



The Largest e-Commerce Group in Taiwan

Marketplace no.1 in Taiwan

Ruten Auction

- Feature
- Already monetized
 - > 50% GMV from men-related products

- 2017 Achievement
- Annual GMV: NT\$275 billion (US\$9.2 billion)
 - > 10 million users
 - 2 million sellers

B2C no.1 in Taiwan

PChome Shopping

- Guarantee 24h delivery
- Consignment model
- 5 million SKUs on the website

- Revenue: NT\$27 billion, yoy 19% (US\$900 million)
- > 6 million annual active users
- 2 million SKUs in the warehouse

Mobile no.1 in Taiwan

Personal Store

- Mobile oriented
- Young social media users
- 80% of listings focus on female

- Quarterly GMV: NT\$12 billion (US\$400 million)
- > 220 million listings
- > 11 million monthly CVS delivery

PChome 24h Shopping – B2C No.1 in Taiwan

1 Guarantee **24h delivery** around Taiwan

2 **5 million SKUs** on the website

3 Inventory light **consignment** model

4 **NT\$ 27 billion** revenue in 2017

2 million SKUs in self-managed warehouses

99.7% 24hr on-time delivery

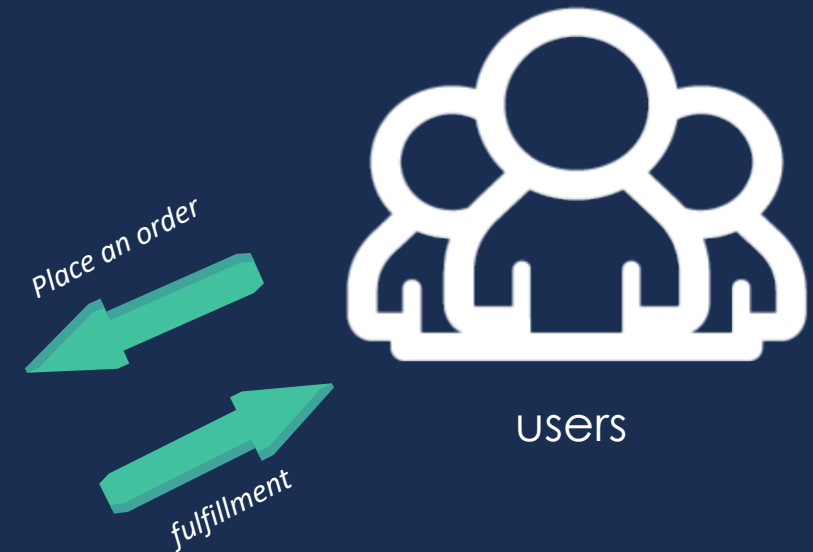
7 warehouses with total area of **231,400 m²**

6hr delivery in Taipei City (expand to the 6 major cities in 2018)

> 10 third-party logistic partners

Consignment Model

- ✓ 7 self-managed warehouses with total area of 231,400 m²
- ✓ Self-developed algorithm to aggregate 2 million SKUs
- ✓ Cooperate with more than 10 third-party logistic providers
- ✓ 24h delivery around Taiwan and 6hr delivery in Taipei City
=> expand 6hr delivery to other cities in 2018



