

PChome Group Company Overview



Company Profile

- Established: July 1998
- Public listing: Jan 2005(stock symbol:8044-TT)
- Current MarketCap: NTD \$20.7Bn(USD \$692Mn)
- Main business: e-commerce
- HQ location: Taipei, Taiwan
- Business location: Primary Taiwan
- Founder:



Hung Tze Jan
Chairman



Arthur Lee
CEO

PChome Group Milestone



History

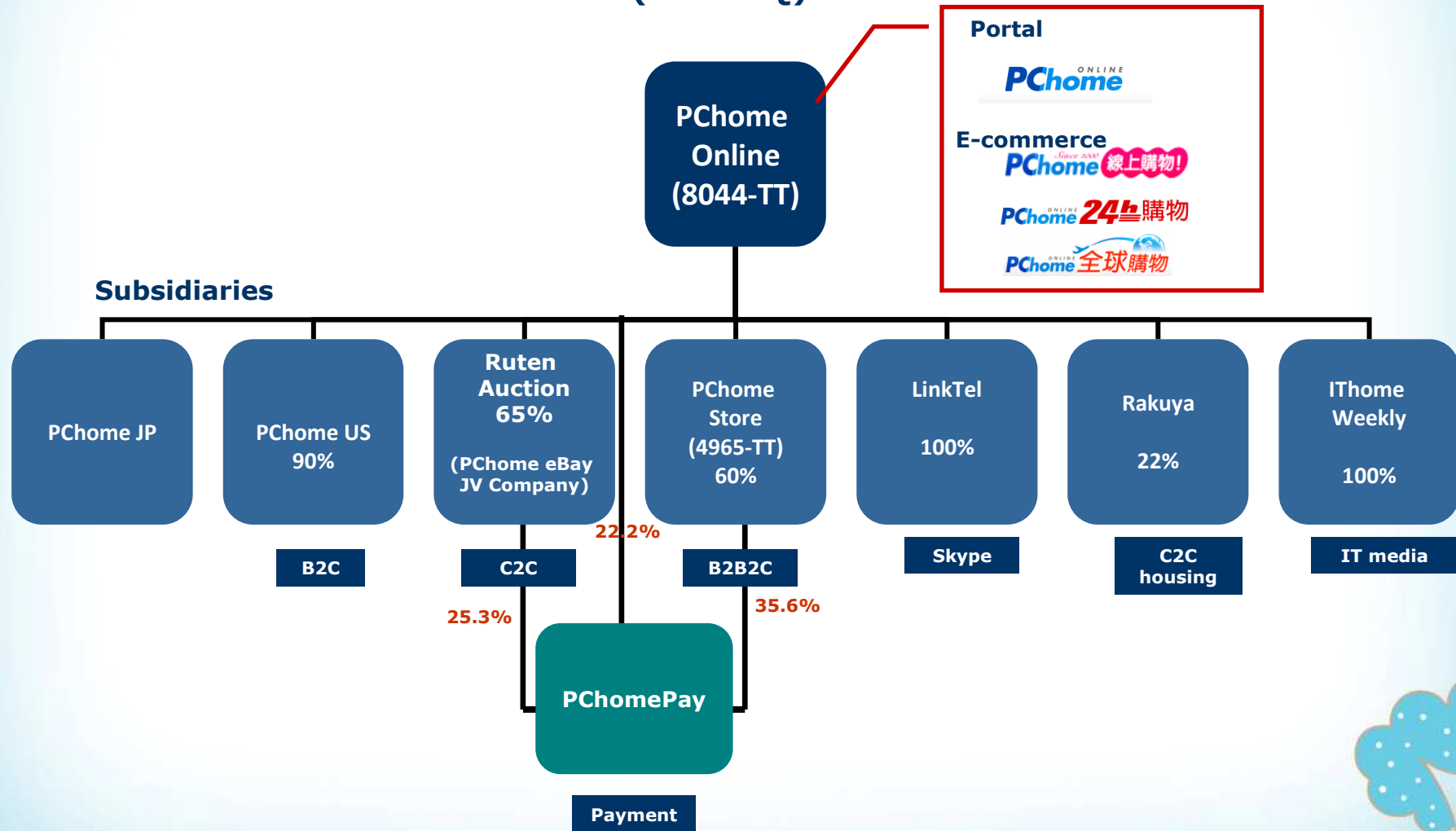
- 1998**
 - **1998.07**
Established, Chairman H.T Jan, CEO Arthur Lee, provided portal services.
- 2000**
 - **2000.06**
Rolled out online shopping channel, started from 3C products.
- 2002**
 - **2004.07**
Cooperated with Skype, rolled out "PChome Skype".
- 2004**
 - **2005.01**
IPO- 網家(8044-TT)
 - **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).,"
- 2012**
 - **2012.4**
Rolled Out "PChomePay" online payment service
PChome US shopping site launched
- 2014**
 - **2014.5**
PChome USA marketplace site launched

