

# *PChome Group Company Overview*



# Company Profile

- Established: July 1998
- Public listing: Jan 2005(stock symbol:8044-TT)
- Current MarketCap: NTD \$26.1Bn( USD \$875Mn)
- 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



# PChome Group Structure

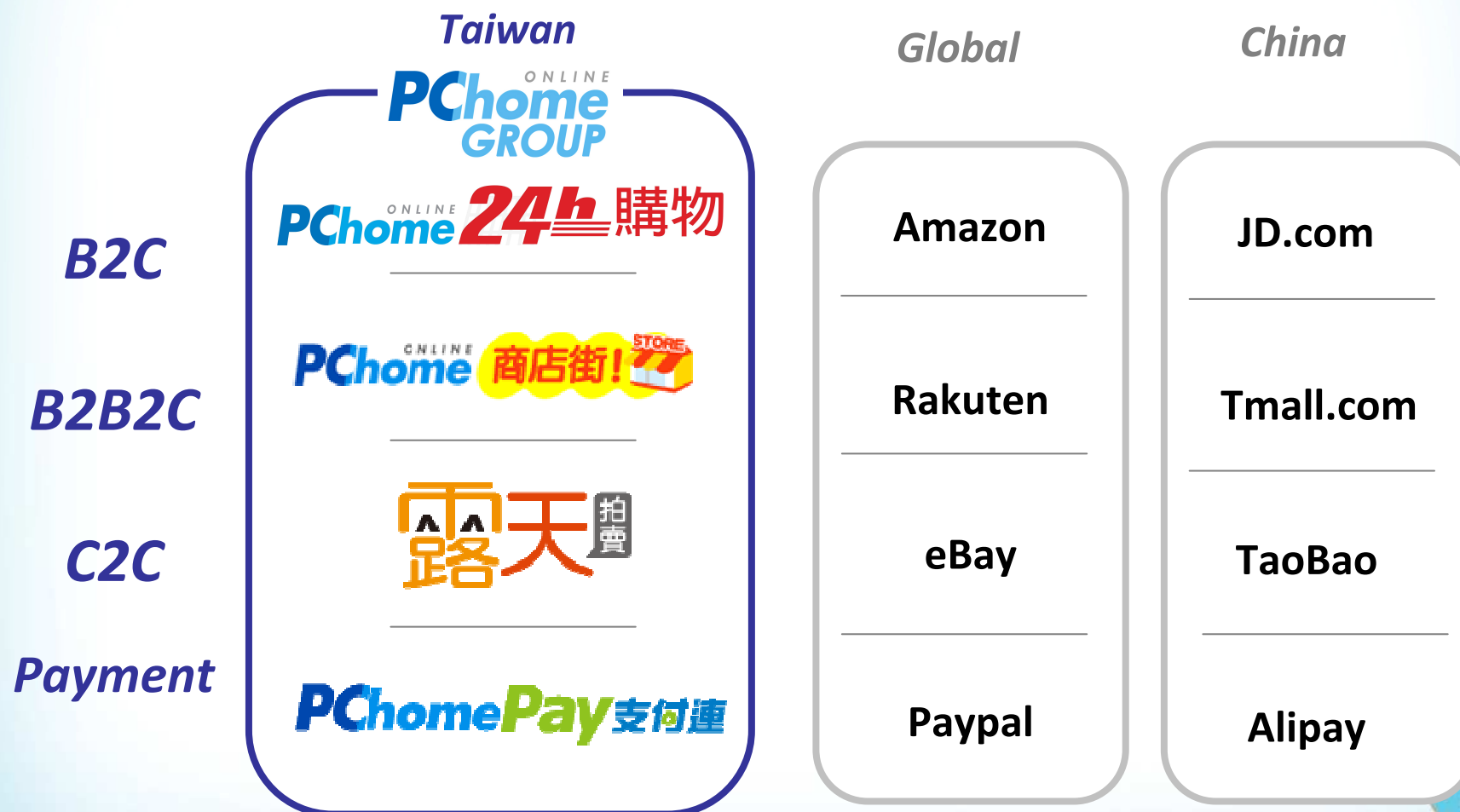
(2014 3Q)



