Stock Code: 8044

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
March 31, 2015 AND 2014
(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 Group) as of March 31, 2015, December 31, and March 31, 2014, the consolidated statements of comprehensive income for the first quarter of 2015 and 2014, and for the three months ended March 31, 2015 and 2014, and the consolidated statements of changes in equity and of cash flows for the three months ended March 31, 2015 and 2014. 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 the 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 the total assets of NT$557,744 thousand and NT$299,084 thousand, constituting 8% and 6%, respectively, of total consolidated assets as of March 31, 2015 and 2014. The total liabilities of these subsidiaries amounted to NT$198,646 thousand and NT$78,272 thousand, constituting 5% and 3%, respectively, of the total consolidated liabilities as of March 31, 2015 and 2014. The comprehensive income (loss) of these subsidiaries for the first quarter of 2015 and 2014 and for the three months ended March 31, 2015 and 2014 amounted to NT$(8,346) thousand and NT$(6,408) thousand, constituting (4)% and (3)%, respectively, of the 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 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 IAS 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

KPMG

May 12, 2015

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.

For the convenience of readers 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.

March 31, 2015 and 2014 reviewed only, not audited in accordance with the generally accepted auditing standards

PCHOME ONLINE INC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2015, DECEMBER 31, 2014 AND MARCH 31, 2014

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

	2015.3.31		2014.12.31		2014.3.31	
ASSETS	Amount	%	Amount	%	Amount	%
Current Assets:						
Cash and cash equivalents (Note (6)(a))	$ 4,832,243	70	4,887,418	76	4,025,409	74
Notes receivable, net (Note (6)(c))	4,930	-	4,114	-	8,888	-
Accounts receivable, net (Note (6)(c)	357,137	5	301,905	5	308,379	6
Other receivables (Note (6)(c)	418,912	6	180,788	3	148,751	3
Inventories (Note (6)(d))	397,852	6	405,665	6	325,110	6
Other financial assets – current (Note (8))	401,011	6	167,611	3	204,611	4
Other current assets	34,596	-	21,420	-	22,743	-
	6,446,681	93	5,968,921	93	5,043,891	93
Non-Current Assets:						
Financial assets measured at cost – noncurrent (Note (6)(b))	48,335	1	53,582	1	36,061	1
Property, plant, and equipment (Note (6)(e))	247,291	4	267,480	4	210,527	4
Intangible assets (Note (6)(f))	11,101	-	11,863	-	14,141	-
Deferred income tax assets	49,561	1	48,322	1	41,783	1
Other financial assets – non-current (Note (8))	97,925	1	61,819	1	50,380	1
Other non-current assets	3,798	-	3,407	-	15,469	-
	458,011	7	446,473	7	368,361	7
TOTAL ASSETS	$ 6,904,692	100	6,415,394	100	5,412,252	100

	2015.3.31		2014.12.31		2014.3.31	
LIABILITIES AND STOCKHOLDERS' EQUITY	Amount	%	Amount	%	Amount	%
Current Liabilities:						
Notes payable	$ 2,875	-	1,732	-	25,381	-
Accounts payable	1,735,418	25	1,897,599	30	1,443,871	27
Other payable	592,241	9	674,359	10	403,620	8
Current tax liabilities	183,077	3	135,674	2	140,832	3
Other current liabilities (Note (6)(g))	1,442,842	21	1,021,055	16	976,324	18
	3,956,453	58	3,730,419	58	2,990,028	56
Non-current Liabilities:						
Deferred income tax liabilities	15,692	-	14,795	-	11,599	-
Net defined benefit liabilities-non-current (Note (6)(i))	8,511	-	13,398	-	6,867	-
	24,203	-	28,193	-	18,466	-
TOTAL LIABILITIES	3,980,656	58	3,758,612	58	3,008,494	56
Owners' Equity Attributable to Equity Holders of the Parent Company(Note (6)(k)):						
Capital Stock:						
Common stock	868,168	12	868,168	13	822,448	15
Capital Surplus	65,321	1	65,321	1	65,321	1
Retained Earnings:						
Legal reserve	182,223	3	182,223	3	131,548	3
Special reserve	7	-	7	-	1,155	-
Retained earnings – unappropriated	1,213,846	17	1,001,521	16	887,900	16
Other Equity:						
Exchange differences on translation of foreign operations	(2,034)	-	2,022	-	1,117	-
Total owners' equity attributale to equity holders of the parent company	2,327,531	33	2,119,262	33	1,909,489	35
Non-controlling interest	596,505	9	537,520	9	494,269	9
TOTAL EQUITY	2,924,036	42	2,656,782	42	2,403,758	44
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 6,904,692	100	6,415,394	100	5,412,252	100