ONLINE
PChome



PChome Group Structure

(2014 1Q)



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



Online Retailing Business Highlight





PChome 24h Shopping Overview



ONLINE **PChome 24h** 購物

Once an order has been placed on the website, the delivery will be made within 24 hrs

- Launched : 2007.01
- <http://24h.pchome.com.tw>
- Service Model: Consignment in-stock central warehouse
- SKU : over 1,000,000
- Warehouse: 4
- On time rate : 99.68%
- 24 hrs delivery guarantee
- Taipei city 6hrs delivery (2013.Dec)

ONLINE
PChome



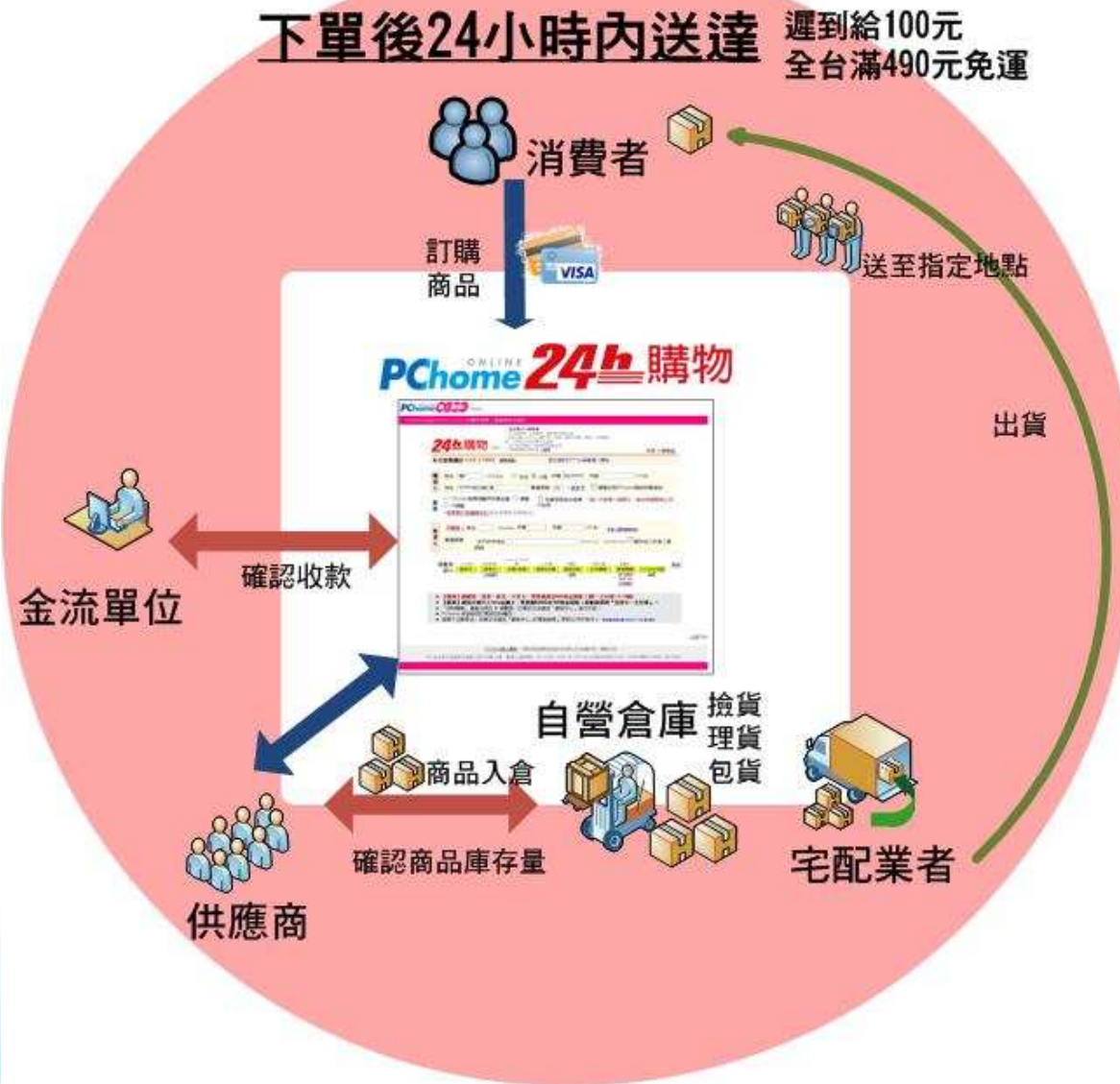
PChome shopping

Traditional Order transfer model

轉單模式：購買後3-7天到貨



PChome 24h Shopping Consignment Model



24h Shopping on-time delivery % : 99.68%



▶ 訂單查詢

訂單編號	日期	總價	訂單狀態	付款	配送狀態	發票	其他	24h說明	客服
20110603003813	2011/06/03	\$1,197	訂單成立	信用卡一次付清 (尚未請款)	配送狀態	發票內容	詳	24小時內到貨	問題查詢 問答紀錄
收到訂單 11:14		檢貨 11:24	理貨 11:47	出貨 11:57	已送達 16:42	最晚 1:14到 06/04	說明	逾時申訴	
01	SKIN 1000 BB霜40 (商品ID: DD1148-A55615827-000) 檢視商品頁快照				1件	\$399	05/03 出貨 黑貓 0209604362	-	退訂 購買證明
02	Avalon 薰衣草舒緩洗面凝膠(200ml) (商品ID: DDAO1N-A39760838-000) 檢視商品頁快照				1件	\$399	06/03 出貨 黑貓 0209604362	-	退訂 購買證明
Avalon 有機薰衣草沐浴凝膠(355mlx2入) (商品ID: DBAF2K-155216744-000) 檢視商品頁快照 (內含以下商品:)					1件	\$399	06/03 出貨 黑貓 0209604362	-	退訂 -
03	Avalon 薰衣草沐浴凝膠(355ml) (商品ID: DBAF2K-A50040322-000)				-	-	-	-	購買證明
04	Avalon 薰衣草沐浴凝膠(355ml) (商品ID: DBAF2K-A50040322-000)				-	-	-	-	購買證明



Pick, Pack and Deliver



Real-time order, Stock & Delivery



Subsidiaries

Marketplace Highlight

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

Payment Service Highlight

- ***PChome Pay***

PChomeStore Inc.



