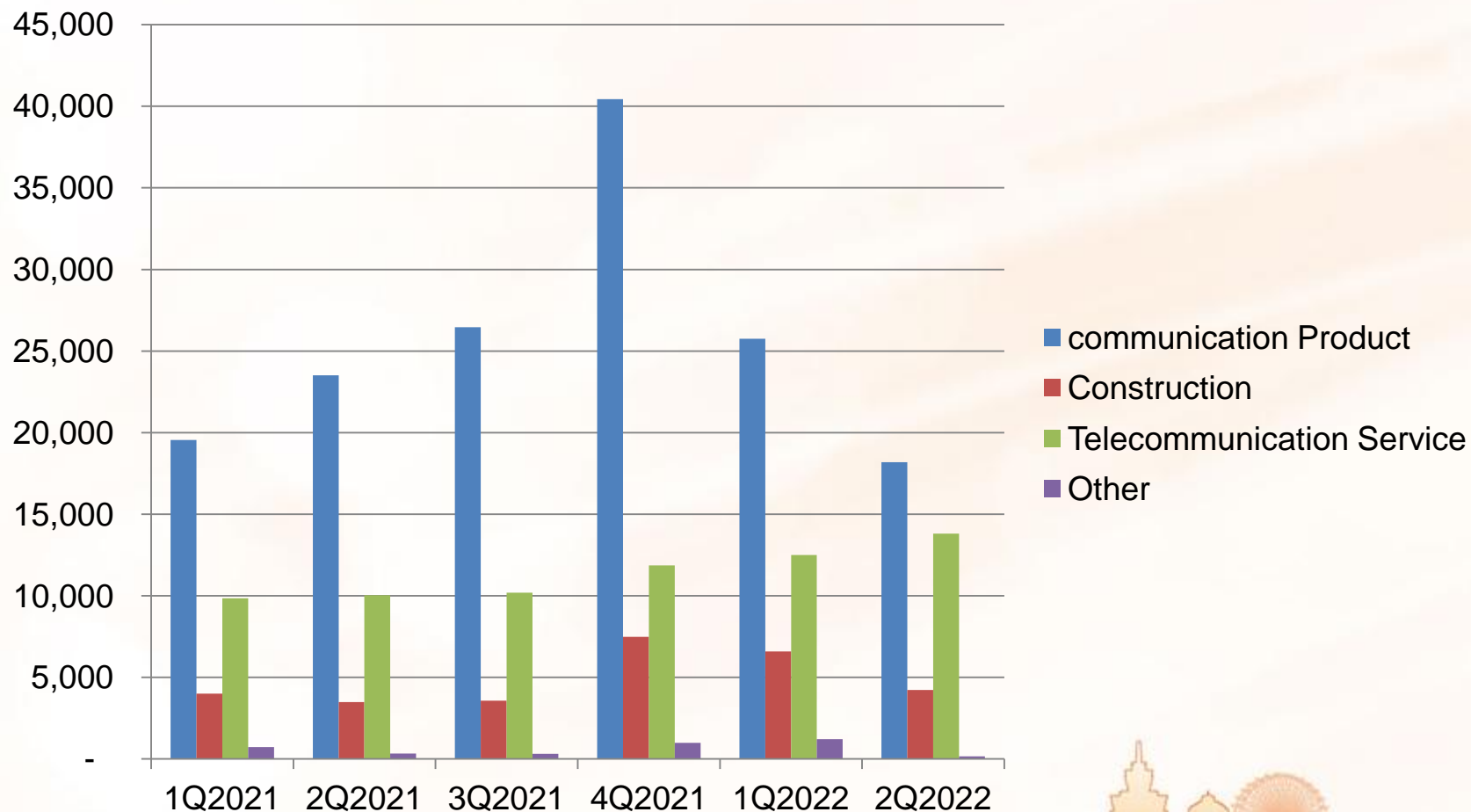
In NT\$10K

	2Q2022		1Q2022		QoQ	2Q2021		YoY
	Amount	%	Amount	%	%	Amount	%	%
Operating revenue	36,390	100	46,068	100	-21	37,349	100	-3
Operating costs	38,114	105	47,322	103	-19	33,326	90	14
Gross profit / Gross Loss	-1,724	-5	-1,254	-3	-37	4,023	10	-143
Operating expenses	7,076	19	5,863	13	21	6,047	16	17
Non-operating income and expenses	-2,452	-7	317	1	-874	-1,646	-4	-49
Net Loss before tax	-11,252	-31	-6,800	-15	-65	-3,670	-10	-207
Net Loss for the year	-10,309	-29	-7,566	-17	-36	-3,664	-10	-181
Net Loss attributable to owners of the parent	-9,659	-27	-5,954	-13	-62	-2,627	-7	-268
Net Loss attributable to non-controlling interest	-650	-2	-1,612	-4	60	-1,037	-3	37
Basic loss per share(NT\$)	-0.64		-0.40			-0.18		



Consolidated Sales Revenue

In NT\$10K





2022 Year-to-Q2 Statements of Comprehensive Income

In NT\$10K

	2022 Year -to-Q2		2021 Year -to-Q2		YoY
	Amount	%	Amount	%	%
Operating revenue	82,458	100	71,469	100	15
Operating costs	85,439	103	65,366	92	31
Gross profit / Gross Loss	-2,981	-3	6,103	8	-149
Operating expenses	12,939	16	12,439	17	4
Non-operating income and expenses	-2,132	-3	-2,622	-4	19
Net Loss before tax	-18,052	-22	-8,958	-13	-102
Net Loss for the year	-17,875	-22	-9,292	-13	-92
Net Loss attributable to owners of the parent	-15,614	-19	-7,218	-10	-116
Net Loss attributable to non-controlling interest	-2,261	-3	-2,074	-3	-9
Basic loss per share (NT\$)	-1.05		-0.49		



