

PChome Group Company Overview



Company Profile

- Established: July 1998
- Public listing: Jan 2005(stock symbol:8044-TT)
- Main business: e-commerce
- HQ location: Taipei, Taiwan
- Business location: Primary Taiwan
- Founder:



Hung Tze Jan
Chairman



Arthur Lee
CEO

PChome Group Milestone



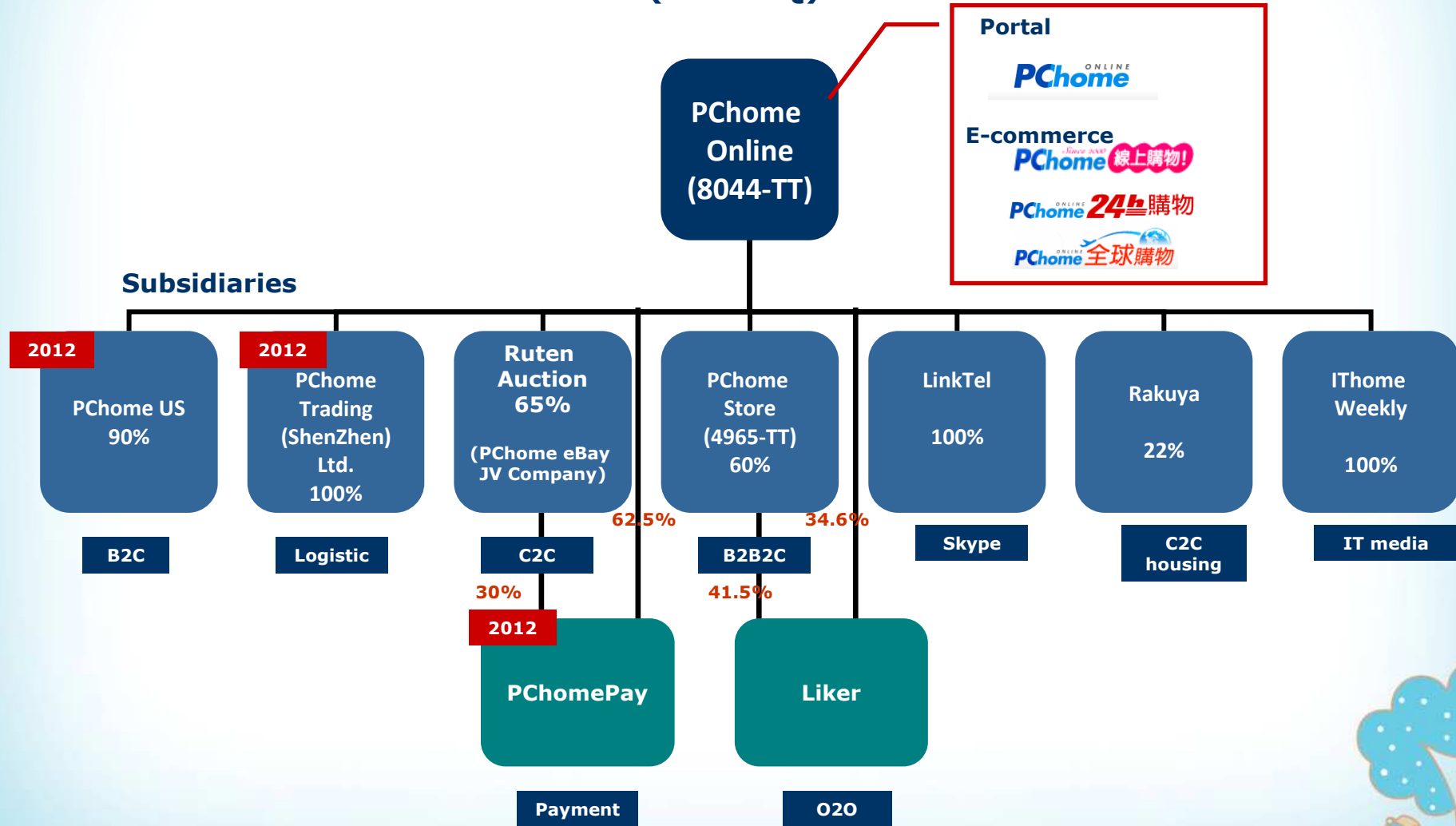
History

- 1998**
 - **1998.07**
Established, Chairman H.T Jan, CEO Arthur Lee, provided portal services.
- 2000**
 - **2000.06**
Rolled out online shopping channel, started from 3C products.
- 2002**
 - **2004.07**
Cooperated with Skype, rolled out "PChome Skype".
- 2004**
 - **2005.01**
IPO- 網家(8044-TT)
 - **2005.10**
Rolled out online store B2B2C service
- 2006**
 - **2006.06**
JV with eBay, launched Ruten auction site.
- 2008**
 - **2007.01**
Rolled out "PChome 24hr delivery" service.
 - **2008.04**
Cooperated with BIG5 estate agencies, rolled out "Rakuya"(樂屋網).
- 2010**
 - **2010.04**
Spin off Store division to "PCstore Inc (4965-TT).,"
 - **2011.04**
Subsidiary IPO -PCstore Inc (4965-TT).,"
 - **2011.09**
Rolled Out O2O company "Liker"
- 2012**
 - **2012.4**
Rolled Out "PChomePay" online payment service
PChome US shopping site launched



PChome Group Structure

(2013 1Q)



ONLINE
PChome





3 Major E-commerce Platform

Type	B2C Online Shopping	B2B2C Online Shopping Mall	C2C Online Auction
Business Model	Shopping site → Consumer	Online Store → Marketplace platform → Consumer	Seller → Auction platform → Buyer
