GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2015 AND 2014

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS
TRANSLATED FROM CHINESE-LANGUAGE

PWCR 15003771

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

We have audited the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. As stated in Notes 4(3) and 6(5), we did not audit the financial statements of certain consolidated subsidiaries and investments accounted for using equity method, which statements reflect total assets including certain investments accounted for using equity method of $1,483,451 thousand and $1,634,427 thousand, constituting 18% and 31% of the consolidated total assets as of December 31, 2015 and 2014, respectively, and total operating revenues of $2,915,135 thousand and $2,968,808 thousand, constituting 30% and 33% of the consolidated total operating revenues for the years ended, respectively, and the related share of profit of associates and joint ventures accounted for under equity method and share of other comprehensive income of associates and joint ventures accounted for under equity method amounting to $23,214 thousand and $1,101 thousand, constituting 11% and 1% of the total consolidated comprehensive income for the years then ended, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these subsidiaries and certain investees accounted for using the equity method and the information disclosed in Note 13 relative to these subsidiaries and investees, is based solely on the reports of the other independent accountants.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gamania Digital Entertainment Co., Ltd. and subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the parent company only financial statements of Gamania Digital Entertainment Co., Ltd. as of and for the years ended December 31, 2015 and 2014, and have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan
March 11, 2016

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

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

	Assets	Notes	2015	2014
	Current assets			
1100	Cash and cash equivalents	6(1)	$ 1,458,557	$ 1,272,870
1125	Available-for-sale financial assets - current	6(2)	-	123,563
1150	Notes receivable, net		-	13
1170	Accounts receivable, net	6(3)	1,954,729	1,551,078
1180	Accounts receivable - related parties, net	7	5,591	170,027
1200	Other receivables	6(10)(24)	134,650	37,180
1210	Other receivables - related parties	7	8,346	1,497
1220	Current income tax assets		22,478	61,138
130X	Inventory	6(4)	112,902	56,258
1410	Prepayments		243,927	122,629
1460	Non-current assets held for sale	6(10)	-	151,599
1470	Other current assets	8	199,949	92,083
11XX	**Total Current Assets**		4,141,129	3,639,935
	Non-current assets			
1523	Available-for-sale financial assets - non-current	6(2)	535,303	517,424
1550	Investments accounted for under equity method	6(5)(9)	375,196	126,967
1600	Property, plant and equipment	6(6), 7 and 8	2,814,390	475,192
1780	Intangible assets	6(7)(9)	265,843	305,326
1840	Deferred income tax assets	6(28)	150,797	132,230
1900	Other non-current assets	6(8)(17)	34,018	40,962
15XX	**Total Non-current Assets**		4,175,547	1,598,101
1XXX	**Total Assets**		$ 8,316,676	$ 5,238,036

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

	Liabilities and Equity	Notes	2015	2014
	Current liabilities			
2100	Short-term borrowings	6(11)	$ 393,829	$ -
2150	Notes payable		100	35
2170	Accounts payable		1,381,991	1,477,002
2180	Accounts payable - related parties	7	70,362	30,101
2200	Other payables	6(13)	447,136	346,023
2220	Other payables - related parties	7	26,566	16,984
2230	Current income tax liabilities		8,313	7,219
2260	Liabilities included in disposal groups classified as held for sale	6(10)	-	41,670
2300	Other current liabilities	6(14)(15)	745,596	710,998
21XX	**Total Current Liabilities**		3,073,893	2,630,032
	Non-current liabilities			
2500	Financial liabilities at fair value through profit or loss - non-current	6(12)	1,400	-
2530	Corporate bonds payable	6(15)	672,940	-
2540	Long-term borrowings	6(16)	1,600,000	-
2570	Deferred income tax liabilities	6(28)	5,606	7,717
2600	Other non-current liabilities	6(17)	21,549	2,025
25XX	**Total Non-current Liabilities**		2,301,495	9,742
2XXX	**Total Liabilities**		5,375,388	2,639,774
	Equity attributable to owners of parent			
	Share capital			
3110	Share capital - common stock	6(19)	1,575,936	1,575,936
	Capital surplus	6(20)		
3200	Capital surplus		695,448	667,534
	Retained earnings	6(21)		
3310	Legal reserve		13,182	3,856
3320	Special reserve		-	34,703
3350	Unappropriated retained earnings		390,297	90,291
	Other equity interest	6(22)		
3400	Other equity interest		(64,656)	34,898
31XX	**Equity attributable to owners of the parent**		2,610,207	2,407,218
36XX	**Non-controlling interest**	4(3)	331,081	191,044
3XXX	**Total Equity**		2,941,288	2,598,262
	Significant contingent liabilities and unrecorded contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	**Total Liabilities and Equity**		$ 8,316,676	$ 5,238,036

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2016.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

	Items	Notes	2015	2014
4000	**Operating revenue**	6(23) and 7	$ 9,680,033	$ 9,069,856
5000	**Operating costs**	6(27) and 7	(8,291,185)	(7,479,457)
5950	**Gross profit**		1,388,848	1,590,399
	Operating expenses	6(18)(27) and 7		
6100	Selling expenses		(537,967)	(476,741)
6200	General and administrative expenses		(791,747)	(794,661)
6300	Research and development expenses		(143,234)	(205,264)
6000	**Total operating expenses**		(1,472,948)	(1,476,666)
6900	**Operating (loss) income**		(84,100)	113,733
	Non-operating income and expenses			
7010	Other income	6(24) and 7	118,158	40,025
7020	Other gains and losses	6(9)(10)(12)(25)	320,714	(51,916)
7050	Finance costs	6(26)	(38,111)	(1,578)
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	6(5)	14,251	(1,831)
7000	**Total non-operating income and expenses**		415,012	(15,300)
7900	**Profit before income tax**		330,912	98,433
7950	Income tax (expense) benefit	6(28)	(24,864)	5,565
8200	**Profit for the year**		$ 306,048	$ 103,998

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

	Items	Notes	2015	2014
	Other comprehensive income			
	Components of other comprehensive income that will not be reclassified to profit or loss			
8311	Actuarial (loss) gain on defined benefit plan	6(17)	($ 3,546)	$ 3,787
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	603	(644)
8310	**Components of other comprehensive (loss) income that will not be reclassified to profit or loss**		(2,943)	3,143
8361	Financial statements translation differences of foreign operations		22,157	22,684
8362	Unrealized (loss) gain on valuation of available-for-sale financial assets	6(2)	(118,788)	58,348
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(297)	-
8360	**Components of other comprehensive (loss) income that will be reclassified to profit or loss**		(96,928)	81,032
8300	**Total other comprehensive (loss) income for the year**		($ 99,871)	$ 84,175
8500	**Total comprehensive income for the year**		$ 206,177	$ 188,173
	Profit (loss) attributable to:			
8610	Owners of the parent		$ 387,888	$ 93,265
8620	Non-controlling interest		(81,840)	10,733
			$ 306,048	$ 103,998
	Comprehensive income (loss) attributable to:			
8710	Owners of the parent		$ 285,391	$ 177,437
8720	Non-controlling interest		(79,214)	10,736
			$ 206,177	$ 188,173
	Earnings per share (in dollars)	6(29)		
9750	**Basic earnings per share**		$ 2.46	$ 0.59
9850	**Diluted earnings per share**		$ 2.36	$ 0.59

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2016.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent												
		Capital		Capital Reserves			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	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total equity
2014														
Balance at January 1, 2014		$ 1,573,117	$ 2,819	$ 719,258	$ 24,234	$ 3,684	$ -	$ -	$ 38,559	($ 48,198)	$ 2,067	$ 2,315,540	$ 145,176	$ 2,460,716
Capital collected in advance transferred to common stock		2,819	(2,819)	-	-	-	-	-	-	-	-	-	-	-
Appropriation and distribution of 2013 earnings	6(21)													
Legal reserve		-	-	-	-	-	3,856	-	(3,856)	-	-	-	-	-
Special reserve		-	-	-	-	-	-	34,703	(34,703)	-	-	-	-	-
Cash dividends from capital surplus	6(20)	-	-	(78,797)	-	-	-	-	-	-	-	(78,797)	-	(78,797)
Profit for the year		-	-	-	-	-	-	-	93,265	-	-	93,265	10,733	103,998
Other comprehensive income for the year		-	-	-	-	-	-	-	3,143	22,681	58,348	84,172	3	84,175
Changes in ownership interests in subsidiaries		-	-	-	-	783	-	-	(6,117)	-	-	(5,334)	-	(5,334)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(30)	-	-	-	-	(1,628)	-	-	-	-	-	(1,628)	-	(1,628)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	35,132	35,132
Balance at December 31, 2014		$ 1,575,936	$ -	$ 640,461	$ 24,234	$ 2,839	$ 3,856	$ 34,703	$ 90,291	($ 25,517)	$ 60,415	$ 2,407,218	$ 191,044	$ 2,598,262
2015														
Balance at January 1, 2015		$ 1,575,936	$ -	$ 640,461	$ 24,234	$ 2,839	$ 3,856	$ 34,703	$ 90,291	($ 25,517)	$ 60,415	$ 2,407,218	$ 191,044	$ 2,598,262
Appropriation and distribution of 2014 retained earnings	6(21)													
Legal reserve		-	-	-	-	-	9,326	-	(9,326)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	(34,703)	34,703	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(110,316)	-	-	(110,316)	-	(110,316)
Profit (loss) for the year		-	-	-	-	-	-	-	387,888	-	-	387,888	(81,840)	306,048
Other comprehensive (loss) income for the year		-	-	-	-	-	-	-	(2,943)	19,234	(118,788)	(102,497)	2,626	(99,871)
Capital reserve from recognition of equity component of convertible bonds issued	6(15)	-	-	-	-	24,036	-	-	-	-	-	24,036	-	24,036
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(30)	-	-	-	-	3,878	-	-	-	-	-	3,878	-	3,878
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	219,251	219,251
Balance at December 31, 2015		$ 1,575,936	$ -	$ 640,461	$ 24,234	$ 30,753	$ 13,182	$ -	$ 390,297	($ 6,283)	($ 58,373)	$ 2,610,207	$ 331,081	$ 2,941,288

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2016.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before tax for the year		$ 330,912	$ 98,433
Adjustments to reconcile net income to net cash (used in) provided by operating activities			
Income and expenses having no effect on cash flows			
Gain on financial assets or liabilities at fair value through profit or loss	6(25)	(1,190)	(768)
Provision for doubtful accounts	6(3)	8,561	21,895
Share-based payments	6(18)	230	-
Share of (profit) loss of associates accounted for using equity method		(14,251)	1,831
Depreciation	6(6)(27)	110,183	184,353
(Gain) loss on disposal of property, plant and equipment	6(25)	(75,316)	6,801
Amortization	6(7)(27)	114,835	171,744
Loss on disposal of intangible assets	6(25)	-	4,187
Intangible assets transferred to other loss and expenses		5,164	434
Gain on disposal of investments	6(25)	(70,997)	(57,577)
Gain on disposal of non-current assets held for sale	6(10)(25)	(238,673)	-
Impairment loss on non-financial assets	6(25)	27,795	67,352
Interest income	6(24)	(5,366)	(4,490)
Interest expense	6(26)	38,111	1,578
Dividend income	6(24)	(1,920)	(800)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		13	10,431
Accounts receivable		(412,211)	(158,648)
Accounts receivable - related parties		164,436	(169,856)
Other receivables		(35,146)	(26,077)
Other receivables - related parties		(6,114)	-
Inventories		(56,644)	(91,617)
Prepayments		(121,298)	(44,944)
Other current assets		27,552	(32,011)
Other non-current assets		2,540	(15,333)
Net changes in liabilities relating to operating activities			
Notes payable		65	286
Accounts payable		(95,011)	403,210
Accounts payable - related parties		40,261	4,276
Other payables		54,951	53,489
Other payables - related parties		(7,912)	14,185
Other current liabilities		34,598	205,435
Other non-current liabilities		1,063	2,871
Cash (used in) generated from operations		(180,779)	650,670
Interest received		5,366	4,490
Dividend received		1,920	800
Interest paid		(33,240)	(1,578)
Income tax paid		(47,765)	(51,130)
Net cash (used in) provided by operating activities		(254,498)	603,252

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of available-for-sale financial assets		($ 127,269)	($ 424,320)
Proceeds from disposal of available-for-sale financial assets	6(32)	178,514	10,800
Acquisition of investments accounted for using equity method		(80,600)	(30,000)
Proceeds from disposal of subsidiaries	6(31)	-	107,724
Proceeds from disposal of held-for-sale assets	6(10)	239,280	-
Disposal of subsidiaries (including transfer of cash of held-for-trading subsidiary)	6(10)(32)	-	(184,456)
Acquisition of property, plant and equipment	6(32)	(2,454,318)	(117,618)
Proceeds from disposal of property, plant and equipment	6(32)	10,294	6,226
Acquisition of intangible assets	6(32)	(56,930)	(248,721)
Proceeds from disposal of intangible assets		2,007	10,170
Increase in other financial assets		(135,418)	(30,000)
Decrease in other non-current assets		4,404	20,398
Net cash used in investing activities		(2,420,036)	(879,797)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings		393,829	(13,559)
Increase (decrease) in other non-current liabilities		18,461	(3,026)
Proceeds from issuing bonds		700,000	-
Repayment of bonds payable		-	(21,112)
Increase in long-term borrowings		1,600,000	-
Cash dividends paid		(110,316)	(78,797)
Disposal of ownership interests in subsidiaries (without losing control)	6(30)	221,000	-
Net cash provided by (used in) financing activities		2,822,974	(116,494)
Effect of exchange rate changes on cash and cash equivalents		37,247	58,404
Increase (decrease) in cash and cash equivalents		185,687	(334,635)
Cash and cash equivalents at beginning of year		1,272,870	1,607,505
Cash and cash equivalents at end of year		$ 1,458,557	$ 1,272,870

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2016.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan Dollars,
except as otherwise indicated)

1. HISTORY AND ORGANIZATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 11, 2016.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATION

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

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

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

Additional disclosures are required for defined benefit plans.

