

# *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
- Register capital : NTD \$822Mn (USD \$27.4Mn)
- Market Cap : NTD \$12.5Bn (USD \$415Mn)
- Business location: Primary Taiwan
- Founder:



**Hung Tze Jan**  
Chairman



**Arthur Lee**  
CEO

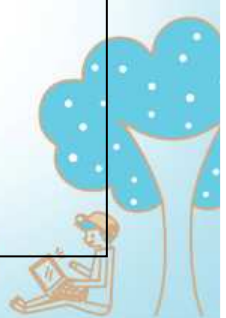
# PChome Group Milestone



## History

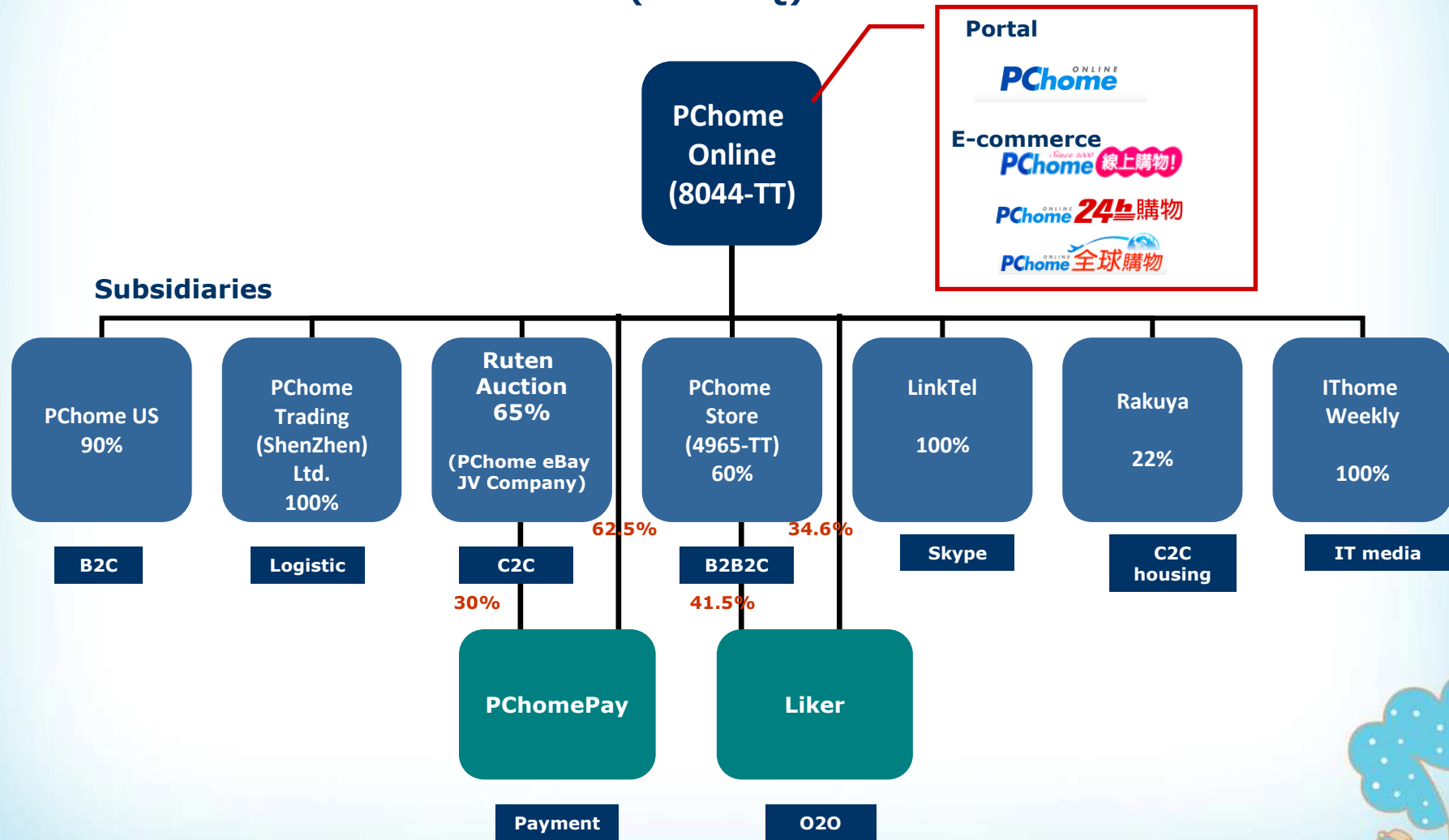
- 1998
  - - 1998.07  
 Established, Chairman H.T Jan, CEO Arthur Lee, provided portal services.
- 2000
  - - 2000.06  
 Rolled out online shopping channel, started from 3C products.
- 2002
  - - 2004.07  
 Cooperated with Skype, rolled out "PChome Skype".
- 2004
  - - 2005.01  
 IPO- 網家(8044-TT)
    - 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

