



# The first Investor conference in 2024

Sep. 2024

# Disclaimer

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# Agenda

- **Company Overview**
- **Important Chronicles**
- **Industry Overview**
- **Operation status**
- **2024 Q2 Financial Highlights**
- **Business Development of Subsidiary Taifo**
  - ◆ Taifo Company
  - ◆ 2024 Q2 Achievements
  - ◆ Business Strategy
  - ◆ Core Competencies
  - ◆ The Future
- **Q&A**



# Company Overview

- Date of establishment : Dec,1981
- Paid-up capital : NT\$1.659B
- Head office : No.219, Fuhui Rd.,Xinzhuan 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 :





## TCC HISTORY

# Important Chronicles



### 12<sup>th</sup> Rising Star Award



### 19<sup>th</sup> National Award of Outstanding SMEs





# Industry Overview

- **With 5G application being extensive commercial use, 5G's innovation in smart applications has become a new industry development type. 5G applications continue to drive optical fiber cable business opportunities and demands for information and communications integrated services.**
- **The government continues to strengthen national critical infrastructure and promote six core strategic industries including 5G, digital development, AI, and information security, etc. It also expands related plans for digital transformation and environmental sustainability.**





# Operation status

- In order to expand the system integration business, the board of directors approved the pre-purchase of 1,838.10 square meters of real estate at lot 36, Xinzhi Section, Xinzhuang District, New Taipei City in May 2023. The construction work has entered the final stage and will apply for usage license subsequently.
- The cash capital reduction plan of the subsidiary Taiwan Intelligent Fiber Optic Network Co., Ltd.(Taifo) was declared effective on December 2023. Our Company holds 68.22% of the shares of subsidiary Taifo and received a refund of 312.3 million on March 2024.
- The joint construction project with Founding Construction Development Corp. (Founding) and Ching Tong Investment Co., Ltd (Ching Tong) has started on July 2024. The plan involves the development of two factory-office buildings, with 11 floors above ground and 3 floors below ground. After development, the distribution ratio will be Tai Tung at 31.07%, Ching Tong at 23.93%, and Founding at 45%.