B. IAS 1, 'Presentation of financial statements'

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

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

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

D. IFRS 13, ‘Fair value measurement’

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

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

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

None.

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	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 19)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

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

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

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

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated.

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

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

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2015	Ownership (%) December 31, 2014	Description
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	100	100	
Gamania Holdings Ltd. (GH)	Gamania International Holdings Ltd. (GIH)	Investment holdings	100	100	
Gamania Holdings Ltd. (GH)	Gamania R&D (HK) Holdings Limited	Investment holdings	-	100	Note 1
Gamania International Holdings Ltd. (GIH)	Gamania China Holdings Ltd.	Investment holdings	98.85	98.85	
Gamania International Holdings Ltd. (GIH)	Gamania Western Holdings Ltd.	Investment holdings	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100	100	
Gamania International Holdings Ltd. (GIH)	Joymobee Entertainment Co., Ltd.	Software services	100	100	
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment holdings	52.76	51	Note 2 Note 3
Gamania International Holdings Ltd. (GIH)	HaPod Digital Technology Co., Ltd.	Software services and sales	100	-	Note 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2015	Ownership (%) December 31, 2014	Description
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	Note 3
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	
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Software services and sales	100	100	
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and research and development of software	100	100	
Achieve Made International Ltd. (AMI)	Jollywiz Digital Technology Co., Ltd.	Information and supply of electronic services	100	100	Note 2 Note 3
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment holdings	100	100	Note 2 Note 3
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Information and supply of electronic services	100	-	Note 3 Note 4
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd	Information and supply of electronic services	100	100	Note 2 Note 3
Legion Technology (Shanghai) Co., Ltd.	Jollywiz Digital Business Co., Ltd.	Information and supply of electronic services	100	100	Note 2 Note 3
Gamania Digital Entertainment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	-	72.08	Note 5
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment holdings	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2015	Ownership (%) December 31, 2014	Description
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Software services and sales	-	27.20	Note 5
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd.	Software services	100	100	Note 6
Gamania Asia Investment Co., Ltd.	UniCube Co., Ltd.	Design and research and development of software	40	40	Note 6
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment Labuan Holdings, Ltd.	Investment holdings	100	100	Note 7
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	40	100	Note 3 Note 8
Gamania Digital Entertainment Co., Ltd.	Playcoo Co.	Design and research and development of software	-	-	Note 9
Gamania Digital Entertainment Co. Ltd.	Two Tigers Co., Ltd.	Animation production	51	51	
Gamania Digital Entertainment Co. Ltd.	Gash Point Co., Ltd.	Software information and supply of electronic services	100	100	Note 10
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd.	Customer service	100	100	
Gamania Digital Entertainment Co., Ltd.	Ritw Now Inc.	E-sports and internet live broadcasting services	-	51	Note 11

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2015	Ownership (%) December 31, 2014	Description
Gamania Digital Entertainment Co., Ltd.	Global Pursuit Co., Ltd.	IP commodities authorization	100	100	
Gamania Digital Entertainment Co., Ltd.	We Backers Co., Ltd.	Crowd funding	70	70	
Gamania Digital Entertainment Co., Ltd.	MadSugr Digital Technology Co., Ltd.	Software services and sales	51	51	
MadSugr Digital Technology Co., Ltd.	MadSugr Digital Technology (HK) Co., Ltd.	Software services and sales	100	-	Note 4
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd.	Online media production	55	55	
Gamania Digital Entertainment Co., Ltd.	GASH Pay Co., Ltd.	Third-Party Payment	41.67	-	Note 12
Gamania Digital Entertainment Co., Ltd.	Punch Technologies Co., Ltd.	Software services and sales	100	-	Note 13
Gash Point Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Software information and supply of electronic services	-	35.04	Note 14
Gash Point Co., Ltd.	Punch Technologies Co., Ltd.	Software services and sales	-	100	Note 13
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Software information and supply of electronic services	100	100	Note 3 Note 15
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Software information and supply of electronic services	100	100	Note 16
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	Software information and supply of electronic services	100	100	Note 17

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2015	Ownership (%) December 31, 2014	Description
Gash Point Co., Ltd.	GASH Pay Co., Ltd.	Third-Party Payment	25	100	Note 12
Gash Point Co., Ltd.	GASH Media Digital Marketing Co., Ltd.	Software services	80	80	
Punch Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Software services and sales	100	100	
Jsdway Digital Technology Co., Ltd.	Webo Digital Co., Ltd.	Software services and sales	100	100	Note 14
Jsdway Digital Technology Co., Ltd.	Precious Power Digital Technology Co., Ltd.	Software services and sales	70	70	Note 14
Jsdway Digital Technology Co., Ltd.	Jsdway (M) Sdn. Bhd.	Information and supply of electronic services	60	60	Note 14

Note 1: Gamania R&D (HK) Holdings Limited has been liquidated in the second quarter of 2015.

Note 2: GIH acquired 51% share capital of AMI on December 29, 2014 and AMI and its subsidiaries were included in the consolidated entities effective on that date.

Note 3: Subsidiaries' financial statements as of and for the years ended December 31, 2015 and 2014 were audited by the subsidiaries' appointed independent accountants.

Note 4: An investee company newly incorporated in 2015.

Note 5: As resolved by the shareholders on August 1, 2014, Gameastor Digital Entertainment Co., Ltd. has began its liquidation. The liquidation has been completed in the first quarter of 2015.

Note 6: Gamania Asia Investment Co., Ltd. has swapped 30% of share capital of UniCube Co., Ltd. with 30% of share capital of Mimigigi Digital Technology Co., Ltd. on December 30, 2014. As the fair values of both share capital were approximately the same on the transaction date, no gain (loss) on disposal arose. After the swap, Gamania Asia Investment Co., Ltd. holds 40% of capital share of UniCube Co., Ltd. and lost control. Therefore, UniCube Co., Ltd. was deconsolidated from December 30, 2014, and changed the valuation using the equity method.

Note 7: The liquidation of Gamania Digital Entertainment Labuan Holdings, Ltd. was resolved by the Company's Board of Directors on October 2, 2014. However, as of December 31, 2015, the liquidation has not yet been completed. Thus, the Company still has control and included Gamania Digital Entertainment Labuan Holdings, Ltd. in the consolidated entities.

Note 8: The Company has disposed 60% share capital of Seedo Games Co., Ltd. on January 6, 2015 and no longer has control. Therefore, the Company deconsolidated Seedo Games Co., Ltd. from January 6, 2015. See Note 6(10) A for the disclosure of gain or loss from disposing Seedo Games Co., Ltd.

Note 9: The Company has disposed all share capital of Playcoo Co. on November 5, 2014 and no longer has control. Therefore, the Company deconsolidated Playcoo Co. from November 5, 2014.

Note 10: Formerly known as Gash Plus (Taiwan) Co., Ltd., it was renamed on February 24, 2015.

Note 11: As resolved by the shareholders on August 7, 2014, the Company has began its liquidation. The liquidation has been completed in the first quarter of 2015.

Note 12: GASH Pay Co., Ltd. was included in the consolidated entities as Gash Point Co., Ltd. held 100% shares. After the capital increase on April 20, 2015, June 8, 2015 and November 20, 2015, the Company and Gash Point Co., Ltd. held 41.67% and 25% of shares, respectively. Furthermore, after the reelection of the Board of Directors on June 30, 2015, the Company and Gash Point Co., Ltd. jointly held more than half seats of the Board of GASH Pay Co., Ltd. and have control over GASH Pay Co., Ltd.. Thus, GASH Pay Co., Ltd. was still included in the consolidated entities.

Note 13: Punch Technologies Co., Ltd. was formerly a subsidiary of Gash Point Co., Ltd. and became a subsidiary of the Company due to restructuring in August 2015.

Note 14: Jsdway Digital Technology Co., Ltd. was included in the consolidated entities as Gash Point Co., Ltd. held more than half seats of the Board of Directors of Jsdway Digital Technology Co., Ltd. After the reelection on October 7, 2014, Gash Point Co., Ltd.'s seats in the Board of Directors were less than half and Gash Point Co., Ltd. has lost control. Therefore, Jsdway Digital Technology Co., Ltd. and its subsidiaries were deconsolidated from October 7, 2014. Jsdway Digital Technology Co., Ltd. and its subsidiaries are then held by Gamania Asia Investment Co., Ltd. after the reorganisation in December 2015.

Note 15: Formerly known as Gash Plus (Hong Kong) Company Limited, it was renamed on March 11, 2015.

Note 16: Formerly known as Gash Plus (Japan) Company Limited, it was renamed on March 26, 2015.

Note 17: Formerly known as Gash Plus Korea Co., Ltd., it was renamed on May 21, 2015.

The financial statements of certain consolidated subsidiaries were audited by other independent accountants, which statements reflect total assets of $1,248,629 and $1,580,763, constituting 15% and 30% of the consolidated total assets as of December 31, 2015 and 2014, respectively, and net operating revenue of $2,915,135 and $2,968,808, constituting 30% and 33% of the consolidated total operating revenues for the years then ended, respectively.

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

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

E. Significant restrictions: None.

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

As of December 31, 2015 and 2014, the non-controlling interest amounted to $331,081 and $191,044, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2015		December 31, 2014		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
AMI and subsidiaries	Taiwan and China	$ 103,364	47.24%	$ 129,515	49%	(Note)
GASH Pay Co., Ltd.	Taiwan	187,675	33.33%	-	-	

(Note) Registered location of AMI is Cayman Islands.

Balance sheets

	AMI and subsidiaries	
	December 31, 2015	December 31, 2014
Current assets	$ 369,165	$ 351,720
Non-current assets	73,918	78,644
Current liabilities	(224,277)	(166,042)
Non-current liabilities	-	(5)
Total net assets	$ 218,806	$ 264,317

	GASH Pay Co., Ltd.
	December 31, 2015
Current assets	$ 571,840
Non-current assets	23,417
Current liabilities	(32,175)
Non-current liabilities	-
Total net assets	$ 563,082

Statements of comprehensive income

	AMI and subsidiaries	GASH Pay Co., Ltd
	Year ended December 31, 2015	Year ended December 31, 2014
Revenue	$ 873,882	$ 1,239
Loss before income tax	(49,598)	(36,878)
Income tax expense	-	-
Loss for the year	(49,598)	(36,878)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the year	($ 49,598)	($ 36,878)
Comprehensive loss attributable to non-controlling interest	($ 23,429)	($ 6,492)
Dividends paid to non-controlling interest	$ -	$ -

Statements of cash flows

	AMI and subsidiaries Year ended December 31, 2015	GASH Pay Co., Ltd. Year ended December 31, 2014
Net cash used in operating activities	($ 232,654)	($ 19,256)
Net cash used in investing activities	(9,414)	(10,431)
Net cash provided by financing activities	109,841	590,000
Effect of exchange rate changes on cash and cash equivalents	15,930	-
(Decrease) increase in cash and cash equivalents	(116,297)	560,313
Cash and cash equivalents, beginning of year	242,526	9,979
Cash and cash equivalents, end of year	$ 126,229	$ 570,292

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

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

(5) Classification of current and non-current items

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

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

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

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

A. Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as financial assets held for trading unless they are designated as hedges.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

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

(8) Available-for-sale financial assets

A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

B. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

C. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income.

