

**GAMANIA DIGITAL ENTERTAINMENT CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
SEPTEMBER 30, 2015 AND 2014**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

PWCR 15001712

To the Board of Directors and Stockholders of Gamania Digital Entertainment Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and its subsidiaries as of September 30, 2015 and 2014, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2015 and 2014, of changes in equity and of cash flows for the nine-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these financial statements based on our reviews. We did not review the financial statements of certain consolidated subsidiaries, which statements reflect total assets of \$328,977 thousand, constituting 7% of the consolidated total assets as of September 30, 2014; total liabilities of \$122,375 thousand, constituting 5% of the consolidated total liabilities as of September 30, 2014; and total operating revenue of \$100,203 thousand and \$339,653 thousand, both constituting 5% of the consolidated total operating revenues for the three-month and nine-month periods ended September 30, 2014, respectively. Those financial statements relative to these subsidiaries were reviewed by other independent accountants whose reports thereon have been furnished to us, and our conclusion expressed herein, is based solely on the reports of the other independent accountants.

Except as explained in the following paragraph, our reviews were made in accordance with the Generally Accepted Auditing Standards No. 36, "Review of Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

We did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method, which statements reflect total assets (including investments accounted for under equity method) of \$2,348,483 thousand and \$818,590 thousand,

constituting 29% and 17% of the consolidated total assets, and total liabilities of \$566,184 thousand and \$256,010 thousand, both constituting 11% of the consolidated total liabilities as of September 30, 2015 and 2014, respectively, and total comprehensive loss (including share of profit of associates and joint ventures accounted for under equity method) of \$59,768 thousand, \$31,765 thousand, \$74,150 thousand and \$49,338 thousand, constituting 127%, (119%), (37%) and (51%) of the consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 2015 and 2014, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of September 30, 2015 and 2014.

Based on our reviews and the review reports of the other independent accountants, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries, investments accounted for using equity method and the information disclosed in Note 13 been reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and IAS 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

November 9, 2015

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2015, DECEMBER 31, 2014 AND SEPTEMBER 30, 2014
(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2015 and 2014 are reviewed, not audited)

Assets	Notes	September 30, 2015	December 31, 2014	September 30, 2014
Current assets				
Cash and cash equivalents	6(1)	\$ 1,505,437	\$ 1,272,870	\$ 1,326,324
Financial assets at fair value through profit or loss - current	6(2)	-	-	205,092
Available-for-sale financial assets - current	6(3)	-	123,563	-
Notes receivable, net		-	13	6,119
Accounts receivable, net	6(4)	1,913,987	1,551,078	1,623,604
Accounts receivable - related parties	7	954	170,027	139
Other receivables		96,887	37,180	29,733
Other receivables - related parties	7	10,128	1,497	1,539
Current income tax assets		19,719	61,138	76,116
Inventory	6(5)	126,916	56,258	182,963
Prepayments		232,287	122,629	96,734
Non-current assets held for sale - net	6(11)	-	151,599	-
Other current assets	8	240,927	92,083	19,698
Total Current Assets		4,147,242	3,639,935	3,568,061
Non-current assets				
Available-for-sale financial assets - non-current	6(3)	497,031	517,424	127,753
Investments accounted for under equity method	6(6)(10)	369,767	126,967	65,137
Property, plant and equipment	6(7), 7 and 8	2,796,650	475,192	622,408
Intangible assets	6(8)(10)	271,917	305,326	278,831
Deferred income tax assets		128,051	132,230	123,228
Other non-current assets	6(9) and 8	33,519	40,962	51,762
Total Non-current Assets		4,096,935	1,598,101	1,269,119
Total Assets		\$ 8,244,177	\$ 5,238,036	\$ 4,837,180

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2015, DECEMBER 31, 2014 AND SEPTEMBER 30, 2014
(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2015 and 2014 are reviewed, not audited)

Liabilities and Equity	Notes	September 30, 2015	December 31, 2014	September 30, 2014
Current liabilities				
Short-term borrowings	6(12)	\$ 501,412	\$ -	\$ 8,345
Notes payable		168	35	10,097
Accounts payable		1,404,340	1,477,002	1,417,890
Accounts payable - related parties	7	63,425	30,101	23,151
Other payables	6(13)	335,762	346,023	304,702
Other payables - related parties	7	11,538	16,984	5,014
Current income tax liabilities		32,661	7,219	35,348
Liabilities included in disposal groups classified as held for sale	6(11)	-	41,670	-
Other current liabilities	6(14)(15)	710,403	710,998	523,425
Total Current Liabilities		<u>3,059,709</u>	<u>2,630,032</u>	<u>2,327,972</u>
Non-current liabilities				
Financial liabilities at fair value through profit or loss - non-current	6(2)	3,150	-	-
Corporate bonds payable	6(15)	670,284	-	4,172
Long-term borrowings	6(16)	1,600,000	-	-
Deferred income tax liabilities		6,932	7,717	10,115
Other non-current liabilities		19,601	2,025	26,762
Total Non-current Liabilities		<u>2,299,967</u>	<u>9,742</u>	<u>41,049</u>
Total Liabilities		<u>5,359,676</u>	<u>2,639,774</u>	<u>2,369,021</u>
Equity attributable to owners of parent				
Share capital				
Share capital - common stock	6(19)	1,575,936	1,575,936	1,575,936
Capital surplus				
Capital surplus	6(20)	689,725	667,534	669,274
Retained earnings				
Legal reserve	6(21)	13,182	3,856	3,856
Special reserve		-	34,703	34,703
Unappropriated retained earnings		390,422	90,291	78,951
Other equity interest				
Other equity interest		(100,533)	34,898	(29,843)
Equity attributable to owners of the parent		<u>2,568,732</u>	<u>2,407,218</u>	<u>2,332,877</u>
Non-controlling interest	4(3)	315,769	191,044	135,282
Total Equity		<u>2,884,501</u>	<u>2,598,262</u>	<u>2,468,159</u>
Significant contingent liabilities and unrecorded contract commitments				
Significant events after the balance sheet date				
Total Liabilities and Equity		<u>\$ 8,244,177</u>	<u>\$ 5,238,036</u>	<u>\$ 4,837,180</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 9, 2015.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended September 30		Nine months ended September 30	
		2015	2014	2015	2014
Operating revenue	6(23) and 7	\$ 2,511,108	\$ 2,205,847	\$ 7,141,971	\$ 6,824,467
Operating costs	6(27) and 7	(2,143,612)	(1,820,975)	(6,026,205)	(5,529,810)
Gross profit		<u>367,496</u>	<u>384,872</u>	<u>1,115,766</u>	<u>1,294,657</u>
Operating expenses	6(18)(27) and 7				
Selling expenses		(150,124)	(105,344)	(388,090)	(377,772)
General and administrative expenses		(178,304)	(199,437)	(562,269)	(615,341)
Research and development expenses		(33,876)	(58,757)	(102,081)	(181,949)
Total operating expenses		<u>(362,304)</u>	<u>(363,538)</u>	<u>(1,052,440)</u>	<u>(1,175,062)</u>
Operating income		<u>5,192</u>	<u>21,334</u>	<u>63,326</u>	<u>119,595</u>
Non-operating income and expenses					
Other income	6(24)	27,164	11,290	78,663	35,380
Other gains and losses	6(2)(10)(11)(25)	(4,492)	(3,958)	280,091	(46,106)
Finance costs	6(25)	(12,469)	(216)	(25,582)	(933)
Share of profit (loss) of associates and joint ventures accounted for under equity method	6(6)	675	(1,263)	8,814	(7,172)
Total non-operating income and expenses		<u>10,878</u>	<u>5,853</u>	<u>341,986</u>	<u>(18,831)</u>
Profit before income tax		<u>16,070</u>	<u>27,187</u>	<u>405,312</u>	<u>100,764</u>
Income tax (expense) benefit	6(28)	(8,778)	9,182	(75,548)	(20,313)
Profit for the period		<u>\$ 7,292</u>	<u>\$ 36,369</u>	<u>\$ 329,764</u>	<u>\$ 80,451</u>
Other comprehensive income					
Financial statements translation differences of foreign operations		\$ 47,036	\$ 1,491	\$ 32,305	\$ 3,467
Unrealised gain (loss) on valuation of available-for-sale financial assets	6(3)	(101,214)	(11,058)	(162,139)	12,825
Total other comprehensive (loss) income for the period		<u>(\$ 54,178)</u>	<u>(\$ 9,567)</u>	<u>(\$ 129,834)</u>	<u>(\$ 16,292)</u>
Total comprehensive (loss) income for the period		<u>(\$ 46,886)</u>	<u>\$ 26,802</u>	<u>\$ 199,930</u>	<u>\$ 96,743</u>
Profit (loss) attributable to:					
Owners of the parent		\$ 26,324	\$ 39,159	\$ 385,070	\$ 85,068
Non-controlling interest		(19,032)	(2,790)	(55,306)	(4,617)
		<u>\$ 7,292</u>	<u>\$ 36,369</u>	<u>\$ 329,764</u>	<u>\$ 80,451</u>
Comprehensive income (loss) attributable to:					
Owners of the parent		(\$ 33,680)	\$ 29,589	\$ 249,639	\$ 101,356
Non-controlling interest		(13,206)	(2,787)	(49,709)	(4,613)
		<u>(\$ 46,886)</u>	<u>\$ 26,802</u>	<u>\$ 199,930</u>	<u>\$ 96,743</u>
Earnings per share (in dollars)	6(29)				
Basic earnings per share		\$ 0.17	\$ 0.25	\$ 2.44	\$ 0.54
Diluted earnings per share		\$ 0.17	\$ 0.25	\$ 2.37	\$ 0.54

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 9, 2015.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
		Capital		Capital Reserves			Retained Earnings			Other Equity Interest				
		Share capital - common stock	Stock subscriptions received in advance	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain or loss on available-for-sale financial assets	Total		
2014														
Balance at January 1, 2014		\$ 1,573,117	\$ 2,819	\$ 719,258	\$ 24,234	\$ 3,684	\$ -	\$ -	\$ 38,559	(\$ 48,198)	\$ 2,067	\$ 2,315,540	\$ 145,176	\$ 2,460,716
Capital collected in advance transferred to common stock		2,819	(2,819)	-	-	-	-	-	-	-	-	-	-	-
Appropriation and distribution of 2013 retained earnings	6(21)	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	-	3,856	(3,856)	-	-	-	-	-	-
Special reserve		-	-	-	-	-	-	34,703	(34,703)	-	-	-	-	-
Cash dividends from capital surplus	6(20)	-	-	(78,797)	-	-	-	-	-	-	-	(78,797)	-	(78,797)
Profit (loss) for the period		-	-	-	-	-	-	-	85,068	-	-	85,068	(4,617)	80,451
Other comprehensive income for the period	6(3)	-	-	-	-	-	-	-	-	3,463	12,825	16,288	4	16,292
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	72	-	-	(904)	-	-	(832)	-	(832)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(30)	-	-	-	-	217	-	-	(2,618)	-	-	(2,401)	-	(2,401)
Changes in ownership interest in subsidiaries		-	-	-	-	606	-	-	(2,595)	-	-	(1,989)	-	(1,989)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(5,281)	(5,281)
Balance at September 30, 2014		<u>\$ 1,575,936</u>	<u>\$ -</u>	<u>\$ 640,461</u>	<u>\$ 24,234</u>	<u>\$ 4,579</u>	<u>\$ 3,856</u>	<u>\$ 34,703</u>	<u>\$ 78,951</u>	<u>(\$ 44,735)</u>	<u>\$ 14,892</u>	<u>\$ 2,332,877</u>	<u>\$ 135,282</u>	<u>\$ 2,468,159</u>
2015														
Balance at January 1, 2015		\$ 1,575,936	\$ -	\$ 640,461	\$ 24,234	\$ 2,839	\$ 3,856	\$ 34,703	\$ 90,291	(\$ 25,517)	\$ 60,415	\$ 2,407,218	\$ 191,044	\$ 2,598,262
Appropriation and distribution of 2014 retained earnings	6(21)	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	-	9,326	(9,326)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	34,703	(34,703)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(110,316)	-	-	-	(110,316)	-	(110,316)
Profit (loss) for the period		-	-	-	-	-	-	-	385,070	-	-	385,070	(55,306)	329,764
Other comprehensive income (loss) for the period	6(3)	-	-	-	-	-	-	-	-	26,708	(162,139)	(135,431)	5,597	(129,834)
Due to recognition of equity component of convertible bonds issued		-	-	-	-	24,036	-	-	-	-	-	24,036	-	24,036
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(30)	-	-	-	-	(1,845)	-	-	-	-	-	(1,845)	-	(1,845)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	174,434	174,434
Balance at September 30, 2015		<u>\$ 1,575,936</u>	<u>\$ -</u>	<u>\$ 640,461</u>	<u>\$ 24,234</u>	<u>\$ 25,030</u>	<u>\$ 13,182</u>	<u>\$ -</u>	<u>\$ 390,422</u>	<u>\$ 1,191</u>	<u>(\$ 101,724)</u>	<u>\$ 2,568,732</u>	<u>\$ 315,769</u>	<u>\$ 2,884,501</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 9, 2015.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Consolidated profit before tax for the period		\$ 405,312	\$ 100,764
Adjustments to reconcile net income to net cash (used in) provided by operating activities			
Income and expenses having no effect on cash flows			
Loss (gain) on financial assets or liabilities at fair value through profit or loss	6(25)	560	(592)
Provision for doubtful accounts	6(4)	5,018	26,317
Share-based payments	6(18)	230	-
Share of (profit) loss of associates accounted for using equity method		(8,814)	7,172
Depreciation	6(7)(27)	84,031	143,382
(Gain) loss on disposal of property, plant and equipment	6(25)	(75,252)	6,654
Amortisation	6(8)(27)	84,431	117,921
Intangible assets transferred to other loss and expenses		4,177	167
(Gain) loss on disposal of investments	6(25)	(70,301)	8,600
Gain on disposal of non-current assets classified as held for sale	6(11)(24)	(178,673)	-
Impairment loss on non-financial assets	6(25)	27,795	15,921
Interest income	6(24)	(2,906)	(3,204)
Interest expense	6(26)	25,582	933
Dividend income	6(24)	(1,920)	(800)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets held for trading		-	(199,010)
Notes receivable		13	4,312
Accounts receivable		(367,927)	(130,373)
Accounts receivable - related parties		169,073	11
Other receivables		(57,580)	(13,665)
Other receivables - related parties		(3,321)	(1,035)
Inventories		(70,658)	(119,877)
Prepayments		(109,658)	(2,502)
Other current assets		28,603	(7,140)
Other non-current assets		(510)	-
Net changes in liabilities relating to operating activities			
Notes payable		133	251
Accounts payable		(72,662)	224,069
Accounts payable - related parties		33,324	(2,674)
Other payables		(8,420)	(27,715)
Other payables - related parties		(6,350)	2,215
Other current liabilities		(595)	(2,334)
Other non-current liabilities		433	1,639
Cash (used in) generated from operations		(166,832)	149,407
Interest received		2,906	3,204
Dividends received		1,920	800
Interest paid		(23,367)	(933)
Income tax paid		(44,062)	(54,111)
Net cash (used in) provided by operating activities		(229,435)	98,367

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of available-for-sale financial assets		(\$ 127,269)	(\$ 56,000)
Proceeds from disposal of available-for-sale financial assets	6(31)	176,741	-
Acquisition of investments accounted for using equity method		(80,603)	(30,000)
Proceeds from disposal of subsidiaries		-	2,812
Proceeds from disposal of non-current assets classified as held-for-sale	6(11)	239,280	-
Acquisition of property, plant and equipment	6(31)	(2,430,715)	(111,891)
Proceeds from disposal of property, plant and equipment	6(31)	4,329	640
Acquisition of intangible assets	6(31)	(74,172)	(118,904)
Proceeds from disposal of intangible assets		2,007	2,466
(Increase) decrease in other financial assets		(177,447)	26,761
Decrease in other non-current assets		7,953	12,716
Net cash used in investing activities		<u>(2,459,896)</u>	<u>(271,400)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		501,412	-
Repayment of short-term borrowings		-	(5,214)
Increase (decrease) in other non-current liabilities		17,143	(3,798)
Proceeds from issuing bonds		700,000	-
Repayment of bonds payable		-	(15,685)
Increase in long-term borrowings		1,600,000	-
Repayment of long-term debt		-	(22)
Cash dividends paid		(110,316)	(78,797)
Disposal of ownership interests in subsidiaries (without losing control)		171,000	-
Net cash provided by (used in) financing activities		<u>2,879,239</u>	<u>(103,516)</u>
Effect of exchange rate changes on cash and cash equivalents		42,659	(4,632)
Increase (decrease) in cash and cash equivalents		232,567	(281,181)
Cash and cash equivalents at beginning of period		1,272,870	1,607,505
Cash and cash equivalents at end of period		<u>\$ 1,505,437</u>	<u>\$ 1,326,324</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 9, 2015.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 AND 2014

(Expressed in thousands of New Taiwan Dollars,
except as otherwise indicated)
(REVIEWED, NOT AUDITED)

1. HISTORY AND ORGANIZATION

Gamania Digital Entertainment Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in software services of on-line game and sales of related merchandises.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorised for issuance by the Board of Directors on November 9, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATION

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, ‘Financial instruments’) as endorsed by the FSC and the Regulations Governing the Preparation of Financial Reports by Securities Issuers effective January 1, 2015 (collectively referred herein as the “2013 version of IFRSs”) in preparing the consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 19 (revised), ‘Employee benefits’

Additional disclosures are required for defined benefit plans.