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

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

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	For the three months ended March 31,			
	2015		2014	
	Amount	%	Amount	%
Operating revenues (Note (6)(m))	$ 5,845,775	102	4,905,676	102
Less: Sales returns, discounts and allowances	124,480	2	111,510	2
Net sales	5,721,295	100	4,794,166	100
Operating costs (Note (6)(d))	4,739,371	83	3,968,912	83
Gross margin	981,924	17	825,254	17
Operating expenses:				
Selling expenses	527,937	9	453,807	9
General and administrative expenses	109,074	2	107,271	2
Research and development expenses	57,534	1	44,422	1
Total operating expenses	694,545	12	605,500	12
Income from operations	287,379	5	219,754	5
Non-operating income and expenses (Note (6)(n)):				
Other revenue	7,276	-	5,103	-
Other gains and losses	(6,693)	-	1,849	-
Total non-operating income and expenses	583	-	6,952	-
Profit before tax from continuing operations	287,962	5	226,706	5
Less: Income tax expense (Note (6)(j))	50,242	1	40,183	1
Profit	237,720	4	186,523	4
Other comprehensive income:				
Items that may be subsequently reclassified into profit or loss				
Exchange differences on translation of foreign operations	(6,113)	-	1,203	-
Other comprehensive income (net of tax)	(6,113)	-	1,203	-
Total comprehensive income	**$ 231,607**	**4**	**187,726**	**4**
Profit attributable to:				
Owners of parent	$ 212,325	4	165,684	4
Non-controlling interests	25,395	-	20,839	-
	$ 237,720	**4**	**186,523**	**4**
Comprehensive income attributable to:				
Owners of parent	$ 208,269	4	166,808	4
Non-controlling interests	23,338	-	20,918	-
	$ 231,607	**4**	**187,726**	**4**
Earnings per share (Note (6)(l))				
Basic earnings per share (dollars)	**$**	**2.45**		**1.91**
Diluted earnings per share (dollars)	**$**	**2.44**		**1.90**

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

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

PCHOME ONLINE INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

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

	Equity Attributable to Owners of Parent								
	Stock		Retained Earnings			Other Equity			
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings - Unappropriated	Exchange differences on translation of foreign operations	Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total
Balance as of January 1, 2014	$ 822,448	61,834	131,548	1,155	722,216	(7)	1,739,194	406,838	2,146,032
Profit for the three months ended March 31, 2014	-	-	-	-	165,684	-	165,684	20,839	186,523
Other comprehensive income for the three months ended March 31, 2014	-	-	-	-	-	1,124	1,124	79	1,203
Total comprehensive income for the three months ended March 31, 2014	-	-	-	-	165,684	1,124	166,808	20,918	187,726
Increase in capital by cash from non-controlling interests	-	-	-	-	-	-	-	70,000	70,000
Changes in non-controlling interests	-	3,487	-	-	-	-	3,487	(3,487)	-
Balance as of March 31, 2014	**$ 822,448**	**65,321**	**131,548**	**1,155**	**887,900**	**1,117**	**1,909,489**	**494,269**	**2,403,758**
Balance as of January 1, 2015	$ 868,168	65,321	182,223	7	1,001,521	2,022	2,119,262	537,520	2,656,782
Profit for the three months ended March 31, 2015	-	-	-	-	212,325	-	212,325	25,395	237,720
Other comprehensive income for the three months ended March 31, 2015	-	-	-	-	-	(4,056)	(4,056)	(2,057)	(6,113)
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	212,325	(4,056)	208,269	23,338	231,607
Increase in capital by cash from non-controlling interests	-	-	-	-	-	-	-	35,647	35,647
Balance as of March 31, 2015	**$ 868,168**	**65,321**	**182,223**	**7**	**1,213,846**	**(2,034)**	**2,327,531**	**596,505**	**2,924,036**

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

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

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	For the three months ended March 31, 2015	2014
Cash flows from operating activities:		
Profit before tax	$ 287,962	226,706
Adjustments:		
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation	27,315	24,121
Amortization	1,847	2,012
Interest income	(4,034)	(3,890)
Loss on disposal and retirement of property, plant and equipment, net	-	55
Impairment loss on financial assets	3,652	14,170
Impairment loss on nonfinancial assets	5,247	-
Total adjustments to reconcile net income to net cash provided by operating activities	34,027	36,468
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Notes receivable	(816)	(4,027)
Accounts receivable	(58,884)	26,417
Other receivables	(236,940)	6,330
Inventories	7,813	5,150
Other current assets	(13,196)	(5,127)
Other financial assets	(269,548)	3,101
Total changes in operating assets, net	(571,571)	31,844
Changes in operating liabilities, net:		
Notes payable	1,143	319
Accounts payable	(162,178)	(206,825)
Other payable	(82,521)	(52,495)
Other current liabilities	421,789	82,554
Net defined benefit liabilities-non-current	(4,887)	(532)
Total changes in operating liabilities, net	173,346	(176,979)
Total changes in operating assets and liabilities, net	(398,225)	(145,135)
Total adjustments	(364,198)	(108,667)
Cash inflow generated from operations	(76,236)	118,039
Interest received	2,886	3,107
Income tax paid	(3,181)	(284)
Net cash (used in) provided by operating activities	(76,531)	120,862
Cash flows from investing activities:		
Purchase of property, plant and equipment	(7,473)	(21,790)
Disposal of property, plant and equipment	-	602
Purchase of intangible assets	(285)	(1,262)
Increase in other non-current assets	(372)	(3,749)
Net cash used in investing activities	(8,130)	(26,199)
Cash flows from financing activities:		
Increase in capital by cash from non-controlling interests	35,647	70,000
Net cash provided by financing activities	35,647	70,000
Foreign exchange rate effects	(6,161)	1,291
Net (decrease) increase in cash and cash equivalents	(55,175)	165,954
Cash and cash equivalents, beginning of period	4,887,418	3,859,455
Cash and cash equivalents, end of period	**$ 4,832,243**	**4,025,409**

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
March 31, 2015 and 2014
(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.