(9) Accounts receivable

Accounts receivable are receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. However, for short-term accounts receivable which are non-interest bearing, as the effect of discounting is insignificant, they are measured subsequently at initial invoice amount.

(10) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(a) Significant financial difficulty of the issuer or debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) The Group, for economic or legal reasons relating to the borrower’s financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) The disappearance of an active market for that financial asset because of financial difficulties;

(f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(g) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(h) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(a) Financial assets measured at amortised cost

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

(b) Available-for-sale financial assets

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

(11) Derecognition of financial assets

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

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

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Inventories

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

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

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

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

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or/constructive obligations or made payments on behalf of the associate.

C. When changes in an associate’s equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognises change in ownership interests in the associate in ‘capital surplus’ in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for under the equity method’ shall be adjusted for the increase or decrease of its share of equity interest.

F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

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

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each part of an item of property, plant and equipment has a cost that is significant in relation to the total, the cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

(16) Intangible assets

A. Goodwill

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

B. Software

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

C. Agency

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

(17) Lease

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

(18) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

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

(20) Notes and accounts payable

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

(21) Derecognition of financial liabilities

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

(22) Financial liabilities and equity instruments – Bonds payable

A. Ordinary corporate bonds issued by the Group are initially recognised at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

B. Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument ('capital surplus - stock warrants') in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

(a) Call options and put options embedded in convertible corporate bonds are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

(b) Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

(c) Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in 'capital surplus—stock warrants' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable—net' as stated above. Conversion options are not subsequently remeasured.

(d) Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

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

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

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

D. Employees' bonus (compensation), directors' and supervisors' remuneration

Employees', bonus (compensation) and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(24) Employee share-based payment

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

(25) Income tax

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

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

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

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(26) Share capital

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

(27) Dividends

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

(28) Revenue recognition

A. Sales of goods

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

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

B. Sales of services

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

(29) Revenue from government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(30) Business combinations

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

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

(31) Operating segments

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

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

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

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

A. Financial assets-impairment of equity investments

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

B. Revenue recognition on a net/gross basis

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of 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 recognised as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognised representing commissions earned.

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

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

(b) The Group bears inventory risk;

(c) The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.

(d) The Group bears credit risk of customers.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

The Group recognises the collections of payments for game card purchases or value-added by players as "advance receipts" within current liabilities, and amortizes those amounts as revenue over the period of the services or the estimated useful period of the virtual items, when they are actually used in the purchases of services or virtual items for online games. The Group estimates the deferred amount and period for the related deferred revenue based on historical results and other known factors, and reviews its rationale periodically. As of December 31, 2015, the Group's deferred revenue amounted to $16,025, shown as "Other current liabilities".

B. Impairment assessment on goodwill

The impairment assessment on goodwill relies on the Group's subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(9) for the information on goodwill impairment.

As of December 31, 2015, the Group recognised goodwill, net of impairment loss, amounting to $20,368.

C. Impairment assessment of agency

The impairment assessment of agency depends on the Group's subjective judgement. The intangible assets are recoverable amounts of online game revenue arising from expected game points used by players and projected expenditures. Please refer to Note 6(9) for the information of recognition and assessment of agency impairment loss.

As of December 31, 2015, the Group recognised dealership, net of impairment loss, amounting to $227,874.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2015	December 31, 2014
Cash on hand	$ 1,346	$ 18,674
Checking accounts and demand deposits	1,226,130	1,209,411
Cash equivalents - time deposits	231,081	56,912
	1,458,557	1,284,997
Classified as non-current assets held for sale	-	(12,127)
	$ 1,458,557	$ 1,272,870

A. The Group deals with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

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

(2) Available-for-sale financial assets

Items	December 31, 2015	December 31, 2014
Current items:		
Listed stocks	$ -	$ 118,544
Valuation adjustment of available-for-sale financial assets	-	5,019
	$ -	$ 123,563
Non-current items:		
Listed stocks	$ 374,327	$ 368,320
Unlisted stock	228,555	102,899
	602,882	471,219
Valuation adjustment of available-for-sale financial assets	(58,373)	55,411
Accumulated impairment	(9,206)	(9,206)
	$ 535,303	$ 517,424

A. The Group recognised ($52,732) and $58,348 in other comprehensive income for fair value change for the years ended December 31, 2015 and 2014, respectively. The Group reclassified $66,056 and $0 from equity to profit or loss because of gain on disposal of investments for the years ended December 31, 2015, and 2014, respectively.

B. GIH has sold all share capital of GJP to Aeria Inc. on December 24, 2014, and acquired 7% share capital of Aeria Inc., which has the fair value of $118,544. The difference between the fair value and the carrying amount of GJP is amounting to $42,754, which was recognised as gain on disposal of investments (recorded as 'other gains and losses').

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

D. As of December 31, 2015 and December 31, 2014, no available-for-sale financial assets of the Group were pledged as collateral.

(3) Accounts receivable

	December 31, 2015	December 31, 2014
Accounts receivable	$ 2,042,792	$ 1,664,553
Less: Allowance for doubtful accounts	(87,526)	(78,681)
Allowance for sales returns	(537)	(537)
	1,954,729	1,585,335
Classified as non-current assets held for sale	-	(34,257)
	$ 1,954,729	$ 1,551,078

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

	December 31, 2015	December 31, 2014
Up to 30 days	$ 120,388	$ 217,567
31~60 days	6,395	51,078
61~90 days	35,779	54,905
91~180 days	2,192	42,274
Over 180 days	115,469	164,403
	$ 280,223	$ 530,227

The above ageing analysis was based on past due date.

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

(a) As of December 31, 2015 and 2014, the Group's notes receivable, accounts receivable and overdue accounts receivable that were impaired amounted to $190,057 and $181,220, respectively.

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

	2015		
	Individual provision	Group provision	Total
At January 1	$ 102,539	$ 78,681	$ 181,220
Provision for impairment loss	-	8,561	8,561
Effect of exchange rate	(8)	284	276
At December 31	$ 102,531	$ 87,526	$ 190,057

	2014		
	Individual provision	Group provision	Total
At January 1	$ 112,887	$ 65,289	$ 178,176
Provision for impairment loss	1,400	20,501	21,901
Write-offs during the year	-	(438)	(438)
Effect from decrease in consolidated entities	(11,748)	(6,985)	(18,733)
Effect of exchange rate	-	314	314
At December 31	$ 102,539	$ 78,681	$ 181,220

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

	December 31, 2015	December 31, 2014
Neither past due nor impaired	$ 1,768,159	$ 1,304,353

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

(4) Inventories

	December 31, 2015		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 113,386	($ 484)	$ 112,902

	December 31, 2014		
	Cost	Allowance for obsolescence and market value decline	Book value
Inventories	$ 63,377	($ 458)	$ 62,919
Classified as non-current assets held for sale	(6,661)	-	(6,661)
	$ 56,716	($ 458)	$ 56,258

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2015	2014
Cost of goods sold	$ 1,090,022	$ 905,171
Provision for inventory obsolescence and market price decline (gain on reversal) (Note)	26	(302)
	$ 1,090,048	$ 904,869

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

(5) Investments accounted for under the equity method

A. List of long-term investments:

	December 31, 2015		December 31, 2014	
Name of associates	Ownership percentage	Balance	Ownership percentage	Balance
Seedo Games Co., Ltd. (Seedo)	40.00	$ 180,203	-	$ -
NOWnews Network Co., Ltd. (NOWnews)	22.74	66,417	-	-
Jsdway Digital Technology Co., Ltd. (Jsdway)	35.04	54,619	35.04	53,664
Fantasy Fish Digital Games Co., Ltd.	44.08	25,669	44.08	22,284
Chuang Meng Shr Ji Co., Ltd.	23.08	23,767	23.08	29,307
Petsmao Co., Ltd. (Petsmao)	37.50	13,153	-	-
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	30.94	4,373	30.94	8,879
Pri-One Marketing Co., Ltd.	30.00	2,730	30.00	2,908
UniCube Co., Ltd. (UniCube)	40.00	2,485	40.00	5,670
ACCI Group Limited (ACCI)	30.00	1,600	-	-
Machi Pictures Co., Ltd. (Machi Pictures)	33.33	180	33.33	180
Firedog Creative Co., Ltd. (Firedog)	40.00	-	40.00	4,075
		$ 375,196		$ 126,967

B. Among the investees under the equity method for the year ended December 31, 2015, the investments in Seedo Games Co., Ltd. and Jsdway Digital Technology Co., Ltd. were accounted based on the financial statements audited by other independent accountants. The investment income recognised based on the financial statements audited by other independent accountants was $23,214. As of December 31, 2015, the balance of long-term investments was $234,822.

C. Among the investees under the equity method for the year ended December 31, 2014, the investment in Jsdway Digital Technology Co., Ltd. was accounted based on the financial statements audited by other independent accountants. The investment income recognised based on the financial statements audited by other independent accountants was $1,101. As of December 31, 2014, the balance of long-term investment was $53,664.

D. Information on the Group’s significant associates as of December 31, 2015 and 2014 is shown below:

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

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

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

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

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

Balance sheet

	Jsdway December 31, 2015	Jsdway December 31, 2014
Current assets	$ 368,250	$ 325,161
Non-current assets	49,881	62,161
Current liabilities	(259,228)	(231,439)
Non-current liabilities	(3,028)	(2,733)
Total net assets	$ 155,875	$ 153,150
Share in associate's net assets	$ 54,619	$ 53,664
Unrealised loss on downstream transactions	-	-
Goodwill	-	-
Carrying amount of the associate	$ 54,619	$ 53,664

	Seedo	NOWnews
	December 31, 2015	December 31, 2014
Current assets	$ 152,922	$ 29,301
Non-current assets	184,819	15,013
Current liabilities	(71,087)	(22,379)
Non-current liabilities	(7,287)	(3,064)
Total net assets	$ 259,367	$ 18,871
Share in associate's net assets	$ 103,747	$ 4,291
Unrealised loss on downstream transactions	4,699	-
Goodwill	71,757	62,126
Carrying amount of the associate	$ 180,203	$ 66,417

Statement of comprehensive income

	Jsdway	
	Year ended December 31, 2015	Year ended December 31, 2014
Revenue	$ 1,452,855	$ 1,462,362
Profit (loss) for the year from continuing operations	8,593	(5,649)
Loss for the year from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the year	$ 8,593	($ 5,649)
Dividends received from associates	$ -	$ -

	Seedo	NOWnews
	Year ended December 31, 2015	Year ended December 31, 2014
Revenue	$ 303,322	$ 78,343
Profit for the year from continuing operations	38,143	33,734
Loss for the year from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income for the year	$ 38,143	$ 33,734
Dividends received from associates	$ -	$ -

F. As of December 31, 2015 and 2014, the carrying amount of the Group's individually immaterial associates amounted to $73,957 and $73,303, respectively. The Group's share of the operating results are summarised below:

	Year ended December 31, 2015	Year ended December 31, 2014
(Loss) profit for the year from continuing operations	($ 11,380)	$ 2,932
Loss for the year from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive (loss) income	($ 11,380)	$ 2,932

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

H. The impairment loss on the associate, Firedog Creative Co., Ltd., for the year ended December 31, 2015 is described in Note 6(9).

