

Fullerton Technology Co., Ltd.

# INVESTOR

## CONFERENCE

TSE: 6136

2019.09

# Agenda

- **Company Profile**
- **Major Investment**
- **Products and Services**
- **Operation Structure and Prospect**
- **Financial Result**

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# Company Profile

# Fullerton: Digital Platform Service Company

Established	1992.04
IPO in TPEX / TPEX to TWSE	2002.01 / 2003.8
Major Business	ezDing (Movie Ticketing), niceday (Experience and Activities), Prepaid Card, Prepaid Internet Access Card, Software Subscription Services, Digital Imagery Provider, IOT Solutions Distributor
Capital	NT\$ 1.155 Billion
Chairman / CEO	Richard Wu
Employees	107

# Business Philosophy

*Fun for Life  
Full of Joy !!*

Provide Life Entertainment Platform • Create Joy!

## MISSION

We provide the life enjoyment platform to create users' happiness

## THEORY OF BUSINESS

We provide platform service to create happiness for customers, set up a happy environment, create ideals and steady success on operating for colleagues, and make profits for shareholders.

## CULTURE

Being open-freedom and innovation.  
Disciplines-teams and efficiency.

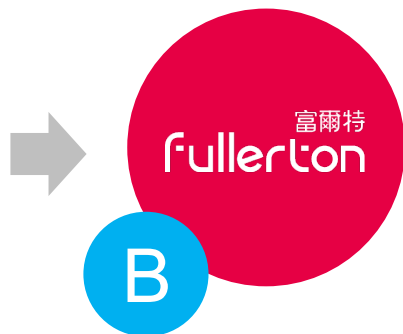
Business Model:

**B2C / B2B2C → Develop B2B & Subscription Services**

## SI Valued Platform

### Suppliers

- Physical Products
- O2O Services

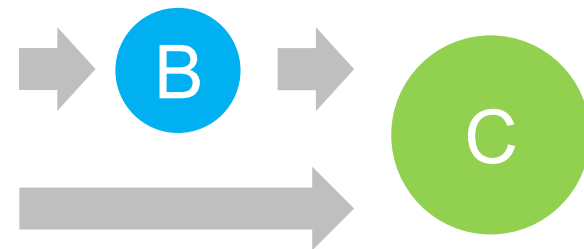


### Core Competence

- AI 、 Big Data 、 Cloud 、 IOT
- New Business Model, Funds
- Team Efficiency, Internationalization
- Industrial Ecosystem

## Massive Traffic

Large Channel 、 Payment 、  
Telcom 、 Bank...etc



**Upgrade Digital Technology  
Develop New Business Model**

# MileStone, 2019

## Continuously invest in IT & Engineering, Improve operational efficiency

- **ezDing platform:** Q4 , 2019 add AI coding
- **niceday platform:** Continuous update and improvement
- **Communication platform:** Continuous update and improvement
- **Software platform:** Q3 , 2019 Subscription Services launch

## Channel Cooperation

- Expand cooperation with LINE
- ezDing LINE@ members over 100,000

## Japan, Korea Prepaid Internet Access Card

- CHT Cool Travel Card launch

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# Major Investment



# Major Investment

No.1 Global  
Semiconductor  
Distributor



大聯大控股  
WPG Holdings



**NT\$ 545.1 Billion / 2018**

Asia Pacific  
Leading  
Creativity Center



AI & GCP Service



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# Products and Services

# Business Group

Life and  
Entertainment  
Platform



Communication  
Services



Prepaid Sim  
Prepaid Internet  
Access Card

Software



VPN, Antivirus

Digital  
Image



Internet of  
Things

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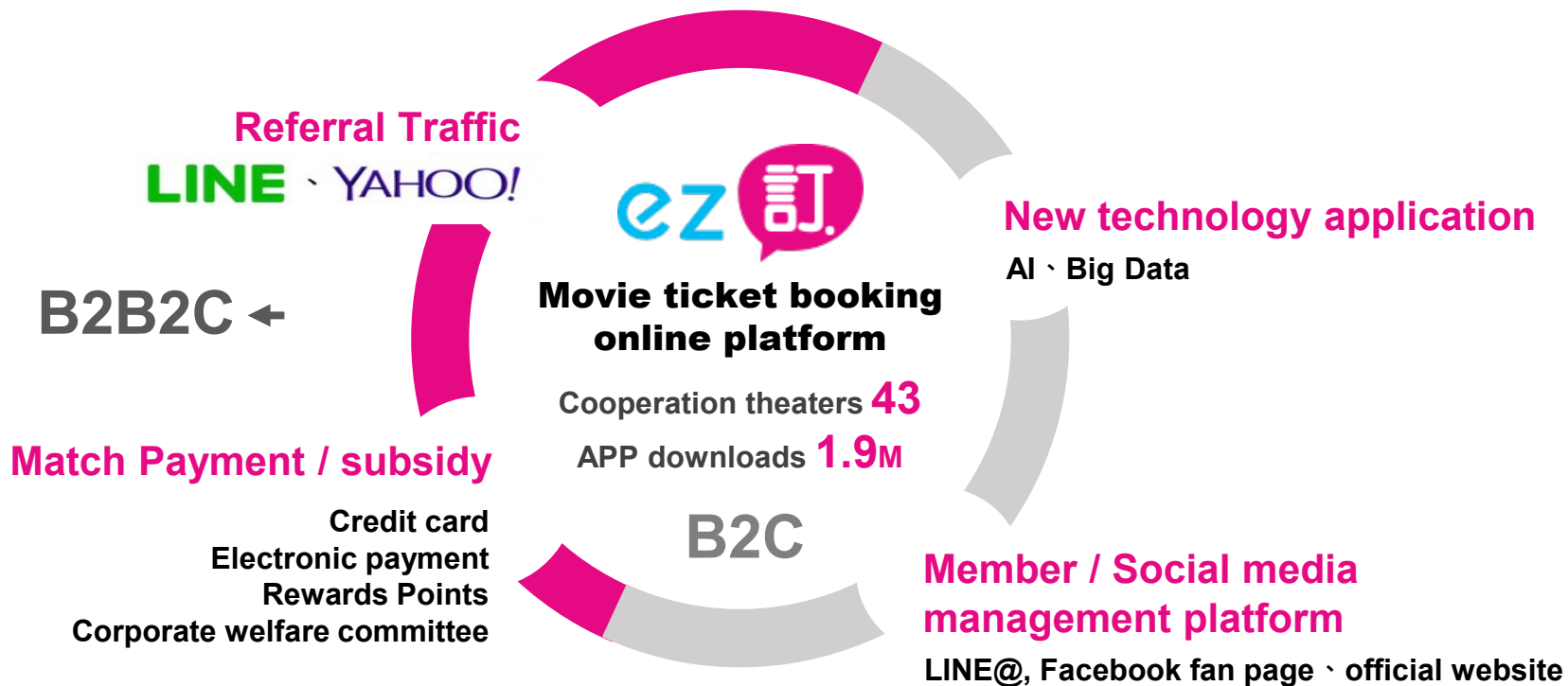