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

The board of directors released the consolidated interim financial statements on May 12, 2015.

(3) New Standards and Interpretations Not Yet Adopted

(a) Effect of new issuances and amendments to IFRSs as endorsed by the Financial Supervisory Commission ("FSC").

The Group adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC in preparing its consolidated financial statements. The related new standards, interpretations and amendments are listed below:

New Standards, Interpretations and Amendments	IASB Effective Date
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	July 1, 2011
Government loans (amendment to IFRS 1)	January 1, 2013
Disclosures - transfers of financial assets (amendment to IFRS 7)	July 1, 2011
Disclosures-Offsetting financial assets and financial liabilities (amendment to IFRS 7)	January 1, 2013
IFRS 10, "Consolidated financial statements"	January 1, 2013 (Investement entities will adopt on January 1, 2014)
IFRS 11,"Joint arrangements"	January 1, 2013
IFRS 12,"Disclosure of interests in other entities"	January 1, 2013
IFRS 13, "Fair value measurement"	January 1, 2013

PCHOME ONLINE INC. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2015 and 2014

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

New Standards, Interpretations and Amendments	IASB Effective Date
Presentation of items of other comprehensive income (amendment to IAS 1)	July 1, 2012
Deferred tax: Recovery of underlying assets (amendment to IAS 12)	January 1, 2012
Employee benefits (as amendment to IAS 19)	January 1, 2013
Separate financial statements (as amendment to IAS 27)	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	January 1, 2014
IFRIC 20, “Stripping costs in the production phase of a surface mine”	January 1, 2013

Based on the Group's assessment, the adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group, except for the following:

IAS 1, “Presentation of financial statements”

The amendment requires entities to separate the items (presented in OCI classified by nature) into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group adjusts its presentation of the statement of comprehensive income for the reporting period and comparison period.

(b) New standards, interpretations and amendments not endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not endorsed by the FSC as of the reporting date:

New Standards, Interpretations and Amendments	IASB Effective Date
IFRS 9, “Financial instruments”	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendemnts to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Acquisition of an interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14 “Regulatory deferral accounts”	January 1, 2016
IFRS 15 “Revenue from contracts with customers”	January 1, 2017
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and 38)	January 1, 2016
Bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Services related contributions from employees or third parties (admendments to IAS 19)	July 1, 2014

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

New Standards, Interpretations and Amendments	IASB Effective Date
Equity method in separate financial statements (amendements to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
The Annual Improvements : 2010-2012 & 2011-2013 Cycles	July 1, 2014
The Annual Improvements to IFRS : 2012-2014 Cycles	January 1, 2016
IFRIC 21, “Levies”	January 1, 2014

The Group is assessing the potential impact of the new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

(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.

Except as described in the following paragraph, the significant accounting policies applied in the preparation of the consolidated interim financial statements are applied consistently for the consolidated financial statements for the year ended December 31, 2014. For other information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2014.

The related changes for the Group adopted the 2013 version of IFRS as endorsed by the FSC, please refer to note 3.

(b) Business combination

The principles applied in the preparation of the consolidated interim financial statements are consistent with the consolidated financial statements for the year ended December 31, 2014. For information about the principles, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2014.

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
March 31, 2015 and 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

1. List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding 2015.3.31	Shareholding 2014.12.31	Shareholding 2014.3.31	Note
The Company	PChome eBay Co., Ltd.	Information processing and provision of electronic information	65.00 %	65.00 %	65.00 %	
〃	PChome Store Inc.	Internet services	59.91 %	59.91 %	59.91 %	
〃	Linktel Inc.	Type II Telecommunications Business	100.00 %	100.00 %	100.00 %	
〃	PChomePay Inc.	Online payment processing services	22.22 %	22.22 %	22.22 %	Note 1
〃	IT Home Publications Inc.	Magazine publication	100.00 %	100.00 %	100.00 %	
〃	PChome US Inc.	E-commerce platform	90.91 %	90.91 %	90.91 %	
〃	Liker Technology Inc.	O2O (Online to Offline) E-commerce	34.72 %	34.72 %	34.72 %	Notes 1, 4
〃	PC Home Online International Co., Ltd.	International trade and investment activities	100.00 %	100.00 %	100.00 %	
〃	Rakuya International Info. Co., Ltd.	Real estate business, and internet information rental service	22.04 %	22.04 %	22.04 %	Note 2
〃	eCommerce Group Co., Ltd.	Investment activities	100.00 %	100.00 %	100.00 %	
〃	Orange Network Inc.	Online television media business	100.00 %	100.00 %	100.00 %	Note 3
〃	Pi Mobile Technology Inc.	Online payment processing services	100.00 %	- %	- %	
〃	PChome (Thailand) Co., Ltd.	E-commerce platform	65.00 %	- %	- %	
PChome eBay Co., Ltd.	PChomePay Inc.	Online payment processing services	25.33 %	25.33 %	25.33 %	Note 1
PChome Store Inc.	Liker Technology Inc.	O2O (Online to Offline) E-commerce	41.67 %	41.67 %	41.67 %	Notes 1, 4
〃	PChomePay Inc.	Online payment processing services	35.56 %	35.56 %	35.56 %	Note 1
PChome Pay Inc.	Pay and Link Inc.	Internet services	100.00 %	100.00 %	100.00 %	
IT Home Publications Inc.	Yiabi Inc.	Information processing and provision of electronic information	100.00 %	100.00 %	100.00 %	
PC Home Online International Co., Ltd.	PChome Online Inc.	International trade and investment activities	100.00 %	100.00 %	100.00 %	
eCommerce Group Co., Ltd.	EC Global Inc.	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 2015.3.31	Shareholding 2014.12.31	Shareholding 2014.3.31	Note
PChome Online Inc.	PC Home Online (HK) Ltd.	Information service and indirect investment activities	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 %	
EC Global Limited	PChome Trading (Shenzhen) Ltd.	International trading E-commerce	100.00 %	100.00 %	100.00 %	
〃	PChome Japan KK	〃	100.00 %	100.00 %	100.00 %	

