



2nd Corporate Information Meeting in 2024

Dec. 2024

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Agenda

- **Company Overview**
- **Important Chronicles**
- **Industry Overview**
- **Operation status**
- **Dividend policy**
- **2024 Q3 Financial Highlights**
- **Business Development of Subsidiary Taifo**
 - ◆ Taifo Company
 - ◆ 2024 Q3 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 :



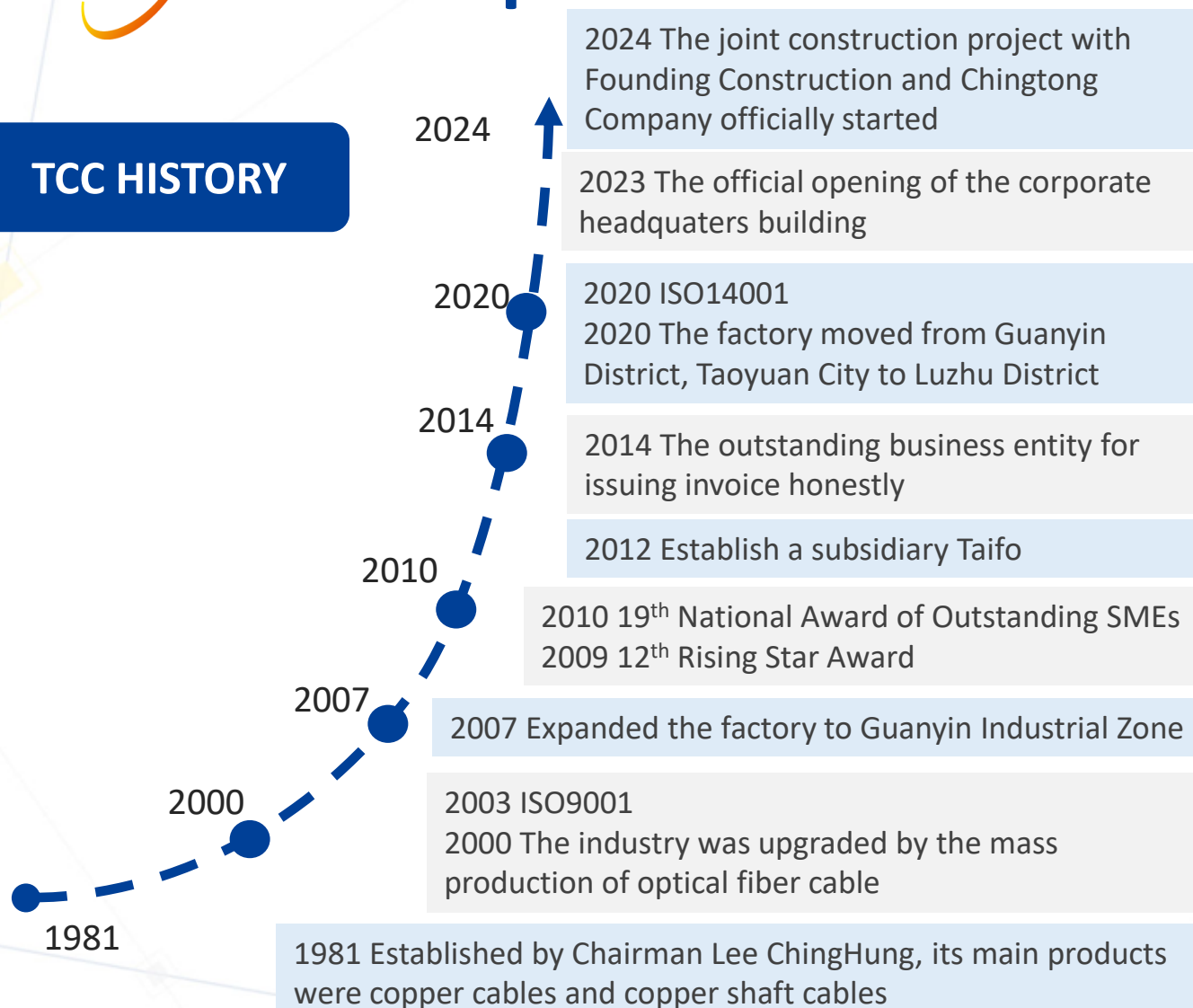
交通部高速公路局
FREEWAY BUREAU, MOTC





TCC HISTORY

Important Chronicles



12th Rising Star Award



19th National Award of Outstanding SMEs





Industry Overview

- With the advent of the AI era, artificial intelligence and military technology have made significant progress. Facing future artificial intelligence, large-scale data computing center, etc., light-speed transmission upgrades have become a necessary part of the AI era revolution and will continue to drive optical fiber cable business opportunities and communication integration service needs.
- The Executive Yuan approved the "Five Trusted Industries Promotion Plan" on September 5, 2024, including semiconductors, artificial intelligence, military industry, security control, and next-generation communications industries to strengthen the country's global communication network toughness and cope with future 6G development.



