104資訊科技

104 Corporation (TSE:3130)

A Total Solution Provider in Chinese HR Services Market

June 2016

Safe Harbor Statement

This presentation contains some forward-looking statements that are subject to substantial risks and uncertainties. Typically, these statements contain words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "plan," ''forecast," "project," "predict," "potential," "continue," "may," "should," "will" and "would" or similar words. You should consider these forward-looking statements carefully because such statements are only our expectations or projections about future events; and actual results may differ materially from those expressed or implied by such statements.

You should be cautioned that the forward-looking statements are not the guarantees of our future performance. The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.

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Agenda

- Company Profile
- Market Information
- Services and Products
- Financial Review and Dividend Policy
- 104 Value Map

Company Profile

Market Position

- 104 Job Bank was established: 1996.
- First IPO Job Bank company in Taiwan: 2006.
- First Job Bank in Taiwan to get ISO 27001.

Core Competence

- Strong database:
  6 million resumes,
  75% college graduated/ above,
  281K corp. customers.
- Online job opportunities (May. 2016): 722K, represent an increase of 11% YoY
- Comprehensive range of HR related services.

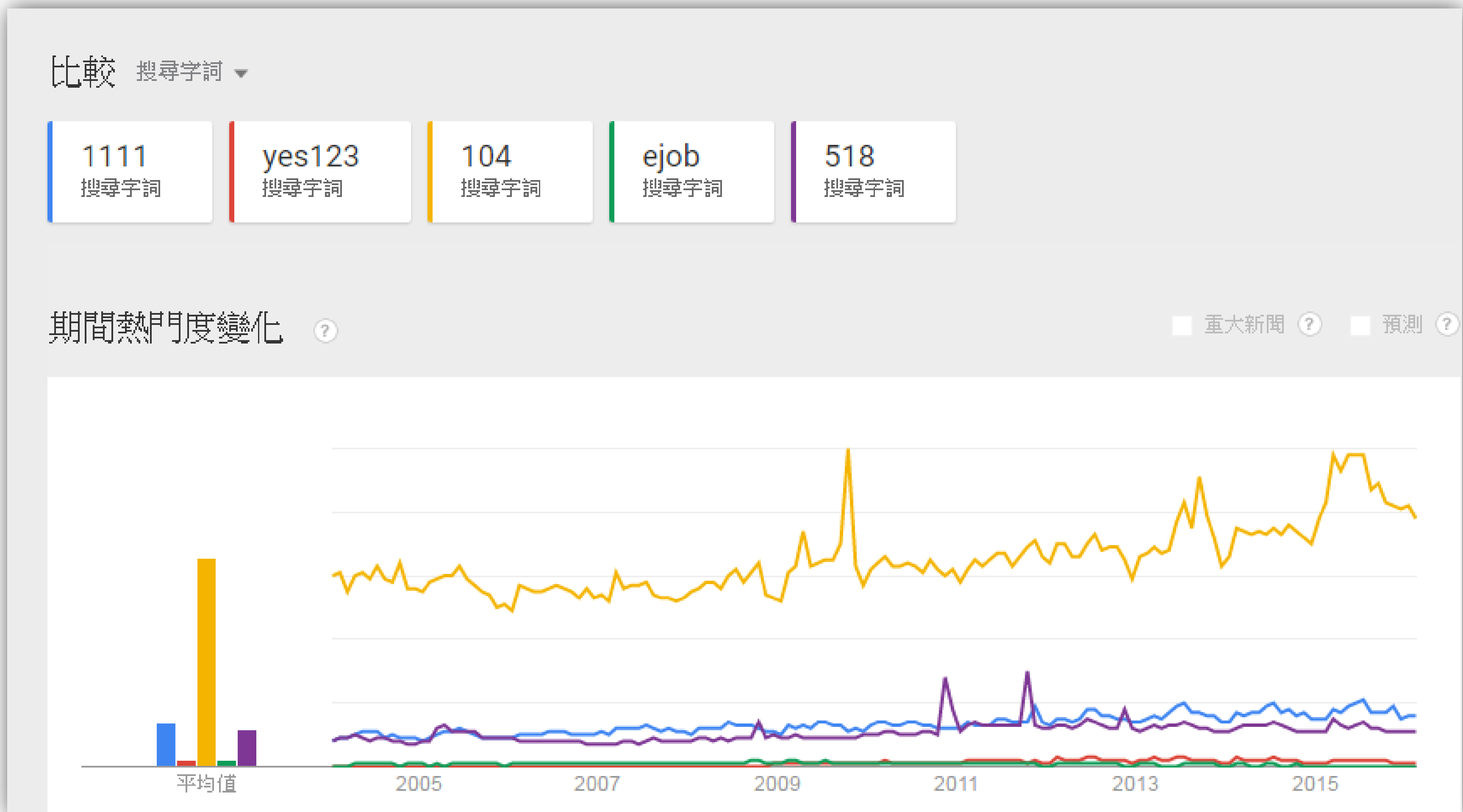
Financial Strengths

- Zero debts.
- Solid cash positions of NT$2.0 billion.
- Strong capability to generate cash even in difficult economic period.
- High satisfaction & recognition of 104 brand & services.