Revenue Target	General customer	SME	Professional seller/ Casual seller
Global Icon	Amazon.com	Rakuten	eBay
PChome E-commerce Layout	 	 	 
Note	Parent Company (8044-TT)	Subsidiary.(4965-TT) Holding 60%	Subsidiary. holding 65% Joint venture with eBay



2 New E-commerce Service

Type	O2O E-commerce	Online Payment Service
Business Model	Physical store → O2O platform → Consumer → Physical store	Buyer → Payment service → Seller
Revenue Target	B2C: General customer C2C: SME merchant	SME merchant
Revenue Model	B2C: Coupon sales C2C: Service commission	Transaction fee
Global Icon	Groupon	PayPal
E-commerce Layout		
Note	PChome holds 34.6% PCstore holds 41.5%	PChome holds 62.5% Ruten holds 30% * Credit payment service will open on 2013 Q1



Online Retailing Business Highlight



PChome Shopping — Order Transfer Model



PChome 線上購物!

- Founded : 2000.6
- <http://shopping.pchome.com.tw>
- Service model: Non-inventory, Order transfer
- + 1,000,000 products in wide selection
- Coordinate with +5,000 suppliers

ONLINE
PChome



PChome 24h Shopping

— Consignment warehouse base



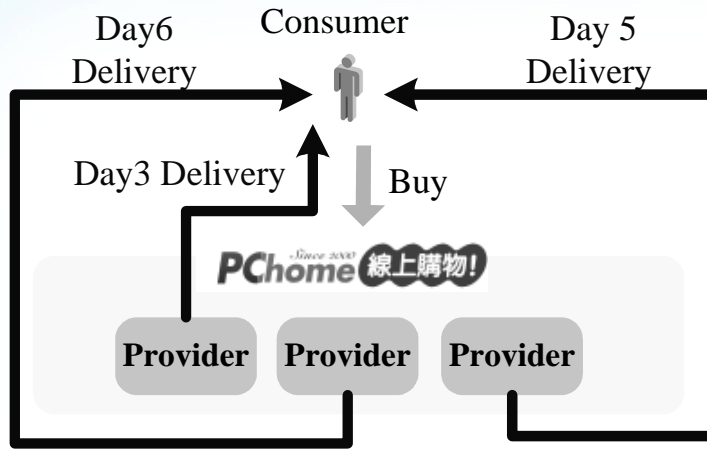
PChome ONLINE 24h購物

- Launched : 2007.01
- <http://24h.pchome.com.tw>
- Service Model: Consignment in-stock central warehouse
- Items : 1,310,292 ('13.02)
- On time rate : 99.67%
- 24 hrs delivery guarantee



Before

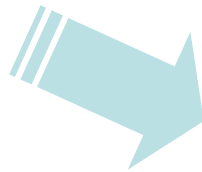
Traditional e-Commerce Model



(Order transfer model)

PChome 線上購物!

