Stock Code: 8044

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
June 30, 2013 AND 2012
(WITH INDEPENDENT ACCOUNTANTS' REVIEW REPORT THEREON)

Address：12Fl, No. 105, Sec. 2, Tun-Hwa S. Rd., Taipei 106, Taiwan
Telephone: 886-2-2700-0898

Table Of Contents

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 Group) as of June 30, 2013, December 31, 2012, June 30, 2012, and January 1, 2012, the consolidated statements of comprehensive income for the second quarter of 2013 and 2012 and for the six months ended June 30, 2013 and 2012, and the consolidated statements of changes in equity and of cash flows for the six months ended June 30, 2013 and 2012. The Company's management is responsible for the preparation and presentation of the 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 subsidiaries, which were not reviewed by independent accountants. These consolidated subsidiaries had total assets as of June 30, 2013 and 2012, of NT$359,832 thousand and NT$404,750 thousand, constituting 8% and 10%, respectively, of total consolidated assets. The total liabilities of these subsidiaries as of June 30, 2013 and 2012, amounted to NT$39,249 thousand and NT$4,359 thousand, constituting 1% and 0%, respectively, of total consolidated liabilities. The comprehensive income (loss) of these subsidiaries the second quarter of 2013 and 2012 and for the six months ended June 30, 2013 and 2012, amounted to NT$(13,648) thousand, NT$(24,023) thousand, NT$(33,502) thousand and NT$(49,780) thousand, constituting (11)%, (26)%, (13)% and (24)%, 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 IFRS 1 "First-time Adoption of International Financial Reporting" and IAS 34 "Interim Financial Reporting" which are approved by the FSC.

KPMG

August 9, 2013

Note to Readers

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 Commission 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

JUNE 30, 2013, DECEMBER 31, 2012, JUNE 30, 2012, AND JANUARY 1, 2012

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

	2013.6.30		2012.12.31		2012.6.30		2012.1.1	
ASSETS	Amount	%	Amount	%	Amount	%	Amount	%
Current Assets:								
Cash and cash equivalents (Note (6)(a))	$ 3,322,622	72	2,929,153	68	2,941,977	70	2,887,802	71
Notes receivable, net (Note (6)(c))	8,006	-	9,168	-	9,656	-	9,684	-
Accounts receivable, net (Notes (6)(c) and (6)(p))	299,659	6	362,673	9	266,901	6	272,106	7
Other receivables (Notes (6)(c),(6)(p) and (7))	132,713	3	140,289	3	112,639	3	125,295	3
Inventories, net (Note (6)(d))	309,852	7	263,884	6	262,483	6	185,851	5
Other financial assets – current (Note (8))	220,011	5	218,111	5	208,100	5	238,000	6
Other current assets	21,811	-	13,516	1	19,482	1	12,765	-
	4,314,674	93	3,936,794	92	3,821,238	91	3,731,503	92
Non-Current Assets:								
Financial assets measured at cost － noncurrent (Note (6)(b))	36,061	1	36,061	1	40,763	1	40,763	1
Property, plant, and equipment (Note (6)(e))	185,510	4	215,691	5	176,404	4	175,166	4
Intangible assets (Note (6)(f))	13,981	-	16,443	-	15,499	-	12,015	-
Deferred income tax assets	36,278	1	46,264	1	63,300	2	59,705	2
Other financial assets－non-current (Note (8))	43,385	1	41,391	1	40,530	1	41,847	1
Other non-current assets	9,901	-	4,470	-	19,099	1	12,386	-
	325,116	7	360,320	8	355,595	9	341,882	8
TOTAL ASSETS	$ 4,639,790	100	4,297,114	100	4,176,833	100	4,073,385	100

	2013.6.30		2012.12.31		2012.6.30		2012.1.1	
LIABILITIES AND STOCKHOLDERS' EQUITY	Amount	%	Amount	%	Amount	%	Amount	%
Current Liabilities:								
Short-term debt (Note (6)(g))	$ -	-	-	-	-	-	100,000	3
Notes payable	6,444	-	9,443	-	7,450	-	8,797	-
Accounts payable	1,308,470	28	1,344,143	32	1,243,777	30	1,282,148	32
Other payable (Note (7))	630,894	14	396,914	9	640,151	15	391,121	10
Current tax liabilities	60,709	1	17,045	-	31,376	1	58,357	1
Other current liabilities (Note (6)(h))	758,125	16	662,150	16	610,266	15	547,722	13
	2,764,642	59	2,429,695	57	2,533,020	61	2,388,145	59
Non-current Liabilities:								
Deferred income tax liabilities	8,428	-	6,628	-	5,120	-	3,547	-
Accrued pension liabilities (Note (6)(j))	8,116	-	8,295	-	17,996	-	18,919	-
	16,544	-	14,923	-	23,116	-	22,466	-
TOTAL LIABILITIES	2,781,186	59	2,444,618	57	2,556,136	61	2,410,611	59
Owners' Equity Attributable to Equity Holders of the Parent Company:								
Capital Stock:								
Common stock (Note (6)(l))	822,448	18	822,448	19	708,504	17	693,679	17
Advance receipts for common stock	-	-	-	-	-	-	1,006	-
Stock dividends to be distributed (Note(6)(l))	-	-	-	-	110,614	3	-	-
Capital Surplus (Note (6)(l))	61,573	1	55,977	1	54,284	1	38,964	1
Retained Earnings (Note (6)(l)):								
Legal reserve	131,548	3	92,383	2	92,383	2	51,575	1
Special reserve	1,155	-	-	-	-	-	1,942	-
Retained earnings – unappropriated	445,936	10	501,745	12	291,569	7	509,791	13
Other Equity (Note (6)(l)):								
Foreign currency differences arising from the foreign operations' financial statements	1,070	-	(1,011)	-	693	-	2,290	-
Treasury stock	-	-	-	-	-	-	(2,512)	-
Total owners' equity attributale to equity holders of the parent company	1,463,730	32	1,471,542	34	1,258,047	30	1,296,735	32
Non-controlling interest	394,874	9	380,954	9	362,650	9	366,039	9
TOTAL STOCKHOLDERS' EQUITY	1,858,604	41	1,852,496	43	1,620,697	39	1,662,774	41
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,639,790	100	4,297,114	100	4,176,833	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 SECOND QUARTER OF 2013 AND 2012 AND FOR THE SIX MONTHS ENDED JUNE 30, 2013 AND 2012