Source: Company data

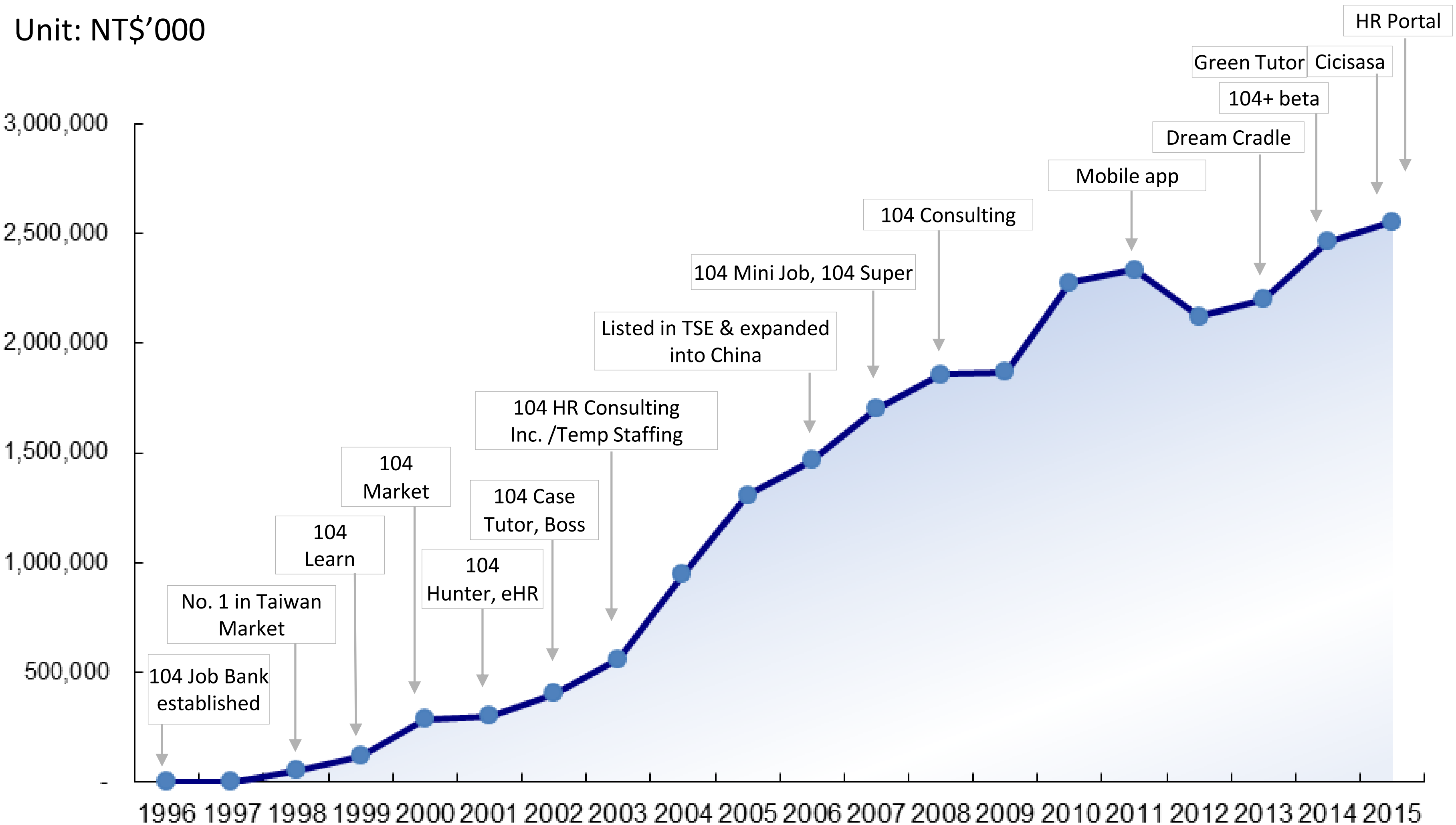
Leading Market Role

Comparing competitors, 104 is the most frequent searched keyword on Google.



History of Business Expansion

Unit: NT$'000



Source: Company data

Services and Products

Job Banks
Job Posting Services

104 Learn
Training Program Posting Services

104 Case
Outsourcing Case Posting Services

104 Ads
HR Ads Services

104 Tutor
Tuition Posting Services

HR Academy
HR Solutions & Consultancy

104 Hunter
Executive Search Services

- Large jobs base for job seekers with easy & accessible platform.
- Career map & value added services for job seekers.
- Large and diversified resumes pool for corporate users.
- Integrated matching & selecting platform.
- Variety of integrated services satisfy users' needs.

