GAMANIA DIGITAL ENTERTAINMENT CO., LTD.

CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

JUNE 30, 2014 AND 2013

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

PWCR14001112

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 June 30, 2014 and 2013, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, of changes in equity and of cash flows for the six-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these financial statements based on our reviews. We did not review the financial statements of certain consolidated subsidiaries, which statements reflect total assets of $325,301 thousand and $1,203,895 thousand, constituting 7% and 26% of the consolidated total assets as of June 30, 2014 and 2013, respectively; total liabilities of $102,959 thousand and $546,082 thousand, constituting 5% and 26% of the related consolidated total liabilities as of June 30, 2014 and 2013, respectively; and total operating revenue of $114,652 thousand, $419,843 thousand, $239,450 thousand and $1,014,107 thousand, constituting 5%, 21%, 5% and 25% of the consolidated total operating revenues for the three-month and six-month periods then ended, respectively. Those financial statements and the information disclosed in Note 13 relative to these subsidiaries were reviewed by other independent accountants whose reports thereon have been furnished to us, and our conclusion expressed herein, is based solely on the reports of the other independent accountants.

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

We did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method, which statements reflect total assets (including investments accounted for under equity method) of $814,153 thousand and $681,293 thousand, constituting 17% and 15% of the consolidated total assets, and total liabilities of $227,871 thousand and $177,479 thousand, constituting 10% and 9% of the consolidated total liabilities as of June 30, 2014 and 2013, respectively, and total comprehensive income (loss) of $11,047 thousand, ($25,271) thousand, ($17,573) thousand and ($70,689) thousand, constituting 506%, (1005%), (25%) and (83%) of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of June 30, 2014 and 2013.

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

PricewaterhouseCoopers, Taiwan

August 8, 2014

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2014, DECEMBER 31, 2013 AND JUNE 30, 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(THE JUNE 30, 2014 AND 2013 BALANCE SHEETS ARE UNAUDITED)

	Assets	Notes	June 30, 2014	December 31, 2013	June 30, 2013
	Current assets				
1100	Cash and cash equivalents	6(1)	$ 1,314,686	$ 1,607,505	$ 1,478,441
1110	Financial assets at fair value through profit or loss - current	6(2)	5,092	5,607	113,139
1150	Notes receivable, net	6(4)	10,543	10,431	23,027
1170	Accounts receivable, net	6(5)	1,618,055	1,519,247	1,346,967
1200	Other receivables		19,318	16,572	28,625
1220	Current income tax assets		81,877	81,598	56,739
130X	Inventories	6(6)	199,249	63,086	129,066
1410	Prepayments		100,644	94,553	114,706
1470	Other current assets	8	5,240	39,319	8,046
11XX	**Total Current Assets**		3,354,704	3,437,918	3,298,756
	Non-current assets				
1523	Available-for-sale financial assets - non-current	6(3)	118,811	58,928	48,011
1550	Investments accounted for using equity method	6(7)(11)	66,322	42,141	25,190
1600	Property, plant and equipment	6(8) and 8	654,223	694,386	750,297
1780	Intangible assets	6(9)(11) and 7(2)	295,602	309,884	293,677
1840	Deferred income tax assets		109,831	85,789	75,855
1900	Other non-current assets	6(10) and 8	55,090	65,878	62,447
15XX	**Total Non-current Assets**		1,299,879	1,257,006	1,255,477
1XXX	**Total Assets**		$ 4,654,583	$ 4,694,924	$ 4,554,233

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2014, DECEMBER 31, 2013 AND JUNE 30, 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(THE JUNE 30, 2014 AND 2013 BALANCE SHEETS ARE UNAUDITED)

	Liabilities and Equity	Notes	June 30, 2014	December 31, 2013	June 30, 2013
	Current liabilities				
2100	Short-term borrowings	6(12)	$ 8,852	$ 13,559	$ 63,680
2150	Notes payable		9,333	9,846	10,964
2170	Accounts payable		1,165,260	1,194,537	961,324
2180	Accounts payable - related parties	7(2)	27,408	25,825	37,749
2200	Other payables	6(13)	390,614	367,433	379,123
2220	Other payables - related parties	7(2)	4,094	2,799	-
2230	Current income tax liabilities		39,499	44,074	40,271
2250	Provisions for liabilities - current	6(19)	-	2,853	-
2300	Other current liabilities	6(14)(15)(16)	517,517	521,673	494,250
21XX	**Total Current Liabilities**		2,162,577	2,182,599	1,987,361
	Non-current liabilities				
2530	Bonds payable	6(15)	$ 13,278	$ 21,112	$ 31,391
2550	Provisions for liabilities - non-current	6(19)	-	-	4,895
2570	Deferred income tax liabilities		5,157	1,576	2,207
2600	Other non-current liabilities	6(7)(17)	26,312	28,921	44,192
25XX	**Total Non-current Liabilities**		44,747	51,609	82,685
2XXX	**Total Liabilities**		2,207,324	2,234,208	2,070,046
	Equity attributable to owners of parent				
	Share capital				
3110	Share capital - common stock	6(20)	1,575,936	1,573,117	1,570,976
3140	Stock subscriptions received in advance	6(18)	-	2,819	157
	Capital surplus	6(21)			
3200	Capital surplus		668,274	747,176	737,479
	Retained earnings	6(22)			
3310	Legal reserve		3,856	-	-
3320	Special reserve		34,703	-	-
3350	Unappropriated retained earnings		43,303	38,559	67,499
	Other equity interest	6(23)			
3400	Other equity interest		(20,273)	(46,131)	(49,585)
31XX	**Equity attributable to owners of the parent**		2,305,799	2,315,540	2,326,526
36XX	**Non-controlling interest**		141,460	145,176	157,661
3XXX	**Total equity**		2,447,259	2,460,716	2,484,187
	Significant contingent liabilities and unrecorded contract commitments	9			
	Significant events after the balance sheet date	11			
	Total liabilities and equity		$ 4,654,583	$ 4,694,924	$ 4,554,233

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 8, 2014.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

	Items	Notes	For the three-month periods ended June 30, 2014	For the three-month periods ended June 30, 2013	For the six-month periods ended June 30, 2014	For the six-month periods ended June 30, 2013
4000	**Operating revenue**	6(24)	$ 2,152,515	$ 1,956,516	$ 4,618,620	$ 4,020,921
5000	**Operating costs**	6(6)(28)(29) and 7(2)	(1,772,824)	(1,462,039)	(3,708,835)	(2,857,111)
5950	**Gross profit**		379,691	494,477	909,785	1,163,810
	Operating expenses	6(28)(29) and 7(2)				
6100	Selling expenses		(109,591)	(109,196)	(272,428)	(260,099)
6200	General and administrative expenses		(196,102)	(248,439)	(415,904)	(551,595)
6300	Research and development expenses		(58,837)	(69,024)	(123,192)	(167,913)
6000	**Total operating expenses**		(364,530)	(426,659)	(811,524)	(979,607)
6900	**Operating income**		15,161	67,818	98,261	184,203
	Non-operating income and expenses					
7010	Other income	6(25)	16,982	8,067	24,090	13,966
7020	Other gains and losses	6(2)(11)(26)	(13,479)	(27,647)	(42,148)	(39,565)
7050	Finance costs	6(27)	(153)	(739)	(717)	(2,062)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(5,061)	(1,130)	(5,909)	(2,644)
7000	**Total non-operating income and expenses**		(1,711)	(21,449)	(24,684)	(30,305)
7900	**Profit before tax**		13,450	46,369	73,577	153,898
7950	Income tax	6(30)	(13,319)	(21,678)	(29,495)	(48,910)
8000	**Profit for the period from continuing operations**		131	24,691	44,082	104,988
8200	**Profit for the period**		$ 131	$ 24,691	$ 44,082	$ 104,988
	Other comprehensive income					
8310	Financial statements translation differences of foreign operations		($ 10,300)	($ 945)	$ 1,976	$ 1,106
8325	Unrealized gain (loss) on valuation of available-for-sale financial assets	6(3)	12,354	(21,232)	23,883	(20,794)
8500	**Total comprehensive income for the period**		$ 2,185	$ 2,514	$ 69,941	$ 85,300
	Profit (loss) attributable to:					
8610	Owners of parent		$ 1,423	$ 27,979	$ 45,909	$ 110,785
8620	Non-controlling interests		(1,292)	(3,288)	(1,827)	(5,797)
			$ 131	$ 24,691	$ 44,082	$ 104,988
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 3,956	$ 5,801	$ 71,767	$ 91,098
8720	Non-controlling interests		(1,771)	(3,287)	(1,826)	(5,798)
			$ 2,185	$ 2,514	$ 69,941	$ 85,300
	Earnings per share (in dollars)	6(31)				
9750	**Basic earnings per share**		$ 0.01	$ 0.18	$ 0.29	$ 0.71
9850	**Diluted earnings per share**		$ 0.01	$ 0.18	$ 0.29	$ 0.70

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 8, 2014.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

		Equity attributable to owners of the parent												
		Share capital		Capital surplus			Retained earnings			Other equity interest				
	Notes	Share capital-common stock	Stock subscriptions received in advance	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special 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	$ 1,670	$ 159,610	$ -	($ 322,219)	($ 44,930)	$ 15,032	$2,235,874	$ 171,193	$2,407,067
Employee stock options exercised	6(18)	2,142	157	2,988	-	-	-	-	-	-	-	5,287	-	5,287
Capital collected in advance transferred to common stock		149	(149)	-	-	-	-	-	-	-	-	-	-	-
Deficit compensation for 2012:														
Deficit covered by capital surplus and legal reserve		-	-	(123,619)	-	-	(159,610)	-	283,229	-	-	-	-	-
Profit (loss) for the period		-	-	-	-	-	-	-	110,785	-	-	110,785	(5,797)	104,988
Other comprehensive income (loss) for the period	6(3)	-	-	-	-	-	-	-	-	1,107	(20,794)	(19,687)	(1)	(19,688)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	-	(1,446)	-	-	(4,296)	-	-	(5,742)	-	(5,742)
Adjustment of subsidiaries' unclaimed dividends based on shareholding ratio		-	-	-	-	9	-	-	-	-	-	9	-	9
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(7,734)	(7,734)
Balance at June 30, 2013		$ 1,570,976	$ 157	$ 713,012	$ 24,234	$ 233	$ -	$ -	$ 67,499	($ 43,823)	($ 5,762)	$2,326,526	$ 157,661	$2,484,187
2014														
Balance at January 1, 2014		$ 1,573,117	$ 2,819	$ 719,258	$ 24,234	$ 3,684	$ -	$ -	$ 38,559	($ 48,198)	$ 2,067	$2,315,540	$ 145,176	$2,460,716
Capital collected in advance transferred to common stock		2,819	(2,819)	-	-	-	-	-	-	-	-	-	-	-
Distribution of 2013 earnings:														
Legal reserve		-	-	-	-	-	3,856	-	(3,856)	-	-	-	-	-
Special reserve		-	-	-	-	-	-	34,703	(34,703)	-	-	-	-	-
Distribution of cash dividends from capital surplus		-	-	(78,797)	-	-	-	-	-	-	-	(78,797)	-	(78,797)
Profit (loss) for the period		-	-	-	-	-	-	-	45,909	-	-	45,909	(1,827)	44,082
Other comprehensive income (loss) for the period	6(3)	-	-	-	-	-	-	-	-	1,975	23,883	25,858	1	25,859
Adjustment of difference between acquisition or disposal and carrying amount of subsidiaries' share price based on shareholding ratio	6(32)	-	-	-	-	165	-	-	(2,606)	-	-	(2,441)	-	(2,441)
Adjustment of employees' stock options of subsidiaries based on shareholding ratio		-	-	-	-	(278)	-	-	-	-	-	(278)	-	(278)
Adjustment of subsidiaries' unclaimed dividends based on shareholding ratio		-	-	-	-	8	-	-	-	-	-	8	-	8
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(1,890)	(1,890)
Balance at June 30, 2014		$ 1,575,936	$ -	$ 640,461	$ 24,234	$ 3,579	$ 3,856	$ 34,703	$ 43,303	($ 46,223)	$ 25,950	$2,305,799	$ 141,460	$2,447,259