B. IAS 1, ‘Presentation of financial statements’

The amendment requires entities to separate 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 will adjust its presentation of the statement of comprehensive income.

C. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. Also, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value from market participants' perspective, and requires disclosures about fair value measurements. For non-financial assets only, fair value is determined based on the highest and best use of the asset. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

The adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments 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
Accounting for acquisition of 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, 2018
Disclosure initiative (amendments to IAS 1)	January 1, 2016

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19)	July 1, 2014
Equity method in separate financial statements (amendments 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
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations and amendments above. The impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and IAS 34, ‘Interim Financial Reporting’ as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities at fair value through profit or loss.
- (b) Available-for-sale financial assets measured at fair value.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as

endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2015	December 31, 2014	September 30, 2014	
Gamania Digital Entertainment	Gamania Holdings Ltd. (GH)	Holding company	100.00	100.00	100.00	
Gamania Holdings Ltd. (GH)	Gamania International Holdings Ltd. (GIH)	Investment holdings	100.00	100.00	100.00	
Gamania Holdings Ltd. (GH)	Gamania R&D (HK) Holdings Limited	Investment holdings	-	100.00	100.00	Note 2 Note 19
Gamania International Holdings Ltd. (GIH)	Gamania Digital Entertainment (Japan) Co., Ltd. (GJP)	Design and sales of software; sales of hardware	-	-	100.00	Note 2 Note 3
Gamania International Holdings Ltd. (GIH)	Gamania China Holdings Ltd.	Investment holdings	98.85	98.85	98.85	
Gamania International Holdings Ltd. (GIH)	Gamania Western Holdings Ltd.	Investment holdings	100.00	100.00	100.00	Note 1 Note 2
Gamania International Holdings Ltd. (GIH)	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100.00	100.00	100.00	Note 1 Note 2
Gamania International Holdings Ltd. (GIH)	Joymobee Entertainment Co., Ltd.	Software services	100.00	100.00	100.00	Note 1 Note 2
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment holdings	52.76	51.00	-	Note 1 Note 4
Gamania International Holdings Ltd. (GIH)	HaPod Digital Technology Co., Ltd.	Software services and sales	100.00	-	-	Note 1 Note 5

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2015	December 31, 2014	September 30, 2014	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100.00	100.00	100.00	Note 1 Note 2
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100.00	100.00	100.00	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Software services and sales	100.00	100.00	100.00	Note 1 Note 2
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Software services and sales	100.00	100.00	100.00	Note 1 Note 2
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and research and development of software	100.00	100.00	100.00	
Achieve Made International Ltd. (AMI)	Jollywiz Digital Technology Co., Ltd.	Information and supply of electronic services	100.00	100.00	-	Note 1 Note 4
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment holdings	100.00	100.00	-	Note 1 Note 4
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Information and supply of electronic services	100.00	-	-	Note 1 Note 5
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd	Information and supply of electronic services	100.00	100.00	-	Note 1 Note 4
Legion Technology (Shanghai) Co., Ltd.	Jollywiz Digital Business Co., Ltd.	Information and supply of electronic services	100.00	100.00	-	Note 1 Note 4
Gamania Digital Entertainment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	-	72.08	72.08	Note 2 Note 6
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100.00	100.00	100.00	Note 1 Note 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2015	December 31, 2014	September 30, 2014	
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	-	27.20	27.20	Note 2 Note 6
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd.	Software services	100.00	100.00	70.00	Note 1 Note 2 Note 7
Gamania Asia Investment Co., Ltd.	UniCube Co., Ltd.	Design and research and development of software	40.00	70.00	70.00	Note 2 Note 7
Gamania Digital Entertainment Co., Ltd.	Foundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100.00	100.00	100.00	Note 1 Note 2
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment Labuan Holdings, Ltd.	Investment holdings	100.00	100.00	100.00	Note 1 Note 2 Note 8
Gamania Digital Entertainment Co., Ltd.	Redgate Games Co., Ltd.	Design and research and development of software	100.00	100.00	100.00	Note 1 Note 2
Gamania Digital Entertainment Co., Ltd.	Seedo Games Co., Ltd.	Software services and sales	40.00	100.00	100.00	Note 2 Note 9
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	-	-	81.70	Note 2 Note 10
Gamania Digital Entertainment Co. Ltd.	Two Tigers Co., Ltd.	Animation production	51.00	51.00	51.00	Note 1 Note 2
Gamania Digital Entertainment Co. Ltd.	Gash Point Co., Ltd.	Software information and supply of electronic services	90.00	100.00	100.00	Note 11
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd.	Customer service	100.00	100.00	100.00	Note 1 Note 2
Gamania Digital Entertainment Co., Ltd.	Ritw Now Inc.	E-sports and internet live broadcasting services	-	51.00	51.00	Note 2 Note 12

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2015	December 31, 2014	September 30, 2014	
Gamania Digital Entertainment Co., Ltd.	Global Pursuit Co., Ltd.	IP commodities authorization	100.00	100.00	100.00	Note 1 Note 2
Gamania Digital Entertainment Co., Ltd.	We Backers Co., Ltd.	Crowd funding	70.00	70.00	70.00	Note 1 Note 2
Gamania Digital Entertainment Co., Ltd.	MadSugr Digital Technology Co., Ltd.	Software services and sales	51.00	51.00	-	Note 1
MadSugr Digital Technology Co., Ltd.	MadSugr Digital Technology (HK) Co., Ltd.	Software services and sales	100.00	-	-	Note 1 Note 5
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd.	Online media production	55.00	55.00	-	Note 1 Note 13
Gamania Digital Entertainment Co., Ltd.	GASH Pay Co., Ltd.	Third-Party Payment	45.46	-	-	Note 1 Note 13 Note 14
Gamania Digital Entertainment Co., Ltd.	Punch Technologies Co., Ltd.	Software services and sales	100.00	-	-	Note 1 Note 2 Note 20
Gash Point Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	35.04	35.04	35.04	Note 15
Gash Point Co., Ltd.	Punch Technologies Co., Ltd.	Software services and sales	-	100.00	100.00	Note 1 Note 2 Note 20
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Software information and supply of electronic services	100.00	100.00	100.00	Note 17
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Software information and supply of electronic services	100.00	100.00	100.00	Note 1 Note 2 Note 18
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	Software information and supply of electronic services	100.00	100.00	100.00	Note 1 Note 2 Note 16

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2015	December 31, 2014	September 30, 2014	
Gash Point Co., Ltd.	GASH Pay Co., Ltd.	Third-Party Payment	27.27	100.00	-	Note 1 Note 13 Note 14
Gash Point Co., Ltd.	GASH Media Digital Marketing Co., Ltd.	Software services	80.00	80.00	-	Note 1 Note 13
Punch Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Software services and sales	100.00	100.00	100.00	Note 1 Note 2
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	100.00	100.00	100.00	Note 15
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70.00	70.00	70.00	Note 15
Jsdway Digital Technology Co., Ltd.	Jsdway (M) Sdn. Bhd.	Information and supply of electronic services	60.00	60.00	60.00	Note 15

Note 1: The financial statements of the entity as of and for the nine months ended September 30, 2015 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 2: The financial statements of the entity as of and for the nine months ended September 30, 2014 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 3: GIH has sold all share capital of GJP to Aeria Inc. on December 24, 2014, acquired 7% share capital of Aeria Inc. and lost control over GJP. Thus, the Group has excluded GJP in the consolidation.

Note 4: GIH acquired 51% share capital of AMI on December 29, 2014 and AMI and its subsidiaries were included in the consolidated entities effective on that date.

Note 5: An investee company newly incorporated in 2015.

Note 6: As resolved by the shareholders on August 1, 2014, Gameastor Digital Entertainment Co., Ltd. has began its liquidation. The liquidation has been completed in the first quarter of 2015.

Note 7: Gamania Asia Investment Co., Ltd. has swapped 30% of share capital of UniCube Co., Ltd. with 30% of share capital of Mimigigi Digital Technology Co., Ltd. on December 30, 2014. As the fair values of both share capital were approximately the same on the

transaction date, no gain (loss) on disposal arose. After the swap, Gamania Asia Investment Co., Ltd. holds 40% of capital share of UniCube Co., Ltd. and lost control. Therefore, UniCube Co., Ltd. was deconsolidated from December 30, 2014, and changed the valuation using the equity method.

Note 8: The liquidation of Gamania Digital Entertainment Labuan Holdings, Ltd. was resolved by the Company's Board of Directors on October 2, 2014. However, as of September 30, 2015, the liquidation has not yet been completed. Thus, the Company still has control and included Gamania Digital Entertainment Labuan Holdings, Ltd. in the consolidated entities.

Note 9: The Company has disposed 60% share capital of Seedo Games Co., Ltd. on January 6, 2015 and no longer has control. Therefore, the Company deconsolidated Seedo Games Co., Ltd. from January 6, 2015. See Note 6(11) A for the disclosure of gain or loss from disposing Seedo Games Co., Ltd.

Note 10: The Company has disposed all share capital of Playcoo Co. on November 5, 2014 and no longer has control. Therefore, the Company deconsolidated Playcoo Co. from November 5, 2014.

Note 11: Formerly known as Gash Plus (Taiwan) Co., Ltd., it was renamed on February 24, 2015.

Note 12: As resolved by the shareholders on August 7, 2014, the Company has began its liquidation. The liquidation has been completed in the first quarter of 2015.

Note 13: An investee company newly incorporated in the fourth quarter of 2014.

Note 14: GASH Pay Co., Ltd. was included in the consolidated entities as Gash Point Co., Ltd. held 100% shares. After the capital increase on April 20, 2015, the Company and Gash Point Co., Ltd. held 45.46% and 27.27% of shares, respectively. Furthermore, after the reelection of the Board of Directors on June 30, 2015, the Company and Gash Point Co., Ltd. jointly held more than half seats of the Board of GASH Pay Co., Ltd. and have control over GASH Pay Co., Ltd.. Thus, GASH Pay Co., Ltd. was included in the consolidated entities.

Note 15: Jsdway Digital Technology Co., Ltd. was included in the consolidated entities as Gash Point Co., Ltd. held more than half seats of the Board of Directors of Jsdway Digital Technology Co., Ltd. After the reelection on October 7, 2014, Gash Point Co., Ltd.'s seats in the Board of Directors were less than half and Gash Point Co., Ltd. has lost control. Therefore, Jsdway Digital Technology Co., Ltd. and its subsidiaries were deconsolidated from October 7, 2014. Jsdway Digital Technology Co., Ltd.'s financial statements for the nine months ended September 30, 2014 were reviewed by other independent accountants.

Note 16: Formerly known as Gash Plus Korea Co., Ltd., it was renamed on May 21, 2015.

Note 17: Formerly known as Gash Plus (Hong Kong) Company Limited, it was renamed on March 11, 2015.

Note 18: Formerly known as Gash Plus (Japan) Company Limited, it was renamed on March 26, 2015.

Note 19: Gamania R&D (HK) Holdings Limited has been liquidated in the second quarter of 2015.

Note 20: Punch Technologies Co., Ltd. was formerly a subsidiary of Gash Point Co., Ltd. and became a subsidiary of the Company due to restructuring in August 2015.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of September 30, 2015, December 31, 2014 and September 30, 2014, the non-controlling interest amounted to \$315,769, \$191,044 and \$135,282, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		September 30, 2015		December 31, 2014		
		Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 106,602	47.24%	\$ 129,515	49%	(Note)
GASH Pay Co., Ltd.	Taiwan	146,095	27.27%	-	-	

Name of subsidiary	Principal place of business	Non-controlling interest		Description
		September 30, 2014		
		Amount	Ownership (%)	
Jsdway and subsidiaries	Taiwan	\$ 114,638	66.67%	

(Note) Registered location of AMI is Cayman Islands.

Balance sheets

	<u>AMI and subsidiaries</u>	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Current assets	\$ 391,976	\$ 351,720
Non-current assets	57,601	78,644
Current liabilities	(223,916)	(166,042)
Non-current liabilities	-	(5)
Total net assets	<u>\$ 225,661</u>	<u>\$ 264,317</u>
	<u>GASH Pay Co., Ltd. Jsdway and subsidiaries</u>	
	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Current assets	\$ 536,814	\$ 375,517
Non-current assets	5,996	71,038
Current liabilities	(7,068)	(263,441)
Non-current liabilities	(5)	(11,165)
Total net assets	<u>\$ 535,737</u>	<u>\$ 171,949</u>

Statements of comprehensive income

	<u>AMI and subsidiaries</u>	<u>GASH Pay Co., Ltd.</u>
	<u>Three-month period</u>	<u>Three-month period</u>
	<u>ended September 30, 2015</u>	<u>ended September 30, 2015</u>
Revenue	\$ 210,139	\$ 770
Loss before income tax	(8,604)	(8,430)
Income tax expense	-	-
Loss for the period	(8,604)	(8,430)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	<u>(\$ 8,604)</u>	<u>(\$ 8,430)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 4,067)</u>	<u>(\$ 2,274)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	<u>Jsdway and subsidiaries</u>
	<u>Three-month period ended September 30, 2014</u>
Revenue	<u>\$ 369,805</u>
Loss before income tax	(3,414)
Income tax expense	<u>-</u>
Loss for the period	(3,414)
Other comprehensive income, net of tax	<u>-</u>
Total comprehensive loss for the period	<u>(\$ 3,414)</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 30</u>
Dividends paid to non-controlling interest	<u>\$ -</u>

	<u>AMI and subsidiaries</u>	<u>GASH Pay Co., Ltd.</u>
	<u>Nine-month period ended September 30, 2015</u>	<u>Nine-month period ended September 30, 2015</u>
Revenue	<u>\$ 628,835</u>	<u>\$ 1,016</u>
Loss before income tax	(31,526)	(14,223)
Income tax expense	<u>-</u>	<u>-</u>
Loss for the period	(31,526)	(14,223)
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>(\$ 31,526)</u>	<u>(\$ 14,223)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 14,894)</u>	<u>(\$ 3,218)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	Jsdway and subsidiaries
	<u>Nine-month period ended September 30, 2014</u>
Revenue	\$ 1,157,723
Profit before income tax	65
Income tax expense	(819)
Loss for the period	(754)
Other comprehensive income, net of tax	-
Total comprehensive loss for the period	<u>(\$ 754)</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 63</u>
Dividends paid to non-controlling interest	<u>\$ -</u>

Statements of cash flows

	<u>AMI and subsidiaries</u>	<u>GASH Pay Co., Ltd.</u>
	<u>Nine-month period ended September 30, 2015</u>	<u>Nine-month period ended September 30, 2014</u>
Net cash used in operating activities	(\$ 184,716)	(\$ 7,358)
Net cash provided by (used in) investing activities	6,637	(6,531)
Net cash provided by financing activities	111,025	540,000
Effect of exchange rate changes on cash and cash equivalents	<u>3,765</u>	<u>-</u>
(Decrease) increase in cash and cash equivalents	(63,289)	526,111
Cash and cash equivalents, beginning of period	<u>242,526</u>	<u>9,979</u>
Cash and cash equivalents, end of period	<u>\$ 179,237</u>	<u>\$ 536,090</u>

	<u>Jsdway and subsidiaries</u>	
	<u>Nine-month period ended September 30, 2014</u>	
Net cash used in operating activities	(\$	47,250)
Net cash provided by investing activities		2,571
Net cash used in financing activities	(	13,360)
Effect of exchange rate changes on cash and cash equivalents		<u>-</u>
Decrease in cash and cash equivalents	(	58,039)
Cash and cash equivalents, beginning of period		<u>171,601</u>
Cash and cash equivalents, end of period	\$	<u><u>113,562</u></u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial

transactions.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be paid off within the normal operating cycle;

- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as financial assets held for trading unless they are designated as hedges.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

(8) Available-for-sale financial assets

- A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.
- B. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.
- C. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income.