Note 1: The Group holds more than 50% of it's outstanding equity shares. Therefore, it was included in the consolidated financial statement.

Note 2: Although the Group holds less than 50% of the company's outstanding equity shares, the Group has control over the company's finance, operations, and employment decisions. 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 March 31, 2015, the investee company was in the liquidation process.

Note 4: On October 22, 2014, a resolution was approved by the shareholders of the investee company (Liker Technology Inc.) for dissolution, with a record date of October 31, 2014. As of March 31, 2015, the investee company was in the liquidation process.

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

(c) Employee benefits

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.

(d) Income taxes

The income taxes of consolidated interim financial statements have been measured and disclosed in accordance with the guideline of IAS 34 Interim Financial Reporting B12 which are approved by the FSC.

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.

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.

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

(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 note 5 of the consolidated interim financial statements for the year ended December 31, 2014.

(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 consolidated financial statements for the year ended December 31, 2014.

For other information about the accounting policies, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2014.

(a) Cash and cash equivalents

	2015.3.31	2014.12.31	2014.3.31
Cash on hand	$ 351	358	342
Checking accounts	8,243	25,356	22,422
Savings accounts	3,597,959	3,155,406	2,799,634
Foreign currency deposits	160,088	149,200	138,940
Time deposits	1,043,710	1,539,200	1,060,200
Cash equivalents	21,892	17,898	3,871
Cash and cash equivalents in consolidated statement of cash flows	$ 4,832,243	4,887,418	4,025,409

(b) Financial assets

Financial assets measured at cost:

	2015.3.31	2014.12.31	2014.3.31
Domestic stock of non-listed company	$ 48,335	53,582	36,061

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.

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

The Group acquired 10.01% shares of 17Life Ltd., with 1,752 thousands shares of common stock which amounted to $17,521 for the year ended December 31, 2014, and was recognized as financial assets measured at cost.

As there was evidence indicating a decline in the value of the investment in PayEasy Ltd. and Taiwan Star Telecom Co., Ltd., the impairment losses of $4,510 and $737 were recognized for the three months ended March 31, 2015.

As of March 31, 2015, December 31, 2014, and March 31, 2014, the Group's financial assets were not pledged as collateral.

(c) Notes receivable, accounts receivable and other receivable, net

	2015.3.31	2014.12.31	2014.3.31
Notes receivable	$ 4,930	4,114	8,888
Accounts receivable	370,167	321,822	336,102
Other receivables	418,912	180,788	148,751
Less: Allowance for impairment loss	(13,030)	(19,917)	(27,723)
	$ 780,979	486,807	466,018

As of March 31, 2015, December 31, 2014 and March 31, 2014 the Group did not have accounts receivables which were past due but not impaired.

The movement in the allowance for impairment loss with respect to notes receivable, accounts receivable and other receivables for the three months ended March 31, 2015 and 2014, were as follows:

	Individually assessed impairment	Collectively assessed impairment	Total
Balance at January 1, 2015	$ -	19,917	19,917
Impairment loss recognized	-	3,652	3,652
Amount of write-off	-	(10,539)	(10,539)
Balance at March 31, 2015	$ -	13,030	13,030
Balance at January 1, 2014	$ -	14,200	14,200
Impairment loss recognized	-	14,170	14,170
Amount of write-off	-	(647)	(647)
Balance at March 31, 2014	$ -	27,723	27,723

(d) Inventories

	2015.3.31	2014.12.31	2014.3.31
Merchandise inventories	$ 402,597	409,472	327,466
Less: Allowance for inventory valuation and obsolescence losses	(4,745)	(3,807)	(2,356)
	$ 397,852	405,665	325,110

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

As of March 31, 2015, December 31, 2014 and March 31, 2014, the Group's inventories were not pledged as collateral.