Membership Economy

Deposit



Deposit amount > **NT\$1.5 billion**
More than **52,000** users

Credit Card

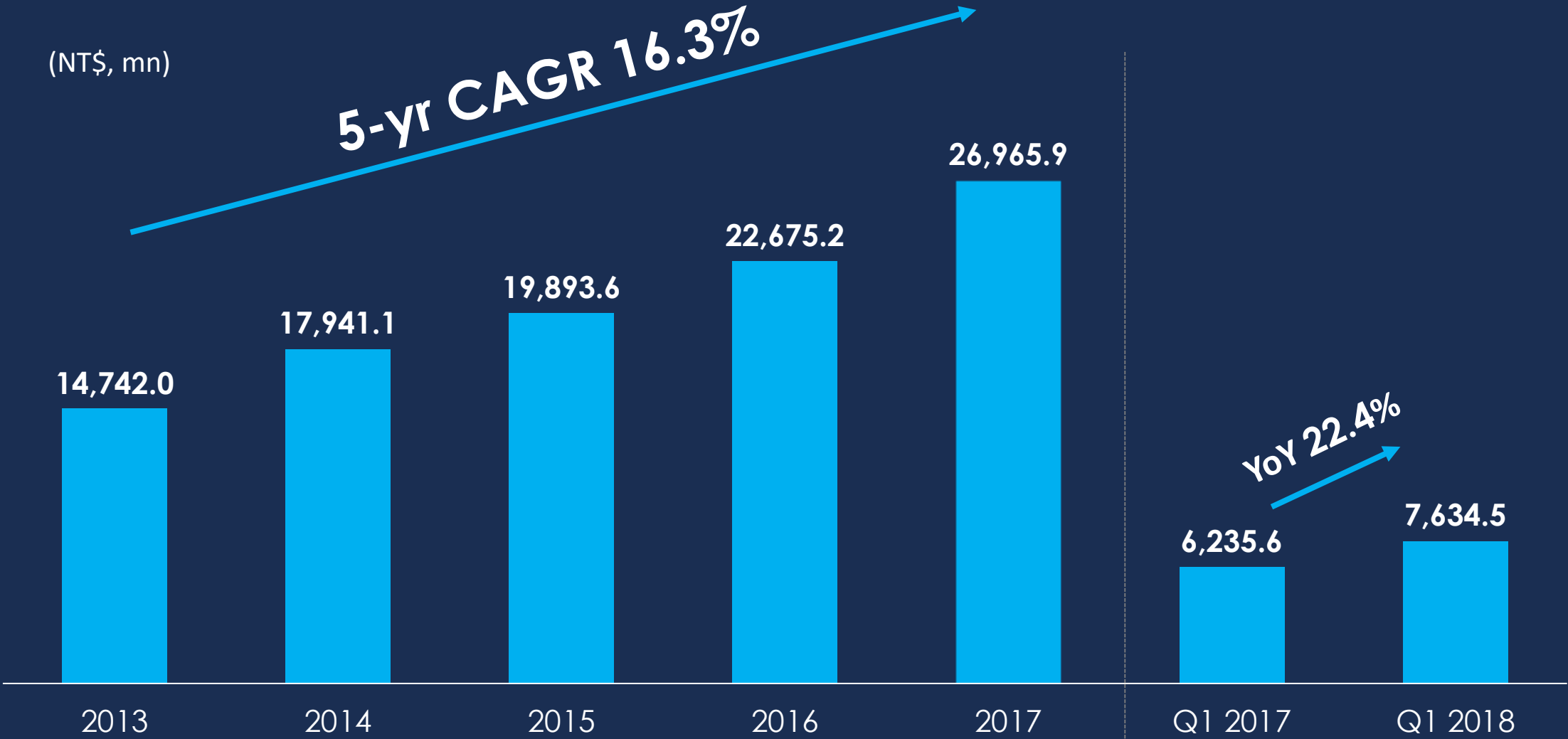


Launched in **2018 May**
Up to **6%** reward points

Strong Growth Momentum

(NT\$, mn)