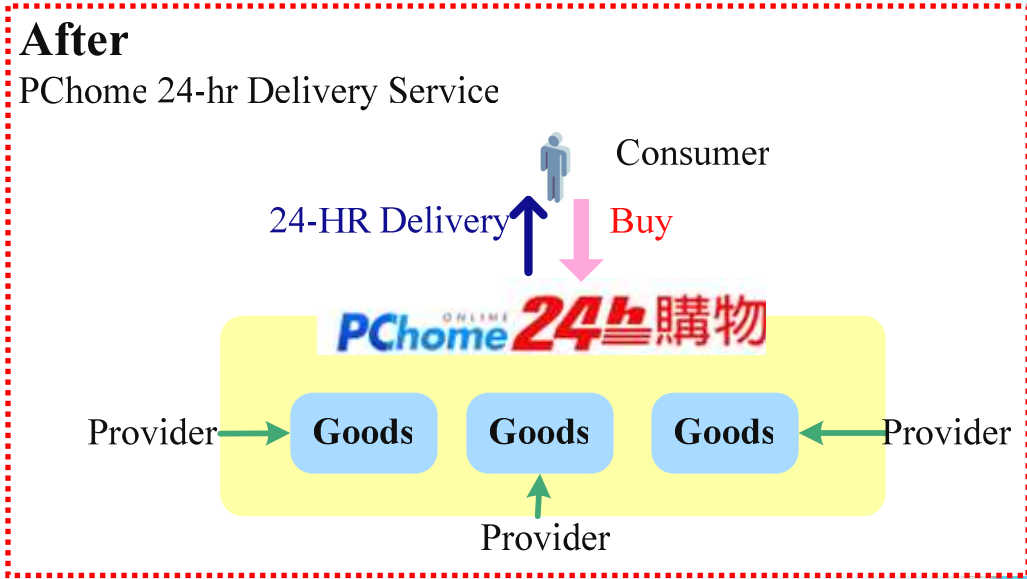
Products shipped by variety of providers



After

PChome 24-hr Delivery Service

ONLINE PChome 24h 購物
Products shipped by PChome within 24hrs



PChome 24h Shopping On Time Delivered :99.67%



訂單零時差

庫存零時差

出貨零時差



Marketplace Highlight

- ***PChome Store***
- ***Ruten Auction***



PCStore Inc.