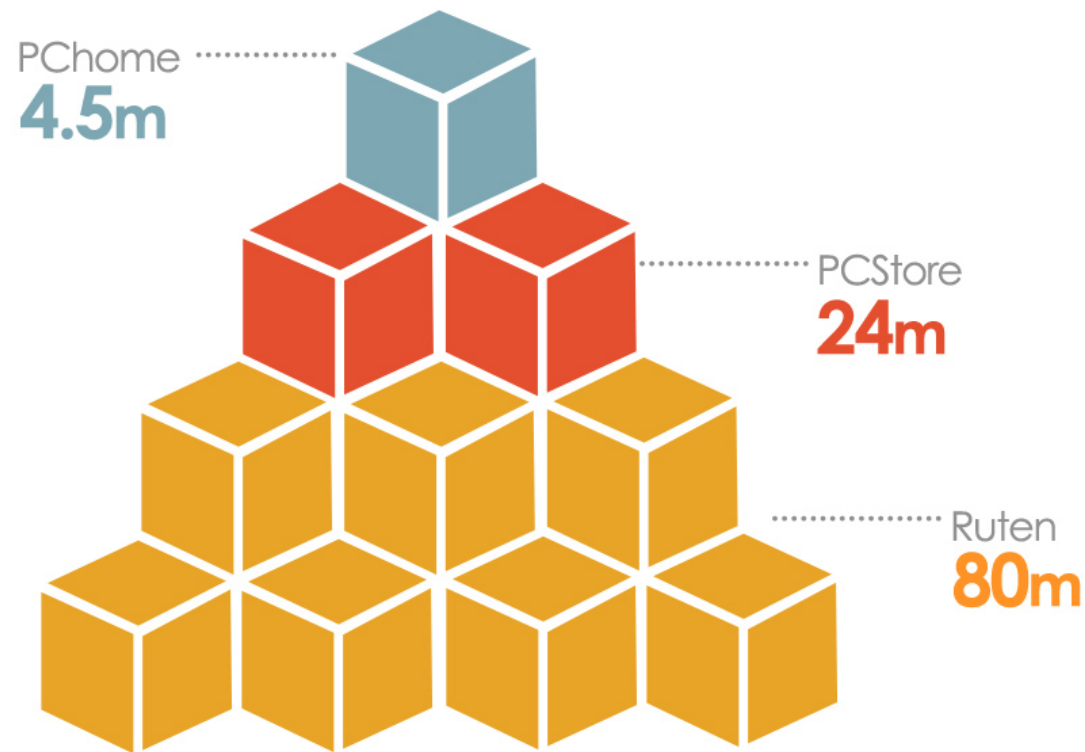
**PChome** ONLINE



# PChome Group Major Business Scope



# Over 100,000,000 listings in PChome Group



# ***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**

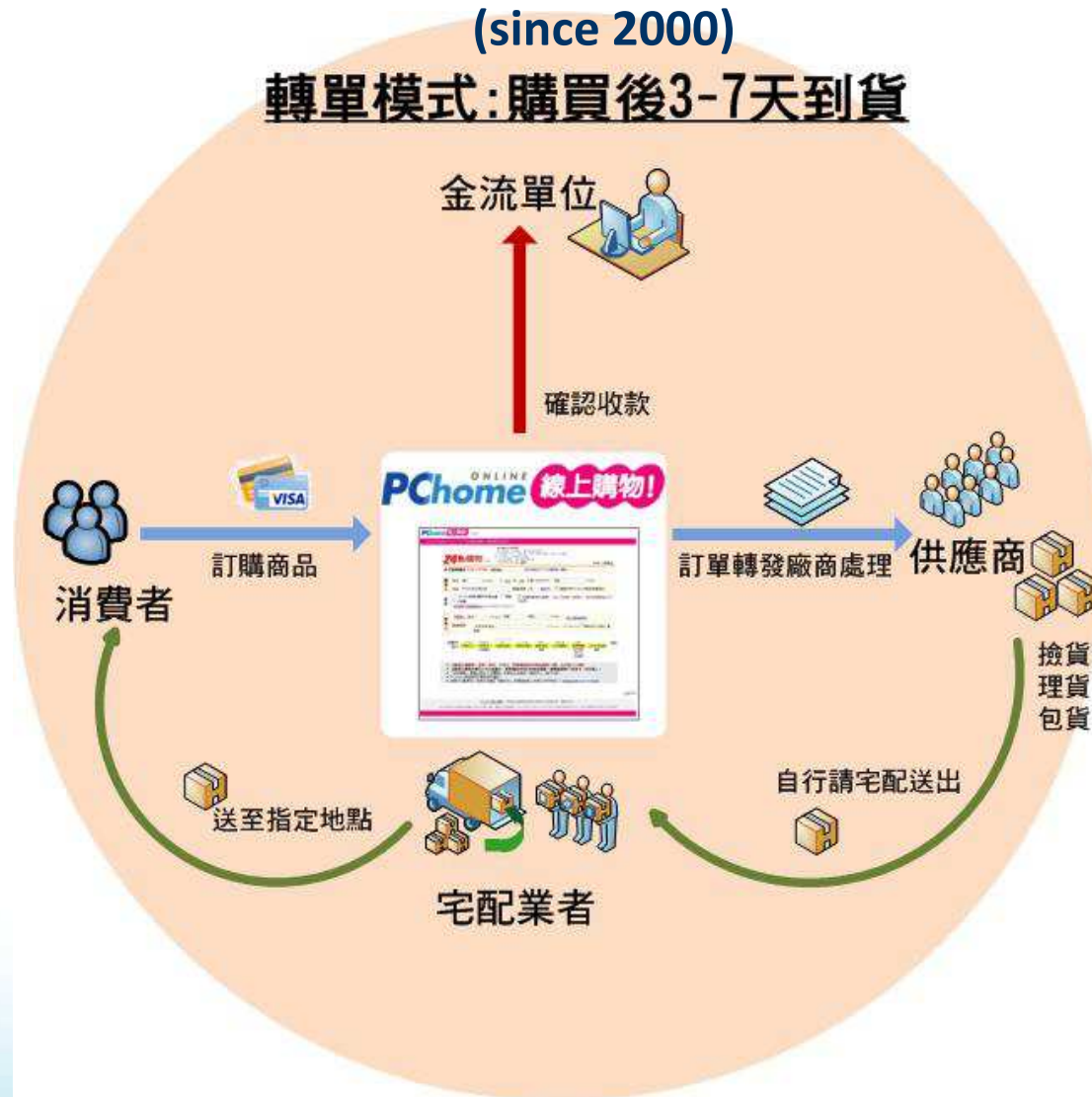