# Operation Structure and Prospect



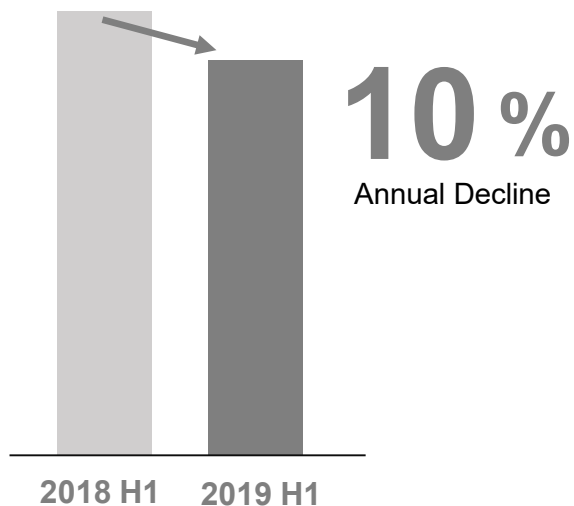
**Movie**

# Operation Structure

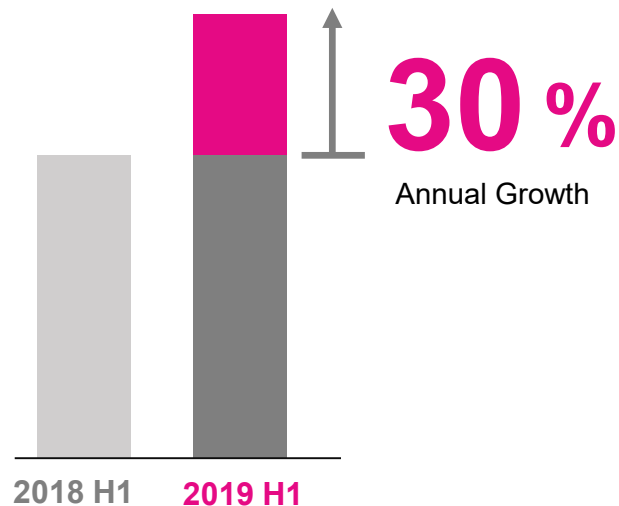


# 2019 H1 Market Situation

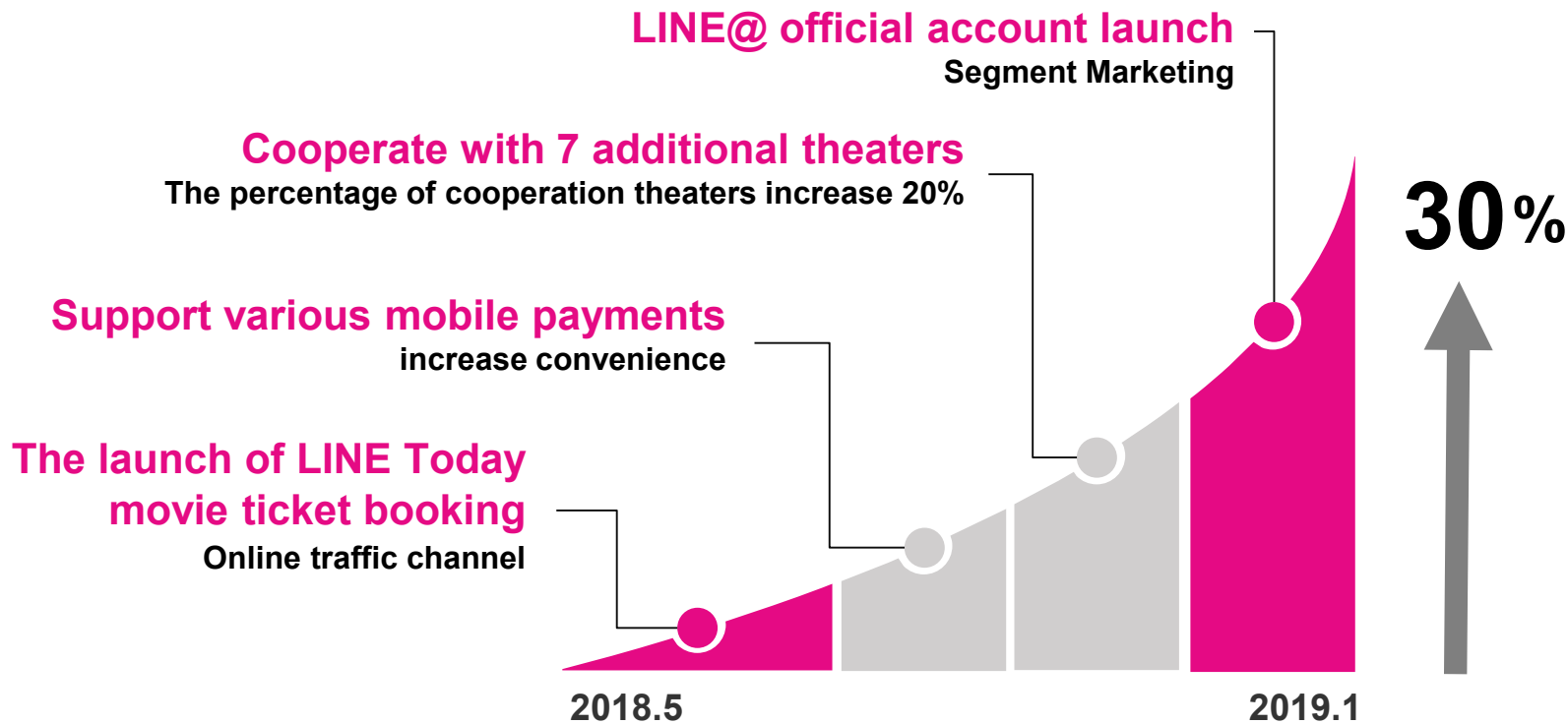
## Taiwan Yearly Box Office



## ez 訂 Total Movie Tickets Sold

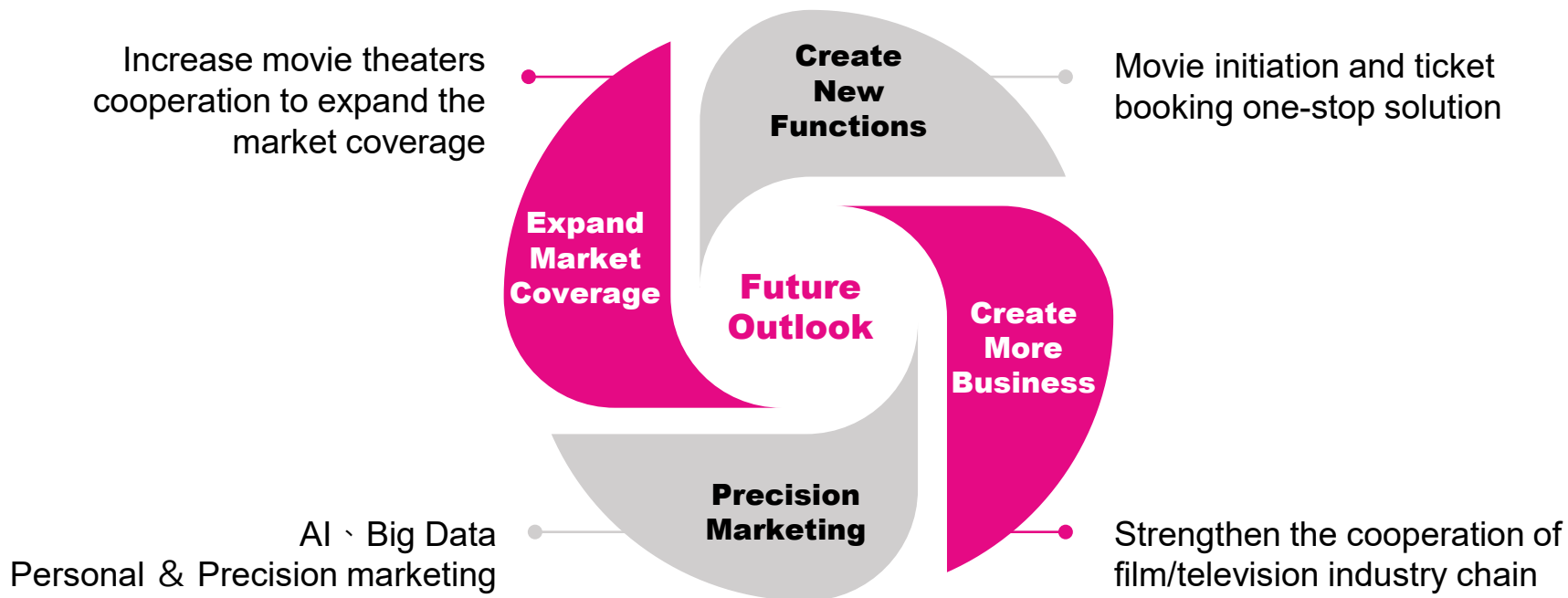


# The key factors of sales growth





# Development Strategy





*Niceday*  
**Experiences  
& Activities**

# Experiences & Activities Market Trend



## Escape Room

Not only students but also corporate customers love escape rooms.



## Craft

Distinctive and well-designed crafting activities can serve as an “self-healing” experience for busy adult.