Source: Company data

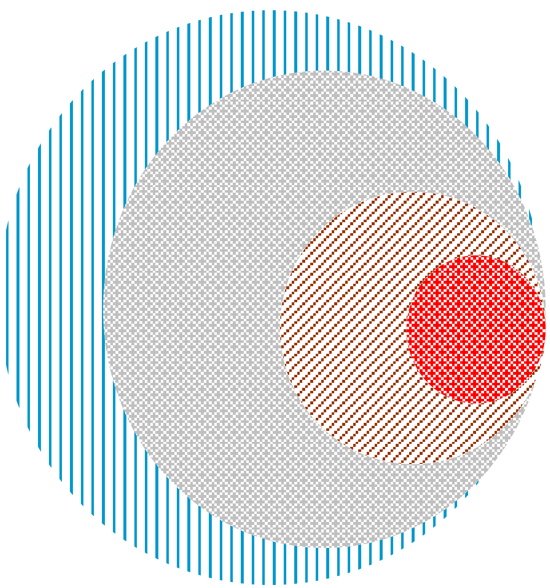
Current Mobile Services

Total population in Taiwan
= 23,379,129

Total Internet users in Taiwan
= 16,450,000

Total Mobile Internet users
= 11,070,000

Current 104 Mobile app users
= 3,610,000



Revenue Breakdown of 2016 May

Unaudited Revenue：

Unit: NT$'000

Time / Item	Monthly Revenue of May 2016	Monthly Revenue of May 2015	YoY	Accumulated Revenue of 2016	Accumulated Revenue of 2015	YoY
Consolidated	128,978	236,761	-45.52%	593,140	1,057,667	-43.92%
Consolidated (excluding temporary staffing business)		138,048	-6.57%		569,601	4.13%
Online	107,026	122,187	-12.41%	502,677	481,370	4.43%
Consulting	21,953	114,574	-80.84%	90,463	576,297	-84.30%
Consulting (excluding temporary staffing business)		15,861	38.40%		88,230	2.53%