(6) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
At January 1, 2015								
Cost	$ 158,309	$ 196,340	$ 662,908	$ 1,395	$ 68,908	$ 59,531	$ 16,863	$ 1,164,254
Accumulated depreciation	-	(48,455)	(451,530)	(1,179)	(46,967)	(32,564)	(12,359)	(593,054)
Accumulated impairment	-	-	(6,382)	-	(47)	-	-	(6,429)
	158,309	147,885	204,996	216	21,894	26,967	4,504	564,771
Less: Classified as non-current assets held for sale	(36,448)	(19,732)	(31,597)	-	(707)	(876)	(219)	(89,579)
	$ 121,861	$ 128,153	$ 173,399	$ 216	$ 21,187	$ 26,091	$ 4,285	$ 475,192
Year ended December 31, 2015								
Opening net book amount	$ 158,309	$ 147,885	$ 204,996	$ 216	$ 21,894	$ 26,967	$ 4,504	$ 564,771
Additions	2,140,661	253,796	64,683	-	7,454	1,084	1,231	2,468,909
Disposals	-	(19,280)	(1,742)	-	(1,265)	(20)	(82)	(22,389)
Depreciation charge	-	(7,911)	(82,787)	(155)	(8,746)	(7,463)	(3,121)	(110,183)
Effect of decrease in consolidated entities	(36,448)	(19,732)	(31,597)	-	(707)	(876)	(219)	(89,579)
Net exchange differences	425	1,128	583	(31)	149	608	(1)	2,861
Closing net book amount	$ 2,262,947	$ 355,886	$ 154,136	$ 30	$ 18,779	$ 20,300	$ 2,312	$ 2,814,390
At December 31, 2015								
Cost	$ 2,262,947	$ 394,598	$ 552,563	$ 1,419	$ 61,256	$ 55,829	$ 14,197	$ 3,342,809
Accumulated depreciation	-	(38,712)	(392,045)	(1,389)	(42,430)	(35,529)	(11,885)	(521,990)
Accumulated impairment	-	-	(6,382)	-	(47)	-	-	(6,429)
	$ 2,262,947	$ 355,886	$ 154,136	$ 30	$ 18,779	$ 20,300	$ 2,312	$ 2,814,390

	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
Year ended December 31, 2014									
Opening net book amount	$157,449	$157,881	$296,963	$4,487	$28,642	$29,432	$17,810	$1,722	$694,386
Additions	552	4,760	66,525	-	3,398	9,329	862	4,470	89,896
Disposals	-	(5,767)	(4,545)	(160)	(776)	(1,597)	(180)	-	(13,025)
Reclassifications	-	3,243	2,995	-	(375)	-	375	(6,238)	-
Depreciation charge	-	(9,448)	(143,715)	(1,199)	(10,922)	(11,449)	(7,620)	-	(184,353)
Effect of decrease in consolidated entities	-	-	1,101	216	2,747	446	-	-	4,510
Net exchange differences	(250)	(4,285)	(14,762)	(3,128)	(884)	-	(6,753)	-	(30,062)
Closing net book amount	558	1,501	434	-	64	806	10	46	3,419
At December 31, 2014	$158,309	$147,885	$204,996	$216	$21,894	$26,967	$4,504	$-	$564,771
Cost									
Accumulated depreciation	$158,309	$196,340	$662,908	$1,395	$68,908	$59,531	$16,863	$-	$1,164,254
Accumulated impairment	-	(48,455)	(451,530)	(1,179)	(46,967)	(32,564)	(12,359)	-	(593,054)
	-	-	(6,382)	-	(47)	-	-	-	(6,429)
	158,309	147,885	204,996	216	21,894	26,967	4,504	-	564,771
Less: Classified as non-current assets held for sale	(36,448)	(19,732)	(31,597)	-	(707)	(876)	(219)	-	(89,579)
	$121,861	$128,153	$173,399	$216	$21,187	$26,091	$4,285	$-	$475,192

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

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

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

(7) Intangible assets

	Agency	Software	Other intangible asset	Goodwill	Total
At January 1, 2015					
Cost	$ 423,302	$ 56,633	$ 68,570	$ 48,848	$ 597,353
Accumulated amortisation	(155,371)	(36,640)	(25,739)	-	(217,750)
Accumulated impairment	(40,057)	-	(80)	(29,310)	(69,447)
	227,874	19,993	42,751	19,538	310,156
Less: classified as non-current assets held for sale	-	(4,765)	(65)	-	(4,830)
	$ 227,874	$ 15,228	$ 42,686	$ 19,538	$ 305,326
Year ended December 31, 2015					
Opening net book amount	$ 227,874	$ 19,993	$ 42,751	$ 19,538	$ 310,156
Additions	66,516	18,507	15,667	-	100,690
Amortisation charge	(90,703)	(19,359)	(4,773)	-	(114,835)
Transfer to other expenses and losses	(2,785)	(724)	(1,655)	-	(5,164)
Disposals	(2,007)	-	-	-	(2,007)
Effect of decrease in consolidated entities	-	(4,765)	(65)	-	(4,830)
Impairment loss	(23,252)	-	-	-	(23,252)
Net exchange differences	2,232	14	2,009	830	5,085
Closing net book amount	$ 177,875	$ 13,666	$ 53,934	$ 20,368	$ 265,843
At December 31, 2015					
Cost	$ 401,726	$ 46,534	$ 83,659	$ 50,924	$ 582,843
Accumulated amortisation	(182,597)	(32,868)	(29,642)	-	(245,107)
Accumulated impairment	(41,254)	-	(83)	(30,556)	(71,893)
	$ 177,875	$ 13,666	$ 53,934	$ 20,368	$ 265,843

	Agency	Software	Other intangible asset	Goodwill	Total
At January 1, 2014					
Cost	$ 339,109	$ 135,637	$ 52,619	$ 74,537	$ 601,902
Accumulated amortisation	(86,685)	(76,197)	(24,042)	-	(186,924)
Accumulated impairment	(61,550)	(29,630)	-	(13,914)	(105,094)
	$ 190,874	$ 29,810	$ 28,577	$ 60,623	$ 309,884
Year ended December 31, 2014					
Opening net book amount	$ 190,874	$ 29,810	$ 28,577	$ 60,623	$ 309,884
Additions	206,192	28,364	12,725	-	247,281
Amortisation charge	(119,137)	(32,726)	(19,881)	-	(171,744)
Transfer to other expenses	-	-	(434)	-	(434)
Disposals	(13,268)	(95)	(994)	-	(14,357)
Reclassifications	-	(2,312)	2,381	-	69
Acquired from business combinations	-	526	33,192	19,538	53,256
Effect of decrease in consolidated entities	(3,044)	(4,109)	(13,043)	(28,602)	(48,798)
Impairment loss	(33,665)	-	(86)	(33,601)	(67,352)
Net exchange differences	(78)	535	314	1,580	2,351
Closing net book amount	$ 227,874	$ 19,993	$ 42,751	$ 19,538	$ 310,156
At December 31, 2014					
Cost	$ 423,302	$ 56,633	$ 68,570	$ 48,848	$ 597,353
Accumulated amortisation	(155,371)	(36,640)	(25,739)	-	(217,750)
Accumulated impairment	(40,057)	-	(80)	(29,310)	(69,447)
	227,874	19,993	42,751	19,538	310,156
Less: Classified as non-current assets held for sale	-	(4,765)	(65)	-	(4,830)
	$ 227,874	$ 15,228	$ 42,686	$ 19,538	$ 305,326

A. The details of amortisation are as follows:

	Years ended December 31, 2015	Years ended December 31, 2014
Operating costs	$ 95,012	$ 141,403
Selling expenses	6,620	6,856
General and administrative expenses	12,587	22,173
Research and development expenses	616	1,312
	$ 114,835	$ 171,744

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

	December 31, 2015	December 31, 2014
Goodwill		
AMI	$ 20,368	$ 19,538
GCH	29,549	28,344
Sino	1,007	966
	50,924	48,848
Less: accumulated impairment	(30,556)	(29,310)
	$ 20,368	$ 19,538

C. Impairment information about the intangible assets is provided in Note 6(9).

(8) Non-current assets

	December 31, 2015	December 31, 2014
Overdue accounts receivable	$ 102,531	$ 102,539
Less: Allowance for doubtful accounts	(102,531)	(102,539)
Refundable deposits	33,251	40,817
Prepayment for pensions	-	2,436
Others	767	871
	34,018	44,124
Classified as non-current assets held for sale	-	(3,162)
	$ 34,018	$ 40,962

(9) Impairment of non-financial assets

A. Details of impairment loss recognised by the Group for the years ended December 31, 2015 and 2014 are as follows:

	Year ended December 31, 2015	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-investment accounted for using equity method	$ 4,543	$ -
Impairment loss-agency	23,252	-
	$ 27,795	$ -

	Year ended December 31, 2014	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-goodwill	$ 33,601	$ -
Impairment loss-agency	33,665	-
Impairment loss-trademark rights	86	-
	$ 67,352	$ -

B. The Company recognised impairment loss on investment and goodwill for the years ended December 31, 2015 and 2014 since the recoverable amounts of the value of future cash inflows are lower than the carrying amount. The value of future cash inflows was based on the best estimate of information available at the balance sheet date.

C. The Group recognised impairment loss on agency and trademark rights for the years ended December 31, 2015 and 2014 since the book value is greater than the recoverable amount. The Group used on-line game revenues and projected expenditures as recoverable amount when points are expected to be consumed.

(10) Non-current assets held for sale

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

	Year ended December 31, 2015
Proceeds from disposal of 60% share capital	$ 239,280
Book value of 60% share capital	(132,364)
	106,916
Fair value of 40% share capital on the day control is lost	160,000
Book value of 40% share capital	(88,243)
	71,757
Receivables for sale of 60% share capital as the contingent condition has been met (Note)	60,000
Gain on disposal of non-current assets held for sale (shown as other gains and losses)	$ 238,673

(Note) According to share trading agreement, if Seedo's post-tax profit reaches $38,000 for the year ended December 31, 2015, the buyer shall pay additional $60,000 to the Company.

The Company confirms the contingent condition has been met upon assessing Seedo's financial statements audited by independent accountants for the year ended December 31, 2015, thus, the additional payment was accrued in the financial statements and was shown as other receivables. The receivables are expected to be collected by April 30, 2016.

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

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

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

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

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

(a) Property, plant and equipment

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

(b) Intangible assets

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

(c) Other payables

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

(11) Short-term borrowings

	December 31, 2015	December 31, 2014
Bank borrowings		
Secured borrowings	$ 143,729	$ -
Unsecured borrowings	250,100	-
	$ 393,829	$ -
Credit lines	$ 1,867,671	$ 1,787,577
Interest rate	1.21%~6.16%	-

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

Items	December 31, 2015	December 31, 2014
Non-current items:		
Embedded derivatives (Redemption and put options of convertible bonds)	$ 2,590	$ -
Valuation adjustment of financial liabilities	(1,190)	-
	$ 1,400	$ -

The Group recognised net gain of $1,190 and $0 on financial liabilities designated as at fair value through profit or loss for the years ended December 31, 2015 and 2014, respectively.

(13) Other payables

	December 31, 2015	December 31, 2014
Salary payable and annual bonus	$ 134,153	$ 127,735
Employees' bonus (compensation) payable	44,328	17,004
Compensation payable to directors and supervisors	7,200	2,027
Payable on value-added business tax and withholding tax	30,992	40,537
Payable on equipment and intangible assets	50,367	9,510
Others	180,096	169,598
	447,136	366,411
Classified as liabilities included in disposal groups classified as held for sale	-	(20,388)
	$ 447,136	$ 346,023

(14) Other current liabilities

	December 31, 2015	December 31, 2014
Unearned revenue collected in advance	$ 720,806	$ 660,488
Receipts under custody	5,699	4,677
Tax receipts under custody	6,236	2,802
Other current liabilities	12,855	44,754
	745,596	712,721
Classified as liabilities included in disposal groups classified as held for sale	-	(1,723)
	$ 745,596	$ 710,998

(15) Bonds payable

	December 31, 2015	December 31, 2014
Bonds payable	$ 700,000	$ -
Less: Discount on bonds payable	(27,060)	-
	$ 672,940	$ -

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

(a) Total issuance: $700,000

(b) Coupon rate: 0%

(c) Issuance duration: 3 years (July 15, 2015 to July 15, 2018)

(d) Conversion period: Starting from the date after one month of the issuance to maturity date

(August 16, 2015 to July 15, 2018)

(e) Conversion price and adjustment: The conversion price was NT$41.5 dollars per share at issuance. After the issuance, except securities with conversion rights or warrants convertible to ordinary shares, the applicable conversion price was subject to adjustments set out in the indenture.

(f) Redemption

i. The Company may inform creditors within 30 trading days after the issuance and repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following event occurs: the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date (August 16, 2015 to June 5, 2018).

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

(g) Put options:

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

(h) Rights and obligations after conversion:

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

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

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

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2015
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015~ March 20, 2025; interest is payable monthly for the first three years; starting from the fourth year, principal and interest are payable quarterly.	1.70%	Land and Buildings	$ 1,600,000

There are no long-term borrowings as of December 31, 2014.

(17) Pensions

A. Defined benefit plans

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.

(b) For the aforementioned pension plan, the Group recognised pension costs of $623 and $1,171 for the years ended December 31, 2015 and 2014, respectively.