## Stress Relief

Making cocktail or doing yoga, both could enhance quality of life and relieve stress.



## Winter/Summer Camps

The demand of 2019 summer camp growth exponentially. Over hundreds of summer camps are on Niceday.



## Parents-Kid Activities

Parents are willing to invest more on their children and they value more on the quality of Activities nowadays. Various activities included the age from 0 to 12, meet the needs to each age groups.



## Outdoor Activities

Glamping market in Taiwan grows rapidly, it's becoming a new trend in outdoor activities.

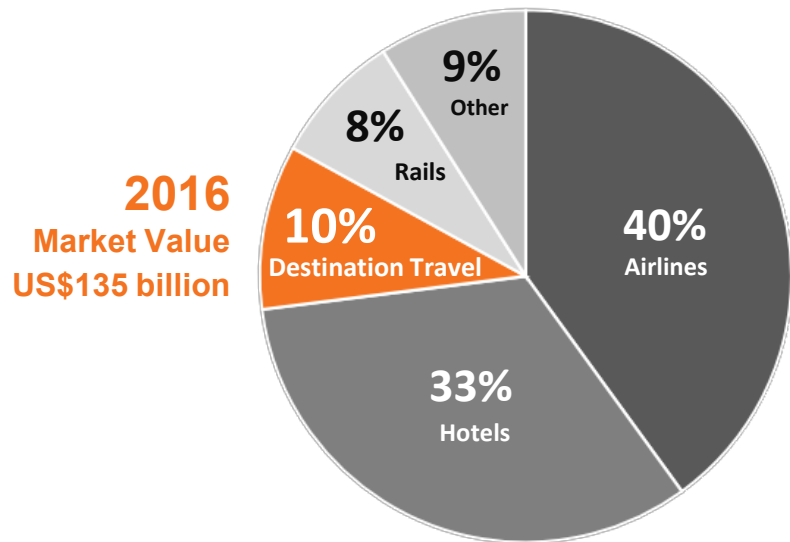


## Bilingual, Coding Education

Programing education , STEAM and bilingual education are expanding.