Consolidated Balance Sheets

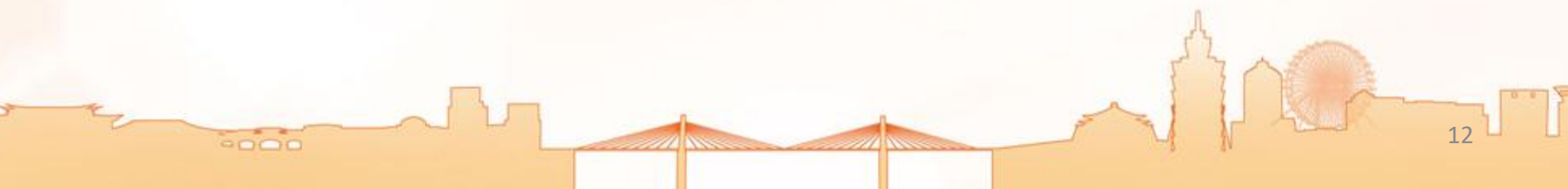
In NT\$10K

	2022/06/30		2021/12/31		2021/06/30	
	Amount	%	Amount	%	Amount	%
Current assets	139,510	22	171,452	25	173,145	25
Property, plant and equipment	194,520	31	197,245	29	208,519	30
Intangible assets	204,582	32	208,533	31	212,637	31
Other non-current assets	94,856	15	95,533	15	97,418	14
Total Assets	633,468	100	672,763	100	691,719	100
Current liabilities	56,449	9	91,669	14	99,115	14
Non-current liabilities	231,849	37	221,672	33	218,816	32
Total liabilities	288,298	46	313,341	47	317,931	46
Equity attributable to owners of the parent	271,845	43	284,483	42	295,277	43
Non-controlling interest	73,325	11	74,939	11	78,511	11
Total Equity	345,170	54	359,422	53	373,788	54



TAIFO Company Business Development

- Taifo Company
- 2022 Achievements
- Business Strategy
- Core Competencies
- The Future





Taifo Company

- Founded in 2012
- Current capital : NT\$2.29 B(Note)
- 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

Note: The original paid-in capital amounted to 2.75 billion. On June 24, 2022, the shareholders' meeting made up for the loss of 4.6 billion through capital reduction.



2022 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 、 Parks and Street Lights Office 、 Market Admirations office
- **Wi-Fi service** : Taipei Free outdoor/indoor service

■ Campus

- **Intelligent campus** : Junior high school of Taipei City
- **Dormitory network** : National Taiwan Normal University

■ Enterprise & Telecom

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

■ Domestic

- 60,000 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

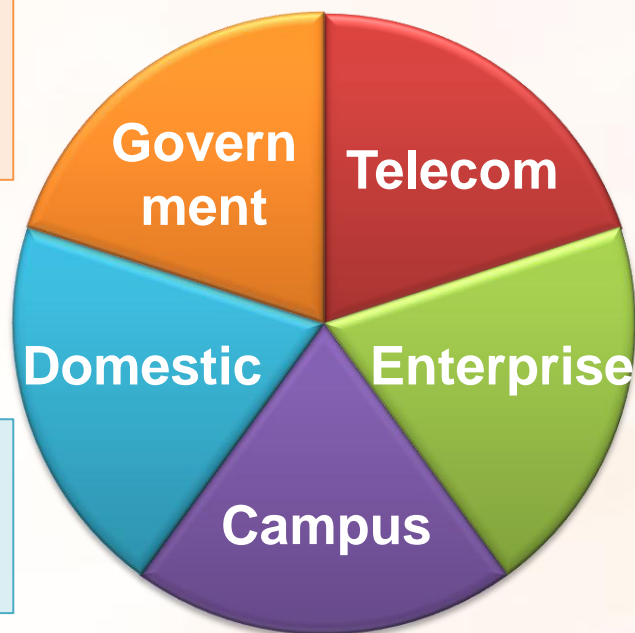
- Obtained 25-year exclusive network contract with Taipei City Government
- Optical fiber is attached to ditches and sewers in Taipei
- Nearly 5,000KM Optical Fiber has been built in Taipei
- More than 22,000 outdoor fiber points for services



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



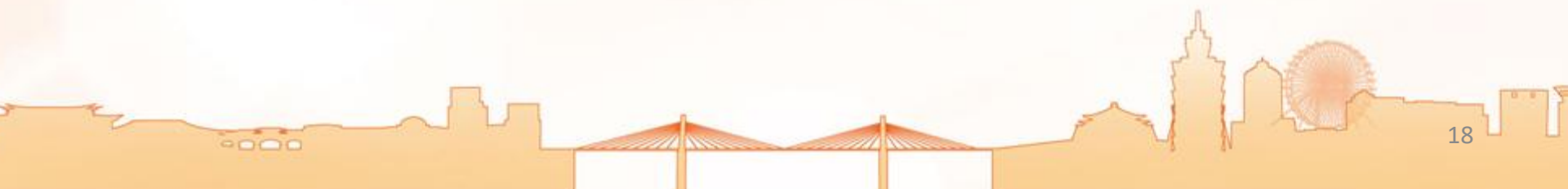
- Broadband service for IDC
- Short-range fiber and broadband services for 5G base station
- SD-WAN service

- 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