(c) The amounts recognised in the balance sheet are as follows:

	December 31, 2015	December 31, 2014
Present value of defined benefit obligations	($ 54,026)	($ 48,501)
Fair value of plan assets	53,743	50,937
Net defined benefit (liability) assets (shown as other non-current (liabilities) asset)	($ 283)	$ 2,436

(d) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
Year ended December 31, 2015			
Balance at January 1	($ 48,501)	$ 50,937	$ 2,436
Current service cost	(672)	-	(672)
Interest (expense) income	(970)	1,019	49
	(50,143)	51,956	1,813
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	337	337
Change in financial assumptions	(2,536)	-	(2,536)
Experience adjustments	(1,347)	-	(1,347)
	(3,883)	337	(3,546)
Pension fund contribution	-	1,450	1,450
Balance at December 31	($ 54,026)	$ 53,743	($ 283)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
Year ended December 31, 2014			
Balance at January 1	($ 72,097)	$ 54,049	($ 18,048)
Current service cost	(899)	-	(899)
Interest (expense) income	(1,324)	1,052	(272)
	(74,320)	55,101	(19,219)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	155	155
Experience adjustments	3,632	-	3,632
	3,632	155	3,787
Effect of decrease in consolidated entities	22,187	(6,032)	16,155
Pension fund contribution	-	1,713	1,713
Balance at December 31	($ 48,501)	$ 50,937	$ 2,436

(e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2015 and 2014 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2015	2014
Discount rate	1.7%	2%
Future salary increases	3.5%	3.5%

Assumptions for December 31, 2015 and 2014 regarding future mortality experience were set based on actuarial advice in accordance with published statistics and experience as shown in the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2015				
Effect on present value of defined benefit obligation	($ 49,417)	$ 9,581	$ 8,694	($ 7,421)
December 31, 2014				
Effect on present value of defined benefit obligation	($ 7,370)	$ 8,956	$ 8,170	($ 6,936)

The sensitivity analysis above was arrived at based on one assumption which changed while other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis during 2015 and 2014 are the same.

(g) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2016 are $1,450.

B. Defined contribution plans

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

(b) The Company's mainland subsidiary, Gamania Digital Entertainment (Beijing) Co., Ltd., Legion Technology (Shanghai) Co., Ltd. and Jollywiz Digital Business Co., Ltd., have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2015 and 2014 were both 20%~22%. Other than the monthly contributions, the Group has no further obligations.

(c) Gamania Digital Entertainment (Japan) Co., Ltd., Gamania Digital Entertainment (H.K.) Co., Ltd., Gash Point (Hong Kong) Company Limited, Gash Point (Japan) Co., Ltd., Gash Point Korea Co., Ltd., Joymobee Entertainment Co., Ltd., Hapod Digital Technology Co., Ltd., Jollywiz International (HK) Co., Ltd., Madsugr Digital Technology (HK) Co., Ltd. and CoCo Digital Technology (HK) Co., Ltd., provide pension reserves annually for their employees in accordance with the local regulations.

(d) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2015 and 2014 were $27,594 and $31,690, respectively.

(18) Share-based payment

A. As of December 31, 2015, the Group's share-based payment arrangements were as follows:

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

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

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

C. Expenses incurred on share-based payment transactions are $230 for the year ended December 31, 2015.

D. There is no share-based payment transaction for the year ended December 31, 2014.

(19) Common stock

A. As of December 31, 2015, the Company's authorized capital was $2,500,000, consisting of 250 million shares of ordinary stock (including 12 million shares reserved for employee stock options), and the paid-in capital was $1,575,936 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares (in thousands of shares) outstanding are as follows:

	Years ended December 31,	
	2015 (Note)	2014 (Note)
At January 1	157,594	157,312
Advance receipts for share capital transferred to ordinary shares	-	282
December 31	157,594	157,594

Note: Unit is thousands of shares

(20) Capital surplus

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

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

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

(b) Donations.

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

(21) Unappropriated retained earnings

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

(a) Paying all taxes and duties.

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

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

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

(e) Interest on capital.

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

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

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

C. Special reserve

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

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

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

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

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

F. On March 11, 2016, the Board of Directors resolved the 2015 appropriation of retained earnings:

	Year ended December 31, 2015	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	$ 38,789	
Special reserve appropriated	64,656	
Cash dividends to shareholders	189,112	$ 1.20

As of March 11, 2016, the appropriation of earnings for the year ended December 31, 2015 has not yet been resolved by the shareholders.

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

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

(22) Other equity items

	Translation differences	Unrealised gain or loss on available-for-sale financial assets	Total
At January 1, 2015	($ 25,517)	$ 60,415	$ 34,898
Revaluation - group	-	(118,788)	(118,788)
Currency translation differences:			
–Group	19,531	-	19,531
–Associates	(297)	-	(297)
At December 31, 2015	($ 6,283)	($ 58,373)	($ 64,656)

	Translation differences		Unrealised gain or loss on available-for-sale financial assets		Total	
At January 1, 2014	($	48,198)	$	2,067	($	46,131)
Revaluation – group		-		58,348		58,348
Currency translation differences:						
–Group		22,681		-		22,681
–Associates		-		-		-
At December 31, 2014	($	25,517)	$	60,415	$	34,898

(23) Operating revenue

	Years ended December 31,			
	2015		2014	
On-line game/ sales revenue of goods	$	9,488,862	$	8,927,120
Service revenue		35,650		37,400
Other operating revenue		155,521		105,336
	$	9,680,033	$	9,069,856

(24) Other income

	Years ended December 31,			
	2015		2014	
Rental revenue	$	66,954	$	5,302
Revenue from government grant		15,600		-
Interest income from bank deposits		5,366		4,490
Dividend income		1,920		800
Other income		28,318		29,433
	$	118,158	$	40,025

The subsidiary, Coture New Media Co., Ltd. (Coture), receives grant amounting to $18,200 from Bureau of Audiovisual and Music Industry Development, Ministry of Culture, for its “Million Star” project in 2015. Coture recognises grants revenue of $15,600 based on the stage of completion. As of December 31, 2015, the recognised but not yet received revenue of $9,100 is recorded as other receivables.

(25) Other gains and losses

	Years ended December 31, 2015	Years ended December 31, 2014
Net gain on financial assets and liabilities at fair value through profit or loss	$ 1,190	$ 768
Net currency exchange loss	(11,673)	(9,664)
Gain (loss) on disposal of property, plant and equipment	75,316	(6,801)
Loss on disposal of intangible assets	-	(4,187)
Impairment loss	(27,795)	(67,352)
Gain on disposal of investments	70,997	57,577
Gain on disposal of non-current assets held for sale	238,673	-
Others	(25,994)	(22,257)
	$ 320,714	($ 51,916)

(26) Finance costs

	Years ended December 31, 2015	Years ended December 31, 2014
Interest expense:		
Bank borrowings	$ 33,240	$ 755
Bonds payable	4,871	-
Others	-	823
	$ 38,111	$ 1,578

(27) Employee benefits, depreciation and amortisation expense

	Years ended December 31, 2015	Years ended December 31, 2014
Employee benefit expense		
Wages and salaries	$ 680,127	$ 757,767
Employee stock options	230	-
Labor and health insurance fees	52,531	61,399
Pension costs	28,217	32,861
Other personnel expenses	34,066	32,121
	$ 795,171	$ 884,148
Depreciation on property, plant and equipment	$ 110,183	$ 184,353
Amortisation expense	$ 114,835	$ 171,744

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

However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders during their meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The Board of Directors of the Company has approved the amended Articles of Incorporation of the Company on March 11, 2016. According to the amended articles, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio is 10~15% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration. The amended articles will be resolved in the shareholders' meeting in 2016.

B. For the years ended December 31, 2015 and 2014, employees' remuneration (bonus) was accrued at $42,000 and $17,004, respectively; while directors' and supervisors' remuneration was accrued at $7,200 and $2,027, respectively. The aforementioned amounts were recognised in operating costs and operating expenses. The expenses recognised for 2015 were accrued based on the profit of current year; the expenses recognised for 2014 were accrued based on the net income for 2014 and the percentage specified in the Articles of Incorporation of the Company (10%~15% and 2% for employees and directors/supervisors, respectively), taking into account other factors such as legal reserve.

The difference between employees' bonus and directors' and supervisors' remuneration as resolved by the shareholders during their meeting and the amount recognised in the 2014 financial statements by $17,000 and $2,300 had been adjusted in the profit or loss for 2015.

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

(28) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense (benefit):

	Years ended December 31,	
	2015	2014
Current tax		
Current tax on profits for the year	$ 16,786	$ 19,579
Tax on undistributed surplus earnings	857	-
Adjustments in respect of prior years	27,296	19,460
Total current tax	44,939	39,039
Deferred tax		
Origination and reversal of temporary differences	(20,075)	(44,604)
Income tax expense (benefit)	$ 24,864	($ 5,565)

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2015	2014
Remeasurement of defined benefit obligations	($ 603)	$ 644

B. Reconciliation between income tax expense and accounting expense (benefit):

	Years ended December 31,	
	2015	2014
Tax calculated based on profit before tax and statutory tax rate	$ 79,971	$ 37,168
Effect from items disallowed by tax regulation	(76,009)	(62,193)
Change in assessment of realization of deferred tax assets	(10,977)	-
Prior year income tax underestimate	27,296	-
Effect from Alternative Minimum Tax	3,726	-
Tax on undistributed earnings	857	19,460
Income tax expenses (benefit)	$ 24,864	($ 5,565)

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, loss carryforward and investment tax credits are as follows:

	Year ended December 31, 2015					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Effect of change in consolidated entities	December 31
Deferred tax assets:						
Temporary differences						
Provision for bad debts in excess of the allowable limit	$ 5,264	$ 2,405	$ -	$ -	$ -	$ 7,669
Allowance for sales returns	91	-	-	-	-	91
Allowance for inventory obsolescence	78	4	-	-	-	82
Impairment loss on financial assets	1,675	-	-	-	-	1,675
Investment loss accounted for under equity method	60,231	6,446	-	-	-	66,677
Impairment loss on intangible assets	12,165	(4,314)	-	-	-	7,851
Unused accrued expenses	2,605	(135)	-	-	-	2,470
Deferred revenues	3,242	(570)	-	-	-	2,672
Pension payable	356	(925)	603	-	-	34
Investment tax credits	28,795	8,000	-	-	-	36,795
Loss carry forward	17,728	7,053	-	-	-	24,781
	132,230	17,964	603	-	-	150,797
Deferred tax liabilities:						
Temporary differences						
Gain on foreign investments	(3,865)	(1,382)	-	-	-	(5,247)
Depreciation difference between tax and financial basis	(959)	600	-	-	-	(359)
Unrealized gain on disposal of property, plant and equipment	(2,885)	2,885	-	-	-	-
Others	(8)	8	-	-	-	-
	(7,717)	2,111	-	-	-	(5,606)
	$ 124,513	$ 20,075	$ 603	$ -	$ -	$ 145,191

	Year ended December 31, 2014					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Effect of change in consolidated entities	December 31
Deferred tax assets:						
Temporary differences						
Provision for bad debts in excess of the allowable limit	$ 5,930	$ 2,765	$ -	$ -	($ 3,431)	$ 5,264
Allowance for sales returns	91	-	-	-	-	91
Allowance for inventory obsolescence	129	(51)	-	-	-	78
Impairment loss on financial assets	1,675	-	-	-	-	1,675
Investment loss accounted for under equity method	54,304	5,927	-	-	-	60,231
Impairment loss on intangible assets	10,634	1,531	-	-	-	12,165
Unused accrued expenses	4,860	(2,255)	-	-	-	2,605
Deferred revenues	4,351	(1,109)	-	-	-	3,242
Pension payable	2,968	(1,968)	(644)	-	-	356
Others	847	(618)	-	-	(229)	-
Investment tax credits	-	28,795	-	-	-	28,795
Loss carry forward	-	17,728	-	-	-	17,728
	85,789	50,745	(644)	-	(3,660)	132,230
Deferred tax liabilities:						
Temporary differences						
Investment income accounted for under equity method	-	(3,865)	-	-	-	(3,865)
Depreciation difference between tax and financial basis	(1,576)	617	-	-	-	(959)
Unrealized gain on disposal of property, plant and equipment	-	(2,885)	-	-	-	(2,885)
Others	-	(8)	-	-	-	(8)
	(1,576)	(6,141)	-	-	-	(7,717)
	$ 84,213	$ 44,604	($ 644)	$ -	($ 3,660)	$ 124,513

D. As approved by Industrial Development Bureau, MOEA, the Company's certain local subsidiaries are qualified with the newly emerging, important and strategic industries defined by Executive Yuan, R.O.C. Also, the Company continues to hold the subsidiaries' inscribed shares for more than 3 years, in accordance with the Act for Industrial Innovation and Statute for Upgrading Industries (before its abolishment) Article 16, the amount of investment credits for stockholder and unrecognised deferred tax assets are as follows:

December 31, 2015			
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Final year tax credits are due
Investments in emerging important strategic industries	$ 36,795	$ -	2019

December 31, 2014			
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Final year tax credits are due
Investments in emerging important strategic industries	$ 28,795	$ 9	2018

E. The Company and the Company's subsidiaries' expiration dates of unused loss carry forward and amount of unrecognized deferred tax assets are as follows:

December 31, 2015				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2007~2015	$ 1,602,053	$ 1,600,458	$ 1,454,684	2025

December 31, 2014				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2007~2014	$ 1,390,982	$ 1,390,982	$ 1,286,698	2024

F. The amounts of deductible temporary differences that are not recognised as deferred tax assets are as follows:

	December 31, 2015	December 31, 2014
Deductible temporary differences	$ 50,028	$ 60,232

The deductible temporary differences arise when the Company does not plan to dispose subsidiaries in the foreseeable future. Thus, the unrecognised investment loss on overseas subsidiaries is not recognised as deferred tax assets.