# Market Situation

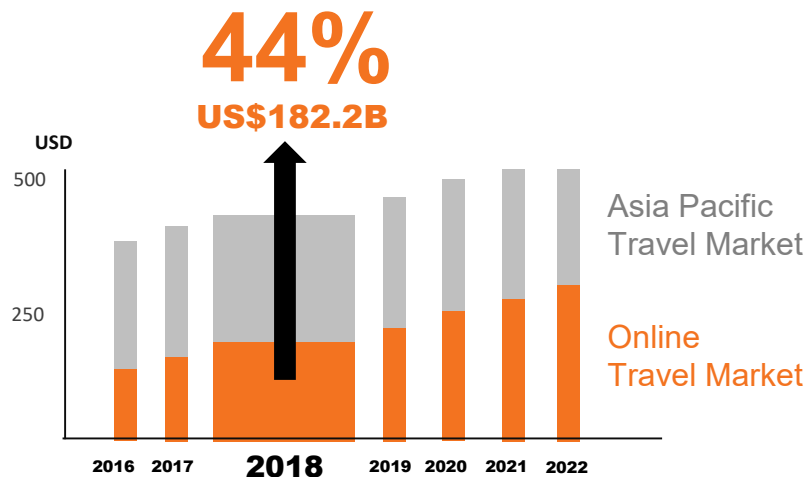
**Global Destinations Travel**  
will reach US\$183 billion in 2020



Source: The Global Travel Activities Marketplace 2014-2020  
2017 Phocuswright Inc

**Market Value of Asia Pacific online travel US\$182.2 billion**

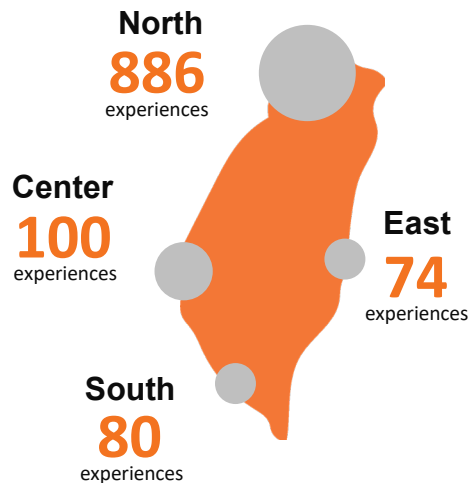
Account for 44%, sustainable growth



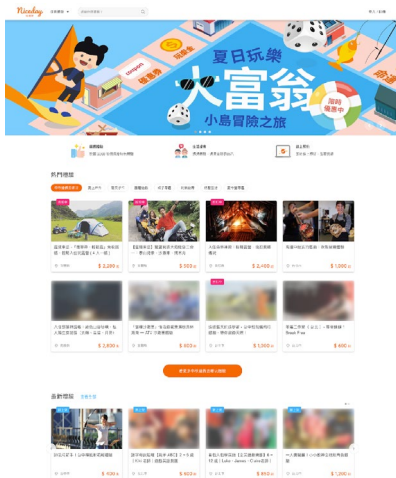
Source: Asia Pacific Online Travel Overview 2019  
2019 Phocuswright Inc