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 8, 2014.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 73,577	$ 153,898
Adjustments to reconcile net income to net cash (used in) provided by operating activities			
Income and expenses having no effect on cash flows			
(Gain) loss on financial assets or liabilities at fair value through profit or loss		(589)	1,011
Provision for doubtful accounts	6(5)	26,882	23,988
Share of loss of associates accounted for using equity method		5,909	2,644
Depreciation		96,250	108,822
Loss (gain) on disposal of property, plant and equipment		7,083	(3,824)
Amortization		76,858	78,183
Intangible assets transferred to other loss		111	16,704
Loss (gain) on disposal of investments		8,600	(7,058)
Impairment loss		15,921	35,989
Interest income		(2,419)	(2,196)
Interest expense		717	2,062
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		1,104	(107,859)
Notes receivable		(112)	(524)
Accounts receivable		(124,902)	(313,268)
Other receivables		(2,746)	11,438
Inventories		(136,163)	(53,145)
Prepayments		(6,497)	(39,598)
Other current assets		4,079	36,420
Net changes in liabilities relating to operating activities			
Notes payable		(513)	(17,941)
Accounts payable		(35,228)	246,216
Accounts payable - related parties		1,583	(24,278)
Other payables		(30,549)	4,245
Other payables - related parties		1,295	-
Provisions for liabilities		(2,853)	-
Other current liabilities		(4,702)	87,605
Other non-current liabilities		1,107	(6,220)
Cash (used in) generated from operations		(26,197)	233,314
Interest received		2,419	2,196
Interest paid		(717)	(2,062)
Income tax paid		(50,705)	(3,491)
Net cash (used in) provided by operating activities		(75,200)	229,957

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Notes	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of available-for-sale financial assets		($ 36,000)	$ -
Acquisition of investments accounted for under equity method		(30,000)	(1,500)
Proceeds from disposal of subsidiaries		3,024	-
Acquisition of property, plant and equipment	6(34)	(96,124)	(17,335)
Proceeds from disposal of property, plant and equipment		517	9,149
Acquisition of intangible assets	6(34)	(76,869)	(69,427)
Proceeds from disposal of intangible assets		1,912	-
Decrease in other current assets		30,000	-
Decrease in other non-current assets		9,088	6,863
Net cash used in investing activities		(194,452)	(72,250)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		5,000	31,744
Repayment of short-term borrowings		(10,000)	(37,134)
(Decrease) increase in other non-current liabilities		(3,716)	506
Repayment of bonds payable (including current portion)		(7,266)	(15,065)
Repayment of long-term debt (including current portion)		(22)	(5,897)
Exercise of employee share options		-	5,287
Changes in non-controlling interest		(1,890)	(7,734)
Net cash used in financing activities		(17,894)	(28,293)
Effect of exchange rate changes on cash and cash equivalents		(5,273)	528
(Decrease) increase in cash and cash equivalents		(292,819)	129,942
Cash and cash equivalents at beginning of period		1,607,505	1,348,499
Cash and cash equivalents at end of period		$ 1,314,686	$ 1,478,441

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 8, 2014.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(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 August 8, 2014.

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")

None.

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taiwan GreTai Securities Market or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC in preparing the consolidated financial statements. The related new standards, interpretations and amendments are listed below:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	July 1, 2011
Government loans (amendment to IFRS 1)	January 1, 2013
Disclosures－Transfers of financial assets (amendment to IFRS 7)	July 1, 2011
Disclosures－Offsetting financial assets and financial liabilities (amendment to IFRS 7)	January 1, 2013

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 10, 'Consolidated financial statements'	January 1, 2013 (Investment entities: January 1, 2014)
IFRS 11, 'Joint arrangements'	January 1, 2013
IFRS 12, 'Disclosure of interests in other entities'	January 1, 2013
IFRS 13, 'Fair value measurement'	January 1, 2013
Presentation of items of other comprehensive income (amendment to IAS 1)	July 1, 2012
Deferred tax: recovery of underlying assets (amendment to IAS 12)	January 1, 2012
IAS 19 (revised), 'Employee benefits'	January 1, 2013
IAS 27, 'Separate financial statements' (as amended in 2011)	January 1, 2013
IAS 28, 'Investments in associates and joint ventures' (as amended in 2011)	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	January 1, 2014
IFRIC 20, 'Stripping costs in the production phase of a surface mine'	January 1, 2013
Improvements to IFRSs 2010	January 1, 2011
Improvements to IFRSs 2009－2011	January 1, 2013

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

A. IAS 19 (revised), 'Employee benefits'

The revised standard mainly corrects the 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. An entity is required to recognize termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognizes any related restructuring costs. Additional disclosures are required to present how defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows.

B. IAS 1, 'Presentation of financial statements'

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

C. IFRS 12, ‘Disclosure of interests in other entities’

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

D. IFRS 13, ‘Fair value measurement’

The standard defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements. Based on the Group’s assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, ‘Financial instruments'	January 1, 2018
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, ‘Revenue from contracts with customers'	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, ‘Levies’	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014

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

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

(2) Basis of preparation

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

a) Financial assets and financial liabilities at fair value through profit or loss.

b) Available-for-sale financial assets measured at fair value.

c) Defined benefit liabilities recognized based on the net amount of pension fund assets plus unrecognized past 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including 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.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. 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:

			Ownership (%)		
Name of Investor	Name of Subsidiary	Main Business Activities	June 30, 2014	December 31, 2013	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 13
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Design and sales of software; sales of hardware	100	100	
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 13
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100	100	Note 13
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Design and research and development of software	100	100	Notes 10 and13
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	Note 13

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2014	Ownership (%) December 31, 2013	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 13
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Software services and sales	100	100	Note 13
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 13
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	27.20	27.20	Note 13
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd.	Software services and sales	70	70	Note 13
Gamania Asia Investment Co., Ltd.	UniCube Co., Ltd.	Software services and sales	70	70	Notes 11 and 13
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment Labuan Holdings, Ltd.	Investment holdings	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	Redgate Games Co., Ltd.	Design and research and development of software	100	100	
Gamania Digital Entertainment Co., Ltd.	Seedo Games Co., Ltd.	Software services and sales	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	81.70	80.50	Note 13
Gamania Digital Entertainment Co. Ltd.	Two Tigers Co., Ltd.	Animation production	51	51	Note 13

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2014	Ownership (%) December 31, 2013	Description
Gamania Digital Entertainment Co. Ltd.	Gash Plus (Taiwan) Company Limited	Software information and supply of electronic services	100	100	
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd.	Customer service	100	100	Notes 8 and 13
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	33.33	33.33	Note 2
Gash Plus (Taiwan) Company Limited	Punch Technologies Co., Ltd.	Software services and sales	100	100	Notes 5 and 13
Gash Plus (Taiwan) Company Limited	Gash Plus (Hong Kong) Company Limited	Software information and supply of electronic services	100	100	Note 3
Gash Plus (Taiwan) Company Limited	Gash Plus (Japan) Co., Ltd.	Software information and supply of electronic services	100	100	Notes 12 and 13
Gash Plus (Taiwan) Company Limited	Gash Plus Korea Co., Ltd.	Design and sales of software	100	100	Notes 7 and 13
Punch Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Software services and sales	100	100	Notes 9 and 13
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	100	100	Notes 13 and 15
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70	70	Note 13
Jsdway Digital Technology Co., Ltd.	Jsdway (M) Sdn. Bhd.	Information and supply of electronic services	60	60	Notes 6 and 13
Gamania Digital Entertainment Co., Ltd.	RitwNow Inc.	E-sports and internet live broadcasting services	51	51	Note 13
Gamania Digital Entertainment Co., Ltd.	Global Pursuit Co., Ltd.	Software information and supply of electronic services	100	80	Note 13
Global Pursuit Co., Ltd.	Global Pursuit North America Co., Ltd.	IP commodities authorization	-	100	Notes 13 and 16

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2013	Description
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd.	Holding company	100	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Investment holdings	100	
Gamania Holdings Ltd.	Gamania R&D (HK) Holdings Limited	Investment holdings	100	Note 14
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Design and sales of software; sales of hardware	100	Note 14
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Investment holdings	98.85	
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Investment holdings	100	Note 14
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100	Note 14
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Design and research and development of software	100	Notes 10 and 14
Gamania International Holdings Ltd.	Gash Plus (Hong Kong) Company Limited	Software information and supply of electronic services	100	Note 3
Gamania R&D (HK) Holdings Limited	MoNokos Studio Technology Co., Ltd.	Research and development of software	100	Notes 1 and 14
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Software services and sales	100	Note 14
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Software services and sales	100	Note 14

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2013	Description
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	100	
Gamania Digital Entertainment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	72.08	Note 14
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	27.20	Note 14
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd.	Software services and sales	100	Note 14
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100	Note 14
Gamania Digital Entertainment Co., Ltd.	Gash Plus Korea Co., Ltd	Design and sales of software	100	Notes 7 and 14
Gamania Digital Entertainment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Design and research and development of software	99.75	Notes 4 and 14
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100	Note 14
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment Labuan Holdings, Ltd.	Investment holdings	100	Note 14
Gamania Digital Entertainment Co., Ltd.	Redgate Games Co., Ltd.	Design and research and development of software	100	Note 14
Gamania Digital Entertainment Co., Ltd.	Seedo Games Co., Ltd	Software services and sales	100	Note 14
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	80.50	Note 14
Gamania Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd.	Animation production	51	Note 14

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2013	Description
Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Software information and supply of electronic services	100	
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	32.81	Note 2
Jsdway Digital Technology Co., Ltd.	Punch Technologies Co., Ltd.	Software services and sales	100	Notes 5 and 14
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	100	Notes 14 and 15
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70	Note 14
Gamania Digital Entertainment Co., Ltd.	RitwNow Inc.	E-sports and internet live broadcasting services	51	Note 14
Gamania Digital Entertainment Co., Ltd.	Global Pursuit Co., Ltd.	Software information and supply of electronic services	80	Note 14
Global Pursuit Co., Ltd.	Global Pursuit North America Co., Ltd.	IP Commodities authorization	100	Note 14

Note 1: It was liquidated and the operations ended on September 22, 2013.

Note 2: Gash Plus (Taiwan) Company Limited holds more than half of the board seats of Jsdway Digital Technology Co., Ltd.

Note 3: Gash Plus (Hong Kong) Company Limited is listed as a subsidiary of Gash Plus (Taiwan) Company Limited after reengineering on August 19, 2013.

