Stock Code：8044

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013 AND 2012

(WITH INDEPENDENT ACCOUNTANTS'
REVIEW REPORT THEREON)

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Independent Accountants' Review Report

To the Board of Directors of

PChome Online Inc.:

We have reviewed the accompanying consolidated balance sheets of PChome Online Inc. and its subsidiaries (the Consolidated Company) as of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, and the consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for the three months ended March 31, 2013 and 2012. The Company's management is responsible for the preparation and presentation of the condensed consolidated financial statements. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

Except as described in the following paragraph, we reviewed these consolidated financial statements in accordance with Statement of Auditing Standards No. 36 "Engagements to Review Financial Statements". A review is limited primarily to inquiries of company personnel and applying analytical procedures to financial data and thus provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Also included in the accompanying consolidated financial statements are the financial statements of certain consolidated subsidiaries, which were not reviewed by independent accountants. These consolidated subsidiaries had total assets as of March 31, 2013 and 2012, of NT$1,063,899 thousand and NT$891,260 thousand, constituting 25% and 22%, respectively, of total consolidated assets. The total liabilities of these subsidiaries as of March 31, 2013 and 2012, amounted to NT$345,214 thousand and NT$203,616 thousand, constituting 15% and 9%, respectively, of total consolidated liabilities. The comprehensive income (loss) of these subsidiaries for the three months ended March 31, 2013 and 2012, amounted to NT$8,210 thousand and NT$(4,080) thousand, constituting 6% and (4)%, respectively, of consolidated comprehensive income.

Based on our reviews, except for the effects of the adjustments, if any, that might have emerged had the financial statements of the said consolidated subsidiaries and the long-term equity investees been reviewed by independent accountants, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements described in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the guidelines of IAS 34 “Interim Financial Reporting” which are approved by the FSC.

KPMG

May 14, 2013

<u>Note to Readers</u>

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards approved by the R.O.C. Financial Supervisory Commissions and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The accountants’ report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language accountants’ report and financial statements, the Chinese version shall prevail.

Reviewed only, not audited in accordance with generally accepted auditing standards

PCHOME ONLINE INC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	March 31, 2013		December 31, 2012		March 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Current Assets:								
Cash and cash equivalents (Notes (4) and (6)(a))	$ 3,040,191	71	2,929,153	68	2,917,558	73	2,887,802	71
Notes receivable, net (Notes (4), (6)(c) and (6)(q))	6,603	-	9,168	-	10,926	-	9,684	-
Accounts receivable, net (Notes (4), (6)(c) and (6)(q))	279,496	6	362,673	9	235,717	6	272,106	7
Other receivables (Notes (4), (6)(q) and (7))	129,146	3	140,289	3	111,010	3	125,295	3
Inventories, net (Notes (4) and (6)(d))	256,015	6	263,884	6	189,876	5	185,851	5
Other financial assets – current (Note (8))	209,111	5	218,111	5	198,100	5	238,000	6
Other current assets	25,070	1	13,516	1	18,283	-	12,765	-
	3,945,632	92	3,936,794	92	3,681,470	92	3,731,503	92
Non-Current Assets:								
Financial assets measured at cost — noncurrent (Notes (4), (6)(b) and(6)(q))	36,061	1	36,061	1	40,763	1	40,763	1
Property, plant, and equipment (Notes (4) and (6)(e))	201,265	5	215,691	5	167,068	4	175,166	4
Intangible assets (Notes (4) and (6)(f))	15,110	-	16,443	-	12,316	-	12,015	-
Deferred income tax assets (Note (4))	41,291	1	46,264	1	61,213	2	59,705	2
Other financial assets — non-current (Note (8))	41,524	1	41,391	1	42,439	1	41,847	1
Other non-current assets	8,947	-	4,470	-	17,969	-	12,386	-
	344,198	8	360,320	8	341,768	8	341,882	8
TOTAL ASSETS	**$ 4,289,830**	**100**	**4,297,114**	**100**	**4,023,238**	**100**	**4,073,385**	**100**

The accompanying notes are an integral part of the consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

PCHOME ONLINE INC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONT'D)

March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	March 31, 2013		December 31, 2012		March 31, 2012		January 1, 2012	
LIABILITIES AND STOCKHOLDERS' EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current Liabilities:								
Short-term debt (Notes (4) and (6)(g))	$ -	-	-	-	100,000	3	100,000	3
Notes payable (Note (4))	4,168	-	9,443	-	3,085	-	8,797	-
Accounts payable (Note (4))	1,193,211	28	1,344,143	32	1,122,458	28	1,282,148	32
Other payable (Notes (4) and (7))	323,320	8	396,914	9	297,696	7	391,121	10
Current tax liabilities (Note (4))	38,819	1	17,045	-	77,896	2	58,357	1
Other current liabilities (Note (6)(h))	723,540	17	662,150	16	607,582	15	547,722	13
	2,283,058	54	2,429,695	57	2,208,717	55	2,388,145	59
Non-current Liabilities:								
Deferred income tax liabilities (Note (4))	7,528	-	6,628	-	3,900	-	3,547	-
Accrued pension liabilities (Notes (4) and (6)(j))	8,206	-	8,295	-	18,518	1	18,919	-
	15,734	-	14,923	-	22,418	1	22,466	-
TOTAL LIABILITIES	2,298,792	54	2,444,618	57	2,231,135	56	2,410,611	59
Owners' Equity Attributable to Equity Holders of the Parent Company:								
Capital Stock:								
Common stock (Note (6)(l))	822,448	19	822,448	19	699,953	18	693,679	17
Advance receipts for common stock	-	-	-	-	-	-	1,006	-
Capital Surplus (Notes (4) and (6)(l))	61,573	1	55,977	1	47,532	1	38,964	1
Retained Earnings (Note (6)(l)):								
Legal reserve	92,383	2	92,383	2	51,575	1	51,575	1
Special reserve	-	-	-	-	1,942	-	1,942	-
Retained earnings – unappropriated	618,340	15	501,745	12	615,837	15	509,791	13
Other Equity (Notes (4) and (6)(l)):								
Foreign currency differences arising from the foreign operations financial statements	792	-	(1,011)	-	(268)	-	2,290	-
Treasury stock	-	-	-	-	-	-	(2,512)	-
Total owners' equity attributale to equity holders of the parent company	1,595,536	37	1,471,542	34	1,416,571	35	1,296,735	32
Non-controlling Interest	395,502	9	380,954	9	375,532	9	366,039	9
TOTAL STOCKHOLDERS' EQUITY	1,991,038	46	1,852,496	43	1,792,103	44	1,662,774	41
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 4,289,830**	**100**	**4,297,114**	**100**	**4,023,238**	**100**	**4,073,385**	**100**

The accompanying notes are an integral part of the consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

PCHOME ONLINE INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	First Quarter of 2013		First Quarter of 2013	
	Amount	**%**	**Amount**	**%**
Operating revenues (Notes (4) and (6)(o))	$ 3,996,430	102	3,801,443	102
Less: Sales returns, discounts and allowances	82,362	2	66,600	2
Net sales	3,914,068	100	3,734,843	100
Operating costs (Notes (4) and (6)(d))	3,268,262	84	3,135,735	84
Gross margin	645,806	16	599,108	16
Operating expenses				
Selling expenses	384,625	10	359,008	10
General and administrative expenses	76,941	2	78,419	2
Research and development expenses	35,233	1	29,837	1
Total operating expenses	496,799	13	467,264	13
Income from operations	149,007	3	131,844	3
Non-operating income and expenses				
Other revenue (Note (6)(p))	4,037	-	3,083	-
Other gains and losses (Note (6)(p))	892	-	(1,756)	-
Finance costs (Note (6)(p))	-	-	(708)	-
Total non-operating income and expenses	4,929	-	619	-
Consolidated income before tax from continuing operations	153,936	3	132,463	3
Less: Income tax expense	27,811	-	19,035	-
Consolidated net income	126,125	3	113,428	3
Other comprehensive income:				
Foreign currency translation differences	1,940	-	(2,817)	-
Less: Other comprehensive income as tax expense	-	-	-	-
Other comprehensive income (net of tax)	1,940	-	(2,817)	-
Total comprehensive income for the quarter	**$ 128,065**	**3**	**110,611**	**3**
Net income attributable to:				
Owner of the parent company	$ 116,595	**3**	107,312	**3**
Non-controlling interest	9,530	-	6,116	-
	$ 126,125	**3**	**113,428**	**3**
Comprehensive income attributable to:				
Owner of the parent company	$ 118,398	3	104,754	3
Non-controlling interest	9,667	-	5,857	-
	$ 128,065	**3**	**110,611**	**3**
Earnings per share (Note (6)(n))				
Basic earnings per share (dollars)	**$**	**1.42**		**1.33**
Diluted earnings per share (dollars)	**$**	**1.41**		**1.29**

The accompanying notes are an integral part of the consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

PCHOME ONLINE INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	Owners' Equity Attributable to Equity Holders of the Parent Company										
	Stock			Retained Earnings			Other Equity				
	Common Stock	Advance Receipts for Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings-Unappropriated	Foreign Currency Translation Differences for Foreign Operations, Net of Tax	Treasury Stock	Total Owners' Equity Attributable to Equity Holders of the Parent Company	Non-controlling Interest	Total
Balance as of January 1, 2012	$ 693,679	1,006	38,964	51,575	1,942	509,791	2,290	(2,512)	1,296,735	366,039	1,662,774
Net income	-	-	-	-	-	107,312	-	-	107,312	6,116	113,428
Other comprehensive income	-	-	-	-	-	-	(2,558)	-	(2,558)	(259)	(2,817)
Total comprehensive income	-	-	-	-	-	107,312	(2,558)	-	104,754	5,857	110,611
Increase in capital by cash from non-controlling interest	-	-	-	-	-	-	-	-	-	6,000	6,000
Treasury stock retired	(1,060)	-	(186)	-	-	(1,266)	-	2,512	-	-	-
Difference between consideration and carrying amount of subsidiaries disposed of	-	-	2,330	-	-	-	-	-	2,330	-	2,330
Share-based payment	7,334	(1,006)	6,424	-	-	-	-	-	12,752	-	12,752
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(2,364)	(2,364)
Balance as of March 31, 2012	**$ 699,953**	**-**	**47,532**	**51,575**	**1,942**	**615,837**	**(268)**	**-**	**1,416,571**	**375,532**	**1,792,103**
Balance as of January 1, 2013	$ 822,448	-	55,977	92,383	-	501,745	(1,011)	-	1,471,542	380,954	1,852,496
Net income	-	-	-	-	-	116,595	-	-	116,595	9,530	126,125
Other comprehensive income	-	-	-	-	-	-	1,803	-	1,803	137	1,940
Total comprehensive income	-	-	-	-	-	116,595	1,803	-	118,398	9,667	128,065
Increase in capital by cash from non-controlling interest	-	-	-	-	-	-	-	-	-	6,000	6,000
Difference between consideration and carrying amount of subsidiaries disposed of	-	-	5,596	-	-	-	-	-	5,596	-	5,596
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(1,119)	(1,119)
Balance as of March 31, 2013	**$ 822,448**	**-**	**61,573**	**92,383**	**-**	**618,340**	**792**	**-**	**1,595,536**	**395,502**	**1,991,038**

