



# Tai Tung Communication Co., Ltd.

## 2023 Investor Conference

Dec. 2023





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# Agenda

- Company Overview
- Organization Structure
- Industry Overview
- Operation status
- 2023 Q3 Financial Highlights
- Business Development of Subsidiary Taifo
  - Taifo Company
  - 2023 Achievements
  - Business Strategy
  - Core Competencies
  - The Future
- Q&A



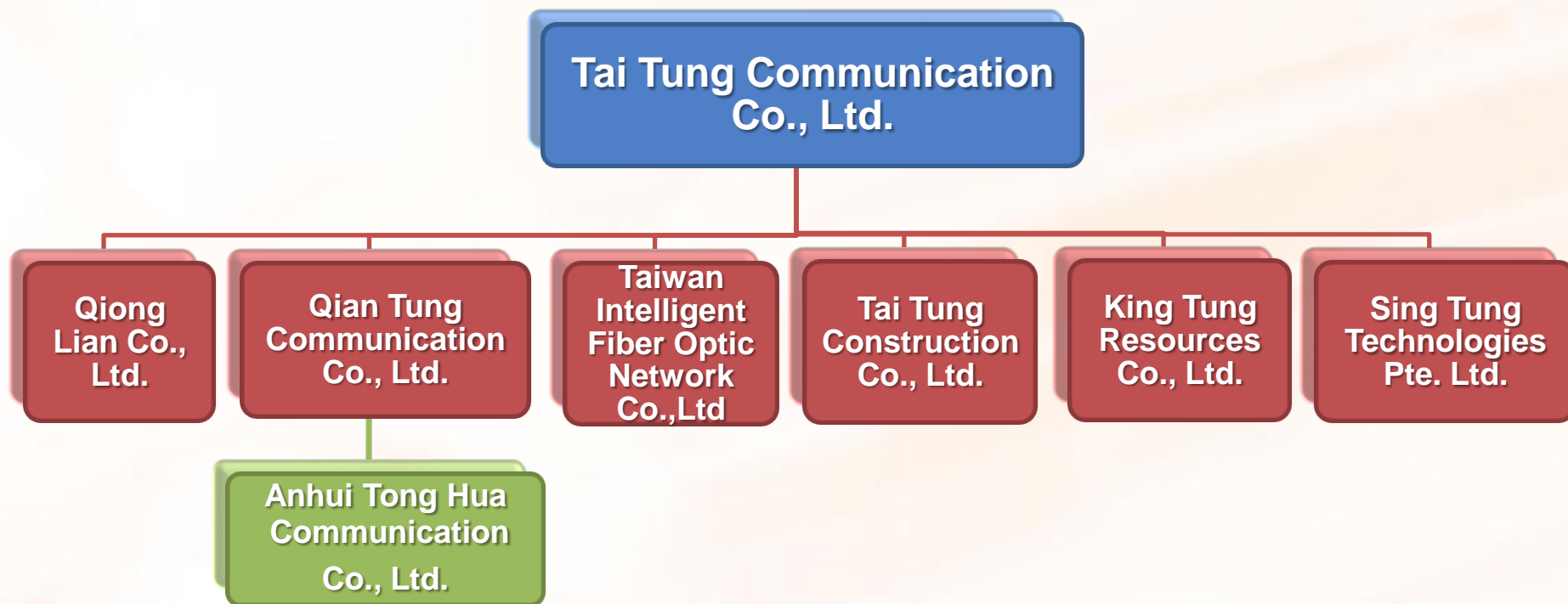
# Company Overview

- Date of establishment : Dec,1981
- Paid-up capital : NT\$1.709B
- Head office : No.219, Fuhui Rd.,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





# Industry Overview

- After the global epidemic, the business model has changed, which has promoted the digitalization of various industries. In addition to bringing business opportunities for optical fiber cables, it has also increased the demand for optical communications and information integration services derived from digital applications.
- "Digital Construction" is one of the major constructions in the "Forward-looking Infrastructure Plan". The "infrastructure environment" in the 11 major promotion axes has been continuously promoted with the goal of becoming a digital hub in the Asia-Pacific region.