# PChome shopping

## Traditional Order transfer model

(since 2000)

**轉單模式：購買後3-7天到貨**

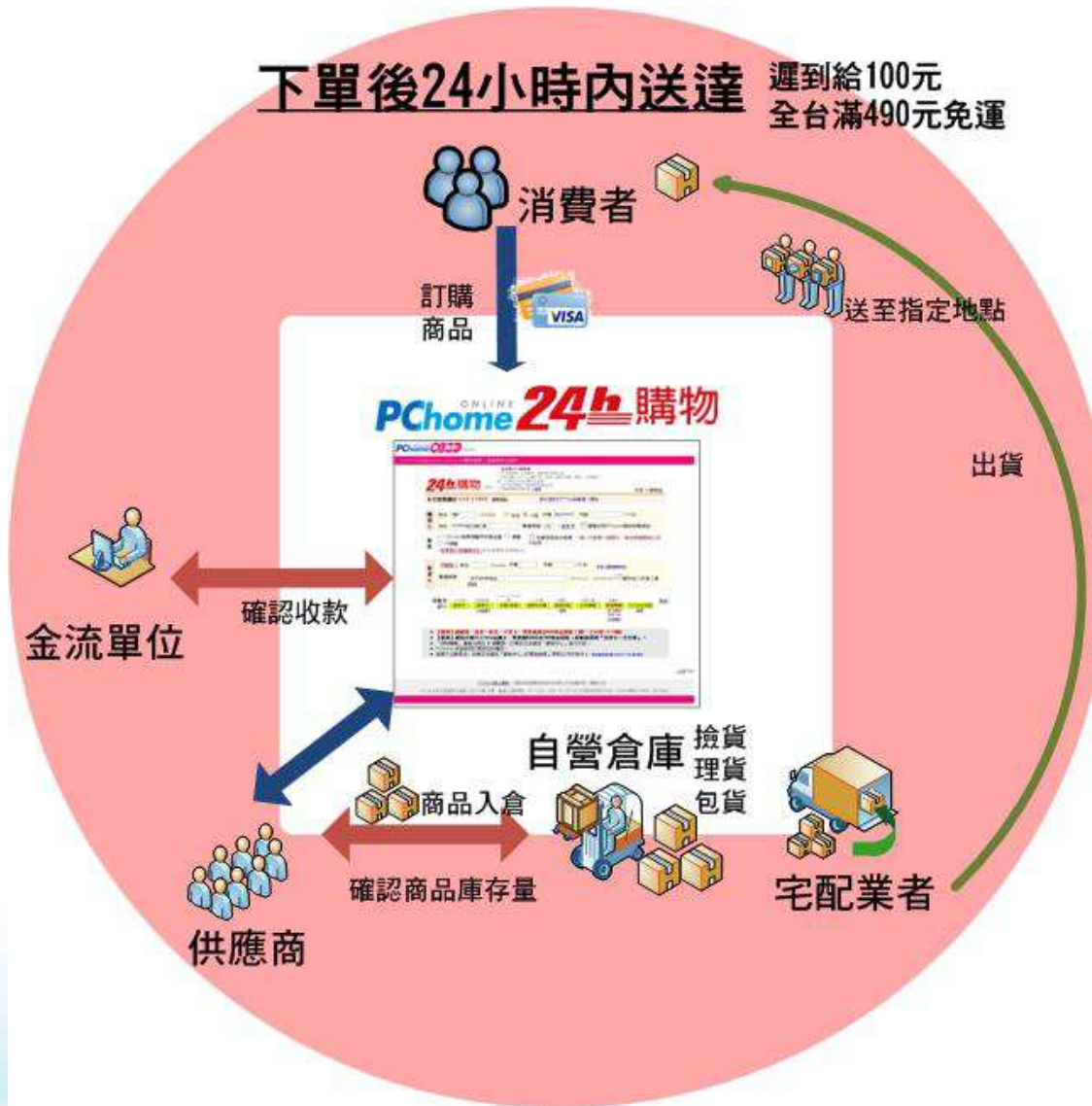


ONLINE  
PChome



# PChome 24h Shopping Consignment Model

(since 2007)