Note 4: 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 decreased to 44.14% and it lost control over Gamania Digital Entertainment Co., Ltd.

Note 5: The Chinese name was renamed on September 27, 2013.

Note 6: Jsdway Digital Technology Co., Ltd. obtained 60% of shares of Jsdway (M) Sdn. Bhd. since the third quarter of 2013.

Note 7: Formerly Gamania Korea Co., Ltd. is listed as a subsidiary of Gash Plus (Taiwan)

Company Limited after reengineering in December 2013.

Note 8: Formerly known as Answer Co., Ltd., it was registered on December 17, 2013, and renamed on February 17, 2014.

Note 9: It was established and registered on November 29, 2013.

Note 10: Formerly known as Firedog Studio Company Ltd. and was renamed on December 30, 2013.

Note 11: It was established and registered on June 25, 2013.

Note 12: It was established and registered on September 10, 2013.

Note 13: The financial statements of the entity as of and for the six-month period ended June 30, 2014 were not reviewed by independent accountants as the entity did not meet the definition of significant subsidiary.

Note 14: The financial statements of the entity as of and for the six-month period ended June 30, 2013 were not reviewed by independent accountants as the entity did not meet the definition of significant subsidiary.

Note 15: The Chinese name was renamed on April 28, 2014.

Note 16: Global Pursuit North has disposed Global Pursuit North America Co., Ltd. at $3,024 in April 2014 and recognised investment loss of $8,600.

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 retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

a) Assets arising from operating activities that are expected to be 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. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

a) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

b) Available-for-sale financial assets

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

(11) Derecognization of financial assets

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.

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 legal or/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 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 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 recognized 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 the 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) Derecognition of financial liabilities

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

(21) 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.

(22) Provisions – 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.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be 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 unrecognized 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 government bonds (at the balance sheet date instead).

ii. Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise.

iii. Past service costs are recognized immediately in profit or loss if vested immediately; if not, the past service costs are amortized on a straight-line basis over the vesting period.

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

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are 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.

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

D. Deferred tax assets are 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 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 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.

(26) 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.

(27) Dividends

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

(28) Revenue recognition

A. Sales of goods

a) The Group operates on-line games, sells prepaid cards for on-line games and the related products. Revenue is measured at the fair value of the consideration received or receivable taking into account sales tax, returns and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be 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.

(29) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. 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. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(30) Operating segments

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

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

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

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

A. Financial assets-impairment of equity investments

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

B. Revenue recognition on a net/gross basis

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of 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 June 30, 2014, the Group's deferred revenue amounted to $25,992, 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 June 30, 2014, the Group recognized goodwill, net of impairment loss, amounting to $55,334.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2014	December 31, 2013	June 30, 2013
Cash on hand and petty cash	$ 1,263	$ 1,138	$ 1,433
Checking accounts and demand deposits	977,354	1,310,288	1,160,392
Time deposits	336,069	296,079	316,616
	$ 1,314,686	$ 1,607,505	$ 1,478,441

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	June 30, 2014	December 31, 2013	June 30, 2013
Current items			
Financial assets held for trading			
Listed (TSE and OTC) stocks	$ 1,361	$ 2,351	$ 4,000
Corporate bond funds	4,000	4,000	110,843
Valuation adjustment of financial assets held for trading	(269)	(744)	(1,704)
	$ 5,092	$ 5,607	$ 113,139

A. The Group recognized net gain (loss) of $42, ($402), $589 and ($988) on financial assets held for trading for the three-month and six-month periods ended June 30, 2014 and 2013, 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.

C. On March 30, 2010, the Board of Directors of the Company's subsidiary, Gameastor Digital Entertainment Co., Ltd., has resolved to issue preferred stocks of 285 thousand shares with the par value of $10 amounting to $2,850 for business needs. After 3 years from the issuance of preferred stocks, if the fair value is higher than the agreed base price, the subsidiary may buy back the issued preferred stocks at the original fair value within 30 days.

Within the same period, investors may request the subsidiary to buy back all the shares at once at the fair value. However, if the fair value is lower than the agreed based price, the subsidiary shall redeem at the agreed base price. Gameastor Digital Entertainment Co., Ltd. has disposed the financial liabilities in the second quarter of 2013. The gain recognised on financial liabilities measured at fair value through profit or loss amounting to $5,626 was recorded as 'other gains and losses'.

(3) Available-for-sale financial assets

Items	June 30, 2014	December 31, 2013	June 30, 2013
Non-current items:			
Unlisted stock	$ 102,067	$ 66,067	$ 62,979
Valuation adjustment of available-for-sale financial assets	25,950	2,067	(5,762)
Accumulated impairment	(9,206)	(9,206)	(9,206)
	$ 118,811	$ 58,928	$ 48,011

A. The Group recognized $12,354, ($21,232), $23,883 and ($20,794) in other comprehensive income for fair value changes for the three-month and six-month periods ended June 30, 2014 and 2013, respectively.

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

C. As of June 30, 2014, December 31, 2013 and June 30, 2013, no available-for-sale financial assets of the Group were pledged as collateral.

(4) Notes receivable - net

	June 30, 2014	December 31, 2013	June 30, 2013
Notes receivable	$ 10,543	$ 10,431	$ 23,027
Less: Allowance for doubtful accounts	-	-	-
	$ 10,543	$ 10,431	$ 23,027

(5) Accounts receivable

	June 30, 2014	December 31, 2013	June 30, 2013
Accounts receivable	$ 1,709,067	$ 1,585,073	$ 1,445,550
Less: Allowance for doubtful accounts	(90,475)	(65,289)	(98,046)
Allowance for sales returns	(537)	(537)	(537)
	$ 1,618,055	$ 1,519,247	$ 1,346,967

A. The ageing analysis of accounts receivable (including overdue accounts receivable) that were past due is as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Up to 30 days	$ 336,923	$ 252,078	$ 282,626
31~60 days	96,995	73,838	52,644
61~90 days	19,685	23,028	20,965
91~180 days	24,538	11,993	21,550
Over 180 days	224,305	217,088	197,323
	$ 702,446	$ 578,025	$ 575,108

The movement analysis of the above impaired financial assets that are past due is as follows:

a) As of June 30, 2014, December 31, 2013 and June 30, 2013, the Group's notes receivable, accounts receivable and overdue accounts receivable that were impaired amounted to $204,762, $178,176 and $166,067, respectively.

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

	2014		
	Individual provision	Group provision	Total
At January 1	$ 112,887	$ 65,289	$ 178,176
Provision for impairment	1,400	25,482	26,882
Write-offs during the period	-	(300)	(300)
Effect of exchange rate	-	4	4
At June 30	$ 114,287	$ 90,475	$ 204,762

	2013		
	Individual provision	Group provision	Total
At January 1	$ 68,005	$ 76,778	$ 144,783
Provision for impairment	-	23,988	23,988
Write-offs during the period	-	(2,901)	(2,901)
Effect of exchange rate	16	181	197
At June 30	$ 68,021	$ 98,046	$ 166,067

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

	June 30, 2014	December 31, 2013	June 30, 2013
Neither past due nor impaired	$ 1,127,505	$ 1,127,932	$ 946,460

D. The maximum exposure to credit risk at June 30, 2014, December 31, 2013 and June 30, 2013 was the carrying amount of each class of accounts receivable.

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

(6) Inventories

	June 30, 2014		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 200,452	($ 1,203)	$ 199,249

	December 31, 2013		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 64,284	($ 1,198)	$ 63,086

	June 30, 2013		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 130,322	($ 1,256)	$ 129,066

The cost of inventories recognised as expense for the period:

	For the three-month periods ended June 30,	
	2014	2013
Cost of goods sold	$ 337,764	$ 441,611
Provision (reversal of allowance) for inventory obsolescence and market price decline	17	(6)
	$ 337,781	$ 441,605

	For the six-month periods ended June 30,	
	2014	2013
Cost of goods sold	$ 516,073	$ 877,895
Provision for inventory obsolescence and market price decline	5	-
	$ 516,078	$ 877,895

As the net realisable value of inventory previously provided with allowance improved during the three-month period ended June 30, 2013, gain on reversal was recognised.

(7) Investments accounted for under the equity method

A. List of long-term investments

Name of associates	June 30, 2014 Ownership percentage	June 30, 2014 Balance	December 31, 2013 Ownership percentage	December 31, 2013 Balance	June 30, 2013 Ownership percentage	June 30, 2013 Balance
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	30.94	$ 9,995	30.94	$ 12,687	40.70	$ 5,697
Machi Pictures Co., Ltd. (Machi Pictures) (Note)	33.33	191	33.33	-	33.33	18,431
Pri-One Marketing Co., Ltd.	30.00	1,938	30.00	1,756	30.00	1,062
Firedog Creative Co., Ltd. (Firedog)	40.00	4,528	40.00	7,375	-	-
Fantasy Fish Digital Games Co., Ltd.	44.08	19,695	44.08	20,323	-	-
Chuang Meng Shr Ji Co., Ltd.	23.08	29,975	-	-	-	-
		$ 66,322		$ 42,141		$ 25,190

Note: As the Company intends to provide endorsements, guarantees or financial support for Machi Pictures, the investment loss is recognized continuously in proportion to the Company's equity interest in the investee. Thus, as of December 31, 2013, the credit balance of investment was ($4), and accounted in other liabilities (shown in 'other non-current liabilities').

B. For the six-month periods ended June 30, 2014 and 2013, the Group's associates were accounted for using equity method based on their unreviewed financial statements.

C. 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 in September and November, 2013 and not holding more than half of the board seats. Gash Plus (Taiwan) Company Limited's shareholding ratio dropped from 100% to 44.08% and it did not associate with the Group at the end of the third quarter of 2013. Accordingly, only its profit for the first three quarters of 2013 was included in the Group's consolidated financial statements.