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

	Second Quarter of 2013		Second Quarter of 2012		For the six months ended June 30, 2013		For the six months ended June 30, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues	$ 3,886,912	102	3,575,086	102	7,883,342	102	7,376,529	102
Less: Sales returns, discounts and allowances	80,599	2	73,513	2	162,961	2	140,113	2
Net sales	3,806,313	100	3,501,573	100	7,720,381	100	7,236,416	100
Operating costs (Note (6)(d))	3,150,969	83	2,923,936	84	6,419,231	83	6,059,671	84
Gross margin	655,344	17	577,637	16	1,301,150	17	1,176,745	16
Operating expenses:								
Selling expenses	384,424	10	378,383	11	769,049	10	737,391	10
General and administrative expenses	76,877	2	67,892	2	153,818	2	146,311	2
Research and development expenses	35,111	1	36,054	1	70,344	1	65,891	1
Total operating expenses	496,412	13	482,329	14	993,211	13	949,593	13
Income from operations	158,932	4	95,308	2	307,939	4	227,152	3
Non-operating income and expenses:								
Other revenue (Note (6)(o))	10,179	-	7,814	-	14,216	-	10,897	-
Other gains and losses (Note (6)(o))	349	-	951	-	1,241	-	(805)	-
Finance costs (Note (6)(o))	-	-	(350)	-	-	-	(1,058)	-
Total non-operating income and expenses	10,528	-	8,415	-	15,457	-	9,034	-
Profit before tax from continuing operations	169,460	4	103,723	2	323,396	4	236,186	3
Less:Income tax expense (Note (6)(k))	42,333	1	10,706	-	70,144	1	29,741	-
Profit	**127,127**	**3**	**93,017**	**2**	**253,252**	**3**	**206,445**	**3**
Other comprehensive income:								
Foreign currency translation differences	292	-	1,054	-	2,232	-	(1,763)	-
Less: Other comprehensive income as tax expense	-	-	-	-	-	-	-	-
Other comprehensive income (net of tax)	292	-	1,054	-	2,232	-	(1,763)	-
Total comprehensive income	**$ 127,419**	**3**	**94,071**	**2**	**255,484**	**3**	**204,682**	**3**
Profit attributable to:								
Owners of parent	$ 113,851	3	83,312	2	230,446	3	190,624	3
Non-controlling interest	13,276	-	9,705	-	22,806	-	15,821	-
	$ 127,127	**3**	**93,017**	**2**	**253,252**	**3**	**206,445**	**3**
Comprehensive income attributable to:								
Owners of parent	$ 114,129	3	84,273	2	232,527	3	189,027	3
Non-controlling interest	13,290	-	9,798	-	22,957	-	15,655	-
	$ 127,419	**3**	**94,071**	**2**	**255,484**	**3**	**204,682**	**3**
Earnings per share (Note (6)(n))								
Basic earnings per share (dollars)	**$ 1.38**		**1.02**		**2.80**		**2.33**	
Diluted earnings per share (dollars)	**$ 1.38**		**1.00**		**2.79**		**2.28**	

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

PCHOME ONLINE INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 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	Stock Dividend to Be Distributed	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
Earnings distribution：												
Net income	-	-	-	-	-	-	190,624	-	-	190,624	15,821	206,445
Other comprehensive income	-	-	-	-	-	-	-	(1,597)	-	(1,597)	(166)	(1,763)
Total comprehensive income	-	-	-	-	-	-	190,624	(1,597)	-	189,027	15,655	204,682
Legal reserve	-	-	-	-	40,808	-	(40,808)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(258,100)	-	-	(258,100)	(22,714)	(280,814)
Stock dividends	-	-	110,614	-	-	-	(110,614)	-	-	-	-	-
Special reverse	-	-	-	-	-	(1,942)	1,942	-	-	-	-	-
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	652	2,982
Share-based payment	15,885	(1,006)	-	13,176	-	-	-	-	-	28,055	-	28,055
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,982)	(2,982)
Balance as of June 30, 2012	**$ 708,504**	**-**	**110,614**	**54,284**	**92,383**	**-**	**291,569**	**693**	**-**	**1,258,047**	**362,650**	**1,620,697**
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	-	-	-	-	-	-	230,446	-	-	230,446	22,806	253,252
Other comprehensive income	-	-	-	-	-	-	-	2,081	-	2,081	151	2,232
Total comprehensive income	-	-	-	-	-	-	230,446	2,081	-	232,527	22,957	255,484
Earnings distribution:												
Legal reserve	-	-	-	-	39,165	-	(39,165)	-	-	-	-	-
Special reserve	-	-	-	-	-	1,155	(1,155)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(245,935)	-	-	(245,935)	(13,918)	(259,853)
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 June 30, 2013	**$ 822,448**	**-**	**-**	**61,573**	**131,548**	**1,155**	**445,936**	**1,070**	**-**	**1,463,730**	**394,874**	**1,858,604**

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 SIX MONTH ENDED JUNE 30, 2013 AND 2012

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

	For the six months ended June 30, 2013	2012
Cash flows from operating activities:		
Profit before tax	$ 323,396	236,186
Adjustments:		
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	44,051	34,244
Amortization	3,642	3,258
Provision for doubtful accounts	1,760	3,013
Interest expense	-	1,058
Interest revenue	(8,022)	(7,272)
Gain on disposal and retirement of property, plant and equipment, net	(310)	-
Total adjustments to reconcile net income to net cash provided by operating activities	41,121	34,301
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Decrease in notes receivable	1,162	27
Decrease in accounts receivable	61,254	631
Decrease in other receivables	7,576	14,724
Increase in inventories	(45,968)	(76,633)
Increase in other current assets	(8,295)	(9,968)
Total changes in operating assets, net	15,729	(71,219)
Changes in operating liabilities, net:		
Decrease in notes payable	(2,999)	(1,347)
Decrease in accounts payable	(35,673)	(38,344)
Decrease in other payable	(25,872)	(5,150)
Increase in other current liabilities	95,975	52,063
Decrease in accrued pension liabilities	(179)	-
Total changes in operating liabilities, net	31,252	7,222
Total changes in operating assets and liabilities, net	46,981	(63,997)
Total Adjustments	88,102	(29,696)
Cash inflow generated from operations	411,498	206,490
Interest received	8,022	7,272
Interest paid	-	(1,058)
Income tax paid	(14,696)	(58,445)
Net cash provided by operating activities	404,824	154,259
Cash flows from investing activities:		
Purchase of property, plant and equipment	(14,650)	(54,344)
Disposal of property, plant and equipment	1,254	-
Purchase of intangible assets	(1,180)	(6,743)
(Increase) decrease in other financial assets	(3,894)	29,800
Increase in other non-current assets	-	(826)
Net cash used in investing activities	(18,470)	(32,113)
Cash flows from financing activities:		
Decrease in short-term debt	-	(100,000)
Execution of employee share options	-	28,055
Change in non-controlling interest	6,000	6,000
Net cash provided by (used in) financing activities	6,000	(65,945)
Foreign exchange rate effects	1,115	(2,026)
Net increase in cash and cash equivalents	393,469	54,175
Cash and cash equivalents, beginning of period	2,929,153	2,887,802
Cash and cash equivalents, end of period	**$ 3,322,622**	**2,941,977**

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

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

(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 primary business scope of the Company and its subsidiaries (together referred to as the Group) includes software design, digital information supply, 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.