The accompanying notes are an integral part of the consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	First Quarter of 2013	First Quarter of 2013
Cash flows from operating activities:		
Consolidated net income before tax	$ 153,936	132,463
Adjustments:		
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation	22,042	16,840
Amortization	1,804	1,522
Provision for doubtful accounts	189	1,074
Interest expense	-	708
Interest revenue	(3,449)	(2,637)
Provision for inventory market price decline and obsolescence	947	726
Gain on disposal and retirement of property, plant and equipment, net	(268)	-
Total adjustments to reconcile net income to net cash provided by operating activities	21,265	18,233
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Decrease (increase) in notes receivable	2,565	(1,242)
Decrease in accounts receivable	82,988	35,315
Decrease (increase) in inventories	6,922	(4,751)
Increase in other current assets	(11,554)	(7,167)
Decrease in other receivables	11,143	14,837
Total changes in operating assets, net	92,064	36,992
Changes in operating liabilities, net:		
Decrease in notes payable	(5,275)	(5,712)
Decrease in accounts payable	(150,932)	(159,653)
Decrease in other payable	(73,594)	(92,502)
Increase in other current liabilities	61,390	59,926
Decrease in accrued pension liabilities	(89)	(195)
Total changes in operating liabilities, net	(168,500)	(198,136)
Total changes in operating assets and liabilities, net	(76,436)	(161,144)
Total Adjustments	(55,171)	(142,911)
Cash inflow (outflow) generated from operations	98,765	(10,448)
Interest received	3,449	2,637
Interest paid	-	(708)
Income tax paid	(164)	(154)
Net cash provided by (used in) operating activities	102,050	(8,673)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(8,373)	(6,327)
Disposal of property, plant and equipment	1,169	-
Purchase of intangible assets	(471)	(1,823)
Decrease in other financial assets	8,867	39,102
Increase in other non-current assets	-	(8,094)
Net cash provided by investing activities	1,192	22,858
Cash flows from financing activities:		
Execution of employee share options	-	12,752
Chang in non-controlling interest	6,000	6,000
Net cash provided by financing activities	6,000	18,752
Foreign exchange rate effects	1,796	(3,181)
Net increase in cash and cash equivalents	111,038	29,756
Cash and cash equivalents, beginning of period	2,929,153	2,887,802
Cash and cash equivalents, end of period	**$ 3,040,191**	**2,917,558**

The accompanying notes are an integral part of the consolidated financial statements.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(1) Organization and Business

PChome Online Inc. (the Company) was incorporated on July 14, 1998. The Company's primary business scope includes software design, digital information supply, and data processing, and wholesaling and retailing of office machinery, equipment, and information software.

On August 30, 2004, the board of directors of the GreTai Securities Market approved the Company's application for stock listing, and it became officially listed and traded on January 25, 2005.

To enhance competitiveness and operating effectiveness, the Company decided to spin off its store segment into a newly incorporated subsidiary, PChome Store Inc., with April 30, 2010, as the effective date. Approval was given by the GreTai Securities Market, and the subsidiary company was listed on that date. The consolidated interim financial statements of the Company as at and for the three months ended March 31, 2013, comprise the Company and its subsidiaries (together referred to as the Group)

As of March 31, 2013 and 2012, the Group had 1,387 and 1,118 employees, respectively.

(2) Approval Date and Procedures of the Consolidated Financial Statements

The board of directors releases the consolidated interim financial quarterly statements on May 14, 2013.

(3) New Standards and Interpretations Not Yet Adopted

(a) New standards and interpretations approved by the R.O.C. Financial Supervisory Commissions but not yet effective

The International Accounting Standards Board ("IASB") issued International Financial Reporting Standard 9 Financial Instruments ("IFRS 9") in November 2009, which is effective on January 1, 2013. (In December 2011, the IASB announced the effective date would be postponed till January 1, 2015.) This standard has been approved by the R.O.C. Financial Supervisory Commission ("FSC"); however, the effective date has not been announced. In accordance with FSC rules, early adoption is not permitted, and companies shall follow the guidance in the 2009 version of International Accounting Standards 39 Financial Instruments ("IAS 39"). At the adoption of this new standard, it is expected there will be significant impacts on the classification and measurement of financial instruments in the consolidated financial statements.

(b) New standards and interpretations not yet approved by the FSC

A summary of the new standards and amendments issued by the IASB that may have an impact on the consolidated financial statements not yet approved by the FSC:

Issue date	New standards and amendments	Description	Effective date per IASB
May 12, 2011 June 28, 2012	・IFRS 10 Consolidated Financial Statements ・IFRS 11 Joint Arrangements	・On May 12, 2011, the IASB issued a series of standards and amendments related to consolidation, joint arrangements, and investments.	January 1, 2013

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

]Issue date	New standards and amendments	Description	Effective date per IASB
May 12, 2011 June 28, 2012	· IFRS 12 Disclosure of Interests in Other Entities · Amended IAS 27 Separate Financial Statements · Amended IAS 28 Investments in Associates and Joint Ventures	The new standards provide a single model in determining whether an entity has control over an investee (including special purpose entities), other than the consolidation process, in which the original guidance and method applies. In addition, joint arrangements are separated into joint operations (concepts from jointly controlled assets and jointly controlled operations), and joint ventures (concepts from jointly controlled entities), and removal of the proportionate consolidation method. · On June 28, 2012, amendments were issued clarifying the guidance over the transition period.	January 1, 2013
May 12, 2011	· IFRS 13 Fair Value Measurement	Replaces fair value measurement guidance in other standards, and consolidates as one single guidance.	January 1, 2013
June 16, 2011	· Amended IAS 1 Presentation of Financial Statements	Items presented in other comprehensive income shall be based on whether they are potentially reclassified to profit or loss subsequently.	July 1, 2012
June 16, 2011	· Amended IAS 19 Employee Benefits	Eliminates the corridor method and eliminates the option to recognize changes in the net defined benefit liability (asset) into profit or loss; in addition, requires the immediate recognition of past service cost.	January 1, 2013

As the standards and amendments above have not been approved by the FSC, the Group is not able to assess the impact on the consolidated financial statements at the time of adoption.

(4) Significant Accounting Policies

The significant accounting policies presented in the consolidated interim financial statements are summarized as follows:

The significant accounting policies have been applied consistently to all periods presented in these consolidated interim financial statements, and have been applied consistently to the IFRS consolidated statement of financial position approved by the FSC (ROC) of January 1, 2012.

(a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with the guidelines of IAS 34 Interim Financial Reporting which are approved by the FSC and do not include all of the information required for full annual financial statements.

These are the Group's first IFRS consolidated interim financial statements for the period covered by the first IFRS (approved by the FSC) annual financial statements, and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. An explanation of how the transition to IFRSs has affected the reported financial position, financial performance, and cash flows of the Group is provided in notes 15.

(b) Basis of preparation

(i) Basis of measurement

The consolidated interim financial statements have been prepared on a historical cost basis except for the following material items in the statement of financial position:

1) Liabilities for cash-settled share-based payment arrangements are measured at fair value; and

2) The defined benefit asset is recognized as plan assets, plus unrecognized past service cost, less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(c) Business combination

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements:

(All currencies expressed in thousands)

Name of investor	Name of subsidiary	Principal activity	Shareholding				Note
			2013.3.31	2012.12.31	2012.3.31	2012.1.1	
The Company	IT Home Publications Inc.	Magazine publication	100.00%	100.00%	100.00%	100.00%	
〃	Linktel Inc.	Network services	100.00%	100.00%	100.00%	100.00%	
〃	PC Home Online International Co., Ltd.	International trade and investment activities	100.00%	100.00%	100.00%	100.00%	
〃	PChome US Inc.	E-commerce platform	90.91%	90.91%	90.91%	90.91%	
〃	PChome eBay Co., Ltd.	Online auction	65.00%	65.00%	65.00%	65.00%	
〃	Rakuya International Info. Co. Ltd.	Real estate business, and internet information rental service	21.99%	21.99%	21.99%	21.99%	Note 1
〃	Pay and Link Inc.	Internet services	100.00%	100.00%	100.00%	100.00%	
〃	Liker Technology Inc.	O2O (Online to Offline) E-commerce	34.72%	34.72%	34.72%	35.71%	Note 2
〃	PChomePay Inc.	Information processing and provision of electronic information	62.50%	100.00%	100.00%	100.00%	
〃	Orange Network Inc.	Online television media business	100.00%	100.00%	100.00%	100.00%	Note 3
〃	PChome Travel Inc.	Travel agency business	-	-	100.00%	100.00%	Note 4
〃	PChome Store Inc	Internet services	59.91%	59.91%	59.91%	59.91%	
〃	eCommerce Group Co., Ltd.	Investment activities	100.00%	100.00%	100.00%	-	
PChome Store Inc.	Liker Technology Inc.	O2O (Online to Offline) E-commerce	41.67%	41.67%	41.67%	42.86%	Note 2
PChome eBay Co., Ltd.	PChomePay Inc	Information processing and provision of electronic information	30.00%	-	-	-	
PC Home Online International Co., Ltd.	PChome Online Inc.	International trade and investment activities	100.00%	100.00%	100.00%	100.00%	
eCommerce Group Co., Ltd.	EC Global Inc.	Investment activities	100.00%	100.00%	100.00%	-	
PChome Online Inc.	PC Home Online (HK) Ltd.	Information service and indirect investment activities	100.00%	100.00%	100.00%	100.00%	
EC Global Inc.	EC Global Limited	Investment activities	100.00%	100.00%	100.00%	-	
PC Home Online (HK) Ltd.	Shanghai Todo Inc.	Software and internet technical consulting service	100.00%	100.00%	100.00%	100.00%	
EC Global Limited	PChome Trading (Shenzhen) Ltd.	International trading E-commerce	100.00%	100.00%	100.00%	-	

Note 1: Although the Company holds less than 50% of Rakuya International Info. Co. Ltd.'s outstanding equity shares, it has control over Rakuya International Info. Co. Ltd.'s finance, operations, and employment decisions. Therefore, it was included in the consolidated financial statements.

Note 2: The Group holds more than 50% of Liker Technology Inc.'s outstanding equity shares. Therefore, it was included in the consolidated financial statements.

Note 3: On September 7, 2012, a resolution had been approved by the shareholders of the investee company (Orange Network Inc.) for dissolution. As of March 31, 2013, the investee company was in the liquidation process.

Note 4: On October 16, 2012, PChome Travel Inc. completed the dissolution.

(iii) List of subsidiaries which are not included in the consolidated interim financial statements: None

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of translation. Those foreign currency differences arising on retranslation are recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group's functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to the Group's functional currency at the average rate. Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity.

However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate of a joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity.

(e) Assets and liabilities classified as current and non-current

An entity shall classify an asset as current when:

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify a liability as current when:

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(g) Financial instruments

Financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instruments.

(i) Financial assets

The Group classifies financial assets into the following categories: loans and receivables, and financial assets measured at cost.

1) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise trade receivables and other receivables. Such assets are recognized initially at fair value, plus any directly attributable transaction costs.

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses other than insignificant interest on short-term receivables. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade-date accounting.

2) Financial assets measured at cost

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at amortised cost and are included in financial assets measured at cost.

3) Impairment of financial assets

A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is accounted for as objective evidence of impairment.

All individually significant receivables are assessed for specific impairment. Receivables that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries, and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than those suggested by historical trends.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversible in subsequent periods.

An impairment loss in respect of a financial asset is reduced from the carrying amount, except for trade receivables, in which an impairment loss is reflected in an allowance account against the receivables. When it is determined a receivable is uncollectible, it is written off from the allowance account. Any subsequent recovery of receivable written off is recorded in the allowance account. Changes in the amount of the allowance accounts are recognized in profit or loss.

Provision for doubtful accounts is recorded as general and administrative expenses. The impairment loss on financial assets other than accounts receivable is recorded as other gains and losses under non-operating income and expenses.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Group are classified as financial liabilities or equity in accordance to the substance of the contractual agreement.

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. Equity instruments issued are recognized as the amount of consideration received less the direct cost of issuing.

Interest related to the financial liability is recognized in profit or loss, and it is included in the statement of comprehensive income. On conversion, the financial liability is reclassified to equity, and no gain or loss is recognized.

2) Other financial liabilities

Financial liabilities not classified as held for trading, or designated as at fair value through profit or loss, which comprise loans and borrowings, and trade and other payables, are measured at fair value, plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in profit or loss, and is included in the statement of comprehensive income.

3) Derecognizing of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been discharged or cancelled or expires. The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss, and is included in the statement of comprehensive income.

4) Offsetting of financial assets and liabilities

The Group presents financial assets and liabilities on a net basis when the Group has the legally enforceable right to offset, and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(h) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories consists of all costs of purchase and other costs incurred in bringing the inventories to a salable and useable location and condition. Inventory cost is calculated using the weighted-average-cost formula.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Property, plant, and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset.

The gain or loss arising from derecognizing an item of property, plant or equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses and included in the statement of comprehensive income.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount, and it shall be allocated on a systematic basis over its useful life. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

The estimated useful lives, for the current and comparative years, of significant items of property, plant and equipment are as follows:

(i)Transportation equipment	5 years
(ii)Furniture and office equipment	3-5 years
(iii)Leasehold improvements	1-5 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change(s) is accounted for as a change in an accounting estimate.

(j) Lease

The Group’s leases are operating leases and are not recognized in the Group’s statement of financial position.

Payments made under an operating lease (excluding insurance and maintenance expenses) are recognized in profit or loss on a straight-line basis over the term of the lease.

(k) Intangible assets

(i) Intangible assets

Software that is acquired by the Group is measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with an indefinite useful life, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Software	1~5 years

The residual value, amortization period and amortization method for an intangible asset with a finite useful life shall be reviewed at least annually at each fiscal year-end. Any changes shall be accounted for as changes in accounting estimates.

(l) Impairment – non-derivative financial assets

To ensure inventories, deferred tax assets, and assets arising from employee benefits are carried at no more than their recoverable amount, and to define how the recoverable amount is determined, if it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Group will have to determine the recoverable amount for the asset's cash-generating unit (CGU).

The recoverable amount for individual asset or a cash-generating unit is the higher of its fair value less costs to sell or its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss shall be recognized immediately in profit or loss.

The Group should assess at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset.

An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Notwithstanding whether indicators exist, recoverability of goodwill and intangible assets with indefinite useful lives or those not yet in use is required to be tested at least annually. Impairment loss is recognized if the recoverable amount is less than the carrying amount.

(m) Treasury stock

Repurchased shares are recognized under treasury shares (a contra-equity account) based on their repurchase price (including all directly accountable costs), net of tax. Gains on disposal of treasury shares should be recognized under "capital reserve – treasury share transactions"; Losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weighed average of different types of repurchase.

During the cancellation of treasury shares, "capital reserve – share premiums and share capital" should be debited proportionately. Gains on cancellation of treasury shares should be recognized under existing capital reserves arising from similar types of treasury shares; Losses on cancellation of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings.

(n) Revenue

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

(ii) Services

Revenue from internet, consultant and management services rendered are recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on market yields of high-quality corporate bonds or government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

All actuarial gains and losses at January 1, 2012, the date of transition to FSC-approved IFRS, were recognized in retained earnings. The Group recognizes all actuarial gains and losses arising subsequently from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in personnel expenses in profit or loss.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, and any related actuarial gains or losses and past service cost that had not previously been recognized.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of share-based payment awards granted to employees is recognized as employee expenses, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period that the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and settlement date. Any changes in the fair value of the liability are recognized as personnel expenses in profit or loss.

(q) Income taxes

Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

(r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary equity holders of the Company. The basic earnings per share are calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding.

The diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as employee stock bonus and employee stock options.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Major Sources of Accounting Assumptions, Judgments and Estimation Uncertainty

The preparation of the consolidated quarterly financial statements in conformity with IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and approved by the FSC) requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The preparation of the consolidated quarterly financial statements and the related estimates and underlying assumptions are reviewed on an ongoing basis in conformity with IFRSs (approved by the FSC). Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next 9 months is included in the following notes:

(a) Note (6)(j): measurement of defined benefit obligations

(b) Note (6)(k): utilization of tax losses

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(6) Summary of Major Accounts

(a) Cash

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Cash on hand	$ 202	198	142	182
Checking accounts	21,958	22,193	12,334	9,347
Savings accounts	2,046,701	1,948,962	1,988,625	2,054,781
Foreign currency deposits	98,353	85,846	46,686	72,903
Time deposits	865,200	865,200	865,158	745,050
Cash equivalents	7,777	6,754	4,613	5,539
Cash and cash equivalents in consolidated statement of cash flows	**$ 3,040,191**	**2,929,153**	**2,917,558**	**2,887,802**

Refer to note 6(q) for the currency risk and interest analysis of the financial assets and liabilities of the Group.

(b) Financial assets

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Financial assets measured at cost	**$ 36,061**	**36,061**	**40,763**	**40,763**

The aforementioned investments held by the Group are measured at amortized cost at year-end given the range of reasonable fair value estimates is large and the probability for each estimate cannot be reasonably determined. Therefore, the Group management has determined that the fair value cannot be measured reliably.

As of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, the Group's financial assets were not pledged as collateral.

(c) Notes and accounts receivable, net

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Notes receivable	$ 6,603	9,168	10,926	9,684
Accounts receivable	285,360	369,673	250,278	288,862
Less: Allowance for impairment loss	(5,864)	(7,000)	(14,561)	(16,756)
Net	279,496	362,673	235,717	272,106
Total	**$ 286,099**	**371,841**	**246,643**	**281,790**

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

The movement in the allowance for impairment with respect to accounts receivable in the first quarter of 2013 and 2012 was as follows:

	First Quarter of 2013	First Quarter of 2012
Balance at January 1	$ 7,000	16,756
Impairment loss recognized	189	1,074
Amount of write-off	(1,325)	(3,269)
Balance at March 31	**$ 5,864**	**14,561**

(d) Inventories

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Merchandise inventories	$ 258,135	265,057	192,830	188,079
Less: Allowance for inventory valuation and obsolescence losses	(2,120)	(1,173)	(2,954)	(2,228)
Total	**$ 256,015**	**263,884**	**189,876**	**185,851**

As of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, the Group's inventories were not pledged as collateral.

The details of operating cost were as follows:

	First Quarter of 2013	First Quarter of 2012
Cost of goods sold	$ 3,267,315	3,134,540
Provision for inventory market price decline and obsolescence	947	726
Loss on disposal of scrap	-	469
	$ 3,268,262	**3,135,735**

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(e) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group in the first quarter of 2013 and 2012 were as follows:

	Transportation equipment	Furniture and office equipment	Leasehold improvements	Total
Cost:				
Balance at January 1, 2013	$ 4,176	454,716	154,384	613,276
Additions	-	8,240	133	8,373
Disposals	(1,159)	(53)	-	(1,212)
Effect of movements in exchange rates	98	74	35	207
Balance at March 31, 2013	**$ 3,115**	**462,977**	**154,552**	**620,644**
Balance at January 1, 2012	$ 4,355	403,126	97,535	505,016
Additions	-	3,570	2,757	6,327
Transferred from prepayments	-	2,254	358	2,612
Effect of movements in exchange rates	(112)	(64)	(35)	(211)
Balance at March 31, 2012	**$ 4,243**	**408,886**	**100,615**	**513,744**
Depreciation and impairment loss:				
Balance at January 1, 2013	$ 859	311,339	85,387	397,585
Depreciation for the year	150	14,224	7,668	22,042
Disposals	(258)	(53)	-	(311)
Effect of movements in exchange rates	22	25	16	63
Balance at March 31, 2013	**$ 773**	**325,535**	**93,071**	**419,379**
Balance at January 1, 2012	$ 169	268,027	61,654	329,850
Depreciation for the year	179	12,296	4,365	16,840
Effect of movements in exchange rates	(6)	(2)	(6)	(14)
Balance at March 31, 2012	**$ 342**	**280,321**	**66,013**	**346,676**
Carrying amounts:				
At January 1, 2013	**$ 3,317**	**143,377**	**68,997**	**215,691**
At March 31, 2013	**$ 2,342**	**137,442**	**61,481**	**201,265**
At January 1, 2012	**$ 4,186**	**135,099**	**35,881**	**175,166**
At March 31, 2012	**$ 3,901**	**128,565**	**34,602**	**167,068**

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(f) Intangible assets

The costs, amortisation, and impairment losses of intangible assets of the Group in the first quarter of 2013 and 2012 were as follows:

		Software
Cost:		
Balance at January 1, 2013	$	28,020
Acquired separately		471
Balance at March 31, 2013	**$**	**28,491**
Balance at January 1, 2012	$	37,923
Acquired separately		1,823
Balance at March 31, 2012	**$**	**39,746**
Amortisation and impairment losses:		
Balance at January 1, 2013	$	11,577
Amortisation for the year		1,804
Balance at March 31, 2013	**$**	**13,381**
Balance at January 1, 2012	$	25,908
Amortisation for the year		1,522
Balance at March 31, 2012	**$**	**27,430**
Carrying amounts		
Balance at January 1, 2013	**$**	**16,443**
Balance at March 31, 2013	**$**	**15,110**
Balance at January 1, 2012	**$**	**12,015**
Balance at March 31, 2012	**$**	**12,316**

The amortisation of intangible assets is included in the statement of comprehensive income:

	First Quarter of 2013	First Quarter of 2012
Operating expense	**$ 1,804**	**1,522**

(g) Short-term debt

Details of loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	2013.03.31	2012.12.31	2012.03.31	2012.01.01
Unsecured bank loans	TWD	2.84%	2012	**$ -**	**-**	**100,000**	**100,000**

The above-mentioned loan was repaid early in May 2012.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

The Group discloses in note 6(q) the liquidity and interest rate risk associated with financial instruments.