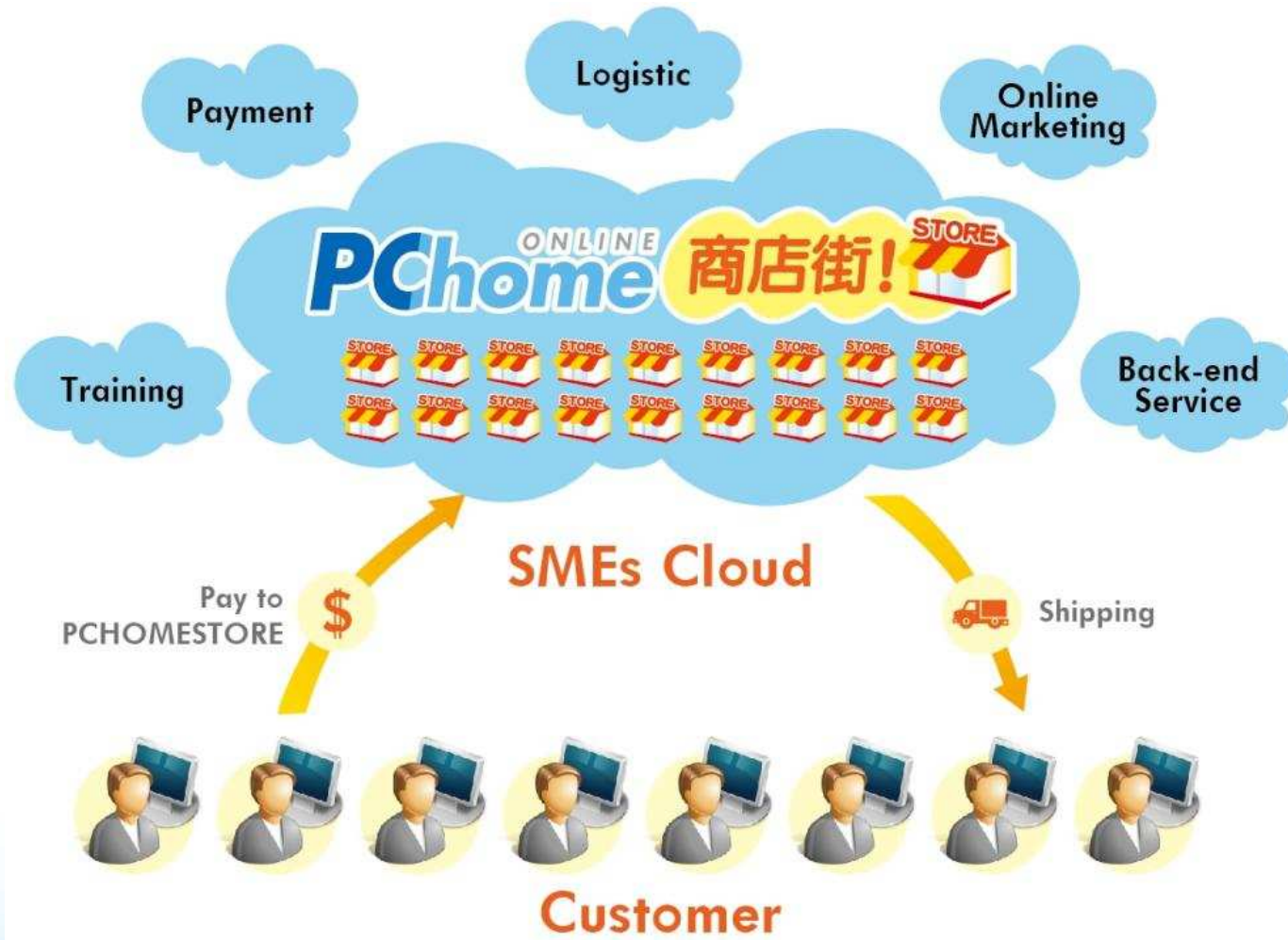
PChome ONLINE 商店街! STORE
<http://store.pchome.com.tw>

- IPO in Apr. 2011 (4965-TT)
- Service launched: 2005.10
- <http://www.pcstore.com.tw>
- # of Stores: 13,356 ('13,02)
- # of items : 5,139,612 ('13,02)
- HQ location: Taipei, Taiwan
- Employee : 125