The details of operating cost were as follows:

	For the three months ended March 31, 2015	For the three months ended March 31, 2014
Cost of goods sold	$ 4,738,433	3,968,195
Provision for inventory market price decline and obsolescence	938	717
	$ 4,739,371	**3,968,912**

(e) Property, plant and equipment

The cost, depreciation and impairment loss of the property, plant and equipment of the Group for the three months ended March 31, 2015 and 2014, were as follows:

	Transportation equipment	Furniture and office equipment	Leasehold improvements	Total
Cost:				
Balance at January 1, 2015	$ 1,238	488,156	226,994	716,388
Additions	-	4,988	2,156	7,144
Disposals	-	-	(127)	(127)
Effect of movements in exchange rates	(13)	(38)	(2)	(53)
Balance at March 31, 2015	**$ 1,225**	**493,106**	**229,021**	**723,352**
Balance at January 1, 2014	$ 2,150	506,884	163,995	673,029
Additions	-	10,012	27,717	37,729
Transferred from prepayments	-	222	7,143	7,365
Disposals	(994)	(4,636)	-	(5,630)
Effect of movements in exchange rates	36	78	29	143
Balance at March 31, 2014	**$ 1,192**	**512,560**	**198,884**	**712,636**
Depreciation and impairment loss:				
Balance at January 1, 2015	$ 636	328,267	120,005	448,908
Depreciation for the year	51	18,318	8,946	27,315
Disposals	-	-	(127)	(127)
Effect of movements in exchange rates	(7)	(27)	(1)	(35)
Balance at March 31, 2015	**$ 680**	**346,558**	**128,823**	**476,061**
Balance at January 1, 2014	$ 760	369,356	112,771	482,887
Depreciation for the year	63	16,460	7,598	24,121
Disposals	(372)	(4,601)	-	(4,973)
Effect of movements in exchange rates	12	39	23	74
Balance at March 31, 2014	**$ 463**	**381,254**	**120,392**	**502,109**

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

	Transportation equipment	Furniture and office equipment	Leasehold improvements	Total
Carrying amounts:				
At January 1, 2015	$ 602	159,889	106,989	267,480
At March 31, 2015	$ 545	146,548	100,198	247,291
At January 1, 2014	$ 1,390	137,528	51,224	190,142
At March 31, 2014	$ 729	131,306	78,492	210,527

(f) Intangible assets

The costs and amortization and impairment loss of intangible assets of the Group for the three months ended March 31, 2015 and 2014, were as follows:

	Software	Patent and Trademark	Total
Carrying amounts:			
Balance at January 1, 2015	$ 9,006	2,857	11,863
Balance at March 31, 2015	$ 8,244	2,857	11,101
Balance at January 1, 2014	$ 12,035	2,857	14,892
Balance at March 31, 2014	$ 11,284	2,857	14,141

There were no significant additions, disposals or impairment in intangible assets for the three months ended March 31, 2015 and 2014. The details of amortization expenses are disclosed in Note 12. For other information about the intangible assets, please refer to note 6(f) of the consolidated financial statements for the year ended December 31, 2014.

(g) Other current liabilities

	2015.3.31	2014.12.31	2014.3.31
Advance receipts	$ 184,792	194,796	238,193
Receipts under custody	1,247,499	817,846	731,402
Other	10,551	8,413	6,729
	$ 1,442,842	1,021,055	976,324

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

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

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.

(h) Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015.3.31	2014.12.31	2014.3.31
Less than one year	$ 292,427	287,127	198,081
Between one and five years	433,674	501,765	333,225
	$ 726,101	**788,892**	**531,306**

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:

	For the three months ended March 31,	
	2015	2014
Operating lease expense	**$ 69,313**	**55,521**

(i) Employee benefits

1. Defined benefit plans

In the prior fiscal year, 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, 2014 and 2013.

The details of expenses were as follows:

	For the three months ended March 31,	
	2015	2014
Operating costs	$ 1	-
Selling expense	62	16
General and administrative expenses	69	69
Research and development expenses	10	3
	$ 142	**88**

(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.

	For the three months ended March 31, 2015	2014
Operating costs	$ 600	461
Selling expense	8,443	7,043
General and administrative expenses	1,302	1,371
Research and development expenses	2,477	1,769
	$ 12,822	**10,644**

(j) Income taxes

1.The details of income tax expenses were as follows:

	For the three months ended March 31, 2015	2014
Current income tax expense:		
Current period	$ 50,584	39,242
Deferred tax expense:		
Origination and reversal of temporary differences	(342)	941
Income tax expense	**$ 50,242**	**40,183**

2. The amount of income tax expense recognized in other comprehensive income for the three months ended March 31, 2015 and 2014, was both zero.

3. The Company's tax returns for the years through 2012 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:

	2015.3.31	2014.12.31	2014.3.31
Unappropriated earnings of 1998 and after	**$ 1,213,846**	**1,001,521**	**887,900**
Balance of imputation credit account (ICA)	**$ 102,825**	**99,910**	**45,781**

	2014 (estimated)	2013 (actual)
Tax deduction ratio for earnings distribution to ROC residents	**18.74 %**	**15.67 %**

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

The above-mentioned information of the unappropriated earnings and tax deduction ratio have been prepared in accordance with the permit No.10204562810 issued by the Ministry of Finance on October 17, 2013.

(k) 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 three months ended March 31, 2015 and 2014. For other information about the stockholders' equity please refer to note 6(k) of the consolidated financial statements for the year ended December 31, 2014.