(h) Other current liabilities

	2013.03.31	2012.12.31	2012.03.31	2012.01.01
Advance receipts	$ 224,755	218,570	248,135	233,382
Receipts under custody	495,742	439,615	356,037	309,740
Other	3,043	3,965	3,410	4,600
Total	$ 723,540	662,150	607,582	547,722

The Group received the advance receipts from consumers who purchased goods or online service points.

Agreements were entered into between the Group and its online sellers for entrusting the Group to collect sellers' online transaction payments. Collections were recognized under receipts under custody and were accounted for as payables to the sellers.

(i) Operating lease

Non-cancellable operating lease rentals are payable as follows:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Less than one year	$ 122,054	141,059	141,394	131,190
Between one and five years	146,120	172,890	98,315	124,220
	$ 268,174	313,949	239,709	255,410

The Group leases a number of offices and warehouses under operating leases. The leases typically run for a period of 1 to 5 years, with an option to renew the lease after that date. Lease payments are increased every five years to reflect market rentals.

In the first quarter of 2013 and 2012, the amount recognized as operating lease expense amounted to $48,289 and $41,711, respectively, in profit or loss.

(j) Employee benefits

In the prior fiscal year (2012), there was no material volatility of the market, no material reimbursement or settlement, and no other material one-time events. As a result, pension cost in the interim financial statements is measured and disclosed according to paragraph B9 of IAS 34 "Interim Financial Reporting".

(i) Defined benefit plans

The Group determined the movement in the present value of the defined benefit obligations and fair value of plan assets as follows:

	2012.12.31	2012.01.01
Present value of defined benefit obligation	$ 48,983	57,063
Fair value of plan assets	(40,845)	(38,144)
Recognized liabilities for defined benefit obligations	$ 8,138	18,919

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

The Group makes defines benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years or service and average salary for the six months prior to retirement.

a) Composition of plan assets

The Group sets aside pension funds in accordance with the regulations of the Council of Labor Affairs, and the pension funds are managed by the Pension Supervisory Committee. The annual budget for the allocation of the minimum income cannot be lower than the income calculated based on the interest rate of the banks' two-year time deposit in accordance with the Management and Utilization of Labor Pension Funds regulations.

The Group's Bank of Taiwan pension reserve account balance amounted to $41,562 at the end of the reporting period. The information used to calculate pension fund assets includes the asset allocation and yield of the fund. Please refer to the information published on the website of the Council of Labor Affairs and the Labor Pension Supervisory Committee.

b) Expenses recognized in profit or loss

The Group's expenses recognized in profit or loss in the first quarter of 2013 and 2012 were as follows:

	First Quarter of 2013	First Quarter of 2012
Cost of sales	$ -	1
Selling expenses	56	106
General and adminstrative expenses	1	6
Research and development expenses	3	14

c) Actuarial gains and losses recognized in other comprehensive income

The Group's cumulative actuarial gains and losses recognized in other comprehensive income were $8,942 as at December 31, 2012.

d) Actuarial assumptions

The following are the principal actuarial assumptions at December 31, 2012 (expressed as weighted averages):

	2012
Discount rate at December 31	1.75%
Expected return on plan assets at January 1	2.00%
Future salary increase	3.00%

The Group expected to pay $1,758 in contributions to the pension fund within one year after the reporting date.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

e) Experience adjustments based on historical information

	2012.12.31	2012.1.1
Present value of defined benefit obligation	$ 48,983	57,063
Fair value of plan assets	(40,845)	(38,144)
Recognized liabilities for defined benefit obligations	**$ 8,138**	**18,919**
Experience adjustments arising on present value of defined benefit liabilities	**$ (13,395)**	-
Experience adjustments arising on fair value of plan assets	**$ 403**	-

f) When calculating the present value of the defined benefit obligation, the Group must use judgments and estimates to determine the underlying actuarial assumptions at the balance sheet date, including staff turnover and future salary changes. Any changes in actuarial assumptions could materially affect the Group’s determination of the amount of the benefit obligation.

At December 31, 2012, the amount recognized as accrued pension liabilities amounted to $8,183. If the staff turnover rate increases or decreases by 1%, the Group’s accrued pension liabilities will increase by $2,467 or decrease by $2,457, respectively.

(ii) Defined contribution plans

The Group set aside 6% of the employees’ monthly wages to the Labor Pension personal accounts at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act.

The Group set aside a fixed amount to the Bureau of the Labor Insurance without the payment of additional legal or constructive obligations.

In the first quarter of 2013 and 2012, the Group set aside $8,925 and $7,926, respectively, under the pension plan to the Bureau of the Labor Insurance.

(k) Income taxes

Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 “Interim Financial Reporting”.

(i) The amounts of income tax in the first quarter of 2013 and 2012 were as follows:

	First Quarter of 2013	First Quarter of 2012
Current income tax expense:		
Current period	**$ 21,040**	**14,723**
Deferred tax expense:		
Origination and reversal of temporary differences	**$ 6,771**	**4,312**

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(ii) The amount of income tax expense recognized in other comprehensive income in the first quarter of 2013 and 2012 was zero.

(iii) The Company's tax returns for the years through 2010 were examined and approved by the Taipei National Tax Administration. The ROC Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. The Group's estimated unused loss carryforwards up to March 31, 2013, were as follows:

Year of Occurrence	Unused Loss Carryforward	Year of Expiration
2008	$ 14,247	2018
2009	47,070	2019
2010	19,135	2020
2011	38,564	2021
2012	59,046	2022

(iv) The Company's information related to the unappropriated earnings and tax deduction ratio is summarized below:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Unappropriated earnings of 1998 and after	**$ 618,340**	**501,745**	**615,837**	**509,791**
Balance of imputation credit account (ICA)	**$ 25,485**	**24,838**	**650**	**650**

Unappropriated retained earnings and the ICA for all above periods are calculated in accordance with the regulations Governing the Preparation of Financial Reports by Securites Issuers and IFRS (approved by the FSC).

	2012 (projected)	2011 (actual)
Tax deduction ratio for earnings distribution to ROC residents	**5.84%**	**11.83%**

The estimated tax deduction ratio for distribution of earnings for the year 2012 shown in the table above has been calculated in accordance with the amendment to Article 66-6 of the Income Tax Act approved by the Finance Committee of the Legislative Yuan of the Republic of China on April 1, 2013. The amendment is still pending a third reading by the Legislative Yuan on the date of the issuance of the review report.

(l) Capital and other equity

As of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, the total value of nominal ordinary shares amounted to $888,000. The face value of each share is $10. In total, there were 82,245, 82,245, 69,995 and 69,368 ordinary shares, respectively, issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding in the first quarter of 2013 and 2012 was as follows:

	Ordinary shares (in thousands of shares)	
	First Quarter of 2013	**First Quarter of 2012**
Issued at January 1	$ 82,245	69,368
Exercise of employee stock options	-	733
Cancellation of treasury shares	-	(106)
Issued at March 31	**$ 82,245**	**69,995**

(i) Issuance of ordinary shares

On June 19, 2012, the Company’s shareholders resolved to capitalize its unappropriated retained earnings of $110,614 with a total of 11,061 thousand shares issued at par value. The capital increase was effective on August 7, 2012, with all registration amendments completed.

In addition, the employee stock options which were awarded in 2008 were converted into 733 thousand common shares in the first quarter of 2012.

On March 30, 2012, the Company’s board of directors resolved to reduce treasury stock by 106 thousand shares. The capital decrease was effective on March 31, 2012, with all registration amendments completed.

(ii) Capital surplus

The balance of additional paid-in capital was as follows:

	2013.3.31	**2012.12.31**	**2012.3.31**	**2012.1.1**
Share capital	$ 53,647	53,647	37,980	26,917
From treasury share transactions	-	-	-	129
Difference between consideration and carrying amount of subsidiaries disposed of	7,926	2,330	2,330	-
Employee stock options	-	-	7,222	11,918
	$ 61,573	**55,977**	**47,532**	**38,964**

In accordance with the Company Act as amended in January 2012, realized capital reserves can only be reclassified as share capital or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital reserves to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

(iii) Retained earnings

According to the articles of association, current-period earnings should first be used to settle all outstanding tax payables and prior-year losses. Next, after the recognition or reversal of special earnings reserves according to statutory requirements, 10 percent of statutory earnings reserves may be distributed as follows:

1~15 percent as employee benefits.

The board of directors will submit a proposal regarding the distribution of the remaining balance in the shareholders' meeting.

The Company adopts a residual dividend policy determined by taking the following factors into consideration:

1) The reserve for the Consolidated Company's projected capital expenditure;

2) The reserve used to repay outstanding borrowings;

3) Bonuses and dividends that may be distributed in cash and by issuing shares.

The distribution ratio of stock dividends may not exceed 80% of total dividends.

a) Legal reserve

In accordance with the Company Act as amended in 2012, 10 percent of net income should be set aside as statutory earnings reserve until it is equal to share capital. If the Company experienced profit for the year, the meeting of shareholders shall decide on the distribution of the statutory earnings reserve, either by new shares or by cash, of up to 25 percent of the actual share capital.

b) Special reserve

In accordance with Permit No. 1010012865 issued by the Financial Supervisory Commission on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net reduction of current-period special earnings reserve resulting from first-time adoption of IFRS and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to first-time adoption of IFRS. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

c) Earnings distribution

Employee benefits amounted to $11,460 and $10,608 for the first quarter of 2013 and 2012, respectively. These amounts are calculated using the Company's net profit for the first quarter of 2013 and 2012, and are determined according to the earnings allocation method, priority and distribution ratios for employee benefits as stated under the articles of association. These benefits are expensed under operating expenses in the first quarter of 2013 and 2012.

Employee benefits amounted to $38,743 and $44,087 for 2012 and 2011, respectively. These amounts are calculated using the Company's net profit for 2012 and 2011, and are determined according to the earnings allocation method, priority and distribution ratios for employee benefits as stated under the articles of association. These benefits are expensed under operating expenses during 2012 and 2011. The amounts as stated in the financial statements are identical to the actual distributions for 2011.

The number of shares to be distributed for employee benefits for 2012 is yet to be decided by the meeting of shareholders. Related information would be available on the Market Observation Post System after the convening of the meeting of shareholders. For subsequent adjustments to the actual distributed amount as determined by a future meeting of shareholders, the difference shall be accounted for under profit or loss in 2013.

The earnings distribution for 2012 was submitted by the board of directors on March 29, 2013. The earnings distribution for 2011 was decided by the general meeting of shareholders held on June 19, 2012.