# Core Competency

## Quality Experiences



## Platform Experience Optimization



## Data-Driven Marketing

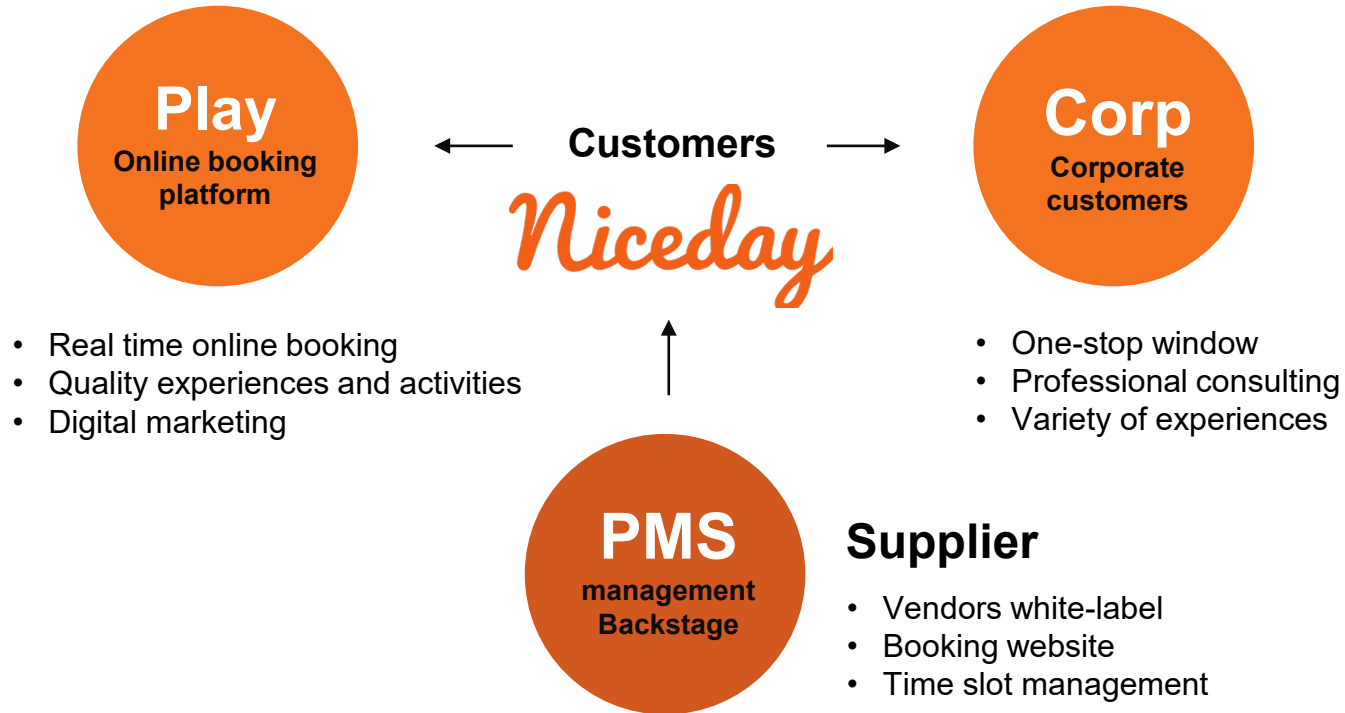
GMV **61%**

Conversion Rate **14%**

Per customer transaction **16%**

Source: Jan-June 2019

# Experiences & Activities Ecosystem



# Development Strategy

## Explore more Experiences and Activities

More camping, parent-kid activities and STEAM related

## Develop Quality Experiences and Activities

Distinctive and well-designed life-style experience and activities



## Improve Data Analytics

Integrate the group resources to increase data volume and analysis ability

## Partners

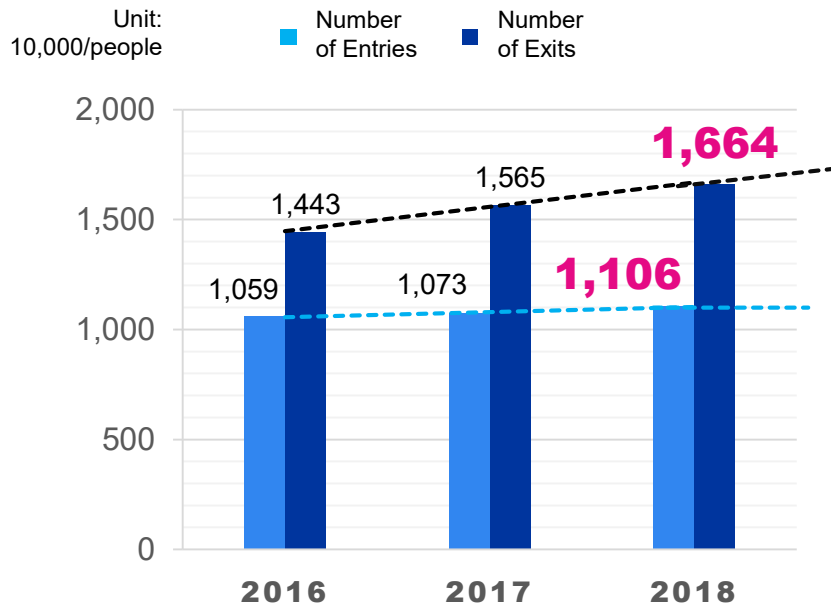
Collaborate with big traffic partner to increase exposure



# Communication Services



# Market Trends: Number of Entries and Exits in the last three years



## Number of Exits

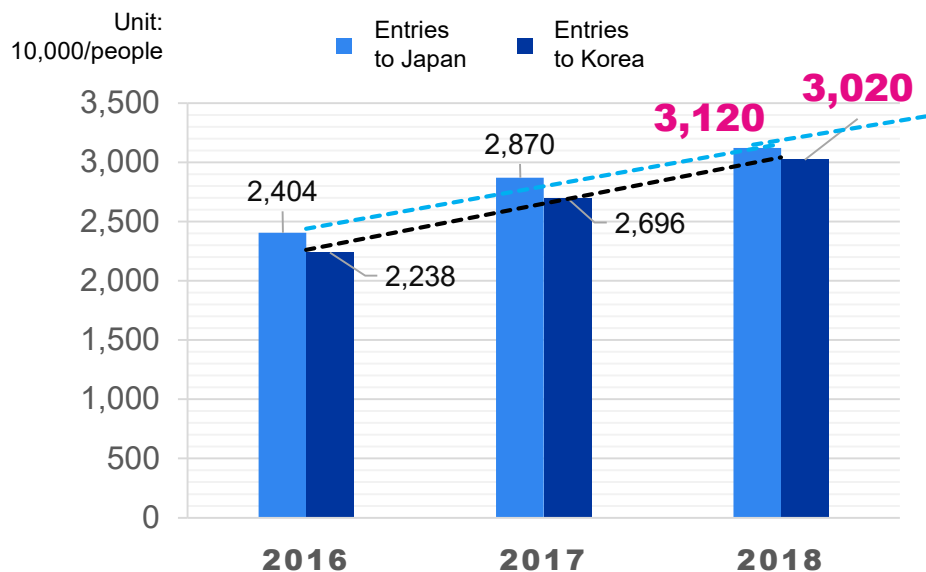
Annual Growth **6%** (Around 1 million people)

## Number of Entries

Annual Growth **3%** (Around 330,000 people)

Credit: Tourism Bureau, M.O.T.C.

# Market Trends: Number of global entries to Japan and Korean in the last three years



## Number of Entries to Japan

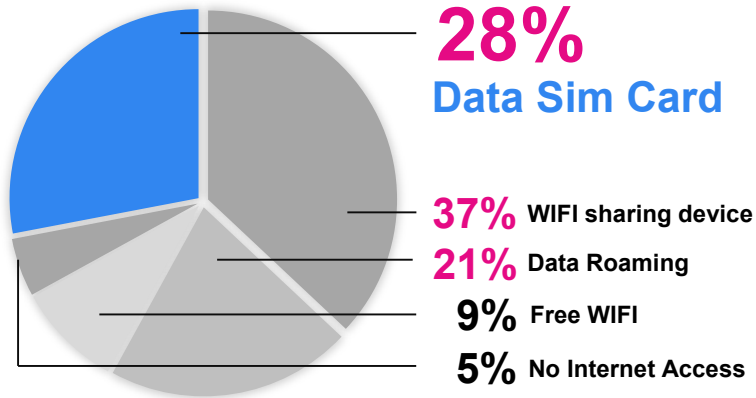
Annual Growth **8%** (Around 2.5 million people)

## Number of Entries to Korea

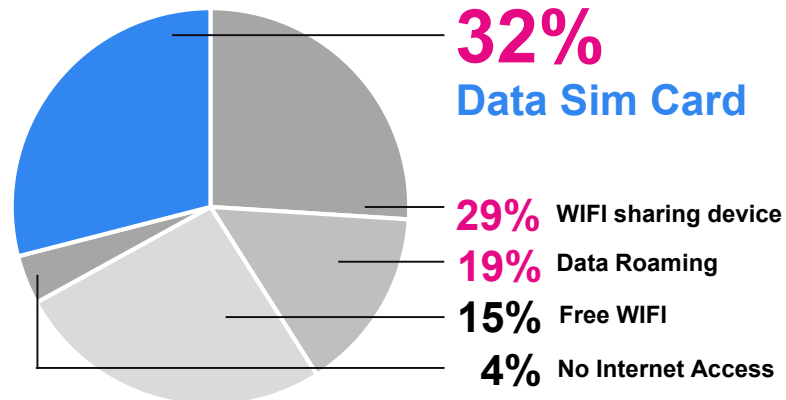
Annual Growth **12%** (Around 3 million people)

