GAMANIA DIGITAL ENTERTAINMENT CO., LTD.

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS

SEPTEMBER 30, 2013 AND 2012

For the convenience of readers and for information purpose only, the auditors' report and the accompanying consolidated 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 Translated From Chinese

PWCR13001522

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, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2013 and 2012, of changes in equity and of cash flows for the nine-month periods ended September 30, 2013 and 2012. 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 and investments accounted for under equity method, which statements reflect total assets (including investments accounted for under equity method) of $1,054,019,000, $1,249,135,000, $1,424,314,000 and $1,476,995,000, constituting 22%, 30%, 30% and 28% of the consolidated total assets, and total liabilities of $602,540,000, $518,199,000, $468,045,000 and $429,223,000, constituting 27%, 29%, 22% and 18% of the consolidated total liabilities as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, respectively, and total comprenensive income of $17,839,000 and $100,729,000, constituting 241% and (53%) of the consolidated total comprehensive income (loss) for the three-month periods ended September 30, 2013 and 2012, respectively, and $85,601,000 and $151,848,000, constituting 92% and (72%) of the consolidated total comprehensive income (loss) for the nine-month periods ended September 30, 2013 and 2012, respectively.

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 under equity method, which statements reflect total assets (including investments accounted for under equity method) of $610,730,000 and $1,002,425,000, constituting 13% and 21% of the consolidated total assets, and total liabilities of $216,846,000 and $342,763,000, constituting 10% and 14% of the consolidated total liabilities as of September 30, 2013 and 2012, respectively, and total comprehensive income of ($166,974,000) and ($459,723,000), ($237,663,000) and ($459,723,000), constituting (2256%) and 243%, (256%) and 218% of the consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 2013 and 2012, 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, 2013 and 2012.

Based on our reviews and the review reports of the other auditors, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries, investments accounted for under equity method and the information disclosed in Note 13 been audited or 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”, IAS 34, “Interim Financial Reporting”, and IFRS 1, “First-time Adoption of International Financial Reporting Standards”, as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

November 11, 2013

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.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Assets	Notes	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,430,370	$ 1,348,499	$ 1,735,763	$ 2,025,722
1110	Financial assets at fair value through profit or loss - current	6(2)	272,711	9,119	26,143	9,839
1150	Notes receivable, net	6(4)	10,761	22,503	15,581	29,099
1170	Accounts receivable, net	6(5)	1,541,427	1,057,884	1,110,816	1,060,946
1200	Other receivables		14,039	36,073	18,165	62,147
1220	Current income tax assets		61,777	98,619	17,633	9,166
130X	Inventories	6(6)	111,775	75,921	91,077	263,476
1410	Prepayments		109,941	71,127	134,285	157,594
1470	Other current assets	8	7,063	44,466	39,044	38,509
11XX	**Total Current Assets**		3,559,864	2,764,211	3,188,507	3,656,498
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	-	-	2,850	2,850
1523	Available-for-sale financial assets - non-current	6(3)	45,928	66,805	46,776	162,002
1550	Investments accounted for under equity method	6(7)(11)	19,107	27,433	27,329	8,216
1600	Property, plant and equipment	6(8) and 8	708,171	852,055	896,058	845,909
1780	Intangible assets	6(9)(11)	264,666	361,298	426,191	440,448
1840	Deferred income tax assets	6(31)	77,169	79,359	90,239	59,524
1900	Other non-current assets	6(10)	65,624	71,310	81,589	93,660
15XX	**Total Non-current Assets**		1,180,665	1,458,260	1,571,032	1,612,609
1XXX	**Total Assets**		$ 4,740,529	$ 4,222,471	$ 4,759,539	$ 5,269,107
	Liabilities and Equity					
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 11,516	$ 69,070	96,288	92,563
2120	Financial liabilities at fair value through profit or loss - current	6(13)	-	9,616	-	-
2150	Notes payable		9,439	28,905	28,534	30,006
2170	Accounts payable		1,210,475	715,108	661,963	698,235
2180	Accounts payable - related parties	7	45,595	62,027	71,612	72,099
2200	Other payables	6(14)	352,863	373,910	655,213	724,562
2220	Other payables - related parties	7	3,972	-	-	-
2230	Current income tax liabilities	6(31)	28,007	40,549	44,899	83,892
2300	Other current liabilities	6(15)	503,216	414,421	516,206	548,724
21XX	**Total Current Liabilities**		2,165,083	1,713,606	2,074,715	2,250,081

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Liabilities and Equity	Notes	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss - non-current	6(12)	$ -	$ -	$ 7,372	$ 6,653
2530	Bonds payable	6(16)	23,944	44,555	51,822	21,558
2540	Long-term borrowings	6(17)	-	22	243	8,562
2550	Provisions for liabilities - non-current	6(20)	4,868	5,421	5,939	6,131
2570	Deferred income tax liabilities	6(31)	1,799	1,894	2,164	2,229
2600	Other non-current liabilities		44,692	49,906	32,411	26,995
25XX	**Total Non-current Liabilities**		75,303	101,798	99,951	72,128
2XXX	**Total Liabilities**		2,240,386	1,815,404	2,174,666	2,322,209
	Equity attributable to owners of parent					
	Share capital	6(19)(21)				
3110	Share capital - common stock		1,571,132	1,568,685	1,568,125	1,567,515
3140	Stock subscriptions received in advance		1,985	149	560	28
	Capital surplus	6(22)				
3200	Capital surplus		740,522	859,547	857,980	856,385
	Retained earnings	6(23)				
3310	Legal reserve		-	159,610	159,610	140,909
3350	Unappropriated retained earnings (accumulated deficit)		93,387	(322,219)	(160,728)	159,424
	Other equity interest	6(24)				
3400	Other equity interest		(60,398)	(29,898)	(4,581)	37,708
31XX	**Equity attributable to owners of the parent**		2,346,628	2,235,874	2,420,966	2,761,969
36XX	**Non-controlling interest**		153,515	171,193	163,907	184,929
3XXX	**Total equity**		2,500,143	2,407,067	2,584,873	2,946,898
	Significant contingent liabilities and unrecorded contract commitments	9				
	Total liabilities and equity		$ 4,740,529	$ 4,222,471	$ 4,759,539	$ 5,269,107

The accompanying notes are an integral part of these financial statements.
See review report of independent accountants dated November 11, 2013

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

	Items	Notes	For the three-month periods ended September 30, 2013	For the three-month periods ended September 30, 2012	For the nine-month periods ended September 30, 2013	For the nine-month periods ended September 30, 2012
4000	**Operating revenue**	6(25)	$ 2,176,695	$ 1,792,833	$ 6,197,616	$ 5,436,172
5000	**Operating costs**	6(6)(29) and 7	(1,717,706)	(1,173,055)	(4,574,817)	(3,418,404)
5950	**Gross profit**		458,989	619,778	1,622,799	2,017,768
	Operating expenses	6(29)(30) and 7				
6100	Selling expenses		(114,650)	(255,959)	(337,302)	(647,180)
6200	General and administrative expenses		(261,356)	(325,402)	(835,420)	(988,978)
6300	Research and development expenses		(68,366)	(165,075)	(251,257)	(507,693)
6000	**Total operating expenses**		(444,372)	(746,436)	(1,423,979)	(2,143,851)
6900	**Operating income (loss)**		14,617	(126,658)	198,820	(126,083)
	Non-operating income and expenses					
7010	Other income	6(26)	20,894	25,854	34,860	98,220
7020	Other gains and losses	6(27)	969	(82,089)	(38,596)	(47,781)
7050	Finance costs	6(28)	(653)	(509)	(2,715)	(4,656)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	(17,968)	(3,002)	(20,612)	(7,541)
7000	**Total non-operating income and expenses**		3,242	(59,746)	(27,063)	38,242
7900	**Profit (loss) before tax**		17,859	(186,404)	171,757	(87,841)
7950	Income tax benefit (expense)	6(31)	355	5,179	(48,555)	(80,625)
8000	**Profit (loss) for the period from continuing operations**		18,214	(181,225)	123,202	(168,466)
8200	**Profit (loss) for the period**		$ 18,214	($ 181,225)	$ 123,202	($ 168,466)
	Other comprehensive income (loss)					
8310	Financial statements translation differences of foreign operations		($ 5,641)	($ 7,568)	($ 4,535)	($ 27,621)
8325	Unrealized loss on valuation of available-for-sale financial assets		(5,171)	(137)	(25,965)	(14,672)
8399	Income tax relating to the components of other comprehensive income (loss)		-	-	-	-
8500	**Total comprehensive income (loss) for the period**		$ 7,402	($ 188,930)	$ 92,702	($ 210,759)
	Profit (loss) attributable to:					
8610	Owners of parent		$ 26,420	($ 184,699)	$ 137,205	($ 173,633)
8620	Non-controlling interests		(8,206)	3,474	(14,003)	5,167
			$ 18,214	($ 181,225)	$ 123,202	($ 168,466)
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 15,607	($ 192,403)	$ 106,705	($ 215,922)
8720	Non-controlling interests		(8,205)	3,473	(14,003)	5,163
			$ 7,402	($ 188,930)	$ 92,702	($ 210,759)
	Basic earnings (loss) per share (in dollars)	6(32)				
9750	**Basic earnings (loss) per share**		$ 0.17	($ 1.18)	$ 0.87	($ 1.11)
	Diluted earnings (loss) per share (in dollars)					
9850	**Diluted earnings (loss) per share**		$ 0.17	($ 1.18)	$ 0.87	($ 1.11)

The accompanying notes are an integral part of these financial statements.
See review report of independent accountants dated November 11, 2013.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2013 AND 2012
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Equity attributable to owners of the parent													
	Share capital		Capital surplus					Retained earnings		Other equity interest				
	Share capital-common stock	Stock subscriptions received in advance	Additional paid-in capital	Treasury stock transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Disposal of property, plant and equipment	Others	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total
2012														
Balance at January 1, 2012	$1,567,515	$ 28	$831,930	$ 24,234	$ -	$ 221	$ -	$140,909	$ 159,424	$ -	$ 37,708	$2,761,969	$184,929	$2,946,898
Employee stock options exercised	610	532	1,519	-	-	-	-	-	-	-	-	2,661	-	2,661
Distribution of 2011 earnings:														
Legal reserve	-	-	-	-	-	-	-	18,701	(18,701)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(125,450)	-	-	(125,450)	-	(125,450)
Profit for the period	-	-	-	-	-	-	-	-	(173,633)	-	-	(173,633)	5,167	(168,466)
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	(27,617)	(14,672)	(42,289)	(4)	(,42,293)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	73	-	-	-	(2,368)	-	-	(2,295)	-	(2,295)
Effect of investees' unclaimed dividends	-	-	-	-	-	-	3	-	-	-	-	3	-	3
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(26,185)	(26,185)
Balance at September 30, 2012	$1,568,125	$ 560	$833,449	$ 24,234	$ 73	$ 221	$ 3	$159,610	($ 160,728)	($ 27,617)	$ 23,036	$2,420,966	$163,907	$2,584,873

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2013 AND 2012
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Equity attributable to owners of the parent													
	Share capital		Capital surplus					Retained earnings		Other equity interest				
	Share capital-common stock	Stock subscriptions received in advance	Additional paid-in capital	Treasury stock transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Disposal of property, plant and equipment	Others	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total
2013														
Balance at January 1, 2013	$1,568,685	$ 149	$833,643	$ 24,234	$ 1,446	$ 221	$ 3	$159,610	($ 322,219)	($ 44,930)	$ 15,032	$ 2,235,874	$171,193	$ 2,407,067
Employee stock options exercised	2,298	1,985	5,569	-	-	-	-	-	-	-	-	9,852	-	9,852
Capital collected in advance transferred to common stock	149	(149)	-	-	-	-	-	-	-	-	-	-	-	-
Capital reserve and legal reserve offset against accumulated deficit	-	-	(123,619)	-	-	-	-	(159,610)	283,229	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	137,205	-	-	137,205	(14,003)	123,202
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	(4,535)	(25,965)	(30,500)	-	(30,500)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(1,257)	-	-	-	(4,828)	-	-	(6,085)	-	(6,085)
Effect of investees' unclaimed dividends	-	-	-	-	-	-	9	-	-	-	-	9	-	9
Investees' employee stock options	-	-	-	-	-	-	273	-	-	-	-	273	-	273
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,675)	(3,675)
Balance at September 30, 2013	$1,571,132	$ 1,985	$715,593	$ 24,234	$ 189	$ 221	$ 285	$ -	$ 93,387	($ 49,465)	($ 10,933)	$ 2,346,628	$153,515	$ 2,500,143

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated November 11, 2013.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2013 AND 2012
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	$ 171,757	($ 87,841)
Adjustments to reconcile net income (loss) to net cash generated from operating activities		
Income and expenses having no effect on cash flows		
Net gain on financial assets or liabilities at fair value through profit or loss	(4,216)	(239)
Provision for doubtful accounts	31,037	5,163
Provision (reversal of allowance) for decline in market value of inventories	2,048	(1,465)
Share of profit of associates accounted for under equity method	20,612	7,541
Gain on disposal of investments	(3,640)	(43,373)
Loss on disposal of property, plant and equipment	606	104
Depreciation	154,708	169,632
Amortization	107,650	180,628
Gain on disposal of intangible assets	(8,600)	-
Intangible assets transferred to other loss	8,805	66,991
Impairment loss on goodwill	14,891	-
Impairment loss on agency	20,000	-
Impairment loss on investments accounted for under equity method	1,098	-
Impairment loss on available-for-sale financial assets	-	9,101
Interest income	(3,089)	(4,519)
Interest expense	2,715	4,656
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Increase in financial assets at fair value through profit or loss - current	(267,852)	(15,346)
Notes receivable	11,742	13,518
Accounts receivable	(512,238)	(72,333)
Other receivables	22,024	43,982
Inventories	(37,902)	78,478
Prepayments	(34,535)	-
Other current assets	37,403	(535)
Net changes in liabilities relating to operating activities		
Notes payable	(19,466)	(1,472)
Accounts payable	495,367	(36,272)
Accounts payable - related parties	(16,432)	(487)
Other payables	(1,344)	(53,295)
Other payables - related parties	3,972	-
Increase in other current liabilities	98,108	56,476
Cash generated from operations	295,229	319,093
Interest received	3,089	4,519
Interest paid	(2,715)	(4,454)
Income tax paid	(22,160)	(118,787)
Net cash generated from operating activities	273,443	200,371

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2013 AND 2012
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for under equity method	($ 1,500)	$ -
Acquisition of available-for-sale financial assets	(3,088)	-
Proceeds from disposal of available-for-sale financial assets	-	134,970
Acquisition of property, plant and equipment	(23,620)	(260,752)
Proceeds from disposal of property, plant and equipment	7,498	7,000
Increase in other intangible assets	(94,970)	(229,808)
Proceeds from disposal of intangible assets	13,493	-
Proceeds from disposal of subsidiaries	(15,708)	-
Acquisition of subsidiaries	573	-
Decrease in other non-current assets	695	14,655
(Decrease) increase in other non-current liabilities	(5,214)	5,416
Net cash used in investing activities	(121,841)	(328,519)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	30,267	50,641
Repayment of short-term borrowings	(87,818)	(46,916)
(Repayment of) increase in bonds payable (including current portion)	(22,608)	48,299
Repayment of long-term debt (including current portion)	(7,338)	(19,962)
Distribution of dividend	-	(125,450)
Exercise of employee share options	9,852	2,661
Changes in non-controlling interest	(3,675)	(26,185)
Net cash used in financing activities	(81,320)	(116,912)
Effect of exchange rate changes on cash and cash equivalents	11,589	(44,899)
Increase (decrease) in cash and cash equivalents	81,871	(289,959)
Cash and cash equivalents at beginning of period	1,348,499	2,025,722
Cash and cash equivalents at end of period	$ 1,430,370	$ 1,735,763

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated November 11, 2013.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

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 reported to the Board of Directors and authorized for issuance by the Board of Directors on November 11, 2013.

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")

Not applicable as it is the first-time adoption of IFRSs by the Group this year.

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

IFRS 9, "Financial Instruments: Classification and measurement of financial assets"

A. The International Accounting Standards Board ("IASB") published IFRS 9, 'Financial Instruments', in November, 2009, which will take effect on January 1, 2015 with early application permitted. Although the FSC has endorsed IFRS 9, FSC does not permit early application of IFRS 9 when IFRSs are adopted in R.O.C. in 2013. Instead, enterprises should apply International Accounting Standard No. 39 ("IAS 39"), 'Financial Instruments: Recognition and Measurement' reissued in 2009.

B. IFRS 9 was issued as the first step to replace IAS 39. IFRS 9 outlines the new classification and measurement requirements for financial instruments, which might affect the accounting treatments for financial instruments of the Group.

C. The Group has not evaluated the overall effect of the IFRS 9 adoption. However, based on preliminary evaluation, it was noted that the IFRS 9 adoption might have an impact on those instruments classified as 'available-for-sale financial assets' held by the Group, as IFRS 9 specifies that the fair value changes in the equity instruments that meet certain criteria may be reported in other comprehensive income, and such amount that has been recognized in other comprehensive income should not be reclassified to profit or loss when such assets are derecognized. The Group recognized gain (or loss) on equity instruments amounting to

($25,965) in other comprehensive income for the nine-month period ended September 30, 2013.