# 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	
20110603003873	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	<a href="#">問題查詢</a> <a href="#">問答紀錄</a>	
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 11:14 到 06/04	<a href="#">說明</a>	<a href="#">逾時申訴</a>	
01	- SKI 雙BB霜40 (商品ID: DDA01N-A55615127-000) <a href="#">檢視商品頁快照</a>				1件	\$399	06/03 出貨 <a href="#">黑貓 0209604362</a>	-	<a href="#">退訂</a>	<a href="#">購買證明</a>
02	- Avalon薰衣草舒緩洗面凝膠(200ml) (商品ID: DDA01N-A39760838-000) <a href="#">檢視商品頁快照</a>				1件	\$399	06/03 出貨 <a href="#">黑貓 0209604362</a>	-	<a href="#">退訂</a>	<a href="#">購買證明</a>
<b>Avalon有機薰衣草沐浴凝膠(355mlx2入)</b> (商品ID: DBAF2K-155216744-000) <a href="#">檢視商品頁快照</a> (內含以下商品:)					1件	\$399	06/03 出貨 <a href="#">黑貓 0209604362</a>	-	<a href="#">退訂</a>	-
03	- Avalon薰衣草沐浴凝膠(355ml) (商品ID: DBAF2K-A50040322-000)				-	-	-	-	-	<a href="#">購買證明</a>
04	- Avalon薰衣草沐浴凝膠(355ml) (商品ID: DBAF2K-A50040322-000)				-	-	-	-	-	<a href="#">購買證明</a>