# 2Q2024 Statements of Comprehensive Income

In NT\$10K

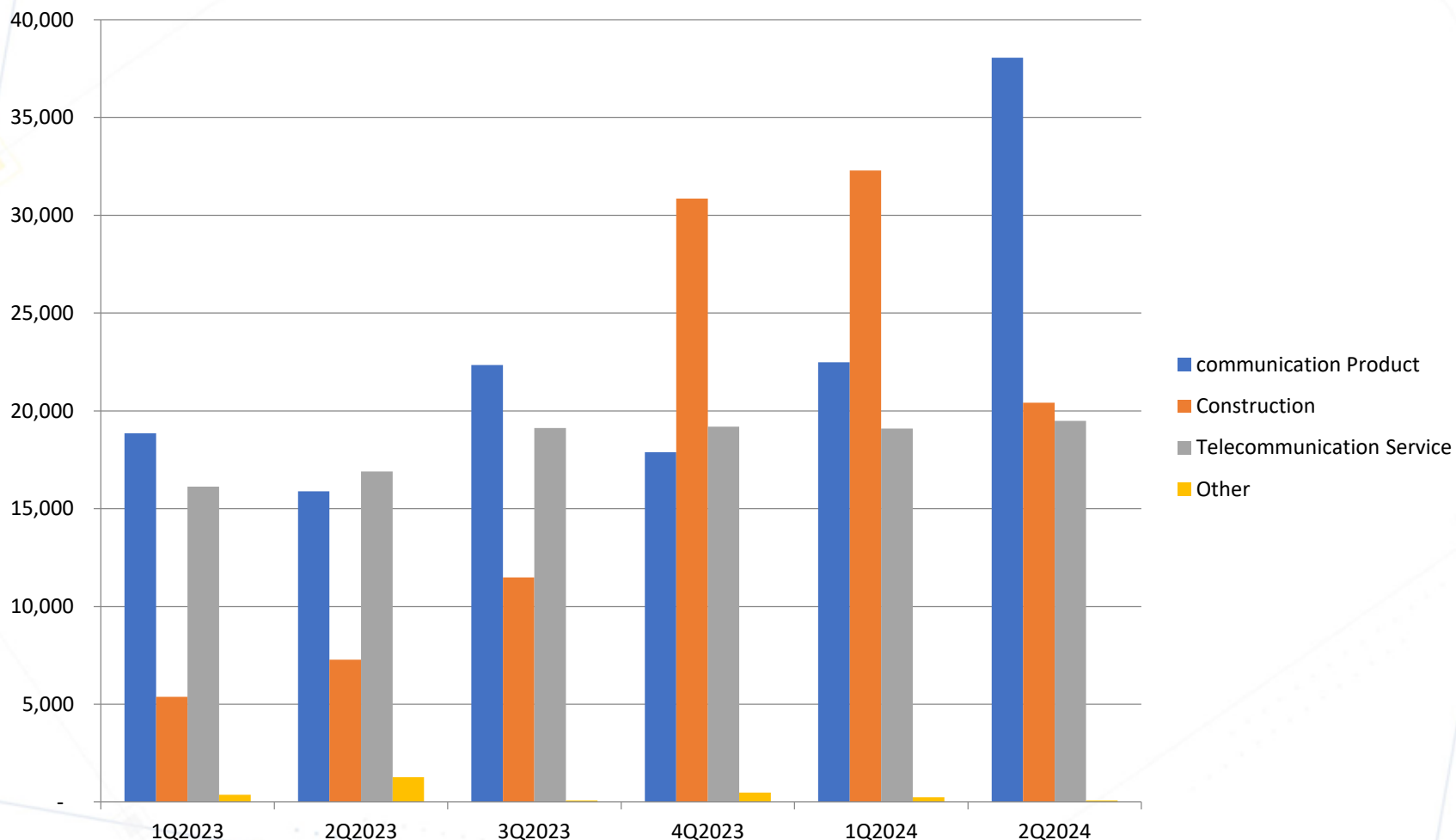
	2Q2024		1Q2024		QoQ	2Q2023		YoY
	Amount	%	Amount	%	%	Amount	%	%
Operating revenue	78,049	100	74,119	100	5	41,344	100	89
Operating costs	63,670	82	61,520	83	3	34,779	84	83
Gross profit	14,379	18	12,599	17	14	6,565	16	119
Operating expenses	8,345	11	6,415	9	30	7,154	18	17
Non-operating income and expenses	1,407	2	278	1	406	859	2	64
Net Profit before tax	7,441	9	6,462	9	15	270	-	2,656
Net Profit for the year	7,097	9	5,415	7	31	580	1	1,124
Net Profit attributable to owners of the parent	6,586	8	4,253	6	55	114	-	5,677
Net Profit attributable to non-controlling interest	511	1	1,162	1	-56	466	1	10
Basic earnings per share(NT\$)	0.40		0.24			0.01		





# Consolidated Sales Revenue

In NT\$10K





# 2024 Year-to-Q2 Statements of Comprehensive Income

In NT\$10K

	2024 Year-to-Q2		2023 Year-to-Q2		YoY
	Amount	%	Amount	%	%
Operating revenue	152,168	100	82,085	100	85
Operating costs	125,190	82	65,864	80	90
Gross profit	26,978	18	16,221	20	66
Operating expenses	14,760	10	12,860	16	15
Non-operating income and expenses	1,685	1	-1,079	-1	256
Net Profit before tax	13,903	9	2,282	3	509
Net Profit for the year	12,512	8	2,387	3	424
Net Profit attributable to owners of the parent	10,839	7	1,424	2	661
Net Profit attributable to non-controlling interest	1,673	1	963	1	74
Basic earnings per share(NT\$)	0.64		0.09		