ONLINE  
PChome







# PChome Group Structure

(2013 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
Revenue source	Merchandise sales revenue	Service fee & sales commission	Sales commission & advertisement
Global Icon	Amazon.com	Rakuten	eBay
PChome E-commerce Layout	 	 <a href="http://store.pchome.com.tw">store.pchome.com.tw</a>	 <a href="http://www.Ruten.com.tw">www.Ruten.com.tw</a> <small>a PChome &amp; eBay JV</small>
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% PChome store holds 41.5%	PChome holds 62.5% Ruten holds 30%



# *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 Overview



ONLINE  
**PChome 24h 購物**

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

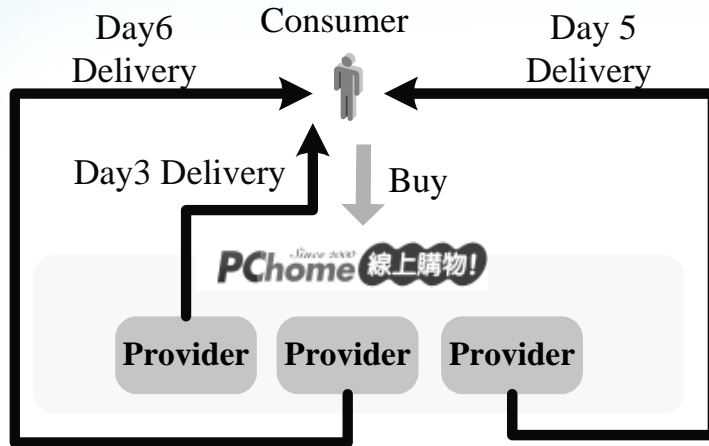
- Launched : 2007.01
- <http://24h.pchome.com.tw>
- Service Model: Consignment in-stock central warehouse
- Items : 1,511,036 ('13.05)
- On time rate : 99.67%
- 24 hrs delivery guarantee

ONLINE  
**PChome**



# Before

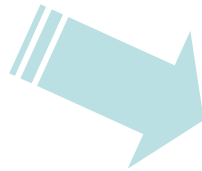
Traditional e-Commerce Model



(Order transfer model)