1. Capital surplus

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

	2015.3.31	2014.12.31	2014.3.31
Share capital	$ 53,647	53,647	53,647
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	8,187	8,187	8,187
Changes in equity of subsidiaries	3,487	3,487	3,487
	$ 65,321	**65,321**	**65,321**

2. 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:

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

(2) 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 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.

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

Employee benefits amounted to $18,948 and $14,967, and rewards of directors and supervisors amounted to $1,682 and $1,795 for the three months ended March 31, 2015 and 2014, 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. Employee benefits amounted to $60,381 and $45,683, and rewards of directors and supervisors amounted to $7,257 and $5,053 for 2014 and 2013, respectively.

The parent-company-only financial statements for the year ended December 31, 2013 estimated the employee benefits and the rewards of the directors and supervisors which differ from the actual distributions amount by $37 and $5, respectively. The difference was the change in the estimate, which is accounted as profit or loss in 2014.

The number of shares to be distributed for employee benefits for 2014 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 2015.

The earnings distribution proposal for 2014 was approved by the Board of Direetors on March 26, 2015. The earnings distribution for 2013 was decided by the general meeting of shareholders held on June 24, 2014.

The relevant dividend distribution to shareholders was as follows:

	2014	2013
Dividends distributed to common shareholders		
Cash	$ 392,477	297,179
Shares	60,381	45,720
Total	**$ 452,858**	**342,899**

3. Other equity (net of tax)

	Foreign currency translation differences for foreign operations
Balance at January 1, 2015	$ 2,022
Foreign currency translation differences	(4,056)
Balance at March 31, 2015	**$ (2,034)**
Balance at January 1, 2014	$ (7)
Foreign currency translation differences	1,124
Balance at March 31, 2014	**$ 1,117**

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

(l) Earnings per share

	For the three months ended March 31,	
	2015	2014
Basic earnings per share		
Profit attributable to common stockholders of the Company	$ **212,325**	**165,684**
Weighted-average number of ordinary shares	**86,817**	**86,817**
	$ **2.45**	**1.91**
Diluted earnings per share		
Profit attributable to common stockholders of the Company	$ **212,325**	**165,684**
Weighted-average number of ordinary shares (basic)	86,817	86,817
Effect of employee stock bonus	195	266
Weighted-average number of ordinary shares (adjusted with potential effect of diluted ordinary shares)	**87,012**	**87,083**
	$ **2.44**	**1.90**

(m) Revenue

For the three months ended March 31, 2015 and 2014, the details of revenue are as follows:

	For the three months ended March 31,	
	2015	2014
Sale of goods	$ 5,223,416	4,453,453
Rendering of services	497,879	340,713
	$ **5,721,295**	**4,794,166**

(n) Non-operating income and expenses

1. Other revenue

The details of other revenue were as follows:

	For the three months ended March 31,	
	2015	2014
Interest income	$ 4,034	3,890
Tax refunds income	-	1,099
Other	3,242	114
	$ **7,276**	**5,103**

(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:

	For the three months ended March 31, 2015	For the three months ended March 31, 2014
Foreign currency exchange gain or loss, net	$ (1,443)	1,904
Disposal loss on property, plant and equipment	-	(55)
Impairment loss	(5,247)	-
Other	(3)	-
	$ (6,693)	**1,849**

(o) 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, and market risk for the three months ended March 31, 2015 and 2014. For other information about the fair value of financial instruments, please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2014.

1.Liquidity risks

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	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, 2015							
Non-derivative financial liabilities							
Notes payable	$ 2,875	2,875	2,875	-	-	-	-
Accounts payable	1,735,418	1,735,418	1,735,418	-	-	-	-
Other payable	592,241	592,241	592,241	-	-	-	-
Receipts under custody	1,247,499	1,247,499	1,247,499	-	-	-	-
	$ 3,578,033	**3,578,033**	**3,578,033**	**-**	**-**	**-**	**-**
Balance at December 31, 2014							
Non-derivative financial liabilities							
Notes payable	$ 1,732	1,732	1,732	-	-	-	-
Accounts payable	1,897,599	1,897,599	1,897,599	-	-	-	-
Other payable	674,359	674,359	674,359	-	-	-	-
Receipts under custody	817,846	817,846	817,846	-	-	-	-
	$ 3,391,536	**3,391,536**	**3,391,536**	**-**	**-**	**-**	**-**

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

	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, 2014							
Non-derivative financial liabilities							
Notes payable	$ 25,381	25,381	25,381	-	-	-	-
Accounts payable	1,443,871	1,443,871	1,443,871	-	-	-	-
Other payable	403,620	403,620	403,620	-	-	-	-
Receipts under custody	731,402	731,402	731,402	-	-	-	-
	$ 2,604,274	2,604,274	2,604,274	-	-	-	-

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

2. Market risk

1) Currency risk exposure

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

	2015.3.31			2014.12.31			2014.3.31		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
TWD	$ 8,630	1.00	8,630	18,646	1.00	18,646	8,951	1.00	8,951
USD	5,213	31.30	163,156	4,682	31.62	148,056	4,704	30.46	143,294
EUR	87	33.70	2,929	87	38.45	3,342	87	41.89	3,641
Financial liabilities									
Monetary items									
USD	959	31.30	30,018	592	31.62	18,706	592	30.46	18,020

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 TWD against the USD and EUR as at March 31, 2015 and 2014, would have increased or decreased net income by $7,235 and $5,672, respectively. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for the first quarter of 2015 and 2014.