# Market Trends: Internet Usage Habits of Taiwanese Traveler

2017



2018



Data sim card market  
increase steadily ▲

# Operational Strategy

Expand International  
Travel Channel

Enhance Digital  
Technology

Introduce New  
Business Model

Development of  
eSIM technology

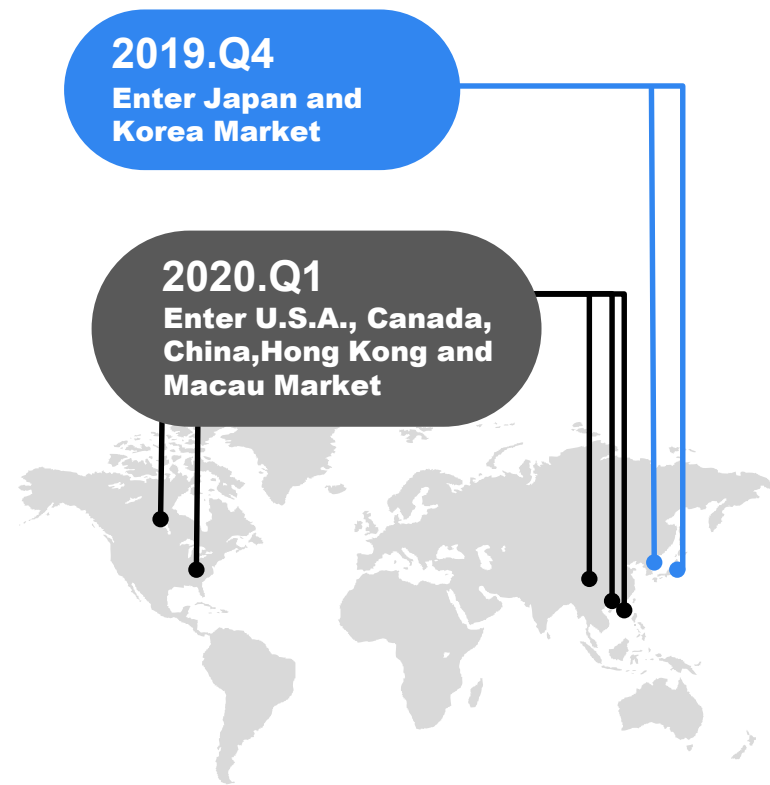


# Prospect

## The age of eSIM



Research and develop  
new eSIM technology  
Travel without limit

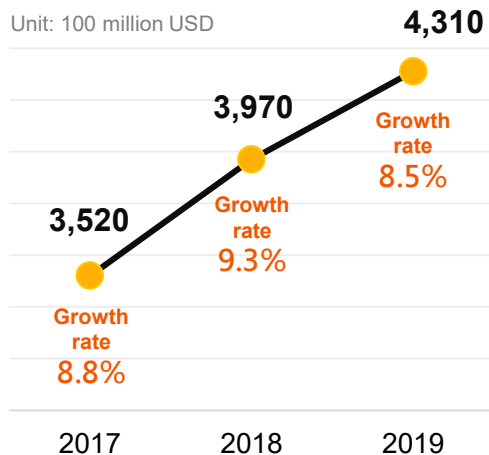




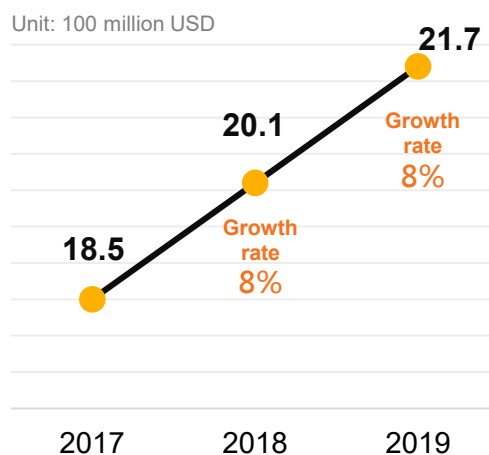
# Software Devisiion

# Market Trends: Market Size of Enterprise Software Expenditure

## Global enterprise software expenditure



## Taiwan enterprise software expenditure



The world is moving towards  
**AI, IoT, Cloud and 5G,**

**this will drive software service usage**

# New business model conversion

## Software operation old mode

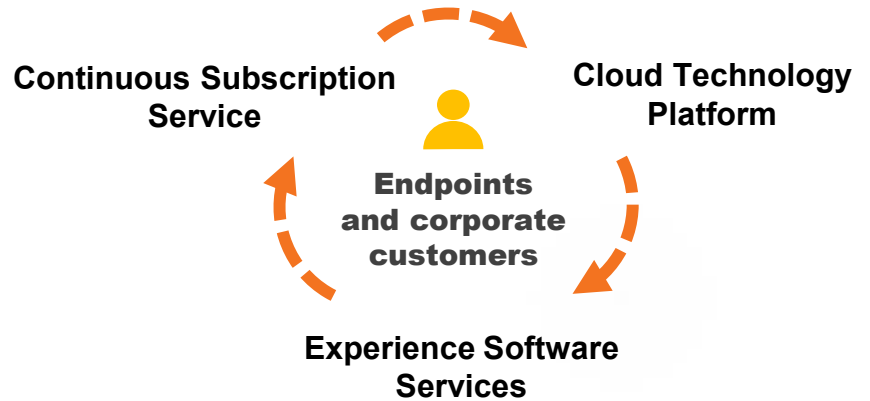
Retail store  
E-commerce  
distributors