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

The following are the assessment of new standards, interpretations and amendments issued by IASB but not yet endorsed by the FSC (application of the new standards and amendments should follow the regulations of the FSC):

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	The amendment provides first-time adopters of IFRSs with the same transition relief that existing IFRS preparer received in IFRS 7, 'Financial Instruments: Disclosures' and exempts first-time adopters from providing the additional comparative disclosures.	July 1, 2010
Improvements to IFRSs 2010	Amendments to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 34 and IFRIC 13	January 1, 2011
IFRS 9, 'Financial instruments: Classification and measurement of financial liabilities'	IFRS 9 requires gains and losses on financial liabilities designated at fair value through profit or loss to be split into the amount of change in the fair value that is attributable to changes in the credit risk of the liability, which shall be presented in other comprehensive income, and cannot be reclassified to profit or loss when derecognising the liabilities; and all other changes in fair value are recognised in profit or loss. The new guidance allows the recognition of the full amount of change in the fair value in the profit or loss only if there is reasonable evidence showing on initial recognition that the recognition of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch (inconsistency) in profit or loss. (That determination is made at initial recognition and is not reassessed subsequently.)	January 1, 2015

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
Disclosures - transfers of financial assets (amendment to IFRS 7)	The amendment enhances qualitative and quantitative disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in transferred assets, existing at the reporting date.	July 1, 2011
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	When an entity's date of transition to IFRSs is on, or after, the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date at fair value on the date of transition to IFRSs. First-time adopters are allowed to apply the derecognition requirements in IAS 39, 'Financial instruments: Recognition and measurement', prospectively from the date of transition to IFRSs, and they are allowed not to retrospectively recognise related gains on the date of transition to IFRSs.	July 1, 2011
Deferred tax: recovery of underlying assets (amendment to IAS 12)	The amendment gives a rebuttable presumption that the carrying amount of investment properties measured at fair value is recovered entirely by sale, unless there exists any evidence that could rebut this presumption. The amendment also replaces SIC 21, 'Income taxes-recovery of revalued non-depreciable assets'.	January 1, 2012
IFRS 10, 'Consolidated financial statements'	The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where it is difficult to assess.	January 1, 2013

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
IFRS 11, 'Joint arrangements'	Judgments applied when assessing the types of joint arrangements-joint operations and joint ventures, the entity should assess the contractual rights and obligations instead of the legal form only. The standard also prohibits the proportional consolidation for joint ventures.	January 1, 2013
IFRS 12, 'Disclosure of interests in other entities'	The standard requires the disclosure of interests in other entities including subsidiaries, joint arrangements, associates and unconsolidated structured entities.	January 1, 2013
IAS 27, 'Separate financial statements' (as amended in 2011)	The standard removes the requirements of consolidated financial statements from IAS 27 and those requirements are addressed in IFRS 10, 'Consolidated financial statements'.	January 1, 2013
IAS 28, 'Investments in associates and joint ventures'(as amended in 2011)	As consequential amendments resulting from the issuance of IFRS 11, 'Joint arrangements', IAS 28 (revised) sets out the requirements for the application of the equity method when accounting for investments in joint ventures.	January 1, 2013
IFRS 13, 'Fair value measurement'	IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.	January 1, 2013

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
IAS 19 revised, 'Employee benefits' (as amended in 2011)	The revised standard eliminates corridor approach and requires actuarial gains and losses to be recognised immediately in other comprehensive income. Past service costs will be recognised immediately in the period incurred. Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. The return of plan assets, excluding net interest expense, is recognised in other comprehensive income.	January 1, 2013
Presentation of items of other comprehensive income (amendment to IAS 1)	The amendment requires profit or loss and other comprehensive income (OCI) to be presented separately in the statement of comprehensive income. Also, the amendment requires entities to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss subsequently.	July 1, 2012
IFRIC 20, 'Stripping costs in the production phase of a surface mine'	Stripping costs that meet certain criteria should be recognised as the 'stripping activity asset'. To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the entity shall account for the costs of that stripping activity in accordance with IAS 2, 'Inventories'.	January 1, 2013
Disclosures-Offsetting financial assets and financial liabilities (amendment to IFRS 7)	The amendment requires disclosures to include quantitative information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements.	January 1, 2013

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
Offsetting financial assets and financial liabilities (amendment to IAS 32)	The amendment clarifies criterion that an entity ‘currently has a legally enforceable right to set off the recognised amounts’ and gross settlement mechanisms with features that both (i) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement; they would therefore satisfy the IAS 32 criterion in these instances.	January 1, 2014
Mandatory effective date and transition disclosures (amendment to IFRS 7 and IFRS 9)	The mandatory effective date has been postponed to January 1, 2015.	January 1, 2015
Government loans (amendment to IFRS 1)	The amendment provides exception to first-time adopters to apply the requirements in IFRS 9, ‘Financial instruments’, and IAS 20, ‘Accounting for government grants and disclosure of government assistance’, prospectively to government loans that exist at the date of transition to IFRS; and first-time adopters should not recognise the cornesponding benefit of the government loan at a below-market rate of interest as a government grant.	January 1, 2013
Improvements to IFRSs 2009-2011	Amendments to IFRS 1 and IAS 1, IAS 16, IAS 32 and IAS 34.	January 1, 2013
Consolidated financial statements, joint arrangements and disclosure of interests in other Entities: Transition guidance (amendments to IFRS 10, IFRS 11 and IFRS 12)	The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10, 11 and 12 is adopted.	January 1, 2013
Investment entities (amendments to IFRS 10, IFRS 12 and IAS 27)	The amendments define ‘Investment Entities’ and their characteristics. The parent company that meets the definition of investment entities should measure its subsidiaries using fair value through profit or loss instead of consolidating them.	January 1, 2014

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
IFRIC 21, 'Levies'	The interpretation addresses the accounting for levies imposed by governments in accordance with legislation (other than income tax). A liability to pay a levy shall be recognised in accordance with IAS 37, 'Provisions, contingent liabilities and contingent assets'.	January 1, 2014
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	The amendments remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives that were not impaired.	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	The amendment states that the novation of a hedging instrument would not be considered an expiration or termination giving rise to the discontinuation of hedge accounting when the hedging instrument that is being novated complies with specified criteria.	January 1, 2014

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

4. 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

A. These consolidated financial statements are the first third-quarter consolidated financial statements prepared by the Group in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", IAS 34, 'Interim Financial Reporting', and IFRS 1, 'First-time Adoption of International Financial Reporting Standards', as endorsed by the FSC.

B. In the preparation of the balance sheet as of January 1, 2012 (the Group's date of transition to IFRSs ("the opening IFRSs balance sheet")), the Group has adjusted the amounts that were reported in the consolidated financial statements in accordance with previous R.O.C. GAAP. Please refer to Note 15 for the impact of transitioning from R.O.C. GAAP to the

International Financial Reporting Standards, International Accounting Standards, and Interpretations/bulletins as endorsed by the FSC (collectively referred herein as the "IFRSs") on the Group's financial position, operating results and cash flows.

(2) Basis of preparation

A. Except for the following items, these 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 recognized based on the net amount of pension fund assets plus unrecognized prior period's service cost and unrecognized actuarial losses, and less unrecognized actuarial gains and present value of defined benefit obligation.

B. The preparation of financial statements in conformity with 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 special purpose entities) over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

c) 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 recognized directly in equity.

d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized 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 recognized 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 (%) September 30, 2013	Ownership (%) December 31, 2012	Description
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd.	Holding company	100	100	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Investment holdings	100	100	
Gamania Holdings Ltd.	Gamania R&D (HK) Holdings Limited	Investment holdings	100	100	Note 4
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Design and sales of software; sales of hardware	100	100	Note 4
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Investment holdings	98.85	98.79	
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Investment holdings	100	100	Note 4
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100	100	Note 4
Gamania International Holdings Ltd.	Firedog Studio Company Ltd.	Design and research and development of software	100	100	Note 4
Gamania International Holdings Ltd.	Gash Plus (Hong Kong) Company Limited	Software information and supply of electronic services	Note 5	100	
Gamania R&D (HK) Holdings Limited	MoNoKos Studio Technology Co., Ltd.	Research and development of software	Note 2	Note 2	Note 4
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) September 30, 2013	December 31, 2012	Description
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100	100	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Software services and sales	100	100	Note 4
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Software services and sales	100	100	Note 4
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and research and development of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	72.08	72.08	Note 4
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	27.20	27.20	Note 4
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd.	Software services and sales	70	-	Note 4
Gamania Asia Investment Co., Ltd.	UniCube Co., Ltd.	Software services and sales	70	-	Note 4
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Gamania Korea Co., Ltd.	Design and sales of software	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Design and research and development of software	Note 6	99.75	Note 4
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment Labuan Holdings, Ltd.	Investment holdings	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Redgate Games Co., Ltd.	Design and research and development of software	100	100	Note 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) September 30, 2013	Ownership (%) December 31, 2012	Description
Gamania Digital Entertainment Co., Ltd.	Seedo Games Co., Ltd.	Design and research and development of software	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	80.50	77.40	Note 4
Gamania Digital Entertainment Co. Ltd.	Two Tigers Co., Ltd.	Animation production	51	51	Note 4
Gamania Digital Entertainment Co. Ltd.	Gash Plus (Taiwan) Company Limited	Software information and supply of electronic services	100	100	
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	32.88	33.33	Note 3
Gash Plus (Taiwan) Company Limited	Punch Technologies Co., Ltd.	Software services and sales	100	-	Notes 4
Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	Software information and supply of electronic services	100	-	Notes 4 and 5
Gash Plus (Taiwan) Company Limited	Fantasy Fish Digital Games Co., Ltd.	Design and research and development of software	44.14	Note 6	Note 4
Gash Plus (Taiwan) Company Limited	Gash Plus (Japan) Co., Ltd.	Software information and supply of electronic services	100	-	Note 4
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	100	81.02	Note 4
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70	70	Note 4
Jsdway Digital Technology Co., Ltd.	Jsdway (M) Sdn. Bhd.	Information and supply of electronic services	60	-	Notes 4 and 7
Gamania Digital Entertainment Co., Ltd.	RitwNow Inc.	E-sports and internet live broadcasting services	51	51	Note 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) September 30, 2013	Ownership (%) December 31, 2012	Description
Gamania Digital Entertainment Co., Ltd.	Global Pursuit Co., Ltd.	Software information and supply of electronic services	80	80	Note 4
Global Pursuit Co., Ltd.	Global Pursuit North America Co., Ltd.	IP commodities authorization	100	100	Note 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) September 30, 2012	Ownership (%) January 1, 2012	Description
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd.	Holding company	100	100	
Gamania Digital Entertainment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	72.08	72.08	
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Gamaina Korea Co., Ltd.	Design and sales of software	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Design and research and development of software	99.75	99.75	Note 4
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment Labuan Holdings, Ltd.	Investment holdings	100	100	
Gamania Digital Entertainment Co., Ltd.	Redgate Games Co., Ltd.	Design and research and development of software	100	100	Note 4
Gamania Digital Entertainment Co., Ltd.	Seedo Games Co., Ltd.	Design and research and development of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	75.25	75.25	Note 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) September 30, 2012	Ownership (%) January 1, 2012	Description
Gamania Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd.	Animation production	51	51	Note 4
Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Software information and supply of electronic services	100	100	
Gamania Digital Entertainment Co., Ltd.	RitwNow Inc.	E-sports and internet lire broadcasting services	51	-	Note 4
Gamania Digital Entertainment Co., Ltd.	Global Pursuit Co., Ltd.	Software information and supply of electronic services	100	-	Note 4
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	27.20	27.20	Note 4
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	33.33	33.33	Note 3
Global Pursuit Co., Ltd.	Global Pursuit North America Co., Ltd.	IP Commadities authorization	100	-	Note 4
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Investment holdings	100	100	
Gamania Holdings Ltd.	Gamania R&D (HK) Holdings Limited	Investment holdings	100	-	Note 4
Gamania R&D (HK) Holdings Limited	MoNokos Studio Technology Co., Ltd.	Research and development of software	100	-	Note 4
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Design and sales of software; sales of hardware	100	100	Note 4
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Investment holdings	98.79	98.70	
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Investment holdings	100	100	Note 4
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100	100	Note 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) September 30, 2012	Ownership (%) January 1, 2012	Description
Gamania International Holdings Ltd.	Firedog Studio Company Ltd.	Design and research and development of software	100	100	Note 4
Gamania International Holdings Ltd.	Gash Plus (Hong Kong) Company Limited	Software information and supply of electronic services	100	100	
Gamania International Holdings Ltd.	Tornado Studio Co., Ltd.	Design and research and development of software	100	100	Notes 1 and 4
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100	100	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Software services and sales	100	100	Note 4
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Software services and sales	100	100	Note 4
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	100	100	
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	98.83	97.95	Note 4
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70	70	Note 4

Note 1: It was liquidated and the operations ended on November 13, 2012.

Note 2: It was liquidated and the operations ended on September 22, 2013.

Note 3: Gash Plus (Taiwan) Company Limited holds more than half of the board seats of Jsdway Digital Technology Co., Ltd.

Note 4: The financial statements of the entity as of and for the nine-month periods ended September 30, 2013 and 2012 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 5: Gash Plus (Hong Kong) Company limited is listed as a subsidiary of Gash Plus (Taiwan) Company Limited after reengineering on August 19, 2013.

Note 6: Fantasy Fish Digital Games Co., Ltd. is listed as a subsidiary of Gash Plus (Taiwan) Company Limited after reengineering on July 10, 2013; Gash Plus (Taiwan)

Company Limited did not increase its shares in Gamania Digital Entertainment Co., Ltd. during the cash capital increase on September 24, 2013, Gash Plus (Taiwan) Company Limited's shareholding ratio was decreased to 44.14% and it lost control over Gamania Digital Entertainment Co., Ltd. On the date the control was lost, the remaining capital investment at fair value was recognized as profit of $2,525.

Note 7: Jsdway Digital Technology Co., Ltd. obtains 60% of shares of Jsdway (M) Sdn. Bhd. since the third quarter of 2013.

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

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 still 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 still 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 realized, 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 realized 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 categorized 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 recognized and derecognized using trade date accounting.

C. Financial assets at fair value through profit or loss are initially recognized 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 recognized 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 recognized and derecognized using trade date accounting.

C. Available-for-sale financial assets are initially recognized 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 recognized 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 recognized 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 reorganization;
   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. First, the Group assesses whether the objective evidence of impairment exists or not. When there has been objective evidence of impairment and an impairment loss has occurred, the amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. Impairment loss of an investment in an equity instrument recognized in profit or loss shall not be reversed through profit or loss. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(11) <u>Derecognization of financial assets</u>

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

A. The cash flows from the financial asset have been received.

B. The contractual rights to receive cash flows from the financial asset expire.

C. 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.

D. 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 realizable 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 realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(13) 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 recognized at cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss arising through subsequent assessments.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized 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 recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity are not recognized 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 recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

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 recognized 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 still retains significant influence over this associate then the amounts previously recognized 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 recognized as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized. 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 balance sheet date. 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

(15) Intangible assets

A. Trademarks

Trademarks have a finite useful life and are amortized under the straight-line basis over the estimated useful lives.

B. Franchises for game development

Franchises for game development are recorded at acquisition cost and amortized using the straight-line method over the estimated service life. Franchises could be deducted from franchises payable amounting to 2% based on sales revenues.

C. Franchises for sales of on-line games

Franchises for sales of on-line games are recorded at acquisition cost and amortized over the estimated life of 3 years using the straight-line method.

D. Comic copyright

Comic copyright is recorded at acquisition cost and amortized over the estimated life of 1 year using the straight-line method.

E. Goodwill

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

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

G. Royalty payments for operating online game software are capitalized and amortized based on the period of the contract or deducted based on actual units of play.

(16) 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 recognizing 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 amortized historical cost would have been if the impairment had not been recognized.

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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized 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.

(17) Borrowings

A. Borrowings are recognized initially at fair value, net of transaction costs incurred.

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

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(18) 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable which are non-interest bearing are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

a) Hybrid (combined) contracts; or

b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. Financial liabilities at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognized in profit or loss.

(20) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognized at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortized 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 amortized in profit or loss as an adjustment to the ‘finance costs’ over the period of bond circulation using the effective interest method.

(21) Provisions for other liabilities – decommissioning liabilities

Decommissioning liabilities are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Decommissioning liabilities are measured at the present value of the expenditures expected to be required to settle the obligation at the balance sheet date.

(22) 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 recognized as expenses in that period when the employees render service.