(9) Accounts receivable

Accounts receivable are receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortized cost using

the effective interest method, less provision for impairment. However, for short-term accounts receivable which are non-interest bearing, as the effect of discounting is insignificant, they are measured subsequently at initial invoice amount.

(10) Impairment of financial assets

- A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
- B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:
- (a) Significant financial difficulty of the issuer or debtor;
 - (b) A breach of contract, such as a default or delinquency in interest or principal payments;
 - (c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;
 - (d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
 - (e) The disappearance of an active market for that financial asset because of financial difficulties;
 - (f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
 - (g) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or
 - (h) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.
- C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:
- (a) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a

subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(b) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. The original costs are the cost to obtain the assets. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(13) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) Investments accounted for under the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates

are accounted for using the equity method and are initially recognised at cost.

- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or/constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each part of an item of property, plant and equipment has a cost that is significant in relation to the total, the cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	3~55 years
Machinery and equipment	2~6 years
Transportation equipment	5 years
Office equipment	2~4 years
Leasehold assets	2~6 years
Other equipment	2~4 years

(16) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

B. Software

Costs of software are stated at cost and amortised under the straight-line basis over the estimated useful lives.

C. Agency

Agency prepayments for operating online game software are capitalised and amortised based on the period of the contract or deducted based on actual units of play.

(17) Lease

Lease income from an operating lease (net of any incentives given to the lessee) or payments made under an operating lease (net of any incentives received from the lessor) is recognised in profit or loss on a straight-line basis over the lease term.

(18) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable which are non-interest bearing are subsequently measured at initial

invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(22) Financial liabilities and equity instruments – Bonds payable

- A. Ordinary corporate bonds issued by the Group are initially recognised at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the ‘finance costs’ over the period of bond circulation using the effective interest method.
- B. Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group’s common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument (‘capital surplus - stock warrants’) in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:
- (a) Call options and put options embedded in convertible corporate bonds are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.
- (b) Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the ‘finance costs’ over the period of bond circulation using the effective interest method.
- (c) Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in ‘capital surplus—stock warrants’ at the residual amount of total issue price less amounts of ‘financial assets or financial liabilities at fair value through profit or loss’ and ‘bonds payable—net’ as stated above. Conversion options are not subsequently remeasured.
- (d) Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

- (e) When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of capital surplus - stock warrants.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation 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. Also, the related information is disclosed accordingly.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense when it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees', directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated.

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the

consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the tax credits can be utilised.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(26) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

A. Sales of goods

- (a) The Group operates on-line games, sells prepaid cards for on-line games and the related products. Revenue is measured at the fair value of the consideration received or receivable

taking into account sales tax, returns and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied. Revenue from software and other merchandise is recognised when they are delivered.

- (b) The Group is engaged in the sale of on-line game stored-value cards and provision of on-line game services. When the consumers purchase the online game credits, and use the credits to exchange for service for playing the on-line games and receiving virtual treasures then the consumed credits are deducted from the players' accounts. The Group recognises the collections of payments for game card purchases or value-added by players as "advance receipts" within current liabilities, and amortises those amounts as revenue over the period of the services or the estimated useful period of the virtual items, when they are actually used in the purchases of services or virtual items for online games.

B. Sales of services

Commissions received on prepaid cards from the on-line game providers by the Group is deferred and recognised as revenue when services are rendered.

(29) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the

acquisition date. If the total consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date. The duration of fair value measurement of identifiable assets and assumed liabilities of acquiree may not exceed 1 year from the acquisition date.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

A. Financial assets-impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset-equity investment is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an equity investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

B. Revenue recognition on a net/gross basis

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of Group's exposure to the significant risks and rewards associated with the sale of goods or the rendering of service in accordance with the business model and substance of the transaction. Where the Group acts as a principal, the amount received or receivable from customer is recognised as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognised representing commissions earned.

The following characteristics of a principal are used as indicators to determine whether the Group shall recognise revenue on a gross basis:

- (a) The Group has primary responsibilities for the goods or services it provides;

- (b) The Group bears inventory risk;
- (c) The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.
- (d) The Group bears credit risk of customers.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

The Group recognises the collections of payments for game card purchases or value-added by players as “advance receipts” within current liabilities, and amortizes those amounts as revenue over the period of the services or the estimated useful period of the virtual items, when they are actually used in the purchases of services or virtual items for online games. The Group estimates the deferred amount and period for the related deferred revenue based on historical results and other known factors, and reviews its rationale periodically. As of September 30, 2015, the Group’s deferred revenue amounted to \$35,421, shown as “Other current liabilities”.

B. Impairment assessment on goodwill

The impairment assessment on goodwill relies on the Group’s subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(10) for the information on goodwill impairment.

As of September 30, 2015, the Group recognised goodwill, net of impairment loss, amounting to \$20,406.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Cash on hand	\$ 19,648	\$ 18,674	\$ 1,373
Checking accounts and demand deposits	1,329,009	1,209,411	1,159,405
Cash equivalents - time deposits	<u>156,780</u>	<u>56,912</u>	<u>165,546</u>
	1,505,437	1,284,997	1,326,324
Classified as non-current assets held for sale	<u>-</u>	<u>(12,127)</u>	<u>-</u>
	<u>\$ 1,505,437</u>	<u>\$ 1,272,870</u>	<u>\$ 1,326,324</u>

- A. The Group deals with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Details of the Group’s cash and cash equivalents pledged to others as collateral are provided in Note 8.

(2) Financial assets (liabilities) at fair value through profit or loss

<u>Items</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Current items:			
Financial assets held for trading			
Listed (TSE and OTC) stocks	\$ -	\$ -	\$ 1,361
Corporate bond funds	-	-	204,000
Valuation adjustment of financial assets held for trading	-	-	(269)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,092</u>
Non-current items:			
Embedded derivatives (Put and call options of convertible bonds)	(\$ 2,590)	\$ -	\$ -
Valuation adjustment of financial liabilities	(560)	-	-
	<u>(\$ 3,150)</u>	<u>\$ -</u>	<u>\$ -</u>

- A. The Group did not hold any financial assets held for trading for the nine-month period ended September 30, 2015. The Group recognised net gain of \$3 and \$592 on financial assets held for trading for the three-month and nine-month period ended September 30, 2014, respectively, and recognised net loss of \$560 and \$560 on financial liabilities designated as at fair value through profit or loss for the three-month and nine-month period ended September 30, 2015, respectively. The Group did not hold any financial liabilities designated as at fair value through profit or loss for the nine-month period ended September 30, 2014.
- B. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Available-for-sale financial assets

<u>Items</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Current items:			
Listed stocks	\$ -	\$ 118,544	\$ -
Valuation adjustment of available-for-sale financial assets	-	5,019	-
	<u>\$ -</u>	<u>\$ 123,563</u>	<u>\$ -</u>
Non-current items:			
Listed stocks	\$ 379,421	\$ 368,320	\$ -
Unlisted stock	228,540	102,899	122,067
	<u>607,961</u>	<u>471,219</u>	<u>122,067</u>
Valuation adjustment of available-for-sale financial assets	(101,724)	55,411	14,892
Accumulated impairment	(9,206)	(9,206)	(9,206)
	<u>\$ 497,031</u>	<u>\$ 517,424</u>	<u>\$ 127,753</u>

- A. The Group recognised (\$100,534), (\$11,058), (\$91,760) and \$12,825 in other comprehensive income for fair value change and reclassified \$680, \$0, \$70,379 and \$0 from equity to profit or loss for the three-month and nine-month period ended September 30, 2015 and 2014, respectively.
- B. There are no available-for-sale financial assets of the Group that are debt instrument investments.
- C. As of September 30, 2015, December 31, 2014 and September 30, 2014, no available-for-sale financial assets of the Group were pledged as collateral.

(4) Accounts receivable

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Accounts receivable	\$ 2,056,754	\$ 1,664,553	\$ 1,714,088
Less: Allowance for doubtful accounts	(83,993)	(78,681)	(89,947)
Allowance for sales returns	(58,774)	(537)	(537)
	<u>1,913,987</u>	<u>1,585,335</u>	<u>1,623,604</u>
Classified as non-current assets held for sale	-	(34,257)	-
	<u>\$ 1,913,987</u>	<u>\$ 1,551,078</u>	<u>\$ 1,623,604</u>

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Up to 30 days	\$ 187,681	\$ 217,567	\$ 185,740
31~60 days	74,777	51,078	97,764
61~90 days	9,323	54,905	50,762
91~180 days	2,865	42,274	39,867
Over 180 days	106,545	164,403	127,437
	<u>\$ 381,191</u>	<u>\$ 530,227</u>	<u>\$ 501,570</u>

The above ageing analysis was based on past due date.

B. The movement analysis of impaired financial assets that are past due is as follows:

(a) As of September 30, 2015, December 31, 2014 and September 30, 2014, the Group's notes receivable, accounts receivable and overdue accounts receivable that were impaired amounted to \$186,524, \$181,220 and \$204,234, respectively.

(b) Movement on allowance for bad debts is as follows:

	<u>2015</u>		
	<u>Individual provision</u>	<u>Group provision</u>	<u>Total</u>
At January 1	\$ 102,539	\$ 78,681	\$ 181,220
Provision for impairment loss	-	5,018	5,018
Effect of exchange rate	(8)	294	286
At September 30	<u>\$ 102,531</u>	<u>\$ 83,993</u>	<u>\$ 186,524</u>

	<u>2014</u>		
	<u>Individual provision</u>	<u>Group provision</u>	<u>Total</u>
At January 1	\$ 112,887	\$ 65,289	\$ 178,176
Provision for impairment loss	1,400	24,917	26,317
Write-offs during the period	-	(300)	(300)
Effect of exchange rate	-	41	41
At September 30	<u>\$ 114,287</u>	<u>\$ 89,947</u>	<u>\$ 204,234</u>

C. The accounts receivable (including accounts receivable-related parties) were neither past due nor impaired since the Group had properly screened and managed the credit of the counterparties that have certain standard credit quality. Thus, there is no significant credit risk. The balances are as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Neither past due nor impaired	<u>\$ 1,676,517</u>	<u>\$ 1,304,353</u>	<u>\$ 1,219,254</u>

D. The Group does not hold any collateral as security.

(5) Inventories

	<u>September 30, 2015</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and market value decline</u>	<u>Book value</u>
Inventories	<u>\$ 127,467</u>	<u>(\$ 551)</u>	<u>\$ 126,916</u>
	<u>December 31, 2014</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and market value decline</u>	<u>Book value</u>
Inventories	<u>\$ 63,377</u>	<u>(\$ 458)</u>	<u>\$ 62,919</u>
Classified as non-current assets held for sale	<u>(6,661)</u>	<u>-</u>	<u>(6,661)</u>
	<u>\$ 56,716</u>	<u>(\$ 458)</u>	<u>\$ 56,258</u>
	<u>September 30, 2014</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and market value decline</u>	<u>Book value</u>
Inventories	<u>\$ 184,055</u>	<u>(\$ 1,092)</u>	<u>\$ 182,963</u>

The cost of inventories recognised as expense for the period:

	<u>Three-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Cost of goods sold	\$ 277,151	\$ 139,555
Provision for inventory obsolescence and market price decline (gain on reversal) (Note)	<u>23</u>	<u>(111)</u>
	<u>\$ 277,174</u>	<u>\$ 139,444</u>

	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Cost of goods sold	\$ 796,833	\$ 655,673
Provision for inventory obsolescence and market price decline (gain on reversal) (Note)	<u>93</u>	<u>(106)</u>
	<u>\$ 796,926</u>	<u>\$ 655,567</u>

(Note) The gain on reversal was due to the Group's recognition of impairment loss on inventories which were subsequently scrapped or sold.

(6) Investments accounted for under the equity method

A. List of long-term investments

Name of associates	September 30, 2015		December 31, 2014		September 30, 2014	
	Ownership percentage	Balance	Ownership percentage	Balance	Ownership percentage	Balance
Seedo Games Co., Ltd. (Seedo)	40.00	\$ 174,682	-	\$ -	-	\$ -
NOWnews Network Co., Ltd. (NOWnews)	22.74	64,063	-	-	-	-
Jsdway Digital Technology Co., Ltd. (Jsdway)	35.04	52,921	35.04	53,664	-	-
Chuang Meng Shr Ji Co., Ltd.	23.08	25,822	23.08	29,307	23.08	29,708
Fantasy Fish Digital Games Co., Ltd.	44.08	23,269	44.08	22,284	44.08	19,381
Petsmao Co., Ltd. (Petsmao)	37.50	14,400	-	-	-	-
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	30.94	6,707	30.94	8,879	30.94	8,703
Pri-One Marketing Co., Ltd.	30.00	3,347	30.00	2,908	30.00	2,348
UniCube Co., Ltd. (UniCube)	40.00	2,773	40.00	5,670	-	-
ACCI Group Limited (ACCI)	30.00	1,603	-	-	-	-
Machi Pictures Co., Ltd. (Machi Pictures)	33.33	180	33.33	180	33.33	190
Firedog Creative Co., Ltd. (Firedog)	40.00	-	40.00	4,075	40.00	4,807
		<u>\$ 369,767</u>		<u>\$ 126,967</u>		<u>\$ 65,137</u>

B. For the nine-month period ended September 30, 2015 and 2014, the Group's associates were accounted for using equity method based on their unreviewed financial statements.

C. There are no significant associates as of September 30, 2014. Information on the Company's significant associates as of September 30, 2015 and December 31, 2014 is shown below:

Company name	Principal place of business	Ownership (%)		Nature of relationship	Method of measurement
		September 30, 2015	December 31, 2014		
Jsdway	Taiwan	35.04%	35.04%	(Note 1)	Equity method
Seedo	Taiwan	40.00%	100.00%	(Note 2)	Equity method
NOWnews	Taiwan	22.74%	-	(Note 3)	Equity method

Note 1: Jsdway's main business activities are information and supply of electronic services. Jsdway was included in the consolidated entities as Gash Point Co., Ltd. held more than half seats of the Board of Directors of Jsdway Digital Technology Co., Ltd. After the reelection on October 7, 2014, Gash Point Co., Ltd.'s seats in the Board of Directors were less than half and Gash Point Co., Ltd. has lost control. Therefore, Jsdway and its subsidiaries were deconsolidated from October 7, 2014.