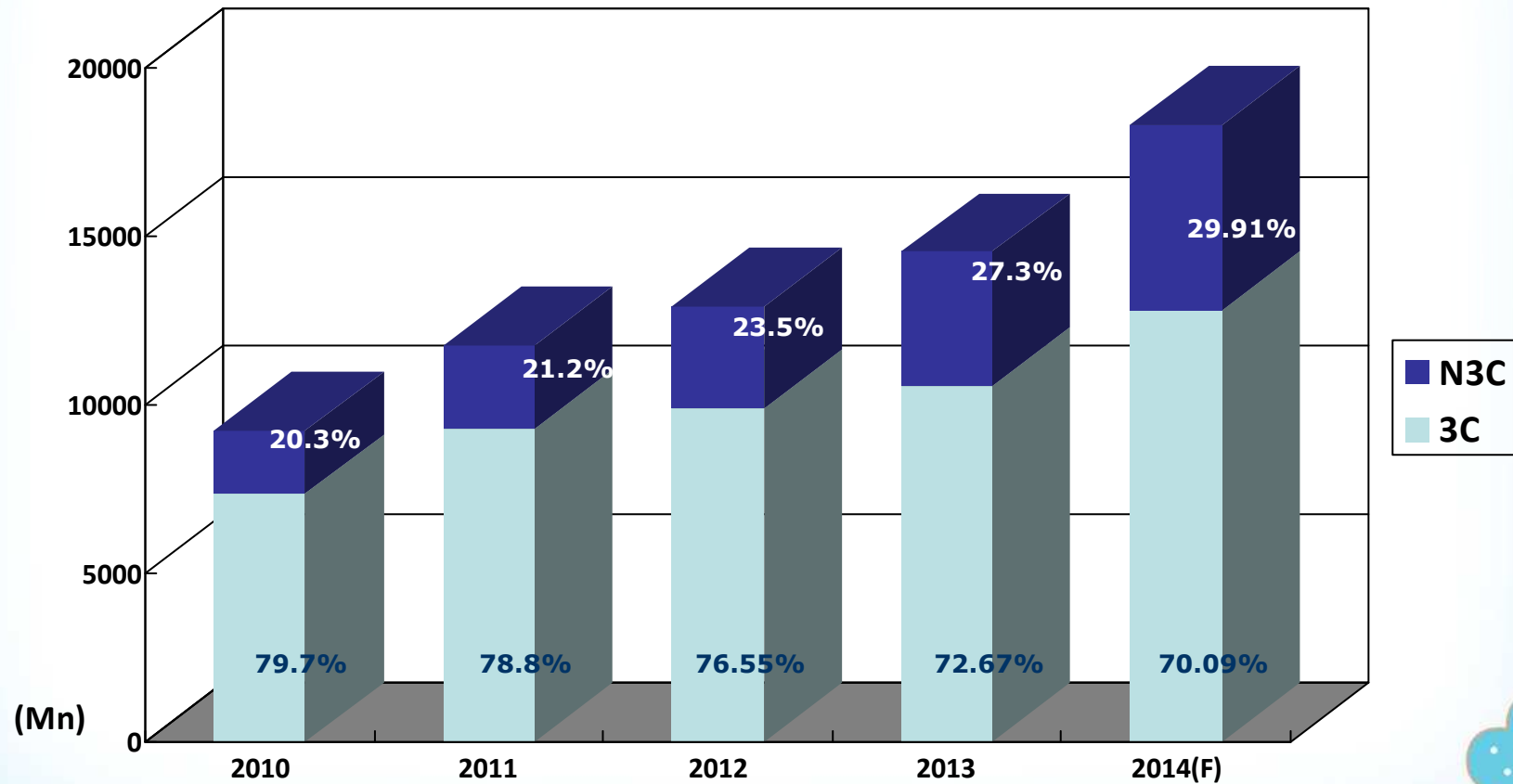
# Pick, Pack and Deliver



## *Real-time order, Stock & Delivery*



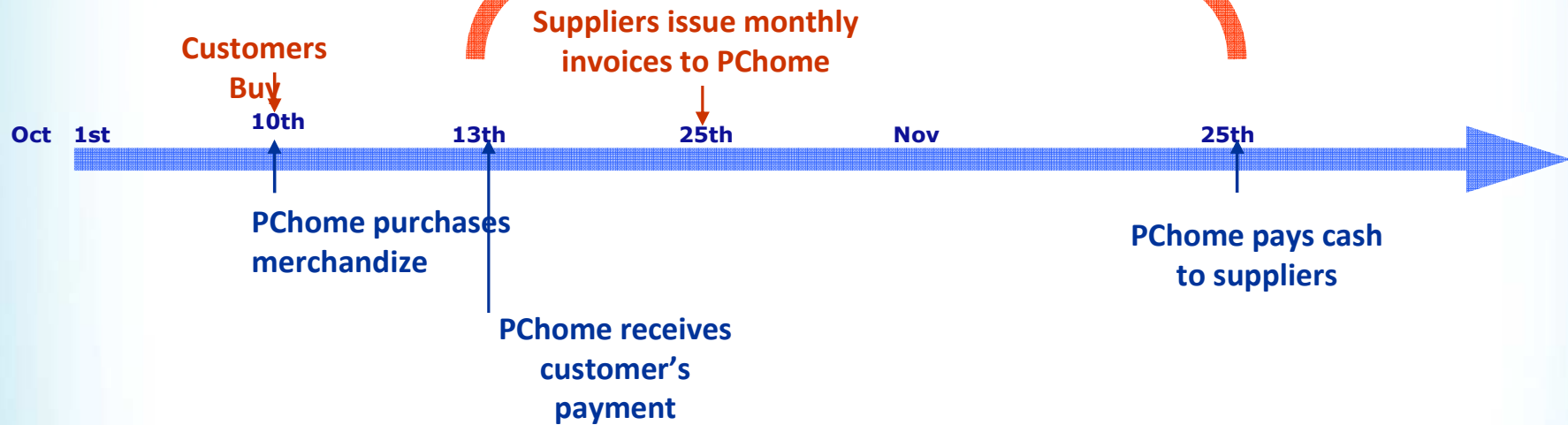
# 2010-2014 3Q 3C vs N3C Sales



# Negative Working Capital Cycle

35~38 days Negative Working Capital

Example:



ONLINE  
**PChome**



# ***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: 17,789 (11,'14)
- # of items: 25,935,026 (11,'14)
- HQ location: Taipei, Taiwan