Source: Company data

Revenue Performances

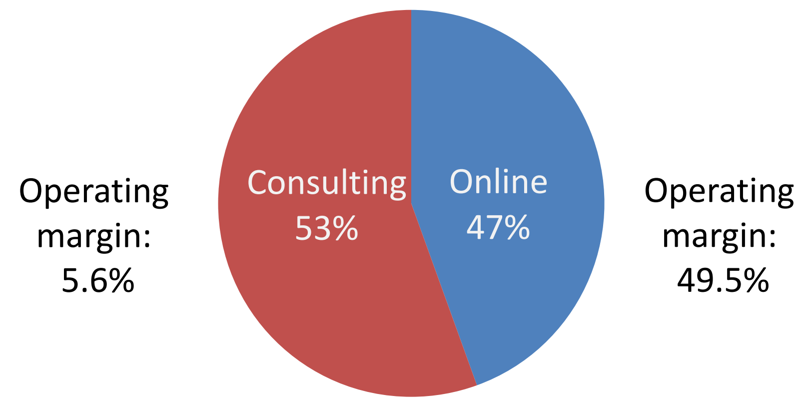
Online Services:

- Job Bank Listing / Ads
- Value-added Services

Consulting Services:

- Head-Hunting
- Temp-Staffing
- HR Academy

Revenue by Business Sectors, 2015FY



Quarterly Unaudited Consolidated Revenue

(Unit: NTD'000)

IFRS	2016 Q1	2015 Q4	2015 Q3	2015 Q2
Consolidated	344,189	610,896	657,008	678,408
YoY	9.27%	-3.06%	0.98%	8.57%
Online	293,565	285,742	319,896	318,732
YoY	11.16%	2.88%	10.64%	13.31%
Consulting	50,624	325,154	337,113	359,676
YoY	-0.52%	-7.74%	-6.74%	4.68%

Source: Company data

2016 Q1 Income Statement

(Unit: NTD '000)

	2016 Q1	%	2015 Q1	%	YoY Change
Net Operating Revenue	344,190	100%	315,027	100%	9.26%
Operating Cost	34,509	10%	32,121	10%	7.43%
Gross Profit	309,681	90%	282,906	90%	9.46%
Operating Expenses	227,092	66%	214,827	68%	5.71%
Sales & Marketing	147,844	43%	145,713	46%	1.46%
General & Administrative	35,119	10%	28,061	9%	25.15%
Research & Development	44,129	13%	41,053	13%	7.49%
Operating Income	82,589	24%	68,079	22%	21.31%
Non-Operating Income (Loss)	11,166	3%	3,573	1%	212.51%
Pre-Tax Income	93,755	27%	71,652	23%	30.85%
Less: Tax Expense (Income)	(30,907)	-9%	11,931	4%	-
Income from Discontinued Operations, Net of Tax	38,765	11%	8,283	3%	368.01%
Net Income	163,427	47%	68,004	22%	140.32%
Other comprehensive Income	(159)	-	(394)	-	-
Total Comprehensive Income	163,268	47%	67,610	22%	141.48%
Parent Shareholding	163,457		68,544		
Minority Interest	(30)		(540)		

Source: Company data

**As of 31st March, 2016, the company had 33,124 thousand outstanding shares.

2016 Q1 Balance Sheet

Unit: NTD'000	2016.3.31		2015.3.31	
	Amount	%	Amount	%
Cash & Cash Equivalents	1,990,450	87%	1,699,023	79%
AR & NR	49,790	2%	213,739	10%
Other Receivables	31,648	11%	10,035	1%
Total Current Assets	2,080,318	91%	1,929,910	90%
Property, Plant and Equipment	166,581	8%	171,445	8%
Intangible Assets	13,767	1%	13,801	1%
Total Assets	2,283,146	100%	2,147,290	100%
AP/NP/Other Payables	212,073	9%	318,355	15%
Deferred Revenue	369,942	17%	334,495	16%
Total Current Liabilities	678,187	30%	741,736	35%
Total Liabilities	682,333	30%	744,767	35%
Shareholders' Equity	1,600,813	70%	1,402,523	65%