As of June 30, 2013 and 2012, the Group had 1,196 and 1,082 employees, respectively.

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

The board of directors released the consolidated interim quarterly financial statements on August 9, 2013.

(3) New Standards and Interpretations Not Yet Adopted

Except as described in the following paragraph, the Group assesses the impact of the new standards and interpretations not yet adopted in compliance with the same guidelines applied in consolidated interim financial statements for the first quarter of 2013.

A summary of the new standards and amendments issued recently by the IASB that may have an impact on the consolidated financial statements, but not yet endorsed by the R.O.C. Financial Supervisory Commission ("FSC"), and whose effective date in Taiwan has not been announced as of the reporting date:

Issue date	New standards and amendments	Description	Effective date per IASB
May 20, 2013	IFRIC 21 Levies	Per this interpretation for levies imposed by governments, if the Group adopts IAS 37 Provisions, Contingent Liabilities and Contingent Assets, it should recognize the liability's timing and accounting treatment.	January 1, 2014

(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 29, 2013	Amended IAS 36 Impairment of Assets	Per amendments to IAS 36 published in January 2013, an entity was required to disclose the recoverable amount for each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. This provision is amended so that the recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. In addition, if the recoverable amount is based on fair value less costs of disposal, it is required to disclose the valuation technique(s) used for fair value measurements categorized within Levels 2 and 3 of the fair value hierarchy, and the key valuation assumptions made.	January 1, 2014; earlier application is permitted.
June 27, 2013	Amended IAS 39 Financial Instruments	Per IASB published amendments to IAS 39 Financial Instruments: Recognition and Measurement entitled Novation of Derivatives and Continuation of Hedge Accounting, if the novation is made as a consequence of laws or regulations and results in one or more clearing counterparties becoming the new counterparty to each of the original parties to the novated derivative, then continue hedge accounting (under current law, unless hedge documents prescribe otherwise, discontinue hedge accounting).	January 1, 2014; earlier application is permitted.

The Group is still assessing the impact at the time of implementation of the abovementioned new standards and interpretations on the consolidated interim financial statements for the first quarter of 2013.

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

(4) Significant Accounting Policies

(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 note 15.

Except as described in the following paragraph, the significant accounting policies applied in the preparation of the consolidated financial statements are applied consistently for the consolidated interim financial statements for the first quarter of 2013 and for all periods presented in these consolidated interim financial statements and have been applied consistently to the IFRS (approved by the FSC) consolidated statement of financial position as of January 1, 2012. For other information, please refer to the consolidated interim financial statements for the first quarter of 2013.

(b) Business combination

The principles applied in the preparation of the consolidated financial statements are consistent with the consolidated interim financial statements for the first quarter of 2013. For information about the principles, please refer to the notes to the consolidated interim financial statements for the first quarter of 2013.

1. List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding				Note
			2013.6.30	2012.12.31	2012.6.30	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

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

Name of investor	Name of subsidiary	Principal activity	Shareholding 2013.6.30	Shareholding 2012.12.31	Shareholding 2012.6.30	Shareholding 2012.1.1	Note
The Company	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 %	-	

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

Name of investor	Name of subsidiary	Principal activity	Shareholding				Note
			2013.6.30	2012.12.31	2012.6.30	2012.1.1	
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 was approved by the shareholders of the investee company (Orange Network Inc.) for dissolution. As of June 30, 2013, the investee company was in the liquidation process.

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

2. List of subsidiaries which are not included in the consolidated interim financial statements: None.

(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 principles of preparation of the consolidated interim financial statements and the related significant estimates and underlying assumptions are consistent with the consolidated interim financial statements for the first quarter of 2013, and the principles applied are expected to be in conformity with the first IFRS (approved by the FSC) consolidated annual financial statements.

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

(6) Summary of Major Accounts

Except as described in the following paragraph, there were no significant changes in significant accounting policies as compared to the first quarter of 2013 consolidated interim financial statements. For other information about the accounting policies, please refer to the consolidated interim financial statements for the first quarter of 2013.

(a) Cash and cash equivalents

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Cash on hand	$ 208	198	274	182
Checking accounts	20,849	22,193	6,643	9,347
Savings accounts	2,152,844	1,948,962	1,964,711	2,054,781
Foreign currency deposits	95,381	85,846	73,022	72,903
Time deposits	1,045,700	865,200	890,700	745,050
Cash equivalents	7,640	6,754	6,627	5,539
Cash and cash equivalents in consolidated statement of cash flows	**$ 3,322,622**	**2,929,153**	**2,941,977**	**2,887,802**

The time deposits with maturities of less than one year are used for short-term cash commitments instead of investment and are subject to an insignificant risk of changes in their fair value, and are classified as cash and cash equivalents.

(b) Financial assets

Financial assets measured at cost:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Domestic stock of non-listed company	**$ 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 June 30, 2013, December 31, 2012, June 30, 2012, and January 1, 2012, the Group's financial assets were not pledged as collateral.

(c) Notes and accounts receivable, net

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Notes receivable	$ 8,006	9,168	9,656	9,684
Accounts receivable	305,147	369,673	278,124	288,862
Other receivables	132,713	140,289	112,639	125,295
Less: Allowance for impairment loss	(5,488)	(7,000)	(11,223)	(16,756)
	$ 440,378	**512,130**	**389,196**	**407,085**

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

The movement in the allowance for impairment loss with respect to accounts receivable and other receivables for the six months ended June 30, 2013 and 2012, was as follows:

Balance at January 1, 2013	$ 7,000
Impairment loss recognized	1,760
Amount of write-off	(3,272)
Balance at June 30, 2013	**$ 5,488**
Balance at January 1, 2012	$ 16,756
Impairment loss recognized	3,013
Amount of write-off	(8,546)
Balance at June 30, 2012	**$ 11,223**

(d) Inventories

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Merchandise inventories	$ 312,768	265,057	263,948	188,079
Less: Allowance for inventory valuation and obsolescence losses	(2,916)	(1,173)	(1,465)	(2,228)
	$ 309,852	**263,884**	**262,483**	**185,851**

As of June 30, 2013, December 31, 2012, June 30, 2012, and January 1, 2012, the Group's inventories were not pledged as collateral.