Operation status

- The Company's joint construction project with Founding Construction Development Corp. and Ching Tong Investment Co., Ltd has started in July 2024. A grade A factory office building will be built in the New Taipei Industrial Park, and it is expected to apply for a usage license in December 2027. Subsequent leasing or sales will help increase the Company's non-operating profit.
- On November 14, 2024, the audit committee and the board of directors passed a resolution to sell 27.94% of the equity held by investments accounted for using equity method in FIBER LOGIC COMMUNICATIONS, INC. to Alpha Networks Inc. 6,265 thousand shares of common stock were disposed of. The total transaction amount was NT\$0.45 billion, and the gain on disposal of investment about NT\$0.29 billion could be recognized. The transfer of this transaction was completed on November 19. This transaction will inject about NT\$0.45 billion of capital. It can be used by the Company to deepen the development of internet Communication business. It can also reduce loan interest and strengthen the solvency.



Dividend policy

- The Company's pre-tax net profit for the first three quarters of 2024 was NT\$147,956 thousand, an increase of 1,061% year-on-year, and in November, the Company sold its equity investment in FIBER LOGIC COMMUNICATIONS, INC, an equity method-based investment, with a gain on disposal of investment of NT\$290,393 thousand, with a total pre-tax net profit of NT\$438,349 thousand and a pre-tax EPS of NT\$2.64.
- According to the Articles of Association of the Company, "the total amount of dividends shall be at least 10% of the distributable earnings for the year, of which the cash dividend ratio shall not be less than 10% of the total dividends." Since the profit before tax increases significantly compared with that last year, considering the interests of shareholders, we will strive to distribute better dividends to return shareholders.