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

	Assets	Liabilities	Revenue	Profit/(Loss)	% interest held
June 30, 2014					
Taiwan e-sports	$ 43,505	$ 11,195	$ 6,818	($ 8,702)	30.94%
Machi Pictures	1,325	754	-	545	33.33%
Pri-One	8,808	2,347	10,718	607	30.00%
Firedog	2,715	5,747	1,156	(7,174)	40.00%
Fantasy Fish	102,011	57,329	101,342	(1,423)	44.08%
Chuang Meng	129,891	-	-	(109)	23.08%
	$ 288,255	$ 77,372	$ 120,034	($ 16,256)	

	Assets	Liabilities	Revenue	Profit/(Loss)	% interest held
December 31, 2013					
Taiwan e-sports	$ 51,824	$ 10,811	$ 24,058	($ 17,054)	30.94%
Machi Pictures	1,383	1,396	31,392	(56,256)	33.33%
Pri-One	8,584	2,730	14,205	854	30.00%
Firedog	5,641	1,573	341	(5,477)	40.00%
Fantasy Fish	63,952	17,848	19,487	(7,830)	44.08%
	$ 131,384	$ 34,358	$ 89,483	($ 85,763)	

	Assets	Liabilities	Revenue	Profit/(Loss)	% interest held
June 30, 2013					
Taiwan e-sports	$ 22,825	$ 8,827	$ 13,839	($ 4,644)	40.70%
Machi Pictures	104,344	49,049	-	(981)	33.33%
Pri-One	5,787	2,248	1,566	(1,461)	30.00%
	$ 132,956	$ 60,124	$ 15,405	($ 7,086)	

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, 2014									
Cost	$ 157,449	$ 203,942	$ 731,430	$ 7,332	$ 84,752	$ 65,461	$ 36,340	$ 1,722	$ 1,288,428
Accumulated depreciation	-	(46,061)	(428,085)	(2,845)	(56,065)	(36,029)	(18,530)	-	(587,615)
Accumulated impairment	-	-	(6,382)	-	(45)	-	-	-	(6,427)
	$ 157,449	$ 157,881	$ 296,963	$ 4,487	$ 28,642	$ 29,432	$ 17,810	$ 1,722	$ 694,386
Six-month period ended June 30, 2014									
Opening net book amount	$ 157,449	$ 157,881	$ 296,963	$ 4,487	$ 28,642	$ 29,432	$ 17,810	$ 1,722	$ 694,386
Additions	-	4,760	43,276	-	1,873	8,583	338	4,507	63,337
Disposals	-	(5,816)	(1,746)	-	(2)	-	(36)	-	(7,600)
Reclassifications	-	3,270	2,885	-	(376)	-	376	(6,155)	-
Depreciation charge	-	(5,397)	(73,658)	(810)	(6,133)	(5,750)	(4,502)	-	(96,250)
Effect of decrease in consolidated entities	-	-	(43)	-	(232)	-	(270)	-	(545)
Net exchange differences	(11)	241	580	-	13	(3)	14	61	895
Closing net book amount	$ 157,438	$ 154,939	$ 268,257	$ 3,677	$ 23,785	$ 32,262	$ 13,730	$ 135	$ 654,223
At June 30, 2014									
Cost	$ 157,438	$ 201,529	$ 753,039	$ 7,332	$ 78,555	$ 70,726	$ 36,758	$ 135	$ 1,305,512
Accumulated depreciation	-	(46,590)	(478,400)	(3,655)	(54,722)	(38,464)	(23,028)	-	(644,859)
Accumulated impairment	-	-	(6,382)	-	(48)	-	-	-	(6,430)
	$ 157,438	$ 154,939	$ 268,257	$ 3,677	$ 23,785	$ 32,262	$ 13,730	$ 135	$ 654,223

	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)
	$ 157,192	$ 167,710	$ 409,921	$ 6,494	$ 39,208	$ 50,785	$ 18,072	$ 2,673	$ 852,055
Six-month period ended June 30, 2013									
Opening net book amount	$ 157,192	$ 167,710	$ 409,921	$ 6,494	$ 39,208	$ 50,785	$ 18,072	$ 2,673	$ 852,055
Additions	-	564	10,182	-	1,317	439	1,811	-	14,313
Disposals	-	-	(579)	(598)	(1,952)	(956)	(1,240)	-	(5,325)
Reclassifications	-	-	(10,310)	-	4,453	-	6,443	(586)	-
Depreciation charge	-	(3,489)	(74,575)	(827)	(7,616)	(17,964)	(4,351)	-	(108,822)
Net exchange differences	311	(281)	(2,439)	13	53	621	45	(247)	(1,924)
Closing net book amount	$ 157,503	$ 164,504	$ 332,200	$ 5,082	$ 35,463	$ 32,925	$ 20,780	$ 1,840	$ 750,297
At June 30, 2013									
Cost	$ 157,503	$ 206,829	$ 724,294	$ 7,277	$ 93,448	$ 67,969	$ 35,472	$ 1,840	$ 1,294,632
Accumulated depreciation	-	(42,325)	(385,740)	(2,195)	(57,942)	(35,044)	(14,692)	-	(537,938)
Accumulated impairment	-	-	(6,354)	-	(43)	-	-	-	(6,397)
	$ 157,503	$ 164,504	$ 332,200	$ 5,082	$ 35,463	$ 32,925	$ 20,780	$ 1,840	$ 750,297

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

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

(9) Intangible assets

	Agency	Software	Other intangible asset	Trademark	Goodwill	Total
At January 1, 2014						
Cost	$ 339,109	$ 135,637	$ 52,514	$ 105	$ 74,537	$601,902
Accumulated amortization	(86,685)	(76,197)	(24,034)	(8)	-	(186,924)
Accumulated impairment	(61,550)	(29,630)	-	-	(13,914)	(105,094)
	$ 190,874	$ 29,810	$ 28,480	$ 97	$ 60,623	$309,884
Six-month period ended June 30, 2014						
Opening net book amount	$ 190,874	$ 29,810	$ 28,480	$ 97	$ 60,623	$309,884
Additions	57,792	21,967	8,097	-	-	87,856
Amortization charge	(43,819)	(19,284)	(10,355)	-	-	(73,458)
Transfer to other expenses	-	-	(111)	-	-	(111)
Disposals	(1,472)	-	(440)	-	-	(1,912)
Reclassifications	-	(2,303)	2,539	-	-	236
Effect of decrease in consolidated entities	-	-	(10,932)	-	-	(10,932)
Impairment loss	(10,663)	-	-	-	(5,258)	(15,921)
Net exchange differences	(691)	559	120	3	(31)	(40)
Closing net book amount	$ 192,021	$ 30,749	$ 17,398	$ 100	$ 55,334	$295,602
At June 30, 2014						
Cost	$ 348,150	$ 106,898	$ 40,781	$ 108	$ 74,504	$570,441
Accumulated amortization	(118,006)	(45,503)	(23,383)	(8)	-	(186,900)
Accumulated impairment	(38,123)	(30,646)	-	-	(19,170)	(87,939)
	$ 192,021	$ 30,749	$ 17,398	$ 100	$ 55,334	$295,602

	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
Six-month period ended June 30, 2013							
Opening net book amount	$ 1,509	$ 163,389	$ 70,370	$ 43,290	$ 3,322	$ 79,418	$ 361,298
Additions	-	38,180	24,054	7,193	-	-	69,427
Amortization charge	(1,026)	(38,720)	(19,709)	(15,077)	(424)	-	(74,956)
Disposals	-	(15,128)	-	(1,576)	-	-	(16,704)
Reclassifications	-	2,689	(6,826)	(3,071)	-	-	(7,208)
Impairment loss	-	(20,000)	-	-	-	(14,891)	(34,891)
Net exchange differences	37	40	(2,662)	430	104	(1,238)	(3,289)
Closing net book amount	$ 520	$ 130,450	$ 65,227	$ 31,189	$ 3,002	$ 63,289	$ 293,677
At June 30, 2013							
Cost	$ 8,821	$ 501,815	$ 129,644	$ 61,358	$ 4,676	$ 90,812	$ 797,126
Accumulated amortization	(6,095)	(308,147)	(64,417)	(30,169)	(1,287)	-	(410,115)
Accumulated impairment	(2,206)	(63,218)	-	-	(387)	(27,523)	(93,334)
	$ 520	$ 130,450	$ 65,227	$ 31,189	$ 3,002	$ 63,289	$ 293,677

A. The details of amortization are as follows:

	For the three-month periods ended June 30,	
	2014	2013
Operating costs	$ 28,719	$ 25,561
Selling expenses	1,196	814
General and administrative expenses	5,149	8,017
Research and development expenses	344	615
	$ 35,408	$ 35,007

	For the six-month periods ended June 30,	
	2014	2013
Operating costs	$ 53,601	$ 49,665
Selling expenses	2,856	4,567
General and administrative expenses	16,244	16,503
Research and development expenses	757	4,221
	$ 73,458	$ 74,956

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

	June 30, 2014	December 31, 2013	June 30, 2013
Goodwill			
Playcoo	$ 46,552	$ 46,552	$ 46,552
GCH	26,732	26,763	26,914
Sino	912	914	918
Jsdway(M) Sdn. Bhd.	308	308	-
Fantasy Fish	-	-	1,892
Firedog	-	-	14,536
	74,504	74,537	90,812
Less: accumulated impairment	(19,170)	(13,914)	(27,523)
	$ 55,334	$ 60,623	$ 63,289

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

(10) Non-current assets

	June 30, 2014	December 31, 2013	June 30, 2013
Overdue accounts receivable	$ 120,884	$ 120,884	$ 76,018
Less: Allowance for doubtful accounts	(114,287)	(112,887)	(68,021)
Refundable deposits	34,312	46,045	47,064
Prepayment for investments	6,000	6,000	6,585
Other financial assets-non-current	7,507	5,007	-
Others	674	829	801
	$ 55,090	$ 65,878	$ 62,447

The Company's indirect subsidiary, Jsdway Digital Technology Co., Ltd., did not fully provide its overdue accounts receivable with allowance as of June 30, 2014, December 31, 2013 and June 30, 2013 since based on its assessment, such receivables were collectible.

(11) Impairment of non-financial assets

A. The Group recognized impairment loss amounting to $0, $33,000, $15,921 and $35,989 for the three-month and six-month periods ended June 30, 2014 and 2013, respectively. Details of such loss are as follows:

	For the three-month period ended June 30, 2014	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodwill	$ -	$ -
Impairment loss-agency	-	-
	$ -	$ -

	For the three-month period ended June 30, 2013	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodwill	$ 13,000	$ -
Impairment loss-agency	20,000	-
	$ 33,000	$ -

	For the six-month period ended June 30, 2014	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodwill	$ 5,258	$ -
Impairment loss-agency	10,663	-
	$ 15,921	$ -

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

B. The Company's certain subsidiaries and associates accounted for using equity method recognised impairment loss on goodwill and investment for the six-month periods ended June 30, 2014 and 2013 after assessing that the recoverable amounts of the value of future cash inflows are lower than the carrying amount. The value of future cash inflows was based on the best estimate of information available at the balance sheet date.

C. For the six-month period ended June 30, 2014, the Group has recognised impairment loss on distribution right since the carrying amount is greater than recoverable amount. The recoverable amount is revenue incurred from expected points for on-line games used by consumers less expected expenditures.

(12) Short-term borrowings

	June 30, 2014	December 31, 2013	June 30, 2013
Unsecured bank loans	$ 8,852	$ 13,559	$ 63,680
Credit lines	$ 422,383	$ 1,950,738	$ 2,536,408
Interest rate	1.15%	1.15%~7.20%	1.15%~7.20%

(13) Other payables

	June 30, 2014	December 31, 2013	June 30, 2013
Salary payable and annual bonus	$ 112,970	$ 170,535	$ 158,335
Employees' bonus payable	9,548	3,315	21,541
Compensation payable to directors and supervisors	834	185	2,311
Tax payable	44,513	40,500	50,105
Dividends payable	78,797	-	-
Payable for equipment and intangible assets	10,205	38,672	1,070
Others	133,747	114,226	145,761
	$ 390,614	$ 367,433	$ 379,123

(14) Other current liabilities

	June 30, 2014	December 31, 2013	June 30, 2013
Unearned revenue collected in advance	$ 473,109	$ 477,522	$ 448,996
Current portion of long-term liabilities	17,115	16,569	19,321
Receipts under custody	14,235	9,622	10,340
Tax receipts under custody	3,539	3,136	13,880
Others	9,519	14,824	1,713
	$ 517,517	$ 521,673	$ 494,250

(15) Bonds payable

	June 30, 2014	December 31, 2013	June 30, 2013
Bonds payable	$ 30,393	$ 37,659	$ 49,067
Less: Current portion	(17,115)	(16,547)	(17,676)
	$ 13,278	$ 21,112	$ 31,391

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.