ONLINE  
**PChome**



# PCStore SME E-commerce Cloud



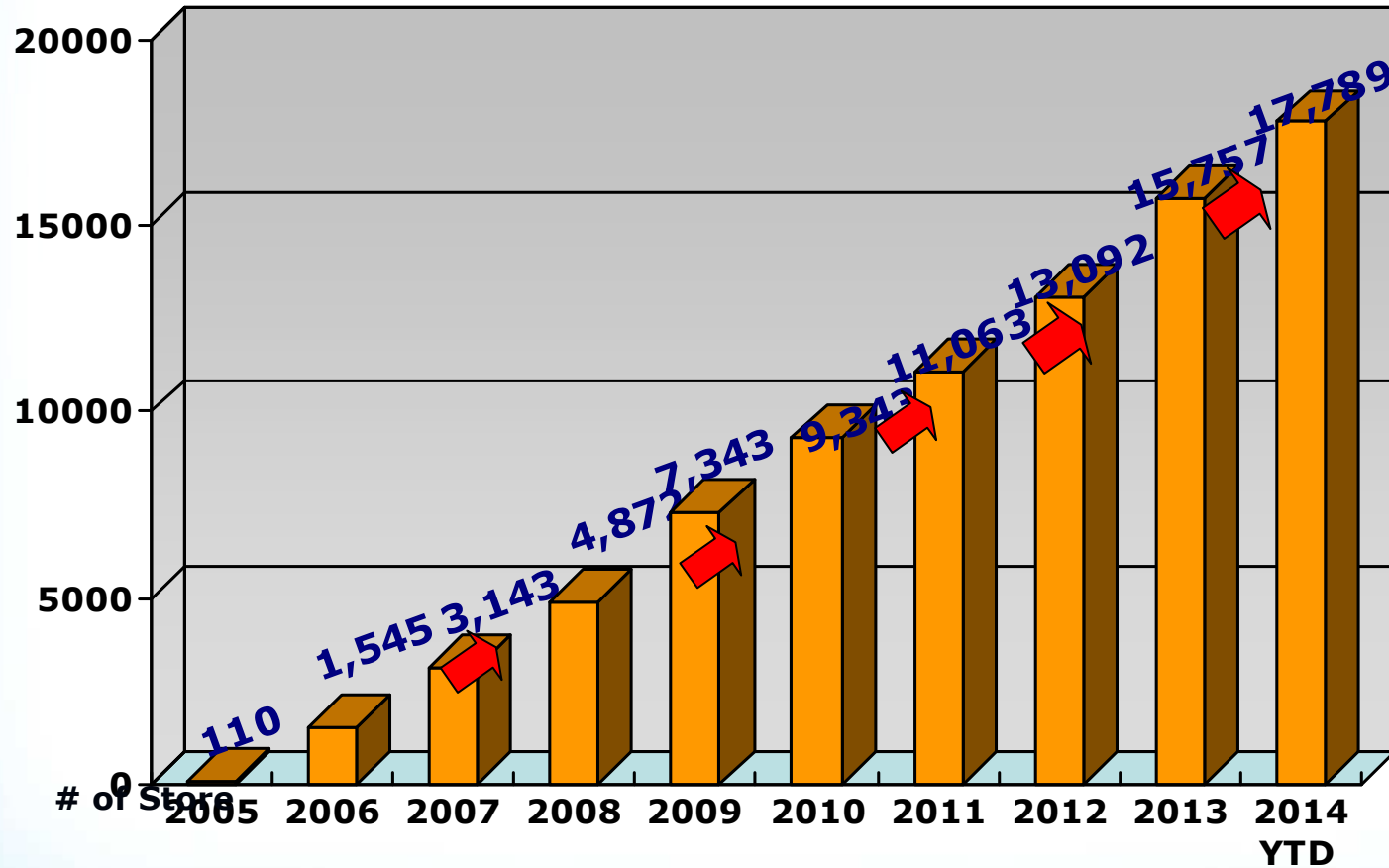
# PCstore Revenue Model

<b>Online Store Set-up Fee</b> (one-time charge)	<b>Annual maintenance Fee</b>	<b>Sales Commission</b> (by orders)	<b>Value-add Service</b>	<b>Payment Methods</b>
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 (*UnionPay, PChomePay+Ten pay)

(2014.10)