The details of operating cost were as follows:

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Cost of goods sold	$ 3,150,173	2,923,227	6,417,488	6,057,767
Provision for inventory market price decline and obsolescence	796	(1,489)	1,743	(763)
Loss on inventory obsolescence	-	2,198	-	2,198
Loss on disposal of scrap	-	-	-	469
	$ 3,150,969	**2,923,936**	**6,419,231**	**6,059,671**

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

(e) Property, plant and equipment

The cost and depreciation and impairment loss of the property, plant and equipment of the Group for the six months ended June 30, 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	-	13,546	1,104	14,650
Disposals	(1,162)	(1,277)	-	(2,439)
Effect of movements in exchange rates	116	89	40	245
Balance at June 30, 2013	**$ 3,130**	**467,074**	**155,528**	**625,732**
Balance at January 1, 2012	$ 4,355	403,126	97,535	505,016
Additions	-	29,636	5,932	35,568
Transferred from prepayments	-	-	358	358
Disposals	-	(527)	(201)	(728)
Effect of movements in exchange rates	(59)	(21)	(19)	(99)
Balance at June 30, 2012	**$ 4,296**	**432,214**	**103,605**	**540,115**
Depreciation and impairment loss:				
Balance at January 1,2013	$ 859	311,339	85,387	397,585
Depreciation for the year	279	28,719	15,053	44,051
Disposals	(259)	(1,236)	-	(1,495)
Effect of movements in exchange rates	28	30	23	81
Balance at June 30, 2013	**$ 907**	**338,852**	**100,463**	**440,222**
Balance at January 1, 2012	$ 169	268,027	61,654	329,850
Depreciation for the year	360	24,998	8,886	34,244
Disposals	-	(264)	(110)	(374)
Effect of movements in exchange rates	(4)	(2)	(3)	(9)
Balance at June 30, 2012	**$ 525**	**292,759**	**70,427**	**363,711**
Carrying amounts:				
At January 1, 2013	**$ 3,317**	**143,377**	**68,997**	**215,691**
At June 30, 2013	**$ 2,223**	**128,222**	**55,065**	**185,510**
At January 1, 2012	**$ 4,186**	**135,099**	**35,881**	**175,166**
At June 30, 2012	**$ 3,771**	**139,455**	**33,178**	**176,404**

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

(f) Intangible assets

The costs and amortization and impairment loss of intangible assets of the Group for the six months ended June 30, 2013 and 2012, were as follows:

		Software
Carrying amounts:		
Balance at January 1, 2013	$	**16,443**
Balance at June 30, 2013	$	**13,981**
Balance at January 1, 2012	$	**12,015**
Balance at June 30, 2012	$	**15,499**

There were no significant additions, disposals or impairment in intangible assets for the six months ended June 30, 2013 and 2012. The details of amortization expenses are disclosed in Note 12. For other information about the intangible assets, please refer to the consolidated interim financial statements for the first quarter of 2013.

(g) Short-term debt

Details of loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Unsecured bank loans	TWD	2.84%	2012	$ -	-	-	100,000

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

(h) Other current liabilities

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Advance receipts	$ 217,331	218,570	244,313	233,382
Receipts under custody	534,831	439,615	360,466	309,740
Other	5,963	3,965	5,487	4,600
	$ 758,125	**662,150**	**610,266**	**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.

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

(i) Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Less than one year	$ 162,308	141,059	174,058	131,190
Between one and five years	212,164	172,890	260,677	124,220
	$ 374,472	313,949	434,735	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.

Details of operating lease expense were as follows:

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Operating lease expense	$ 43,989	42,714	88,050	84,425

(j) Employee benefits

1. Defined benefit plans

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 the actuarial results determined on December 31, 2012, and January 1, 2013.

The details of expenses were as follows:

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Operating costs	$ 1	2	1	3
Selling expense	$ 101	63	157	169
General and administrative expenses	$ 48	37	49	43
Research and development expenses	$ 3	12	6	26

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

2. Defined contribution plans

The Group deposited the amounts as follows under the pension plans to the Bureau of the Labor Insurance.

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Operating costs	$ 401	341	799	730
Selling expense	$ 1,876	1,762	3,812	3,545
General and administrative expenses	$ 5,357	4,680	10,587	9,127
Research and development expenses	$ 1,376	1,475	2,737	2,782

(k) Income taxes

The Group's income tax expense is estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. The Group accordingly measures and discloses the income tax information for the interim reporting period in compliance with the guideline set forth above, and therefore the Group is unable to disclose an explanation of the relationship between tax income and accounting profit for the interim reporting period.

1.The details of income tax recognized in the interim reporting period were as follows:

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Current income tax expense:				
Current period	$ 26,900	17,040	47,940	32,164
10% surtax on unappropriated earnings	10,413	-	10,413	-
Adjustment for prior periods	5	-	5	(401)
	37,318	17,040	58,358	31,763
Deferred tax expense:				
Origination and reversal of temporary differences	5,015	(6,334)	11,786	(2,022)
Income tax from continuing operations	$ 42,333	10,706	70,144	29,741

2. The amount of income tax expense recognized in other comprehensive income for the six months ended June 30, 2013 and 2012, was zero.

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

3. The Company's tax returns for the years through 2010 were examined and approved by the Taipei National Tax Administration.

4. The Company's information related to the unappropriated earnings and tax deduction ratio is summarized below:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Unappropriated earnings of 1998 and after	$ 445,936	501,745	291,569	509,791
Balance of imputation credit account (ICA)	$ 14,539	24,838	40,978	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 (actual)	2011 (actual)
Tax deduction ratio for earnings distribution to ROC residents	6.74 %	11.83 %

The actual 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

Except as described in the following paragraph, there were no significant changes in the Company's capital stock and other equity components for the six months ended June 30, 2013 and 2012. For other information about the stockholders' equity please refer to the consolidated interim financial statements for the first quarter of 2013.

1. Issuance of common stock

In the six months ended June 30, 2012, employee stock options were converted into 1,588 thousand shares of common stock, and all registration amendments were completed.

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

2. Capital surplus

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

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Share capital	$ 53,647	53,647	49,936	26,917
Treasury share transactions	-	-	-	129
Difference between consideration and carrying amount of subsidiaries disposed of	7,926	2,330	2,330	-
Employee stock options	-	-	2,018	11,918
	$ 61,573	**55,977**	**54,284**	**38,964**

3. 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 10 percent of statutory earnings reserves, the recognition or reversal of special earnings reserves according to statutory requirements may be distributed as follows:

No higher than 1.5 percent as rewards of directors and supervisors.

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:

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

b) The reserve used to repay outstanding borrowings;

c) 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.

Employee benefits amounted to $9,202, $8,201, $20,662 and $18,809, and rewards of directors and supervisors amounted to $3,099, $0, $3,099 and $0 for the second quarter of 2013 and 2012 and for the six months ended June 30, 2013 and 2012, respectively. These amounts are calculated using the Company's net profit for each period and are determined according to the earnings allocation method, priority, and distribution ratios for employee benefits and rewards of directors and supervisors as stated under the articles of association. These benefits are expensed under operating expenses for each period.

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

Employee benefits amounted to $38,743 and $44,087 for 2012 and 2011, respectively. The amounts are identical to the actual distributions.

The earnings distribution for 2012 and 2011 was decided by the general meeting of shareholders held on June 26, 2013, and June 19, 2012.