(16) Long-term borrowings

Bank	Period / Terms of repayment	Interest	Collateral	December 31, 2013
Yuanta Bank	Monthly installments	2.99%	Car	$ 22
Less: Current portion	2011/1/14~2014/1/13			(22)
				$ -

Bank	Period / Terms of repayment	Interest	Collateral	June 30, 2013
Sumitomo Mitsui Banking Coporation	2010/9/1~2013/8/30 Equal quarterly installments	1.775%	Note	$ 1,219
Yuanta Bank	2010/12/30~2013/12/29 Monthly installments	2.99%	Car	272
Yuanta Bank	2011/1/14~2014/1/13 Monthly installments	2.99%	Car	154
				1,645
Less: Current portion				(1,645)
				$ -

As of June 30, 2014, the Group did not have any long-term borrowing.

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

The Group has the following undrawn borrowing facilities:

	June 30, 2014	December 31, 2013	June 30, 2013
Fixed rate:			
Expiring within one year	$ -	$ 2,168	$ 31,025
Expiring beyond one year	-	-	-
	$ -	$ 2,168	$ 31,025

(17) Pensions

A. Defined benefit plans

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) For the aforementioned pension plan, the Group recognised pension costs of $317, $460, $633 and $858 for the three-month and six-month periods ended June 30, 2014 and 2013, respectively.

Details of costs and expenses recognised in statements of comprehensive income are as follows:

	For the three-month periods ended June 30,	
	2014	2013
Cost of sales	$ 22	$ 40
Selling expenses	46	62
General and administrative expenses	181	248
Research and development expenses	68	110
	$ 317	$ 460

	For the six-month periods ended June 30,	
	2014	2013
Cost of sales	$ 45	$ 74
Selling expenses	91	111
General and administrative expenses	356	474
Research and development expenses	141	199
	$ 633	$ 858

(g) Expected contributions to the defined benefit pension plans of the Group within one year from June 30, 2014 are $1,767.

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's mainland subsidiary, Gamania Digital Entertainment (Beijing) Co., Ltd., 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 six-month periods ended June 30, 2014 and 2013 were both 20%~22%. Other than the monthly contributions, the Group has no further obligations.

(c) Gamania Digital Entertainment (Japan) Co., Ltd., Gamania Digital Entertainment (H.K.) Co., Ltd., Gash Plus (Hong Kong) Company Limited, Gash Plus (Japan) Co., Ltd., Gash Plus Korea Co., Ltd. and Joymobee Entertainment Co., Ltd. provide pension reserves annually for their employees in accordance with the local regulations.

(d) The pension costs under the defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2014 and 2013 were $8,845, $8,902, $16,167 and $19,671, respectively.

(18) Share-based payment

A. As of June 30, 2013, 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 six-month periods ended June 30,			
	2014		2013	
	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	3,955	$ 23.00	4,742	$ 23.00
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options forfeited	-	-	-	-
Options exercised (Note 2)	-	-	(230)	-
Options expired	(3,955)	-	(77)	-
Options outstanding at end of the period	-	-	4,435	23.00
Options exercisable at end of the period	-		4,435	

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

Note 2: For the six-month period ended June 30, 2013, 16 thousand employees' stock options were converted to common stocks. As of June 30, 2013, 16 thousand shares were accounted for under stock subscriptions received in advance as the record date for the capital increase has not been set yet.

C. The weighted-average stock price of stock options at exercise date for the three-month period ended June 30, 2013 was $25.58 (in dollars).

D. As of December 31, 2013 and June 30, 2013, the exercise price of stock options outstanding was both $23, and the weighted-average remaining contractual period was 0 year and 0.42 year, respectively.

(19) Provisions for other liabilities

	Decommissioning liabilities
At January 1, 2014	$ 2,853
Unused amounts reversed	(2,954)
Exchange differences	101
At June 30, 2014	$ -

	Decommissioning liabilities
At January 1, 2013	$ 5,421
Additional provisions	1,760
Used during the period	(1,760)
Exchange differences	(526)
At June 30, 2013	$ 4,895

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.

(20) Common stock

As of June 30, 2014, the Company's authorized capital was $2,500,000, consisting of 250 million shares of ordinary stock (including 12 million shares reserved for employee stock options), and the paid-in capital was $1,575,936 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(21) Capital surplus

A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. When it is resolved by the shareholders at their shareholders' meeting, legal reserve and whole or part of capital reserve arising from the following items can be used to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit:

a) Paid-in capital in excess of par value on issuance of common stocks; and

b) Donations.

C. On June 19, 2014, the stockholders resolved to use paid-in capital in excess of par value on issuance of common stocks to issue cash of $0.5 (in dollars) per share, totaling $78,797, to stockholders.

(22) Unappropriated retained earnings

A. As stipulated in the Company's Articles of Incorporation, the current earnings, if any, shall be distributed in the following order:

a) Paying all taxes and duties.

b) Covering prior years' accumulated deficit, if any.

c) After deducting items a and b, 10% of the remaining amount is appropriated as legal reserve.

d) In addition to the amount appropriated for legal reserve, the Company may appropriate an amount equal to the negative items in the stockholders' equity from retained earnings as special reserve.

e) Interest on capital.

f) After deducting items a to e, 10%～15% of the remaining earnings is appropriated as employees' bonuses and up to 2% as remuneration to directors and supervisors.

g) The remaining amount is to be distributed to stockholders in accordance with the resolution adopted at the stockholders' meeting.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C.

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. Pursuant to a resolution approved in the stockholders' meeting on June 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. No employees' bonus and directors' and supervisors' remuneration was distributed as approved during the stockholders' meeting. The deficit compensation for 2012 as stated above is in agreement with that proposed by the Board of Directors on March 25, 2013.

E. The shareholders during their meeting on June 19, 2014 resolved to propose the following appropriation for 2013 earnings: cover accumulated deficit of $35,362 from net income of 2013 and appropriate legal reserve of $3,856 and special reserve of $34,703. There were no earnings to be appropriated from 2013, thus, employees' bonus and directors' and supervisors' remuneration were not accrued and resolved at the shareholders' meeting. The aforementioned appropriation for 2013 was in agreement with the proposal by the Board of Directors on March 17, 2014.

F. For the three-month and six-month periods ended June 30, 2014 and 2013, employees' bonus was accrued at $491, $3,634, $6,186 and $17,335, respectively; and directors' and supervisors' remuneration was accrued at $66, $484, $825 and $2,311, respectively. The above amounts constitute 10%~15% and 2%, respectively, of the net income after taking into account the legal reserve, and are recognised as operating cost and expense. If the actual distribution amounts are different from the estimated amounts, the difference will be adjusted in the statement of comprehensive income of the following year.

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.

(23) Other equity items

	Available-for-sale investment	Currency translation	Total
At January 1, 2014	$ 2,067	($ 48,198)	($ 46,131)
Valuation adjustments	23,883	-	23,883
Currency translation differences:			
- Group	-	1,975	1,975
At June 30, 2014	$ 25,950	($ 46,223)	($ 20,273)

	Available-for-sale investment	Currency translation	Total
At January 1, 2013	$ 15,032	($ 44,930)	($ 29,898)
Valuation adjustments	(20,794)	-	(20,794)
Currency translation differences:			
- Group	-	1,107	1,107
At June 30, 2013	($ 5,762)	($ 43,823)	($ 49,585)

(24) Operating revenue

	For the three-month periods ended June 30, 2014	For the three-month periods ended June 30, 2013
Sales revenue-net	$ 2,112,511	$ 1,897,012
Service revenue	6,124	18,064
Other operating revenue	33,880	41,440
	$ 2,152,515	$ 1,956,516

	For the six-month periods ended June 30, 2014	For the six-month periods ended June 30, 2013
Sales revenue-net	$ 4,538,943	$ 3,916,249
Service revenue	10,999	24,654
Other operating revenue	68,678	80,018
	$ 4,618,620	$ 4,020,921

(25) Other income

	For the three-month periods ended June 30, 2014	For the three-month periods ended June 30, 2013
Rental revenue	$ 1,217	$ 420
Interest income from bank deposits	1,637	1,243
Other income	14,128	6,404
	$ 16,982	$ 8,067

	For the six-month periods ended June 30, 2014	For the six-month periods ended June 30, 2013
Rental revenue	$ 1,752	$ 637
Interest income from bank deposits	2,419	2,196
Other income	19,919	11,133
	$ 24,090	$ 13,966

(26) Other gains and losses

	For the three-month periods ended June 30, 2014	For the three-month periods ended June 30, 2013
Net gain (loss) on financial assets at fair value through profit or loss	$ 42	($ 493)
Net currency exchange gain (loss)	4,168	(1,755)
(Loss) gain on disposal of property, plant and equipment	(7,031)	3,940
Impairment loss	-	(33,000)
(Loss) gain on disposal of investment	(8,600)	7,058
Others	(2,058)	(3,397)
	($ 13,479)	($ 27,647)

	For the six-month periods ended June 30, 2014	For the six-month periods ended June 30, 2013
Net gain (loss) on financial assets at fair value through profit or loss	$ 589	($ 1,011)
Net currency exchange gain (loss)	(4,038)	(2,917)
(Loss) gain on disposal of property, plant and equipment	(7,083)	3,824
Impairment loss	(15,921)	(35,989)
(Loss) gain on disposal of investment	(8,600)	7,058
Others	(7,095)	(10,530)
	($ 42,148)	($ 39,565)

(27) Finance costs

	For the three-month periods ended June 30, 2014	For the three-month periods ended June 30, 2013
Interest expense:		
Bank borrowings	$ 118	$ 111
Bonds payable	33	154
Others	2	474
	$ 153	$ 739

	For the six-month periods ended June 30, 2014	For the six-month periods ended June 30, 2013
Interest expense:		
Bank borrowings	$ 428	$ 1,434
Bonds payable	107	154
Others	182	474
	$ 717	$ 2,062

(28) Expenses by nature

	For the three-month periods ended June 30, 2014	For the three-month periods ended June 30, 2013
On-line game cost	$ 277,454	$ 385,026
Point service cost	945,462	528,083
Cost of physical sales	337,781	441,605
Other operating cost	155,972	24,082
Bad debt expense	16,864	9,437
Operating lease payments	27,472	27,573
Advertising expense	28,476	28,512
Depreciation on property, plant and equipment	48,351	48,240
Amortization expense	38,808	36,451
Service fees	19,690	26,103
Travel expenses	9,682	9,680
Utilities expenses	6,615	9,823
Employee benefit expenses	205,310	260,597
Other expenses	19,417	53,486
	$ 2,137,354	$ 1,888,698

	For the six-month periods ended June 30,	
	2014	2013
On-line game cost	$ 595,456	$ 920,998
Point service cost	2,285,798	822,176
Cost of physical sales	516,078	877,895
Other operating cost	190,245	77,058
Bad debt expense	26,882	23,988
Operating lease payments	49,791	58,162
Advertising expense	106,825	82,721
Depreciation on property, plant and equipment	96,250	108,822
Amortization expense	76,858	78,183
Service fees	30,262	49,065
Travel expenses	18,713	18,623
Utilities expenses	13,979	20,782
Employee benefit expenses	454,492	599,188
Other expenses	58,730	99,057
	$ 4,520,359	$ 3,836,718