Source: Company data

2016 Q1 Cash Flows

Unit: NTD’000	2016 Q1	2015 Q1
	Amount	**Amount**
From Operating Activities	**25,334**	**(6,534)**
Income Before Tax	**93,755**	**80,894**
Depreciation and Amortization	**18,600**	**17,249**
Other Operating Sources / (Uses)	**(87,021)**	**(104,677)**
From Investing Activities	**118,335**	**(10,936)**
Proceeds from Disposal of Subsidiaries	**124,625**	**-**
Acquisitions of PP&E	**(4,769)**	**(7,475)**
Acquisitions of Intangible Assets	**(2,003)**	**(2,375)**
Cash and Cash Equivalents at the Beginning of January 1	**1,846,942**	**1,716,860**
Cash and Cash Equivalents at the End of March 31	**1,990,450**	**1,699,023**

Source: Company data

2015 Income Statement

(Unit: NTD '000)

	2015 FY	%	2014 FY	%	YoY Change
Net Operating Revenue	1,409,398	100%	1,293,180	100%	8.99%
Operating Cost	139,958	10%	138,827	11%	0.81%
Gross Profit	1,269,440	90%	1,154,353	89%	9.97%
Operating Expenses	939,421	67%	845,756	65%	11.07%
Sales & Marketing	617,482	44%	567,999	44%	8.71%
General & Administrative	127,547	9%	108,047	8%	18.05%
Research & Development	194,392	14%	169,710	13%	14.54%
Operating Income	330,019	23%	308,597	24%	6.94%
Non-Operating Income (Loss)	21,192	1%	27,772	2%	-23.69%
Pre-Tax Income	351,211	24%	336,369	26%	4.41%
Income from Discontinued Operations, Net of Tax	37,712	3%	30,899	2%	22.05%
Net Income	330,818	23%	313,002	24%	5.69%
Other Comprehensive Income	(4,172)	-	(5,071)	-	-
Total Comprehensive Income	326,646	23%	307,931	24%	6.08%
Parent Shareholding	329,656		310,589		
Minority Interest	1,162		2,413		

Source: Company data

**As of 31st December, 2015, the company had 33,124 thousand outstanding shares.

2015 Balance Sheet

Unit: NTD'000	2015.12.31		2014.12.31	
	Amount	%	Amount	%
Cash & Cash Equivalents	1,846,942	79%	1,716,860	81%
AR & NR	37,646	1%	218,110	10%
Non-Current Assets Classified as Held for Sale, Net	262,162	11%	-	-
Total Current Assets	2,164,216	91%	1,951,822	91%
Property, Plant and Equipment	178,593	8%	158,328	7%
Intangible Assets	13,757	1%	15,382	1%
Total Assets	2,378,983	100%	2,156,580	100%
AP/NP/Other Payables	294,921	12%	434,912	20%
Liabilities Related to Non-Current Assets Classified as Held for Sale	170,914	7%	-	-
Deferred Revenue	352,750	15%	305,215	14%
Total Current Liabilities	937,990	39%	820,811	38%
Total Liabilities	942,629	39%	824,318	38%
Shareholders' Equity	1,436,354	61%	1,332,262	62%