# Operation status-1

- In April 2023, our company won the bid for "48 smart police surveillance and 28 items including installation of electromechanical equipment and pipeline layout" of National Chung Shan Institute of Science and Technology, with the winning bid amount of 990 million.
- In order to expand the business of system integration, in May 2023, the board of directors passed a real estate pre-purchase case of 1,838.10 square meters at No.36 Xinzhi Section, Xinzhuang District, New Taipei City, with a transaction amount of NT\$ 580 million.
- The cooperative construction project with FOUNDING CONSTRUCTION DEVELOPMENT CORP. and CHING TONG INVESTMENT CO.,LTD was approved in September 2023 through the application for New Taipei City Industrial Zone Three-dimensional Incentive Volume. Currently, the demolition of the original factory building is underway, and the project license application was submitted in October 2023.



## Operation status-2

- In order to adjust the capital structure of subsidiary TAIFO, TAIFO's board of directors resolved to conduct the refund for capital reduction with cash payment on November 13, 2023, and thereafter for special shareholders' meeting discussion on December 14, 2023.
- Subsidiary TAIFO's percentage of this capital reduction is 20%, with the refund for cash payment of NT\$ 457.8 million, equivalent to 45.78 million shares. Based on TTCC's shareholding ratio of 68.22% in TAIFO, it is estimated that NT\$312.3 million can be refunded.