The relevant dividend distribution to shareholders was as follows:

	For the Year Ended December 31,	
	2012	**2011**
Dividends distributed to common shareholders		
Cash	$ 245,935	258,100
Shares	-	110,614
Total	**$ 245,935**	**368,714**

4. Other equity

	Foreign currency translation differences for foreign operations
Balance at January 1, 2013	$ (1,011)
Foreign currency translation differences (net of tax):	
The Company	2,081
Balance at June 30, 2013	**$ 1,070**
Balance at January 1, 2012	$ 2,290
Foreign currency translation differences (net of tax):	
The Company	(1,597)
Balance at June 30, 2012	**$ 693**

(m) Share-based payment

There were no significant changes in the Company's share-based payment for the six months ended June 30, 2013 and 2012. For other information about the share-based payment, please refer to the consolidated interim financial statements for the first quarter of 2013.

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

(n) Earnings per share

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Basic earnings per share				
Profit attributable to ordinary shareholders	$ **113,851**	**83,312**	**230,446**	**190,624**
Weighted-average number of ordinary shares	**82,245**	**81,912**	**82,245**	**81,912**
	$ **1.38**	**1.02**	**2.80**	**2.33**
Diluted earnings per share				
Profit attributable to ordinary shareholders (adjusted for the effects of all dilutive potential ordinary shares)	$ **113,851**	**83,312**	**230,446**	**190,624**
Weighted-average number of ordinary shares	82,245	81,912	82,245	81,912
Effects of all dilutive potential ordinary shares	377	129	377	129
Effect of share options issued	-	1,389	-	1,389
Weighted-average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	**82,622**	**83,430**	**82,622**	**83,430**
	$ **1.38**	**1.00**	**2.79**	**2.28**

(o) Non-operating income and expenses

1. Other revenue

The details of other revenue were as follows:

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Interest income	$ 4,573	4,635	8,022	7,272
Dividend revenue	1,265	1,860	1,265	1,860
Other	4,341	1,319	4,929	1,765
	$ **10,179**	**7,814**	**14,216**	**10,897**

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

2. Other gains and losses

The details of other gains and losses were as follows:

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30,2013	For the six months ended June 30,2012
Net foreign currency exchange gain or loss	$ 391	919	1,551	(777)
Disposal loss on property, plant and equipment	(42)	-	(310)	-
Other	-	32	-	(28)
	$ 349	951	1,241	(805)

3. Finance costs

The details of finance cost were as follows:

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Interest expense	$ -	(350)	-	(1,058)

(p) Financial instruments

Except as described in the following paragraph, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk, liquidity risk, and market risk for the six months ended June 30, 2013 and 2012. For other information about the fair value of financial instruments, please refer to the consolidated interim financial statements for the first quarter of 2013.

1. Credit risk

The Group's ageing analysis of accounts receivables and other receivables:

	2013.6.30		2012.12.31		2012.6.30		2012.1.1	
	Total amount	Impairment	Total amount	Impairment	Total amount	Impairment	Total amount	Impairment
Not past due	$ 429,468	3,878	494,050	3,978	378,876	7,797	401,741	12,685
Past due 0 - 90 days	6,500	150	7,116	391	4,157	65	6,384	661
Past due 91 - 180 days	504	77	1,058	119	3,035	113	1,713	544
Past due 181 - 360 days	25	20	4,958	348	583	47	1,748	295
Past due more than 360 days	1,363	1,363	2,780	2,164	4,112	3,201	2,571	2,571
	$ 437,860	5,488	509,962	7,000	390,763	11,223	414,157	16,756

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

2. Currency risk

1) Currency risk exposure

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

	2013.6.30			2012.12.31			2012.6.30			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												
NTD	$ 9,153	1.00	9,153	9,302	1.00	9,302	9,339	1.00	9,339	9,673	1.00	9,673
USD	3,236	29.97	96,999	2,705	29.04	78,566	1,054	29.87	31,470	524	30.28	15,865
EUR	119	39.11	4,653	129	38.48	4,945	1,241	37.60	46,664	1,506	39.19	59,025
Financial liabilities												
Monetary items												
USD	740	29.97	22,192	901	29.04	26,165	-	-	-	-	-	-
EUR	-	-	-	-	-	-	1,539	37.60	57,697	1,564	39.19	61,306

2) 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 June 30, 2013 and 2012, would have increased or decreased net income by $3,850 and $1,304, respectively. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for the first quarter of 2013 and 2012.

3. Fair value

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.

(q) Financial risk management

There were no significant changes in the Group's objectives and policies applied in the financial risk management as compared to the consolidated interim financial statements for the first quarter of 2013.

(r) Capital management

The Group's objectives, policies, and processes for capital management were consistent with the consolidated interim financial statements for the first quarter of 2013. There were no significant changes in the quantified factors of capital management as compared to the consolidated interim financial statements for the first quarter of 2013. For other information about the capital management, please refer to the consolidated interim financial statements for the first quarter of 2013.

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

(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:

	Second Quarter of 2013	Second Quarter of 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Short-term employee benefits	$ 13,608	14,913	24,942	31,865

(8) Restricted Assets

The following assets were restricted in use:

Assets	Purpose of Pledge	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Other financial assets －current	Security for performance and purchase guarantee	$ 220,011	218,111	208,100	238,000
Other financial assets － non-current	Security for provisional seizure, etc.	43,385	41,391	40,530	41,847
		$ 263,396	259,502	248,630	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 June 30, 2013, December 31, 2012, June 30, 2012, and January 1, 2012, notes payable deposited as guarantee for commercial vehicle and office and building leases were $94,419, $88,298, $137,901 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 Group entered into an agreement with The Shanghai Commercial & Savings Bank, Ltd. for a guarantee limit of $130,000 as of June 30, 2013. As of June 30, 2013, December 31, 2012, June 30, 2012, and January 1, 2012, the Group's advance receipt for Skype stored-value service amounted to $82,520, $89,079, $101,286 and $118,312, respectively.

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

According to the "Standardized contract for collection on behalf of others", the payment guarantee should be fully provided by financial institutions. Therefore, the Group entered into an agreement with Taishin International Bank, Ltd. for a guarantee limit of $70,000 as of June 30, 2013. As of June 30, 2013, December 31, 2012, June 30, 2012, and January 1, 2012, the Group's collection receipt amounted to $67,995, $38,536, $27,107 and $0, respectively.

The Group has entered into an agreement with The Shanghai Commercial and Savings Bank, Ltd for providing performance guarantee for the Group on the balance amount received through the Group's credit card payment processing services; the amount of performance guarantee agreed therein is 3,000 thousand.

(10) Significant Catastrophic Losses: None.

(11) Significant Subsequent Events: None.

(12) Others

(a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

Categorized as / Nature	Second Quarter of 2013			Second Quarter of 2012		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	10,111	215,910	226,021	9,449	207,918	217,367
Labor and health insurance	786	17,453	18,239	631	14,340	14,971
Pension	402	8,761	9,163	343	8,029	8,372
Others employee benefits	294	5,654	5,948	213	5,029	5,242
Depreciation	-	22,009	22,009	-	17,404	17,404
Amortization	-	1,838	1,838	-	1,736	1,736

Categorized as / Nature	For the six months ended June 30, 2013			For the six months ended June 30, 2012		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	21,955	430,944	452,899	19,628	414,512	434,140
Labor and health insurance	1,644	35,355	36,999	1,350	27,970	29,320
Pension	800	17,348	18,148	733	15,692	16,425
Others employee benefits	583	11,584	12,167	478	10,278	10,756
Depreciation	-	44,051	44,051	-	34,244	34,244
Amortization	-	3,642	3,642	-	3,258	3,258

(b) Seasonality of operations:

The factors of season or cycle have no impact on the operations of the Group.