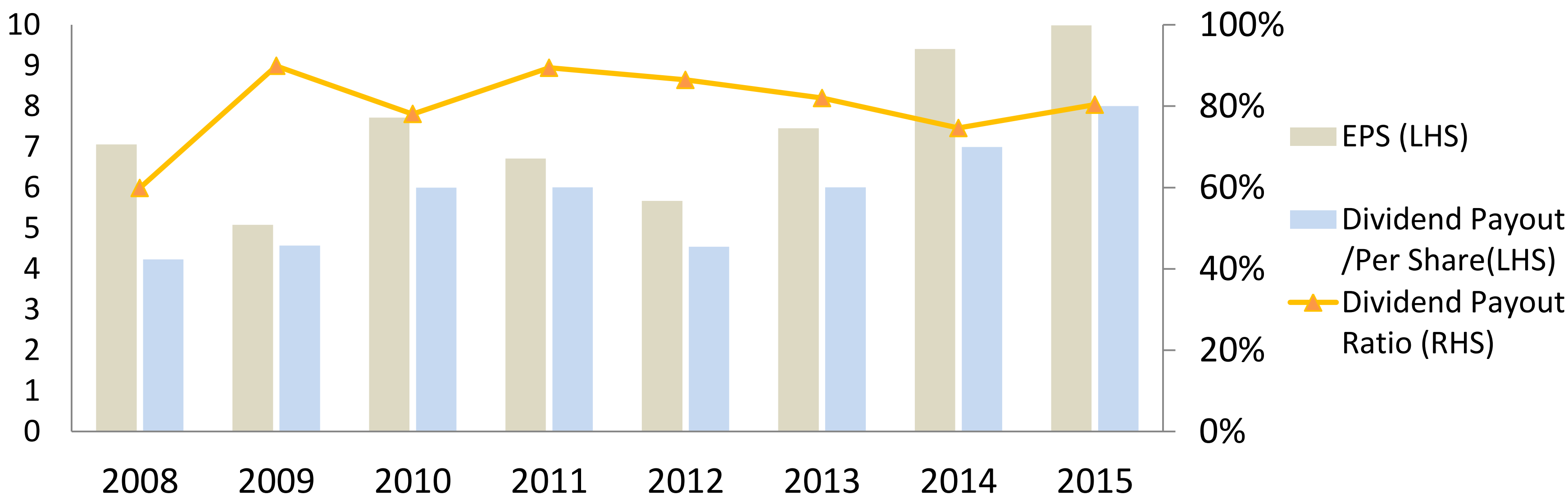
Source: Company data

2015 Cash Flows

Unit: NTD’000	2015 FY	2014 FY
	Amount	**Amount**
From Operating Activities	**536,616**	**511,680**
Income Before Tax	**390,442**	**370,177**
Depreciation and Amortization	**75,084**	**64,006**
Other Account Payable	**19,066**	**94,351**
From Investing Activities	**(89,711)**	**(23,314)**
Net Gain on Financial Assets Measured at Fair Value through Profit or Loss	**-**	**30,355**
Acquisitions of PP&E	**(79,357)**	**(44,880)**
Acquisitions of Intangible Assets	**(11,056)**	**(10,465)**
From Financing Activities	**(231,782)**	**(197,991)**
Cash Dividends Paid	**(231,782)**	**(197,991)**
Cash and Cash Equivalents at the Beginning of January 1	**1,716,860**	**1,432,549**
Cash and Cash Equivalents at the End of December 31	**1,931,064**	**1,716,860**
Cash and Cash Equivalents on Balance Sheet	**1,846,942**	**1,716,860**

Source: Company data

Dividend Policy



Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Net Income	238,328	171,542	261,328	228,164	170,855	241,423	310,589	329,655
Cash Dividend	142,763	154,237	203,996	204,079	147,709	197,991	231,782	264,990
Dividend Payout Ratio	60%	90%	78%	89%	87%	82%	75%	80%
Average Stock Price	99.5	73.3	112.6	99.23	76.06	90.06	122.24	151.94
Yield Rate (%)	4.25%	6.23%	5.33%	6.05%	5.98%	6.66%	5.73%	5.27%
Employee Cash Bonus	26,356	18,424	28,168	24,614	18,204	26,074	33,544	NA