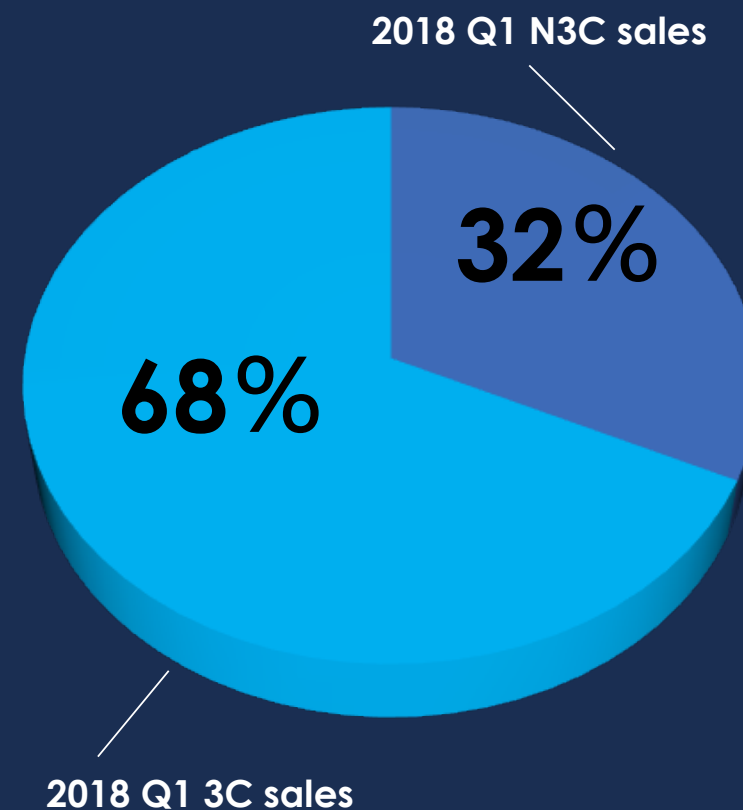
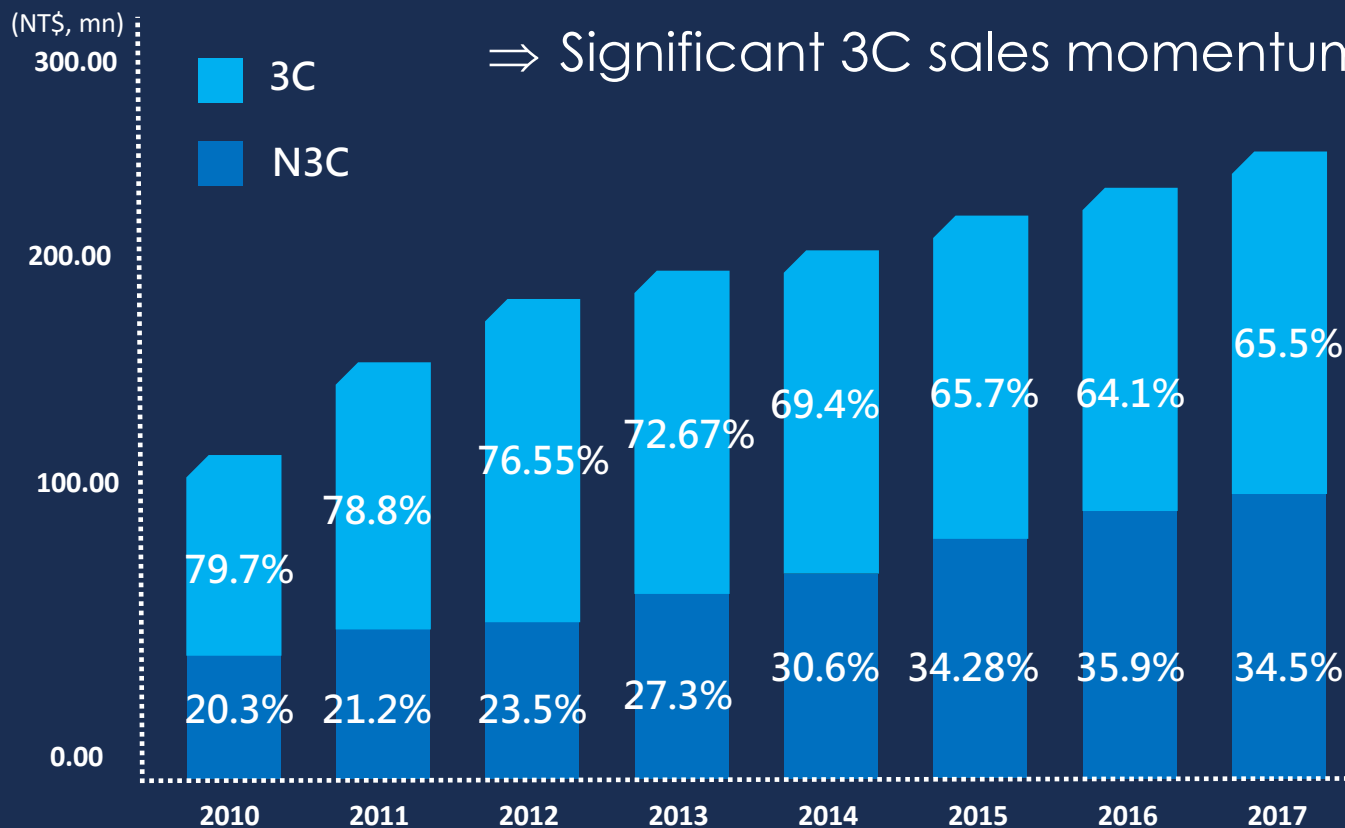
5-yr CAGR 16.3%