Note 2: Seedo's main business activities are software services and sales. Seedo was 100% owned by the Company. To accelerate the transformation of the Group and adjust the investment components, the Company disposed 60% share capital of Seedo on January 6, 2015 and accordingly, Seedo became an associate.

Note 3: NOWnews's main business activities are TV programs producing and general advertising services. In order to expand its social network and media arrangements to improve synergies of all business and operation profit, the Group invested \$64,000 to acquire 22.74% shares of NOWnews in August, 2015 and held less than half of the seats in the Board of Directors.

D. The summarised financial information of the associates that are material to the Group is shown below:

Balance sheet

	Jsdway	
	September 30, 2015	December 31, 2014
Current assets	\$ 413,090	\$ 325,161
Non-current assets	26,604	62,161
Current liabilities	(285,547)	(231,439)
Non-current liabilities	(3,117)	(2,733)
Total net assets	<u>\$ 151,030</u>	<u>\$ 153,150</u>
Share in associate's net assets	\$ 52,921	\$ 53,664
Unrealised loss on downstream transactions	-	-
Goodwill	-	-
Carrying amount of the associate	<u>\$ 52,921</u>	<u>\$ 53,664</u>

	<u>Seedo</u>	<u>NOWnews</u>
	<u>September 30, 2015</u>	<u>September 30, 2015</u>
Current assets	\$ 113,123	\$ 29,184
Non-current assets	189,010	32,076
Current liabilities	(55,562)	(21,810)
Non-current liabilities	(1,007)	(4,261)
Total net assets	<u>\$ 245,564</u>	<u>\$ 35,189</u>
Share in associate's net assets	\$ 98,226	\$ 8,002
Unrealised loss on downstream transactions	4,699	-
Goodwill	<u>71,757</u>	<u>56,061</u>
Carrying amount of the associate	<u>\$ 174,682</u>	<u>\$ 64,063</u>

Statement of comprehensive income

	<u>Jsdway</u>	<u>Seedo</u>
	<u>Three-month period ended September 30, 2015</u>	<u>Three-month period ended September 30, 2015</u>
Revenue	\$ 402,551	\$ 63,565
Profit for the period from continuing operations	3,066	8,351
Loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	<u>3,066</u>	<u>8,351</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

	<u>NOWnews</u>	
	<u>Three-month period ended September 30, 2015</u>	
Revenue	\$	<u>15,351</u>
Profit for the period from continuing operations		12,146
Loss for the period from discontinued operations		-
Other comprehensive income, net of tax		<u>-</u>
Total comprehensive income for the period		<u>12,146</u>
Dividends received from associates	\$	<u><u>-</u></u>

	<u>Jsdway</u>	<u>Seedo</u>
	<u>Nine-month period ended September 30, 2015</u>	<u>Nine-month period ended September 30, 2015</u>
Revenue	\$ 1,102,926	\$ 177,565
Profit for the period from continuing operations	3,750	24,958
Loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 3,750</u>	<u>\$ 24,958</u>
Dividends received from associates	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

	<u>NOWnews</u>	
	<u>Nine-month period ended September 30, 2015</u>	
Revenue	\$	<u>52,874</u>
Profit for the period from continuing operations		50,052
Loss for the period from discontinued operations		-
Other comprehensive income, net of tax		<u>-</u>
Total comprehensive income for the period	\$	<u>50,052</u>
Dividends received from associates	\$	<u><u>-</u></u>

E. As of September 30, 2015, December 31, 2014 and September 30, 2014, the carrying amount of the Group's individually immaterial associates amounted to \$78,101, \$73,303 and \$65,137, respectively. The Group's share of the operating results are summarised below:

	<u>Three-month period ended September 30, 2015</u>	<u>Three-month period ended September 30, 2014</u>
Loss for the period from continuing operations	(\$ 20,820)	(\$ 11,115)
Loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive loss	<u>(\$ 20,820)</u>	<u>(\$ 11,115)</u>

	<u>Nine-month period ended September 30, 2015</u>	<u>Nine-month period ended September 30, 2014</u>
Loss for the period from continuing operations	(\$ 33,912)	(\$ 20,394)
Loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive loss	<u>(\$ 33,912)</u>	<u>(\$ 20,394)</u>

F. There is no price in open market for associates in the Group, therefore, no fair value is applicable.

G. The impairment loss on the associate, Firedog Creative Co., Ltd., for the nine-month period ended September 30, 2015 is described in Note 6(10).

(7) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Total</u>
<u>At January 1, 2015</u>								
Cost	\$ 158,309	\$ 196,340	\$ 662,908	\$ 1,395	\$ 68,908	\$ 59,531	\$ 16,863	\$ 1,164,254
Accumulated depreciation	-	(48,455)	(451,530)	(1,179)	(46,967)	(32,564)	(12,359)	(593,054)
Accumulated impairment	-	-	(6,382)	-	(47)	-	-	(6,429)
	<u>158,309</u>	<u>147,885</u>	<u>204,996</u>	<u>216</u>	<u>21,894</u>	<u>26,967</u>	<u>4,504</u>	<u>564,771</u>
Less: Classified as non-current assets held for sale	(36,448)	(19,732)	(31,597)	-	(707)	(876)	(219)	(89,579)
	<u>\$ 121,861</u>	<u>\$ 128,153</u>	<u>\$ 173,399</u>	<u>\$ 216</u>	<u>\$ 21,187</u>	<u>\$ 26,091</u>	<u>\$ 4,285</u>	<u>\$ 475,192</u>
<u>Nine-month period ended</u>								
<u>September 30, 2015</u>								
Opening net book amount	\$ 158,309	\$ 147,885	\$ 204,996	\$ 216	\$ 21,894	\$ 26,967	\$ 4,504	\$ 564,771
Additions	2,140,661	253,796	23,066	-	4,882	316	1,024	2,423,745
Disposals	-	(19,280)	(1,319)	-	(251)	-	(13)	(20,863)
Depreciation charge	-	(5,896)	(62,520)	(149)	(7,132)	(5,779)	(2,555)	(84,031)
Effect of decrease in consolidated entities	(36,448)	(19,732)	(31,597)	-	(707)	(876)	(219)	(89,579)
Net exchange differences	445	1,182	510	(53)	63	464	(4)	2,607
Closing net book amount	<u>\$ 2,262,967</u>	<u>\$ 357,955</u>	<u>\$ 133,136</u>	<u>\$ 14</u>	<u>\$ 18,749</u>	<u>\$ 21,092</u>	<u>\$ 2,737</u>	<u>\$ 2,796,650</u>
<u>At September 30, 2015</u>								
Cost	\$ 2,262,967	\$ 395,758	\$ 514,514	\$ 1,402	\$ 62,389	\$ 55,094	\$ 14,228	\$ 3,306,352
Accumulated depreciation	-	(37,803)	(374,996)	(1,388)	(43,593)	(34,002)	(11,491)	(503,273)
Accumulated impairment	-	-	(6,382)	-	(47)	-	-	(6,429)
	<u>\$ 2,262,967</u>	<u>\$ 357,955</u>	<u>\$ 133,136</u>	<u>\$ 14</u>	<u>\$ 18,749</u>	<u>\$ 21,092</u>	<u>\$ 2,737</u>	<u>\$ 2,796,650</u>

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Equipment to be inspected	Total
<u>At January 1, 2014</u>									
Cost	\$ 157,449	\$ 203,942	\$ 731,430	\$ 7,332	\$ 84,752	\$ 65,461	\$ 36,340	\$ 1,722	\$ 1,288,428
Accumulated depreciation	-	(46,061)	(428,085)	(2,845)	(56,065)	(36,029)	(18,530)	-	(587,615)
Accumulated impairment	-	-	(6,382)	-	(45)	-	-	-	(6,427)
	<u>\$ 157,449</u>	<u>\$ 157,881</u>	<u>\$ 296,963</u>	<u>\$ 4,487</u>	<u>\$ 28,642</u>	<u>\$ 29,432</u>	<u>\$ 17,810</u>	<u>\$ 1,722</u>	<u>\$ 694,386</u>
<u>Nine-month period ended September 30, 2014</u>									
Opening net book amount	\$ 157,449	\$ 157,881	\$ 296,963	\$ 4,487	\$ 28,642	\$ 29,432	\$ 17,810	\$ 1,722	\$ 694,386
Additions	-	4,760	57,376	-	2,220	8,758	731	4,470	78,315
Disposals	-	(5,767)	(1,176)	(160)	(20)	(104)	(67)	-	(7,294)
Reclassifications	-	3,243	2,995	-	(375)	-	375	(6,238)	-
Depreciation charge	-	(7,458)	(110,471)	(1,199)	(8,839)	(8,819)	(6,596)	-	(143,382)
Effect of decrease in consolidated entities	-	-	(43)	-	(232)	-	(270)	-	(545)
Net exchange differences	154	462	(19)	-	23	247	15	46	928
Closing net book amount	<u>\$ 157,603</u>	<u>\$ 153,121</u>	<u>\$ 245,625</u>	<u>\$ 3,128</u>	<u>\$ 21,419</u>	<u>\$ 29,514</u>	<u>\$ 11,998</u>	<u>\$ -</u>	<u>\$ 622,408</u>
<u>At September 30, 2014</u>									
Cost	\$ 157,603	\$ 200,605	\$ 732,686	\$ 6,935	\$ 74,318	\$ 68,409	\$ 33,322	\$ -	\$ 1,273,878
Accumulated depreciation	-	(47,484)	(480,679)	(3,807)	(52,852)	(38,895)	(21,324)	-	(645,041)
Accumulated impairment	-	-	(6,382)	-	(47)	-	-	-	(6,429)
	<u>\$ 157,603</u>	<u>\$ 153,121</u>	<u>\$ 245,625</u>	<u>\$ 3,128</u>	<u>\$ 21,419</u>	<u>\$ 29,514</u>	<u>\$ 11,998</u>	<u>\$ -</u>	<u>\$ 622,408</u>

A. No borrowing costs were capitalized as part of property, plant and equipment.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

C. Information about acquisition of property, plant and equipment is provided in Note 13 (1) E (table 3).

(8) Intangible asset

	Agency	Software	Other intangible asset	Goodwill	Total
<u>At January 1, 2015</u>					
Cost	\$ 423,302	\$ 56,633	\$ 68,570	\$ 48,848	\$ 597,353
Accumulated amortisation	(155,371)	(36,640)	(25,739)	-	(217,750)
Accumulated impairment	(40,057)	-	(80)	(29,310)	(69,447)
	<u>227,874</u>	<u>19,993</u>	<u>42,751</u>	<u>19,538</u>	<u>310,156</u>
Less: classified as non-current assets held for sale	<u>-</u>	<u>(4,765)</u>	<u>(65)</u>	<u>-</u>	<u>(4,830)</u>
	<u>\$ 227,874</u>	<u>\$ 15,228</u>	<u>\$ 42,686</u>	<u>\$ 19,538</u>	<u>\$ 305,326</u>
<u>Nine-month period ended</u>					
<u>September 30, 2015</u>					
Opening net book amount	\$ 227,874	\$ 19,993	\$ 42,751	\$ 19,538	\$ 310,156
Additions	48,262	11,972	14,666	-	74,900
Amortisation charge	(65,653)	(14,458)	(4,320)	-	(84,431)
Transfer to other expenses and losses	(2,757)	-	(1,420)	-	(4,177)
Disposals	(2,007)	-	-	-	(2,007)
Effect of decrease in consolidated entities	-	(4,765)	(65)	-	(4,830)
Impairment loss	(23,252)	-	-	-	(23,252)
Net exchange differences	<u>2,474</u>	<u>91</u>	<u>2,125</u>	<u>868</u>	<u>5,558</u>
Closing net book amount	<u>\$ 184,941</u>	<u>\$ 12,833</u>	<u>\$ 53,737</u>	<u>\$ 20,406</u>	<u>\$ 271,917</u>
<u>At September 30, 2015</u>					
Cost	\$ 385,845	\$ 52,647	\$ 82,881	\$ 51,019	\$ 572,392
Accumulated amortisation	(159,650)	(39,814)	(29,061)	-	(228,525)
Accumulated impairment	(41,254)	-	(83)	(30,613)	(71,950)
	<u>\$ 184,941</u>	<u>\$ 12,833</u>	<u>\$ 53,737</u>	<u>\$ 20,406</u>	<u>\$ 271,917</u>
	Agency	Software	Other intangible asset	Goodwill	Total
<u>At January 1, 2014</u>					
Cost	\$ 339,109	\$ 135,637	\$ 52,619	\$ 74,537	\$ 601,902
Accumulated amortisation	(86,685)	(76,197)	(24,042)	-	(186,924)
Accumulated impairment	(61,550)	(29,630)	-	(13,914)	(105,094)
	<u>\$ 190,874</u>	<u>\$ 29,810</u>	<u>\$ 28,577</u>	<u>\$ 60,623</u>	<u>\$ 309,884</u>
<u>Nine-month period ended</u>					
<u>September 30, 2014</u>					
Opening net book amount	\$ 190,874	\$ 29,810	\$ 28,577	\$ 60,623	\$ 309,884
Additions	82,045	23,895	11,524	-	117,464
Amortisation charge	(76,030)	(26,608)	(15,283)	-	(117,921)
Transfer to other expenses Disposals	-	-	(167)	-	(167)
	(1,472)	-	(994)	-	(2,466)
Reclassifications	-	(2,299)	2,535	-	236
Effect of decrease in consolidated entities	-	-	(10,932)	-	(10,932)
Impairment loss	(10,663)	-	-	(5,258)	(15,921)
Net exchange differences	<u>(2,339)</u>	<u>346</u>	<u>213</u>	<u>434</u>	<u>(1,346)</u>
Closing net book amount	<u>\$ 182,415</u>	<u>\$ 25,144</u>	<u>\$ 15,473</u>	<u>\$ 55,799</u>	<u>\$ 278,831</u>
<u>At September 30, 2014</u>					
Cost	\$ 347,336	\$ 96,027	\$ 37,312	\$ 74,986	\$ 555,661
Accumulated amortisation	(143,237)	(41,994)	(21,839)	-	(207,070)
Accumulated impairment	(21,684)	(28,889)	-	(19,187)	(69,760)
	<u>\$ 182,415</u>	<u>\$ 25,144</u>	<u>\$ 15,473</u>	<u>\$ 55,799</u>	<u>\$ 278,831</u>

A. The details of amortisation are as follows:

	Three-month period ended September 30,	
	2015	2014
Operating costs	\$ 25,310	\$ 38,215
Selling expenses	1,756	2,422
General and administrative expenses	2,845	3,324
Research and development expenses	155	502
	<u>\$ 30,066</u>	<u>\$ 44,463</u>
	Nine-month period ended September 30,	
	2015	2014
Operating costs	\$ 71,110	\$ 91,816
Selling expenses	4,896	5,278
General and administrative expenses	7,809	19,568
Research and development expenses	616	1,259
	<u>\$ 84,431</u>	<u>\$ 117,921</u>

B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Goodwill			
AMI	\$ 20,407	\$ 19,538	\$ -
GCH	29,603	28,344	27,198
Sino	1,009	966	928
Playcoo	-	-	46,552
Jsdway (M) Sdn. Bhd.	-	-	308
	<u>51,019</u>	<u>48,848</u>	<u>74,986</u>
Less: accumulated impairment	<u>(30,613)</u>	<u>(29,310)</u>	<u>(19,187)</u>
	<u>\$ 20,406</u>	<u>\$ 19,538</u>	<u>\$ 55,799</u>

C. Impairment information about the intangible assets is provided in Note 6(10).

(9) Non-current assets

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Overdue accounts receivable	\$ 102,531	\$ 102,539	\$ 120,884
Less: Allowance for doubtful accounts	(102,531)	(102,539)	(114,287)
Refundable deposits	29,702	40,817	33,520
Prepayment for investments	-	-	6,000
Prepayment for pensions	3,056	2,436	-
Other financial assets - non-current	-	-	5,010
Others	761	871	635
	<u>33,519</u>	<u>44,124</u>	<u>51,762</u>
Classified as non-current assets	<u>-</u>	<u>(3,162)</u>	<u>-</u>
	<u>\$ 33,519</u>	<u>\$ 40,962</u>	<u>\$ 51,762</u>

Jsdway Digital Technology Co., Ltd. did not fully provide its overdue accounts receivable with allowance as of September 30, 2014 since based on its assessment, such receivables were collectible.