**TA**

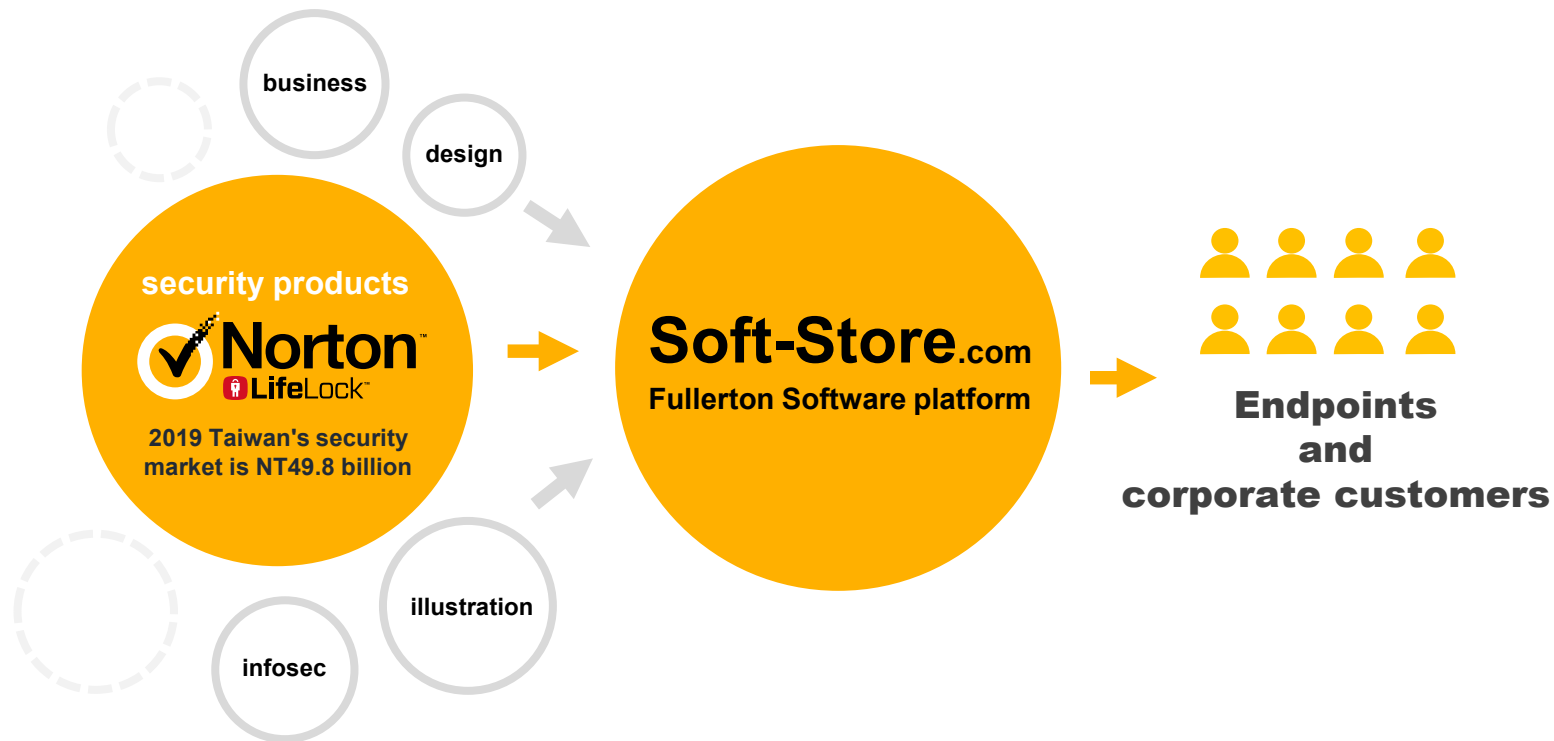
(Individuals and small and medium-sized enterprises)

## Subscription license to replace the sales of ownership





# Software platform operation prospect





# Digital Imagery Provider

# Major Task – Products

## Products

Photography, Chinese Painting, Illustration, Graphics, 3D, Video Clip, Music



[imagemore.com](https://www.imagemore.com)

Access more than **15 million** stock images



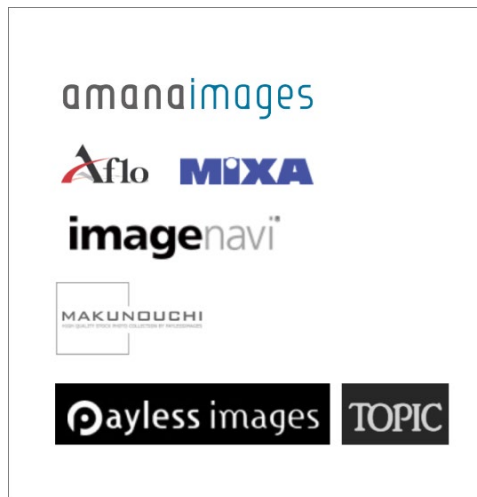
# 2018 International Partners

## Greater China



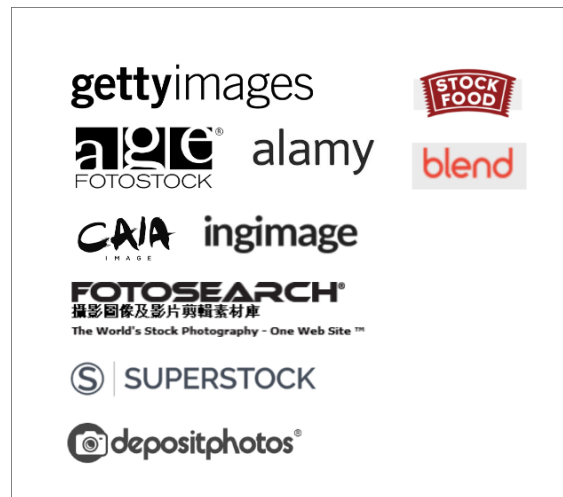
视觉中国 图虫  
gaopin 高品图像  
1TU壹图 优图佳视  
海洛创意 BLUEJEAN IMAGES  
VIEW STOCK 景家

## Asia



amanaimages  
Aflo MIXA  
imagenavi  
MAKUNOUCHI  
Dayless images TOPIC

## US / Europe



gettyimages STOCK FOOD  
alamy blend  
FOTOSTOCK  
ingimage  
FOTOSEARCH  
攝影圖像及影片剪輯素材庫  
The World's Stock Photography - One Web Site™  
SUPERSTOCK  
depositphotos

# 2019 Market Trends

## Usage Demands Increasing

- Newspaper, Magazine, TV, Advertisement, Books, Billboard
- Web Page, Online AD, E-books...
- Social Media & the Micro Business (Weibo, wechat, Facebook, Line...), Wemedia...

## Consumption Patterns Changing

- Rental Film – physical CD/DVD  
→ Digital download...