# 3Q2023 Statements of Comprehensive Income

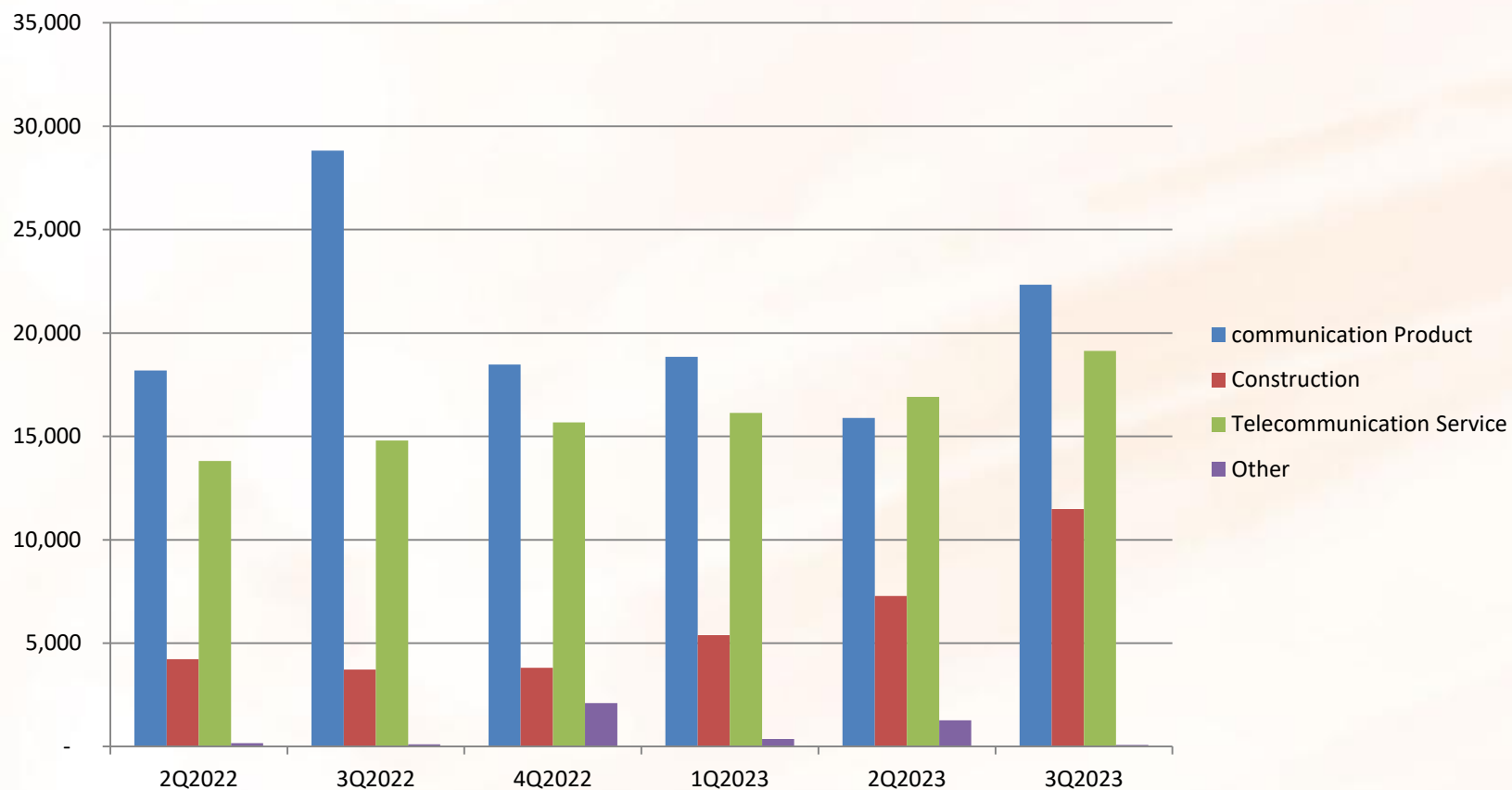
In NT\$10K

	3Q2023		2Q2023		QoQ	3Q2022		YoY
	Amount	%	Amount	%	%	Amount	%	%
Operating revenue	53,027	100	41,344	100	28	47,445	100	12
Operating costs	43,166	81	34,779	84	24	43,168	91	0
Gross profit	9,861	19	6,565	16	50	4,277	9	131
Operating expenses	6,686	13	7,154	18	-7	5,344	12	25
Non-operating income and expenses	-2,914	-6	858	2	-440	-1,517	-3	-92
Net Profit(Loss) before tax	261	0	269	0	-3	-2,584	-6	110
Net Profit(Loss) for the year	182	0	580	1	-69	-2,760	-6	107
Net Profit(Loss) attributable to owners of the parent	28	0	114	0	-75	-2,843	-6	101
Net Profit(Loss) attributable to non-controlling interest	154	0	466	1	-67	83	0	86
(Basic loss per share)/ Basic earnings per share(NT\$)	0.00		0.01			-0.19		



# Consolidated Sales Revenue

In NT\$10K





# 2023 Year-to-Q3 Statements of Comprehensive Income

In NT\$10K

	2023 Year -to-Q3		2022 Year -to-Q3		YoY
	Amount	%	Amount	%	%
Operating revenue	135,112	100	129,903	100	4
Operating costs	109,030	81	128,607	99	-15
Gross profit	26,082	19	1,296	1	1913
Operating expenses	19,545	14	18,283	14	7
Non-operating income and expenses	-3,994	-3	-3,649	-3	-9
Net Profit(Loss) before tax	2,543	2	-20,636	-16	112
Net Profit(Loss) for the year	2,569	2	-20,634	-16	112
Net Profit(Loss) attributable to owners of the parent	1,451	1	-18,456	-14	108
Net Profit(Loss) attributable to non-controlling interest	1,118	1	-2,178	-2	151
(Basic loss per share)/ Basic earnings per share(NT\$)	0.10		-1.23		