# Consolidated Balance Sheets

In NT\$10K

	2024/06/30		2023/12/31		2023/06/30	
	Amount	%	Amount	%	Amount	%
Current assets	208,007	28	254,514	33	184,805	26
Property, plant and equipment	232,183	31	234,872	30	235,241	33
Intangible assets	189,423	26	192,920	25	197,246	28
Other non-current assets	113,705	15	98,484	12	97,624	13
<b>Total Assets</b>	<b>743,318</b>	<b>100</b>	<b>780,790</b>	<b>100</b>	<b>714,916</b>	<b>100</b>
Current liabilities	117,989	16	127,965	16	112,939	16
Non-current liabilities	265,654	36	278,435	36	261,216	36
<b>Total liabilities</b>	<b>383,643</b>	<b>52</b>	<b>406,400</b>	<b>52</b>	<b>374,155</b>	<b>52</b>
Equity attributable to owners of the parent	296,895	40	297,574	38	265,451	37
Non-controlling interest	62,780	8	76,816	10	75,310	11
<b>Total Equity</b>	<b>359,675</b>	<b>48</b>	<b>374,390</b>	<b>48</b>	<b>340,761</b>	<b>48</b>



# TAIFO Company Business Development

- Taifo Company
- 2024 Q2 Achievements
- Business Strategy
- Core Competencies
- The Future





# Taifo Company

- Founded in 2012
- Current capital : NT\$1.83 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 6,000KM Optical Fiber has been built in Taipei since 2012

Note : The amount of paid-in capital was NT\$2.289 Billion. On Dec 26, 2023, Taifo was declared effective to implement capital reduction amounted to NT\$0.458 billion with cash payment to shareholders.



# 2024 Q2 Achievements

## ■ Government

- ◆ **Fixed-line services** : 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 、 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** : Chinese Culture University 、 National Taiwan Normal University 、 National Taipei University of Education

## ■ Enterprise & Telecom

- ◆ **Circuit/Dark Fiber** : ISP / IDC /Enterprise

## ■ Domestic

- ◆ 68,000 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 : AI hyperscale Data Center and 5G best partner

- ◆ Provides AI DC and telecom high speed, high coverage and high quality diverse transmission network

## ■ Enterprise : High bandwidth and quality network for enterprise

- ◆ Provides customizable network for enterprise

## ■ Domestic : Brand image building

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



# Core competencies

## ■ Professionals

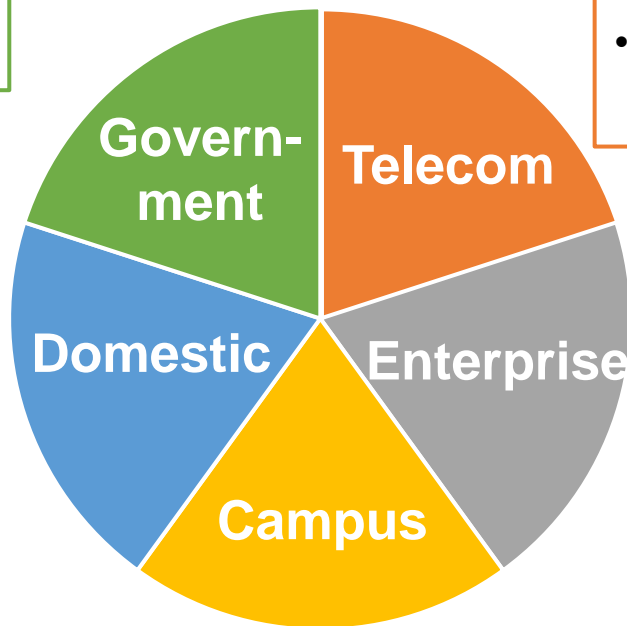
- ◆ Own telecommunications network and engineering staff
- ◆ Independent research of AI image recognition services
- ◆ Diversify broadband services to meet the needs of government, enterprise and domestic customers

## ■ Exclusive resources

- ◆ Obtained 25-year exclusive network contract with Taipei City Government
- ◆ Optical fiber is attached to ditches and sewers in Taipei
- ◆ Nearly 6,000KM Optical Fiber has been built in Taipei
- ◆ More than 24,000 outdoor fiber points for services



# The Future



- AI surveillance service
- Wi-Fi service
- 5G Smart rod service

- Telecom service for AI hyperscale Data Center
- Broadband service for IDC
- Diversified fiber broadband service

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

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

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



# Q&A



**THANK YOU!**