Due to the wide variety of the Group's functional currency, the Group had disclosed the exchange gains and losses of monetary items by using the aggregated method. For the three months ended March 31, 2015 and 2014, the exchange gains and losses (including realized and unrealized) were $(1,443) and $1,904, respectively.

2) Interest analysis

The interest rate exposure of the Group's financial assets and liabilities is discribed in note (6)(o)1. on liquidity risk management.

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

3. Fair value

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

(p) Financial risk management

There were no significant changes in the Group's objectives and policies applied in the financial risk management as compared to note 6(p) of the consolidated interim financial statements for the year ended December 31, 2014.

(q) Capital management

The Group's objectives, policies, and processes for capital management were consistent with the consolidated financial statements for the year ended December 31, 2014. There were no significant changes in the quantified factors of capital management as compared to the consolidated financial statements for the year ended December 31, 2014. For other information about the capital management, please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2014.

(7) Related-Party Transactions

Key management personnel compensation comprised:

	For the three months ended March 31, 2015	2014
Short-term employee benefits	$ 19,374	15,629

(8) Restricted Assets

The following assets were restricted in use:

Assets	Purpose of Pledge	2015.3.31	2014.12.31	2014.3.31
Deposit account-current	Security for performance and purchase guarantee	$ 401,011	167,611	204,611
Refundable deposit	Security for provisional seizure, etc.	620	620	620
Refundable deposit	Deposits for office rental	97,305	61,199	49,760
		$ 498,936	229,430	254,991

(9) Significant Contingencies and Commitments

(a) 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.

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(b) As of March 31, 2015, December 31, 2014, and March 31, 2014, notes payable deposited as guarantee for commercial vehicle and office and building leases were $88,117, $128,490, and $77,172, respectively.

(c) 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 Shanghai Commercial & Savings Bank, Ltd. for a guarantee limit of $40,000, $80,000 and $80,000 as of March 31, 2015, December 31, 2014, and March 31, 2014, respectively.

(d) The Group has entered into an agreement with Taishin International Bank and 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 performance guarantee limit amounted to $1,213,000, $243,000 and $156,000 as of March 31, 2015, December 31, 2014, and March 31, 2014, respectively.

(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	For the three months ended March 31, 2015			For the three months ended March 31, 2014		
Nature	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	14,513	306,973	321,486	12,283	259,123	271,406
Labor and health insurance	1,288	24,013	25,301	910	20,185	21,095
Pension	601	12,363	12,964	461	10,271	10,732
Others employee benefits	444	8,003	8,447	319	6,932	7,251
Depreciation	-	27,315	27,315	-	24,121	24,121
Amortization	-	1,847	1,847	-	2,012	2,012

(b) Seasonality of operations:

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

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(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 three months ended March 31, 2015:

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	1,163,766	13,560	12,506	12,506	-	0.54 %	2,327,531	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

   (excluding investments in subsidiaries, associates and jointly controllal entities):

(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.	Eastern Online Co., Ltd.	-	Financial assets measured at cost	118,750	-	4.19 %	-	
〃	Syspower Ltd.	-	〃	744,118	2,846	3.72 %	-	
〃	Openfind Information Technology, Inc.	-	〃	800,000	4,031	7.42 %	-	
〃	Career Consulting Co., Ltd.	-	〃	113,005	1,015	0.72 %	-	
〃	PayEasy Ltd.	-	〃	5,437,762	-	12.51 %	-	
〃	Taiwan Star Telecom Co., Ltd.	-	〃	3,942	-	- %	-	
〃	P2V Holdings Ltd. (Samoa)	-	〃	2,691,030	22,922	11.13 %	-	
〃	17 Life Ltd.	-	〃	1,752,098	17,521	10.01 %	-	

4. Accumulated buying/selling of the same marketable securities for which the dollar amount reaches $300 million or 20% or more of paid-in capital: None.
5. Acquisition of real estate for which the dollar amount reaches $300 million or 20% or more of paid-in capital : None.
6. Disposition of real estate for which the dollar amount reaches $300 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	1,474	Usual terms and conditions	0.03 %
0	〃	PChome Store Inc.	1	Sales	26,753	〃	0.47 %
0	〃	〃	1	Accounts Receivable	5,086	〃	0.07 %
0	〃	PChome eBay Co., Ltd.	1	Sales	1,771	〃	0.03 %
0	〃	〃	1	Advertisement Expenses	1,650	No comparable counter-parties	0.03 %
0	〃	Rakuya International Info. Co. Ltd.	1	Sales	1,528	Usual terms and conditions	0.03 %
0	〃	〃	1	Other Payable	1,423	No comparable counter-parties	0.02 %
0	〃	PChome Trading (Shenzhen) Ltd.	1	Other Receivable	4,460	〃	0.06 %

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 three months ended March 31, 2015, the following was the information on investees (excluding investees in Mainland China) :

(Expressed in thousands of dollars)