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

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

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

H. Unappropriated retained earnings:

	December 31, 2015	December 31, 2014
Earnings generated in and after 1998	$ 390,297	$ 90,291

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

	December 31, 2015	December 31, 2014
Imputation tax credit account balance	$ 138,560	$ 114,228

	2015 (Estimated)	2014 (Actual)
Creditable tax rate	20.48%	20.48%

(29) Earnings per share

	Year ended December 31, 2015		
	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	$ 387,888	157,594	$ 2.46
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 387,888	-	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	5,031	7,831	
Employees' bonus	-	1,225	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 392,919	166,650	$ 2.36

	Year ended December 31, 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	$ 93,265	157,594	$ 0.59
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 93,265	157,594	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	243	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 93,265	157,837	$ 0.59

(30) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

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

B. The subsidiary, Gamania Asia Investment Co., Ltd., has used 30% of share capital of UniCube Co., Ltd. to swap with 30% of capital share of Mimigigi Digital Technology Co., Ltd. on December 30, 2014. As the fair value of share capital was approximately the same on the transaction date, no capital surplus – difference between proceeds and book value of subsidiaries’ equity acquired or disposed has arisen.

C. The Group did not subscribe to the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

The subsidiaries, Gash Point Co., Ltd. and GASH Pay Co., Ltd., increased capital by issuing new shares in the fourth quarter of 2015. However, the Group did not acquire additional shares proportionately to its interest. As a result, the Group’s equity interest in Gash Point Co., Ltd. and Gash Pay Co., Ltd. decreased to 10% and 33.33%, respectively. The effect of changes in interests in the Group on the equity attributable to owners of the parent is shown below:

	Gash Point Co., Ltd.	GASH Pay Co., Ltd.
	Year ended December 31, 2015	Year ended December 31, 2015
Cash	($ 21,000)	($ 200,000)
Increase in carrying amount of non-controlling interest	30,711	194,167
Capital surplus -changes in parent's ownership interest in subsidiaries	$ 9,711	($ 5,833)

(31) Business combinations

A. Acquisitions during the year ended December 31, 2014:

The subsidiary, GIH, has acquired 51% of share capital of AMI by $134,802 on December 29, 2014, and obtained control over AMI and its subsidiaries. AMI and its subsidiaries are engaged in e-commerce in Taiwan and Mainland China. The Group expects to strengthen market position in e-commerce.

B. The following table summarises the consideration paid for AMI Company and the fair values of the assets acquired and liabilities assumed at the acquisition date.

	Year ended December 31, 2014
Purchase consideration	
Cash paid	$ 134,802
Fair value of the non-controlling interest	129,515
	264,317
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	$ 242,526
Net amount of accounts receivable	50,194
Inventories	45,828
Other current assets	13,172
Property, plant and equipment	4,510
Goodwill	19,538
Other intangible assets	33,718
Other non-current assets	20,879
Notes and accounts payable	(123,299)
Other payables	(39,400)
Other current liabilities	(3,349)
Total identifiable net assets	$ 264,317

C. If AMI was included in the consolidation as of January 1, 2014, the Group's operating revenue and profit before tax would be:

	Year ended December 31, 2014
Operating revenue	$ 9,948,288
Profit before tax	$ 91,994

(32) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31, 2015	2014
Proceeds from disposal of available-for-sale financial assets	$ 180,653	$ -
Add: opening balance of other receivables	-	-
Less: ending balance of other receivables	(2,139)	-
Cash received during the year	$ 178,514	$ -

	Years ended December 31,	
	2015	2014
Acquisition of property, plant and equipment	$ 2,468,909	$ 89,896
Add: opening balance of payable on equipment	9,510	37,232
Less: ending balance of payable on equipment	(11,862)	(9,510)
Less: ending blance of other payables-related parties	(12,239)	-
Cash paid during the year	$ 2,454,318	$ 117,618

	Years ended December 31,	
	2015	2014
Purchase of intangible assets	$ 100,690	$ 247,281
Add: beginning payables	-	1,440
Less: ending payables	(38,505)	-
Less: ending blance of other payables-related parties	(5,255)	-
Cash paid during the year	$ 56,930	$ 248,721

	Years ended December 31,	
	2015	2014
Proceeds from disposal of fixed assets	$ 11,214	$ -
Add: opening balance of other receivables	150	-
Less: ending balance of other receivables	(335)	(150)
Less: ending balance of other receivables – related parties	(735)	-
Cash received during the year	$ 10,294	($ 150)

	Years ended December 31,	
	2015	2014
Disposal of intangible assets	$ 2,007	$ 14,357
Less: Other payables	-	-
Add: Gain on disposal of intangible assets	-	-
Less: Loss on disposal of intangible assets	-	(4,187)
Proceeds from disposal of intangible assets	$ 2,007	$ 10,170

B. Financing activities with no cash flow effects-Information on disposal of subsidiary

	Year ended December 31, 2014
Disposal consideration	
Cash paid	$ 4,324
Transfer to available-for-sale financial assets	118,544
Transfer to using equity method	58,170
Gain on disposal of investments	(56,389)
	124,649
Decrease in assets and liabilities of subsidiaries	
Cash and cash equivalents	176,653
Net amount of accounts receivable	122,069
Inventories	137,611
Other current assets	47,463
Property, plant and equipment	30,062
Intangible assets	48,798
Other non-current assets	45,340
Accounts payable	(235,471)
Other payables	(64,749)
Other current liabilities	(20,583)
Other non-current assets	(25,854)
Non-controlling interests	(136,690)
	124,649
Net decrease in net cash from disposal of subsidiary	($ 172,329)

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

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

(2) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31, 2015	Years ended December 31, 2014
Sales of goods:		
Associates	$ 6,361	$ 267,757
Sales of services:		
Associates	1,848	731
	$ 8,209	$ 268,488

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

B. Operating costs

	Years ended December 31,	
	2015	2014
Costs of point service:		
Associates	$ 98,327	$ 94,939
Costs of customer service hotline:		
Associates	75,342	-

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

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

	Years ended December 31,	
	2015	2014
Other related party	$ 6,000	$ 8,000
Associates	40,348	14,821
	$ 46,348	$ 22,821

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

Except for donation, expenses were based on mutual agreements.

D. Rental revenue (shown in other revenue)

	Years ended December 31,	
	2015	2014
Associates	$ 7,962	$ 1,881

Rental revenue is from leasing out offices to the associate IDC. Prices are in accordance with mutual agreements. Rent is paid by using a telegraphic transfer and invoice is issued monthly. The lease period is from January 1, 2014 to December 31, 2015.

E. Accounts receivable

	December 31, 2015	December 31, 2014
Accounts receivable:		
Associates	$ 5,591	$ 170,027

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

F. Other receivables

	December 31, 2015	December 31, 2014
Other receivables:		
Associates	$ 8,346	$ 1,497

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

G. Payables

	December 31, 2015	December 31, 2014
Accounts payable:		
Associates	$ 70,362	$ 30,101
Other payables		
Associates	$ 26,566	$ 16,984

Accounts payable are payables for mobile service costs and the dedicated line cost of on-line games and are due 60 days after the purchase. The payables do not bear interest.

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

H. Property transactions

(a) Acquisition of property, plant and equipment:

	Years ended December 31,	
	2015	2014
Associates	$ 39,332	$ -

The unpaid amount as of December 31, 2015 is $12,239.

(b) Disposal of property, plant and equipment:

	Years ended December 31,			
	2015		2014	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Associates	$ 7,712	($ 11,728)	$ -	$ -

As of December 31, 2015, the proceeds from disposal of property, plant and equipment that has not yet been received amounted to $735. The loss on disposal of property, plant and equipment was deferred in proportion to equity interest held in the associate (see Note 6(5) D).

(c) Acquisition of intangible assets:

	Years ended December 31,	
	2015	2014
Associates	$ 5,005	$ -

The unpaid amount as of December 31, 2015 is $5,255.

(3) Key management compensation

	Years ended December 31,	
	2015	2014
Short-term employee benefits	$ 43,520	$ 21,910
Post-employment benefits	108	216
	$ 43,628	$ 22,126

8. PLEDGED ASSETS

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

	Book value		
Pledged assets	December 31, 2015	December 31, 2014	Pledge purpose
Demand deposits (shown in "other current assets")	$ 120,000	$ 60,000	Performance bond of on-line game card's standard contracts / Short-term loans / credit card merchant guarantee
Time deposits (shown in "other current assets")	75,418	-	Guarantee for short-term borrowing facility
Property, plant and equipment			
Land	2,140,662	111,855	Short-term and long-term loans / Credit lines
Buildings	250,064	100,956	Short-term and long-term loans / Credit lines
	$ 2,586,144	$ 272,811	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. The Group leases warehouse, offices and network equipment under non-cancellable operating lease agreements. The Group recognised rental expenses of $79,353 and $81,717 for these leases in profit or loss for the years ended December 31, 2015 and 2014, respectively. The future aggregate minimum lease payments are as follows:

	December 31, 2015	December 31, 2014
Not later than one year	$ 37,410	$ 61,019
Later than one year but not later than five years	21,997	59,876
	$ 59,407	$ 120,895

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) On January 29, 2016, the Board of Directors has resolved for the subsidiary, Gamania Asia Investment Co., Ltd., to acquire a total of 623,000 outstanding shares of Aotter Inc. for $15,000, in order to expand its social media. Gamania Asia Investment Co., Ltd. holds 14.28% of the share capital and one seat in the Board.

(2) On March 11, 2016, the Company's Board of Directors has adopted the following resolutions during its meeting:

A. The Company's subsidiary, Mimigigi Digital Technology Co., Ltd., plans to reduce capital by $4,839 in order to improve financial structure and optimize operating system. After the reduction, the paid-in capital will be $5,161 and the Company's combined shareholding ratio is 100%.

B. The Company plans to purchase all shares in the associate, Mimigigi Digital Technology Co., Ltd., held by the Company's subsidiary, Gamania Asia Investment Co., Ltd. for cash of $5,161, constituting 516,100 shares for a 100% equity interest.

C. For operating capital requirements, the subsidiary, Mimigigi Digital Technology Co., Ltd., plans to increase capital by $24,839 which will be fully subscribed by the Company. After the capital increase, the subsidiary's paid-in capital will increase to $30,000, and the Company's shareholding ratio will be 100%.

D. The Company plans to issue capital of $20,000 to establish a wholly-owned subsidiary, BeanGo! Co., Ltd., in order to expand the operations and develop communication software business.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Fair value information of financial instruments

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

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. Each of the entities in the Group operates in different countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group set the natural hedging as principle. Foreign exchange risk arises when future commercial transactions, recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

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

(Foreign currency: Functional currency)	December 31, 2015 Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 4,643	$ 33.0660	$ 153,525
HKD:NTD	3,492	4.2664	14,898
HKD:USD	1,866	0.1290	7,959
USD:HKD	2,384	7.7503	78,829
Non-monetary items			
USD:NTD	21,150	33.0660	699,357
JPY:NTD	105,264	0.2747	28,916
RMB:USD	2,178	0.1540	11,093
HKD:USD	46,340	0.1290	197,664
EUR:USD	938	1.0927	33,888
Financial liabilities			
Monetary items			
USD:NTD	1,497	33.0660	49,500
USD:HKD	678	7.7503	22,419

(Foreign currency: Functional currency)	December 31, 2014 Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 603	$ 31.718	$ 19,126
HKD:USD	50,323	0.1289	205,743
NTD:USD	337,667	0.0315	337,667
USD:RMB	501	6.2040	15,891
USD:HKD	881	7.7556	27,944
JPY:USD	431,134	0.0084	123,563
Non-monetary items			
USD:NTD	$ 19,586	31.718	$ 621,221
JPY:NTD	120,491	0.2652	31,954
HKD:USD	48,723	0.1289	199,201
EUR:USD	780	1.2154	30,088
Financial liabilities			
Monetary items			
USD:NTD	1,333	31.718	42,280
HKD:USD	17,313	0.1289	70,783

D. The total exchange gain, including realised and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2015 and 2014 amounted $1,084 and $1,453, respectively.