B. Pensions

a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized 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 recognized 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, together with adjustments for unrecognised past service costs. 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. Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. 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 recognizes termination benefits when it is demonstrably committed to a termination, when it has a detailed formal plan to terminate the employment of current employees and when it can no longer withdraw the plan. In the case of an offer made by the Group to encourage voluntary termination of employment, the termination benefits are recognized as expenses only when it is probable that the employees are expected to accept the offer and the number of the employees taking the offer can be reliably estimated. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

D. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates. The Group calculates the number of shares of employees' stock bonus based on the fair value per share at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(23) 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 recognized 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 recognized is based on the number of equity instruments that eventually vest.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized 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 income tax is recognized, 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 income 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 income 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 income 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 income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income 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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income 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 realize the asset and settle the liability simultaneously.

F. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the tax credits can be utilized.

G. The interim period income tax expense is recognized 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.

(25) Share capital

A. 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.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) 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.

(27) 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 recognized 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 recognized 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 recognizes 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.

B. Sales of services

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

(28) 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. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquire either at fair value or at the non-controlling interest's proportionate share of the acquire's identifiable net assets.

B. If the total of the fair values of the consideration of acquisition and any non-controlling interest in the acquire as well as the acquisition-date fair value of any previous equity interest in the acquire is higher than the fair value of the Group's share of the identifiable net assets acquired, the difference is recorded as goodwill; if less than the fair value of the Group's share of the identifiable net assets acquired (bargain purchase), the difference is recognized directly in profit or loss.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker 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. The above 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 the 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 recognized as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognized representing commissions earned.

The following characteristics of a principal are used as indicators to determine whether the Group shall recognize 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 recognizes 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, 2013, the Group's deferred revenue amounted to $64,643, shown as "Other current liabilities".

B. Impairment assessment on tangible and intangible assets (excluding goodwill)

The Group assesses impairment based on its subjective judgment and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

C. 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(11) for the information on goodwill impairment.

As of September 30, 2013, the Group recognized goodwill, net of impairment loss, amounting to $60,373.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2013	December 31, 2012
Cash on hand and petty cash	$ 1,202	$ 2,959
Checking accounts and demand deposits	1,100,042	957,999
Time deposits	329,126	387,541
	$ 1,430,370	$ 1,348,499

	September 30, 2012	January 1, 2012
Cash on hand and petty cash	$ 1,568	$ 1,079
Checking accounts and demand deposits	1,186,741	1,540,733
Time deposits	547,454	483,910
	$ 1,735,763	$ 2,025,722

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. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

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

Items	September 30, 2013	December 31, 2012
Current items		
Financial assets held for trading		
Listed (TSE and OTC) stocks	$ 3,716	$ 3,843
Corporate bond funds	271,000	2,855
Valuation adjustment of financial assets held for trading	(2,005)	(429)
Subtotal	272,711	6,269
Financial assets designated as at fair value through profit or loss on initial recognition		
Callable preferred stock	-	2,850
Valuation adjustment of financial assets designated as at fair value through profit or loss on initial recognition	-	-
Subtotal	-	2,850
Total	$ 272,711	$ 9,119

Items	September 30, 2012	January 1, 2012
Current items		
Financial assets held for trading		
Listed (TSE and OTC) stocks	$ 3,094	$ 8,934
Corporate bond funds	23,049	3,000
Valuation adjustment of financial assets held for trading	-	(2,095)
Total	$ 26,143	$ 9,839

Items	September 30, 2012	January 1, 2012
Non-current items		
Financial assets designated as at fair value through profit or loss on initial recognition Callable preferred stock	$ 2,850	$ 2,850
Valuation adjustment of financial assets designated as at fair value through profit or loss on initial recognition	-	-
Total	$ 2,850	$ 2,850

A. The Group recognized net gain (loss) of ($422), ($11), ($1,410) and $958 on financial assets held for trading for the three-month periods and nine-month periods ended September 30, 2013 and 2012, respectively.

B. For business operation purposes, the Company's domestic subsidiary, Gamania Asia Investment Co., invested 285 thousand shares at a par value of $10 (NT dollars) per share in the amount of $2,850. Such investment is not entitled to a voting right, profit distribution right and the right to claim for remaining property. According to the investment contract, both parties agreed that during the thirty days from the repurchase base day, which is at the expiration of three years of settlement date (May 28, 2010) or other documents' appointment date, the investor can ask the issuer to redeem all of the preferred stock based on fair value at the repurchase base day. If the fair value will be lower than the published price, the issuer will repurchase based on the issue price. In accordance with the contents of the preferred stock contract and IAS 39, "Financial Instruments: Recognition and Measurement", the subsidiary is accounted for as Financial assets at fair value through profit or loss. Gamania Asia Investment Co. had recognized gain of $1,140 on disposal of financial instruments in second quarter of 2013, shown as 'other gains and losses'.

(3) Available-for-sale financial assets

Items	September 30, 2013	December 31, 2012
Non-current items:		
Unlisted stock	$ 66,067	$ 60,979
Valuation adjustment of available-for-sale financial assets	(10,933)	15,032
Accumulated impairment	(9,206)	(9,206)
Total	$ 45,928	$ 66,805

Items	September 30, 2012	January 1, 2012
Non-current items:		
Unlisted stock	$ 32,841	$ 124,294
Valuation adjustment of available-for-sale financial assets	23,036	37,708
Accumulated impairment	(9,101)	-
Total	$ 46,776	$ 162,002

A. The Group recognized loss of ($5,171), ($137), ($25,965) and ($14,672) in other comprehensive income for fair value changes for the three-month and nine-month periods ended September 30, 2013 and 2012, respectively.

B. There are no available-for-sale financial assets of the Group that attribute to debt instrument investments.

C. As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, no available-for-sale financial assets of the Group were pledged as collaterals.

(4) Notes receivable - net

	September 30, 2013	December 31, 2012
Notes receivable	$ 10,761	$ 22,519
Less: Allowance for doubtful accounts	-	(16)
	$ 10,761	$ 22,503

	September 30, 2012	January 1, 2012
Notes receivable	$ 15,597	$ 29,115
Less: Allowance for doubtful accounts	(16)	(16)
	$ 15,581	$ 29,099

(5) Accounts receivable

	September 30, 2013	December 31, 2012
Accounts receivable	$ 1,606,415	$ 1,135,183
Less: Allowance for doubtful accounts	(64,451)	(76,762)
Allowance for sales returns	(537)	(537)
	$ 1,541,427	$ 1,057,884

	September 30, 2012	January 1, 2012
Accounts receivable	$ 1,171,996	$ 1,117,352
Less: Allowance for doubtful accounts	(60,643)	(55,869)
Allowance for sales returns	(537)	(537)
	$ 1,110,816	$ 1,060,946

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

	September 30, 2013	December 31, 2012
Up to 30 days	$ 294,035	$ 191,608
31~60 days	116,140	60,410
61~90 days	24,736	39,891
91~180 days	9,784	10,740
Over 181 days	59,415	46,647
	$ 504,110	$ 349,296

	September 30, 2012	January 1, 2012
Up to 30 days	$ 231,138	$ 150,280
31~60 days	85,171	85,838
61~90 days	36,389	8,015
91~180 days	4,554	2,716
Over 181 days	37,985	25,049
	$ 395,237	$ 271,898

B. Movements on the Group's provision for impairment of accounts receivable (including overdue accounts receivable) are as follows:

a) As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, the Group's accounts receivable that were impaired amounted to $175,761, $144,783, $118,007 and $113,256, respectively.

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

	2013	2012
	Group provision	Group provision
At January 1	$ 144,783	$ 113,256
Provision for impairment	31,037	5,163
Write-offs during the period	(127)	(400)
Effect of exchange rate	68	(12)
At September 30	$ 175,761	$ 118,007

C. The accounts receivable were neither past due nor impaired since the Group had shifted out 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:

	September 30, 2013	December 31, 2012
Neither past due nor impaired	$ 1,045,852	$ 719,523

	September 30, 2012	January 1, 2012
Neither past due nor impaired	$ 726,954	$ 806,874

D. The maximum exposure to credit risk at September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012 was the carrying amount of each class of accounts receivable.

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

(6) Inventories

	September 30, 2013		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 112,910	($ 1,135)	$ 111,775

	December 31, 2012		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 77,150	($ 1,229)	$ 75,921

	September 30, 2012		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 93,177	($ 2,100)	$ 91,077

	January 1, 2012		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 267,041	($ 3,565)	$ 263,476

Expenses and losses incurred on inventories for the periods:

	For the three-month periods ended September 30,	
	2013	2012
Reversal of allowance for inventory obsolescence and market price decline	$ 2,048	$ 32

	For the nine-month periods ended September 30,	
	2013	2012
Reversal of allowance for inventory obsolescence and market price decline	$ 2,048	($ 1,465)

As the inventories previously provided with allowance were subsequently sold, the allowance for inventory obsolescence and market price decline was reversed.

(7) Investments accounted for under the equity method

A. List of long-term investments

	September 30, 2013		December 31, 2012	
Name of associates	Ownership percentage	Balance	Ownership percentage	Balance
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	40.70	$ 1,619	40.70	$ 7,587
Machi Pictures Co., Ltd. (Machi Pictures)	33.33	3,744	33.33	19,846
Pri-One Marketing Co., Ltd.	30.00	1,860	-	-
Fantasy Fish Digital Games Co., Ltd.	44.14	11,884	-	-
		$ 19,107		$ 27,433

	September 30, 2012		January 1, 2012	
Name of associates	Ownership percentage	Balance	Ownership percentage	Balance
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	40.70	$ 7,679	39.40	$ 7,216
Machi Pictures Co., Ltd.	32.26	19,650	-	-
Encore Digital Technology Co., Ltd. (Encore)	-	-	35.00	637
Niu Niu Technology Co., Ltd. (Niu Niu)	-	-	30.00	363
Tang Chao Digital Technology Co., Ltd. (Tang Chao) (Note)	-	-	28.57	-
		$ 27,329		$ 8,216

Note: The Group recognized share of investment's loss of associates which reduced book value to zero in previous period so it did not anymore recognize investment loss in current period.

B. The share of loss of associates accounted for under the equity method is as follows:

Name of investee	For the three-month periods ended September 30, 2013	2012
Taiwan e-sports Co., Ltd.	($ 4,078)	($ 2,652)
Pri-One Marketing Co., Ltd.	798	-
Machi Pictures Co., Ltd.	(14,688)	(350)
Fantasy Fish Digital Games Co., Ltd.	-	-
	($ 17,968)	($ 3,002)

Name of investee	For the nine-month periods ended September 30, 2013	2012
Taiwan e-sports Co., Ltd.	($ 5,968)	($ 5,834)
Pri-One Marketing Co., Ltd.	360	-
Machi Pictures Co., Ltd.	(15,004)	(350)
Encore Digital Technology Co., Ltd. (Encore)	-	(812)
Niu Niu Technology Co., Ltd. (Niu Niu)	-	(545)
TangChao Digital Technology Co., Ltd. (TangChao)	-	-
Fantasy Fish Digital Games Co., Ltd.	-	-
	($ 20,612)	($ 7,541)

C. The Group's associates were accounted for under the equity method based on their financial statements for the corresponding period, which were not reviewed by the independent accountants.

D. The investments in Encore Digital Technology Co., Ltd. and Niu Niu Technology Co., Ltd., the Group's associates, and Jsdway Digital Technology Co., Ltd., were accounted for under the equity method for the years ended December 31, 2012 and 2011 based on their financial statements for the corresponding period, which were audited by the independent auditors of Jsdway Digital Technology Co., Ltd.

E. In May and September 2012, the Company's indirect subsidiary, Jsdway Digital Technology Co., Ltd., sold all shares of Encore Digital Technology Co., Ltd., Niu Niu Technology Co., Ltd. and Tang Chao Digital Technology Co., Ltd. at a cost of $397 and recognized a gain on disposal of investments of $253 after deducting book value of $144.

F. The Group's subsidiary Gash Plus (Taiwan) Company Limited has lost its control over Fantasy Fish Digital Games Co., Ltd. for not investing in the capital increase on September 24, 2013. Gash Plus (Taiwan) Company Limited's shareholding ratio dropped from 100% to 44.14%; it did not associate with the Group at the end of the third quarter of 2013, thus, only its profit for the first three quarters of 2013 is included in the Group's consolidated statement.

G. The financial information of the Group's principal associates is summarized below:

	Assets	Liabilities	Revenue	Profit/(Loss)
September 30, 2013				
Taiwan e-sports	$ 11,964	$ 7,986	$ 19,333	($ 14,663)
Machi Pictures	23,397	12,168	30,988	(45,047)
Pri-One	8,560	2,359	9,071	1,201
Fantasy Fish	26,872	612	30	(2,674)
	$ 70,793	$ 23,125	$ 59,422	($ 61,183)

	Assets	Liabilities
December 31, 2012		
Taiwan e-sports	$ 31,642	$ 13,000
Machi Pictures	83,233	26,991
	$ 114,875	$ 39,991

	Assets	Liabilities	Revenue	Profit/(Loss)
September 30, 2012				
Taiwan e-sports	$ 37,544	$ 18,678	$ 26,862	($ 14,312)
Machi Pictures	62,530	24,500	-	(2,970)
Encore	-	-	354	(2,109)
Niu Niu	-	-	5,477	(184)
Tang Chao	-	-	913	(812)
	$ 100,074	$ 43,178	$ 33,606	($ 20,387)

	Assets	Liabilities
January 1, 2012		
Taiwan e-sports	$ 29,365	$ 11,051
Encore	2,776	255
Niu Niu	10,925	10,900
Tang Chao	1,314	2,886
	$ 44,380	$ 25,092

H. The fair value is not applicable to the Group since the Group's associates have no quoted market price.

(8) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Equipment to be inspected	Total
At January 1, 2013									
Cost	$ 157,192	$ 211,280	$ 775,954	$ 7,904	$ 92,919	$ 123,746	$ 27,246	$ 2,673	$ 1,398,914
Accumulated depreciation	-	(43,570)	(361,359)	(1,410)	(52,072)	(72,961)	(9,174)	-	(540,546)
Accumulated impairment	-	-	(4,674)	-	(1,639)	-	-	-	(6,313)
Acquired from business combinations	$ 157,192	$ 167,710	$ 409,921	$ 6,494	$ 39,208	$ 50,785	$ 18,072	$ 2,673	$ 852,055
Nine-month period ended September 30, 2013									
Opening net book amount	$ 157,192	$ 167,710	$ 409,921	$ 6,494	$ 39,208	$ 50,785	$ 18,072	$ 2,673	$ 852,055
Acquired from business combinations	-	-	-	-	24	-	-	-	24
Additions	-	564	13,987	465	3,421	887	2,395	264	21,983
Disposals	-	-	(3,023)	(599)	(2,413)	(995)	(1,074)	-	(8,104)
Reclassifications	-	-	(10,594)	-	4,486	-	6,689	(581)	-
Depreciation charge	-	(5,258)	(110,070)	(1,243)	(11,165)	(20,436)	(6,536)	-	(154,708)
Net exchange differences	169	(740)	(2,590)	14	6	365	(37)	(266)	(3,079)
Closing net book amount	$ 157,361	$ 162,276	$ 297,631	$ 5,131	$ 33,567	$ 30,606	$ 19,509	$ 2,090	$ 708,171
At September 30, 2013									
Cost	$ 157,361	$ 206,265	$ 707,750	$ 7,742	$ 90,557	$ 65,519	$ 35,748	$ 2,090	$ 1,273,032
Accumulated depreciation	-	(43,989)	(403,737)	(2,611)	(56,946)	(34,913)	(16,239)	-	(558,435)
Accumulated impairment	-	-	(6,382)	-	(44)	-	-	-	(6,426)
	$ 157,361	$ 162,276	$ 297,631	$ 5,131	$ 33,567	$ 30,606	$ 19,509	$ 2,090	$ 708,171

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Equipment to be inspected	Total
At January 1, 2012									
Cost	$ 157,556	$ 226,501	$ 934,286	$ 4,780	$ 212,578	$ 78,169	$ 22,780	$ 16,450	$ 1,653,100
Accumulated depreciation	-	(48,390)	(590,203)	(1,194)	(123,565)	(31,653)	(7,973)	-	(802,978)
Accumulated impairment	-	-	-	-	(4,213)	-	-	-	(4,213)
	$ 157,556	$ 178,111	$ 344,083	$ 3,586	$ 84,800	$ 46,516	$ 14,807	$ 16,450	$ 845,909
Nine-month period ended September 30, 2012									
Opening net book amount	$ 157,556	$ 178,111	$ 344,083	$ 3,586	$ 84,800	$ 46,516	$ 14,807	$ 16,450	$ 845,909
Acquired from business combinations	-	-	1,668	-	-	-	-	-	1,668
Additions	-	1,124	164,275	3,548	16,062	44,202	9,166	4,451	242,828
Disposals	-	-	(3,398)	(250)	(3,349)	(100)	(7)	-	(7,104)
Reclassifications	-	-	14,025	-	(6,766)	762	(593)	(17,914)	(10,486)
Depreciation charge	-	(6,284)	(105,863)	(1,029)	(20,983)	(30,647)	(4,826)	-	(169,632)
Net exchange differences	(299)	(1,347)	(3,322)	-	(935)	(673)	(71)	(478)	(7,125)
Closing net book amount	$ 157,257	$ 171,604	$ 411,468	$ 5,855	$ 68,829	$ 60,060	$ 18,476	$ 2,509	$ 896,058
At September 30, 2012									
Cost	$ 157,257	$ 214,333	$ 825,402	$ 6,942	$ 138,480	$ 121,162	$ 28,108	$ 2,509	$ 1,494,193
Accumulated depreciation	-	(42,729)	(413,934)	(1,087)	(65,421)	(61,102)	(9,632)	-	(593,905)
Accumulated impairment	-	-	-	-	(4,230)	-	-	-	(4,230)
	$ 157,257	$ 171,604	$ 411,468	$ 5,855	$ 68,829	$ 60,060	$ 18,476	$ 2,509	$ 896,058

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 collaterals is provided in Note 8.