The relevant dividend distribution to shareholders is as follows:

	For the Year Ended December 31, 2012		For the Year Ended December 31, 2011	
	Stock Bonus	**Amount**	**Stock Bonus**	**Amount**
Dividends distributed to common shareholders				
Cash	$ 2.9903	245,934	3.6429	258,100
Shares	-	-	1.5612	110,614
Total		$ 245,934		368,714

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(iv) Other equity

		Foreign currency translation differences for foreign operations
Balance at January 1, 2013	$	(1,011)
Foreign currency translation differences (net of tax):		
The Group		1,803
Balance at March 31, 2013	**$**	**792**
Balance at January 1, 2012	$	2,290
Foreign currency translation differences (net of tax):		
The Group		(2,558)
Balance at March 31, 2012	**$**	**(268)**

(m) Share-based payment

As of December 31, 2012, the Group had 2 share-based payment arrangements as follows:

	Equity-settled	
	Employee stock option plan 1	**Employee stock option plan 2**
Grant date	August 27, 2008	December 19, 2008
Number of shares	1,900 thousand	1,900 thousand
Contract term	4 years	4 years
Recipients	Full-time official employees of the Group	Full-time official employees of the Group
Vesting conditions	A Holder of the options may exercise 50% and 100% of the options in accordance with certain schedules as prescribed by the plan subsequent to the second and third anniversary, respectively, of the grant date.	A Holder of the options may exercise 50% and 100% of the options in accordance with certain schedules as prescribed by the plan subsequent to the second and third anniversary, respectively, of the grant date.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(i) Determining the fair value of equity instruments granted

For the adoption of the Black-Scholes options model to estimate the fair value of share-based payment at the grant date, the factors were as follows:

	First Quarter of 2012	
	Employee stock option plan1	**Employee stock option plan2**
Fair value at grant date	7.29	5.33
Share price at grant date	26.10	19.50
Exercise price	26.10	19.50
Expected volatility (%)	42.55%	41.50%
Expected life (years)	4	4
Risk-free interest rate (%)	1.891%	1.891%

Expected volatility is based on the weighted average of historical volatility, and it is adjusted accordingly when there is additional market information about the volatility. The Group determined the expected dividends and risk-free rate during the life of the option. These rates are determined based on government bonds, and they are in accordance with the regulations. Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

The historic volatility rate is 41.50%~42.55%, and this includes rates for the first few years after the Company was incorporated. The Group expected the volatility of the share price to decrease when the market matures.

(ii) Employee stock options

Details of the employee stock options and the transfer of treasury stock were as follows:

	First Quarter of 2012	
	Weighted-average exercise price	**Number of stock options**
Outstanding at January 1	$ 21.90	1,874
Exercised during the year	18.59	(686)
Outstanding at March 31	-	**1,188**
Exercisable at March 31	-	**1,188**

At the date of exercise of the options in the first quarter of 2012, the weighted-average share price amounted to $18.59.

The details of the share options of the Group as of December 31, 2012, are as follows:

	2012.12.31	**2012.3.31**	**2012.1.1**
Exercise price range	13.41~17.90	15.84~21.17	15.84~21.17
Weighted-average remaining contractual period (years)	-	0.50~0.72	0.75~0.97

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(iii) Employee expenses and liabilities

The Group incurred expenses and liabilities of the share-based arrangement in the first quarter of 2012 as follows:

		First Quarter of 2012
Expenses resulting from granted employee stock options	**$**	**2,855**

(n) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share in the first quarter of 2013 and 2012, was based on the profit attributable to ordinary shareholders of the Company of $116,595 and $107,312, respectively, and the weighted-average number of ordinary shares outstanding of 82,245 and 80,923 thousand (with retroactive adjustment), respectively, calculated as follows:

a) Profit attributable to ordinary shareholders

		First Quarter of 2013	First Quarter of 2012
		Continuing Operations	Continuing Operations
Profit attributable to ordinary shareholders	$	116,595	107,312

b) Weighted-average number of ordinary shares

		First Quarter of 2013	First Quarter of 2012
Outstanding ordinary shares at January 1	$	82,245	80,198
Effect of own shares held		-	(123)
Effect of exercise of stock options		-	848
Weighted-average number of ordinary shares at March 31	**$**	**82,245**	**80,923**

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(ii) Diluted earnings per share

The calculation of diluted earnings per share in the first quarter of 2013 and 2012, was based on profit attributable to ordinary shareholders of the Company of $116,595 and $107,312, respectively, and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 82,634 and 82,910 thousand (it had retroactive adjustment), respectively, calculated as follows.

a) Profit attributable to ordinary shareholders of the Company

	First Quarter of 2013	First Quarter of 2012
Profit attributable to ordinary shareholders	$ 116,595	107,312

b) Weighted-average number of ordinary shares (diluted)

	First Quarter of 2013	First Quarter of 2012
Weighted-average number of ordinary shares (basic)	$ 82,245	80,923
Effect of employee stock bonus	389	375
Effect of share options issued	-	1,612
Weighted-average number of ordinary shares at March 31	**$ 82,634**	**82,910**

When calculation diluted effect of stock options, the company was based on average market price when option shares outstanding.

(o) Revenue

For the first quarter of 2013 and 2012, the details of revenue are as follows:

	Continuing Operations	
	First Quarter of 2013	First Quarter of 2012
Sale of goods	$ 3,723,981	3,554,125
Rendering of services	190,087	180,718
	$ 3,914,068	**3,734,843**

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(p) Non-operating income and expenses

(i) Other revenue

For the first quarter of 2013 and 2012, the details of other revenue are as follows:

	First Quarter of 2013	First Quarter of 2012
Interest income	$ 3,449	2,637
Others	588	446
	$ 4,037	**3,083**

(ii) Other gains and losses

For the first quarter of 2013 and 2012, the details of other gains and losses are as follows:

	First Quarter of 2013	First Quarter of 2012
Net foreign currency exchange gain or loss	$ 1,160	(1,696)
Disposal loss on property, plant and equipment	(268)	-
Other	-	(60)
	$ 892	**(1756)**

(iii) Finance costs

For the first quarter of 2013 and 2012, the details of finance cost are as follows:

	First Quarter of 2013	First Quarter of 2012
Interest expense:		
Loans and borrowings	**$ -**	**708**

(q) Financial instruments

(i) Credit risk

a) Credit risk exposure

The carrying amount of financial assets represents the maximum exposure to credit risk. As of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, the maximum exposure to credit risk amounted to $3,706,071, $3,700,785, $3,515,750 and $3,574,734, respectively.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

b) Impairment loss

Group's ageing analysis of trade and other receivables:

	2013.3.31		2012.12.31		2012.3.31		2012.1.1	
	Total amount	Imapirment	Total amount	Imapirment	Total amount	Imapirment	Total amount	Imapirment
Not past due	$ 404,436	3,149	494,050	3,978	345,079	10,039	401,741	12,685
Past due 0 - 90 days	6,955	449	7,116	391	7,620	535	6,384	661
Past due 91 - 180 days	135	34	1,058	119	2,827	702	1,713	544
Past due 181 - 360 days	446	300	4,958	348	2,066	311	1,748	295
Past due more than 360 days	2,534	1,932	2,780	2,164	3,696	2,974	2,571	2,571
	$ 414,506	**5,864**	**509,962**	**7,000**	**361,288**	**14,561**	**414,157**	**16,756**

The movement in the allowance for impairment with respect to trade and other receivables in the first quarter of 2013 and 2012 was as follows:

	First quarter of 2013	First quarter of 2012
Balance at January 1	$ 7,000	16,756
Impairment loss recognised	189	1,074
Amounts of write-off	(1,325)	(3,269)
Balance as at March 31	$ 5,864	14,561

The Group recognized the impairment loss based on the economic environment and historical default rates.

Allowance for impairment was used to record impairment loss. If the Group determines that the relevant receivables cannot be recovered, it writes off allowance for impairment accounts and financial assets. As of March 31, 2013 and 2012, the Group's receivables had no impairment of the recoverability.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(ii) Liquidity risk

The following table shows the contractual maturity of the financial liabilities including estimated interest and does not include the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Balance at March 31, 2013							
Non-derivative financial liabilities							
Accounts payable	$ 1,193,211	1,193,211	1,193,211	-	-	-	-
Other payable	323,320	323,320	296,989	26,331	-	-	-
	$ 1,516,531	**1,516,531**	**1,490,200**	**26,331**	**-**	**-**	**-**
Balance at December 31, 2012							
Non-derivative financial liabilities							
Accounts payable	$ 1,344,143	1,344,143	1,344,143	-	-	-	-
Other payable	396,914	396,914	396,914	-	-	-	-
	$ 1,741,057	**1,741,057**	**1,741,057**	**-**	**-**	**-**	**-**
Balance at March 31, 2012							
Non-derivative financial liabilities							
Unsecured bank loans	$ 100,000	100,000	100,000	-	-	-	-
Accounts payable	1,122,458	1,122,458	1,122,458	-	-	-	-
Other payable	297,696	297,696	274,458	23,238	-	-	-
	$ 1,520,154	**1,520,154**	**1,496,916**	**23,238**	**-**	**-**	**-**
Balance at January 1, 2012							
Non-derivative financial liabilities							
Unsecured bank loans	$ 100,000	100,000	100,000	-	-	-	-
Accounts payable	1,282,148	1,282,148	1,282,148	-	-	-	-
Other payable	391,121	391,121	391,121	-	-	-	-
	$ 1,773,269	**1,773,269**	**1,773,269**	**-**	**-**	**-**	**-**

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

(iii) Currency risk

a) Currency risk exposure

The Group's significant exposure to foreign currency risk was as follows:

	2013.3.31			**2012.12.31**			**2012.3.31**			**2012.1.1**		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
Financial assets												
Monetary items												
USD	3,256	29.83	97,125	2,705	29.04	78,566	743	29.50	21,934	524	30.28	15,865
EUR	119	38.23	4,548	129	38.48	4,945	622	39.43	24,529	1,506	39.19	59,025
Financial liabilities												
Monetary items												
USD	846	29.83	25,243	901	29.04	26,165	-	-	-	-	-	-
EUR	-	-	-	-	-	-	813	39.43	32,072	1,564	39.19	61,306

b) Sensitivity analysis

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, other receivables, and accounts payable that are denominated in foreign currency.

A 5% appreciation or depreciation of the NTD against the USD and EUR as at March 31, 2013 and 2012, would have increased or decreased net income by $3,131 and $616, respectively. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis in the first quarter of 2013 and 2012.

(iv) Interest analysis

The interest rate exposure of the Group’s financial assets and liabilities is described in note (6)(q)(ii) on liquidity risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the financial assets and liabilities on the reporting date.

If the interest rate increases or decreased by 0.1%, the Group’s net income would increase or decrease by $623 and $603 as of March 31, 2013 and 2012, respectively. This is mainly due to the Group’s borrowing and its cash and cash equivalents being at variable rates.

(v) Fair values

The Group considers the carrying amount of its financial assets and financial liabilities measured at amortized cost to be a reasonable approximation of fair value.

(r) Financial risk management

(i) Summary

The Group’s use of financial instruments is exposed to the credit, liquidity and market risks.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(ii) Risk management framework

The General Manager’s office has responsibility for the development and control of the Group's risk management policies and regularly reports to the Board on its operation, if necessary. The Group establishes risk management policies for the identification and analysis of the Group's exposure to risk and sets appropriate risk limits to control risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the operation of the Group. The Group uses advocacy, management standards and operating procedures to develop a disciplined and constructive control environment, so that all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework. The Board is assisted in its supervisory role by the internal audit staff, who undertake both regular and ad hoc reviews of risk management controls and procedures, and report the results of the review to the Board.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and investment.

a) Accounts receivable and other receivables

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group’s customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk. However, geographically there is no concentration of credit risk.