(10) Impairment of non-financial assets

A. Details of impairment loss recognised by the Group for the three-month and nine-month period ended September 30, 2015 and 2014 are as follows:

	<u>Three-month period ended September 30, 2015</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Impairment loss-investment accounted for using equity method	\$ -	\$ -
Impairment loss-agency	-	-
	<u>\$ -</u>	<u>\$ -</u>
	<u>Three-month period ended September 30, 2014</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Impairment loss-goodwill	\$ -	\$ -
Impairment loss-agency	-	-
	<u>\$ -</u>	<u>\$ -</u>

	<u>Nine-month period ended September 30, 2015</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Impairment loss-investment accounted for using equity method	\$ 4,543	\$ -
Impairment loss-agency	23,252	-
	<u>\$ 27,795</u>	<u>\$ -</u>
	<u>Nine-month period ended September 30, 2014</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Impairment loss-goodwill	\$ 5,258	\$ -
Impairment loss-agency	10,663	-
	<u>\$ 15,921</u>	<u>\$ -</u>

- B. The Company recognised impairment loss on investment and goodwill for the nine-month period ended September 30, 2015 and 2014 since the recoverable amounts of the value of future cash inflows are lower than the carrying amount. The value of future cash inflows was based on the best estimate of information available at the balance sheet date.
- C. The Group recognised impairment loss on agency for the nine-month period ended September 30, 2015 and 2014 since the book value is greater than the recoverable amount. The Group used on-line game revenues and projected expenditures as recoverable amount when points are expected to be consumed.

(11) Non-current assets held for sale

- A. On December 19, 2014, the Company has approved to dispose 60% share capital of the subsidiary – Seedo Games Co., Ltd. which meets the criteria for the subsidiary to be classified as held for sale due to disposal. The assets and liabilities relating to Seedo Games Co., Ltd. are classified as disposal group held for sale for the year ended December 31, 2014. However, as business activities of Seedo Games Co., Ltd. are not the Group’s major individual activities, Seedo Games Co., Ltd. does not meet the definition of discontinued operations. The disposal was completed in the first quarter of 2015, and the gain due to lost of control is shown below:

	<u>Nine-month period ended September 30, 2015</u>
Proceeds from disposal of 60% share capital	\$ 239,280
Book value of 60% share capital	(132,364)
	<u>106,916</u>
Fair value of 40% share capital at the day control is lost	160,000
Book value of 40% share capital	(88,243)
	<u>71,757</u>
Gain on disposal of non-current assets held for sale (shown as other gains and losses)	<u>\$ 178,673</u>

B. Assets of disposal group classified as held for sale:

	<u>December 31, 2014</u>
Cash and cash equivalents	\$ 12,127
Accounts receivable	34,257
Inventories	6,661
Other current assets	983
Property, plant and equipment	89,579
Intangible assets	4,830
Other non-current assets	3,162
	<u>\$ 151,599</u>

C. Liabilities of disposal group classified as held-for-sale:

	<u>December 31, 2014</u>
Accounts payable	\$ 18,670
Other payables	20,388
Other current liabilities	1,723
Other non-current liabilities	889
	<u>\$ 41,670</u>

D. Details of major assets and liabilities of disposal group as held for sale are as follows:

(a) Property, plant and equipment

<u>Item</u>	<u>December 31, 2014</u>		
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land	\$ 36,448	\$ -	\$ 36,448
Buildings	19,841	(109)	19,732
Machinery	48,036	(16,439)	31,597
Office equipment	1,083	(376)	707
Leasehold improvements	1,134	(258)	876
Other equipment	584	(365)	219
	<u>\$ 107,126</u>	<u>(\$ 17,547)</u>	<u>\$ 89,579</u>

(b) Intangible assets

<u>Item</u>	<u>December 31, 2014</u>		
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Software	\$ 6,461	(\$ 1,696)	\$ 4,765
Other intangible assets	435	(370)	65
	<u>\$ 6,896</u>	<u>(\$ 2,066)</u>	<u>\$ 4,830</u>

(c) Other payables

	<u>December 31, 2014</u>
Salary payable and annual bonus	\$ 9,389
Payable on value-added business tax and withholding tax	59
Payable on equipment	7,491
Others	3,449
	<u>\$ 20,388</u>

(12) Short-term borrowings

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Bank borrowings			
Secured borrowings	\$ 116,311	\$ -	\$ -
Unsecured borrowings	385,101	-	8,345
	<u>\$ 501,412</u>	<u>\$ -</u>	<u>\$ 8,345</u>
Credit lines	<u>\$ 1,805,702</u>	<u>\$ 1,787,577</u>	<u>\$ 583,474</u>
Interest rate	<u>1.21%~6.16%</u>	<u>-</u>	<u>1.15%</u>

(13) Other payables

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Salary payable and annual bonus payable	\$ 113,737	\$ 127,735	\$ 133,455
Employees' bonus payable	33,222	17,004	11,692
Compensation payable to directors and supervisors	6,353	2,027	1,448
Payable on value-added business tax and withholding tax	38,740	40,537	41,296
Payable on equipment and intangible assets	2,364	9,510	3,656
Others	<u>141,346</u>	<u>169,598</u>	<u>113,155</u>
	335,762	366,411	304,702
Classified as liabilities included in disposal groups classified as held for sale	<u>-</u>	<u>(20,388)</u>	<u>-</u>
	<u>\$ 335,762</u>	<u>\$ 346,023</u>	<u>\$ 304,702</u>

(14) Other current liabilities

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Unearned revenue collected in advance	\$ 638,544	\$ 660,488	\$ 481,531
Current portion of long-term liabilities	-	-	17,802
Receipts under custody	45,247	4,677	7,362
Tax receipts under custody	6,158	2,802	-
Other current liabilities	<u>20,454</u>	<u>44,754</u>	<u>16,730</u>
	710,403	712,721	523,425
Classified as liabilities included in disposal groups classified as held for sale	<u>-</u>	<u>(1,723)</u>	<u>-</u>
	<u>\$ 710,403</u>	<u>\$ 710,998</u>	<u>\$ 523,425</u>

(15) Bonds payable

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Bonds payable	\$ 700,000	\$ -	\$ 21,974
Less: Discount on bonds payable	<u>(29,716)</u>	<u>-</u>	<u>-</u>
	670,284	-	21,974
Less: Current portion	<u>-</u>	<u>-</u>	<u>(17,802)</u>
	<u>\$ 670,284</u>	<u>\$ -</u>	<u>\$ 4,172</u>

A. The Company's subsidiary, Gamania Digital Entertainment (Japan) Co., Ltd., issued unsecured corporate bonds in the amount of JPY200 million, as approved by the local competent authorities. The major terms of the corporate bonds are as follows:

<u>Issue Date</u>	<u>Term</u>	<u>Total credit line</u>	<u>Coupon rate</u>	<u>Repayment terms</u>
2011.10.31	Five years	\$ 17,696 (JPY 50 million)	0.63%	Principal amount of JPY 5 million is repayable in each April and October from the issue date, and simple interest is payable every year from the issue date based on the coupon rate.
2012.07.31	Three years	\$ 56,740 (JPY 150 million)	0.49%	Principal amount of JPY 24 million is repayable in each January and July from the issue date, and simple interest is payable every year from the issue date based on the coupon rate.

B. The Company issued the first domestic secured convertible bonds as approved by the Financial Supervisory Commission, Securities and Futures Bureau, No. 1040024074 on July 2, 2015. The terms are as follows:

- (a) Total issuance: 700,000
- (b) Coupon rate: 0%
- (c) Issuance duration: 3 years (July 15, 2015 to July 15, 2018)
- (d) Conversion period: Starting from the date after one month of the issuance to maturity date (August 16, 2015 to July 15, 2018)
- (e) Conversion price and adjustment: The conversion price was NT\$41.5 dollars per share at issuance. After the issuance, except securities with conversion rights or warrants convertible to ordinary shares, the applicable conversion price was subject to adjustments set out in the indenture.
- (f) Redemption
 - i. The Company may inform creditors within 30 trading days after the issuance and repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following event occurs: the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date (August 16, 2015 to June 5, 2018).

ii. The Company may inform creditors any time after the balance sheet date to repurchase all the bonds outstanding in cash at the bonds' face value or repurchase all the bonds at the current conversion price within 1 month after the notice after the following events occur: the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date (August 16, 2015 to June 5, 2018).

(g) Put options:

The bondholders have the right to require the Company to redeem any bonds in cash at 101% of the bonds' face value on the date after two years from the issue date (July 15, 2017).

(h) Rights and obligations after conversion:

The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(i) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

C. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$24,036 were separated from the liability component and were recognised in 'capital surplus - stock warrants' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation is 1.57%.

(16) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>September 30, 2015</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015~ March 20, 2025; interest is payable monthly for the first three years; starting from the fourth year, principal and interest are payable quarterly.	1.70%	Land and Buildings	<u>\$ 1,600,000</u>

(Note) There are no long-term borrowings as of December 31, 2014 and September 30, 2014.

(17) Pensions

A. Defined benefit plans

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$156, \$314, \$468 and \$947 for the three-month and nine-month period ended September 30, 2015 and 2014, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2016 are \$1,448.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's mainland subsidiary, Gamania Digital Entertainment (Beijing) Co., Ltd., Legion Technology (Shanghai) Co., Ltd. and Jollywiz Digital Business Co., Ltd., have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages. The contribution percentage for the nine-month period ended September 30, 2015 and 2014 were both 20%~22%. Other than the monthly contributions, the Group has no further obligations.
- (c) Gamania Digital Entertainment (Japan) Co., Ltd., Gamania Digital Entertainment (H.K.) Co., Ltd., Gash Point (Hong Kong) Company Limited, Gash Point (Japan) Co., Ltd., Gash Plus Korea Co., Ltd., Joymobee Entertainment Co., Ltd., Hapod Digital Technology Co., Ltd., Jollywiz International (HK) Co., Ltd., Madsugr Digital Technology (HK) Co., Ltd.

and CoCo Digital Technology (HK) Co., Ltd., provide pension reserves annually for their employees in accordance with the local regulations.

- (d) The pension costs under the defined contribution pension plans of the Group for the three-month and nine-month period ended September 30, 2015 and 2014 were \$6,855, \$9,086, \$20,375 and \$25,253, respectively.

(18) Share-based payment

- A. As of September 30, 2015, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions	Actual turnover rate	Estimated future turnover rate
Gash Point - cash capital increase reserved for employee preemption	2015.3.12	1,500	Not applicable	Vested immediately	Not applicable	Not applicable

- B. The fair value of issued employee stock options is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price / Exercise price (in dollars)	Price volatility	Option life	Dividends	Interest rate	Fair value per unit (in dollars)
Gash Point - cash capital increase reserved for employee preemption	2015.3.12	Not applicable /14 dollars	31.97%	0.08 years	0%	0.87%	0.1531 dollars

- C. Expenses incurred on share-based payment transactions are \$0 and \$230 for the three-month and nine-month periods ended September 30, 2015, respectively.

(19) Common stock

- A. As of September 30, 2015, the Company's authorized capital was \$2,500,000, consisting of 250 million shares of ordinary stock (including 12 million shares reserved for employee stock options), and the paid-in capital was \$1,575,936 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The beginning and ending outstanding shares for the nine-month period ended September 30, 2015 are both 157,594 thousand shares. The beginning and ending outstanding shares for the nine-month period ended September 30, 2014 are both 157,312 thousand shares.

(20) Capital surplus

- A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. When it is resolved by the shareholders at their shareholders' meeting, legal reserve and whole or part of capital reserve arising from the following items can be used to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit:
 - (a) Paid-in capital in excess of par value on issuance of common stocks; and
 - (b) Donations.
- C. On June 19, 2014, the stockholders resolved to use paid-in capital in excess of par value on issuance of common stocks to issue cash of \$0.5 (in dollars) per share, totaling \$78,797, to stockholders.

(21) Unappropriated retained earnings

- A. As stipulated in the Company's Articles of Incorporation, the current earnings, if any, shall be distributed in the following order:
 - (a) Paying all taxes and duties.
 - (b) Covering prior years' accumulated deficit, if any.
 - (c) After deducting items (a) and (b), 10% of the remaining amount is appropriated as legal reserve.
 - (d) In addition to the amount appropriated for legal reserve, the Company may appropriate an amount equal to the negative items in the stockholders' equity from retained earnings as special reserve.
 - (e) Interest on capital.
 - (f) After deducting items (a) to (e), 10%~15% of the remaining earnings is appropriated as employees' bonuses and up to 2% as remuneration to directors and supervisors.
 - (g) The remaining amount is to be distributed to stockholders in accordance with the resolution adopted at the stockholders' meeting.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their

share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The shareholders during their meeting on June 19, 2014 resolved to propose the following appropriation for 2013 earnings: appropriate legal reserve of \$3,856 and special reserve of \$34,703. The aforementioned appropriation for 2013 was in agreement with the proposal by the Board of Directors on March 17, 2014.