# # of Stores 2005 – YTD (Concurrent)



# Ruten Auction

PChome ONLINE

+ eBay

=

露天拍賣  
a PChome & eBay JV  
Beta Version

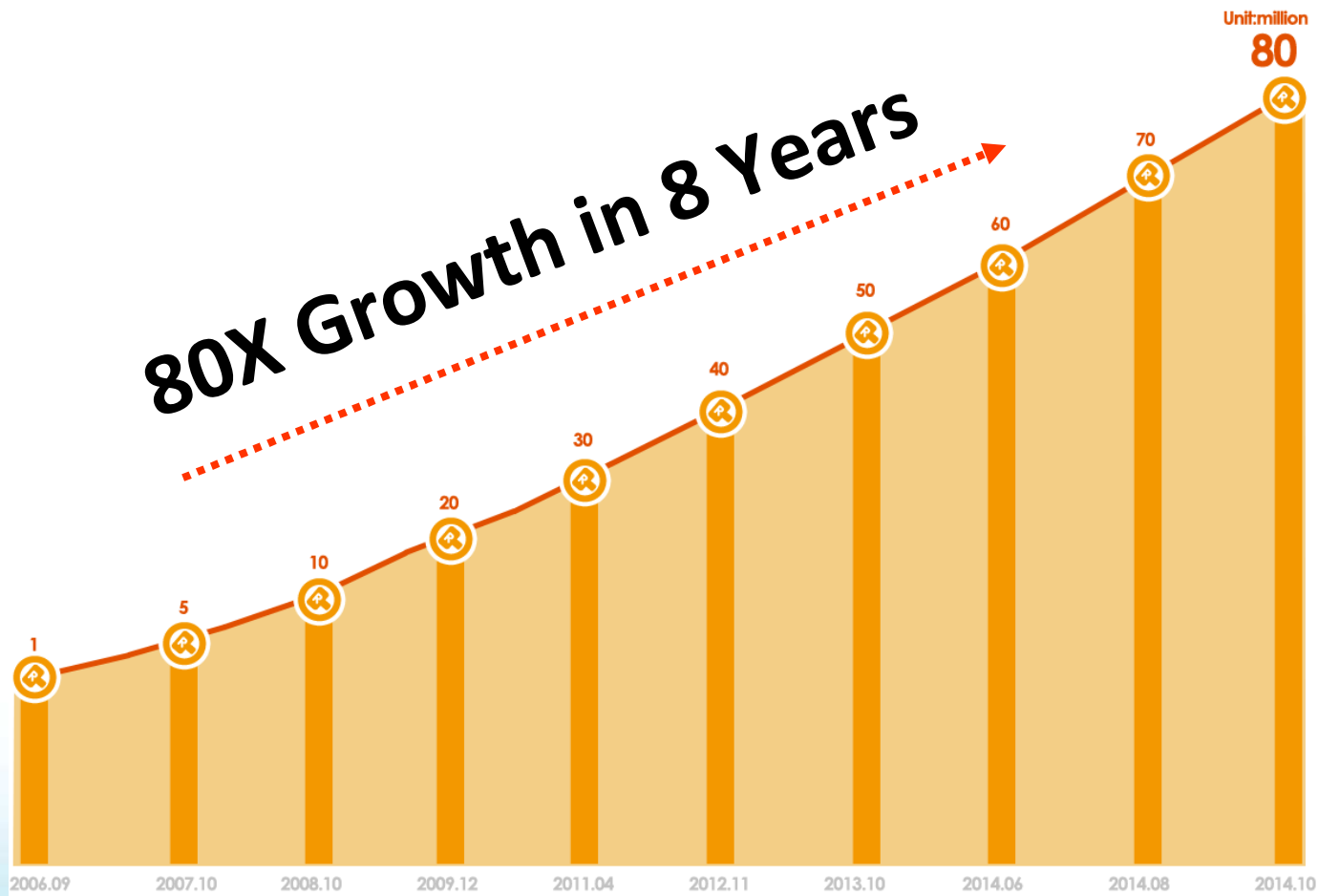


- Established : 2006.09
- PChome holding 65%
- # of Listing : 79,758,254 (11,'14)
- Business model: C2C marketplace
- Revenue model : final value fee, advertisement

ONLINE  
PChome



# Now we have 80,000,000 + Live Listings



# Revenue Drivers

Transaction revenue

Ruten Sellers

1.5%

Final Value Fee

Online ads  
for Branders

(charge by different package)

Seller ads

- Banner ads
- Search ranking

Media advertisement

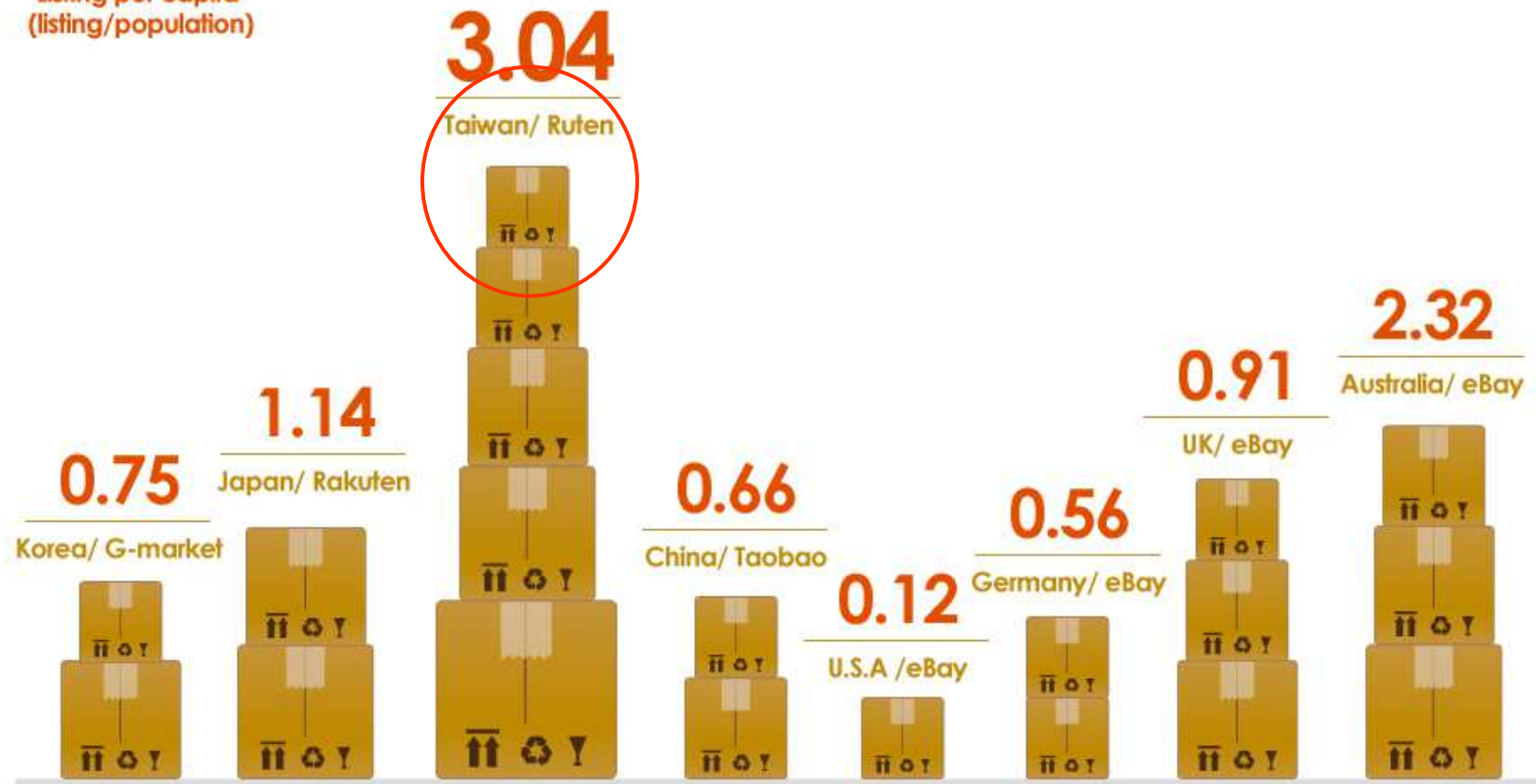
ONLINE  
**PChome**



# Listing Per Capita

## Listing Per Capita

Listing per capita  
(listing/population)