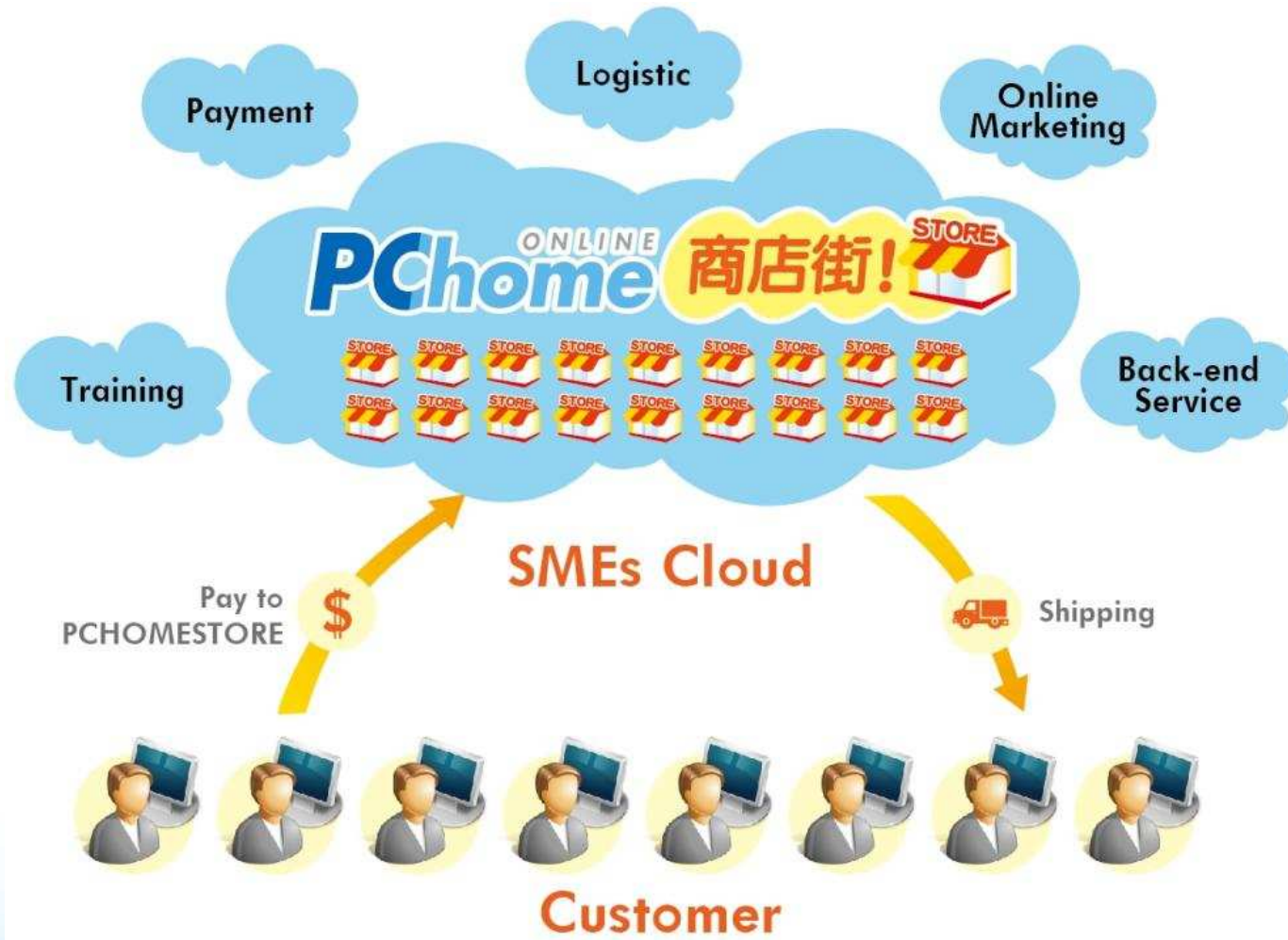
PChome ONLINE 商店街! STORE
<http://store.pchome.com.tw>

- IPO in Apr. 2011 (4965-TT)
- Service launched: 2005.10
- <http://www.pcstore.com.tw>
- # of Stores: 16,906 ('14,06)
- # of items: 17,475,702 ('14,06)
- HQ location: Taipei, Taiwan
- Employee : 125