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

	Year ended December 31, 2015		
(Foreign currency: Functional currency)	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Financial assets			
Monetary items			
USD:NTD	1%	$ 1,535	$ -
HKD:NTD	1%	149	-
HKD:USD	1%	80	-
USD:HKD	1%	788	-
Financial liabilities			
Monetary items			
USD:NTD	1%	495	-
USD:HKD	1%	224	-

	Year ended December 31, 2014		
(Foreign currency: Functional currency)	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Financial assets			
Monetary items			
USD:NTD	1%	$ 191	$ -
HKD:USD	1%	2,057	-
NTD:USD	1%	3,374	-
USD:RMB	1%	159	-
USD:HKD	1%	279	-
JPY:USD	1%	1,236	-
Financial liabilities			
Monetary items			
USD:NTD	1%	423	-
EUR:NTD	1%	708	-

Price risk

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

The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. However, the Group has set stop-loss amounts for those assets; therefore, no material market risk is expected. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, for the years ended December 31, 2015 and 2014, other components of equity would have increased/decreased by $5,298 and $6,410, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Interest rate risk

i. The Group's interest rate risk arises from each borrowing. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Corporate bonds and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The interest rate for short-term borrowings of the Group are mainly floating rate and for long-term borrowings are fixed rate. During the years ended December 31, 2015 and 2014, the Group's borrowings at variable rate were denominated in NTD and RMB.

ii. At December 31, 2015 and 2014, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2015 and 2014 would have been $214 and $0 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

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

ii. During the years ended December 31, 2015 and 2014, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

iii. The details of credit quality of the Group’s significant financial assets are provided in Note 6 (3).

(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:

December 31, 2015	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	$ 393,829	$ -	$ -
Notes payble	100	-	-
Accounts payable	1,381,991	-	-
Accounts payable-related parties	70,362	-	-
Other payables	447,136	-	-
Other payables-related parties	26,566	-	-
Long-term borrowings (including current portion)	27,200	173,890	1,586,250
Bonds payable	-	700,000	-

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

(3) Fair value information

A. Details of the fair value of the Group’s financial assets and financial liabilities not measured at fair value are provided in Note 12(2) A.

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and open-end fund is included in Level 1.

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

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

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

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Available-for-sale financial assets				
Equity securities	$ 9,502	$ 300,453	$ 225,348	$ 535,303
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss - non-current				
Embedded derivatives	$ -	($ 1,400)	$ -	($ 1,400)

December 31, 2014	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Available-for-sale financial assets				
Equity securities	$ 123,563	$ 441,408	$ 76,016	$ 640,987

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

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

	Listed Shares
Market quoted price	Closing price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(c) For highly complex financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Notes 12(3) I and J.

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. For the years ended December 31, 2015 and 2014, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2015 and 2014:

	Equity securities	
	2015	2014
At January 1	$ 76,016	$ 58,928
Gains and losses recognised in other comprehensive income	23,692	(19,744)
Acquired in the year	125,640	56,000
Disposed of in the year	-	(10,000)
Effect of decrease in consolidated entities	-	(9,168)
At December 31	$ 225,348	$ 76,016

G. For the years ended December 31, 2015 and 2014, there was no transfer into or out from Level 3.

H. Treasury department segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	Fair value at December 31, 2015	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 225,348	Market comparable companies	Price to book ratio multiple	1.83 (1.83)	The higher the multiple, the higher the fair value
			Enterprise value to operating income ratio multiple	1.84 (1.84)	The higher the multiple, the higher the fair value
			Discount for control premium	20% (20%)	The higher the discount for control premium, the lower the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value

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

			December 31, 2015			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Enterprise value to operating income ratio multiple	±1%	$ -	$ -	$ 240	($ 240)
	Price to book ratio multiple	±1%	-	-	1,293	(1,293)
	Discount for control premium	±1%	-	-	167	(167)
	Discount for lack of marketability	±1%	-	-	208	(208)

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

13. SUPPLEMENTARY DISCLOSURES

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

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Please refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 3.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(12).

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. OPERATING SEGMENT INFORMATION

(1) General information

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

(2) Assessment of segment information

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

(3) Information on segment profit (loss), assets and liabilities

The segment information on reportable segments provided to the chief operating decision-maker for the years ended December 31, 2015 and 2014 are as follows:

Year ended December 31, 2015	Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. (Note 3)	Gash Point (Hong Kong) Company Lmited (Note 4)	Others	Total	
Revenue from external customers	$ 1,994,169	$ 4,650,644	$ 1,726,903	$ 1,308,317	$ 9,680,033	
Inter-segment revenue	44,628	1,986,636	110,401	112,364	2,254,029	Note 1
Segment operating profit	106,716	7,891	16,967	(215,674)	(84,100)	
Segment profit (loss), net of tax	389,202	27,925	9,696	(120,775)	306,048	
Segment profit (loss) includes:						
Depreciation and amortisation	(148,332)	(10,942)	(49)	(65,695)	(225,018)	
Income tax expense	(9,932)	(9,128)	(1,818)	(3,986)	(24,864)	
Investment income (loss) accounted for using the equity method	(33,661)	(7,899)	-	55,811	14,251	Note 2

Year ended December 31, 2014	Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. (Note 3)	Gash Point (Hong Kong) Company Lmited (Note 4)	Others	Total	
Revenue from external customers	$ 2,343,979	$ 3,876,213	$ 2,577,590	$ 272,074	$ 9,069,856	
Inter-segment revenue	52,422	2,290,779	178,911	1,753,332	4,275,444	Note 1
Segment operating profit	176,977	6,455	64,010	(133,709)	113,733	
Segment profit (loss), net of tax	93,265	36,259	44,344	(69,870)	103,998	
Segment profit (loss) includes:						
Depreciation and amortisation	(222,128)	(15,808)	(48)	(118,113)	(356,097)	
Income tax benefit (expense)	29,884	(6,572)	(8,676)	(9,071)	5,565	
Investment income (loss) accounted for using the equity method	(91,372)	4,335	-	85,206	(1,831)	Note 2

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

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

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

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

(4) Reconciliation information of segment profit (loss)

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

(5) Information on product and service

Details are provided in Note 6(21).

(6) Geographical information

Geographical information for the years ended December 31, 2015 and 2014 is as follows:

	Years ended December 31,			
	2015		2014	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 7,365,500	$ 2,930,038	$ 6,585,501	$ 634,926
Asia	2,299,698	103,064	2,466,515	96,859
Others	14,835	81,149	17,840	87,259
	$ 9,680,033	$ 3,114,251	$ 9,069,856	$ 819,044

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2015 and 2014 is as follows:

	Years ended December 31,			
	2015		2014	
	Revenue	Segment	Revenue	Segment
A	$ 2,119,600	Gash Point Co., Ltd.	$ 1,873,130	Gash Point Co., Ltd.
B	$ 1,932,935	Gash Point Co., Ltd.	$ 1,375,647	Gash Point Co., Ltd.
C	$ 693,537	Gash Point Co., Ltd.	$ 985,526	Gash Point Co., Ltd.

Because players can elect to play online games of other companies after purchasing on-line game stored-value cards issued by Gash Point Co., Ltd., the sales are reclassified as collection and payment on behalf of others. Therefore, the Company cannot calculate the actual sales to a specific customer. The Company discloses the percentage of a specific customer’s distribution over the Group’s consolidated distribution.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2015

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2015	Outstanding endorsement/ guarantee amount at December 31, 2015	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
0	The Company	Gash Point Co., Ltd.	2	$ 472,781	$ 448,000	$ -	$ -	$ -	-	$ 1,575,936	Y	N	N	Note 5
0	The Company	MadSugr Digital Technology Co., Ltd.	2	472,781	30,000	30,000	-	-	1.02	1,575,936	Y	N	N	
0	The Company	Coture New Media Co., Ltd.	2	472,781	30,000	30,000	30,000	30,000	1.02	1,575,936	Y	N	N	
0	The Company	Jollywiz Digital Business Co., Ltd.	3	472,781	104,224	101,842	50,921	-	3.46	1,575,936	Y	N	Y	
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	3	472,781	104,224	101,842	96,750	-	3.46	1,575,936	Y	N	Y	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1)The Company is ‘0’.
(2)The subsidiaries are numbered in order starting from ‘1’.
Note 2: Number 2 means the Company directly owns over 50% of the shares of the subsidiary.
Number 3 means the Company and the subsidiary own over 50% of the shares of the investee company.
Note 3: The Company provides guarantee for the subsidiaries in which the Company directly or indirectly holds more than 50% voting rights. The limit of guarantee for each party is 30% of the Company’s capital, and the maximum amount available for guarantee is the Company’s capital.
Note 4: Y means provision of endorsements / guarantees by parent company to subsidiary, provision of endorsements / guarantees by subsidiary to parent company or provision of endorsements / guarantees to the party in Mainland China.
Note 5: Gash Point Co., Ltd. originally known as Gash Plus Company Ltd.

SGamania Digital Entertainment Co., Ltd. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2015

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	As of December 31, 2015 Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	Footnote
The Company	NC Taiwan Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	2,100	$ 70,270	15.00	$ 70,270	
The Company	Gamemag Interactive Inc. - Stock	None	Available-for-sale financial assets - non-current	460	2,841	4.00	2,841	
The Company	Hagame Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	880	10,272	19.05	10,272	
The Company	XPEC Entertainment Inc. - Stock	None	Available-for-sale financial assets - non-current	4,371	300,453	3.66	300,453	
The Company	Microprogram Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	1,739	55,648	5.42	55,648	
The Company	Life Plus Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	3,000	30,000	9.09	30,000	
Gamania Asia Investment Co., Ltd.	Compass Systems Corp. - Stock	None	Available-for-sale financial assets - non-current	1,000	794	3.33	794	
Gamania Asia Investment Co., Ltd.	Hualien Media Intl. Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	400	10,000	1.90	10,000	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - Stock	None	Available-for-sale financial assets - non-current	1,000	25,530	4.35	25,530	
Gamania International Holdings Ltd.	Ikala Global Online Corp. - Stock	None	Available-for-sale financial assets - non-current	212	19,993	5.45	19,993	
Gamania International Holdings Ltd.	Aeria Inc. - Stock	None	Available-for-sale financial assets - non-current	30	9,502	0.57	9,502	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IAS 39 ‘Financial instruments: recognition and measurement.’
Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Acquisition of real estate in excess $300 million or 20% of capital

For the year ended December 31, 2015

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

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

For the year ended December 31, 2015

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Description of and reasons for difference in transaction terms compared to non-related party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Name of transaction parties	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit period	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
The Company	Gash Point Co., Ltd.	Subsidiary	Sales	($ 1,907,981)	93%	Note 1	Note 1	Note 1	$ 558,608	97%	Note 2

Note 1: The above represents sales based on merchandise, competitive market and trading situation. There is no similar transaction to compare with.
Note 2: Comprises the sale of on-line game, sales of services and other operating revenue.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Receivables from related parties in excess of $100 million or 20% of capital

December 31, 2015

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of December 31, 2015	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action adopted for overdue accounts	Amount collected subsequent to the balance sheet date （Note 1）	Allowance for doubtful accounts	Footnote
The Company	Gash Point Co., Ltd.	Subsidiary	$ 562,616	3.58	$ -	-	$ 161,122	$ 36,235	Note 2,3

Note 1: The subsequent collections represent collections from the balance sheet date to March 11, 2016.
Note 2: The Group considers Gash Point Co., Ltd. to evaluate and to make provision for the allowance for doubtful accounts – non related party, and the amount is accounted for under Allowance for doubtful accounts – non related party in the consolidated financial statements
Note 3: Includes other receivables.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2015