Products shipped by variety of providers



# After

PChome 24-hr Delivery Service



Products shipped by PChome within 24hrs



# PChome 24h Shopping On Time Delivered :99.67%



1



2



3



4



5



訂單零時差

庫存零時差

出貨零時差



9



8



7



6

# ***Marketplace Highlight***

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



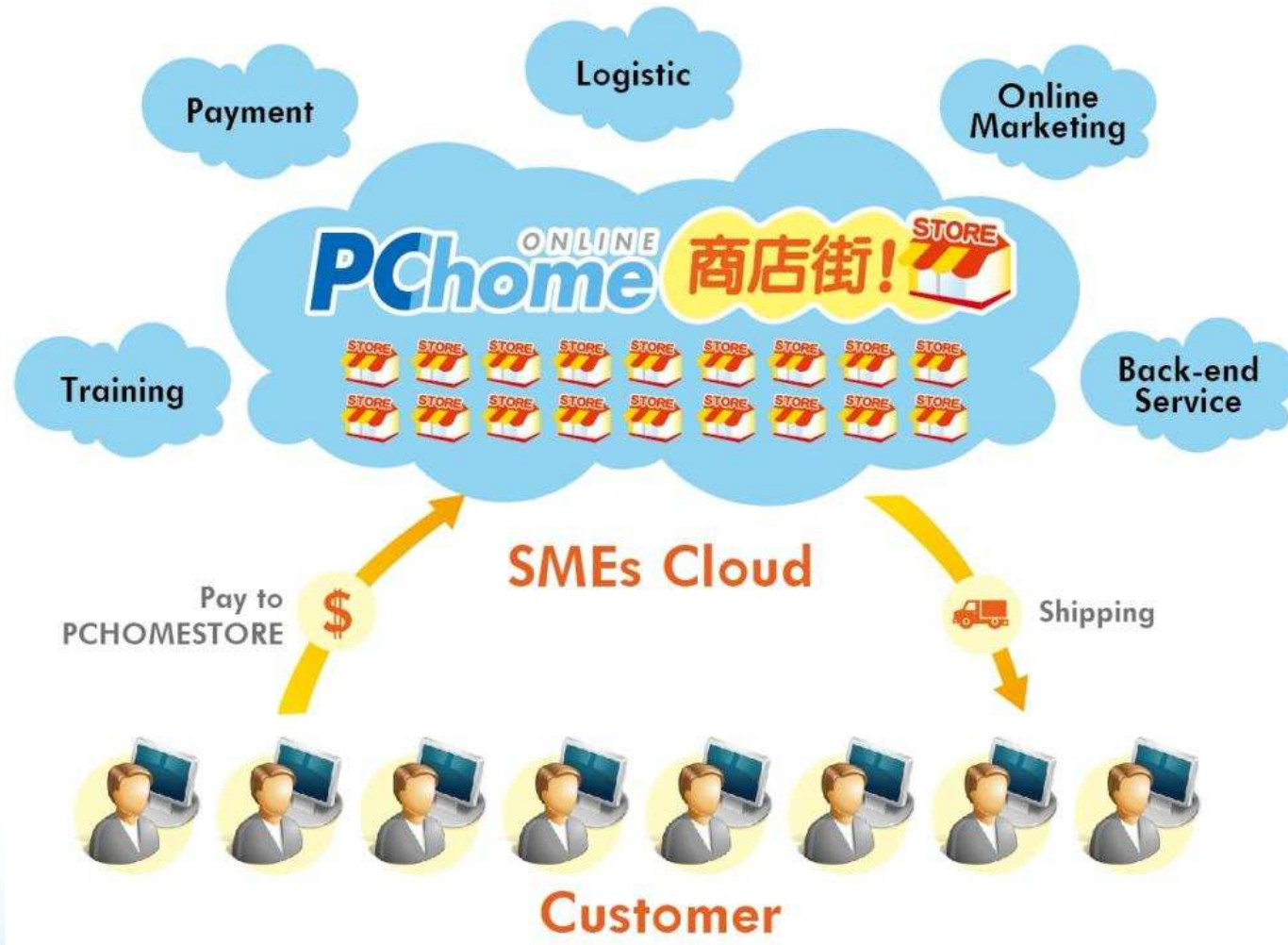
# PCStore Inc.



**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: 14,081 ('13,02)
- # of items : 8,520,279 ('13,05)
- HQ location: Taipei, Taiwan
- Employee : 125

# PCStore SME E-commerce Cloud



# PChome store 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\$36,000	NT \$3,000 (2nd year and after)  <small>For new register stores after Nov. 2011</small>	2% (5% after 2nd year)* + payment surcharge	NT\$50~ NT\$5,000 (Web Ads and extension courses)	ATM Credit Card CVS Kiosk COD