(9) Intangible assets

	Patent	Agency	Software	Other intangible asset	Trademark	Goodwill	Total
At January 1, 2013							
Cost	$ 8,538	$ 507,434	$ 147,178	$ 55,863	$ 4,526	$ 89,437	$812,976
Accumulated amortization	(4,894)	(293,282)	(76,808)	(12,573)	(830)	-	(388,387)
Accumulated impairment	(2,135)	(50,763)	-	-	(374)	(10,019)	(63,291)
	$ 1,509	$ 163,389	$ 70,370	$ 43,290	$ 3,322	$ 79,418	$361,298
Nine-month period ended September 30, 2013							
Opening net book amount	$ 1,509	$ 163,389	$ 70,370	$ 43,290	$ 3,322	$ 79,418	$361,298
Additions	-	55,784	31,385	7,801	-	-	94,970
Acquisition through business combinations	-	-	-	-	-	308	308
Amortization charge	(1,263)	(54,331)	(31,266)	(18,604)	(566)	-	(106,030)
Disposals	(280)	(15,813)	(5,134)	(2,221)	(2,831)	(5,052)	(31,331)
Reclassifications	-	88	(5,981)	(3,222)	-	-	(9,115)
Impairment loss	-	(20,000)	-	-	-	(14,891)	(34,891)
Effect of change in consolidated subsidiaries	-	(8,571)	-	(22)	-	-	(8,593)
Effect of exchange rate	34	(211)	(2,675)	237	75	590	(1,950)
Closing net book amount	$ -	$ 120,335	$ 56,699	$ 27,259	$ -	$ 60,373	$264,666
At September 30, 2013							
Cost	$ -	$ 371,084	$ 134,229	$ 47,456	$ -	$ 74,278	$627,047
Accumulated amortization	-	(187,531)	(77,530)	(20,197)	(-	-	(285,258)
Accumulated impairment	-	(63,218)	-	-	-	(13,905)	(77,123)
	$ -	$ 120,335	$ 56,699	$ 27,259	$ -	$ 60,373	$264,666

	Patent	Agency	Software	Other intangible asset	Trademark	Goodwill	Total
At January 1, 2012							
Cost	$ 8,855	$ 538,011	$ 157,554	$ 98,603	$ 4,683	$ 90,604	$ 898,310
Accumulated amortization	(2,985)	(331,824)	(85,081)	(9,038)	-	-	(428,928)
Accumulated impairment	(2,215)	(21,451)	-	-	(377)	(4,891)	(28,934)
	$ 3,655	$ 184,736	$ 72,473	$ 89,565	$ 4,306	$ 85,713	$ 440,448
Nine-month period ended September 30, 2012							
Opening net book amount	$ 3,655	$ 184,736	$ 72,473	$ 89,565	$ 4,306	$ 85,713	$ 440,448
Additions	-	86,191	99,623	42,549	-	-	228,363
Acquired through business combinations	-	-	-	1,445	-	-	1,445
Amortization charge	(1,684)	(112,953)	(51,763)	(11,187)	(593)	-	(178,180)
Disposals	-	(26,550)	-	(40,441)	-	-	(66,991)
Reclassifications	-	-	10,486	(1,705)	-	-	8,781
Effect of exchange rate	(85)	(895)	(1,096)	(1,209)	(118)	(4,272)	(7,675)
Closing net book amount	$ 1,886	$ 130,529	$ 129,723	$ 79,017	$ 3,595	$ 81,441	$ 426,191
At September 30, 2012							
Cost	$ 8,596	$ 464,176	$ 266,483	$ 101,050	$ 4,557	$ 89,300	$ 934,162
Accumulated amortization	(4,560)	(312,197)	(136,760)	(22,033)	(585)	-	(476,135)
Accumulated impairment	(2,150)	(21,450)	-	-	(377)	(7,859)	(31,836)
	$ 1,886	$ 130,529	$ 129,723	$ 79,017	$ 3,595	$ 81,441	$ 426,191

A. The details of amortization are as follows:

	For the three-month periods ended September 30, 2013	2012
Operating costs	$ 22,931	$ 44,884
Selling expenses	2,228	2,386
General and administrative expenses	5,350	9,218
Research and development expenses	565	4,340
	$ 31,074	$ 60,828

	For the nine-month periods ended September 30, 2013	2012
Operating costs	$ 72,596	$ 141,014
Selling expenses	6,795	8,292
General and administrative expenses	21,853	18,313
Research and development expenses	4,786	10,561
	$ 106,030	$ 178,180

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

	September 30, 2013	December 31, 2012
Goodwill		
Firedog	$ -	$ 14,070
Playcoo	46,552	46,552
Fantasy Fish	-	1,891
GCH	26,513	26,035
Sino	905	889
Jsdway(M) Sdn. Bhd.	308	-
	74,278	89,437
Less: accumulated impairment	(13,905)	(10,019)
	$ 60,373	$ 79,418

	September 30, 2012	January 1, 2012
Goodwill		
Firedog	$ 14,166	$ 14,593
Playcoo	46,128	46,128
Fantasy Fish	1,891	1,891
GCH	26,220	27,067
Sino	895	925
	89,300	90,604
Less: accumulated impairment	(7,859)	(4,891)
	$ 81,441	$ 85,713

C. Impairment information about the intangible assets is provided in Note 6(11).

(10) Non-current assets

	September 30, 2013	December 31, 2012
Overdue accounts receivable	$ 119,308	$ 78,403
Less: Allowance for doubtful accounts	(111,310)	(68,005)
Refundable deposit	45,525	51,101
Prepayment for investments	6,000	8,585
Others	6,101	1,226
	$ 65,624	$ 71,310

	September 30, 2012	January 1, 2012
Overdue accounts receivable	$ 68,202	$ 74,676
Less: Allowance for doubtful accounts	(57,364)	(57,387)
Refundable deposit	60,575	57,672
Prepayment for investments	8,585	6,000
Others	1,591	12,699
	$ 81,589	$ 93,660

The Company's indirect subsidiary, Jsdway Digital Technology Co., Ltd., did not fully provide its overdue accounts receivable with allowance as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012 since based on its assessment, such receivables were collectible.

(11) Impairment of non-financial assets

A. The Group recognized impairment loss amounting to $0, $0, $35,989 and $0 for the three-month periods and nine-month periods ended September 30, 2013 and 2012, respectively. Details of such loss are as follows:

	For the three-month period ended September 30, 2013	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodwill	$ -	$ -
Impairment loss-agency	-	-
	$ -	$ -

	For the nine-month period ended September 30, 2013	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodwill	$ 14,891	$ -
Impairment loss-investment accounted for under equity method	1,098	-
Impairment loss-agency	20,000	-
	$ 35,989	$ -

B. The Company's associate, Machi Pictures Co., Ltd., Fantasy Fish Digital Games Co., Ltd., and the subsidiary, Playcoo Co., recognized impairment loss on investment and goodwill for the nine-month period ended September 30, 2013 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.

(12) Short-term borrowings

	September 30, 2013	December 31, 2012
Unsecured bank loans	$ 11,516	$ 69,070
Credit lines	$ 2,549,006	$ 2,714,713
Interest rate	1.15%~7.20%	1.80%~7.20%

	September 30, 2012	January 1, 2012
Unsecured bank loans	$ 96,288	$ 92,563
Credit lines	$ 1,783,321	$ 2,191,813
Interest rate	1.80%~7.20%	1.40%~9.18%

(13) Financial liabilities at fair value through profit or loss

Items	September 30, 2013	December 31, 2012
Current items		
Financial liabilities designated as at fair value through profit or loss on initial recognition		
Callable preferred stock liability	$ -	$ 2,850
Valuation adjustment of financial liabilities designated as at fair value through profit or loss on initial recognition	-	6,766
Total	$ -	$ 9,616

Items	September 30, 2012	January 1, 2012
Non-current items		
Financial liabilities designated as at fair value through profit or loss on initial recognition		
Callable preferred stock liability	$ 2,850	$ 2,850
Valuation adjustment of financial liabilities designated as at fair value through profit or loss on initial recognition	4,522	3,803
Total	$ 7,372	$ 6,653

For business operation purposes, the Company’s domestic subsidiary, Gameastor Digital Entertainment Co., Ltd., formerly Taiwan Index Co., Ltd., issued 285 thousand shares of preferred stock at a par value of $10 (NT dollars) per share in the amount of $2,850 which was approved by the Board of Directors on March 30, 2010. At the expiration of three years from issuance date, if the fair value of the preferred stock is higher than the appointed base price, Gameastor Digital Entertainment Co., Ltd. can request for the redemption of the stock based on the fair value, otherwise it will have to redeem the stock based on the appointed base price. Gameastor Digital Entertainment Co., Ltd. had disposed the financial liability at fair value through profit or loss in the second quarter of 2013 and recognized gain on disposal of $5,626, shown as "other gains and losses".

(14) Other payables

	September 30, 2013	December 31, 2012
Salary payable and annual bonus	$ 182,612	$ 70,972
Employees' bonus payable	16,056	11,508
Compensation payable to directors and supervisors	2,232	895
Accrued expenses-others	109,382	242,751
	310,282	326,126
Tax payable	39,821	17,697
Cash dividends payable	-	26
Payable for equipment	2,455	4,092
Other payables-others	305	25,969
	42,581	47,784
	$ 352,863	$ 373,910

	September 30, 2012	January 1, 2012
Salary payable and annual bonus	$ 160,037	$ 190,886
Employees' bonus payable	78	36,225
Compensation payable to directors and supervisors	-	6,542
Accrued expenses-others	303,913	323,261
	464,028	556,914
Tax payable	94,331	67,801
Cash dividends payable	1,131	19
Payable for equipment	33,428	49,684
Other payables-others	62,295	50,144
	191,185	167,648
	$ 655,213	$ 724,562

(15) Other current liabilities

	September 30, 2013	December 31, 2012
Unearned revenue collected in advance	$ 453,270	$ 372,626
Current portion of long-term liabilities	17,784	27,097
Receipts under custody	11,703	3,943
Tax receipts under custody	13,790	7,105
Others	6,669	3,650
	$ 503,216	$ 414,421

	September 30, 2012	January 1, 2012
Unearned revenue collected in advance	$ 458,837	$ 506,160
Current portion of long-term liabilities	33,261	26,869
Receipts under custody	6,859	6,473
Tax receipts under custody	4,148	7,663
Others	13,101	1,559
	$ 516,206	$ 548,724

(16) Bonds payable

	September 30, 2013	December 31, 2012
Bonds payable	$ 41,524	$ 64,132
Less: Current portion	(17,580)	(19,577)
	$ 23,944	$ 44,555

	September 30, 2012	January 1, 2012
Bonds payable	$ 73,762	$ 25,463
Less: Current portion	(21,940)	(3,905)
	$ 51,822	$ 21,558

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:

Issue Date	Term	Total credit line	Coupon rate	Repayment terms
2011.10.31	Five years	$ 17,696 (JPY 50 million)	0.63%	Amount of JPY 5 million is repayable for the principal 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%	Amount of JPY 24 million is repayable for the principal 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.

(17) Long-term borrowings

Bank	Period / Terms of repayment	Interest	Collateral	September 30, 2013
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	$ 116
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	88
				204
Less: Current portion				(204)
				$ -

Bank	Period / Terms of repayment	Interest	Collateral	December 31, 2012
Sumitomo Mitsui Banking Coporation	2010/9/1~2013/8/30 Equal quarterly installments	1.775%	Note	$ 6,750
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	506
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	286
				7,542
Less: Current portion				(7,520)
				$ 22

Bank	Period / Terms of repayment	Interest	Collateral	September 30, 2012
Sumitomo Mitsui Banking Coporation	2010/9/1~2013/8/30 Equal quarterly installments	1.775%	Note	$ 10,591
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	622
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	351
				11,564
Less: Current portion				(11,321)
				$ 243

Bank	Period / Terms of repayment	Interest	Collateral	January 1, 2012
Sumitomo Mitsui Banking Coporation	2010/9/1~2013/8/30 Equal quarterly installments	1.775%	Note	$ 20,305
Sumitomo Mitsui Banking Coporation	2009/8/31~2012/8/30 Equal quarterly installments	2.225%	Note	9,739
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	933
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	549
				31,526
Less: Current portion				(22,964)
				$ 8,562

Note: The ultimate parent, Gamania Digital Entertainment Co., Ltd., is the guarantor.

The Group has the following undrawn borrowing facilities:

	September 30, 2013	December 31, 2012
Fixed rate:		
Expiring within one year	$ 1,986	$ 61,651
Expiring beyond one year	-	505
	$ 1,986	$ 62,156

	September 30, 2012	January 1, 2012
Fixed rate:		
Expiring within one year	$ 65,061	$ -
Expiring beyond one year	1,217	48,053
	$ 66,278	$ 48,053

(18) Pensions

A.

(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) The amounts recognized in the balance sheet are determined as follows:

	December 31, 2012	January 1, 2012
Present value of funded obligations	$ 81,914	$ 62,358
Fair value of plan assets	(50,956)	(49,124)
	30,958	13,234
Present value of unfunded obligations	-	-
Unecognized actuarial losses/(gains)	-	-
Unrecognized past service cost	-	-
Net liability in the balance sheet	$ 30,958	$ 13,234

(c) The Group recognized pension expenses of $478, $539, $1,336 and $1,902 in the statement of comprehensive income for the three-month and nine-month periods ended September 30, 2013 and 2012, respectively.

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The constitution of fair value of plan assets as of September 30, 2013 and 2012 is given in the Annual Labor Retirement Fund Utilization Report published by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilization by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

(e) The principal actuarial assumptions used were as follows:

	2012	2011
Discount rate	1.50%	1.75%
Future salary increases	3.00%~3.50%	2.50%~3.50%
Expected return on plan assets	1.50%	1.75%

Assumptions regarding future mortality experience are set based on the Taiwan Standard Ordinary Experience Mortality Table (2008).

(f) Historical information of experience adjustments was as follows:

	2012
Present value of defined benefit obligation	$ 81,914
Fair value of plan assets	(50,956)
Deficit in the plan	$ 30,958
Experience adjustments on plan liabilities	$ 6,175
Experience adjustments on plan assets	($ 430)

(g) Expected contributions to the defined benefit pension plans of the Group within one year from September 30, 2013 are $2,407.

B.

(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., has 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 periods ended September 30, 2013 and 2012 were both 20%~22%. Other than the monthly contributions, the Group has no further obligations.

(c) Gamania Digital Entertainment (Japan) Co., Ltd., Gamania Korea Co., Ltd., Tornado Studio Co., Ltd., Gash Plus (Hong Kong) Company Limited, Gamania Digital Entertainment (H.K.) Co., Ltd. and Firedog Studio Company Limited 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 periods ended September 30, 2013 and 2012 were $9,260, $13,163, $28,931 and $43,536, respectively.

(19) Share-based payment

A. As of September 30, 2013 and 2012, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2007.12.17	12,000,000 units	6 years	Note

Note: Employees will be able to exercise these options after two years in accordance with the procedures of the employee stock option plan.

The above share-based payment arrangements are equity-settled.

B. Details of the share-based payment arrangements are as follows:

	For the nine-month periods ended September 30,			
	2013		2012	
	No. of options	Weighted-average exercise price (in dollars) (Note 1)	No. of options	Weighted-average exercise price (in dollars) (Note 1)
Options outstanding at beginning of the period	4,742	23.00	4,904	23.60
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options forfeited	-	-	-	-
Options exercised (Notes 2 and 3)	(428)	-	(114)	-
Options expired	(77)	-	(5)	-
Options outstanding at end of the period	4,237	23.00	4,785	23.60
Options exercisable at end of the period	4,237		4,785	

Note 1: The exercise price has been adjusted in accordance with the terms of the plan.

Note 2: As of September 30, 2012, 56 thousand shares for the nine-month period ended September 30, 2012 had not been registered and were accounted for under stock subscriptions received in advance.

Note 3: As of September 30, 2013, 109 thousand shares for the nine-month period ended September 30, 2013 had not been registered and were accounted for under stock subscriptions received in advance.

C. The weighted-average stock price of stock options at exercise dates for the nine-month periods ended September 30, 2013 and 2012 was $25.33 and $28.88 (in dollars), respectively.

D. As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, the range of exercise prices of stock options outstanding was $23, $23, $23 and $23.6 (in dollars), respectively; and the weighted-average remaining contractual period was 0.17 years, 0.92 years, 1.17 years and 1.92 years, respectively.