(29) Employee benefit expense

	For the three-month periods ended June 30,	
	2014	2013
Wages and salaries	$ 177,078	$ 224,655
Labor and health insurance fees	10,611	19,949
Pension costs	9,162	9,362
Other personnel expenses	8,459	6,631
	$ 205,310	$ 260,597

	For the six-month periods ended June 30,	
	2014	2013
Wages and salaries	$ 392,705	$ 517,626
Labor and health insurance fees	27,585	42,080
Pension costs	16,800	20,529
Other personnel expenses	17,402	18,953
	$ 454,492	$ 599,188

(30) Income tax

A. Income tax expense

Components of income tax expense:

	For the three-month periods ended June 30, 2014	For the three-month periods ended June 30, 2013
Current tax		
Current tax on profits for the period	$ 12,859	$ 7,269
Adjustments in respect of prior years	19,215	6,761
Total current tax	32,074	14,030
Deferred tax		
Origination and reversal of temporary differences	(18,755)	7,648
Impact of change in tax rate	-	-
Total deferred tax	(18,755)	7,648
Income tax expense	($ 13,319)	$ 21,678

	For the six-month periods ended June 30, 2014	For the six-month periods ended June 30, 2013
Current tax		
Current tax on profits for the period	$ 30,878	$ 38,332
Adjustments in respect of prior years	18,749	6,761
Total current tax	49,627	45,093
Deferred tax		
Origination and reversal of temporary differences	(20,132)	3,817
Impact of change in tax rate	-	-
Total deferred tax	(20,132)	3,817
Income tax expense	$ 29,495	$ 48,910

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

	Latest Year Assessed by Tax Authority
The Company	2010
Gameastor, Jsdway	2011
Global Pursuit, Gamania Asia, Two Tigers, Fundation, Seedo, Playcoo, Redgate, Gash Plus (Taiwan)	2012

The Company was required to pay additional income tax of $23,481 for the year 2002 after the re-examination of trial by the Tax Authority. In January 2011, the Company appealed against the assessment, but had paid the additional income tax amounting to $21,083. In October 2011, the decision on the appeal was issued which upheld the original judgment relating to the Company's tax exempt income, research and development expense and tax credits applicable to income tax. However, the original judgment relating to the loss on disposal of the Company's fixed assets was cancelled and would be subject to re-examination by the Tax Authority. In October 2013, the Company appealed against the assessment and paid half of the remaining income tax amounting to $1,199.

C. Unappropriated retained earnings:

	June 30, 2014	December 31, 2013	June 30, 2013
Earnings generated in and before 1997	$ -	$ -	$ -
Earnings generated in and after 1998	43,303	38,559	67,499
	$ 43,303	$ 38,559	$ 67,499

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

	June 30, 2014	December 31, 2013	June 30, 2013
Imputation tax credit account balance	$ 74,397	$ 74,337	$ 41,444

	2013 (Actual)	2012 (Actual)
Imputation tax credit account balance	20.48%	(Note)

Note: There was no creditable tax ratio since there is an accumulated deficit in 2012.

(31) Earnings per share

	For the three-month period ended June 30, 2014		
	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	$ 1,423	157,594	$ 0.01
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,423	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	12	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,423	157,606	$ 0.01

	For the three-month period ended June 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	$ 27,979	157,098	$ 0.18
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 27,979	157,098	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	409	
Employees' bonus	-	143	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 27,979	157,650	$ 0.18

	For the six-month period ended June 30, 2014		
	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	$ 45,909	157,594	$ 0.29
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 45,909	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	162	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 45,909	157,756	$ 0.29

	For the six-month period ended June 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	$ 110,785	157,019	$ 0.71
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 110,785	157,019	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	448	
Employees' bonus	-	682	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 110,785	158,149	$ 0.70

(32) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

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

B. The Group did not conduct any transaction with non-controlling interest for the six-month period ended June 30, 2013.

(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. Jsdway (M) Sdn. Bhd. has no significant operations in 2013, thus the Group is not required to disclose pro forma financial information.

	December 31, 2013
Components of acquisition at fair value:	
Cash and cash equivalents	$ 573
Net amount of accounts receivable	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 six-month periods ended June 30,	
	2014	2013
Acquisition of property, plant and equipment	$ 63,337	$ 14,313
Add: opening balance of payable on equipment	37,232	4,092
Less: ending balance of payable on equipment	(4,445)	(1,070)
Cash paid during the period	$ 96,124	$ 17,335

	For the six-month periods ended June 30,	
	2014	2013
Acquisition of intangible assets	$ 87,856	$ 69,427
Add: opening balance of payable on intangible assets	1,440	-
Less: ending balance of payable on intangible assets	(12,427)	-
Cash paid during the period	$ 76,869	$ 69,427

B. Financing activities with no cash flow effects

	For the six-month periods ended June 30,	
	2014	2013
Cash dividend distribution from capital reserve	$ 78,797	$ -

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. Usage of intangible assets:

	For the three-month periods ended June 30,	
	2014	2013
License fees:		
Other related party	$ -	$ 236,219

	For the six-month periods ended June 30,	
	2014	2013
License fees:		
Other related party	$ 40,268	$ 455,894

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. As of January 23, 2014, the counterparty was not the related party, and the related transaction information is disclosed until January 22, 2014.

B. Other operating cost:

	For the three-month periods ended June 30,	
	2014	2013
Associates	$ 31,156	$ -

	For the six-month periods ended June 30,	
	2014	2013
Associates	$ 51,770	$ -

The above pertains to payment for on-line game's points service cost which were based on stored points and contract ratio.

C. Accounts payable:

	June 30, 2014	December 31, 2013	June 30, 2013
Associates	$ 27,408	$ 5,919	$ -
Other related party	-	19,906	37,749
	$ 27,408	$ 25,825	$ 37,749

The payables to related parties arise mainly from purchase for 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:

	June 30, 2014	December 31, 2013	June 30, 2013
Purchase of right of agency			
Other related party	$ -	$ 83,248	$ 42,491

The above represents payment for on-line games license fees. As of January 23, 2014, the counterparty was not the related party and the related transaction information is disclosed until January 22, 2014. For the three-month and six-month periods ended June 30, 2013, the Group has paid license fees to other related party amounting to $0 and $4,140, respectively, in accordance with agreement determined by both parties.

E. Other significant transactions and balances with related parties:

(a) Operating expense (shown in "selling expenses and general and administrative expenses")

	For the three-month periods ended June 30,	
	2014	2013
Other related party	$ 2,000	$ 1,000
Associates	3,141	-
	$ 5,141	$ 1,000

	For the six-month periods ended June 30,	
	2014	2013
Other related party	$ 4,500	$ 1,000
Associates	6,925	-
	$ 11,425	$ 1,000

The above pertains to donation to other related party amounting to $4,500 and $1,000 for the six-month periods ended June 30, 2014 and 2013, respectively, and payments to associates for the Company's advertisements and game development. Except for donation, the terms and prices were negotiated based on different factors.

(b) Other payables to related parties:

	June 30, 2014	December 31, 2013	June 30, 2013
Associates	$ 4,094	$ 2,799	$ -

Other payables consist of the payment for advertising and membership dues and annual fees.

(3) Key management compensation

	For the three-month periods ended June 30,	
	2014	2013
Salaries and other short-term employee benefits	$ 5,427	$ 5,300
Post-employment benefits	54	52
	$ 5,481	$ 5,352

	For the six-month periods ended June 30,	
	2014	2013
Salaries and other short-term employee benefits	$ 11,456	$ 15,270
Post-employment benefits	108	105
	$ 11,564	$ 15,375

8. PLEDGED ASSETS

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

Pledged assets	Book value June 30, 2014	Book value December 31, 2013	Book value June 30, 2013	Purpose
Demand deposits (shown in "other current assets")	$ -	$ 30,000	$ -	Performance bond of on-line game card's standard contracts Short-term loans guarantee
Demand deposits (shown in other financial assets-non-current)	7,507	5,007	5,019	Credit card merchant guarantee Department of creditor claimed seizure
Property, plant and equipment				
Land	147,751	147,751	148,126	Short-term and long-term loans / Credit lines
Buildings	114,581	116,309	121,015	〃
Transportation equipment	-	1,216	1,422	Long-term loans guarantee
	$ 269,839	$ 300,283	$ 275,582	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Except for commitments described in Note 6(30), others are described as follows:

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

	June 30, 2014	December 31, 2013	June 30, 2013
Warehouse office building and parking lot	$ 94,836	$ 94,862	$ 119,232
Transportation equipment	491	1,080	1,669
Networking device	41,869	55,686	69,341
	$ 137,196	$ 151,628	$ 190,242

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On August 8, 2014, the Company's Board of Directors has adopted the resolution of the following significant events:

(1) The Group will sell or dissolve the subsidiary, RitwNow Inc., in accordance with the adjustment in the Group's operation strategies.

(2) The Company plans to increase the amount of investment in its subsidiary, Fundation Digital Entertainment Co., Ltd., by $10,000 for its operation capital needs.

(3) The subsidiary, Gash Plus (Taiwan) Company Limited's wholly-owned subsidiary, Punch Technologies Co., Ltd. ("Punch Technologies"), plans to increase capital by $15,000 for operating needs. The Company has acquired and obtained 60% of Punch Technologies's shares.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Fair value information of financial instruments

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

	June 30, 2014	
	Book value	Fair value
Financial assets:		
Other financial assets	$ 41,819	$ 41,819
Financial liabilities:		
Bonds payable (including current portion)	$ 30,394	$ 30,394
Other financial liabilities	4,097	4,097
	$ 34,491	$ 34,491

	December 31, 2013	
	Book value	Fair value
Financial assets:		
Other financial assets	$ 89,049	$ 89,049
Financial liabilities:		
Bonds payable (including current portion)	$ 37,659	$ 37,659
Long-term borrowings (including current portion)	22	22
Other financial liabilities	7,813	7,813
	$ 45,494	$ 45,494

	June 30, 2013	
	Book value	Fair value
Financial assets:		
Other financial assets	$ 52,064	$ 52,064
Financial liabilities:		
Bonds payable (including current portion)	$ 49,067	$ 49,067
Long-term borrowings (including current portion)	1,645	1,645
Other financial liabilities	9,222	9,222
	$ 59,934	$ 59,934

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's risk management program considers the effect of economic environment, competition and market value risk. The Group attains to the best risk position, holds appropriate liquidity position and centers on management of all the market risks. To reach the objective of risk management, the Group's hedged activities are focused on the market value risk and the cash flow risk.