3C – n3C Product Mix

Mobile Gadgets + Home Appliance

⇒ Significant 3C sales momentum



Personal Store – Mobile Marketplace No.1 in Taiwan

Key Highlights



>11 million

monthly CVS delivery

230 million+

product listings

NT\$12 billion

quarterly GMV

Monetization Plan

- Advertisement
- Service Fee
- Data Analytics
- Final Value Fee

Ruten Auction – Marketplace No.1 in Taiwan

Open API

- Payment
- Logistics
- Order System
- Application

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NT\$275 billion
GMV in 2017

10 million users
2 million sellers

Artificial Intelligence



- E-Marketing
- Personalization
- Chat Robot

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ePayment no.1 in Taiwan

PChomePay 支付連 PChome 國際連 Pi 拍錢包

5,200,000 users

support >10K convenience stores

integrated with 300 online shopping websites



PChome Group 2018 Highlights

- **PChome Online Shopping**

- ✓ Launch PChome Prime Credit Card
- ✓ Provide OTA products
- ✓ Cross-border items available on the website
- ✓ Launch Taichung logistic hub
- ✓ Start to run PChome logistic fleet
- ✓ Great Single Day campaigns

- **PChomeStore**

- ✓ Propose for privatization
- ✓ Fund raising

- **Personal Store**

- ✓ Achieve NT\$12 billion (US\$400 million) quarterly GMV and 11 million monthly CVS delivery for 1Q18
- ✓ Start monetization process

2018 Focus

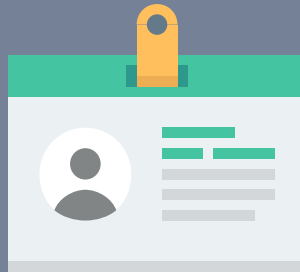
Infrastructure



Brand



Membership
Economy



New
Product Vertical



New Origins



Core eCommerce

Marketplace no.1 in Taiwan

B2C no.1 in Taiwan

Shopping Mall no.1 in Taiwan

Mobile no.1 in Taiwan

**Ruten
Auction**

**PChome
Shopping**

**PChome
Store**

**Personal
Store**

Payment – ePayment no.1 in Taiwan

PChomePay 支付連 **PChome** 國際連 **Pi** 拍錢包

Value-added
Service

MEMBERSHIP

DATA POOL

MUTUAL SERVICE BACKUP

Value-added
Service

2018 1Q Income Statement *consolidated*

IFRS-Consolidated						
NTD :000	<u>2018 1Q</u>	%	<u>2017 1Q</u>	%	<u>Variance</u>	
Revenue	8,195,152	100.0%	6,924,308	100.0%	18.4%	
Gross Profit	1,090,641	13.3%	1,136,420	16.4%	-4.0%	
Operating Expense	1,888,886	23.0%	880,676	12.7%	114.5%	
Marketing Expense	1,738,469	21.2%	715,233	10.3%	143.1%	
Administration Expense	76,059	0.9%	96,650	1.4%	-21.3%	
R&D Expense	74,779	0.9%	68,793	1.0%	8.7%	
Expected Credit Loss (Gain)	(421)	0.0%	-	-	-	
Operating Income	(798,245)	-10.0%	255,744	3.7%	-412.2%	
Net non-operating Income	(26,195)	-9.7%	(3,844)	3.7%	412.1%	
Net Income before Tax	(824,440)	-0.3%	251,900	-0.1%	-427.3%	
Net Income after Tax	<u>(843,068)</u>	-10.1%	<u>207,927</u>	3.6%	<u>-505.5%</u>	