E. On June 11, 2015, the shareholders during their meeting resolved the 2014 appropriation of retained earnings:

	Year ended December 31, 2014	
	Amount (Note)	Dividend per Share (in dollars)
Legal reserve appropriated	\$ 9,326	
Special reserve reversed	34,703	
Cash dividends to shareholders	110,316	\$ 0.70

F. Information about the appropriation proposed by the Board of Directors and resolved by the shareholders and appropriation for employees' bonus and directors' and supervisors' remuneration will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

G. For the information relating to employees' remuneration (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(27).

(22) Other equity items

	<u>Translation differences</u>	<u>Unrealised gain or loss of available-for-sale financial assets</u>	<u>Total</u>
At January 1, 2015	(\$ 25,517)	\$ 60,415	\$ 34,898
Revaluation - group	-	(91,760)	(91,760)
Revaluation transfer - group	-	(70,379)	(70,379)
Currency translation differences:			
–Group	26,973	-	26,973
–Associates	(265)	-	(265)
At September 30, 2015	<u>\$ 1,191</u>	<u>(\$ 101,724)</u>	<u>(\$ 100,533)</u>

	<u>Translation differences</u>	<u>Unrealised gain or loss of available-for-sale financial assets</u>	<u>Total</u>
At January 1, 2014	(\$ 48,198)	\$ 2,067	(\$ 46,131)
Revaluation – group	-	12,825	12,825
Revaluation transfer - group	-	-	-
Currency translation differences:			
–Group	3,463	-	3,463
–Associates	-	-	-
At September 30, 2014	<u>(\$ 44,735)</u>	<u>\$ 14,892</u>	<u>(\$ 29,843)</u>

(23) Operating revenue

	<u>Three-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
On-line game/ point service revenue	\$ 2,478,801	\$ 2,179,644
Service revenue	7,402	8,252
Other operating revenue	24,905	17,951
	<u>\$ 2,511,108</u>	<u>\$ 2,205,847</u>

	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
On-line game/ point service revenue	\$ 7,016,115	\$ 6,718,587
Service revenue	30,745	19,251
Other operating revenue	95,111	86,629
	<u>\$ 7,141,971</u>	<u>\$ 6,824,467</u>

(24) Other income

	Three-month period ended September 30,	
	2015	2014
Rental revenue	\$ 18,740	\$ 1,452
Interest income from bank deposits	797	1,202
Dividend income	1,920	800
Other income	5,707	7,836
	<u>\$ 27,164</u>	<u>\$ 11,290</u>

	Nine-month period ended September 30,	
	2015	2014
Rental revenue	\$ 45,402	\$ 3,621
Interest income from bank deposits	2,906	3,204
Dividend income	1,920	800
Other income	28,435	27,755
	<u>\$ 78,663</u>	<u>\$ 35,380</u>

(25) Other gains and losses

	Three-month period ended September 30,	
	2015	2014
Net (loss) gain on financial assets at fair value through profit or loss	(\$ 560)	\$ 3
Net currency exchange loss	(944)	(127)
Gain on disposal of property, plant and equipment	429	429
Gain on disposal of investment	681	-
Others	(4,098)	(4,263)
	<u>(\$ 4,492)</u>	<u>(\$ 3,958)</u>

	Nine-month period ended September 30,	
	2015	2014
Net (loss) gain on financial assets at fair value through profit or loss	(\$ 560)	\$ 592
Net currency exchange gain (loss)	377	(4,165)
Gain (loss) on disposal of property, plant and equipment	75,252	(6,654)
Impairment loss	(27,795)	(15,921)
Gain (loss) on disposal of investment	70,301	(8,600)
Gain on disposal of non-current assets held for sale	178,673	-
Others	(16,157)	(11,358)
	<u>\$ 280,091</u>	<u>(\$ 46,106)</u>

(26) Finance costs

	Three-month period ended September 30,	
	2015	2014
Interest expense:		
Bank borrowings	\$ 10,254	\$ 163
Bonds payable	2,215	-
Others	-	53
	<u>\$ 12,469</u>	<u>\$ 216</u>

	Nine-month period ended September 30,	
	2015	2014
Interest expense:		
Bank borrowings	\$ 23,367	\$ 591
Bonds payable	2,215	-
Others	-	342
	<u>\$ 25,582</u>	<u>\$ 933</u>

(27) Employee benefits, depreciation and amortisation expense

	Three-month period ended September 30,	
	2015	2014
Employee benefit expense		
Wages and salaries	\$ 161,804	\$ 193,583
Employee stock options	-	-
Labor and health insurance fees	14,520	20,465
Pension costs	7,011	9,400
Other personnel expenses	9,647	8,591
	<u>\$ 192,982</u>	<u>\$ 232,039</u>
Depreciation on property, plant and equipment	<u>\$ 25,478</u>	<u>\$ 47,132</u>
Amortisation expense	<u>\$ 30,066</u>	<u>\$ 44,463</u>
	Nine-month period ended September 30,	
	2015	2014
Employee benefit expense		
Wages and salaries	\$ 502,054	\$ 586,288
Employee stock options	230	-
Labor and health insurance fees	39,479	48,050
Pension costs	20,843	26,200
Other personnel expenses	28,194	25,993
	<u>\$ 590,800</u>	<u>\$ 686,531</u>
Depreciation on property, plant and equipment	<u>\$ 84,031</u>	<u>\$ 143,382</u>
Amortisation expense	<u>\$ 84,431</u>	<u>\$ 117,921</u>

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors and supervisors that account for 10%~15% and 2%, respectively, of the total distributed amount.

However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

B. For the three-month and nine-month period ended September 30, 2015 and 2014, employees' remuneration (bonus) was accrued at \$2,987, \$4,673, \$33,127 and \$10,859, respectively; while directors' and supervisors' remuneration was accrued at \$598, \$623, \$6,626 and \$1,448, respectively. The aforementioned amounts were recognised in operating costs and operating expenses. The expenses recognised for 2015 were accrued based on the earnings of current year; the expenses recognised for 2014 were accrued based on the net income for 2014 and the percentage specified in the Articles of Incorporation of the Company (10%~15% and 2% for employees and directors/supervisors, respectively), taking into account other factors such as legal reserve.

Employees' bonus and directors' and supervisors' remuneration for 2014 as resolved by the stockholders were in agreement with those amounts recognised in the 2014 financial statements.

Information about the appropriation of employees' bonus and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Components of income tax expense:

	<u>Three-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Current tax		
Current tax on profits for the period	\$ 7,472	(\$ 1,678)
Adjustments in respect of prior years	-	(67)
Total current tax	<u>7,472</u>	<u>(1,745)</u>
Deferred tax		
Origination and reversal of temporary differences	<u>1,306</u>	<u>(7,437)</u>
Income tax expense	<u>\$ 8,778</u>	<u>(\$ 9,182)</u>
	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Current tax		
Current tax on profits for the period	\$ 44,600	\$ 29,200
Adjustments in respect of prior years	<u>27,549</u>	<u>18,682</u>
Total current tax	<u>72,149</u>	<u>47,882</u>
Deferred tax		
Origination and reversal of temporary differences	<u>3,399</u>	<u>(27,569)</u>
Income tax expense	<u>\$ 75,548</u>	<u>\$ 20,313</u>

B. The Company's and its domestic subsidiaries' assessed and approved income tax returns are as follows:

	<u>Latest Year Assessed by Tax Authority</u>
The Company, Ants' Power, Global Pursuit, Gamania Asia, Cash Point, Mimigigi Digital Technology, Punch, Fundation, Seedo, Redgate, Two Tigers, Jollywiz,	2013
Coture New Media, Madsugr, Gash Media Digital Marketing, Gash Pay, Webackers	Not yet assessed

The Company was required to pay additional income tax of \$23,481 for 2002 after the re-examination of trial by the Tax Authority. In January 2011, the Company appealed against the assessment, but had paid the additional income tax amounting to \$21,083. In October 2011, the decision on the appeal was issued which upheld the original judgment relating to the Company's tax exempt income, research and development expense and tax credits applicable to income tax. However, the original judgment relating to the loss on disposal of the Company's fixed assets was cancelled and would be subject to re-examination by the Tax Authority. In October 2013, the Company appealed against the assessment and paid half of the remaining income tax amounting to \$1,199. The appeal was denied in April 2014. Furthermore, the Company disagreed with the re-examination by Ministry of Finance and appealed for administrative litigation in June 2014. However, the Company lost its appeal in the administrative litigation in March 2015, and accordingly, paid the remaining half of the overdue taxes.

C. Unappropriated retained earnings:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Earnings generated in and after 1998	\$ 390,422	\$ 90,291	\$ 78,951

D. The balance of the imputation tax credit account and the creditable tax rate are as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Imputation tax credit account balance	\$ 137,741	\$ 114,228	\$ 111,086
Creditable tax rate		<u>2014 (Estimated)</u> 20.48%	<u>2013 (Actual)</u> 20.48%

(29) Earnings per share

	<u>Three-month period ended September 30, 2015</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 26,324	157,594	\$ 0.17
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 26,324	157,594	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	2,303	14,272	
Employees' bonus	-	948	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 28,627	172,814	\$ 0.17
	<u>Three-month period ended September 30, 2014</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 39,159	157,594	\$ 0.25
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 39,159	157,594	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	160	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 39,159	157,754	\$ 0.25

Nine-month period ended September 30, 2015

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 385,070	157,594	\$ 2.44
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 385,070	157,594	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	2,303	4,775	
Employees' bonus	-	1,189	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 387,373</u>	<u>163,558</u>	<u>\$ 2.37</u>

Nine-month period ended September 30, 2014

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 85,068	157,594	\$ 0.54
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 85,068	157,594	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	371	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 85,068</u>	<u>157,965</u>	<u>\$ 0.54</u>

(30) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

In April 2014, the Group acquired additional 20% shares of its subsidiary – Global Pursuit Co., Ltd. (GPTW) without consideration. The carrying amount of non-controlling interest in GPTW was \$217 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$217 and an increase in the equity attributable to owners of the parent by \$217 (shown as “Capital surplus – difference between proceeds on acquisition of or disposal of equity interest in a subsidiary and its carrying amount”).

B. The Group did not acquire share increase raised by a subsidiary proportionally to its interest to the subsidiary

The subsidiaries, Gash Point Co., Ltd. and GASH Pay Co., Ltd., increased capital by issuing new shares in the third quarter of 2015. However, the Group did not acquire additional shares proportionately to its interest. As a result, the Group’s equity interest in Gash Point Co., Ltd. and Gash Pay Co., Ltd. decreased to 10% and 27.27%, respectively. The effect of changes in interests in the Group on the equity attributable to owners of the parent is shown below:

	<u>Gash Point Co., Ltd.</u>	<u>GASH Pay Co., Ltd.</u>
	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2015
Cash	(\$ 21,000)	(\$ 150,000)
Increase in carrying amount of non-controlling interest	<u>19,842</u>	<u>149,313</u>
Capital surplus -changes in parent's ownership interest in subsidiaries	<u>(\$ 1,158)</u>	<u>(\$ 687)</u>

(31) Supplemental cash flow information

Investing activities with partial cash payments

	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Proceeds from disposal of available-for-sale financial assets	\$ 178,884	\$ -
Add: opening balance of other receivables	-	-
Less: ending balance of other receivables	<u>(2,143)</u>	<u>-</u>
Cash received during the period	<u>\$ 176,741</u>	<u>\$ -</u>

	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Acquisition of property, plant and equipment	\$ 2,423,745	\$ 78,315
Add: opening balance of payable on equipment	9,510	37,232
Less: ending balance of payable on equipment	(1,636)	(3,656)
Less: ending balance of other payables-related parties	(904)	-
Cash paid during the period	<u>\$ 2,430,715</u>	<u>\$ 111,891</u>

	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Purchase of intangible assets	\$ 74,900	\$ 117,464
Add: beginning payables	-	1,440
Less: ending payables	(728)	-
Cash paid during the period	<u>\$ 74,172</u>	<u>\$ 118,904</u>

	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Proceeds from disposal of fixed assets	\$ 9,624	\$ 640
Add: opening balance of other receivables	150	-
Less: ending balance of other receivables	(135)	-
Less: ending balance of other receivables – related parties	(5,310)	-
Cash received during the period	<u>\$ 4,329</u>	<u>\$ 640</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Group's shares are widely held so the Company has no ultimate parent and ultimate controlling party.

(2) Significant transactions and balances with related parties

A. Operating revenue

	<u>Three-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Sales of goods:		
Associates (Note)	<u>(\$ 566)</u>	<u>\$ -</u>
Sales of services:		
Associates	<u>\$ 978</u>	<u>\$ 129</u>
	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Sales of goods:		
Associates	<u>\$ 5,629</u>	<u>\$ -</u>
Sales of services:		
Associates	<u>\$ 1,818</u>	<u>\$ 396</u>

Sales of goods are on-line games revenue generated from prepaid cards selling by subsidiaries, and are in accordance with mutual agreements. The online games revenue has no similar transactions to compare with, and the payment term is the same with non-related parties. Sales of services are customer services and production of advertisements that are in accordance with mutual agreements.

Note : The negative amount of sales of goods for a single quarter was caused by higher sales returns compared to the sales in the third quarter.

B. Operating costs

	<u>Three-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Costs of point service:		
Associates	<u>\$ 30,968</u>	<u>\$ 11,976</u>
Costs of customer service hotline:		
Associates	<u>\$ 15,504</u>	<u>\$ -</u>
	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Costs of point service:		
Associates	<u>\$ 76,358</u>	<u>\$ 63,746</u>
Costs of customer service hotline:		
Associates	<u>\$ 48,089</u>	<u>\$ -</u>

Costs of point service are service cost for splitting revenue from stored values and costs of customer service hotline are costs for hotline. Both are determined in accordance with mutual agreement.

C. Operating expenses (shown in selling expenses and general and administrative expenses)

	<u>Three-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Other related party	\$ 2,500	\$ 2,500
Associates	9,724	3,629
	<u>\$ 12,224</u>	<u>\$ 6,129</u>

	<u>Nine-month period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Other related party	\$ 6,000	\$ 7,000
Associates	26,244	10,554
	<u>\$ 32,244</u>	<u>\$ 17,554</u>

The above includes donation to other related party and expenses paid to associates for the Company's advertisements and game development.

Except for donation, expenses were based on mutual agreements.

D. Accounts receivable

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Associates	\$ 954	\$ 170,027	\$ 139

Accounts receivable are mainly from sales of goods and customer services. Accounts receivable are not pledged as collateral, do not bear interest and have no provision.

E. Other receivables

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Associates	\$ 10,128	\$ 1,497	\$ 1,539

Other receivables arise mainly from sale of property, plant and equipment.

F. Payables

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Accounts payable:			
Associates	\$ 63,425	\$ 30,101	\$ 23,151
Other payables			
Associates	\$ 11,538	\$ 16,984	\$ 5,014

Accounts payable are payables for mobile service costs and the dedicated line cost of on-line

games and are due 60 days after the purchase. The payables do not bear interest.

Other payables are payables for mobile games development, advertisement and purchase of property, plant and equipment.

G. Property transactions

(a) Acquisition of property, plant and equipment:

	Three-month period ended September 30,	
	2015	2014
Associates	\$ 2,168	\$ -

	Nine-month period ended September 30,	
	2015	2014
Associates	\$ 17,142	\$ -

The unpaid amount as of September 30, 2015 is \$904.

(b) Disposal of property, plant and equipment:

	Three-month period ended September 30,			
	2015		2014	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Associates	\$ 171	\$ 19	\$ -	\$ -

	Nine-month period ended September 30,			
	2015		2014	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Associates	\$ 7,704	(\$ 11,728)	\$ -	\$ -

As of September 30, 2015, the proceeds from disposal of property, plant and equipment which have not yet been received amounted to \$5,310. The loss from disposal of property, plant and equipment was deferred in proportion to equity interest held in the associate (see Note 6(6) D).

(3) Key management compensation

	Three-month period ended September 30,	
	2015	2014
Salaries and other short-term employee benefits	\$ 11,181	\$ 6,375
Post-employment benefits	27	54
	<u>\$ 11,208</u>	<u>\$ 6,429</u>

	Nine-month period ended September 30,	
	2015	2014
Salaries and other short-term employee benefits	\$ 30,956	\$ 17,831
Post-employment benefits	81	162
	<u>\$ 31,037</u>	<u>\$ 17,993</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged assets	Book value			Pledge purpose
	September 30, 2015	December 31, 2014	September 30, 2014	
Demand deposits (shown in "other current assets")	\$ 180,000	\$ 60,000	\$ 3,239	Performance bond of on-line game card's standard contracts / Short-term loans guarantee
Time deposits (shown in "other current assets")	57,447	-	-	Guarantee for short-term borrowing facility
Demand deposits (shown in other financial assets-non-current)	-	-	5,010	Credit card merchant guarantee/ Department of creditor claimed
Property, plant and equipment				
Land	2,252,516	111,855	147,751	Short-term and long-term loans / Credit lines
Buildings	<u>329,805</u>	<u>100,956</u>	<u>113,742</u>	Short-term and long-term loans / Credit lines
	<u>\$ 2,819,768</u>	<u>\$ 272,811</u>	<u>\$ 269,742</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. The Group leases warehouse, offices and network equipment under non-cancellable operating lease agreements. The Group recognised rental expenses of \$23,084, \$14,071, \$62,905 and \$63,862 for these leases in profit or loss for the three-month and nine-month period ended September 30, 2015 and 2014, respectively. The future aggregate minimum lease payments are as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Not later than one year	\$ 31,963	\$ 61,019	\$ 52,194
Later than one year but not later than five years	46,830	59,876	72,700
	<u>\$ 78,793</u>	<u>\$ 120,895</u>	<u>\$ 124,894</u>

B. The Company contracted the use of cable lines, T1 and T3, with rental charges based on utilization. In addition, the Company contracted with several on-line game vendors and will pay royalty based on actual usage.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) On October 22, 2015, the Board of Directors has resolved for the Company to establish GungHo Gamania Digital Entertainment Co., Ltd. in Hong Kong through a joint venture with its subsidiaries, Gamania International Holdings Ltd. and GungHo Online Entertainment, Inc. The Company will invest USD\$7,350 thousand to acquire 49% of the share ownership.