ONLINE
PChome



PCStore SME E-commerce Cloud

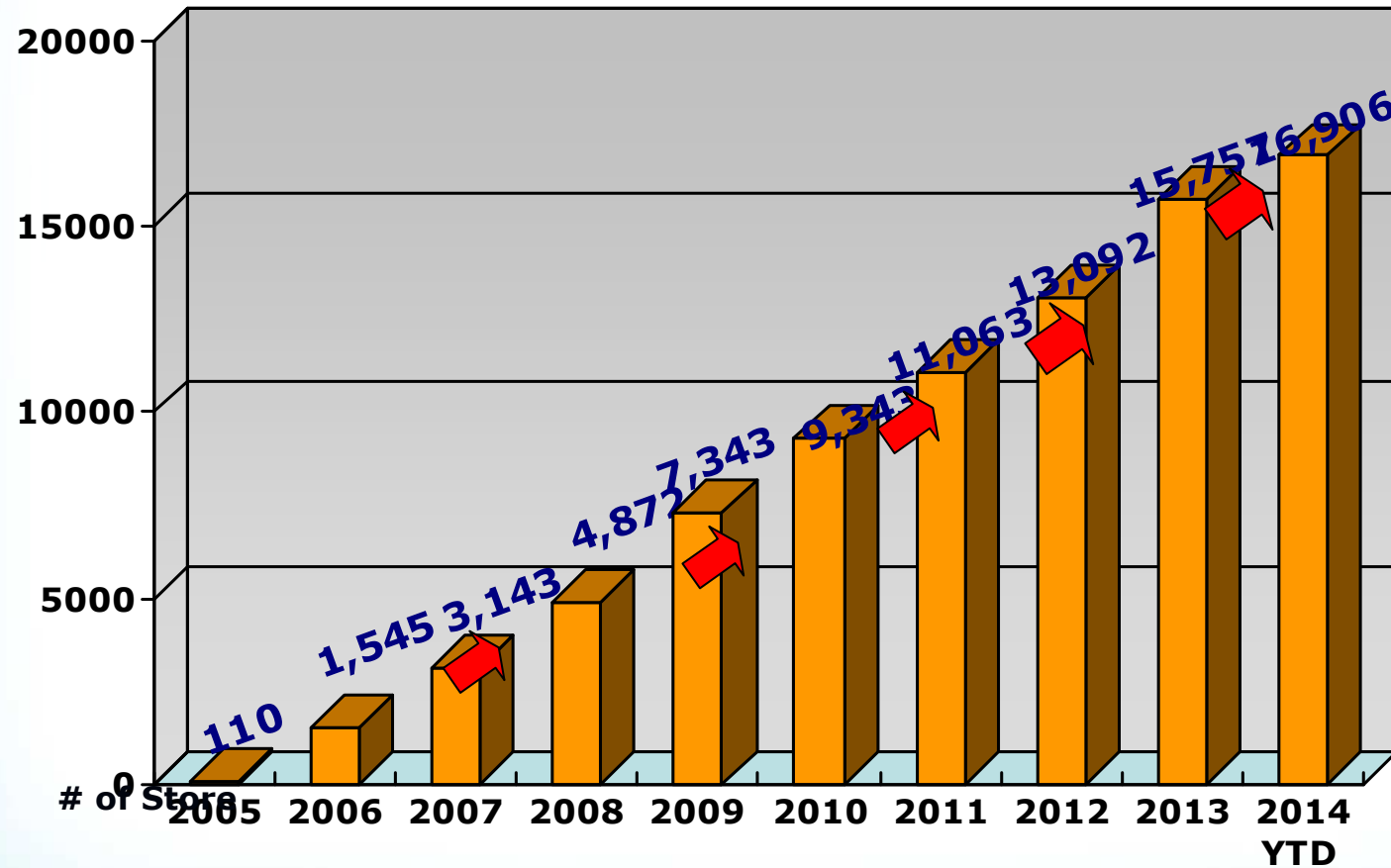


PCstore Revenue Model

Online Store Set-up Fee (one-time charge)	Annual maintenance Fee	Sales Commission (by orders)	Value-add Service	Payment Methods
NT\$40,000	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

(2014.01)

of Stores 2005 – YTD (Concurrent)