2018 1Q Income Statement *unconsolidated*

IFRS-unconsolidated

NTD :000	<u>2018 1Q</u>	%	<u>2017 1Q</u>	%	<u>Variance</u>
Revenue	7,634,451	100.0%	6,235,562	100.0%	22.4%
Gross Profit	989,917	13.0%	973,992	15.6%	1.6%
Operating Expense	863,604	11.3%	737,407	11.8%	17.1%
Operating Income	126,313	1.7%	236,585	3.8%	-46.6%
Net Non-operating income	(585,620)	-7.7%	2,807	0.0%	-21014.3%
Net Income before Tax	(459,307)	-6.0%	239,392	3.8%	-291.9%
Net Income after Tax	(472,190)	-6.2%	203,651	3.3%	-331.8%

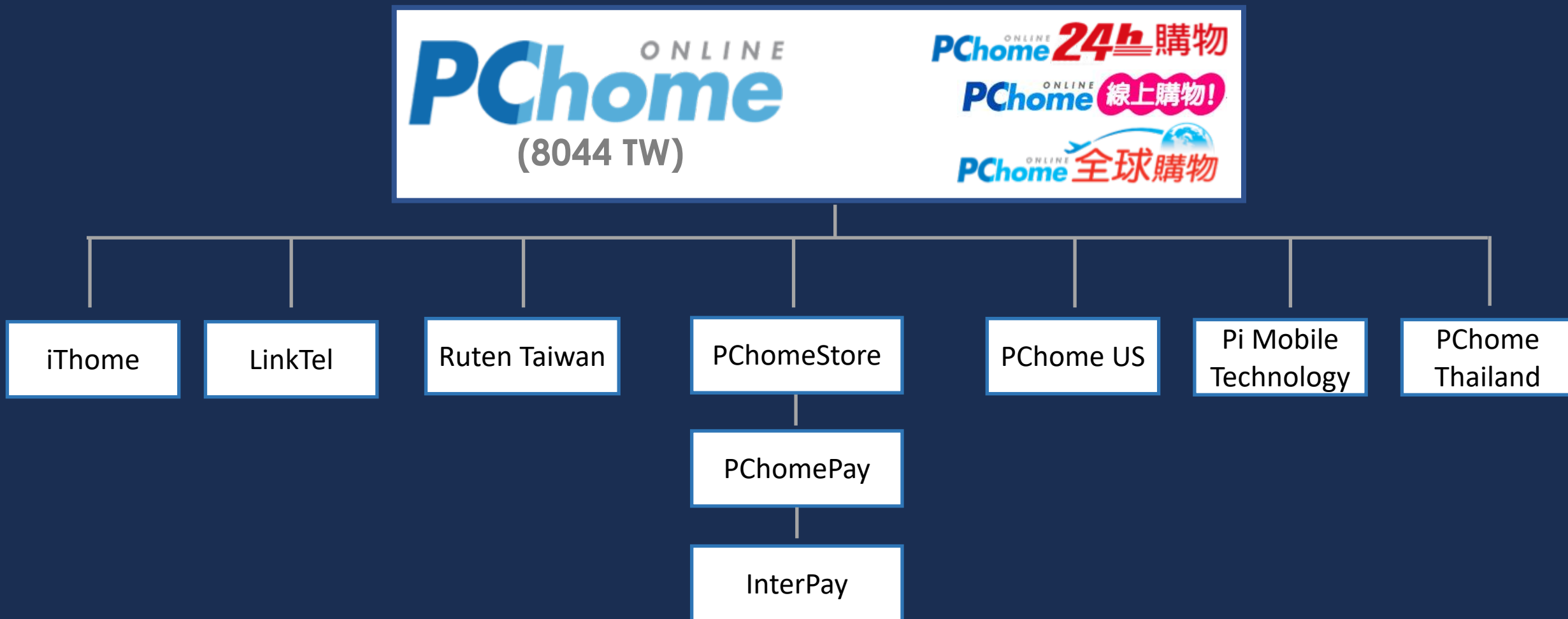
2018 1Q Balance Sheet *consolidated*

	2018.3.31		2017.3.31	
	Amount	%	Amount	%
ASSETS				
Current Assets :				
Cash and cash equivalents	\$ 8,366,103	72	8,381,613	79
Notes receivable, net	1,812	-	933	-
Accounts receivable, net	331,127	3	274,453	3
Other receivables, net	604,569	5	244,066	2
Inventories	887,425	8	626,645	6
Other current financial assets	338,157	3	308,485	3
Other current assets, others	156,517	1	57,306	-
Current asset recognized as right to recover products from customers	26,217	-	-	-
	<u>10,711,927</u>	<u>92</u>	<u>9,893,501</u>	<u>93</u>
Non-Current Assets :				
Non-current financial assets at fair value through other comprehensive income	86,560	1	-	-
Non-current financial assets at cost, net	-	-	50,814	-
Investments accounted for using equity method, net	40,530	-	-	-
Property, plant and equipment	550,583	5	370,079	3
Intangible assets	44,352	1	51,205	1
Deferred tax assets	31,797	-	36,996	-
Other non-current financial assets	128,031	1	154,292	2
Other non-current assets, others	14,383	-	78,099	1
	<u>896,236</u>	<u>8</u>	<u>741,485</u>	<u>7</u>
Total assets	<u><u>11,608,163</u></u>	<u><u>100</u></u>	<u><u>10,634,986</u></u>	<u><u>100</u></u>