(20) Provisions for other liabilities-non current

	Decommissioning liabilities
At January 1, 2013	$ 5,421
Additional provisions	1,764
Used during the period	(1,764)
Exchange differences	(553)
At September 30, 2013	$ 4,868

	Decommissioning liabilities
At January 1, 2012	$ 6,131
Additional provisions	-
Exchange differences	(192)
At September 30, 2012	$ 5,939

In accordance which the applicable agreement or the law/regulation requirement, the Group bears the obligation for dismantling, removing the asset and restoring the site for certain property, plant and equipment which were placed in Hong Kong and Japan in the future. A provision is recognized for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. The provision is expected to be used starting from 2013.

(21) Common stock

As of September 30, 2013, 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 $1,571,132 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(22) 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 capitalised 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.

(23) 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.

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 appropriations of 2011 earnings had been approved at the stockholders' meeting on September 22, 2012. Details are summarized below:

	2011 Earnings	
	Amount	Dividend per Share (in dollars)
Legal reserve	$ 18,701	
Cash dividends	125,450	$ 0.80
Employees' bonuses	Note	
Directors' and supervisors' remuneration	〃	

Note: The amounts approved during the stockholders' meeting for employees' bonus and directors' and supervisors' remuneration are $27,500 and $3,500, respectively.

The amount approved during the stockholders' meeting for the distribution of 2011 earnings for cash dividends was the same with the amount approved by the Company's Board of Directors on April 27, 2012.

E. Pursuant to a resolution approved in the stockholders' meeting on September 19, 2013, the Company made the following appropriations of 2012 net income: legal reserve of $159,610, capital reserve of $123,619 and cover the accumulated deficit of $283,229. The deficit compensation for 2012 as stated above is in agreement with that proposed by the Board of Directors on March 25, 2013.

F. For the three-month and nine-month periods ended September 30, 2013 and 2012, employees' bonus was accrued at ($1,761), ($60), $15,574 and $0, respectively; and directors' and supervisors' remuneration was accrued at ($234), ($8), $2,077 and $0, respectively. The above amounts constitute 10%~15% and 2%, respectively, of the net income after taking into account the legal reserve, and are recognized as operating cost and expense. If the actual distribution amounts are different from the estimated amounts, the difference will be adjusted in the income statement of the following year.

G. The distribution of the employees' bonus and the directors' and supervisors' remuneration in 2011, as mentioned in D) above, was different from the employees' bonus of $27,532 and directors' and supervisors' remuneration of $3,671 recognized in the 2011 financial statements. The differences of $32 and $171, respectively, had been adjusted in the statement of comprehensive income for the year ended December 31, 2012. The Company did not recognize any employees' bonus or directors' and supervisors' remuneration in 2012 due to accumulated deficit.

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.

(24) Other equity items

	Available-for-sale investment	Currency translation	Total
At January 1, 2013	$ 15,032	($ 44,930)	($ 29,898)
Valuation adjustments	(25,965)	-	(25,965)
Currency translation differences:			
- Group	-	(4,535)	(4,535)
At September 30, 2013	($ 10,933)	($ 49,465)	($ 60,398)

	Available-for-sale investment	Currency translation	Total
At January 1, 2012	$ 37,708	$ -	$ 37,708
Valuation adjustments	(14,672)	-	(14,672)
Currency translation differences:			
- Group	-	(27,617)	(27,617)
At September 30, 2012	$ 23,036	($ 27,617)	$ 4,581

(25) Operating revenue

	For the three-month periods ended September 30,	
	2013	2012
Sales revenue-net	$ 2,123,113	$ 1,787,261
Service revenue	11,518	(245)
Other operating revenue	42,064	5,817
	$ 2,176,695	$ 1,792,833

	For the nine-month periods ended September 30,	
	2013	2012
Sales revenue-net	$ 6,039,362	$ 5,412,512
Service revenue	36,172	11,155
Other operating revenue	122,082	12,505
	$ 6,197,616	$ 5,436,172

(26) Other income

	For the three-month periods ended September 30,	
	2013	2012
Rental revenue	$ 431	$ 4,531
Interest income from bank deposits	893	1,455
Other income	19,570	19,868
	$ 20,894	$ 25,854

	For the nine-month periods ended September 30,	
	2013	2012
Rental revenue	$ 1,068	$ 30,551
Interest income from bank deposits	3,089	4,519
Other income	30,703	63,150
	$ 34,860	$ 98,220

(27) Other gains and losses

	For the three-month periods ended September 30,	
	2013	2012
Net gain (loss) on financial assets at fair value through profit or loss	$ 5,227	($ 730)
Net currency exchange loss	1,884	940
Loss on disposal of property, plant and equipment	(4,430)	(254)
Gain on disposal of intangible assets	8,600	-
Impairment loss	-	(9,101)
Loss on disposal of investments	(3,418)	-
Others	(6,894)	(72,944)
	$ 969	($ 82,089)

	For the nine-month periods ended September 30, 2013	2012
Net gain on financial assets at fair value through profit or loss	$ 4,216	$ 239
Net currency exchanges (loss) gain	(1,033)	2,154
Loss on disposal of property, plant and equipment	(606)	(104)
Gain on disposal of intangible assets	8,600	-
Impairment loss	(35,989)	(9,101)
Gain on disposal of investments	3,640	43,373
Others	(17,424)	(84,342)
	($ 38,596)	($ 47,781)

(28) Finance costs

	For the three-month periods ended September 30, 2013	2012
Interest expense:		
Bank borrowings	$ 326	$ 509
Bonds payable	93	-
Others	234	-
	$ 653	$ 509

	For the nine-month periods ended September 30, 2013	2012
Interest expense:		
Bank borrowings	$ 1,760	$ 4,597
Bonds payable	247	59
Others	708	-
	$ 2,715	$ 4,656

(29) Expenses by nature

	For the three-month periods ended September 30, 2013	2012
On-line game cost	$ 406,713	$ 206,748
Point service cost	525,833	200,423
Cost of physical sales	626,458	618,583
Other operating cost	78,729	37,288
Bad debt expense	7,049	6,160
Operating lease payments	22,505	20,209
Advertising expense	53,207	89,391
Depreciation on property, plant and equipment	45,886	60,832
Amortization expense	29,467	60,924
Service fee	7,424	8,852
Research and designing expense	4,520	5,085
Other expenses	73,008	228,392
Employee benefit expenses	281,279	376,604
	$ 2,162,078	$ 1,919,491

	For the nine-month periods ended September 30, 2013	2012
On-line game cost	$ 1,327,711	$ 1,377,195
Point service cost	1,348,009	519,930
Cost of physical sales	1,504,353	1,023,016
Other operating cost	155,787	168,587
Bad debt expense	31,037	5,163
Operating lease payments	80,667	71,590
Advertising expense	135,928	222,397
Depreciation on property, plant and equipment	154,708	169,632
Amortization expense	107,650	180,628
Service fee	56,489	46,720
Research and designing expense	9,021	46,772
Other expenses	206,969	555,383
Employee benefit expenses	880,467	1,175,242
	$ 5,998,796	$ 5,562,255

(30) Employee benefit expense

	For the three-month periods ended September 30, 2013	2012
Wages and salaries	$ 241,662	$ 317,682
Labor and health insurance fees	21,609	26,604
Pension costs	9,738	13,702
Other personnel expenses	8,270	18,616
	$ 281,279	$ 376,604

	For the nine-month periods ended September 30, 2013	2012
Wages and salaries	$ 759,288	$ 992,074
Labor and health insurance fees	63,689	83,397
Pension costs	30,267	45,438
Other personnel expenses	27,223	54,333
	$ 880,467	$ 1,175,242

(31) Income tax

A. Income tax expense (benefit)

Components of income tax expense (benefit):

	For the three-month periods ended September 30, 2013	2012
Current tax		
Current tax on profits for the period	$ 1,352	$ 14,376
Adjustments in respect of prior years	15	3,120
Total current tax	1,367	17,496
Deferred tax		
Origination and reversal of temporary differences	(1,722)	(22,675)
Impact of change in tax rate	-	-
Total deferred tax	(1,722)	(22,675)
Income tax expense	($ 355)	($ 5,179)

	For the nine-month periods ended September 30, 2013	2012
Current tax		
Current tax on profits for the period	$ 39,684	$ 72,714
Adjustments in respect of prior years	6,776	38,691
Total current tax	46,460	111,405
Deferred tax		
Origination and reversal of temporary differences	2,095	(30,780)
Impact of change in tax rate	-	-
Total deferred tax	2,095	(30,780)
Income tax expense	$ 48,555	$ 80,625

B. The reconciliation between accounting income and tax income:

	For the nine-month periods ended September 30, 2013	2012
Income tax at the statutory tax rate	$ 52,362	$ 25,366
Tax effect of amounts recognized which are not allowed by the regulations	29,911	21,883
Tax effect of tax credits	(30,772)	(5,315)
Tax effect of loss carryforwards	(9,722)	-
Understatement of income tax payable	6,776	38,691
Income tax expense	$ 48,555	$ 80,625

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

	Latest Year Assessed by Tax Authority
The Company, Gameastor	2010
Fundation, Redgate, Seedo, Gamania Asia, Playcoo, Jsdway	2011
Gash Plus (Taiwan)	Not assessed yet

D. Unappropriated retained earnings:

	September 30, 2013	December 31, 2012
Earnings generated in and before 1997	$ -	$ -
Earnings generated in and after 1998	93,387	(322,219)
	$ 93,387	($ 322,219)

	September 30, 2012	January 1, 2012
Earnings generated in and before 1997	$ -	$ -
Earnings generated in and after 1998	(160,728)	159,424
	($ 160,728)	$ 159,424

E. The Company's balance of shareholders account of deductible tax and estimated creditable tax ratio are as follows:

	September 30, 2013	December 31, 2012
Balance of shareholders deductible tax	$ 49,054	$ 41,444

	September 30, 2012	January 1, 2012
Balance of shareholders deductible tax	$ 32,985	$ 33,454

	2012 (Actual)	2011 (Actual)
Creditable tax ratio	(Note)	23.38%

Note: Due to the Company's accumulated deficit in 2012, there is no creditable tax ratio.

(32) Earnings per share (loss per share)

	For the three-month period ended September 30, 2013		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 26,420	157,113	$ 0.17
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 26,420	157,113	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	317	
Employees' bonus	-	616	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 26,420	158,046	$ 0.17

	For the three-month period ended September 30, 2012		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 184,699)	156,813	($ 1.18)
Diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 184,699)	156,813	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options (Note)	-	-	
Loss attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	($ 184,699)	156,813	($ 1.18)

	For the nine-month period ended September 30, 2013		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 137,205	157,051	$ 0.87
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 137,205	157,051	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	390	
Employees' bonus	-	616	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 137,205	158,057	$ 0.87

	For the nine-month period ended September 30, 2012		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	($ 173,633)	156,804	($ 0.11)
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	($ 173,633)	156,804	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options (Note)	-	-	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	($ 173,633)	156,804	($ 1.11)

Note: As of and for the three-month period ended September 30, 2012, the outstanding employee stock options are anti-dilutive. Accordingly, the diluted loss per share is equal to the basic loss per share.

(33) Business combinations

The Group's subsidiary, Jsdway Digital Technology Co., Ltd., acquired 60% shares of Jsdway (M) Sdn. Bhd. at $585 and retained control in September 2013.

	September 30, 2013
Components of acquisition at fair value:	
Cash and cash equivalents	$ 573
Net amount of accounts payable	26
Property, plant and equipment	24
Other payables	(160)
Net identifiable assets	463
Non-controlling interest	(186)
Goodwill	308
	$ 585

(34) Non-cash transaction

A. Investing activities with partial cash payments

	For the nine-month periods ended September 30, 2013	2012
Purchase of fixed assets	$ 21,983	$ 244,496
Add: opening balance of payable on equipment	4,092	49,684
Less: ending balance of payable on equipment	(2,455)	(33,428)
Cash paid during the period	$ 23,620	$ 260,752

	For the nine-month periods ended September 30, 2013	2012
Disposal of intangible assets	$ 31,331	$ -
Intangible assets adjusted to other expenses and others	(8,805)	-
Less: Other accounts payable	(17,633)	-
Add: Gain on disposal of intangible assets	8,600	-
Acquisition of disposal of intangible assets	$ 13,493	$ -

B. Financing activities with no cash flow effects

Components of disposal of subsidiary at fair value:

	September 30, 2013
Cash and cash equivalents	$ 15,708
Other receivables	10
Prepayment	3,218
Intangible asset	8,571
Other non-current assets	28
Other payables	(594)
Other non-current liabilities	(18)
	$ 26,923

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. Sales:

	For the three-month periods ended September 30, 2013	2012
Sales of goods:		
Associates	$ -	$ -

	For the nine-month periods ended September 30, 2013	2012
Sales of goods:		
Associates	$ -	$ 3,863

The selling price and the collection term for related parties were the same for non-related parties.

B. Use of intangible assets:

	For the three-month periods ended September 30, 2013	2012
License fees:		
Associates	$ 196,968	$ 282,330

	For the nine-month periods ended September 30, 2013	2012
License fees:		
Associates	$ 652,862	$ 822,788

The above represents payments for license fees as agent of the related party's on-line games. The license fees are negotiated based on different factors.

C. Period-end balances arising from use of intangible assets:

	September 30, 2013	December 31, 2012
Payables to related parties:		
Associates	$ 45,595	$ 62,027

	September 30, 2012	January 1, 2012
Payables to related parties:		
Associates	$ 71,612	$ 72,099

The payables to related parties arise mainly from purchase of right of agency and on-line games license fees and are due 60 days after the date of purchase. The payables bear no interest.

D. Property transactions:

Period-end balances arising from purchase of right of agency:

	September 30, 2013	December 31, 2012
Purchase of right of agency		
Associates	$ 36,167	$ 53,601

	September 30, 2012	January 1, 2012
Purchase of right of agency		
Associates	$ 43,052	$ 49,946

The above represents payment for on-line games license fees.

For the three-month and nine-month periods ended September 30, 2013, the Group purchased authorization from Nexon based on mutual agreements for $13,553 and $30,869, respectively.

E. Other significant transactions and balances with related parties:

	For the three-month periods ended September 30,	
	2013	2012
Donation		
Associates	$ 2,000	$ 1,500

	For the nine-month periods ended September 30,	
	2013	2012
Donation		
Associates	$ 3,000	$ 4,500

	September 30, 2013	December 31, 2012
Other payables to related parties:		
Associates	$ 3,972	$ 3,675

The above represents payments for membership and annual fee and advertising expenses. There is no balance as of September 30, 2012 and January 1, 2012.

(3) Key management compensation

	For the three-month periods ended September 30,	
	2013	2012
Salaries and other short-term employee benefits	$ 2,609	$ 10,033
Post-employment benefits	54	61
	$ 2,663	$ 10,094

	For the nine-month periods ended September 30,	
	2013	2012
Salaries and other short-term employee benefits	$ 17,879	$ 19,407
Post-employment benefits	159	103
	$ 18,038	$ 19,510

8. PLEDGED ASSETS

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

Pledged assets	Book value September 30, 2013	Book value December 31, 2012	Purpose
Demand deposits (shown in other financial assets-current)	$ 5,000	$ 19	Credit card merchant guarantee Department of creditor claimed seizure
Property, plant and equipment			
Land	147,751	81,748	Short-term and long-term loans / Credit lines
Buildings	117,172	70,443	〃
Transportation equipment	1,319	1,629	Long-term loans guarantee
	$ 271,242	$ 153,839	

Pledged assets	Book value September 30, 2012	Book value January 1, 2012	Purpose
Time deposits (shown in other financial assets-current)	$ -	$ 7,815	Short-term loans guarnatee
Property, plant and equipment			
Land	81,374	90,254	Short-term and long-term loans / Credit lines
Buildings	68,920	70,519	〃
Transportation equipment	1,732	2,041	Long-term loans guarantee
	$ 152,026	$ 170,629	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. The Company signed operating lease agreements and the future lease payments under operating leases within three years are as follows:

	September 30, 2013	December 31, 2012
Warehouse office building and parking lot	$ 97,765	$ 93,637
Transportation equipment	1,375	2,259
Networking device	62,513	30,422
	$ 161,653	$ 126,318

	September 30, 2012	January 1, 2012
Warehouse office building and parking lot	$ 102,925	$ 201,834
Transportation equipment	2,553	4,583
Networking device	13,633	6,925
	$ 119,111	$ 213,342

B. The subsidiary signed a contract for the development of a website and the total future contract payment as of September 30, 2013 was $650.

C. 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. The Group's associate, Gamania International Holdings Ltd., reinvested in Firedog Creative Co., Ltd. for HKD$2,480 and retained 40% of shares on October 15, 2013.
2. The Group's investee, Gash Plus (Taiwan) Company Limited, invested $11,000 in Fantasy Fish Digital Games Co., Ltd. and the shareholding ratio decreased to 44.08% on November 8, 2013.
3. The Group plans to restructure Gamania Korea Co., Ltd., Gamania Sino Holdings Ltd. (including Gamania Digital Entertainment (Beijing) Co., Ltd.), Gamania Netherlands Holdings Cooperatief U.A., and Gamania Digital Entertainment (U.S.) Co., Ltd. to Gash Plus (Taiwan) Company Limited, based on the Board of Directors' approval on November 11, 2013; Gamania R&D (HK) Holdings Limited is preparing for liquidation.