(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 for the six months ended June 30, 2013:

1. Fund financing to other parties: None.
2. 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 guaranteesand 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.	3	731,865	23,994	366	-	-	0.03 %	1,463,730	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.

3. Information regarding securities held at balance sheet date:

(Expressed in thousands of New Taiwan dollars, 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	4,635,600	46,618	100.00 %	46,618	Note
〃	Linktel Inc.	〃	〃	12,500,000	147,858	100.00 %	147,858	〃
〃	Liker Technology Inc.	〃	〃	2,500,000	19,737	34.72 %	18,719	〃
〃	PC Home Online International Co., Ltd.	〃	〃	122,328	13,004	100.00 %	13,004	〃
〃	PChome eBay Co., Ltd.	〃	〃	27,300,000	267,882	65.00 %	267,882	〃
〃	Orange Network Inc.	〃	〃	100,000	43	100.00 %	43	〃
〃	Rakuya International Info. Co. Ltd.	〃	〃	3,430,000	18,063	21.99 %	18,063	〃
〃	Pay and Link Inc.	〃	〃	100,000	412	100.00 %	412	〃
〃	PChome Store Inc.	〃	〃	8,477,000	244,085	59.91 %	1,106,249	〃
〃	PChomePay Inc.	〃	〃	5,000,000	36,733	62.50 %	36,733	〃
〃	PChome US Inc.	〃	〃	40,000,000	60,805	90.91 %	60,805	〃
〃	eCommerce Group Co., Ltd.	〃	〃	5,100,000	4,416	100.00 %	4,416	〃
〃	Eastern Online Co., Ltd.	-	Financial assets measured at cost	118,750	-	4.19 %	-	
〃	Syspower Ltd.	-	〃	744,118	2,846	3.72 %	-	
〃	The Journalist Co., Ltd.	-	〃	484	-	0.02 %	-	
〃	Openfind Information Technology, Inc.	-	〃	800,000	4,031	7.42 %	-	
〃	Career Consulting Co., Ltd.	-	〃	113,006	1,015	0.72 %	-	
〃	PayEasy Ltd.	-	〃	5,437,762	4,510	12.51 %	-	

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

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Note
				Number	Book value	Percentage	Market value	
PChome Online Inc.	Vibo Telecom Inc.	-	Financial assets measured at cost	144,699	737	0.01 %	-	
〃	P2V Holdings Ltd. (Samoa)	-	〃	2,691,030	22,922	11.13 %	-	
PC Home Online International Co., Ltd.	PChome Online Inc.	An investee company accounted for under the equity method	Long-term investments under the equity method	10,000,000	13,719	100.00 %	13,719	Note
eCommerce Group Co., Ltd.	EC Global Inc.	〃	〃	5,020,000	4,316	100.00 %	4,316	〃
PChome eBay Co., Ltd.	PChomePay Inc.	〃	〃	2,400,000	22,109	30.00 %	17,632	〃
PChome Store Inc.	Liker Technology Inc.	〃	〃	3,000,000	22,465	41.67 %	22,465	〃
PChome Online Inc.	PC Home Online (HK) Ltd.	〃	〃	5,641,239	14,856	100.00 %	14,856	〃
EC Global Inc.	EC Global Limited	〃	〃	4,800,000	3,919	100.00 %	3,919	〃
PC Home Online (HK) Ltd.	Shanghai Todo Inc.	〃	〃	-	2,659	100.00 %	2,659	〃
EC Global Limited	PChome Trading (Shenzhen) Ltd.	〃	〃	-	491	100.00 %	491	〃

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

4. 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.
5. Acquisition of real estate for which the dollar amount reaches $100 million or 20% or more of paid-in capital : None.
6. Disposition of real estate for which the dollar amount reaches $100 million or 20% or more of paid-in capital: None.
7. Buying/selling products with the dollar amount reaches $100 million or 20% or more of paid-in capital: None.
8. Accounts receivable from related parties for which the dollar amount reaches $100 million or 20% or more of paid-in capital: None.
9. Derivative transactions: None.
10. Business relationships and significant inter-company transactions:

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with the counter-party (Note 2)	Transaction			
				Account name	Amount	Terms of trading	Precentage of the total consolidated revenue or total assets
0	PChome Online Inc.	Linktel Inc.	1	Sales	4,144	Usual terms and conditions	0.05 %
0	〃	〃	1	Cost of Goods Sold	8	〃	-
0	〃	〃	1	Other Expenses	1,869	No comparable counter-parties	0.02 %
0	〃	PChome eBay Co., Ltd.	1	Sales	2,646	Usual terms and conditions	0.03 %
0	〃	〃	1	Advertisement Expenses	1,280	No comparable counter-parties	0.02 %
0	〃	Rakuya International Info. Co. Ltd.	1	Sales	2,572	Usual terms and conditions	0.03 %
0	〃	PChome Store Inc.	1	Other Receivable	21,564	No comparable counter-parties	0.46 %

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

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with the counter-party (Note 2)	Transaction			
				Account name	Amount	Terms of trading	Precentage of the total consolidated revenue or total assets
0	PChome Online Inc.	PChome US Inc.	1	Accounts Receivable	1,621	Usual terms and conditions	0.03 %
0	〃	〃	1	Sales	9,163	〃	0.12 %
0	〃	PChome Trading (Shenzhen) Ltd.	1	Other Receivable	4,313	No comparable counter-parties	0.09 %
0	〃	IT Home Publications Inc.	1	Other Receivable	3,252	〃	0.07 %
1	Linktel Inc.	PChome Online Inc.	2	Sales	1,877	〃	0.02 %
1	〃	〃	2	Cost of Goods Sold	16	Usual terms and conditions	-
1	〃	〃	2	Advertisement Expenses	95	No comparable counter-parties	-
1	〃	〃	2	Other Expenses	4,033	〃	0.05 %
2	PChome eBay Co., Ltd.	〃	2	Advertisement Expenses	2,400	〃	0.03 %
2	〃	〃	2	Other Expenses	246	〃	-
2	〃	〃	2	Sales	1,280	Usual terms and conditions	0.02 %
3	Rakuya International Info. Co. Ltd	〃	2	Advertisement Expenses	2,429	〃	0.03 %
3	〃	〃	2	Other Expenses	143	〃	-
4	PChome Store Inc.	〃	2	Other Payable	20,798	〃	0.45 %
4	〃	〃	2	Other Accrued Expenses	596	〃	0.01 %
4	〃	〃	2	Accounts Payable	170	〃	-
5	PChome US Inc.	〃	2	Purchase	9,163	〃	0.12 %
5	〃	〃	2	Accounts Payable	1,621	〃	0.03 %
6	PChome Trading (Shenzhen) Ltd.	〃	2	Accrued Expenses	4,313	No comparable counter-parties	0.09 %
7	IT Home Publications Inc.	〃	2	Other Payable	3,157	〃	0.07 %
7	〃	〃	2	Other Accrued Expenses	95	〃	-

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 did not disclose transactions for which the dollar amount did not reach $1,000 thousand.