Source: Company data

104 Value Map

- 50% profit margin

Higher ageing rate

Lowest career termination rate

We care

65 y

Job & resume material value

Career & talent management/knowledge management

We develop

15 y

Lowest birth rate

Highest talent variety rate

We inspire

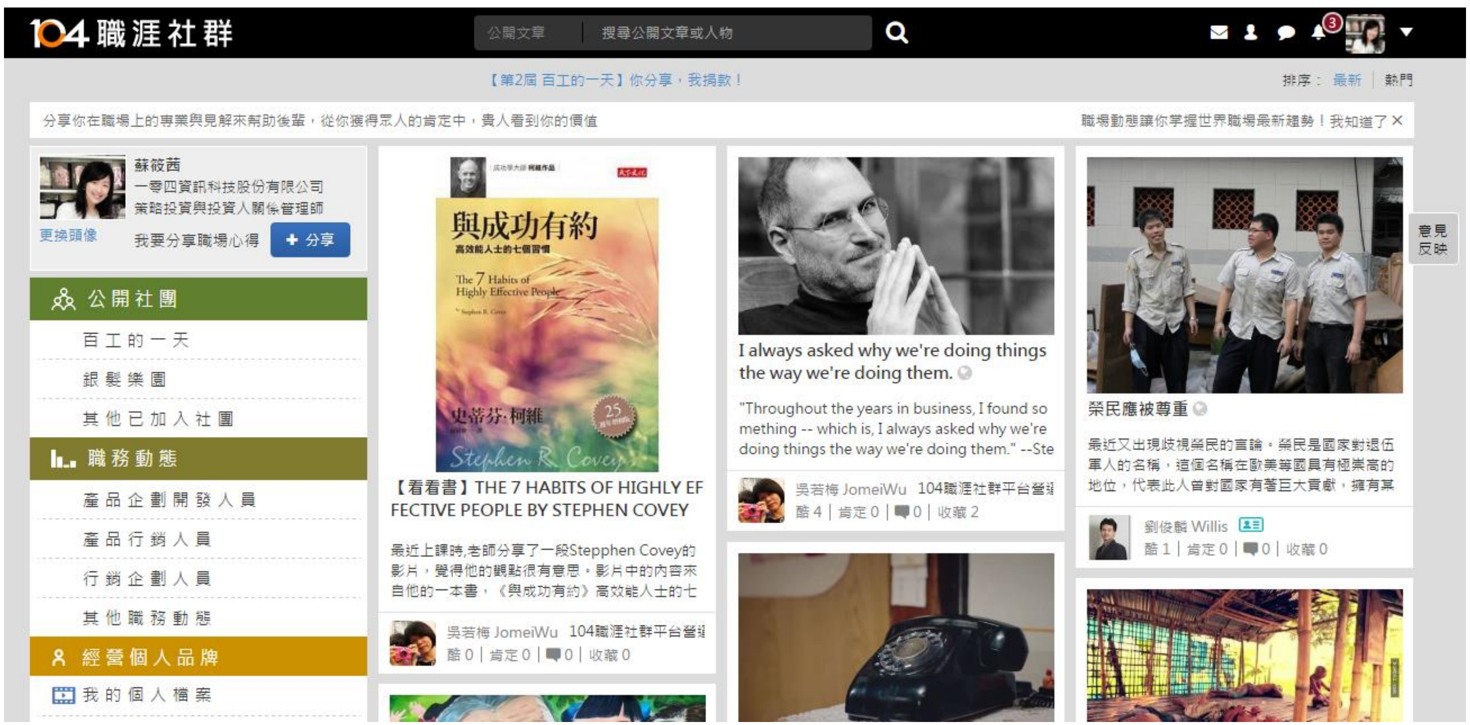
C.M.O.S. C Cloud M Mobile O Open Platform S Social Media

Green Tutor

- A Q & A learning platform: it encourages children to ask questions and think independently
- In addition to ask school questions, they can ask about career – related questions.

104 Career Community

- A social open platform provides a life-time career consulting service.
- <u>Personal Brand Report</u>: Members could explore and develop their value and influence by sharing their knowledge and experiences.
- <u>Reasonable Matching Mechanism</u>: Suitable jobs will find our members.
- <u>Expanding Networks and Connections</u>: Members can learn from senior people & interact with experts easily.



HR Portal

- HR management services: including talent selection, recruitment, training, managing
- A portal allows employees to interact with co-workers, supervisors and employer in a more effective and efficient way.
- SME contributes 85% of enterprises in Taiwan. HR Portal is targeting these SME customers to generate greater business opportunity.

Senior Care Services

- 104 Corp expands its core value to senior care services, aiming to solve senior care problems & help working class to solve their hidden stress and responsibility of in-home nursing care.

Thank you

For more information, please contact:

Brenda Shih, CIO

886-2-2912-6104 ext. 9688

brenda.shih@104.com.tw

Vera Su, IR

886-2-2912-6104 ext. 9698

vera.su@104.com.tw