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

	September 30, 2013	
	Book value	Fair value
Financial assets:		
Other financial assets	$ 50,525	$ 50,525

	December 31, 2012	
	Book value	Fair value
Financial assets:		
Other financial assets	$ 51,120	$ 51,120

	September 30, 2012	
	Book value	Fair value
Financial assets:		
Other financial assets	$ 60,575	$ 60,575

	January 1, 2012	
	Book value	Fair value
Financial assets:		
Other financial assets	$ 65,487	$ 65,487

	September 30, 2013	
	Book value	Fair value
Financial liabilities:		
Bonds payable (including current portion)	$ 41,524	$ 41,524
Long-term borrowings (including current portion)	204	204
Other financial liabilities	7,993	7,993
	$ 49,721	$ 49,721

	December 31, 2012	
	Book value	Fair value
Financial liabilities:		
Bonds payable (including current portion)	$ 64,132	$ 64,132
Long-term borrowings (including current portion)	7,542	7,542
Other financial liabilities	8,716	8,716
	$ 80,390	$ 80,390

	September 30, 2012	
	Book value	Fair value
Financial liabilities:		
Bonds payable (including current portion)	$ 73,762	$ 73,762
Long-term borrowings (including current portion)	11,564	11,564
Other financial liabilities	8,931	8,931
	$ 94,257	$ 94,257

	January 1, 2012	
	Book value	Fair value
Financial liabilities:		
Bonds payable (including current portion)	$ 25,463	$ 25,463
Long-term borrowings (including current portion)	31,526	31,526
Other financial liabilities	5,761	5,761
	$ 62,750	$ 62,750

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

<u>Foreign exchange risk</u>

i. Each of the entities in the Group operates in different countries respectively 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, recognized 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 recognized assets and liabilities, the Group set the natural hedging as principle. Foreign exchange risk arises when future commercial transactions, recognized 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, 2013		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	$ 2,920	29.6700	$ 86,636
RMB:NTD	3,230	4.8465	15,654
JPY:NTD	44,711	0.3031	13,552
HKD:NTD	887	3.8263	3,394
NTD:USD	299,416	0.0337	299,416
HKD:USD	56,024	0.1290	214,428
MYR:USD	510	0.3062	4,633
USD: RMB	520	6.1220	15,429
USD:HKD	279	7.7542	8,278
NTD:JPY	4,500	1.0000	4,500
Non-monetary items			
USD:NTD	19,675	29.67000	583,757
KRW:NTD	422,648	0.02760	11,662
HKD:USD	64,516	0.12900	246,930
JPY:USD	314,181	0.01020	95,082
EUR:USD	801	1.35000	32,084
RMB:USD	1,589	0.16330	7,699
Financial liabilities			
Monetary items			
USD:NTD	7,971	29.67000	236,500
ERU:NTD	391	40.05300	15,661
HKD:USD	50,196	0.12900	192,122
NTD:USD	1,280	0.03370	1,280
MYR:USD	127	0.30620	1,156

	December 31, 2012		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	$ 1,576	29.13600	$ 45,918
RMB:NTD	1,357	4.67410	6,343
JPY:NTD	68,252	0.33750	23,035
HKD:USD	46,536	0.12900	174,908
NTD:USD	67,832	0.03430	67,789
USD:HKD	615	7.75180	17,919
USD:RMB	310	6.23350	9,032
Non-monetary items			
USD:NTD	18,866	29.13600	549,680
KRW:NTD	691,338	0.02720	18,804
HKD:USD	57,884	0.12900	217,560
JPY:USD	410,413	0.01160	138,710
EUR:USD	853	1.32520	32,935
RMB:USD	3,345	0.16040	15,633
Financial liabilities			
Monetary items			
USD:NTD	6,132	29.1360	178,662
HKD:USD	12,396	0.1290	46,591

	September 30, 2012		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	$ 12,793	29.34200	$ 375,372
RMB:NTD	1,929	4.66870	9,006
HKD:NTD	828	3.78440	3,133
HKD:USD	99,727	0.12900	377,478
NTD:USD	125,780	0.03410	125,780
MYR:USD	902	0.32650	8,641
KRW:USD	195,610	0.00090	5,166
USD:RMB	1,351	6.28490	39,641
USD:HKD	157	7.75350	4,607
USD:JPY	50	77.57000	1,467

	September 30, 2012		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Non-monetary items			
USD:NTD	20,752	29.34200	608,905
KRW:NTD	1,190,863	0.02640	31,439
HKD:USD	74,551	0.12900	282,184
JPY:USD	341,007	0.01290	129,075
EUR:USD	1,196	1.29320	45,382
RMB:USD	4,194	0.15910	19,579
KRW:USD	133,404	0.00090	3,523
Financial liabilities			
Monetary items			
USD:NTD	6,070	29.34200	178,106
HKD:NTD	358	3.78440	1,355
HKD:USD	8,372	0.12900	31,689

	January 1, 2012		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	$ 2,295	30.29000	$ 69,516
HKD:USD	53,115	0.12870	207,059
NTD:USD	43,199	0.03300	43,199
KRW:USD	195,500	0.00090	5,330
USD:RMB	186	6.29400	5,634
USD:HKD	1,209	7.76970	36,621
USD:JPY	132	77.57000	3,998
Non-monetary items			
USD:NTD	27,516	30.29000	833,460
KRW:NTD	867,984	0.02630	22,828
HKD:USD	69,424	0.12870	270,637
JPY:USD	669,751	0.01290	261,699
RMB:USD	14,266	0.15890	68,663
EUR:USD	1,509	1.29420	59,155
KWR:USD	92,779	0.00090	2,529

	January 1, 2012		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Financial liabilities			
Monetary items			
USD:NTD	6,166	30.29000	186,768
RMB:NTD	271	4.81250	1,304
HKD:USD	14,966	0.12870	58,342

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

	For the nine-month period ended September 30, 2013		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	1%	$ 866	$ -
RMB:NTD	1%	157	-
JPY:NTD	1%	136	-
HKD:NTD	1%	34	-
NTD:USD	1%	2,994	-
HKD:USD	1%	2,144	-
MYR:USD	1%	46	-
USD:RMB	1%	154	-
UDS:HKD	1%	83	-
NTD:JPY	1%	45	-
Financial liabilities			
Monetary items			
USD:NTD	1%	2,365	-
EUR:NTD	1%	157	-
HKD:USD	1%	1,921	-
NTD:USD	1%	13	-
MYR:USD	1%	12	-

	For the nine-month period ended September 30, 2012		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	1%	$ 3,754	$ -
RMB:NTD	1%	90	-
HKD:NTD	1%	31	-
HKD:USD	1%	3,775	-
NTD:USD	1%	1,258	-
MYR:USD	1%	86	-
KRW:USD	1%	52	-
USD:RMB	1%	396	-
USD:HKD	1%	46	-
USD:JPY	1%	15	-
Financial liabilities			
Monetary items			
USD:NTD	1%	1,781	-
HKD:NTD	1%	14	-
HKD:USD	1%	317	-

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 Company has set stop-loss amounts for those assets; therefore, no material market risk is expected.

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. 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 periods ended September 30, 2013 and 2012, the Group's borrowings at variable rate were denominated in NTD, RMB and JPY.

ii. At September 30, 2013 and 2012, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2013 and 2012 would have been $115 and $963 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 analyzing 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 periods ended September 30, 2013 and 2012, 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 (5).

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:

	Less than 1 year	Between 1 and 3 years	Over 3 years
September 30, 2013			
Short-term borrowings	$ 11,544	$ -	$ -
Notes payable	9,439	-	-
Accounts payable	1,210,475	-	-
Accounts payable-related party	45,595	-	-
Other payables	352,863	-	-
Bonds payable	17,798	16,529	7,581
Deposits received	118	6,877	998
Long-term borrowings (including current portion)	206	-	-

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 3 years	Over 3 years
December 31, 2012			
Short-term borrowings	$ 69,709	$ -	$ -
Notes payable	28,905	-	-
Accounts payable	715,108	-	-
Accounts payable-related party	62,027	-	-
Other payables	373,910	-	-
Bonds payable	19,872	34,822	10,179
Deposits received	4,902	1,240	2,574
Long-term borrowings (including current portion)	7,623	22	-

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 3 years	Over 3 years
September 30, 2012			
Short-term borrowings	$ 97,499	$ -	$ -
Notes payable	28,534	-	-
Accounts payable	661,963	-	-
Accounts payable-related party	71,612	-	-
Other payables	655,212	-	-
Bonds payable	22,325	50,444	1,982
Deposits received	4,459	3,140	1,332
Long-term borrowings (including current portion)	11,522	245	-

Non-derivative financial liabilities:

		Less than 1 year		Between 1 and 3 years		Over 3 years
January 1, 2012						
Short-term borrowings	$	93,518	$	-	$	-
Notes payable		30,006		-		-
Accounts payable		698,235		-		-
Accounts payable-related party		72,009		-		-
Other payables		724,562		-		-
Bonds payable		4,085		17,971		4,206
Deposits received		2,010		1,408		2,343
Long-term borrowings (including current portion)		23,534		8,664		-

(3) Fair value estimation

A. The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at fair value at September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012.

September 30, 2013		Level 1		Level 2		Level 3		Total
Financial assets:								
Financial assets at fair value through profit or loss								
Equity securities	$	272,711	$	-	$	-	$	272,711
Callable preferred stock		-		-		-		-
Available-for-sale financial assets								
Equity securities		-		-		45,928		45,928
	$	272,711	$	-	$	45,928	$	318,639
Financial liabilities:								
Financial liabilities at fair value through profit or loss								
Callable preferred stock	$	-	$	-	$	-	$	-

December 31, 2012	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 6,269	$ -	$ -	$ 6,269
Callable preferred stock	-	-	2,850	2,850
Available-for-sale financial assets				
Equity securities	-	-	66,805	66,805
	$ 6,269	$ -	$ 69,655	$ 75,924
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Callable preferred stock	$ -	$ -	$ 9,616	$ 9,616

September 30, 2012	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 26,143	$ -	$ -	$ 26,143
Callable preferred stock	-	-	2,850	2,850
Available-for-sale financial assets				
Equity securities	-	-	46,776	46,776
	$ 26,143	$ -	$ 49,626	$ 75,769
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Callable preferred stock	$ -	$ -	$ 7,372	$ 7,372

January 1, 2012	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 9,839	$ -	$ -	$ 9,839
Callable preferred stock	-	-	2,850	2,850
Available-for-sale financial assets				
Equity securities	-	-	162,002	162,002
	$ 9,839	$ -	$ 164,852	$ 174,691
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Callable preferred stock	$ -	$ -	$ 6,653	$ 6,653

B. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in level 1. Instruments included in level 1 comprise primarily of equity instruments classified as financial assets/financial liabilities at fair value through profit or loss or available-for-sale financial assets.

C. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

D. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

E. Specific valuation techniques used to value financial instruments include:
   a) Quoted market prices or dealer quotes of similar instruments.
   b) The fair value of interest rate swap is calculated as the present value of the estimated future cash flows based on observable yield curves.
   c) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information of certain investments were not reviewed by independent accountants and are for reference only.

A) Loans to others: None.

B) Provision of endorsements and guarantees to others:

The Company or investee companies		Parties being guaranteed												
Number (Note 1)	Name	Name	Relationship with the Company (Note 2)	Limit of guarantee for each party (Note 3)	Maximum outstanding guarantee amount for the nine-month period ended September 30, 2013	Outstanding guarantee amount at September 30, 2013	Actual amount drawn down	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net value of the Company	Maximum amount available for guarantee (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)	Note
0	The Company	Gash Plus Company Ltd.	2	$ 471,340	$ 448,000	$ 448,000	$ 262,405	None	19.09%	$ 1,571,132	Y			
0	The Company	Gameastor Digital Entertainment Co., Ltd.	2	471,340	50,000	-	-	None	-	1,571,132	Y			
0	The Company	Gamania Digital Entertainment (Japan) Co., Ltd.	3	471,340	113,470	94,770	43,910	None	4.04%	1,571,132	Y			
0	The Company	Gamania Digital Entertainment (U.S.) Co., Ltd.	3	471,340	3,200	2,394	2,394	None	0.10%	1,571,132	Y			
0	The Company	Gamania Digital Entertainment (Beijing) Co., Ltd.	3	471,340	46,496	30,150	30,150	None	1.28%	1,571,132	Y		Y	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
Number 0 represents the Company.

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.

C) Holding of marketable securities at the end of the period:

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	September 30, 2013 Number of shares	Book value	Percentage	Market value (Note 2)	Note
The Company	Gamania Holdings Ltd. - Stock	Subsidiary	Long-term investment accounted for under the equity method	35,423	$ 540,160	100	$ 540,160	Notes 6, 8
〃	Gamania Korea Co.,Ltd. - Stock	〃	〃	138	11,662	100	11,662	Notes 6, 8
〃	Gameastor Digital Entertainment Co., Ltd. - Stock	〃	〃	3,863	52,585	72.08	52,585	Notes 6, 8
〃	Gamania Asia Investment Co., Ltd. - Stock	〃	〃	6,500	71,618	100	71,618	Notse 6, 8
〃	Gamania Digital Entertainment Labuan Holdings, Ltd. - Stock	〃	〃	1,330	1,911	100	1,911	Notes 6, 8
〃	Fundation Digital Entertainment Co., Ltd. - Stock	〃	〃	5,330	11,446	100	11,446	Notes 6, 8
〃	Playcoo Co. - Stock	〃	〃	17,389	25,295	80.50	557	Notes 6, 8
〃	Redgate Games Co., Ltd. - Stock	〃	〃	26,200	4,657	100	4,657	Notes 6, 8
〃	Seedo Games Co., Ltd. - Stock	〃	〃	16,200	9,944	100	9,944	Notes 6, 8
〃	Two Tigers Co., Ltd. - Stock	〃	〃	627	7,199	51	7,199	Notes 6, 8
〃	Gash Plus (Taiwan) Company Limited - Stock	〃	〃	5,000	67,204	100	67,204	Notes 6, 8
〃	Global Pursuit (U.S.) Co., Ltd. - Stock	〃	〃	3,000	12,046	80	12,046	Notes 6, 8
〃	RitwNow Inc. - Stock	〃	〃	1,530	13,209	51	13,209	Notes 6, 8
〃	Machi Pictures Co., Ltd.	Investee company accounted for under the equity method	Long-term investment accounted for under the equity method	2,000	3,744	33.33	3,744	Note 6
〃	Taiwan e-sports Co., Ltd.	〃	〃	4,680	1,619	40.70	1,619	Note 6
〃	NC Taiwan Co., Ltd.	Investee company accounted for under available-for-sale	Available-for-sale financial assets – non-current	2,100	26,797	15	26,797	Note 6
〃	Gamemag Interactive Inc. - Stock	〃	〃	460	9,356	5	9,356	Note 6
〃	Franklin Temp SinoAm Agrsv Ret Bd Acc	None	Financial assets at fair value through profit or loss -current	315	3,500	Note 7	3,500	Note 6
〃	JP Morgan (Taiwan) Asia Hi Yld. Ttl Rt Bd	None	〃	296	3,500	Note 7	3,500	Note 6

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	September 30, 2013				
				Number of shares	Book value	Percentage	Market value (Note 2)	Note
The Company	Jih Sun Bond	None	Financial assets at fair value through profit or loss -current	3,471	$ 50,000	Note 7	$ 50,000	Note 6
〃	Capital Money Market	None	〃	3,183	50,000	Note 7	50,000	Note 6
〃	Taishin 1699 Money Market	None	〃	3,795	50,000	Note 7	50,000	Note 6
〃	Yuanta Wan Tai Money Market	None	〃	2,032	30,000	Note 7	30,000	Note 6
〃	Eastspring Investments Well Pool Money Market	None	〃	3,774	50,000	Note 7	50,000	Note 6
〃	Mega Diamond Money Market	None	〃	2,459	30,000	Note 7	30,000	Note 6
Gamania Holdings Ltd.	Gamania International Holdings Ltd. - Stock	Subsidiary	Long-term investment accounted for under the equity method	66,785	17,432	100	17,432	Notes 4, 8
〃	Gamania R&D (HK) Holdings Limited - Stock	〃	〃	1,600	704	100	704	Notes 4, 8
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd. - Stock	〃	〃	23	3,193	100	3,193	Notes 4, 8
Gamania International Holdings Ltd.	Gamania China Holdings Ltd. - Stock	〃	〃	41,684	9,745	98.85	8,851	Notes 4, 8
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd. - Stock	〃	〃	8,670	2,431	100	2,431	Notes 4, 8
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A. - Stock	〃	〃	-	1,082	100	1,082	Notes 4, 8
Gamania International Holdings Ltd.	Firedog Studio Company Limited - Stock	〃	〃	30,702	253	100	253	Note 4, 8
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd. - Stock	〃	〃	39,520	501	100	501	Notes 4, 8
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd. - Stock	〃	〃	35,500	8,068	100	8,068	Notes 4, 8
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd. - Stock	〃	〃	-	260	100	260	Notes 4, 8