# Consolidated Balance Sheets

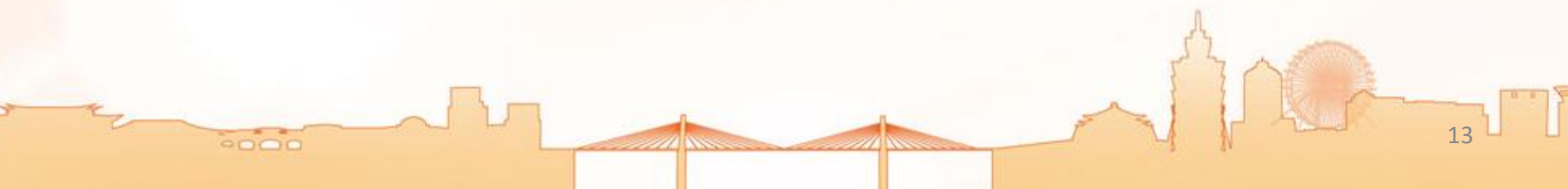
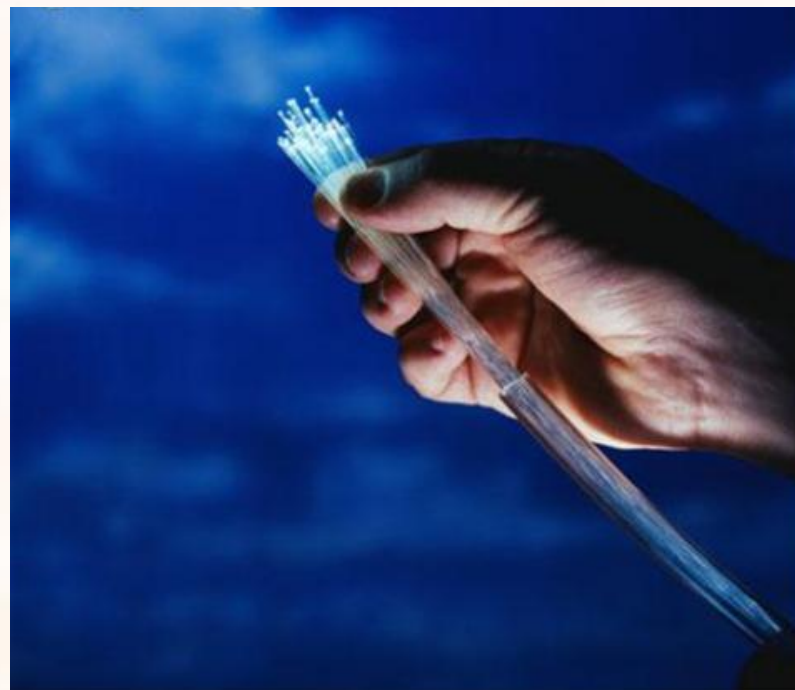
In NT\$10K

	2023/09/30		2022/12/31		2022/09/30	
	Amount	%	Amount	%	Amount	%
Current assets	208,407	28	139,485	22	124,491	20
Property, plant and equipment	235,102	32	209,991	33	196,888	32
Intangible assets	195,202	27	199,979	31	202,093	33
Other non-current assets	95,585	13	94,538	14	91,811	15
<b>Total Assets</b>	<b>734,296</b>	<b>100</b>	<b>643,993</b>	<b>100</b>	<b>615,283</b>	<b>100</b>
Current liabilities	136,313	19	70,672	11	44,117	7
Non-current liabilities	257,077	35	235,442	37	228,285	37
<b>Total liabilities</b>	<b>393,390</b>	<b>54</b>	<b>306,114</b>	<b>48</b>	<b>272,402</b>	<b>44</b>
Equity attributable to owners of the parent	265,436	36	263,529	41	269,244	44
Non-controlling interest	75,470	10	74,350	11	73,637	12
<b>Total Equity</b>	<b>340,906</b>	<b>46</b>	<b>337,879</b>	<b>52</b>	<b>342,881</b>	<b>56</b>



# TAIFO Company Business Development

- Taifo Company
- 2023 Achievements
- Business Strategy
- Core Competencies
- The Future