C. Significant financial risks and degrees of financial risks

a) Market risk

Foreign exchange risk

i. Each of the entities in the Group operates in different countries 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, recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group set the natural hedging as principle. Foreign exchange risk arises when future commercial transactions, 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:

	June 30, 2014		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	$ 1,260	29.9150	$ 37,693
RMB:NTD	1,334	4.8211	6,431
HKD:NTD	6,371	3.8596	24,590
JPY:NTD	34,874	0.2951	10,291
HKD:USD	39,682	0.1290	153,134
MYR:USD	794	0.3115	7,399
NTD:USD	266,746	0.0334	266,746
USD:RMB	500	6.2050	14,957
USD:HKD	714	7.7508	21,359
Non-monetary items			
USD:NTD	16,899	29.9150	505,559
KRW:NTD	216,334	0.0296	6,403
JPY:NTD	125,490	0.2951	37,032
RMB:USD	1,014	0.1612	4,889
HKD:USD	58,132	0.1290	224,333
JPY:USD	81,059	0.0099	24,006
EUR:USD	738	1.3651	30,138
Financial liabilities			
Monetary items			
USD:NTD	2,797	29.9150	83,672
HKD:USD	9,715	0.1290	37,491

	December 31, 2013		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	$ 2,698	29.95	$ 80,805
RMB:NTD	1,640	4.9472	8,113
HKD:NTD	5,009	3.8626	19,348
JPY:NTD	72,240	0.2853	20,610
HKD:USD	35,305	0.1290	136,403
NTD:USD	429,174	0.0334	429,174
MYR:USD	627	0.3062	5,750
VND:USD	14,910	0.0014	625
USD:RMB	500	6.0539	14,975
USD:HKD	603	7.7538	18,060
Non-monetary items			
USD:NTD	15,686	29.95	469,791
KRW:NTD	347,442	0.0284	9,867
HKD:USD	783	3.8626	3,023
RMB:USD	1,339	0.1652	6,626
HKD:USD	61,834	0.1290	238,899
JPY:USD	239,355	0.0095	66,113
EUR:USD	767	1.3786	31,669
Financial liabilities			
Monetary items			
USD:NTD	$ 4,416	29.95	$ 132,259
JPY:NTD	4,500	0.2853	1,284
EUR:NTD	433	41.2876	17,878
HKD:USD	1,000	0.1290	3,864

	June 30, 2013		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	$ 2,979	30.1200	$ 89,727
RMB:NTD	1,714	4.9075	8,411
JPY:NTD	67,975	0.3048	20,719
NTD:USD	161,320	0.0332	161,320
HKD:USD	68,997	0.1289	267,879
USD:HKD	279	7.7566	8,402
Non-monetary items			
USD:NTD	19,318	30.1200	581,858
KRW:NTD	493,789	0.0264	13,036
RMB:USD	1,660	0.1629	8,145
HKD:USD	61,300	0.1289	237,995
JPY:USD	341,123	0.0101	103,774
EUR:USD	799	1.3047	31,399
Financial liabilities			
Monetary items			
USD:NTD	4,902	30.1200	147,648
HKD:USD	55,997	0.1289	217,407

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

	For the six-month period ended June 30, 2014		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD:NTD	1%	$ 377	$ -
RMB:NTD	1%	64	-
HKD:NTD	1%	246	-
JPY:NTD	1%	103	-
HKD:USD	1%	1,531	-
MYR:USD	1%	74	-
NTD:USD	1%	2,665	-
USD:RMB	1%	150	-
USD:HKD	1%	214	-
Financial liabilities			
Monetary items			
USD:NTD	1%	837	-
HKD:USD	1%	375	-

	For the six-month period ended June 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%	$ 897	$ -
RMB:NTD	1%	84	-
JPY:NTD	1%	207	-
NTD:USD	1%	1,613	-
HKD:USD	1%	2,679	-
USD:HKD	1%	84	-
Financial liabilities			
Monetary items			
USD:NTD	1%	1,476	-
HKD:USD	1%	2,174	-

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 six-month periods ended June 30, 2014 and 2013, the Group's borrowings at variable rate were denominated in NTD, RMB and JPY.

ii. At June 30, 2014 and 2013, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2014 and 2013 would have been $1 and $636 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 six-month periods ended June 30, 2014 and 2013, 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
June 30, 2014			
Short-term borrowings	$ 8,852	$ -	$ -
Notes payable	9,333	-	-
Accounts payable	1,165,260	-	-
Accounts payable-related parties	27,408	-	-
Other payables	390,614	-	-
Other payables-related parties	4,094	-	-
Bonds payable (including current portion)	13,278	-	-
Deposits received	4,097	-	-

	Less than 1 year	Between 1 and 3 years	Over 3 years
December 31, 2013			
Short-term borrowings	$ 13,600	$ -	$ -
Notes payable	9,846	-	-
Accounts payable	1,194,537	-	-
Accounts payable-related parties	25,825	-	-
Other payables	367,433	-	-
Other payables-related parties	2,799	-	-
Bonds payable	16,744	21,222	-
Long-term borrowings (including current portion)	22	-	-
Deposits received	118	6,913	782

	Less than 1 year	Between 1 and 3 years	Over 3 years
June 30, 2013			
Short-term borrowings	$ 63,680	$ -	$ -
Notes payable	10,964	-	-
Accounts payable	961,324	-	-
Accounts payable-related parties	37,749	-	-
Other payables	379,123	-	-
Bonds payable	17,676	31,391	-
Deposits received	9,147	75	-
Long-term borrowings (including current portion)	1,645	-	-

(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 June 30, 2014, December 31, 2013 and June 30, 2013:

June 30, 2014	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 5,092	$ -	$ -	$ 5,092
Available-for-sale financial assets				
Equity securities	-	-	118,811	118,811
	$ 5,092	$ -	$ 118,811	$ 123,903

December 31, 2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 5,607	$ -	$ -	$ 5,607
Available-for-sale financial assets				
Equity securities	-	-	58,928	58,928
	$ 5,607	$ -	$ 58,928	$ 64,535

June 30, 2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 113,139	$ -	$ -	$ 113,139
Available-for-sale financial assets				
Equity securities	-	-	48,011	48,011
	$ 113,139	$ -	$ 48,011	$ 161,150

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 independnt 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 six-month period ended June 30, 2014	Outstanding guarantee amount at June 30, 2014	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	$ 472,781	$ 448,000	$ 448,000	$ 337,482	$ -	19.43%	$ 1,575,936	Y			
0	The Company	Global Pursuit Co., Ltd.	2	472,781	20,000	20,000	-	-	0.87%	1,575,936	Y			
0	The Company	Seedo Games Co., Ltd.	2	472,781	30,000	30,000	-	-	1.30%	1,575,936	Y			
0	The Company	Gamania Digital Entertainment (Japan) Co., Ltd.	3	472,781	124,770	118,031	36,000	-	5.12%	1,575,936	Y			Note 5
0	The Company	Gamania Digital Entertainment (U.S.) Co., Ltd.	3	472,781	2,005	1,317	1,317	-	0.06%	1,575,936	Y			Note 5
0	The Company	Gash Plus (Hong Kong) Company Limited	3	472,781	44,873	44,873	-	-	1.95%	1,575,936	Y			Note 5

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.

Note 5: Based on exchange rate at June 30, 2014.

C) Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures):

Unit: Thousands of New Taiwan Dollars / Thousands of Shares

Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	June 30, 2014				
				Number of shares	Book value	Percentage	Market value (Note 2)	Note
The Company	NC Taiwan Co., Ltd. - Stock	Investee company accounted for under available-for-sale	Available-for-sale financial assets - non-current	2,100	$ 53,038	15	$ 53,038	
〃	Gamemag Interactive Inc. - Stock	〃	〃	460	19,826	5	19,826	
〃	Eastern Hongzhan Game Co., Ltd. - Stock	〃	〃	800	36,000	19.05	36,000	
Gamania Asia Investment Co., Ltd.	Compass Systems Corp. - Stock	None	〃	1,000	779	3.33	779	
Jsdway Digital Technology Co., Ltd.	Moqizone Holding Corporation - Stock	Prepaid long-term equity investment	Other non-current assets	-	6,000	-	6,000	
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	
Jsdway Digital Technology Co., Ltd.	Jie Tsai Technology Co., Ltd. - Stock	None	〃	-	2,338	-	2,338	
Precious Power Digital Technology Co., Ltd. - Stock	Everpeace International Limited - Stock	None	〃	-	2,000	-	2,000	
Webo Digital Co., Ltd. - Stock	Chi-shiang Digital Entertainment Co., Ltd. - Stock	None	〃	-	750	-	750	
Jsdway Digital Technology Co., Ltd.	Pihsiang Machinery MFG. Co., Ltd.	None	Financial assets at fair value through profit or loss - current	40	1,361	-	1,361	
Jsdway Digital Technology Co., Ltd.	Capital Indlized Countries Ea Inc A	None	〃	200	2,000	-	2,000	
Jsdway Digital Technology Co., Ltd.	Yuanta As Pac (ex-Jap) Inr Gr Gv Bd In B	None	〃	200	1,731	-	1,731	

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

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

D) Aggregate purchases or sales of the same securities reaching $300,000 or 20% of paid-in capital or more: None.

E) Acquisition of real estate in excess of $300,000 or 20% of capital: None.

F) Disposal of real estate in excess of $300,000 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	($ 1,141,269)	(91)	Note	Note	Note	$ 841,348	95	
Gash Plus (Hong Kong) Company Limited	Gash Plus (Taiwan) Company Limited	Same ultimate parent company	Sales	(300,047)	(21)	Note	Note	Note	-	-	
〃	Jsdway Digital Technology Co., Ltd.	〃	Sales	(536,557)	(37)	Note	Note	Note	147,610	37	

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

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

					Overdue receivables				
Name of creditor	Transaction parties	Relationship	Balance of receivables from related parties (in thousands)	Turnover rate	Amount	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	$ 846,083	3.41	$ -	-	$ 87,799	$ 44,502	Notes 2, 3
Gash Plus (Hong Kong) Company Limited	Jsdway Digital Technology Co., Ltd.	Same ultimate parent company	147,610	5.51	-	-	73,947	-	

Note 1: The subsequent collections represent collections from the balance sheet date to August 6, 2014.

Note 2: The Group considers 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.

Note 3: Includes other receivables.

I) Derivative financial instruments undertaken during the six-month period ended June 30, 2014: None.