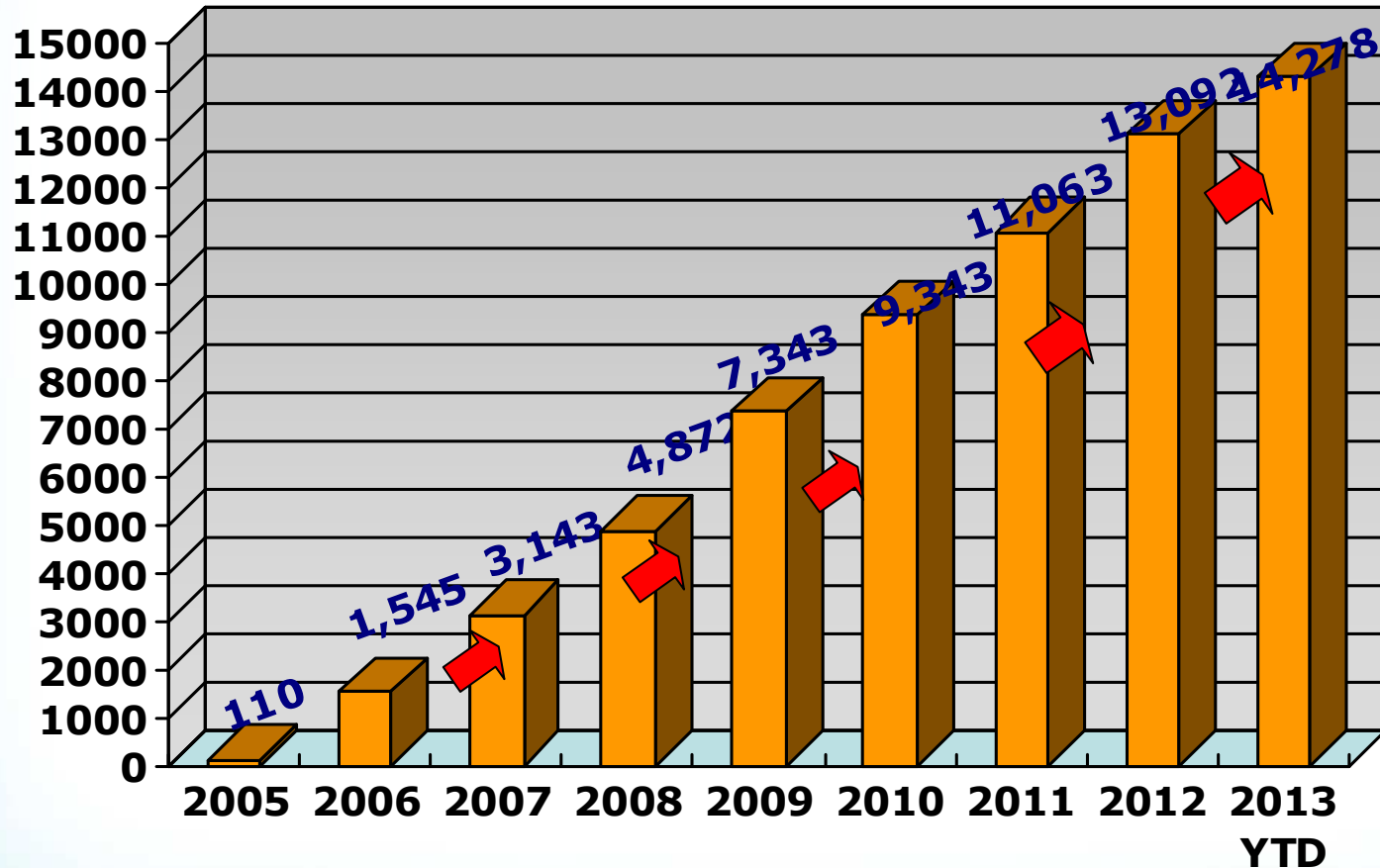
(2013.05)

\*new rate effective by Sep 2012.





# # of Stores 2005 – YTD (Concurrent)



# of Store



# Ruten Auction

ONLINE  
**PChome**

+ **eBay**

=

**露天拍賣**  
a PChome & eBay JV  
Beta Version

- Established : 2006.09
- PChome holding 65%
- # of Listing : 45,866,982('13,05)
- Business model: final value fee, advertisement
- Final value fee: 1.5% (Since '09.11)
- # of seller : Over 700,000
- # of web member: Over 6Mn


ONLINE  
**PChome**



# ***Subsidiary - New Investment***



# New Investment Updates

Company	Business/ Market	Investment Amount	Service/ business Launch	2012 FY Operating loss
 (2011. Q3)	Online retailing / USA	USD \$4Mn	2012. Apr.	NTD \$70Mn
 (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*

# 2013 Q1 vs 2012 Q1 Income Statement

(IFRS-Consolidated)