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.	Taiwan	Magazine publication	30,000	30,000	4,889,920	100.00 %	43,798	(5,782)	(5,782)	Note
〃	Linktel Inc.	〃	Type II Telecommunications Business	125,000	125,000	14,937,884	100.00 %	191,868	4,647	4,647	〃
〃	Liker Technology Inc.	〃	O2O (Online to Offline) E-commerce	25,000	25,000	2,500,000	34.72 %	16,553	2,145	745	〃
〃	PC Home Online International Co., Ltd.	British Virgin Islands	International trade and investment activities	25,485	25,485	122,328	100.00 %	12,245	6	6	〃

PCHOME ONLINE INC. AND ITS SUBSIDIARIES
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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 eBay Co., Ltd.	Taiwan	Information processing and provision of electronic information	273,000	273,000	27,300,000	65.00 %	478,823	64,925	42,201	Note
〃	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	22.04 %	9,111	(2,485)	(548)	〃
〃	PChome Store Inc.	〃	Internet services	84,770	84,770	11,715,715	59.91 %	291,890	15,661	9,382	〃
〃	PChomePay Inc.	〃	Online payment processing services	100,000	100,000	10,000,000	22.22 %	85,254	(9,218)	(2,048)	〃
〃	PChome US Inc.	United States of America	E-commerce platform	116,490	116,490	40,000,000	90.91 %	15,619	(5,553)	(5,048)	〃
〃	eCommerce Group Co., Ltd.	British Virgin Islands	Investment activities	15,300	15,300	5,100,000	100.00 %	319	(1,246)	(1,246)	〃
〃	Pi Mobile Technology Inc.	Taiwan	Online payment processing services	10,000	-	1,000,000	100.00 %	9,852	(148)	(148)	〃
〃	PChome (Thailand) Co., Ltd.	Thailand	E-commerce platform	66,200	-	6,500,000	65.00 %	62,189	(325)	(211)	〃
IT Home Publications Inc.	Yiabi Inc.	Taiwan	Information processing and provision of electronic information	5,000	5,000	500,000	100.00 %	3,355	(175)	(175)	〃
PChome eBay Co., Ltd.	PChomePay Inc.	〃	Online payment processing services	114,000	114,000	11,400,000	25.33 %	97,187	(9,218)	(2,335)	〃
PChome Store Inc.	Liker Technology Inc.	〃	O2O (Online to Offline) E-commerce	30,000	30,000	3,000,000	41.67 %	19,866	2,145	894	〃
〃	PChomePay Inc.	〃	Online payment processing services	160,000	160,000	16,000,000	35.56 %	136,421	(9,218)	(3,277)	〃
PChomePay Inc.	Pay and Link Inc.	〃	Internet services	388	388	100,000	100.00 %	262	(21)	(21)	〃
PC Home Online International Co., Ltd.	PChome Online Inc.	Cayman Islands	International trade and investment activities	25,311	25,311	10,000,000	100.00 %	13,203	63	63	〃
eCommerce Group Co., Ltd.	EC Global Inc.	〃	Investment activities	15,061	15,061	5,020,000	100.00 %	336	(1,240)	(1,240)	〃
PChome Online Inc.	PC Home Online (HK) Ltd.	Hong Kong	Information service and indirect investment activities	25,140	25,140	5,641,239	100.00 %	14,654	176	176	〃
EC Global Inc.	EC Global Limited	〃	Investment activities	14,406	14,406	4,800,000	100.00 %	222	(1,196)	(1,196)	〃
EC Global Limited	PChome Japan KK	Japan	International trading E-commerce	2,397	2,397	800,000	100.00 %	1,098	(900)	(900)	〃

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:

(Amounts Expressed in Thousands of New Taiwan 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		Accumulated Outflow of Investment from Taiwan	Net income (loss) of the investee	Percentage of Ownership	Investment Income (Loss) Recognized (Note 2(2))	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
Shanghai Todo Inc.	Software and internet technical consulting service	4,695	(2)	4,695	-	-	4,695	8	100.00 %	8	2,420	-
PChome Trading (Shenzhen) Ltd.	International trading E-commerce	15,963	(2)	15,963	-	-	15,963	(243)	100.00 %	(243)	(1,421)	-

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

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	20,658	60,409	1,754,422

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 and the foreign curency was translated on the exchange rate 31.30 at the nine months ended March 31, 2015.

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

	For the three months ended March 31, 2015				
	E-Commerce-Sales	Market Place	Other	Adjustments and Eliminations	Consolidated
Revenue:					
Non-inter-company revenue	$ 5,032,630	592,205	96,460	-	5,721,295
Inter-company revenue	31,597	3,934	2,386	(37,917)	-
Total Revenue	**$ 5,064,227**	**596,139**	**98,846**	**(37,917)**	**5,721,295**
Segment profit	**$ 212,325**	**75,033**	**(12,601)**	**(37,037)**	**237,720**

	For the three months ended March 31, 2014				
	E-Commerce-Sales	Market Place	Other	Adjustments and Eliminations	Consolidated
Revenue:					
Non-inter-company revenue	$ 4,326,458	360,296	107,412	-	4,794,166
Inter-company revenue	22,149	3,954	670	(26,773)	-
Total Revenue	**$ 4,348,607**	**364,250**	**108,082**	**(26,773)**	**4,794,166**
Segment profit	**$ 165,684**	**51,855**	**(6,264)**	**(24,752)**	**186,523**