## Diversified Sales Platform

- Premium Stock-photo Platform
- Microstock Platform Impacts
- Increase of smaller/ Free stock imagery
- Blockchain

## Diverse Resources (competitors)

- From professional image stock companies
- From professional creators
- From individual creators (phone, SLR Camera)

## Mainland China Market

- Lots of copyright infringements
- Enterprise cooperation service program
- Copyrights protected management



# 2019 Management Strategy

## Value-Added Service

- Cultural & Creative Products
- Publishing
- Commercial Studio
- Wall Sticker
- Wall art
- Sticker
- Others

## Stock Photo License

- Photography
- Artwork
- Video
- Music

## Copyright Service

- Copyright Evidence
- Copyright Tracking
- Copyright Legal-suit

# 2019 Major Task



**Deeply cultivate creative  
images / clips for Chinese  
traditional culture**

**Develop Value-added  
service for Stock-photo  
Market**

**Rights Protection in other  
developed countries**

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# Financial Result



# 2019 H1 Summary of Performance

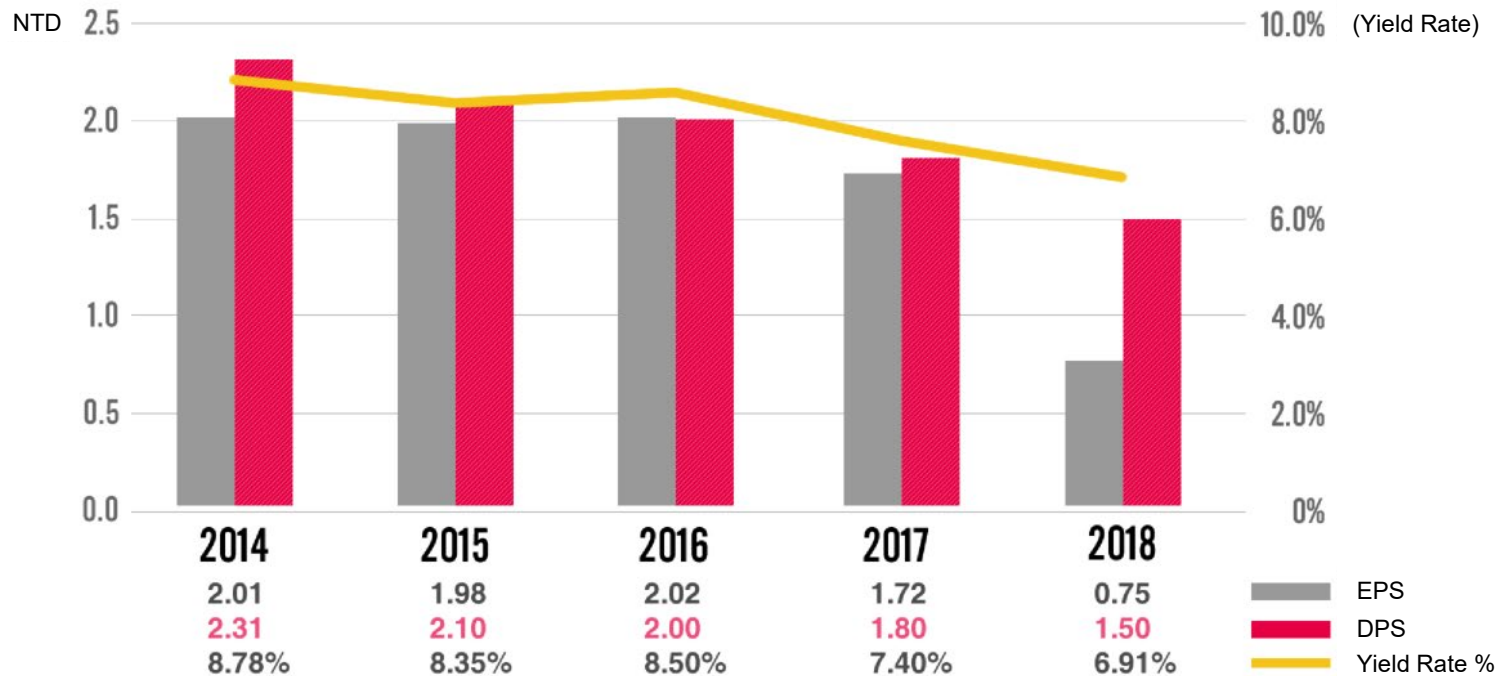
## 2018H1 Summary of Performance

Unit: NT\$ thousand, except for EPS

Income Statement	2019H1	%	2018H1	%	YoY	YoY%
Operating revenue	451,274	100.00%	304,670	100.00%	146,604	48.12%
Operating income (loss)	(12,745)	(2.82%)	(4,274)	(1.40%)	(8,471)	(198.20%)
Non-operating income and expenses	15,174	3.36%	7,687	2.52%	7,487	97.40%
Income before Income Tax	2,429	0.54%	3,413	1.12%	(984)	(28.83%)
Net Income	(2,150)	(0.48%)	951	0.31%	(3,101)	(326.08%)
EPS (after-tax)	(0.02)		0.00		(0.02)	0.00%

Balance Sheet	2019.6.30	%	2018.12.31	%	2018.6.30	%
Cash and cash equivalents	482,922	16.67%	424,599	15.46%	592,740	18.14%
<b>Total current assets</b>	<b>1,129,091</b>	<b>38.98%</b>	<b>1,039,374</b>	<b>37.84%</b>	<b>1,082,285</b>	<b>33.12%</b>
Non-current financial assets at fair value through other comprehensive income	1,519,957	52.47%	1,421,914	51.77%	1,953,299	59.78%
<b>Total non-current assets</b>	<b>1,767,779</b>	<b>61.02%</b>	<b>1,707,197</b>	<b>62.16%</b>	<b>2,184,999</b>	<b>66.88%</b>
<b>Total Assets</b>	<b>2,896,870</b>	<b>100.00%</b>	<b>2,746,571</b>	<b>100.00%</b>	<b>3,267,284</b>	<b>100.00%</b>
<b>Total Liabilities</b>	<b>302,411</b>	<b>10.44%</b>	<b>110,745</b>	<b>4.03%</b>	<b>336,151</b>	<b>10.30%</b>
<b>Total Equity</b>	<b>2,594,459</b>	<b>89.56%</b>	<b>2,635,826</b>	<b>95.97%</b>	<b>2,931,133</b>	<b>89.70%</b>

# Dividend Policy





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*Thank You*