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	September 30, 2013 Number of shares	Book value	Percentage	Market value (Note 2)	Note
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd. - Stock	Subsidiary	Long-term investment accounted for under the equity method	1	$ 2,422	100	$ 2,422	Notes 4, 8
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V. - Stock	〃	〃	-	801	100	801	Notes 5, 8
Gash Plus (Taiwan) Company Ltd.	Jsdway Digital Technology Co., Ltd. - Stock	〃	〃	5,250	36,347	32.88	59,494	Notes 6, 8
Gash Plus (Taiwan) Company Ltd.	Punch Technologies Co., Ltd. - Stock	〃	〃	1,000	6,666	100	6,666	Notes 6, 8
Gash Plus (Taiwan) Company Ltd.	Gash Plus (Japan) Co., Ltd.	〃	〃	1	42,434	100	42,434	Notes 6, 8
Gash Plus (Taiwan) Company Ltd.	Gash Plus (Hong Kong) Company Limited	〃	〃	750	26,937	100	26,937	Notes 6, 8
Gash Plus (Taiwan) Company Ltd.	Fantasy Fish Digital Games Co., Ltd.	Investee company accounted for under the equity method	〃	1,343	11,884	44.14	11,884	Note 6
Global Pursuit (U.S.) Co., Ltd.	Global Pursuit North America Co., Ltd. - Stock	Subsidiary	〃	1,250	14,765	100	14,765	Notes 6, 8
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd. - Stock	Long-term investment accounted for under the equity method	〃	1,458	19,578	27.20	19,578	Notes 6, 8
Gamania Asia Investment Co., Ltd.	Pri-One Marketing Co., Ltd. - Stock	〃	〃	150	1,860	30	1,860	Note 6
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd. - Stock	Subsidiary	〃	700	5,048	70	5,048	Notes 6, 8
Gamania Asia Investment Co., Ltd.	UniCube Co., Ltd.- Stock	〃	〃	700	6,079	70	6,079	Notes 6, 8

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	September 30, 2013				
				Number of shares	Book value	Percentage	Market value (Note 2)	Note
Gamania Asia Investment Co., Ltd.	Compass Systems Corp. - Stock	None	Available-for-sale financial assets - non-current	1,000	$ 607	3.33	$ 607	Note 6
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd. - Stock	Subsidiary	Long-term investment accounted for under the equity method	2,775	23,524	100	23,524	Notes 6, 8
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd. - Stock	〃	〃	700	2,604	70	2,604	Notes 6, 8
Jsdway Digital Technology Co., Ltd.	Jsdway(M) Sdn. Bhd. - Stock	〃	〃	60	585	60	585	Notes 6, 8
Jsdway Digital Technology Co., Ltd.	Moqizone Holding Corporation - Stock	Prepaid long-term equity investment	Other non-current assets	-	6,000	-	6,000	Note 6
Jsdway Digital Technology Co., Ltd.	Yeck Entertainment Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	340	4,080	10.16	4,080	Note 6
Jsdway Digital Technology Co., Ltd.	Jie-tsai Technology Co., Ltd. - Stock	None	〃	-	2,338	-	2,338	Note 6
Precious Power Digital Technology Co., Ltd. - Stock	Everpeace International Limited - Stock	None	〃	-	2,000	-	2,000	Note 6
Webo Digital Co., Ltd. - Stock	Chi-shiang Digital Entertainment Co., Ltd. - Stock	None	〃	-	750	-	750	Note 6
Jsdway Digital Technology Co., Ltd.	International Games System Co., Ltd. - Stock	None	Financial assets at fair value through profit or loss - current	25	1,553	Note 7	1,553	Note 6
Jsdway Digital Technology Co., Ltd.	Userjoy Technology Co., Ltd. - Stock	None	〃	6	297	Note 7	297	Note 6
Jsdway Digital Technology Co., Ltd.	Franklin Templeton Aggressive Return Bond Fund of Funds - Accumulative	None	〃	100	1,090	Note 7	1,090	Note 6

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	September 30, 2013				
				Number of shares	Book value	Percentage	Market value (Note 2)	Note
Jsdway Digital Technology Co., Ltd.	Taishin Asia-Australia High Yield Bond Fund - Accumulated	None	Financial assets at fair value through profit or loss - current	100	$ 1,015	Note 7	$ 1,015	Note 6
Jsdway Digital Technology Co., Ltd.	Yuanta As Pac (ex-Jap) Inr Gr Gv Bd In B	None	〃	200	1,756	Note 7	1,756	Note 6

Note 1：Marketable securities consist of stocks, bonds, beneficiary certificates and other derivative instruments.

Note 2：a) The market value of listed equity securities and closed-end mutual funds is determined based on closing price and net asset value of funds, respectively, at the balance sheet date.

b) The market value of open-end mutual funds is determined based on the net asset par value at the balance sheet date.

Note 3：Unit: Thousand stocks

Note 4：Currency: USD

Note 5：Currency: EUR

Note 6：Currency: NTD

Note 7：Less than 1%。

Note 8：The transaction had been eliminated in the consolidated financial statements.

D) Aggregate purchases or slaes of the same securities reaching $100,000 or 20% of paid-in capital or more: None.

E) Acquisition of real estate in excess of $100,000 or 20% of capital: None.

F) Disposal of real estate in excess of $100,000 or 20% of capital: None.

G) Purchases or sales of goods from or to related parties reaching $100,000 or 20% of paid-in capital or more:

			Transaction terms				Description of and reasons for difference in transaction terms compared to non-related party transactions		Accounts or notes receivable (payable)		
Purchaser /Seller	Name of transaction parties	Relationship	Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit period	Balance	Percentage of total accounts or notes receivable (payable)	Note
The Company	Gash Plus (Taiwan) Company Limited	Subsidiary	Sales	($ 2,210,686)	(95)	Note 1	Note 1	Note 1	$ 519,151	91	Note 4
〃	Nexon Korea Corporation	Associates	License fees	606,189	52	Note 2	Note 2	Note 2	(39,768)	(52)	
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Subsidiary	Sales	(949,463)	(22)	Note 1	Note 1	Note 1	125,815	10	Note 4
〃	Gameastor Digital Entertainment Co., Ltd.	〃	Cost of goods sold	115,970	3	Note 3	Note 3	Note 3	(5,687)	-	Note 4
Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	〃	Cost of goods sold	281,405	19	Note 3	Note 3	Note 3	(122,442)	(31)	Note 4
〃	Gash Plus (Taiwan) Company Limited	〃	Sales	(415,722)	(27)	Note 1	Note 1	Note 1	940	-	Note 4
〃	Jsdway Digital Technology Co., Ltd.	〃	Sales	(112,122)	(7)	Note 1	Note 1	Note 1	121,462	29	Note 4

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

Note 2: The above represents payments for license fees and are negotiated based on different factors.

Note 3: The above represents payments for points valued cost and are negotiated based on different factors.

Note 4: The transaction had been eliminated in the consolidated financial statements.

H) Receivables from related parties in excess of $100,000 or 20% of capital:

Name of creditor	Transaction parties	Relationship	Balance of receivables from related parties (in thousands)	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action adopted for overdue accounts	Subsequent collections (in thousands) (Note 1)	Allowance for doubtful accounts provided	Note
The Company	Gash Plus (Taiwan) Company Limited	Subsidiary	$ 534,817	5.59	$ -	-	$ 200,796	$ 23,175	Note 3
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	〃	125,815	6.85	-	-	68,178	-	Note 2
Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	〃	143,898	3.70	-	-	19,059	-	Note 2
Gash Plus (Hong Kong) Company Limited	Jsdway Digital Technology Co., Ltd.	〃	121,462	2.65	-	-	9,329	-	Note 2

Note 1: The subsequent collections represent collections from the balance sheet date to November 8, 2013.

Note 2: The investment had been eliminated in the consolidated financial statements.

Note 3: The Group uses Gash Plus (Taiwan) Company Limited to evaluate and to make provision of 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.

I) Derivative financial instruments undertaken during the nine-month period ended September 30, 2013: None.

J) Significant inter-company transactions during the nine-month period ended September 30, 2013:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount (Note 5)	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Gameastor Digital Entertainment Co., Ltd.	1	Other payables	$ 52,766	Note 4	1%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Sales	2,210,686	Note 4	36%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Accounts receivable	519,151	Note 4	11%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Other receivables	15,666	Note 4	-%
0	The Company	Gamania Digital Entertainment (Europe) B.V.	1	Other payables	15,514	Note 4	-%
1	Gash Plus (Taiwan) Company Limited	Gameastor Digital Entertainment Co., Ltd.	3	Cost of goods sold	115,970	Note 4	2%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Notes receivable	64,600	Note 4	1%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Accounts payable	15,681	Note 4	-%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Accounts receivable	61,215	Note 4	1%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Cost of goods sold	16,008	Note 4	-%
1	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	3	Other receivables	19,154	Note 4	-%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Sales	949,463	Note 4	15%
1	Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	3	Cost of goods sold	415,722	Note 4	7%
2	Playcoo Co.	Gamania Digital Entertainment (Japan) Co., Ltd.	3	Royalty income	29,622	Note 4	1%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Accounts receivable	122,442	Note 4	3%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Other receivables	21,456	Note 4	-%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Accrued expenses	20,403	Note 4	-%
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Accounts payable	17,880	Note 4	-%
4	Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Cost of goods sold	281,405	Note 4	5%
4	Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Other receivables	18,588	Note 4	-%
4	Gash Plus (Hong Kong) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Sales	112,122	Note 4	2%
4	Gash Plus (Hong Kong) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Accounts payable	121,462	Note 4	3%

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.

(2) Information of investee companies

The disclosure information of certain non-significant investee companies was based on their unreviewed financial statements.

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognized by the Company	Note
				2013.9.30	2012.12.31	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Investment holdings	$ 2,171,721	$ 2,111,379	35,423	100	$ 540,160	($ 51,240)	($ 51,240)	Note 5
〃	Gamania Korea Co., Ltd.	Seoul, Korea	Design and sales of software	339,270	339,270	138	100	11,662	(7,257)	(7,257)	Note 5
〃	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Design and research and development of software	-	330,000	-	-	-	(2,674)	(664)	Notes 5, 6
〃	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services and sales	211,433	211,433	3,863	72.08	52,585	(403)	1,103	Notes 1, 5
〃	Gamania Asia Investment Co., Ltd.	Taiwan	Investment holdings	115,549	115,549	6,500	100	71,618	(1,179)	(1,179)	Note 5
〃	Gamania Digital Entertainment Labuan Holdings, Ltd.	Malaysia	Investment holdings	38,994	38,994	1,330	100	1,911	-	-	Note 5
〃	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	210,000	210,000	5,330	100	11,446	(11,614)	(11,614)	Note 5
〃	Playcoo Co.	Taiwan	Design and research and development of software	183,839	153,914	17,389	80.50	25,295	(56,145)	(44,102)	Note 5

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognized by the Company	Note
				2013.9.30	2012.12.31	Number of shares	Percentage	Book value			
The Company	Redgate Games Co. Ltd.	Taiwan	Design and research and development of software	$ 262,000	$ 222,000	26,200	100	$ 4,657	($ 39,554)	($ 39,554)	Note 5
〃	Seedo Games Co. Ltd.	Taiwan	Design and research and development of software	162,000	162,000	16,200	100	9,944	1,763	1,763	Note 5
〃	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	627	51	7,199	2,477	1,263	Note 5
〃	Gash Plus (Taiwan) Company Limited	Taiwan	Software information and supply of electronic services	50,000	50,000	5,000	100	67,204	5,203	5,203	Note 5
〃	Global Pursuit Co., Ltd.	Taiwan	Software information and supply of electronic services	30,000	30,000	3,000	80	12,046	(15,794)	(12,635)	Note 5
〃	Machi Pictures Co., Ltd.	Taiwan	Movie making and publishing	20,000	20,000	2,000	33.33	3,744	(45,014)	(15,005)	
〃	RitwNow Inc.	Taiwan	Software services and sales	15,300	15,300	1,530	51	13,209	(1,263)	(644)	Note 5
〃	Taiwan e-sports Co., Ltd.	Taiwan	Software services and sales	46,800	46,800	4,680	40.70	1,619	(14,663)	(5,968)	
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services and sales	80,625	80,625	1,458	27.20	19,578	(403)	(110)	Note 5
〃	Pri-One Marketing Co., Ltd.	Taiwan	Software services and sales	1,500	-	150	30	1,860	1,201	360	
〃	Mimigigi Digital Technology Co., Ltd.	Taiwan	Software services and sales	7,000	-	700	70	5,048	(2,244)	(1,952)	Note 5
〃	UniCube Co., Ltd.	Taiwan	Software services and sales	7,000	-	700	70	6,079	(1,316)	(921)	Note 5

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognized by the Company	Note
				2013.9.30	2012.12.31	Number of shares	Percentage	Book value			
Global Pursuit Co., Ltd.	Global Pursuit North America Co., Ltd.	U.S.A.	IP Commodities authorization	$ 37,154	$ 23,966	1,250	100	$ 14,765	($ 15,745)	($ 15,745)	Note 5
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	52,500	50,000	5,250	32.88	36,347	4,744	1,574	Note 5
〃	Punch Technologies Co., Ltd.	Taiwan	Software information and supply of electronic services	10,000	-	100	100	6,666	(3,334)	(3,334)	Note 5
〃	Gash Plus (Japan) Co., Ltd.	Japan	Software information and supply of electronic services	41,874	-	1	100	42,434	-	-	Note 5
〃	Gash Plus (Hong Kong) Company Limited	Hong Kong	Software information and supply of electronic services	2,903	-	750	100	26,937	45,929	6,289	Note 7
〃	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Design and research and development of software	11,298	-	1,343	44.14	11,884	(2,674)	(1,912)	Note 6
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Taiwan	Software services and sales	34,590	34,590	2,775	100	23,524	(1,769)	(1,769)	Note 5
〃	Precious Power Digital Technology Co., Ltd.	Taiwan	Software services and sales	7,000	7,000	700	70	2,604	(935)	(654)	Note 5
〃	Jsdway (M) Sdn. Bhd.	Malaysia	Supply of electronic services	585	-	60	60	585	-	-	Note 5
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment holdings	65,733	63,681	66,785	100	17,432	(1,723)	(1,723)	Notes 3, 5
〃	Gamania R&D (HK) Holdings Limited	Hong Kong	Investment holdings	1,600	1,600	1,600	100	704	11	11	Notes 3, 5
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Japan	Software services and sales	21,926	19,856	23	100	3,193	(3,008)	(3,008)	Notes 3, 5

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Name of investee	Location	Main operating activities	Original investment cost		Held by the Company			Income (loss) incurred by the investee	Investment income (loss) recognized by the Company	Note
				2013.9.30	2012.12.31	Number of shares	Percentage	Book value			
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment holdings	$ 41,684	$ 39,884	41,684	98.85	$ 9,745	$ 675	$ 675	Notes 2, 3 and 5
〃	Gamania Western Holdings Ltd.	Cayman Islands	Investment holdings	8,670	8,670	8,670	100	2,431	(386)	(386)	Notes 3, 5
〃	Gamania Netherlands Holdings Cooperatief U.A.	Amsterdam	Investment holdings	5,884	5,884	-	100	1,082	(68)	(68)	Notes 3, 5
Gamania International Holdings Ltd.	Firedog Studio Company Limited	Hong Kong	Design and research and development of software	3,950	3,850	30,702	100	253	(250)	(250)	Notes 3, 5
〃	Gash Plus (Hong Kong) Company Limited	Hong Kong	Software information and supply of electronic services	-	97	-	-	-	1,540	1,329	Notes 3, 5 and 7
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment holdings	39,520	37,720	39,520	100	501	(399)	(399)	Notes 3, 5
〃	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	3,009	3,009	35,500	100	8,068	1,075	1,075	Notes 3, 5
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	China	Design and sales of software	35,300	33,500	-	100	260	(391)	(391)	Notes 3, 5
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	U.S.A.	Software services and sales	8,630	8,630	1	100	2,422	(385)	(385)	Notes 3, 5
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Amsterdam	Software services and sales	4,500	4,500	-	100	801	(52)	(52)	Notes 4, 5

Note 1：Including write-off of realized (unrealized) sales margin of $1,394.
Note 2：The weighted-average ownership percentage is 98.83%.
Note 3：Currency: USD

Note 4：Currency: EUR

Note 5：The investment had been eliminated in the consolidated financial statements.

Note 6：Please refer to Note 4(3) F for the change in the Group's shareholding ratio.

Note 7：Gash Plus (Hong Kong) Company Limited was restructured under Gash Plus (Taiwan) Company Limited on August 19, 2013.