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

(b) Information on investees:

For the six months ended June 30, 2013, the following is the information on investees:

(Expressed in thousands of dollars)

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount) Ending balance	Initial investment (Amount) Beginning balance	Ending balance Shares	Ending balance Ratio of shares	Ending balance Book value	Net income (loss) of the investee	Investment income (losses)	Note
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 services	30,000	30,000	4,635,600	100.00 %	46,618	(2,641)	(2,641)	Note
〃	Linktel Inc.	〃	Network services	125,000	125,000	12,500,000	100.00 %	147,858	14,259	14,259	〃
〃	Liker Technology Inc.	24F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	O2O (Online to Offline) E-commerce	25,000	25,000	2,500,000	34.72 %	19,737	(8,983)	(3,119)	〃
〃	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	122,328	100.00 %	13,004	(576)	(576)	〃
〃	PChome eBay Co., Ltd.	12F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	Online auction	273,000	273,000	27,300,000	65.00 %	267,882	61,092	39,710	〃
〃	Orange Network Inc.	〃	Online television media business	1,000	1,000	100,000	100.00 %	43	-	-	〃
〃	Rakuya International Info. Co. Ltd.	〃	Real estate business, and internet information rental service	34,300	34,300	3,430,000	21.99 %	18,063	(11,632)	(2,558)	〃
〃	Pay and Link Inc.	〃	Internet services	1,000	1,000	100,000	100.00 %	412	(75)	(75)	〃
〃	PChome Store Inc.	14F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	Internet services	84,770	84,770	8,477,000	59.91 %	244,085	35,867	21,488	〃
〃	PChomePay Inc.	12F., No.105, Sec. 2, Tun-Hwa S. Rd., Taipei	Information processing and provision of electronic information	50,000	50,000	5,000,000	62.50 %	36,733	(8,241)	(5,878)	〃
〃	PChome US Inc.	California	E-commerce platform	116,490	116,490	40,000,000	90.91 %	60,805	(14,163)	(12,876)	〃
〃	eCommerce Group Co., Ltd.	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment activities	15,300	10,533	5,100,000	100.00 %	4,416	(1,541)	(1,541)	〃
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	-	2,400,000	30.00 %	22,109	(8,241)	(1,891)	〃
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	3,000,000	41.67 %	22,465	(8,983)	(3,743)	〃
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	10,000,000	100.00 %	13,719	(576)	(576)	〃

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount) Ending balance	Initial investment (Amount) Beginning balance	Ending balance Shares	Ending balance Ratio of shares	Ending balance Book value	Net income (loss) of the investee	Investment income (losses)	Note
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	5,020,000	100.00 %	4,316	(1,491)	(1,491)	Note
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	5,641,239	100.00 %	14,856	(470)	(470)	〃
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	4,800,000	100.00 %	3,919	(1,397)	(1,397)	〃
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 %	2,659	-	-	〃
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 %	491	(1,053)	(1,053)	〃

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

(c) Information on investment in Mainland China:

1. Information on investment in Mainland China:

(Expressed in thousands of dollars)

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 Outflow	Investment Flows Inflow	Accumulated Outflow of Investment from Taiwan	Percentage of Ownership	Investment Income (Loss) Recognized (Note 2(2))	Carrying Amount	Accumulated Inward Remittance of Earnings
Shanghai Todo Inc.	Software and internet technical consulting service	5,201	(2)	5,201	-	-	5,201	100.00 %	-	2,659	-
PChome Trading (Shenzhen) Ltd.	International trading E-commerce	10,533	(2)	10,533	-	-	10,533	100.00 %	(1,053)	491	-

2. Limitation on investment in Mainland China:

Company	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(Note 3)	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission (Note 4)
The Company	15,734	56,819	1,115,162

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

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

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.

3. Significant transactions: None.

(14) Segment Information

(a) General information

The Group’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:

	Second Quarter of 2013			
	E-Commerce	**Other**	**Adjustments and Eliminations**	**Consolidated**
Revenue:				
Non-inter-company revenue	$ 3,438,217	368,096	-	3,806,313
Inter-company revenue	9,335	3,065	(12,400)	-
Total Revenue	**$ 3,447,552**	**371,161**	**(12,400)**	**3,806,313**
Segment profit	**$ 113,851**	**42,248**	**(28,972)**	**127,127**

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

	Second Quarter of 2012			
	E-Commerce	**Other**	**Adjustments and Eliminations**	**Consolidated**
Revenue:				
Non-inter-company revenue	$ 3,122,522	379,051	-	3,501,573
Inter-company revenue	10,091	2,610	(12,701)	-
Total Revenue	**$ 3,132,613**	**381,661**	**(12,701)**	**3,501,573**
Segment profit	**$ 83,312**	**27,608**	**(17,903)**	**93,017**

	For the six months ended June 30, 2013			
	E-Commerce	**Other**	**Adjustments and Eliminations**	**Consolidated**
Revenue:				
Non-inter-company revenue	$ 7,006,430	713,951	-	7,720,381
Inter-company revenue	19,168	6,115	(25,283)	-
Total Revenue	**$ 7,025,598**	**720,066**	**(25,283)**	**7,720,381**
Segment profit	**$ 230,446**	**67,114**	**(44,308)**	**253,252**

	For the six months ended June 30, 2012			
	E-Commerce	**Other**	**Adjustments and Eliminations**	**Consolidated**
Revenue:				
Non-inter-company revenue	$ 6,489,981	746,435	-	7,236,416
Inter-company revenue	20,668	4,630	(25,298)	-
Total Revenue	**$ 6,510,649**	**751,065**	**(25,298)**	**7,236,416**
Segment profit	**$ 190,624**	**45,670**	**(29,849)**	**206,445**

(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 six months ended June 30, 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).

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

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 tables and the notes that accompany the tables. For the adjustment information of the consolidated balance sheets at December 31, 2012, and January 1, 2012 (the Group's date of transition) and consolidated statement of comprehensive income for the year ended December 31, 2012, please refer to the consolidated interim financial statements for the first quarter of 2013.