Ruten Auction

ONLINE
PChome

+ **eBay**

=

露天拍賣
a PChome & eBay JV
Beta Version

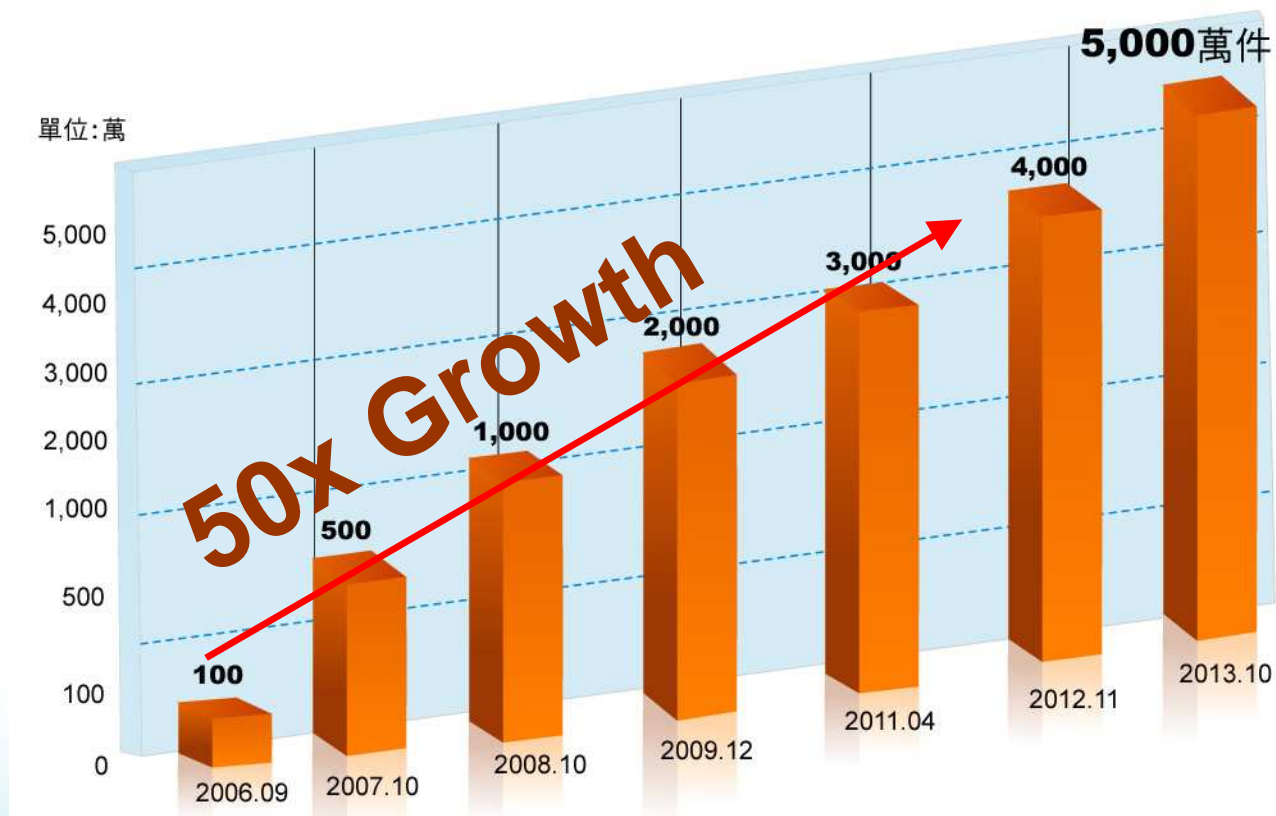
- Established : 2006.09
- PChome holding 65%
- # of Listing : 58,477,582('14,06)
- Business model: final value fee, advertisement
- Final value fee: 1.5% (Since '09.11)
- # of seller : Over 1,000,000
- # of web member: Over 7Mn