(3) INFORMATION ON INVESTMENT IN MAINLAND CHINA

A) Basic information:

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method	Accumulated investment from Taiwan as of January 1, 2013 (Note 4)	Remitted or received investment amount during the period		Accumulated investment from Taiwan as of September 30, 2013 (Note 5)	Direct and indirect percentage of ownership	Investment loss recognized during the period (Note 2)	Balance of investment on September 30, 2013 (Note 6)	Accumulated investment income received as of September 30, 2013
					Remitted	Received					
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	$1,047,351	Investment through a holding company registered in a country other than Taiwan and Mainland China	$ 737,893	$ 29,670	$ -	$ 767,563	98.85%	($ 11,651)	$ 7,703	$ -
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	44,505	-	-	44,505	Note 7	-	-	-

Company	Accumulated amount of investment in Mainland China as of September 30, 2013	Related investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Upper limit of investment in Mainland China
Gamania Digital Entertainment (Beijing) Co., Ltd.	$ 767,563	$ 1,096,692	$ 1,500,086
MoNoKos Studio Technology Co., Ltd.	44,505	148,350	

Note 1: Related total investment amount approved by FIA to invest in Gamania Digital Entertainment (Beijing) Co., Ltd. is USD 36,963 thousand or NTD 1,096,692 thousand based on 29.67 exchange rate. The related total investment amount approved by FIA to invest in MoNoKos Studio Technology Co., Ltd. is USD 5 million or NTD 148,350 thousand based on 29.67 exchange rate.

Note 2: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the nine-month period ended September 30, 2013 was recognized based on the indirect weighted-average ownership percentage of 98.83% and on their financial statements for the corresponding period, which were reviewed.

Note 3: Paid-in capital of Company, Gamania Digital Entertainment (Beijing) Co., Ltd. was USD 35,300 thousand.

Note 4: 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 January 1, 2013 was USD 24,870 thousand and USD 1,500 thousand, respectively.

Note 5: 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 September 30, 2013 was USD 25,870 thousand and USD 1,500 thousand, respectively.

Note 6: Balance of investment of Gamania Digital Entertainment (Beijing) Co., Ltd. and MoNoKos Studio Technology Co., Ltd. as of September 30, 2013 was USD 260 thousand and USD 0, respectively.

Note 7: MoNokos Studio Technology Co., Ltd. completed liquidation proceedings on September 22, 2013.

B) The subsidiary in Mainland China and the Company have no significant transactions.

C) The investment had been eliminated in the consolidated financial statements.

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 periods ended September 30, 2013 and 2012 are as follows:

For the nine-month period ended September 30, 2013	Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Others	Total	
Revenue from external customers	$ 2,297,994	$ 1,929,321	$ 515,849	$ 142,094	$ 1,312,358	$6,197,616	
Inter-segment revenue	31,116	2,340,309	1,061,585	-	755,117	4,188,127	Note 1
Segment profit (loss)	137,205	5,215	5,237	(403)	(24,052)	123,202	
Segment profit (loss) includes:							
Depreciation and amortization	(177,788)	(9,180)	(6,918)	(14,355)	(54,117)	(262,358)	
Income tax benefit (expense)	(24,738)	1,001	(1,704)	645	(23,759)	(48,555)	
Investment income (loss) accounted for under the equity method	(179,725)	2,628	(2,423)	-	158,908	(20,612)	Note 2

For the nine-month period ended September 30, 2012	Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Others	Total	
Revenue from external customers	$ 2,549,473	$ 959,289	$ 428,486	$ 389,372	$ 1,109,552	$5,436,172	
Inter-segment revenue	16,943	2,825,846	2,207,561	-	759,978	5,810,328	Note 1
Segment profit (loss)	(173,632)	30,555	24,588	103,513	(153,490)	(168,466)	
Segment profit (loss) includes:							
Depreciation and amortization	(217,872)	(5,118)	(6,289)	(33,061)	(87,920)	(350,260)	
Income tax expense	900	(3,880)	(6,306)	(10,291)	(61,048)	(80,625)	
Investment income (loss) accounted for under the equity method	(410,293)	8,195	(1,357)	-	395,914	(7,541)	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.

(4) Reconciliation information of segment profit (loss), assets and liabilities

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. There is no difference between the presentation of segment report and income statement and accordingly, no reconciliation is required to be disclosed.

15. INITIAL APPLICATION OF IFRSs

These consolidated financial statements are the first third-quarter interim consolidated financial statements prepared by the Group in accordance with the IFRSs. The Group has adjusted the amounts as appropriate that are reported in the previous R.O.C. GAAP consolidated financial statements to those amounts that should be presented under IFRSs in the preparation of the opening IFRS balance sheet. Information about exemptions elected by the Group, exceptions to the retrospective application of IFRSs in relation to initial application of IFRSs, and how it affects the Group’s financial position, operating results and cash flows in transition from R.O.C. GAAP to the IFRSs is set out below:

(1) The exemptions under IFRS 1 apply to the Group. Relevant information is provided in the consolidated financial statements as of and for the three-month period ended March 31, 2013.

(2) The exceptions to the retrospective application of IFRSs under IFRS 1 apply to the Group. Relevant information is provided in the consolidated financial statements as of and for the three-month period ended March 31, 2013.

(3) Requirement to reconcile from R.O.C. GAAP to IFRSs at the time of initial application

IFRS 1 requires that an entity should make reconciliation for equity, comprehensive income and cash flows for the comparative periods. The Group’s initial application of IFRSs has no significant effect on cash flows from operating activities, investing activities and financing activities. Reconciliation for equity and comprehensive income for the comparative periods as to transition from R.O.C. GAAP to IFRSs is shown below:

A. Reconciliation for equity on January 1, 2012 and December 31, 2012 is provided in the consolidated financial statements as of and for the three-month period ended March 31, 2013.

B. Reconciliation for comprehensive income for the three-month period ended March 31, 2013 is provided in the consolidated financial statements as of and for the three-month period ended March 31, 2013.

C. Reconciliation of significant differences as of September 30, 2012

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Current Assets				
Cash and cash equivalents	$ 1,735,763	$ -	$ 1,735,763	
Financial assets at fair value through profit or loss - current	26,143	-	26,143	
Notes receivable-net	15,581	-	15,581	
Accounts receivable-net	1,110,816	-	1,110,816	
Other receivables	18,165	-	18,165	
Current income tax assets (Note 1)	17,633	-	17,633	
Inventory	91,077	-	91,077	
Prepayments	76,706	57,579	134,285	(a)
Deferred income tax assets-current	3,832	(3,832)	-	(c)
Other current assets	39,044	-	39,044	
Total current assets	3,134,760	53,747	3,188,507	
Non-current assets				
Financial assets at fair value through profit or loss – non-current	2,850	-	2,850	
Available-for-sale financial assets-non-current	-	46,776	46,776	(b)
Financial assets carried at cost-non-current	23,740	(23,740)	-	(b)
Investments accounted for under equity method	27,329	-	27,329	
Property, plant and equipment	896,058	-	896,058	
Intangible assets	426,912	(721)	426,191	(f)
Deferred income tax assets-non-current	67,082	23,157	90,239	(a)(c)(e)(f)
Other non-current assets	90,616	(9,027)	81,589	(f)
Total non-current assets	1,534,587	36,445	1,571,032	
Total assets	$ 4,669,347	$ 90,192	$ 4,759,539	

Note1：In the financial statements prepared under R.O.C. GAAP, this was originally shown as ‘other receivables’ and ‘prepayments’.

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Current Liabilities				
Short-term loans	$ 96,288	$ -	$ 96,288	
Notes payable	28,534	-	28,534	
Accounts payable	661,963	-	661,963	
Accounts payable-related parties	71,612	-	71,612	
Other payables	624,180	31,033	655,213	(e)
Current income tax liabilities	44,899	-	44,899	
Other current liabilities	401,048	115,158	516,206	(a)
Total current liabilities	1,928,524	146,191	2,074,715	
Non-current liabilities				
Financial liabilities at fair value through profit or loss - non-current	7,372	-	7,372	
Bonds payable - non-current	51,822	-	51,822	
Long-term loans	243	-	243	
Provisions-non-current (Note)	5,939	-	5,939	
Deferred income tax liabilities-non-current	2,164	-	2,164	
Other non-current liabilities	22,319	10,092	32,411	(f)
Total non-current liabilities	89,859	10,092	99,951	
Total liabilities	2,018,383	156,283	2,174,666	
Equity attributable to owners of the parent				
Share capital				
Common stock	1,568,125	-	1,568,125	
Stock subscriptions received in advance	560	-	560	
Capital surplus	857,980	-	857,980	
Retained earnings				
Legal reserve	159,610	-	159,610	
Undistributed earnings	(101,039)	(59,689)	(160,728)	
Other equity	272	4,853	(4,581)	(b)(f)(g)
Non-controlling interest	165,456	(1,549)	163,907	(a)(e)(f)
Total equity	2,650,964	(66,091)	2,584,873	
Total liabilities and equity	$ 4,669,347	$ 90,192	$ 4,759,539	

Note：In the financial statements prepared under R.O.C. GAAP, this was originally shown as ‘other non-current liabilities’.

D. Reconciliation of significant differences for the nine-month period ended September 30, 2012

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Operating revenue	$ 5,436,924	($ 752)	$ 5,436,172	(a)
Operating costs	(3,418,780)	376	(3,418,404)	(a)
Gross profit	2,018,144	(376)	2,017,768	
Operating expenses				
Selling expenses	(647,180)	-	(647,180)	
General and administrative expenses	(990,882)	1,904	(988,978)	(e)(f)
Research and development expenses	(507,693)	-	(507,693)	
Operating loss	(127,611)	1,528	(126,083)	
Non-operating income and expenses				
Other income	98,220	-	98,220	
Other gains and losses	(47,781)	-	(47,781)	
Financial costs	(4,656)	-	(4,656)	
Share of (loss)/profit of associates and joint ventures accounted for under equity method	(7,541)	-	(7,541)	
Loss before income tax	(89,369)	1,528	(87,841)	
Income tax expense	(79,797)	(828)	(80,625)	(a)(e)(f)
Loss for the period	(169,166)	700	(168,466)	
Other comprehensive loss				
Currency translation differences	-	(27,621)	(27,621)	
Unrealized loss on valuation of available-for-sale financial assets	-	(14,672)	(14,672)	
Total comprehensive loss for the period	($ 169,166)	($ 41,593)	($ 210,759)	
Loss attributable to:				
Owners of the parent	($ 174,333)	($ 700)	($ 173,633)	
Non-controlling interest	5,167	-	5,167	
	($ 169,166)	($ 700)	($ 168,466)	
Total comprehensive loss attributable to:				
Owners of the parent	($ 174,333)	($ 41,589)	($ 215,922)	
Non-controlling interest	5,167	(4)	5,163	
	($ 169,166)	($ 41,593)	($ 210,759)	

E. Reconciliation for comprehensive income for the three-month period ended September 30, 2012

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Operating revenue	$ 1,822,806	($ 29,973)	$ 1,792,833	(a)
Operating costs	(1,188,042)	14,987	(1,173,055)	(a)
Gross profit	634,764	(14,986)	619,778	
Operating expenses				
Selling expenses	(255,959)	-	(255,959)	
General and administrative expenses	(330,025)	4,623	(325,402)	(e)(f)
Research and development expenses	(165,075)	-	(165,075)	
Operating loss	(116,295)	(10,363)	(126,658)	
Non-operating income and expenses				
Other income	25,854	-	25,854	
Other gains and losses	(82,089)	-	(82,089)	
Financial costs	(509)	-	(509)	
Share of (loss)/profit of associates and joint ventures accounted for under equity method	(3,002)	-	(3,002)	
Loss before income tax	(176,041)	(10,363)	(186,404)	
Income tax benefit	3,562	1,617	5,179	(a)(e)(f)
Loss for the period	(172,479)	(8,746)	(181,225)	
Other comprehensive loss				
Currency translation differences	-	(7,568)	(7,568)	
Unrealized loss on valuation of available-for-sale financial assets	-	(137)	(137)	
Total comprehensive loss for the period	($ 172,479)	($ 16,451)	($ 188,930)	
Loss attributable to:				
Owners of the parent	($ 175,953)	($ 8,746)	($ 184,699)	
Non-controlling interest	3,474	-	3,474	
	($ 172,479)	($ 8,746)	($ 181,225)	
Comprehensive loss attributable to:				
Owners of the parent	($ 175,953)	($ 16,450)	($ 192,403)	
Non-controlling interest	3,474	(1)	3,473	
	($ 172,479)	($ 16,451)	($ 188,930)	

Description of the significant differences identified:

a) The Company is engaged in the sale of on-line game stored-value cards and provision of on-line game services. According to the current accounting standards in R.O.C., the Company recognizes the revenue when the consumers purchase the online game credits, and use the credits to exchange for service for playing their online games and the virtual treasures Once this transaction occurs, the consumed credits are deducted from the players' accounts. However, in accordance with IAS 18, "Revenue", royalty revenue and the related royalty cost should be deferred and amortized.

   Therefore, the Group increased royalty prepayment, received in advance and deferred income tax assets - non-current, and decreased non-controlling interest and undistributed earnings at the transition date. The Group also adjusted the revenue from on-line games, on-line game costs and income tax.

b) Before the amendment of "Rules Governing the Preparation of Financial Statements by Securities Issuers", dated July 7, 2011, unlisted and emerging stocks held by the Group should be measured at cost and recognized in "Financial assets carried at cost". However, in accordance with IAS 39, "Financial Instruments: Recognition and Measurement", investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability of the estimation interval of reasonable fair values of such equity instruments is insignificant, or the probability for these estimates can be made reliably) should be measured at fair value. Therefore, the Group designated "Financial assets carried at cost" to "Available-for-sale financial assets" and increased other comprehensive income for the difference between fair value and book value at the date of transition to IFRSs.

c) In accordance with current accounting standards in R.O.C., a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or non-current. However, a deferred tax asset or liability that is not related to an asset or liability for financial reporting, should be classified as current or non-current according to the expected period to realize or settle a deferred tax asset or liability. However, under IAS 1, "Presentation of Financial Statements', an entity should not classify a deferred tax asset or liability as current. Therefore, the Group reclassified deferred income tax assets - current to deferred income tax assets - non-current at the date of transition to IFRSs.

d) In accordance with current accounting standards in R.O.C., the Group's idle assets are presented in 'Other assets' account. However, in accordance with IAS 16, 'Property, Plant and Equipment', such idle assets that are presented in 'Other assets' account should be classified and accounted for as 'Machinery and equipment' based on its nature.

e) The current accounting standards in R.O.C. do not specify the rules on the cost recognition for accumulated unused compensated absences. The Group recognises such costs as expenses upon actual payment. However, IAS 19, 'Employee Benefits', requires that the costs of accumulated unused compensated absences should be accrued as expenses at the end of the reporting period. Therefore, the Group increased accrued expenses and deferred income tax assets - non-current and decreased non-controlling interest and undistributed earnings. The Group also adjusted salary expense and income tax.

f) Accrued pension liabilities

   1) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, "Employee Benefits', requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the reporting period and duration of its pension plan.
   2) The Group selected to recognize all accumulated actuarial gain or loss with respect to the employee benefit plans in retained earnings at the date of transition to IFRSs.
   3) In accordance with current accounting standards in R.O.C., the unrecognized transitional net benefit obligation should be amortized on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, in accordance with IAS 19, "Employee Benefits", the unrecognized transitional net benefit obligation should not be recognized because it is the Group's first-time adoption of IFRSs.
   4) In accordance with current accounting standards in R.O.C., the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets at the balance sheet date is the minimum amount of pension liability that is required to be recognized on the balance sheet ("minimum pension liability"). However, IAS 19, "Employee Benefits", has no regulation regarding the minimum pension liability.

   Therefore, the Group increased accrued pension liabilities and deferred income tax assets - non-current and decreased prepaid pension cost, deferred pension costs, unrecognized net loss of pension cost, non-controlling interest and undistributed earnings based on the reasons stated above. The Group also adjusted pension expense and income tax expense.

g) The Group recognized cumulative translation adjustment as zero at the date of transition to IFRSs. Therefore, the Group decreased the cumulative translation adjustments and relatively increased undistributed earnings at the date of transition to IFRSs.

h) In accordance with the Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865 of former Financial Supervisory Commission, Executive Yuan, dated April 6, 2012, a public company, upon the first-time adoption of IFRSs, should set aside special reserve at an amount equal to the sum of unrealized revaluation increment and cumulative translation adjustment (gain) that are reclassified to "Retained earnings" as a result of the adoption of exemptions under IFRS 1; however, if the retained earnings is insufficient to set aside a special reserve for the net increase in retained earnings resulting from the first-time adoption of IFRSs, the special reserve shall be set aside only to the extent of the net increase in retained earnings. The Company's first-time adoption of IFRSs led to net reduction of retained earnings; therefore, no special reserve was set aside by the Company.

B. Major adjustments for the consolidated statement of cash flows for the nine-month period ended September 30, 2012:

   a) The transition of R.O.C. GAAP to IFRSs has no effect on the Group's cash flows reported.

   b) The reconciliation between R.O.C. GAAP and IFRSs has no net effect on the Group's cash flows reported.

C. The accounting policies and selection of exemptions applied in these interim consolidated financial statements may be different from those applied in the first year-end IFRSs consolidated financial statements due to the issuance of related regulations by regulatory authorities, changes in economic environment, or changes in the evaluation of the impact of application of accounting policies and exemptions by the Group.