# Taifo Company

- Founded in 2012
- Current capital : NT\$2.29 B
- Number of employees : 134
- Major shareholders: Tai Tung 68.22% and Hon Hai Group 20.58%
- 25-years BOT contract with Taipei City Gov. starting from 2011
- Nearly 5,500KM Optical Fiber has been built in Taipei since 2012



# 2023 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** : Dept. of Education 、 Dept, of Sports 、 Hydraulic Engineering Office 、 Department of Welfare 、 Parks and Street Lights Office
- **Wi-Fi service** : Taipei Free outdoor/indoor service 、 Metro Taipei

## ■ Campus

- **Intelligent campus** : Junior high school of Taipei City
- **Dormitory network** : National Taipei University of Education 、 TBCS

## ■ Enterprise & Telecom

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

## ■ Domestic

- 63,000 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 quality network for Intelligent fire**

- Provides customizable network for Intelligent fire notification services

## ■ **Domestic : Brand image building**

- Provide Fiber to The Home (FTTH) service for smart home





# Core competencies

## ■ Professionals

- Own telecommunications network and engineering staff
- Independent research of AI image recognition and Intelligent fire (AIoT) services
- Diversify broadband services to meet the needs of government, enterprise and domestic customers

## ■ Exclusive resources

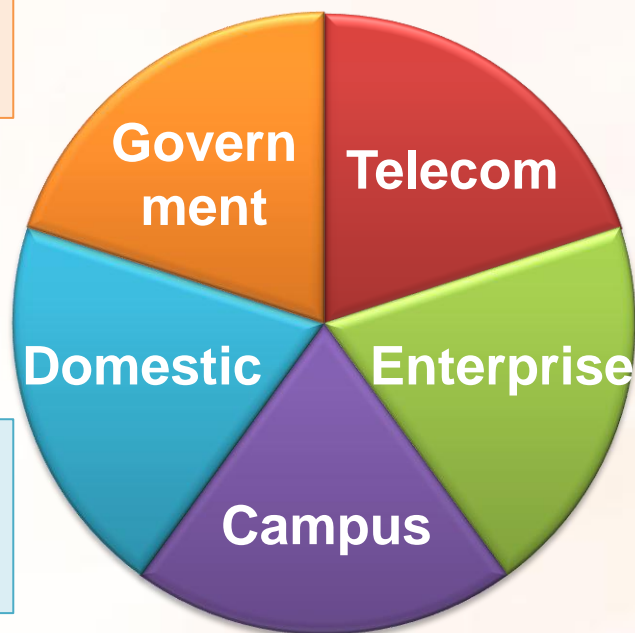
- Obtained 25-year exclusive network contract with Taipei City Government
- Optical fiber is attached to ditches and sewers in Taipei
- Nearly 5,500KM Optical Fiber has been built in Taipei
- More than 22,000 outdoor fiber points for services



# The Future

- CCTV of Police dept
- AI surveillance service
- Wi-Fi service
- 5G Smart rod service

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



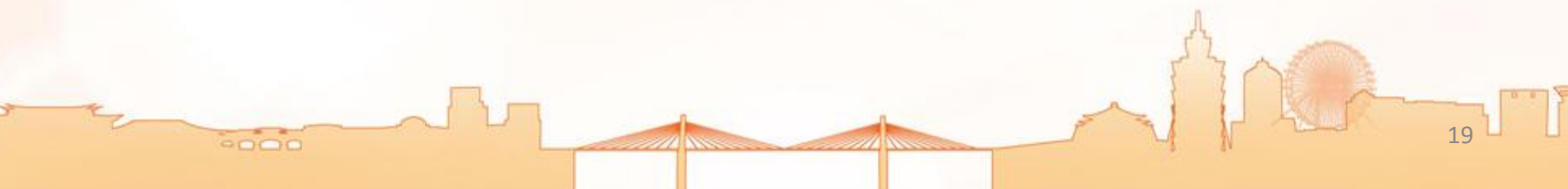
- Public housing
- Short-term rentals
- Smart home cooperation

- 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