(2) On November 9, 2015, the Board of Directors has resolved the following significant events:

A. The Company plans to increase its investment by \$30,600 in the subsidiary, MadSugr Digital Technology Co., Ltd., to fulfil the company's operational capital requirements.

B. The Company plans to increase its investment by \$50,000 in the subsidiary, Coture New Media Co., Ltd., to fulfil the company's operational capital requirements.

C. The Company plans to increase its investment by \$56,000 in the subsidiary, Gamania Asia Investment Co., Ltd., to fulfil the company's operational capital requirements.

D. The Company's subsidiary, Gamania Asia Investment Co., Ltd. plans to purchase all shares in the associate, Jsdway Digital Technology Co., Ltd., held by the Company's subsidiary, Gash

Point Co., Ltd. for cash of \$55,125, constituting 5,250,000 shares for a 35.04% equity interest.

12. OTHERS

(1) Capital risk management

The Group's principal objectives when managing capital are to maintain an integrity credit rating and a good capital structure to support operating and maximum stockholders' equity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders.

(2) Financial instruments

A. Fair value information of financial instruments

Except those in the table below, book value of financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related party), other receivables (including related party), short-term loans, notes payable, accounts payable (including related party), and other accounts payable (including related party)) is approximate to their book value. Fair value information of financial instruments measured at fair value is provided in Note 12(3).

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management program considers the effect of economic environment, competition and market value risk. The Group attains to the best risk position, holds appropriate liquidity position and centers on management of all the market risks. To reach the objective of risk management, the Group's hedged activities are focused on the market value risk and the cash flow risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. Each of the entities in the Group operates in different countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group set the natural hedging as principle. Foreign exchange risk arises when future commercial transactions, recognised assets or liabilities are denominated in a currency

that is not the entity's functional currency.

- iii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies of each entity in the Group whose values would be materially affected by the exchange rate fluctuations is as follows:

	September 30, 2015		
(Foreign currency: Functional currency)	Foreign currency amount <u>(in thousands)</u>	Exchange rate <u>rate</u>	Book value <u>(NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,215	\$ 33.1280	\$ 40,251
HKD:USD	15,826	0.1290	67,633
NTD:USD	453,158	0.0302	453,158
USD:RMB	501	6.3571	16,597
USD:HKD	2,586	7.7501	85,668
<u>Non-monetary items</u>			
USD:NTD	21,447	33.1280	710,496
JPY:NTD	108,717	0.2760	30,006
RMB:USD	2,204	0.1573	11,485
HKD:USD	75,721	0.1290	323,594
EUR:USD	877	1.1230	32,631
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1,474	33.1280	48,831
HKD:USD	9,260	0.1290	39,573

December 31, 2014			
(Foreign currency: Functional currency)	Foreign currency		
	amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 603	\$ 31.718	\$ 19,126
HKD:USD	50,323	0.1289	205,743
NTD:USD	337,667	0.0315	337,667
USD:RMB	501	6.2040	15,891
USD:HKD	881	7.7556	27,944
JPY:USD	431,134	0.0084	123,563
<u>Non-monetary items</u>			
USD:NTD	\$ 19,586	31.718	\$ 621,221
JPY:NTD	120,491	0.2652	31,954
HKD:USD	48,723	0.1289	199,201
EUR:USD	780	1.2154	30,088
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1,333	31.718	42,280
HKD:USD	17,313	0.1289	70,783
September 30, 2014			
(Foreign currency: Functional currency)	Foreign currency		
	amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,358	30.4360	\$ 41,332
HKD:NTD	4,536	3.9204	17,783
HKD:USD	51,161	0.1288	200,559
NTD:USD	292,052	0.0329	292,052
USD:RMB	500	6.1395	15,218
USD:HKD	631	7.7634	19,205
<u>Non-monetary items</u>			
USD:NTD	15,093	30.4360	459,371
JPY:NTD	124,328	0.2782	34,588
HKD:USD	54,129	0.1288	212,194
JPY:USD	60,832	0.0091	16,848
EUR:USD	686	1.2685	26,485
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1,999	30.4360	60,842
HKD:USD	14,653	0.1288	57,442

D. The total exchange loss (gain), including realised and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and nine-month period ended September 30, 2015 and 2014 amounted (\$1,789), (\$2,562), (\$330) and \$5,403, respectively.

Analysis of foreign currency market risk arising from significant foreign exchange rate fluctuations is as follows:

(Foreign currency: Functional currency)	<u>Nine-month period ended September 30, 2015</u>		
	<u>Extent of Variation</u>	<u>Effect on Profit or Loss</u>	<u>Effect on Other Comprehensive Income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 403	\$ -
HKD:USD	1%	676	-
NTD:USD	1%	4,532	-
USD:RMB	1%	166	-
USD:HKD	1%	857	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	488	-
HKD:USD	1%	396	-
(Foreign currency: Functional currency)	<u>Nine-month period ended September 30, 2014</u>		
	<u>Extent of Variation</u>	<u>Effect on Profit or Loss</u>	<u>Effect on Other Comprehensive Income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 413	\$ -
HKD:NTD	1%	178	-
HKD:USD	1%	2,006	-
NTD:USD	1%	2,921	-
USD:RMB	1%	152	-
USD:HKD	1%	192	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	608	-
HKD:USD	1%	574	-

Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. However, the Group has set stop-loss amounts for those assets; therefore, no material market risk is expected. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity would have increased/decreased by \$4,262 and \$1,278, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Interest rate risk

- i. The Group's interest rate risk arises from each borrowing. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Corporate bonds and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The interest rate for short-term borrowings of the Group are mainly floating rate and for long-term borrowings are fixed rate. During the nine-month period ended September 30, 2015 and 2014, the Group's borrowings at variable rate were denominated in NTD, RMB and JPY.
- ii. At September 30, 2015 and 2014, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the nine-month period ended September 30, 2015 and 2014 would have been \$145 and \$63 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on bookkeeping and administrative department's rating. The utilization of credit limits is regularly monitored. Credit risk arises from cash, cash equivalents and accounts receivable arising from operating activities. For banks and financial institutions, only rated parties with a good credit rating are accepted.

- ii. During the nine-month period ended September 30, 2015 and 2014, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.
- iii. The details of credit quality of the Group's significant financial assets are provided in Note 6 (4).

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the capital management department. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs.
- ii. The table below is the Group's non-derivative financial liabilities which is presented based on the remaining period at the balance sheet date to the contract maturity date and undiscounted maturity amount based on the maturity date.

Non-derivative financial liabilities:

<u>September 30, 2015</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 501,412	\$ -	\$ -
Notes payable	168	-	-
Accounts payable	1,404,340	-	-
Accounts payable-related parties	63,425	-	-
Other payables	335,762	-	-
Other payables-related parties	11,538	-	-
Long-term borrowings (including current portion)	27,200	134,230	1,632,710
Bonds payable	-	700,000	-

<u>December 31, 2014</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Notes payable	\$ 35	\$ -	\$ -
Accounts payable	1,477,002	-	-
Accounts payable-related parties	30,101	-	-
Other payables	346,023	-	-
Other payables-related parties	16,984	-	-

<u>September 30, 2014</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 8,345	\$ -	\$ -
Notes payable	10,097	-	-
Accounts payable	1,417,890	-	-
Accounts payable-related parties	23,151	-	-
Other payables	304,702	-	-
Other payables-related parties	5,014	-	-
Bonds payable (including current portion)	17,802	4,172	-

(3) Fair value information

- A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2) A.
- B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient

frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and open-end fund is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in listed stocks of private placement is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at September 30, 2015, December 31, 2014 and September 30, 2014 is as follows:

<u>September 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Available-for-sale financial assets				
Equity securities	\$ 11,495	\$ 264,344	\$ 221,192	\$ 497,031
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss - non-current				
Embedded derivatives	\$ -	(\$ 3,150)	\$ -	(\$ 3,150)
<u>December 31, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Available-for-sale financial assets				
Equity securities	\$ 123,563	\$ 441,408	\$ 76,016	\$ 640,987

<u>September 30, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,092	\$ -	\$ -	\$ 1,092
Open-end fund	204,000	-	-	204,000
Available-for-sale financial assets				
Equity securities	-	-	127,753	127,753
	<u>\$ 205,092</u>	<u>\$ -</u>	<u>\$ 127,753</u>	<u>\$ 332,845</u>

D. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed Shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- (c) For highly complex financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Notes 12(3) I and J.
- (d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used

during valuation are carefully assessed and adjusted based on current market conditions.

- E. For the nine-month period ended September 30, 2015 and 2014, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the nine-month period ended September 30, 2015 and 2014:

	Equity securities	
	2015	2014
At January 1	\$ 76,016	\$ 58,928
Gains and losses recognised in profit or loss	19,534	12,825
Acquired in the period	125,642	56,000
Disposed of in the period	-	-
At September 30	<u>\$ 221,192</u>	<u>\$ 127,753</u>

- G. For the nine-month period ended September 30, 2015 and 2014, there was no transfer into or out from Level 3.
- H. Treasury department segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2015	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 221,192	Market comparable companies	Price to book ratio multiple	1.43 (1.43)	The higher the multiple, the higher the fair value
			Enterprise value to operating income ratio multiple	1.91 (1.91)	The higher the multiple, the higher the fair value
			Discount for control premium	20% (20%)	The higher the discount for control premium, the lower the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

		September 30, 2015					
				Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets							
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 115	(\$ 115)	
	Price to book ratio multiple	±1%	-	-	1,465	(1,465)	
	Discount for control premium	±1%	-	-	170	(170)	
	Discount for lack of marketability	±1%	-	-	212	(212)	

		December 31, 2014				
		Recognised in profit or loss		Recognised in other comprehensive income		
Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets						
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 393 (\$ 393)	
	Price to book ratio multiple	±1%	-	-	989 (989)	
	Discount for control premium	±1%	-	-	130 (130)	
	Discount for lack of marketability	±1%	-	-	163 (163)	

		September 30, 2014				
		Recognised in profit or loss		Recognised in other comprehensive income		
Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets						
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 417 (\$ 417)	
	Price to book ratio multiple	±1%	-	-	31,804 (31,804)	
	Discount for control premium	±1%	-	-	124 (124)	
	Discount for lack of marketability	±1%	-	-	155 (155)	

13. SUPPLEMENTARY DISCLOSURES

All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information of certain investments was audited by investee companies' auditors.

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 3.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. OPERATING SEGMENT INFORMATION

(1) General information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker which are used to make strategic decisions.

(2) ASSESSMENT OF SEGMENT INFORMATION

The chief operating decision-maker assesses the performance of the operating segments based on net income or net loss of the reporting period.

(3) INFORMATION ON SEGMENT PROFIT (LOSS), ASSETS AND LIABILITIES

The segment information on reportable segments provided to the chief operating decision-maker for the nine-month period ended September 30, 2015 and 2014 are as follows:

Nine-month period ended September 30, 2015	Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. (Note 3)	Gash Point (Hong Kong) Company Limited (Note 4)	Others	Total	
Revenue from external customers	\$ 1,600,451	\$ 3,261,306	\$ 1,341,367	\$ 938,847	\$ 7,141,971	
Inter-segment revenue	33,196	1,605,082	86,064	76,119	1,800,461	Note 1
Segment profit (loss)	385,070	28,823	14,952	(99,081)	329,764	
Segment profit (loss) includes:						
Depreciation and amortisation	(115,821)	(8,396)	(35)	(44,210)	(168,462)	
Income tax expense	(57,582)	(11,113)	(2,858)	(3,995)	(75,548)	
Investment income (loss) accounted for using the equity method	35,716	9,055	-	(35,957)	8,814	Note 2

Nine-month period ended September 30, 2014	Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. (Note 3)	Gash Point (Hong Kong) Company Limited (Note 4)	Others	Total	
Revenue from external customers	\$ 1,840,229	\$ 2,664,163	\$ 1,624,441	\$ 695,634	\$ 6,824,467	
Inter-segment revenue	40,605	1,818,834	541,022	1,154,667	3,555,128	Note 1
Segment profit (loss)	85,068	(16,339)	(16,339)	28,061	80,451	
Segment profit (loss) includes:						
Depreciation and amortisation	(160,021)	(12,799)	(35)	(88,448)	(261,303)	
Income tax expense	7,017	(4,440)	(14,040)	(8,850)	(20,313)	
Investment income (loss) accounted for using the equity method	(129,238)	36,859	-	85,207	(7,172)	Note 2

Note 1: The transaction had been eliminated in the consolidated financial statements.

Note 2: The inter-segment investment income or loss had been eliminated.

Note 3: Gash Point Co., Ltd. originally known as Gash Plus Company Limited.

Note 4: Gash Point (Hong Kong) Company Limited originally known as Gash Plus (Hong Kong) Company Limited.

(4) RECONCILIATION INFORMATION OF SEGMENT PROFIT (LOSS)

The segment reports provided to the chief operating decision-maker are measured in a manner consistent with that used for the statement of comprehensive income. Amounts of total assets and total liabilities of segments are not provided to the chief operating decision-maker to make strategic decisions. There is no difference between the presentation of segment report and income statement and accordingly, no reconciliation is required to be disclosed.

Gamania Digital Entertainment Co., Ltd.
Provision of endorsements and guarantees to others
For the nine-month period ended September 30, 2015

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2015	Outstanding endorsement/ guarantee amount at September 30, 2015	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
0	The Company	Gash Point Co., Ltd.	2	\$ 472,781	\$ 448,000	\$ 418,000	\$ 400,000	\$ -	15.69%	\$ 1,575,936	Y			Note 5
0	The Company	Jollywiz Digital Business Co., Ltd.	3	472,781	104,224	104,224	88,590	-	3.91%	1,575,936	Y		Y	
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	3	472,781	104,224	104,224	52,112	-	3.91%	1,575,936	Y		Y	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Number 2 means the Company directly owns over 50% of the shares of the subsidiary.

Number 3 means the Company and the subsidiary own over 50% of the shares of the investee company.

Note 3: The Company provides guarantee for the subsidiaries in which the Company directly or indirectly holds more than 50% voting rights. The limit of guarantee for each party is 30% of the Company's capital, and the maximum amount available for guarantee is the Company's capital.

Note 4: Y means provision of endorsements / guarantees by parent company to subsidiary, provision of endorsements / guarantees by subsidiary to parent company or provision of endorsements / guarantees to the party in Mainland China.

Note 5: Gash Point Co., Ltd. originally known as Gash Plus Company Ltd.