IFRS-Consolidated NTD :000	20131Q	%	2012 1Q	%	Variance
Revenue	3,914,068	100.0%	3,734,843	100.0%	4.8%
Gross Margin	645,806	16.5%	599,108	16.0%	7.8%
Operating Expense	496,799	12.7%	467,264	12.5%	6.3%
marketing Expense	384,625	10.3%	359,008	9.6%	7.1%
Aministration expense	76,941	1.1%	78,419	2.1%	-1.9%
R&D expense	35,233	0.6%	29,837	0.8%	18.1%
Operating Income	149,007	3.8%	131,844	3.5%	13.0%
Net non-operating income	4,929	0.1%	619	0.0%	696.3%
Net income before tax	153,936	3.9%	132,463	3.5%	16.2%
Net income after tax	126,125	3.2%	113,428	3.0%	11.2%
<b>Attributable to</b>					
Shareholders of parent company	116,595	3.0%	107,312	2.9%	
Minority Interest	9,530	0.2%	6,116	0.2%	
Opening cash balance	2,929,153		2,887,802		
Closing cash balance	3,040,191		2,917,558		



# 2012 vs 2011 Income Statement

(ROC GAAP-Consolidated)

	<b>NTD :000</b>	<b>2012</b>	<b>%</b>	<b>2011</b>	<b>%</b>	<b>Variance</b>
Revenue		14,960,830	100.0%	13,664,541	100.0%	9.5%
Gross Margin		2,673,642	17.9%	2,348,597	17.2%	13.8%
Operating Expense		2,190,895	14.6%	1,879,245	13.8%	16.6%
marketing Expense		1,767,920	11.8%	1,493,949	10.9%	18.3%
Aministration expense		289,632	1.9%	274,449	2.0%	5.5%
R&D expense		133,343	0.9%	110,847	0.8%	20.3%
Operating Income		482,747	3.2%	469,352	3.4%	2.9%
Net non-operating income		11,780	0.1%	17,821	0.1%	-33.9%
Net income before tax		494,527	3.3%	487,173	3.6%	1.5%
Tax		(67,800)	-0.5%	(56,775)	-0.4%	19.4%
Net income after tax		426,727	2.9%	430,398	3.1%	-0.9%
Opening cash balance		2,882,263		1,891,457		
Closing cash balance		2,922,399		2,882,263		
Shareholders of parent company		<b>391,655</b>		<b>408,077</b>		
Minority Interest		35,072		22,321		



# 2012 vs 2011 Balance Sheet

## (ROC GAAP-Consolidated)

<b>Consolidated Balance Sheet</b>	<b>2012.12.31</b>	<b>%</b>	<b>2011.12.31</b>	<b>%</b>
NTD:000				
<b>Current Assets</b>	<b>3,945,379</b>	92%	<b>3,757,194</b>	92%
Current Assets-Cash	2,922,399	68%	2,882,263	71%
Fund and Long Term Investments	77,452	2%	82,610	2%
Fixed Assets	215,883	5%	186,534	5%
Intangible Assets	613	0%	552	0%
Other Assets	54,647	1%	44,318	1%
<b>Total Assets</b>	<b>4,293,974</b>	100%	<b>4,071,208</b>	100%
<b>Current Liabilities</b>	2,429,695	57%	2,388,145	59%
Long Term Liabilities	0	0%	0	0%
Other Liabilities	0	0%	0	0%
<b>Total Liabilities</b>	<b>2,429,695</b>	57%	<b>2,388,145</b>	59%
<b>Shareholders' Equity</b>				
<b>Capital Stock:</b>				
Common Stock	<b>822,448</b>	19%	694,685	17%
<b>Capital Surplus:</b>	<b>177,251</b>	4%	<b>160,238</b>	4%
<b>Retained Earnings:</b>	482,772	11%	461,097	11%
<b>Other Adjustments to Stockholders' Equity</b>	(1,155)	0%	(222)	0%
<b>Total Parent Company's Shareholders' Equity</b>	<b>1,481,316</b>	34%	<b>1,315,798</b>	32%
Minority Interest	382,963	9%	367,265	9%
<b>Total Shareholders' Equity</b>	<b>1,864,279</b>	43%	<b>1,683,063</b>	41%
<b>Total Liabilities and Shareholders'</b>	<b>4,293,974</b>	100%	<b>4,071,208</b>	100%





***Thank you***