ONLINE
PChome



Listing is Power

Live Listings | **50X Growth in 7 Years**



ONLINE
PChome



Taiwan x Ruten

No. 1 Listing per capita Of the
World

2.15 listing /Person



Ruten Auction Service Flow



Third Party Payment Highlight

- PChome Pay***



Payment Subsidiary Profile



- Founded : 2011.8
- Position : 3rd party payment service
- Current Paid-in Capital : NTD\$ 450 Million
- Current Service: ATM escrow, Credit card payment, Credit card installment

Operating Facts

Service

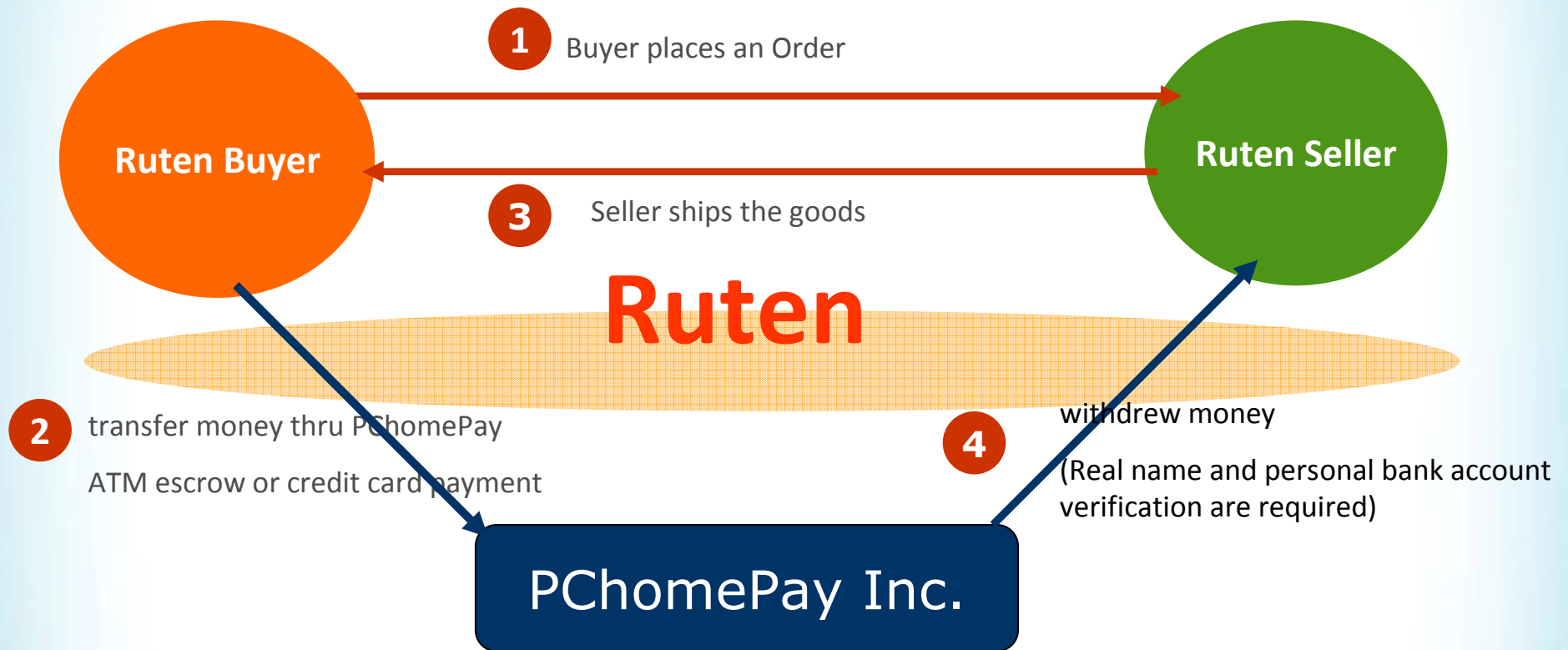
- ATM escrow: Mar. 2012
- Credit card payment: Apr.2013
- Credit card installment: Jan. 2014