The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group’s standard payment terms are offered. The Group’s review includes external ratings, when available, and in some cases bank references. Credit limits are established for each customer, which represent the maximum open amount without requiring approval from the General Manager’s office; these limits are reviewed quarterly. Customers that fail to meet the Group’s benchmark creditworthiness may transact with the Group only on a cash basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Customers that are graded as “high risk” are placed on a restricted customer list and monitored by the General Manager’s office. If customers default, the Group will stop transactions with those customers or trade on a cash basis.

The Group established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss incurred but not yet identified. The collective loss allowance is determined based on historical data on payment statistics for similar financial assets.

b) Investment

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments is measured and monitored by the General Manager's office. The Group only deals with financial institutions, corporations and organizations with a credit rating of investment grade or higher; therefore, there are no significant doubts regarding default on the above financial insruments, and as a result, there is no significant credit risk.

c) Guarantees

The Group's policy is to provide financial guarantees only for transactions involving equity investment that is more than 50% owned, and they should be approved by the Board. As at March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, the Group's guarantees for non-related parties to fulfill their obligations in accordance with the service contract with its subsidiary Linktel Inc. were $412, $544, $754 and $30,967, respectively.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD, USD, HKD and RMB. These transactions are denominated in NTD and USD.

The interest is denominated in the currency used in the borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily the NTD.

(s) Capital management

The Group meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to shareholders and other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabiltiies.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, other equity and non-controlling interest plus net debt.

As at December 31, 2013, the Group's capital management strategy is consistent with the prior year, and the gearing ratio is maintained at 0%. The Group's debt-to-equity ratio at the reporting dates was as follows:

	2013.3.31	2013.12.31	2012.3.31	2012.1.1
Total liabilities	$ 2,298,792	2,444,618	2,231,135	2,410,611
Less: cash and cash equivalents	(3,040,191)	(2,929,153)	(2,917,558)	(2,887,802)
Net debt	(741,399)	(484,535)	(686,423)	(477,191)
Total equitycapital	1,991,038	1,852,496	1,792,103	1,662,774
Total capital	**$ 1,249,639**	**1,367,961**	**1,105,680**	**1,185,583**
Debt-to-adjusted-capital ratio	**(59.33)%**	**(35.42)%**	**(62.08)%**	**(40.25)%**

There were no changes in the Group's approach to capital management during the three months ended March 31, 2013.

(7) Related-Party Transactions

(a) Ultimate controlling party

The Company is the ultimate controlling party of the Group.

(b) Transactions with key management personnel

Key management personnel compensation comprised:

	First Quarter of 2013	First Quarter
Short-term employee benefits	$ 11,334	16,952

(8) Restricted Assets

The following assets were restricted in use:

Assets	Purpose of Pledge	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Other financial assets － current	Security for performance and purchase guarantee	$ 209,111	218,111	198,100	238,000
Other financial assets － non-current	Security for provisional seizure, etc.	41,524	41,391	42,439	41,847
Total		**$ 250,635**	**$ 259,502**	**240,539**	**279,847**

(9) Significant Contingencies and Commitments

The agreement with a non-related party for internet phone services entered into in July 2004 was renewed on April 1, 2009. Pursuant to the newly revised agreement, the net revenue from these services is allocated each month between the parties by a set ratio. As the Company sold its internet phone services to Linktel Inc. (with 100% shareholding) on March 1, 2011, Linktel Inc. and the Company signed a contract with the non-related party in which the Company acts as the guarantor of the non-related party at all times and during the term of the agreement.

As of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, notes payable deposited as guarantee for commercial vehicle and office and building leases were $64,392, $88,298, $18,018 and $33,144, respectively.

According to the "Standardized contract for telecom product or service", the payment guarantee for Skype stored-value service should be fully provided by financial institutions. Therefore, the Consolidated Company entered into an agreement with The Shanghai Commercial & Savings Bank, Ltd. for a guarantee limit of $130,000. As of March 31, 2013, December 31, 2012, March 31, 2012, and January 1, 2012, the Consolidated Company's advance receipt for Skype stored-value service amounted to $86,852, $89,079, $108,530 and $118,312, respectively.

According to the "Standardized contract for collection on behalf of others", the payment guarantee should be fully provided by the financial institutions. Therefore, the Consolidated Company entered into an agreement with Taishin International Bank, Ltd. for a guarantee limit of $50,000. As of March 31, 2013, and December 31, 2012, the Consolidated Company's collection receipt amounted to $45,782 and $38,536, respectively.

(10) Significant Catastrophic Losses: None

(11) Significant Subsequent Events: None

(12) Others

Personnel, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

(Expressed in thousands of New Taiwan dollars)

Categorized as / Nature	First Quarter of 2013			First Quarter of 2012		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	11,844	215,034	226,878	10,179	206,594	216,773
Labor and health insurance	858	17,902	18,760	719	13,630	14,349
Pension	398	8,587	8,985	390	7,663	8,053
Others employee benefits	289	5,930	6,219	265	5,249	5,514
Depreciation	-	22,042	22,042	-	16,840	16,840
Amortization	-	1,804	1,804	-	1,522	1,522

(13) Additional Disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Fund financing to other parties: None

(ii) Guarantees and endorsements for other parties:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

No. (Note 1)	Name of Company	Counter-party		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2)	Parent Company endorsement/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsement/ guarantees to third parties on behalf of parent company	Endorsements /guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Linktel Inc.	(Note 3)	797,768	544	412	-	-	0.03%	1,595,536	Y		

Note 1: 0 is issuer.
Note 2: Highest balance during the period cannot exceed 50% of net asset value, and the maximum amount of endorsement cannot exceed net asset value.
Note 3: A subsidiary of the Company
Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(iii) Information regarding securities held at balance sheet date:

(Expressed in thousands of New Taiwan dollars and thousands of shares, unless otherwise specified)

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Note
				Number	Book value	Percentage	Market value	
	Common Stock:							
PChome Online Inc.	IT Home Publications Inc.	An investee company accounted for under the equity method	Long-term investments under the equity method	4,636	44,906	100.00	44,906	Note
〃	Linktel Inc.	〃	〃	12,500	181,532	100.00	181,532	〃
〃	Liker Technology Inc.	〃	〃	2,500	21,225	34.72	20,207	〃
〃	PC Home Online International Co., Ltd.	〃	〃	122	13,049	100.00	13,049	〃
〃	PChome eBay Co., Ltd.	〃	〃	27,300	246,490	65.00	246,490	〃
〃	Orange Network Inc.	〃	〃	100	43	100.00	43	〃
〃	Rakuya International Info. Co. Ltd.	〃	〃	3,430	19,305	21.99	19,305	〃
〃	Pay and Link Inc.	〃	〃	100	446	100.00	446	〃
〃	PChome Store Inc.	〃	〃	8,477	252,774	59.91	847,700	〃
〃	PChomePay Inc.	〃	〃	5,000	39,412	62.50	39,412	〃
〃	PChome US Inc.	〃	〃	40,000	66,697	90.91	66,697	〃
〃	eCommerce Group Co., Ltd.	〃	〃	5,100	4,919	100.00	4,919	〃
〃	Eastern Online Co., Ltd.	-	Financial assets measured at cost	119	-	4.19	-	
〃	Syspower Ltd.	-	〃	744	2,846	3.72	-	
〃	The Journalist Co., Ltd.	-	〃	-	-	0.02	-	
〃	Openfind Information Technology, Inc.	-	〃	800	4,031	7.42	-	
〃	Career Consulting Co., Ltd.	-	〃	113	1,015	0.72	-	
〃	PayEasy Ltd.	-	〃	5,438	4,510	12.51	-	
〃	Vibo Telecom Inc.	-	〃	145	737	0.01	-	
〃	P2V Holdings Ltd. (Samoa)	-	〃	2,691	22,922	11.13	-	

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(iv) Accumulated buying/selling of the same marketable securities for which the dollar amount reaches $100 million or 20% or more of paid-in capital: None

(v) Acquisition of real estate for which the dollar amount reaches $100 million or 20% or more of paid-in capital: None

(vi) Disposition of real estate for which the dollar amount reaches $100 million or 20% or more of paid-in capital: None

(vii) Buying/selling products with related parties for which the dollar amount reaches $100 million or 20% or more of paid-in capital: None

(viii) Accounts receivable from related parties for which the dollar amount reaches $100 million or 20% or more of paid-in capital: None

(ix) Derivative transactions: None

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with the counter-party (Note 2)	Transaction details during first quarter of 2013			
				Account name	Amount	Terms of trading	Precentage of the total consolidated revenue or total assets
0	PChome Online Inc.	Linktel Inc.	1	Purchases	5	Usual terms and condition	- %
0	〃	〃	1	Sales	2,188	〃	0.06 %
0	〃	〃	1	Other Expenses	1,070	No comparable counter-parties	0.03 %
0	〃	PChome eBay Co., Ltd.	1	Sales	1,323	Usual terms and condition	0.03 %
0	〃	Rakuya International Info. Co. Ltd.	1	Sales	1,301	〃	0.03 %
0	〃	PChome US Inc.	1	Accounts Receivable	1,746	〃	0.04 %
0	〃	〃	1	Sales	4,729	〃	0.12 %
0	〃	PChome Trading (Shenzhen) Ltd.	1	Other Receivable	4,247	No comparable counter-parties	0.10 %
0	〃	IT Home Publications Inc.	1	Other Receivable	3,201	〃	0.07 %
1	Linktel Inc.	PChome Online Inc.	2	Sales	1,075	Usual terms and condition	0.03 %
1	〃	〃	2	Cost of Goods Sold	10	〃	- %
1	〃	〃	2	Advertisement Expenses	25	No comparable counter-parties	- %
1	〃	〃	2	Other Expenses	2,153	〃	0.06 %
2	PChome eBay Co., Ltd.	〃	2	Advertisement Expenses	1,200	〃	0.03 %
2	〃	〃	2	Other Expenses	123	〃	- %
3	Rakuya International Info. Co. Ltd	〃	2	Advertisement Expenses	1,229	〃	0.03 %
3	〃	〃	2	Other Expenses	72	〃	- %
3	〃	〃	2	Purchases	4,729	〃	0.12 %
4	PChome US Inc.	〃	2	Accounts Payable	1,746	Usual terms and condition	0.04 %
5	PChome Trading (Shenzhen) Ltd.	〃	2	Accrued Expenses	4,247	No comparable counter-parties	0.10 %
6	IT Home Publications Inc.	〃	2	Other Payable	3,157	〃	0.07 %
6	〃	〃	2	Other Accrued Expenses	44	〃	- %