	2018.3.31		2017.3.31	
	Amount	%	Amount	%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities :				
Short-term borrowings	\$ 1,350,000	12	91,020	1
Current contract liabilities	325,420	3	-	-
Notes payable	1,337	-	1,128	-
Accounts payable	2,604,203	22	2,138,701	20
Other payables	762,765	7	636,479	6
Current tax liabilities	124,623	1	213,251	2
Other current liabilities	2,033,493	18	1,290,920	12
Current refund liabilities	28,836	-	-	-
	<u>7,230,677</u>	<u>63</u>	<u>4,371,499</u>	<u>41</u>
Non-Current Liabilities :				
Deferred tax liabilities	-	-	6,150	-
Net defined benefit liability, non-current	3,784	-	10,484	-
Other non-current liabilities, others	12,466	-	5,307	-
	<u>16,250</u>	<u>-</u>	<u>21,941</u>	<u>-</u>
Total liabilities	<u><u>7,246,927</u></u>	<u><u>63</u></u>	<u><u>4,393,440</u></u>	<u><u>41</u></u>
Equity attributable to owners of parent				
Share capital :				
Ordinary share	1,171,595	10	1,103,161	10
Capital surplus	2,507,459	22	2,496,647	24
Retained earnings :				
Legal reserve	404,535	3	327,935	3
Special reserve	2,781	-	4,271	-
Unappropriated retained earnings	166,531	1	1,513,581	14
Other equity interest :				
Exchange differences on translation of foreign financial statements	(3,154)	-	(4,865)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	39,028	-	-	-
Total equity attributable to owners of parent	<u>4,288,775</u>	<u>36</u>	<u>5,440,730</u>	<u>51</u>
Non-controlling interests	<u>72,461</u>	<u>1</u>	<u>800,816</u>	<u>8</u>
Total equity	<u><u>4,361,236</u></u>	<u><u>37</u></u>	<u><u>6,241,546</u></u>	<u><u>59</u></u>
Total liabilities and equity	<u><u>11,608,163</u></u>	<u><u>100</u></u>	<u><u>10,634,986</u></u>	<u><u>100</u></u>

Appendix

PChome Group Structure



Thank you!!