Current penetration status on Ruten

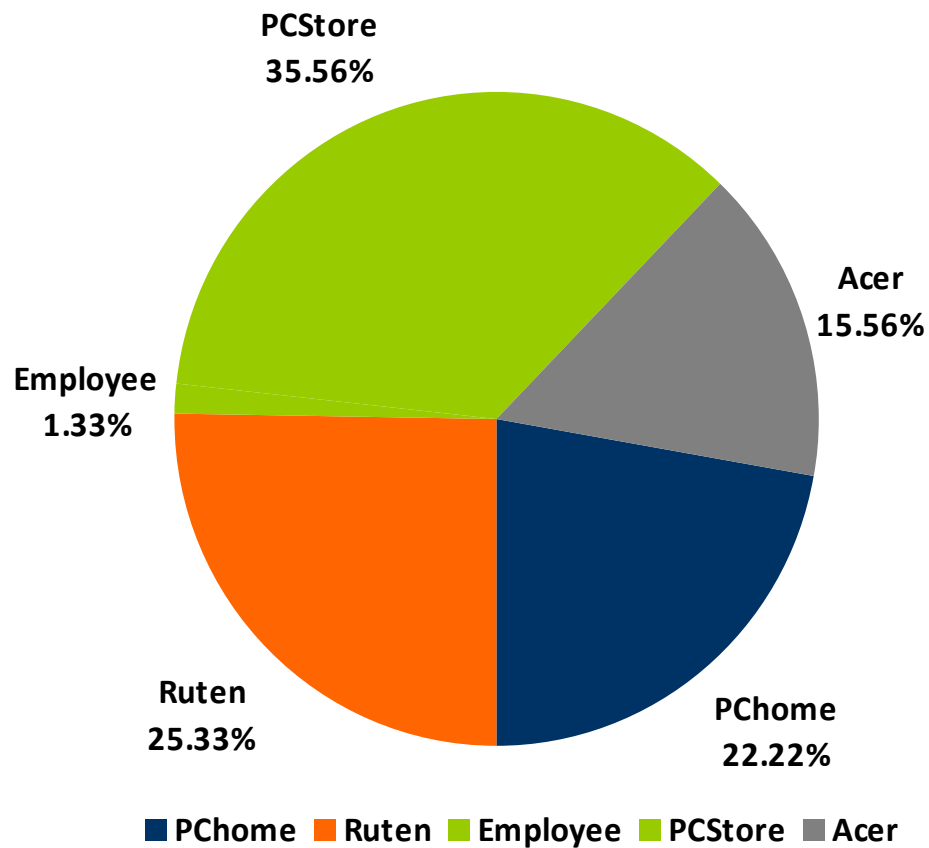
- # of listing provide PChomePay (ATM& Credit card) : 28,000,000
- # of listing provide PChomePay Credit card: 10,000,000
- # of listing provide PChomePay Credit card installment : 2,800,000