3Q2024 Statements of Comprehensive Income

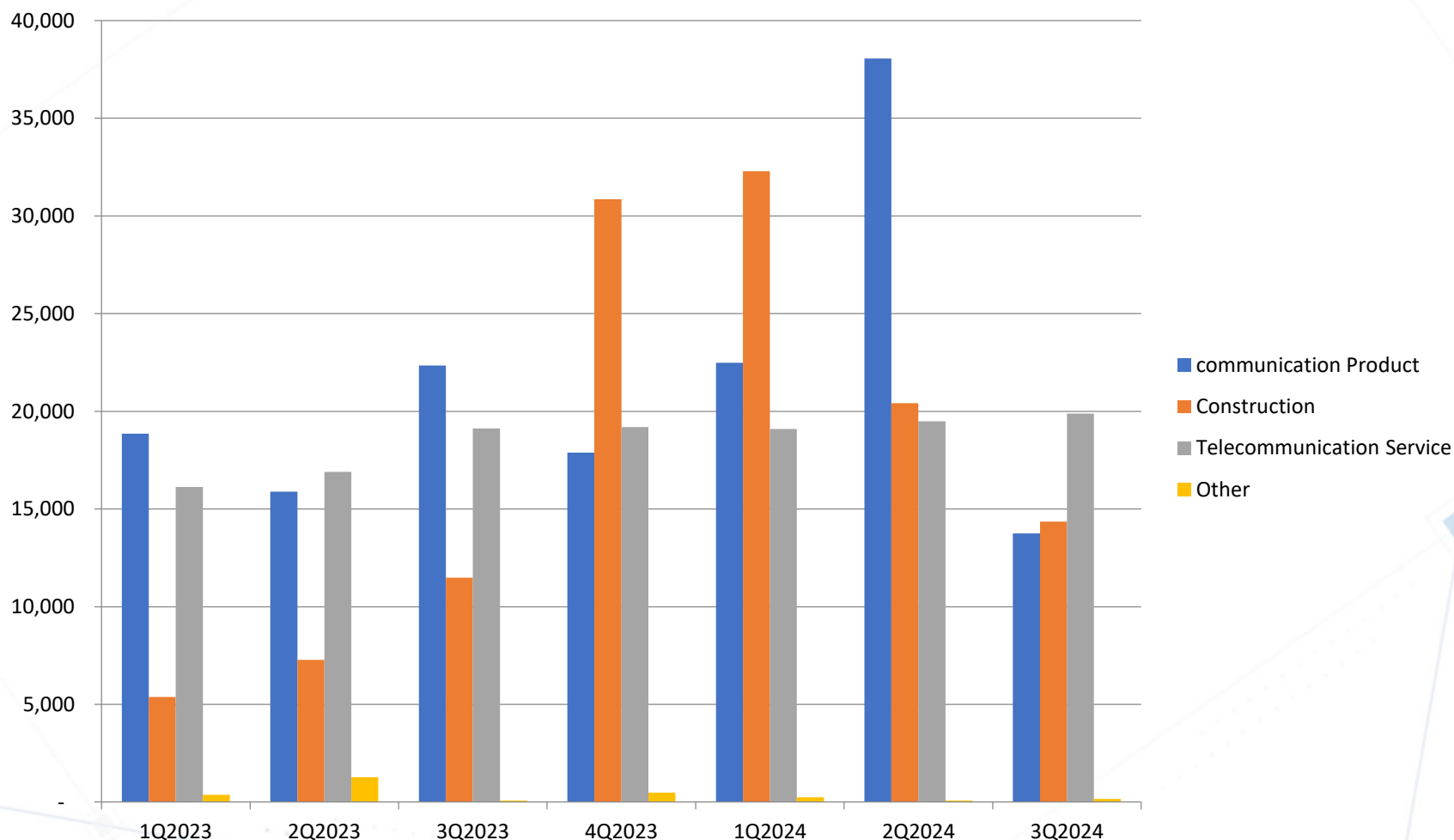
In NT\$10K

	3Q2024		2Q2024		QoQ	3Q2023		YoY
	Amount	%	Amount	%	%	Amount	%	%
Operating revenue	48,142	100	78,049	100	-38	53,027	100	-9
Operating costs	38,612	80	63,670	82	-39	43,166	81	-11
Gross profit	9,530	20	14,379	18	-34	9,861	19	-3
Operating expenses	8,411	18	8,345	11	1	6,686	13	26
Non-operating income and expenses	2,301	4	1,407	2	64	-2,914	-6	179
Net Profit before tax	3,420	6	7,441	9	-54	261	-	1,210
Net Profit for the year	3,064	6	7,097	9	-57	182	-	1,584
Net Profit attributable to owners of the parent	2,210	4	6,586	8	-66	28	-	7,793
Net Profit attributable to non-controlling interest	854	2	511	1	67	154	-	455
Basic earnings per share(NT\$)	0.13		0.40			-		



Consolidated Sales Revenue

In NT\$10K





2024 Year-to-Q3 Statements of Comprehensive Income

In NT\$10K

	2024 Year-to-Q3		2023 Year-to-Q3		YoY
	Amount	%	Amount	%	%
Operating revenue	200,310	100	135,112	100	48
Operating costs	163,802	82	109,030	81	50
Gross profit	36,508	18	26,082	19	40
Operating expenses	23,171	11	19,545	14	19
Non-operating income and expenses	3,986	2	-3,994	-3	200
Net Profit before tax	17,323	9	2,543	2	581
Net Profit for the year	15,576	8	2,569	2	506
Net Profit attributable to owners of the parent	13,049	7	1,451	1	799
Net Profit attributable to non-controlling interest	2,527	1	1,118	1	126
Basic earnings per share(NT\$)	0.78		0.10		



Consolidated Balance Sheets

In NT\$10K

	2024/09/30		2023/12/31		2023/09/30	
	Amount	%	Amount	%	Amount	%
Current assets	198,132	27	254,514	33	208,407	28
Property, plant and equipment	229,536	32	234,872	30	235,102	32
Intangible assets	188,621	26	192,920	25	195,202	27
Other non-current assets	111,476	15	98,484	12	95,585	13
Total Assets	727,765	100	780,790	100	734,296	100
Current liabilities	105,238	14	127,965	16	136,313	19
Non-current liabilities	259,427	36	278,435	36	257,077	35
Total liabilities	364,665	50	406,400	52	393,390	54
Equity attributable to owners of the parent	299,386	41	297,574	38	265,436	36
Non-controlling interest	63,714	9	76,816	10	75,470	10
Total Equity	363,100	50	374,390	48	340,906	46



TAIFO Company Business Development

- Taifo Company
- 2024 Q3 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



2024 Q3 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 、 Dept. of Social Welfare
- ◆ **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

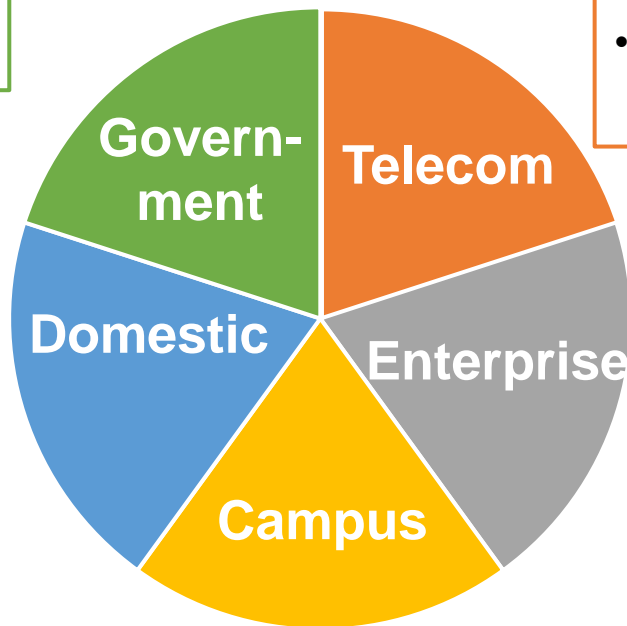
- ◆ Own telecommunications network and engineering staff
- ◆ Independent research of AI image recognition services
- ◆ Diversify broadband services to meet the needs of government, enterprise and domestic customers

■ 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!