(a) Adjustment of equity

	2012.6.30		
	Previous GAAP	**Effects of transition to IFRS**	**IFRSs**
Assets			
Cash and cash equivalents	$ 2,935,350	6,627	2,941,977
Notes receivable, net	9,656	-	9,656
Accounts receivable, net	293,519	(26,618)	266,901
Deferred income tax assets – current	12,049	(12,049)	-
Inventories, net	262,483	-	262,483
Other receivable	-	112,639	112,639
Other financial assets – current	92,648	115,452	208,100
Restricted assets	208,100	(208,100)	-
Other current assets	24,926	(5,444)	19,482
Total current assets	3,838,731	(17,493)	3,821,238
Financial assets measured at cost – non-current	40,763	-	40,763
Other financial assets – non-current	40,430	100	40,530
Property, plant and equipment	192,282	(15,878)	176,404
Deferred pension cost	552	(552)	-
Intangible assets	-	15,499	15,499
Deferred tax assets – non-current	42,113	21,187	63,300
Other non-current assets	18,820	279	19,099
Total non-current assets	334,960	20,635	355,595
Total assets	**$ 4,173,691**	**3,142**	**4,176,833**

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	2012.6.30		
	Previous GAAP	Effects of transition to IFRS	IFRSs
Liabilities			
Notes payable	$ 7,450	-	7,450
Accounts payable	1,243,777	-	1,243,777
Current tax liabilities	31,376	-	31,376
Accrued expenses	287,523	(287,523)	-
Other payable	339,508	300,643	640,151
Other financial liabilities – current	363,879	(363,879)	-
Advance receipts	244,313	(244,313)	-
Other current liabilities	15,194	595,072	610,266
Total current liabilities	2,533,020	-	2,533,020
Deferred income tax liabilites	-	5,120	5,120
Accrued pension liabilities	-	17,996	17,996
Total non-current liabilities	-	23,116	23,116
Total liabilities	2,533,020	23,116	2,556,136
Owners' equity attributable to equity holders of the parent company			
Common stock	819,118	-	819,118
Capital surplus	175,558	(121,274)	54,284
Retained earnings	281,437	102,515	383,952
Other equity	693	-	693
Total owners' equity attributable to equity holders of the parent company	1,276,806	(18,759)	1,258,047
Non-controlling interests	363,865	(1,215)	362,650
Total stockholders' equity	1,640,671	(19,974)	1,620,697
Total liabilities and equity	**$ 4,173,691**	**3,142**	**4,176,833**

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

(b) Adjustment of comprehensive income

	Second Quarter of 2012			For the six months ended June 30, 2012		
	Previous GAAP	Effects of transition to IFRS	IFRSs	Previous GAAP	Effects of transition to IFRS	IFRSs
Revenue	$ 3,559,036	(57,463)	3,501,573	7,354,636	(118,220)	7,236,416
Cost of sales	(2,924,598)	662	(2,923,936)	(6,060,940)	1,269	(6,059,671)
Gross profit	634,438	(56,801)	577,637	1,293,696	(116,951)	1,176,745
Operating expenses						
Selling expenses	(435,251)	56,868	(378,383)	(854,576)	117,185	(737,391)
General and administration expenses	(68,004)	112	(67,892)	(146,432)	121	(146,311)
Research and development expenses	(36,073)	19	(36,054)	(65,932)	41	(65,891)
Total operating expenses	(539,328)	56,999	(482,329)	(1,066,940)	117,347	(949,593)
Income from operations	95,110	198	95,308	226,756	396	227,152
Non-operating income and expenses:						
Other income	7,814	-	7,814	10,897	-	10,897
Other gains and losses	951	-	951	(805)	-	(805)
Finance costs	(350)	-	(350)	(1,058)	-	(1,058)
Total non-operating income and expenses	8,415	-	8,415	9,034	-	9,034
Consolidated income before income tax from continuing operations	103,525	198	103,723	235,790	396	236,186
Tax expense	(10,654)	(52)	(10,706)	(29,660)	(81)	(29,741)
Consolidated net income	92,871	146	93,017	206,130	315	206,445
Other comprehensive income:						
Foreign currency translation differences	-	1,054	1,054	-	(1,763)	(1,763)
Tax on other comprehensive income	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	1,054	1,054	-	(1,763)	(1,763)
Total comprehensive income	**$ 92,871**	**1,200**	**94,071**	**206,130**	**(1,448)**	**204,682**
Net income attributable to:						
Owners of the parent company	$ 83,168	144	83,312	190,320	304	190,624
Non-controlling interest	9,703	2	9,705	15,810	11	15,821
Net income	**$ 92,871**	**146**	**93,017**	**206,130**	**315**	**206,445**
Comprehensive income attributable to:						
Owners of the parent company	$ 83,168	1,105	84,273	190,320	(1,293)	189,027
Non-controlling interest	9,703	95	9,798	15,810	(155)	15,655
Total comprehensive income for the period	**$ 92,871**	**1,200**	**94,071**	**206,130**	**(1,448)**	**204,682**
Earnings per share						
Basic earnings per share (dollars)	**$ 1.02**	**-**	**1.02**	**2.33**	**-**	**2.33**
Diluted earnings per share (dollars)	**$ 1.00**	**-**	**1.00**	**2.28**	**-**	**2.28**

(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.

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

(d) Adjustment instructions

1. 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.

   The impact arising from the change is summarized as follows:

	Second Quarter of 2012	For the six months ended June 30, 2012
Consolidated statements of comprehensive income		
Cost of sales	$ (3)	(6)
Selling expenses	(115)	(227)
General and adminstrative expenses	(61)	(122)
Research and development expenses	(19)	(41)
Adjustment before income tax	**$ (198)**	**(396)**

	2012.6.30
Consolidated statement of financial position	
Employee benefits	$ (22,557)
Related tax effects	3,798
Adjustments to retained earnings	**$ (18,759)**

2. 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:

	2012.6.30
Consolidated balance sheets	
Deferred tax assets－current	$ (12,049)
Deferred tax assets－non-current	17,169
Deferred tax liabilities－non-current	(5,120)
Adjustment of retained earnings	**$ -**

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

3. 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.

   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:

	2012.6.30
Consolidated balance sheets	
Capital surplus	$ (121,274)
Adjustment to retained earnings	**$ (121,274)**

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

	2012.6.30
Deferred income tax assets	**$ 4,018**

   The impact on the consolidated income statements for the second quarter of 2012 and for the six months ended June 30, 2012, was a decrease in income tax expense of $52 and $81, respectively.

5. The above-mentioned changes in the retained earnings were as follows:

	2012.6.30
Employee benefits	$ (18,759)
Reclassification of other interest	121,274
Increase in retained earnings	**$ 102,515**

6. According to IFRS 1, when the company first adopted the international accounting standards, the financial statements should be retroactively adjusted under the effective accounting standards. The section which might be exempted from the regulation is listed below:

To determine the benefit plans of the retired post-employment benefit obligations under the actuarial techniques, the adjustments in experience and changes in actuarial assumptions used to produce actuarial gain or loss shall not be retroactively recalculated and those actuarial gains and losses should be recognized under stockholders' equity on the date of conversion.