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with the counter-party (Note 2)	Transaction details during 2012 first quarter			
				Account name	Amount	Terms of trading	Precentage of the total consolidated revenue or total assets
0	PChome Online Inc.	Linktel Inc.	1	Sales	2,769	Usual terms and condition	0.07 %
0	〃	〃	1	Accounts Receivable	1,040	〃	0.03 %
0	〃	〃	1	Other Financial Assets	41	No comparable counter-parties	- %
0	〃	PChome eBay Co., Ltd.	1	Sales	1,223	Usual terms and condition	0.03 %
0	〃	PChome US Inc.	1	Sales	3,664	〃	0.10 %
0	〃	Rakuya International Info. Co. Ltd.	1	Sales	1,317	〃	0.03 %
0	〃	PChome Store Inc.	1	Accrued Expenses	2	No comparable counter-parties	- %
0	〃	〃	1	Other Payable	9,586	〃	0.24 %
0	〃	PChome Trading (Shenzhen) Ltd.	1	Other Receivable	3,982	〃	0.10 %

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with the counter-party (Note 2)	Transaction details during 2012 first quarter			
				Account name	Amount	Terms of trading	Precentage of the total consolidated revenue or total assets
1	Linktel Inc.	PChome Online Inc.	2	Advertisement Expenses	2,769	No comparable counter-parties	0.07 %
1	〃	〃	2	Accounts Payable	1,081	Usual terms and condition	0.03 %
2	PChome eBay Co., Ltd.	〃	2	Advertisement Expenses	1,223	〃	0.03 %
3	Rakuya International Info. Co. Ltd.	〃	2	Advertisement Expenses	1,317	No comparable counter-parties	0.03 %
4	PChome Store Inc.	〃 .	2	Other Receivable	9,588	〃	0.24 %
5	PChome US Inc.	〃 .	2	Servicet Expenses	3,664	〃	0.10 %
6	PChome Trading (Shenzhen) Ltd.	〃	2	Accrued Expenses	3,982	〃	0.10 %

Note 1: For the inter-company business relationship and transaction condition in the “No.” column, the labeling method is as follows:
(1) Parent company labeled 0
(2) Subsidiaries labeled in number sequence from 1

Note 2: Relationship is classified into three types:
(1) Parent company to subsidiary
(2) Subsidiary to parent company
(3) Subsidiary to subsidiary

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated assets; if categorized as income or loss, the calculation is compared with the consolidated income or loss.

Note 4: The Group didn’t disclose the transaction which the dollar amount didn’t reach $1,000 thousands.

Note 5: Aforementioned inter-company transactions have been eliminated in the consolidated financial statements

(b) Information on investees

For the first quarter of 2013, the following is the information on investees:

(Expressed in thousands of dollars and thousands of shares)

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
PChome Online Inc.	IT Home Publications Inc.	12F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	Magazine publication, information management, information services, electronic information providing services	30,000	30,000	4,636	100.00	44,906	(4,358)	(4,353)	Note
〃	Linktel Inc.	〃	Network services	125,000	125,000	12,500	100.00	181,532	7,058	7,058	〃
〃	Liker Technology Inc.	24F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	O2O (Online to Offline) E-commerce	25,000	25,000	2,500	34.72	21,225	(4,698)	(1,631)	〃
〃	PC Home Online International Co., Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	International trade and investment activities	25,485	25,485	122	100.00	13,049	(432)	(432)	〃
〃	PChome eBay Co., Ltd.	12F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	Online auction	273,000	273,000	27,300	65.00	246,490	28,182	18,318	〃
〃	Orange Network Inc.	〃	Online television media business	1,000	1,000	100	100.00	43	-	-	〃
〃	Rakuya International Info. Co. Ltd.	〃	Real estate business, and internet information rental service	34,300	34,300	3,430	21.99	19,305	(5,982)	(1,315)	〃
〃	Pay and Link Inc.	〃	Internet services	1,000	1,000	100	100.00	446	(42)	(42)	〃
〃	PChome Store Inc.	14F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	Internet services	84,770	84,770	8,477	59.91	252,774	15,656	9,379	〃
〃	PChomePay Inc.	12F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	Information processing and provision of electronic information	50,000	50,000	5,000	62.50	39,412	(3,954)	(3,198)	〃

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
PChome Online Inc.	PChome US Inc.	California	E-commerce platform	116,490	116,490	40,000	90.91	66,697	(7,517)	(6,833)	Note
〃	eCommerce Group Co., Ltd.	P.O.Box 957.Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment activities	15,300	10,533	5,100	100.00	4,919	(1,010)	(1,010)	〃
PChome eBay Co., Ltd.	PChomePay Inc.	12F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	Information processing and provision of electronic information	24,000	-	8,000	30.00	23,395	(3,954)	(605)	〃
PChome Store Inc.	Liker Technology Inc.	24F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	O2O (Online to Offline) E-commerce	30,000	30,000	3,000	41.67	24,251	(4,698)	(1,958)	〃
PC Home Online International Co., Ltd.	PChome Online Inc.	Eland Trust (Cayman) Limited, PO Box 439GT, Grand Cayman, Cayman Islands	Investment activities	25,311	25,311	10,000	100.00	13,762	(432)	(432)	〃
eCommerce Group Co., Ltd.	EC Global Inc.	Scotia Centre,4th Floor, P.O.BOX 2804,George Town, Grand Cayman, Cayman Islands	Investment activities	15,061	10,533	3,500	100.00	4,786	(933)	(933)	〃
PChome Online Inc.	PC Home Online (HK) Ltd.	Flat/RM504 4/F Winner House 310 King's Road North Point	Information service and indirect investment activities	25,140	25,140	5,641	100.00	14,894	(325)	(325)	〃
EC Global Inc.	EC Global Limited	Room 511, 5 Tszlou, Building 1, No.30 Singang Center, Canton Road, Jianju, Kowloon	Investment activities	14,406	10,533	3,500	100.00	4,348	(940)	(940)	〃
PC Home Online (HK) Ltd.	Shanghai Todo Inc.	Luwan District, Shanghai Jin Jiang Hotel 59 Maoming South Road, Jun Ling Building Room 1352	Software and internet technical consulting service	5,201	5,201	-	100.00	2,618	-	-	〃
EC Global Limited	PChome Trading (Shenzhen) Ltd.	Q Unit, 3/F Xibu Logistics Zhnogdian, No.88, Linhaihuo Ave., Nanshan District, Shenzhen	International trading E-commerce	10,533	10,533	-	100.00	928	(609)	(909)	〃

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(c) Information on investment in Mainland China

(i) Information on investment in Mainland China

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan (R.O.C.)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2010	Percentage of Ownership	Investment Income (Loss) Recognized (Note 2(2))	Carrying Amount as of March 31, 2013	Accumulated Inward Remittance of Earnings as of March 31, 2013
					Outflow	Inflow					
Shanghai Todo Inc.	Software and internet technical consulting service	5,201	(2)	5,201	-	-	5,201	100%	-	2,618	-
PChome Trading (Shenzhen) Ltd.	International trading E-commerce	10,533	(2)	10,533	-	-	10,533	100%	(609)	928	-

Note 1: Investments in Mainland China are differentiated by the following five methods:

(1) Direct investment in Mainland China with remittance through a third region

(2) Incorporation of an investee company in a third region and indirect re-investment in Mainland China through the new entity.

(3) Indirect investment in Mainland China through an existing investee company in a third region.

(4) Direct investment in Mainland China

(5) Other methods

Note 2: Recognition of investment gain or loss during current period is pursuant to the following:

(1) If the corporation is in the set-up phase, no investment gain or loss recognition is required.

(2) Recognition basis of investment gains or losses is determined by the following three types:

1. Financial statements of the investee company were audited and certified by an international firm in cooperation with an R.O.C. accounting firm.

2. Financial statements of the investee company were audited and certified by the external accountant of the parent company.

3. Others

Note 3: In the above table, all relevant amounts are disclosed in TWD.

Note 4: The upper limit on investment was the greater of 60% of the individual or consolidated total net worth.

Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(ii) Limitation on investment in Mainland China

(Expressed in thousands of dollars)

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period	Approved investment (amount) by Ministry of Economic Affairs Investment Commission	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission (Note 4)
15,734	56,819	957,322

(iii) Significant transactions: None

(14) Segment Financial Information

(a) General information

The Consolidated Company's reportable segments are the E-Commerce segment and other segment. The E-Commerce segment is revenue collection from the online platform from the sale of goods. The other segment is revenue generated from the online platform to provide search engine services and provide telecommunication and communication services.

The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

(b) Information about profit or loss, and assets and liabilities

The Group's segment report amounts were consistent with the Group CEO's internal management reports. There was no material inconsistency between the accounting policies of the operating segments and the accounting policies described in note 4. The Group uses operating profit after tax as the measurement for segment profit and the basis for performance assessment. The inter-company transaction price was the same as that with other customers. The price was based on the market value. The Group's regional financial information was as follows:

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

First Quarter of 2013	E-Commerce	Other	Adjustments and Elimination	Consolidated
Revenue				
Non-inter-company revenue	$ 3,568,213	345,855	-	3,914,068
Inter-company revenue	9,833	3,050	(12,883)	-
Total Revenue	**$ 3,578,046**	**348,905**	**(12,883)**	**3,914,068**
Segment profit	**$ 116,595**	**24,866**	**(15,336)**	**126,125**
Assets				
Reportable segment assets	**$ 3,119,631**	**2,199,438**	**(1,029,239)**	**4,289,830**

First Quarter of 2012	E-Commerce	Other	Adjustments and Elimination	Consolidated
Revenue				
Non-inter-company revenue	$ 3,367,459	367,384	-	3,734,843
Inter-company revenue	10,577	2,020	(12,597)	-
Total Revenue	**$ 3,378,036**	**369,404**	**(12,597)**	**3,734,843**
Segment profit	**$ 107,311**	**18,063**	**(11,946)**	**113,428**
Assets				
Reportable segment assets	**$ 3,004,272**	**2,053,083**	**(1,034,117)**	**4,023,238**

(15) First-time Adoption of International Financial Reporting Standards

The consolidated financial statements of the Group as of December 31, 2012, were prepared in accordance with accounting practices generally accepted in Taiwan, the Republic of China. As described in note (4)(a), these are the Group's first IFRS consolidated interim financial statements for the period covered by the first IFRS (approved by the FSC) annual financial statements, and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

The accounting policies set out in note 4 have been applied in preparing the comparative consolidated financial statement for the three-month period ended March 31, 2012, the consolidated statement of financial position at December 31, 2012, and the IFRS consolidated statement of financial position at January 1, 2012 (the Group's date of transition).

In preparing its 2012 report, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with accounting practices generally accepted in Taiwan, the Republic of China. An explanation of how the transition to IFRSs has affected the Group's financial position, financial performance, and cash flows is set out in the following table and the notes that accompany the tables.