Gamania Digital Entertainment Co., Ltd.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
September 30, 2015

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of September 30, 2015				
Securities held by	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	Footnote
The Company	NC Taiwan Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	2,100	\$ 76,680	15.00	\$ 76,680	
The Company	Gamemag Interactive Inc. - Stock	None	Available-for-sale financial assets - non-current	460	2,788	4.00	2,788	
The Company	Hagame Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	880	5,288	19.05	5,288	
The Company	XPEC Entertainment Inc. - Stock	None	Available-for-sale financial assets - non-current	4,371	264,344	3.66	264,344	
The Company	Microprogram Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	1,739	55,648	5.42	55,648	
The Company	Life Plus Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	3,000	30,000	9.09	30,000	
Gamania Asia Investment Co., Ltd.	Compass Systems Corp. - Stock	None	Available-for-sale financial assets - non-current	1,000	794	3.33	794	
Gamania Asia Investment Co., Ltd.	Hualien Media Intl. Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	400	10,000	1.90	10,000	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	1,000	20,000	4.35	20,000	
Gamania International Holdings Ltd.	Ikala Global Online Corp. - Stock	None	Available-for-sale financial assets - non-current	212	19,994	5.45	19,994	
Gamania International Holdings Ltd.	Aeria Inc. - Stock	None	Available-for-sale financial assets - non-current	30	11,495	0.57	11,495	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IAS 39 'Financial instruments: recognition and measurement.'

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Gamania Digital Entertainment Co., Ltd.
Acquisition of real estate in excess NT\$300 million or 20% of capital
For the nine-month period ended September 30, 2015

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:													
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
The Company	Office building in Neihu District	2015.3.18	\$ 2,394,457	Fully paid	Shin Kong Life Insurance Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	Reference appraisal and resolved by the Company's Board of Directors	For enterprise's headquarter	None

Gamania Digital Entertainment Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2015

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Name of transaction parties	Relationship with the counterparty	Transaction			Credit term	Description of and reasons for difference in transaction terms compared to non-related party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)		Unit price	Credit period	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Gash Point Co., Ltd.	Subsidiary	Sales	(\$ 1,527,721)	(94%)	Note 1	Note 1	Note 1	\$ 587,005	98%	Note 2

Note 1: The above represents sales based on merchandise, competitive market and trading situation. There is no similar transaction to compare with.

Note 2: Comprises the sale of on-line game, sales of services and other operating revenue.

Gamania Digital Entertainment Co., Ltd.
 Receivables from related parties in excess of NT\$100 million or 20% of capital
 September 30, 2015

Table 5

Expressed in thousands of NTD
 (Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of September 30, 2015	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts	Footnote
					Amount	Action adopted for overdue accounts			
The Company	Gash Point Co., Ltd.	Subsidiary	\$ 610,838	3.75	\$ -	-	\$ 191,270	\$ 35,645	Note 2,3

Note 1: The subsequent collections represent collections from the balance sheet date to November 9, 2015.

Note 2: The Group considers Gash Point Co., Ltd. to evaluate and to make provision for the allowance for doubtful accounts – non related party, and the amount is accounted for under Allowance for doubtful accounts – non related party in the consolidated financial statements

Note 3: Includes other receivables.

Gamania Digital Entertainment Co., Ltd.
Significant inter-company transactions during the reporting periods
For the nine-month period ended September 30, 2015

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	Gash Point Co., Ltd.	1	Sales	\$ 1,527,721	Note 4	21.39
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	587,005	Note 4	7.18
0	The Company	Gash Point Co., Ltd.	1	Other receivables	23,833	Note 4	0.29
0	The Company	Gash Point Co., Ltd.	1	Other payables	10,561	Note 4	0.13
0	The Company	Gamania Digital Entertainment (Europe) B.V.	1	Other payables	11,636	Note 4	0.14
0	The Company	Ants' Power Co., Ltd.	1	Customer service fee	60,640	Note 4	0.85
0	The Company	Ants' Power Co., Ltd.	1	Other payables	20,787	Note 4	0.25
1	Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	3	Service revenue	36,803	Note 4	0.52
2	Gash Point (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Accounts payable	28,790	Note 4	0.35
2	Gash Point (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Cost of goods sold	78,807	Note 4	1.10
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Joymobee Entertainment Co., Ltd.	3	Accounts receivable	74,552	Note 4	0.91
4	Punch Technologies Co., Ltd.	Coco Digital Technology (H.K.) Co., Ltd	3	Other receivables	24,119	Note 4	0.30
5	Gash Media Digital Marketing Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Service revenue	11,745	Note 4	0.16

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: There is no similar transaction to compare with. It will follow the agreed price and transaction terms.

Note 5: The disclosure standard reaches above \$10,000 for the transaction amount.

Gamania Digital Entertainment Co., Ltd.
Information on investee companies (not including investees in Mainland China)
For the nine-month period ended September 30, 2015

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at September 30, 2015			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at September 30, 2015	Balance as at September 30, 2014	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Investment holdings	\$ 2,369,434	\$ 2,369,434	41,687,546	100.00	\$ 641,607	\$ 42,535	\$ 42,535	
The Company	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services and sales	-	211,433	-	72.08	-	-	-	Note 2
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment holdings	115,549	115,549	6,500,000	100.00	66,887 (	2,006) (	2,006)	
The Company	Gamania Digital Entertainment Labuan Holdings, Ltd.	Malaysia	Investment holdings	38,994	38,994	1,330,000	100.00	1,499 (	12) (	12)	
The Company	Foundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	6,330,440	100.00	255 (	2,110) (	2,110)	
The Company	Redgate Games Co. Ltd.	Taiwan	Design and research and development of software	297,000	297,000	29,700,000	100.00	2,387	927	927	
The Company	Seedo Games Co. Ltd.	Taiwan	Software services	136,000	340,000	8,800,000	40.00	174,682	24,958	14,682	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	7,153 (	212) (	108)	
The Company	Gash Point Co., Ltd.	Taiwan	Software information and supply of electronic services	169,000	50,000	13,500,000	90.00	232,063	28,823	26,307	
The Company	Global Pursuit Co., Ltd.	Taiwan	IP Commodities authorization	40,000	40,000	4,750,000	100.00	454 (	2,825) (	2,825)	

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at September 30, 2015					Footnote
				Balance as at September 30, 2015	Balance as at September 30, 2014	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	
The Company	Machi Pictures Co., Ltd.	Taiwan	Movie making and publishing	\$ 20,000	\$ 20,000	2,000,000	33.33	\$ 180	\$ -	\$ -	
The Company	RitwNow Inc.	Taiwan	E-sports and media broadcast services	-	15,300	-	-	-	11	-	Note 3
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	28,897	18,004	18,004	
The Company	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	56,800	56,800	1,277,101	30.94	6,707 (	7,022) (	2,172)	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	30,000	30,000	3,000,000	23.08	25,822 (	15,103) (	3,485)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	8,400	8,400	840,000	70.00	1,851 (	7,924) (	5,547)	
The Company	Coture New Media Co., Ltd.	Taiwan	TV programs and normal products	27,500	27,500	2,750,000	55.00	1,003 (	43,940) (	24,167)	
The Company	MadSugr Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	30,600	30,600	3,060,000	51.00	13,426 (	33,940) (	17,309)	
The Company	Gash Pay Co., Ltd.	Taiwan	Third party payment	250,000	250,000	25,000,000	45.46	243,546 (	14,223) (	6,151)	
The Company	Punch Technologies Co., Ltd.	Taiwan	Software services and sales	10,033	-	921,700	100.00	8,290	455 (	310)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Producing TV programs and general advertising services	64,000	-	3,200,000	22.74	64,063	50,052	63	Note 4
The Company	Petsmao Co., Ltd.	Taiwan	Wholesale of pet foods and appliances	15,000	-	1,500,000	37.50	14,400 (	9,455) (	600)	Note 4

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at September 30, 2015					Footnote
				Balance as at September 30, 2015	Balance as at September 30, 2014	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Sales and research and development of software	\$ -	\$ 80,625	-	-	\$ -	\$ -	\$ -	Note 2
Gamania Asia Investment Co., Ltd.	Pri-One Marketing Co., Ltd.	Taiwan	Software services	1,500	1,500	150,000	30.00	3,347	1,463	439	
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd.	Taiwan	Software services	10,000	10,000	1,000,000	100.00	5,933 (	598) (	598)	
Gamania Asia Investment Co., Ltd.	UniCube Co., Ltd.	Taiwan	Design and research and development of software	4,000	4,000	400,000	40.00	2,773 (	7,241) (	2,897)	
Gamania Asia Investment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Software services and sales	22,211	22,211	2,443,432	44.08	23,269	2,234	985	
Madsugr Digital Technology Co., Ltd.	Madsugr Digital Technology (HK) Co., Ltd.	Hong Kong	Software information and supply of electronic services	13,179	-	3,300,969	100.00	14,926	782	782	
Gash Point Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	52,500	52,500	5,250,000	35.04	52,921	3,750	1,314	
Gash Point Co., Ltd.	Punch Technologies Co., Ltd.	Taiwan	Software services and sales	-	40,000	-	-	-	455	765	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Software information and supply of electronic services	41,874	41,874	600	100.00	30,006 (	3,078) (	3,078)	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Hong Kong	Software information and supply of electronic services	13,704	13,704	750,000	100.00	76,486	14,952	14,952	

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at September 30, 2015					Footnote
				Balance as at September 30, 2015	Balance as at September 30, 2014	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	
Gash Point Co., Ltd.	Gash Plus Korea Co., Ltd.	South Korea	Software information and supply of electronic services	\$ 11,662	\$ 11,662	138,268	100.00	\$ 4,980	\$ 314	\$ 314	
Gash Point Co., Ltd.	Gash Media Digital Marketing Co., Ltd.	Taiwan	Software services	8,000	8,000	800,000	80.00	7,520	(448)	(358)	
Gash Point Co., Ltd.	Gash Pay Co., Ltd.	Taiwan	Third party payment	150,000	10,000	15,000,000	27.27	146,095	(14,223)	(4,854)	
Punch Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Hong Kong	Software services and sales	764	764	200,000	100.00	(23,944)	(4,223)	(4,223)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment holdings	2,409,743	2,409,743	72,740,359	100.00	641,687	42,817	42,817	
Gamania Holdings Ltd.	Gamania R&D (HK) Holdings Limited	Hong Kong	Investment holdings	-	53,005	-	-	-	-	-	Note 5
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment holdings	1,380,905	1,380,905	41,683,936	98.85	220,781	(6,981)	(6,901)	
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Cayman Islands	Investment holdings	287,220	287,220	8,670,000	100.00	69,441	(1,938)	(1,938)	
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Amsterdam	Investment holdings	194,915	194,915	-	100.00	32,616	3,390	3,390	
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	130,856	130,856	30,701,775	100.00	6,867	3,284	3,284	

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at September 30, 2015			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at September 30, 2015	Balance as at September 30, 2014	Number of shares	Percentage	Book value			
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	\$ 10,596	\$ 10,596	992,000	40.00	\$ -	\$ 1,213	\$ 485	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	BVI	Investment holdings	140,794	140,794	6,162,530	52.76	121,189 (	31,526) (	16,635)	
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,603	-	375,000	30.00	1,603	-	-	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	31,595	-	1,000,000	100.00	32,625 (	480) (	480)	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	E-commerce	463,611	496,773	46,000,000	100.00	183,608 (	31,986) (	31,986)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	BVI	Investment holdings	150,105	90,477	4,900,000	100.00	93,945 (	15,081) (	15,081)	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	E-commerce	427	427	100,000	100.00	(450) (	795) (	795)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment holdings	1,309,219	1,309,219	39,520,000	100.00	15,515 (	2,152) (	2,152)	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	99,693	99,682	35,500,000	100.00	195,560 (	4,729) (	4,729)	
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	U.S.A.	Software services and sales	285,895	285,895	1,440	100.00	69,410 (	1,938) (	1,938)	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Netherlands	Software services and sales	132,752	132,752	500,000	100.00	25,864	2,728	2,728	

Note 1: Initial investment amount is translated to NTD at the spot rate at the period end.

Note 2: The investment in Gameastor Digital Entertainment Co., Ltd. had been liquidated on March 27, 2015.

Note 3: The investment in RitwNow Inc. had been liquidated on February 16, 2015.

Note 4: In August 2015, the Company acquired equity investment of the investees and started to recognise investment income (loss) since the acquisition date.

Note 5: The investment in Gamania R&D (HK) Holdings Limited had been liquidated on April 12, 2015.

Gamania Digital Entertainment Co., Ltd.
Information on investments in Mainland China
For the nine-month period ended September 30, 2015

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month period ended September 30, 2015		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015	Net income of investee for the nine-month period ended September 30, 2015	Ownership held by the Company (direct or indirect)	income (loss) recognised by the Company for the nine-month period ended September 30, 2015 (Note 2)	Book value of investments in Mainland China as of September 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2015	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 1,169,418	Investment through a holding company registered in a country other than Taiwan and Mainland China	\$ 857,021	\$ -	\$ -	\$ 857,021	\$ 499	98.85	\$ 494	\$ 11,353	\$ -	Notes 1, 2 and 3
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	Investment through a holding company registered in a country other than Taiwan and Mainland China	49,692	-	-	49,692	-	-	-	-	-	Notes 3 and 4
Legion Technology (Shanghai) Co., Ltd.	E-commerce operations	130,856	Investment through a holding company registered in a country other than Taiwan and Mainland China	67,912	62,943	-	130,856	(14,491)	52.76	(7,631)	60,931	-	Notes 5 and 6

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/			Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015	Net income of investee for the nine-month period ended September 30, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine- month period ended September 30, 2015	Book value of investments in Mainland China as of September 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2015	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted back to Taiwan for the nine- month period ended September 30, 2015	Remitted back to Taiwan							
Jollywiz Digital Business Co., Ltd.	E-commerce operations	\$ 26,056	Investment through a holding company registered in Mainland China	\$ -	\$ -	\$ -	\$ -	\$ 7,159	52.76	\$ 3,770	\$ 7,307	\$ -	Note 5

Note 1: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the nine months ended September 30, 2015 was recognised based on the indirect weighted-average ownership percentage of 98.85% and on their financial statements for the corresponding period, which were audited.

Note 2: Paid-in capital of Gamania Digital Entertainment (Beijing) Co., Ltd. was USD 35,300 thousand or NTD 1,169,418 thousand based on 33.128 exchange rate.

Note 3: Accumulated investment amount of remittance for Gamania Digital Entertainment (Beijing) Co., Ltd. and MoNoKos Studio Technology Co., Ltd. from Taiwan to Mainland China as of December 31, 2014 and September 30, 2015 were USD 25,870 thousand or NTD 857,021 thousand and USD 1,500 thousand or NTD 49,692 thousand, based on 33.128 spot exchange rate at September 30, 2015, respectively.

Note 4: MoNokos Studio Technology Co., Ltd. completed liquidation proceedings on September 22, 2013.

Note 5: Paid-in capital of Legion Technology (Shanghai) Co., Ltd. and Jollywiz Digital Business Co., Ltd. were USD 3,950 thousand or NTD 130,856 and RMB 5,000 thousand or NTD 26,056, based on \$33.128 and \$5.2112 spot exchange rate at September 30, 2015. The investment income or loss was recognized based on their unreviewed financial statements.

Note 6: Accumulated investment amount for Legion Technology (Shanghai) Co., Ltd. remitted from Taiwan to Mainland China as of January 1 and September 30, 2015 were USD 2,050 thousand or NTD 67,912 thousand and USD 1,900 thousand or NTD 62,943 thousand, based on 33.128 spot exchange rate at September 30, 2015, respectively.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company (Note 1)	\$ 906,713	\$ 1,390,150	\$ 1,730,701
Jollywiz Digital Technology Co., Ltd. (Notes 1 and 2)	130,856	130,856	109,307

Note 1: The total investment amount approved by the Investment Commission, MOEA, was USD\$45,913 thousand or NTD\$1,521,006 based on 33.128 spot exchange rate at September 30, 2015.

Note 2: Ceiling of \$109,307 is calculated based on Jollywiz Digital Technology Co., Ltd.'s net assets as of September 30, 2015. The ceiling on investments was \$126,693 when applying for approvals for investments. Investment amount was translated based on 33.128 spot exchange rate at September 30, 2015.