PChomePay & Ruten Service Flow



PChomePay Shareholder Structure



Paid-in Capital:NTD \$450 million

(PChome's consolidated shareholdings percentage is 59.99%)



Financial Update

2013 vs 2012 Income statement (IFRS-consolidated)

NTD :000	2013	%	2012	%	Variance
Revenue	16,309,196	100.0%	14,708,974	100.0%	10.9%
Gross Margin	2,780,009	17.0%	2,424,603	16.5%	14.7%
Operating Expense	2,116,355	13.0%	1,940,691	13.2%	9.1%
marketing Expense	1,634,918	10.0%	1,518,050	10.3%	7.7%
Aministration expense	331,340	2.0%	289,389	2.0%	14.5%
R&D expense	150,097	0.9%	133,252	0.9%	12.6%
Operating Income	663,654	4.1%	483,912	3.3%	37.1%
Net non-operating income	25,324	0.2%	11,780	0.1%	115.0%
Net income before tax	688,978	4.2%	495,692	3.4%	39.0%
Net income after tax	547,510	3.4%	427,667	2.9%	28.0%
Attributable to					
Shareholders of parent company	506,756	3.1%	392,575	2.7%	
Minority Interest	40,754	0.2%	35,092	0.2%	
Opening cash balance	2,929,153		2,887,802		
Closing cash balance	3,781,417		2,929,153		

2013 vs 2012 Balance Sheet

(IFRS-Consolidated)

	2013.12.31		2012.12.31	
Cash and cash equivalents	3,859,455	73	2,929,153	68
Notes receivable, net	4,861	0	9,168	0
Accounts receivable, net	348,961	7	362,673	8
Other receivables	155,021	3	140,289	3
Inventories, net	330,260	6	263,884	6
Other financial assets-current	215,011	4	218,111	5
Other current assets	16,285	0	13,516	0
CURRENT ASSET	4,929,854	93	3,936,794	92
NON CURRENT ASSET	344,004	7	360,320	8
TOTAL ASSETS	5,273,858	100	4,297,114	100
Short-term debt	-	-	-	-
CURRENT LIABILITIES	3,110,187	59	2,429,695	57
NON CURRENT LIABILITIES	17,639		14,923	
TOTAL LIABILITIES	3,127,826	59	2,444,618	57
Common stock	822,448	16	822,448	19
Capital surplus	61,834	1	55,977	1
Retained earnings	-	-	-	-
Legal reserve	131,548	2	92,383	2
Special reserve	1,155	0	-	-
Retained earnings-unappropriated	722,216	14	501,745	12
Other Equity				
Exchange differences on translation of foreign operations (7)	-0 (1,011)	-0
Total owners' equity attributable to equity holders of the parent company	1,739,194	33	1,471,542	34
Non-controlling Interest	406,838	8	380,954	9
TOTAL STOCKHOLDERS' EQUITY	2,146,032	41	1,852,496	43
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5,273,858	100	4,297,114	100
Book value per share	26.09		22.52	



2014 vs 2013 Q1 Income statement (IFRS-consolidated)

NTD :000	2014 1Q	%	2013 1Q	%	Variance
Revenue	4,794,166	100.0%	3,914,068	100.0%	22.5%
Gross Margin	825,254	17.2%	645,806	16.5%	27.8%
Operating Expense	605,500	12.6%	496,799	12.7%	21.9%
marketing Expense	453,807	10.3%	383,932	9.8%	18.2%
Aministration expense	107,271	1.1%	77,634	2.0%	38.2%
R&D expense	44,422	0.6%	35,233	0.9%	26.1%
Operating Income	219,754	4.6%	149,007	3.8%	47.5%
Net non-operating income	6,952	0.1%	4,929	0.1%	41.0%
Net income before tax	226,706	4.7%	153,936	3.9%	47.3%
Net income after tax	186,523	3.9%	126,125	3.2%	47.9%
Attributable to					
Shareholders of parent company	165,684	3.5%	116,595	3.0%	
Minority Interest	20,839	0.4%	9,530	0.2%	
Opening cash balance	3,859,455		2,929,153		
Closing cash balance	4,025,409		3,040,191		

2014 Group Develop Plan

- PChome : Warehouse & Fulfillment
- PChome Store : Web service & Personal store
- Ruten : Cross border trading & Advertisement
- PChomePay : Pre-Paid card & Cross border settlement

- Oversea expansion : US 、 China 、 JP
- New service



Thank you