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(a) Adjustment of equity

	2012.12.31			2012.03.31			2012.01.01		
	Prior GAAP	**Effects of conversion to IFRS**	**IFRSs**	**Prior GAAP**	**Effects of conversion to IFRS**	**IFRSs**	**Prior GAAP**	**Effects of conversion to IFRS**	**IFRSs**
Assets									
Cash and cash equivalents	$ 2,922,399	6,754	2,929,153	2,912,945	4,613	2,917,558	2,882,263	5,539	2,887,802
Notes receivable, net	9,168	-	9,168	10,926	-	10,926	9,684	-	9,684
Accounts receivable, net	394,523	(31,850)	362,673	258,231	(22,514)	235,717	296,440	(24,334)	272,106
Deferred income tax assets – current	3,356	(3,356)	-	16,855	(16,855)	-	20,774	(20,774)	-
Inventories, net	263,884	-	263,884	189,876	-	189,876	185,851		185,851
Other receivable	-	140,289	140,289	-	111,010	111,010	-	125,295	125,295
Other financial assets – current	115,193	102,918	218,111	93,109	104,991	198,100	106,500	131,500	238,000
Restricted assets	218,111	(218,111)	-	198,100	(198,100)	-	238,000	(238,000)	-
Other current assets	18,745	(5,229)	13,516	23,403	(5,120)	18,283	17,682	(4,917)	12,765
Total current assets	3,945,379	(8,585)	3,936,794	3,703,445	(21,975)	3,681,470	3,757,194	(25,691)	3,731,503
Financial assets measured at cost – non-current	36,061	-	36,061	40,763	-	40,763	40,763	-	40,763
Other financial assets – non-current	41,391	-	41,391	42,439	-	42,439	41,847	-	41,847
Property, plant and equipment	215,883	(192)	215,691	183,918	(16,850)	167,068	186,534	(11,368)	175,166
Deferred pension cost	613	(613)	-	552	(552)	-	552	(552)	-
Intangible assets	-	16,443	16,443	-	12,316	12,316	-	12,015	12,015
Deferred tax assets – non-current	33,926	12,338	46,264	36,388	24,825	61,213	31,285	28,420	59,705
Other non-current assets	20,721	(16,251)	4,470	13,435	4,534	17,969	13,033	(647)	12,386
Total non-current assets	348,595	11,725	360,320	317,495	24,273	341,768	314,014	27,868	341,882
Total assets	**$ 4,293,974**	**3,140**	**4,297,114**	**4,020,940**	**2,298**	**4,023,238**	**4,071,208**	**2,177**	**4,073,385**
Liabilities									
Short-term debt	$ -	-	-	100,000	-	100,000	100,000	-	100,000
Notes payable	9,443	-	9,443	3,085	-	3,085	8,797	-	8,797
Accounts payable	1,344,143	-	1,344,143	1,122,458	-	1,122,458	1,282,148	-	1,282,148
Current tax liabilities	17,045	-	17,045	77,896	-	77,896	58,357	-	58,357
Accrued expenses	311,183	(311,183)	-	247,929	(247,929)	-	293,090	(293,090)	-
Other payable	59,499	337,415	396,914	44,680	253,016	297,696	74,290	316,831	391,121
Advance receipts	218,570	(218,570)	-	248,155	(248,155)	-	233,382	(233,382)	-
Other current liabilities	469,812	192,338	662,150	364,514	243,068	607,582	338,081	209,641	547,722
Total current liabilities	2,429,695	-	2,429,695	2,208,717	-	2,208,717	2,388,145	-	2,388,145
Deferred income tax liabilites	-	6,628	6,628	-	3,900	3,900	-	3,547	3,547
Accrued pension liabilities	-	8,295	8,295	-	18,518	18,518	-	18,919	18,919
Total non-current liabilities	-	14,923	14,923	-	22,418	22,418	-	22,466	22,466
Total liabilities	2,429,695	14,923	2,444,618	2,208,717	22,418	2,231,135	2,388,145	22,466	2,410,611
Owners' equity attributable to equity holders of the parent company									
Common stock	822,448	-	822,448	699,953	-	699,953	694,685	-	694,685
Capital Surplus	177,251	(121,274)	55,977	168,806	(121,274)	47,532	160,238	(121,274)	38,964
Retained earnings	482,772	111,356	594,128	566,983	102,371	669,354	461,097	102,211	563,308
Other equity	(1,155)	144	(1,011)	(268)	-	(268)	(222)	-	(222)
Total owners' equity attributable to equity holders of the parent company	1,481,316	(9,774)	1,471,542	1,435,474	(18,903)	1,416,571	1,315,798	(19,063)	1,296,735
Non-controlling interest	382,963	(2,009)	380,954	376,749	(1,217)	375,532	367,265	(1,226)	366,039
Total stockholder's equity	1,864,279	(11,783)	1,852,496	1,812,223	(20,120)	1,792,103	1,683,063	(20,289)	1,662,774
Total liabilities and stockholder's equity	**$ 4,293,974**	**3,140**	**4,297,114**	**4,020,940**	**2,298**	**4,023,238**	**4,071,208**	**2,177**	**4,073,385**

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

(b) Adjustment of comprehensive income

	2012			First Quarter, 2012		
	Prior GAAP	Effects of conversion to IFRS	IFRSs	Prior GAAP	Effects of conversion to IFRS	IFRSs
Revenue	$ 14,960,830	(251,856)	14,708,974	3,795,600	(60,757)	3,734,843
Cost of sales	(12,287,188)	2,828	(12,284,360)	(3,136,342)	607	(3,135,735)
Gross profit	2,673,642	(249,028)	2,424,614	659,258	(60,150)	599,108
Operating expenses						
Selling expenses	(1,767,920)	249,947	(1,517,973)	(419,325)	60,317	(359,008)
General and administration expenses	(289,632)	68	(289,564)	(78,428)	9	(78,419)
Research and development expenses	(133,343)	178	(133,165)	(29,859)	22	(29,837)
Total operating expenses	(2,190,895)	250,193	(1,940,702)	(527,612)	60,348	(467,264)
Income from Operations	482,747	1,165	483,912	131,646	198	131,844
Non-operating income and expenses						
Other income	24,048	-	24,048	3,083	-	3,083
Other gain and loss	(11,206)	-	(11,206)	(1,756)	-	(1,756)
Finance costs	(1,062)	-	(1,062)	(708)	-	(708)
Total non-operating income and expenses	11,780	-	11,780	619	-	619
Consolidated income before income tax from continuing operations	494,527	1,165	495,692	132,265	198	132,463
Tax expense	(67,800)	(208)	(68,008)	(19,006)	(29)	(19,035)
Consolidated net income	426,727	957	427,684	113,259	169	113,428
Other comprehensive income:						
Foreign currency translation differences	-	(4,280)	(4,280)	-	(2,817)	(2,817)
Defined benefit plan actuarial gains	-	8,942	8,942	-	-	-
Tax on other comprehensive income	-	(871)	(871)	-	-	-
Other comprehensive income (net of tax)	-	3,791	3,791	-	(2,817)	(2,817)
Total comprehensive income	**$ 426,727**	**4,748**	**431,475**	**113,259**	**(2,648)**	**110,611**
Net income attributable to:						
Owners of the parent company	391,655	937	392,592	107,152	160	107,312
Non-controlling interest	35,072	20	35,092	6,107	9	6,116
Net income	**$ 426,727**	**957**	**427,684**	**113,259**	**169**	**113,428**
Comprehensive income attributable to:						
Owners of the parent company	388,354	7,556	395,910	104,594	160	104,754
Non-controlling interest	34,742	823	35,565	5,848	9	5,857
Total comprehensive income for the period	**$ 423,096**	**8,379**	**431,475**	**110,442**	**169**	**110,611**
Earnings per share						
Basic earnings per share (dollars)	**$ 4.79**	-	**4.79**	**1.33**	-	**1.33**
Diluted earnings per share (dollars)	**$ 4.72**	-	**4.72**	**1.29**	-	**1.29**

(c) Significant adjustment of the cash flow statement

There is no significant adjustment of the cash flow statement from conversion from R.O.C. GAAP to IFRS.

(d) Adjustment instructions

(i) The Group recognized actuarial gains and losses in other comprehensive income in accordance with the IFRS accounting policies approved by the FSC. Under previous R.O.C. GAAP, the Group recognized actuarial gains and losses in profit or loss over the employees' remaining service period. At the date of conversion, all previously unrecognized cumulative actuarial gains and losses were recognized in retained earnings and reversed in the previous year's statement of comprehensive income.

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The impact arising from the change is summarized as follows:

	2012	Quarter of 2012
Consolidated statement of comprehensive income		
Cost of sales	$ (20)	(3)
Selling expenses	(899)	(112)
General and adminstrative expenses	(68)	(61)
Research and development expenses	(178)	(22)
Adjustment before income tax	$ (1,165)	(198)

	2012.12.31	2012.3.31	2012.1.1
Consolidated statement of financial position			
Employee benefits	$ (21,806)	(22,745)	(22,934)
Related tax effects	1,979	3,842	3,871
Other comprehensive income	9,909	-	-
Adjustments to retained earnings	$ (9,918)	(18,903)	(19,063)

(ii) Under the IFRS accounting policies approved by the FSC, the Group considers the factors of investment tax credits and temporary differences to estimate the deferred tax assets and liabilities which can only be offset if the Group has a legally enforceable right to set off the current tax assets against the current tax liabilities under other related conditions.

The impact arising from the change is summarized as follows:

	2012.12.31	2012.3.31	2012.1.1
Consolidated balance sheets			
Deferred tax assets－current	$ (3,356)	(16,855)	(20,774)
Deferred tax assets－non-current	9,984	20,755	24,321
Deferred tax liabilities－non-current	(6,628)	(3,900)	(3,547)
Adjustment of retained earnings	$ -	-	-

(iii) Under R.O.C. GAAP, when an investee company issues new shares and the Group does not acquire new shares in proportion to its original ownership percentage, the Group's equity in the investee's net assets will be changed. The capital surplus is adjusted for the change in equity interest.

After the transition to IFRS as approved by the R.O.C. Financial Supervisory Commission, when an investee company issues new shares and the Group does not acquire new shares in proportion to its original ownership percentage, in addition to the adjustment in capital surplus as described above, when there is a reduction in ownership interest as a result of the adjustment, the Group reclasses any comprehensive income related to income or loss in proportion to the reduction in ownership interest.

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When there is a change in ownership that does not result in a loss of control of a subsidiary, such transactions should be accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consolidation paid or received shall be adjusted in capital surplus and recognized in other equity of the related subsidiaries.

The Group elected to not adjust for business combination transactions that occurred before the transition date retrospectively. Any capital surplus which was not in accordance with the Republic of China Company Act and does not meet the requirement of a capital surplus in accordance with the IFRS as approved by the R.O.C. Financial Supervisory Commission is reclassified to retained earnings on the transition date.

The impact arising from the change is summarized as follows:

	2012.12.31	2012.03.31	2012.1.1
Consolidated balance sheets			
Capital surplus	$ (121,274)	(121,274)	(121,274)
Adjustment of retained earnings	$ (121,274)	(121,274)	(121,274)

(iv) The aforementioned changes are calculated in accordance with the income tax rate of 17%. The increase in deferred income tax assets was as follows:

	2012.12.31	2012.3.31	2012.1.1
Deferred income tax assets	$ 2,354	4,070	4,099

The impact on the consolidated income statement for the year ended December 31, 2012, and its first quarter was a decrease in income tax expense of $208 and $29, respectively.

(v) The above-mentioned changes in the retained earnings were as follows:

	2012.12.31	2012.3.31	2012.1.1
Employee benefits	$ (9,918)	(18,903)	(19,063)
Reclassification of other interest	121,274	121,274	121,274
Increase in retained earnings	$ 111,356	102,371	102,211