J) Significant inter-company transactions during the six-month period ended June 30, 2014:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 5)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Gameastor Digital Entertainment Co., Ltd.	1	Other payables	$ 55,693	Note 4	1%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Sales	1,141,269	Note 4	25%
0	The Company	Gash Plus (Taiwan) Company Limited	1	Accounts receivable	841,348	Note 4	18%
0	The Company	Gamania Digital Entertainment (Europe) B.V.	1	Other payables	15,514	Note 4	0%
0	The Company	Seedo Games Co., Ltd.	1	Other operating costs	31,571	Note 4	1%
0	The Company	Seedo Games Co., Ltd.	1	On-line game cost	21,563	Note 4	0%
0	The Company	Seedo Games Co., Ltd.	1	Other receivables	58,789	Note 4	1%
0	The Company	Seedo Games Co., Ltd.	1	Accounts payable	36,918	Note 4	1%
0	The Company	Ant's Power Co., Ltd.	1	Customer service fee	54,141	Note 4	1%
0	The Company	Ant's Power Co., Ltd.	1	Other payables	20,024	Note 4	0%
1	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Sales	10,076	Note 4	0%
1	Gash Plus (Taiwan) Company Limited	Punch Technologies Co., Ltd.	3	Cost of goods sold	14,985	Note 4	0%
2	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Plus (Hong Kong) Company Limited	3	Accounts receivable	37,708	Note 4	1%
3	Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Cost of goods sold	95,380	Note 4	2%
3	Gash Plus (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Other receivables	10,107	Note 4	0%
3	Gash Plus (Hong Kong) Company Limited	Gash Plus (Taiwan) Company Limted	3	Sales	300,047	Note 4	6%
3	Gash Plus (Hong Kong) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Sales	536,557	Note 4	12%
3	Gash Plus (Hong Kong) Company Limited	Jsdway Digital Technology Co., Ltd.	3	Accounts receivable	147,610	Note 4	3%
4	Playcoo Co.	Gamania Digital Entertainment (Europe) B.V.	3	License revenues	22,754	Note 4	0%
4	Playcoo Co.	Gamania Digital Entertainment (Europe) B.V.	3	Accounts receivable	14,656	Note 4	0%
4	Playcoo Co.	Gamania Digital Entertainment (Japan) Co., Ltd.	3	License revenues	11,755	Note 4	0%

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 (not including investees in Mainland China)

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
				2014.6.30	2013.12.31	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Investment holdings	$ 2,171,721	$ 2,171,721	35,423	100	$ 396,968	($ 58,024)	($ 58,024)	Note 4
〃	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services and sales	211,433	211,433	3,863	72.08	47,205	(192)	(138)	Note 4
〃	Gamania Asia Investment Co., Ltd.	Taiwan	Investment holdings	115,549	115,549	6,500	100	61,916	(4,522)	(4,522)	Note 4
〃	Gamania Digital Entertainment Labuan Holdings, Ltd.	Malaysia	Investment holdings	38,994	38,994	1,330	100	1,726	(190)	(190)	Note 4
〃	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	210,000	210,000	5,330	100	1,309	(6,957)	(6,957)	Note 4
〃	Playcoo Co.	Taiwan	Design and research and development of software	198,682	183,839	18,873	81.70	8,379	4,396	(12,384)	Notes 1,4
〃	Redgate Games Co. Ltd.	Taiwan	Design and research and development of software	297,000	262,000	29,700	100	10,652	(20,824)	(20,824)	Note 4
〃	Seedo Games Co. Ltd.	Taiwan	Software services	182,000	182,000	18,200	100	45,419	22,381	22,381	Note 4

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
				2014.6.30	2013.12.31	Number of shares	Percentage	Book value			
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	$ 6,269	$ 6,269	627	51	$ 7,222	$ 558	$ 285	Note 4
〃	Gash Plus (Taiwan) Company Limited	Taiwan	Software information and supply of electronic services	50,000	50,000	5,000	100	88,685	23,294	23,294	Note 4
〃	Global Pursuit Co., Ltd.	Taiwan	Software information and supply of electronic services	40,000	30,000	4,750	100	4,130	(15,550)	(13,832)	Notes 4, 5
〃	Machi Pictures Co., Ltd.	Taiwan	Movie making and publishing	20,000	20,000	2,000	33.33	191	585	195	
〃	RitwNow Inc.	Taiwan	Software services and sales	15,300	15,300	1,530	51	12,523	(1,297)	(661)	Note 4
〃	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000	100	24,5795	14,579	14,579	Note 4
〃	Taiwan e-sports Co., Ltd.	Taiwan	Software services and sales	56,800	56,800	1,277	30.94	9,995	(8,702)	(2,692)	
〃	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	30,000	-	3,000	23.08	29,975	(109)	(97)	Note 4
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services and sales	85,625	80,625	1,458	27.20	17,548	(192)	(52)	Note 4
〃	Pri-One Marketing Co., Ltd.	Taiwan	Software services and sales	1,500	1,500	150	30	1,938	607	182	
〃	Mimigigi Digital Technology Co., Ltd.	Taiwan	Software services and sales	7,000	7,000	700	70	1,564	(3,208)	(2,246)	Note 4
〃	UniCube Co., Ltd.	Taiwan	Software services and sales	7,000	7,000	700	70	1,523	(3,622)	(2,535)	Note 4
Global Pursuit Co., Ltd.	Global Pursuit North America Co., Ltd.	U.S.A.	IP Commodities authorization	-	41,558	-	-	-	(6,566)	(6,566)	Notes 4, 6
Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	52,500	52,500	5,250	33.33	34,575	2,694	898	Note 4

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
				2014.6.30	2013.12.31	Number of shares	Percentage	Book value			
Gash Plus (Taiwan) Company Limited	Punch Technologies Co., Ltd.	Taiwan	Software information and supply of electronic services	$ 10,000	$ 10,000	1,000	100	$ 15,449	$ 1,614	$ 1,614	Note 4
〃	Gash Plus (Japan) Co., Ltd.	Japan	Software information and supply of electronic services	41,874	41,874	1	100	37,032	(3,756)	(3,756)	Note 4
〃	Gash Plus (Hong Kong) Company Limited	Hong Kong	Software information and supply of electronic services	13,704	13,704	750	100	102,464	43,929	43,929	Note 4
〃	Gash Plus Korea Co., Ltd.	South Korea	Design and sales of software	11,662	11,662	138	100	6,403	(3,782)	(3,782)	Note 4
〃	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Design and research and development of software	22,298	22,298	2,443	44.08	19,695	(1,423)	(627)	
Punch Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Hong Kong	Software information and supply of electronic services	764	764	200	100	4,401	1,397	1,397	Note 4
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Taiwan	Software services and sales	34,590	34,590	2,775	100	20,848	(1,705)	(1,705)	Note 4
〃	Precious Power Digital Technology Co., Ltd.	Taiwan	Software services and sales	7,000	7,000	700	70	2,334	(115)	(81)	Note 4
〃	Jsdway (M) Sdn. Bhd.	Malaysia	Supply of electronic services	585	585	60	60	328	-	-	Note 4
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment holdings	66,476	65,733	66,476	100	13,258	(1,916)	(1,916)	Notes 2, 4
〃	Gamania R&D (HK) Holdings Limited	Hong Kong	Investment holdings	1,600	1,600	1,600	100	687	-	-	Notes 2, 4
Gamania International Holdings Ltd.	Gamania Digital Entertainment (Japan) Co., Ltd.	Japan	Software services and sales	22,901	21,926	23	100	781	(1,122)	(1,122)	Notes 2, 4

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
				2014.6.30	2013.12.31	Number of shares	Percentage	Book value			
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment holdings	$ 41,684	$ 41,684	41,684	98.85	$ 8,623	($ 610)	($ 603)	Notes 2, 4
〃	Gamania Western Holdings Ltd.	Cayman Islands	Investment holdings	8,670	8,670	8,670	100	2,219	(120)	(120)	Notes 2, 4
〃	Gamania Netherlands Holdings Cooperatief U.A.	Amsterdam	Investment holdings	5,884	5,884	-	100	1,008	(40)	(40)	Notes 2, 4
〃	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	3,950	3,950	30,702	100	304	62	62	Notes 2, 4
〃	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	320	320	992	40	151	(237)	(95)	Notes 2, 4
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment holdings	39,520	39,520	39,520	100	392	(55)	(55)	Notes 2, 4
〃	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	3,009	3,009	35,500	100	7,045	(555)	(555)	Notes 2, 4
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	U.S.A.	Software services and sales	8,630	8,630	1	100	2,214	(120)	(120)	Notes 2, 4
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Amsterdam	Software services and sales	4,500	4,500	-	100	738	(29)	(29)	Notes 3, 4

Note 1：The investment income (loss) recognised in the period is recognised based on a shareholding ratio approximate to 80.70%, including write-off of realised sidestream intercompany transaction of $529 less unrealised sidestream intercompany transaction of $16,461.

Note 2：Currency: USD

Note 3：Currency: EUR

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

Note 5：The investment income (loss) recognised in the period is recognised based on a shareholding ratio approximate to 88.95%.

Note 6：The investment in Global Pursuit North America Co., Ltd. has been disposed on April 15, 2014.

(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 amount of remittance from Taiwan to Mainland China as of January 1, 2014 (Note 4)	Remitted or received investment amount during the period: Remitted to Mainland China	Remitted or received investment amount during the period: Remitted back to Mainland China	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2014 (Note 4)	Net income of investee for the six-month period ended June 30, 2014	Ownership held by the Company (direct or indirect)	Investment loss recognized by the Company for the six-month period ended June 30, 2014 (Note 2)	Book value of investment in Mainland China as of June 30, 2014 (Note 5)	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2014
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	$1,056,000	Investment through a holding company (Gamania Sino Holdings Ltd.) registered in a country other than Taiwan and Mainland China	$ 773,901	$ -	$ -	$ 773,901	($1,596)	98.85%	($ 1,577)	$ 4,833	$ -
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	Investment through a holding company (Gamania R&D (HK) Holdings Limited) registered in a country other than Taiwan and Mainland China	44,873	-	-	44,873	-	Note 6	-	-	-

Company	Accumulated amount of investment in Mainland China as of June 30, 2014	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.	$ 773,901	$ 1,105,748	$ 1,468,355
MoNoKos Studio Technology Co., Ltd.	44,873	149,575	

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 1,105,748 thousand based on 29.915 exchange rate. The related total investment amount approved by FIA to invest in MoNoKos Studio Technology Co., Ltd. is USD 5 million or NTD 149,575 thousand based on 29.915 exchange rate.

Note 2: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the six-month period ended June 30, 2014 was recognized based on the indirect weighted-average ownership percentage of 98.85% 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 or NTD 1,056,000 thousand based on 29.915 exchange rate.

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, 2014 and June 30, 2014 were USD 25,870 thousand or NTD 773,901 thousand and USD 1,500 thousand or NTD 44,873 thousand, based on 29.915 exchange rate, respectively.

Note 5: Balance of investment of Gamania Digital Entertainment (Beijing) Co., Ltd. and MoNoKos Studio Technology Co., Ltd. as of June 30, 2014 was USD 162 thousand or NTD 4,833 thousand and USD 0 or NTD 0 thousand, based on 29.915 exchange rate, respectively.

Note 6: 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 six-month periods ended June 30, 2014 and 2013 are as follows:

For the six-month period ended June 30, 2014	Gamania Digital Entertainment Co., Ltd.	Gash Plus (Taiwan) Company Limited	Jsdway Digital Technology Co., Ltd.	Gash Plus (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	$ 1,237,623	$ 1,855,221	$ 239,439	$ 1,038,977	$ 247,360	$4,618,620	
Inter-segment revenue	23,098	1,196,357	548,479	395,641	217,619	2,381,194	Note 1
Segment profit (loss)	45,909	23,294	2,694	23,294	(51,109)	44,082	
Segment profit (loss) includes:							
Depreciation and amortization	(108,569)	(8,182)	(5,221)	(23)	(51,113)	(173,108)	
Income tax expense	(12,694)	(1,011)	(819)	(8,681)	(6,290)	(29,495)	
Investment income (loss) accounted for using the equity method	(59,589)	38,275	(1,786)	-	17,191	(5,909)	Note 2

For the six-month period ended June 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	$ 1,631,683	$ 1,125,750	$ 376,990	$ 77,110	$ 809,388	$4,020,921	
Inter-segment revenue	12,913	1,643,943	791,680	-	487,997	2,936,533	Note 1
Segment profit (loss)	112,922	5,905	8,336	3,702	(25,877)	104,988	
Segment profit (loss) includes:							
Depreciation and amortization	(127,599)	(6,122)	(5,115)	(9,771)	(33,935)	(182,542)	
Income tax expense	(29,469)	315	(2,602)	45	(17,199)	(48,910)	
Investment income (loss) accounted for using the equity method	(99,549)	2,498	(3,407)	-	97,814	(2,644)	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.