ONLINE
PChome



PCStore SME E-commerce Cloud



PCstore Revenue Model

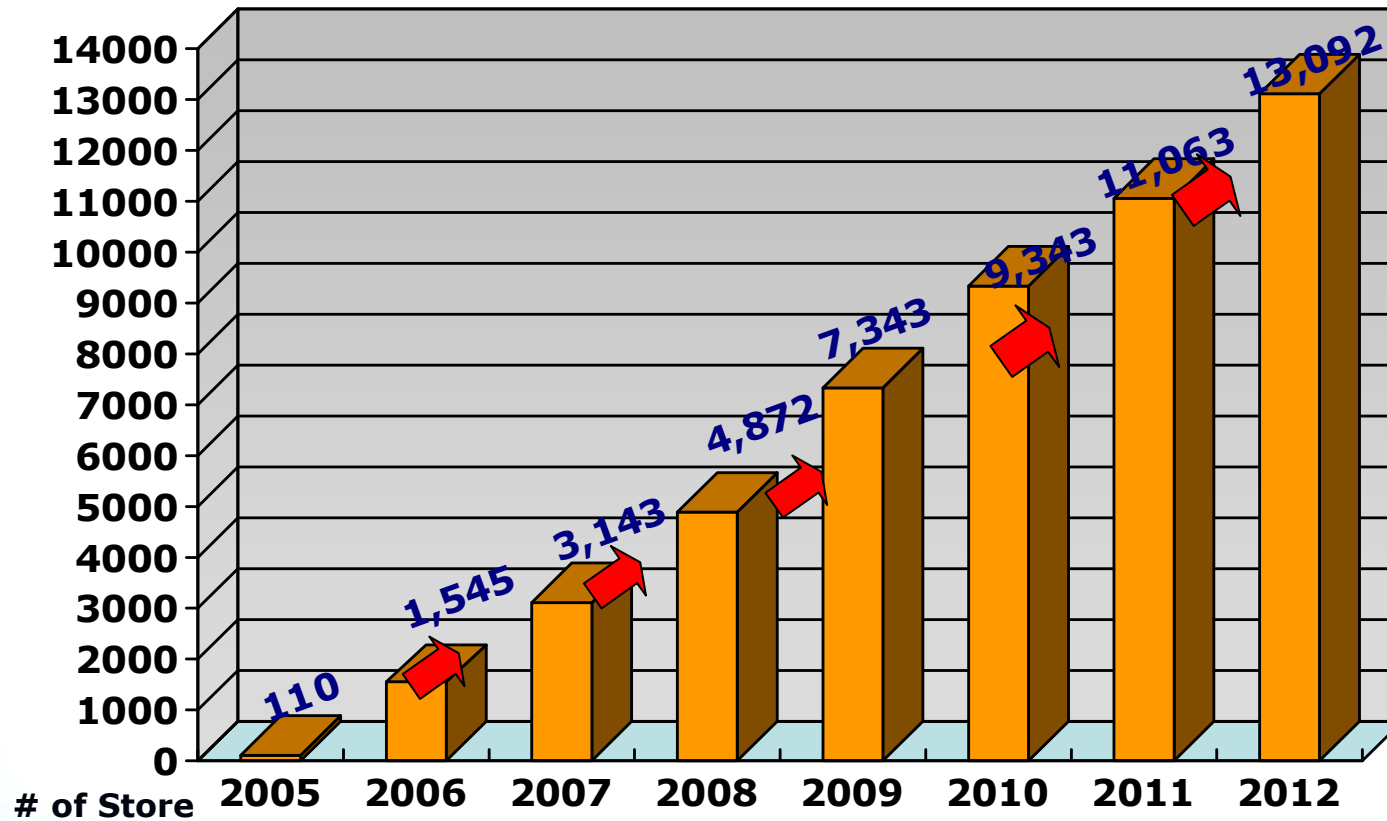
Online Store Set-up Fee (one-time charge)	Annual maintenance Fee	Sales Commission (by orders)	Value-add Service	Payment Methods
NT\$36,000	NT \$3,000 (2nd year and after) For new register stores after Nov. 2011	2% (5% after 2nd year)* + payment surcharge	NT\$50~ NT\$5,000 (Web Ads and extension courses)	ATM Credit Card CVS Kiosk COD

(2013.01)

*new rate effective by Sep 2012.



of Stores 2005 – YTD (Concurrent)



Ruten Auction




- Established : 2006.09
- PChome holding 65%
- # of Listing : 42,364,452('13,02)
- Business model: final value fee, advertisement
- Final value fee: 1.5% (Since '09.11)
- # of seller : Over 700,000
- # of web member: Over 6Mn



Subsidiary - New Investment



New Investment Updates

Company	Business/ Market	Investment Amount	Service/ business Launch	2012 1-3Q Operating loss
 (2011. Q3)	Online retailing / USA	USD \$4Mn	2012. Apr.	NTD \$50Mn
 (2011.Q2)	O2O Group buying / Taiwan	PChome: NTD \$ 25Mn PCStore: NTD \$ 30Mn	2011.Sep	
 (2011.Q4)	Online escrow payment / Taiwan	PChome: NTD \$ 50Mn Ruten: NTD \$ 24Mn	2012.Mar.	