Country / EC market leader



# ***Third Party Payment Highlight***

- PChome Pay***



# PChomePay 支付連

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

# Operating Facts

## Service

- ATM escrow: Mar. 2012
- Credit card payment: Apr.2013
- Credit card installment: Jan. 2014
- CBT payment (China) : Oct.2014

## Current penetration status on Ruten

- # of listing provide PChomePay (ATM& Credit card) : 35,000,000
- # of listing provide PChomePay Credit card: 13,000,000
- # of listing provide PChomePay Credit card installment : 1,100,000



# *Financial Update*

# 2014 vs 2013 3Q YTD Income statement (IFRS-consolidated)

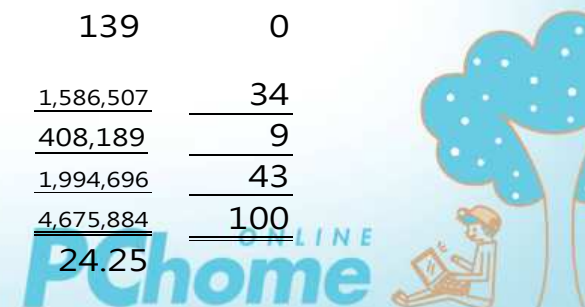
NTD :000	2014 1-3Q	%	2013 1-3Q	%	Variance
Revenue	14,602,057	100.0%	11,859,666	100.0%	23.1%
Gross Margin	2,520,587	17.3%	1,999,784	16.9%	26.0%
Operating Expense	(1,865,173)	-12.8%	(1,525,896)	-12.9%	22.2%
Operating Income	655,414	4.5%	473,888	4.0%	38.3%
Net non-operating income	27,980	0.2%	18,179	0.2%	53.9%
Net income before tax	683,394	4.7%	492,067	4.1%	38.9%
Tax	(133,586)	-0.9%	(101,352)	-0.9%	31.8%
Net income after tax	549,808	3.8%	390,715	3.3%	40.7%
<b>Attributable to</b>					
Shareholders of parent company	483,853		354,197		
Minority Interest	65,955		36,518		
Opening cash balance	3,859,455		2,929,153		
Closing cash balance	4,296,039		3,292,174		



# 2014 vs 2013 3Q YTD Balance Sheet

(IFRS-Consolidated)

	2014/9/30		2013/9/30	
ASSETS		%		%
Current Assets :				
Cash and cash equivalents	4,226,916	73	3,292,174	70
Current Assets :	<u>5,326,359</u>	<u>92</u>	<u>4,343,074</u>	<u>93</u>
Non-Current Assets :	<u>412,815</u>	<u>8</u>	<u>332,810</u>	<u>7</u>
<b>TOTAL ASSETS</b>	<u><b>5,739,174</b></u>	<u><b>100</b></u>	<u><b>4,675,884</b></u>	<u><b>100</b></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current Liabilities :	<u>3,267,613</u>	<u>57</u>	<u>2,663,835</u>	<u>57</u>
		-		-
Deferred income tax liabilities	13,382	0	9,328	0
Accrued pension liabilities	<u>6,683</u>	<u>0</u>	<u>8,025</u>	<u>0</u>
Non-current Liabilities :	<u>20,065</u>	<u>0</u>	<u>17,353</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u><b>3,287,678</b></u>	<u><b>57</b></u>	<u><b>2,681,188</b></u>	<u><b>57</b></u>
Owners' Equity Attributable to Equity Holders of the Parent Company :				
Capital Stock :				
Common stock	868,168	15	822,448	18
Capital surplus	65,321	1	61,573	1
Legal reserve	182,223	3	131,548	3
Special reserve	7	0	1,155	0
Retained earnings-unappropriated	813,643	15	569,644	12
Foreign currency differences arising from the foreign operations financial statements	856	0	139	0
Total owners' equity attributable to equity holders of the parent company	<u>1,930,218</u>	<u>34</u>	<u>1,586,507</u>	<u>34</u>
Non-controlling Interest	<u>521,278</u>	<u>9</u>	<u>408,189</u>	<u>9</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u><b>2,451,496</b></u>	<u><b>43</b></u>	<u><b>1,994,696</b></u>	<u><b>43</b></u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><b>5,739,174</b></u>	<u><b>100</b></u>	<u><b>4,675,884</b></u>	<u><b>100</b></u>
Book value per share	28.24		24.25	



# 2015 Group Develop Plan

- PChome : Warehouse & Fulfillment service
- PChome Store : Web service & New B2C
- Ruten :Cross boarder trading & Advertisement
- PChomePay : Pre-Paid service & Cross boarder settlement
  
- Oversea expansion
- New service



*Thank you*