Financial Update

2012 Quarterly Income Statement (Consolidated)

Consolidated NTD :000	2012 1Q	%	2012 2Q	%	2012 3Q	%
Revenue	<u>3,795,600</u>	100.0%	<u>3,559,036</u>	100.0%	<u>3,811,110</u>	100.0%
Gross Margin	659,258	17.4%	634,438	17.8%	673,663	17.7%
Operating Expense	527,612	13.9%	539,328	15.2%	570,721	15.0%
marketing Expense	419,325	11.0%	435,251	12.2%	467,971	12.3%
Aministration expense	78,428	2.1%	68,004	1.9%	68,269	1.8%
R&D expense	29,859	0.8%	36,073	1.0%	34,481	0.9%
Operating Income	131,646	3.5%	95,110	2.7%	102,942	2.7%
Net non-operating income	619	0.0%	8,415	0.2%	4,082	0.1%
Net income before tax	<u>132,265</u>	3.5%	<u>103,525</u>	2.9%	<u>107,024</u>	2.8%
Tax	(19,006)		(10,654)		(14,534)	
Net income after tax	<u>113,259</u>	3.0%	<u>92,871</u>	2.6%	<u>92,490</u>	2.4%

2012 vs 2011 1-3Q Income Statement

(Consolidated)

Consolidated					
NTD :000	2012 1-3Q	%	2011 1-3Q	%	Variance
Revenue	11,165,746	100.0%	10,062,192	100.0%	11.0%
Gross Margin	1,967,359	17.6%	1,716,477	17.1%	14.6%
Operating Expense	1,637,661	14.7%	1,376,079	13.7%	19.0%
marketing Expense	1,322,547	11.8%	1,091,417	10.8%	21.2%
Aministration expense	214,701	1.9%	203,836	2.0%	5.3%
R&D expense	100,413	0.9%	80,826	0.8%	24.2%
Operating Income	329,698	3.0%	340,398	3.4%	-3.1%
Net non-operating income	13,116	0.1%	13,775	0.1%	-4.8%
Net income before tax	342,814	3.1%	354,173	3.5%	-3.2%
Tax	(44,194)	-0.4%	(43,368)	-0.4%	1.9%
Net income after tax	298,620	2.7%	310,805	3.1%	-3.9%
Opening cash balance	2,882,263		1,891,457		
Closing cash balance	2,694,578		2,515,395		
Shareholders of parent company	273,584		297,548		
Minority Interest	25,036		13,257		



2012 vs 2011 1-3Q Balance Sheet

(Consolidated)

Consolidated Balance Sheet	2012 9.30	%	2011 9.30	%
NTD:000				
Current Assets	3,642,111	91%	3,282,094	91%
Current Assets-Cash	2,694,578	67%	2,515,395	70%
Fund and Long Term Investments	82,317	2%	83,881	2%
Fixed Assets	219,355	5%	164,574	5%
Intangible Assets	552	0%	289	0%
Other Assets	57,480	1%	57,612	2%
Total Assets	4,001,815	100%	3,588,450	100%
Current Liabilities	2,266,574	57%	2,123,452	59%
Long Term Liabilities	0	0%	0	0%
Other Liabilities	0	0%	0	0%
Total Liabilities	2,266,574	57%	2,123,452	59%
Shareholders' Equity				
Capital Stock:				
Common Stock	821,308	21%	692,439	19%
Capital Surplus:	176,861	4%	132,872	4%
Retained Earnings:	364,701	9%	350,568	10%
Other Adjustments to Stockholders' Equity	(600)	0%	618	0%
Total Parent Company's Shareholders' Equity	1,362,270	34%	1,176,497	33%
Minority Interest	372,971	9%	288,501	8%
Total Shareholders' Equity	1,735,241	43%	1,464,998	41%
Total Liabilities and Shareholders'	4,001,815	100%	3,588,450	100%

Thank you