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Gash Point Co., Ltd.	1	Sales	$ 1,894,083	Note 4	19.57
0	The Company	Gash Point Co., Ltd.	1	Service revenue	13,898	Note 4	0.14
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	558,608	Note 4	6.72
0	The Company	Joymobee Entertainment Co., Ltd.	1	Dealership	28,140	Note 4	0.34
0	The Company	Gamania Digital Entertainment (Europe) B.V.	1	Other receivables	11,636	Note 4	0.14
0	The Company	Ants' Power Co., Ltd.	1	Customer service fee	80,956	Note 4	0.84
0	The Company	Ants' Power Co., Ltd.	1	Other payables	21,665	Note 4	0.26
0	The Company	Gamanin Digital Entertainment (H.K.) Co., Ltd.	3	Service revenue	10,192	Note 4	0.11
1	Gash Point Co., Ltd.	Cash Media Digital Marketing Co., Ltd.	3	Other receivables	34,227	Note 4	0.41
1	Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	3	Service revenue	45,376	Note 4	0.47
2	Gash Point (Hong Kong) Company Limited	Gash Media Digitial Marketing Co., Ltd.	3	Other receivables	17,660	Note 4	0.21
2	Gash Point (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Accounts payable	12,163	Note 4	0.15
2	Gash Point (Hong Kong) Company Limited	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Cost of goods sold	98,423	Note 4	1.02
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Joymobee Entertainment Co., Ltd.	3	Accounts receivable	47,420	Note 4	0.57
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (Hong Kong) Company Limited	3	Accounts receivable	12,163	Note 4	0.15
3	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Media Digital Marketing Co., Ltd.	3	Marketing expenses	13,983	Note 4	0.14
4	Punch Technologies Co., Ltd.	Coco Digital Technology (H.K.) Co., Ltd.,	3	Other receivables	24,119	Note 4	0.29
5	Gash Media Digital Marketing Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Service revenue	13,498	Note 4	0.14

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

(1) Parent company is ‘0’.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
For the year ended December 31, 2015

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Original investment cost (Note 1)		Shares held as at December 31, 2015					
Company	Name of investee	Location	Main business activities	Balance as at December 31, 2015	Balance as at December 31, 2014	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
The Company	Gamania Holdings Ltd.	Cayman Islands	Investment holdings	$ 2,369,434	$ 2,369,434	41,687,546	100.00	$ 615,176	$ 22,207	$ 22,207	
The Company	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Software services and sales	-	211,433	-	72.08	-	-	-	Note 2
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment holdings	171,549	115,549	12,100,000	100.00	148,662	306	306	
The Company	Gamania Digital Entertainment Labuan Holdings, Ltd.	Malaysia	Investment holdings	38,994	38,994	1,330,000	100.00	1,402	(103)	(103)	
The Company	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	6,330,440	100.00	110	(2,254)	(2,254)	
The Company	Redgate Games Co. Ltd.	Taiwan	Design and research and development of software	297,000	297,000	29,700,000	100.00	2,322	862	862	
The Company	Seedo Games Co. Ltd.	Taiwan	Software services	136,000	340,000	8,800,000	40.00	180,203	38,760	20,203	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	9,041	3,489	1,779	
The Company	Gash Point Co., Ltd.	Taiwan	Software information and supply of electronic services	169,000	50,000	13,500,000	90.00	195,768	26,508	(2,347)	
The Company	Global Pursuit Co., Ltd.	Taiwan	IP Commodities authorization	40,000	40,000	4,750,000	100.00	434	(2,845)	(2,845)	

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1) Balance as at December 31, 2015	Original investment cost (Note 1) Balance as at December 31, 2014	Shares held as at December 31, 2015 Number of shares	Shares held as at December 31, 2015 Percentage	Shares held as at December 31, 2015 Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
The Company	Machi Pictures Co., Ltd.	Taiwan	Movie making and publishing	$ 20,000	$ 20,000	2,000,000	33.33	$ 180	($ 43)	$ -	
The Company	RitwNow Inc.	Taiwan	E-sports and media broadcast services	-	15,300	-	-	-	11	-	Note 3
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	29,557	20,730	18,665	
The Company	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	56,800	56,800	1,277,101	30.94	4,373	(14,568)	(4,507)	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	30,000	30,000	3,000,000	23.08	23,767	(24,007)	(5,540)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	8,400	8,400	840,000	70.00	(360)	(11,082)	(7,757)	
The Company	Coture New Media Co., Ltd.	Taiwan	TV programs and normal products	27,500	27,500	2,750,000	55.00	(8,735)	(61,646)	(33,905)	
The Company	MadSugr Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	30,600	30,600	3,060,000	51.00	7,473	(45,531)	(23,221)	
The Company	Gash Pay Co., Ltd.	Taiwan	Third party payment	250,000	250,000	25,000,000	41.67	234,636	(36,878)	(11,291)	
The Company	Punch Technologies Co., Ltd.	Taiwan	Software services and sales	10,033	-	921,700	100.00	6,430	(3,717)	(4,482)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Producing TV programs and general advertising services	64,000	-	3,200,000	22.74	66,417	33,734	2,417	Note 4
The Company	Petsmao Co., Ltd.	Taiwan	Wholesale of pet foods and appliances	15,000	-	1,500,000	37.50	13,153	(13,317)	(1,848)	Note 4

				Original investment cost (Note 1)		Shares held as at December 31, 2015					
Company	Name of investee	Location	Main business activities	Balance as at December 31, 2015	Balance as at December 31, 2014	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
Gamania Asia Investment Co., Ltd.	Gameastor Digital Entertainment Co., Ltd.	Taiwan	Sales and research and development of software	$ -	$ 80,625	-	-	$ -	$ -	$ -	Note 2
Gamania Asia Investment Co., Ltd.	Pri-One Marketing Co., Ltd.	Taiwan	Software services	1,500	1,500	150,000	30.00	2,730	(592)	(178)	
Gamania Asia Investment Co., Ltd.	Mimigigi Digital Technology Co., Ltd.	Taiwan	Software services	10,000	10,000	1,000,000	100.00	5,909	(622)	(622)	
Gamania Asia Investment Co., Ltd.	UniCube Co., Ltd.	Taiwan	Design and research and development of software	4,000	4,000	400,000	40.00	2,485	(7,960)	(3,184)	
Gamania Asia Investment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Taiwan	Software services and sales	22,211	22,211	2,443,432	44.08	25,669	7,681	3,386	
Gamania Asia Investment Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	55,125	-	5,250,000	35.04	54,619	8,593	1,028	
Madsugr Digital Technology Co., Ltd.	Madsugr Digital Technology (HK) Co., Ltd.	Hong Kong	Software information and supply of electronic services	13,179	-	3,300,969	100.00	13,612	(451)	(451)	
Gash Point Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	-	52,500	5,250,000	35.04	-	8,593	1,983	
Gash Point Co., Ltd.	Punch Technologies Co., Ltd.	Taiwan	Software services and sales	-	40,000	-	-	-	455	765	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Software information and supply of electronic services	41,874	41,874	600	100.00	28,916	(4,015)	(4,015)	

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1) Balance as at December 31, 2015	Original investment cost (Note 1) Balance as at December 31, 2014	Shares held as at December 31, 2015 Number of shares	Shares held as at December 31, 2015 Percentage	Shares held as at December 31, 2015 Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Hong Kong	Software information and supply of electronic services	$ 13,704	$ 13,704	750,000	100.00	$ 70,746	$ 9,699	$ 9,699	
Gash Point Co., Ltd.	Gash Plus Korea Co., Ltd.	South Korea	Software information and supply of electronic services	11,662	11,662	138,268	100.00	7,143	2,450	2,450	
Gash Point Co., Ltd.	Gash Media Digital Marketing Co., Ltd.	Taiwan	Software services	8,000	8,000	800,000	80.00	8,193	393	314	
Gash Point Co., Ltd.	Gash Pay Co., Ltd.	Taiwan	Third party payment	150,000	10,000	15,000,000	25.00	140,770	(36,878)	(19,095)	
Punch Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Hong Kong	Software services and sales	764	764	200,000	100.00	(1,579)	(8,290)	(8,290)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment holdings	2,405,233	2,405,233	72,740,359	100.00	615,180	22,497	22,497	
Gamania Holdings Ltd.	Gamania R&D (HK) Holdings Limited	Hong Kong	Investment holdings	-	53,005	-	-	-	-	-	Note 5
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment holdings	1,378,321	1,378,321	41,683,936	98.85	214,240	(12,798)	(12,651)	
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Cayman Islands	Investment holdings	286,682	286,682	8,670,000	100.00	68,599	(2,645)	(2,645)	
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Amsterdam	Investment holdings	194,550	194,550	-	100.00	33,888	5,576	5,576	
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	130,611	130,611	30,701,775	100.00	8,274	4,686	4,686	

				Original investment cost (Note 1)		Shares held as at December 31, 2015					
Company	Name of investee	Location	Main business activities	Balance as at December 31, 2015	Balance as at December 31, 2014	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	$ 10,576	$ 10,576	992,000	40.00	$ -	$ 1,225	$ 490	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	BVI	Investment holdings	140,531	140,531	6,162,530	52.76	110,589	(49,598)	(26,170)	
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,600	-	375,000	30.00	1,600	-	-	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	31,908	-	1,000,000	100.00	25,724	(7,085)	(7,085)	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	E-commerce	494,521	494,521	46,000,000	100.00	166,114	(47,384)	(47,384)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	BVI	Investment holdings	150,105	90,477	4,900,000	100.00	81,630	(25,390)	(25,390)	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	E-commerce	11,093	-	100,000	100.00	8,063	(2,966)	(2,966)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment holdings	1,306,768	1,306,768	39,520,000	100.00	15,244	(2,178)	(2,178)	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	99,506	99,496	35,500,000	100.00	189,390	(10,371)	(10,371)	
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	U.S.A.	Software services and sales	285,360	285,360	1,440	100.00	68,567	(2,645)	(2,645)	
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Netherlands	Software services and sales	136,179	136,179	500,000	100.00	28,384	4,527	4,527	

Note 1: Initial investment amount is translated to NTD at the spot rate at the period end.
Note 2: The investment in Gameastor Digital Entertainment Co., Ltd. had been liquidated on March 27, 2015.
Note 3: The investment in RitwNow Inc. had been liquidated on February 16, 2015.
Note 4: In August 2015, the Company acquired equity investment of the investees and started to recognise investment income (loss) since the acquisition date.
Note 5: The investment in Gamania R&D (HK) Holdings Limited had been liquidated on April 12, 2015.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Information on investments in Mainland China

For the year ended December 31, 2015

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method （Note 1）	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2015		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Net income of investee for the year ended December 31, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2015	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015	Footnote (Note 1)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	$ 1,167,230	Investment through a holding company registered in a country other than Taiwan and Mainland China	$ 855,417	$ -	$ -	$ 855,417	$ 499	98.85	$ 493	$ 11,093	$ -	Note 2
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	Investment through a holding company registered in a country other than Taiwan and Mainland China	49,599	-	-	49,599	-	-	-	-	-	Note 3
Legion Technology (Shanghai) Co., Ltd.	E-commerce operations	130,611	Investment through a holding company registered in a country other than Taiwan and Mainland China	67,786	62,825	-	130,611	(27,423)	52.76	(14,463)	52,748	-	Note 4

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2015		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Net income of investee for the year ended December 31, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2015	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015	Footnote (Note 1)
					Remitted to Mainland China	Remitted back to Taiwan							
Jollywiz Digital Business Co., Ltd.	E-commerce operations	$ 25,461	Investment through a holding company registered in Mainland China	$ -	$ -	$ -	$ -	$ 1,769	52.76	$ 933	$ 4,306	$ -	Note 4

Note 1: The accumulated remittance as of January 1, 2015, remitted or collected this period, accumulated as of December 31, 2015 was translated into New Taiwan Dollars at the average exchange rate of NTD33.066 to US$1 and RMB5.0921 to US$1 at the balance sheet date.

Note 2: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the year ended December 31, 2015 was recognised based on the indirect weighted-average ownership percentage of 98.85% and on their financial statements for the corresponding period, which were audited.

Note 3: MoNokos Studio Technology Co., Ltd. completed liquidation proceedings on September 22, 2013.

Note 4: The financial information was recognised based on the financial statements that were audited and attested by other independent accountants (the international accounting firm which has cooperative relationship with the accounting firm in R.O.C) for the same period end.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company (Note1)	$ 905,016	$ 1,387,549	$ 1,764,773
Jollywiz Digital Technology Co., Ltd. (Notes 1 and 2)	130,611	130,611	98,942

Note 1: The total investment amount approved by the Investment Commission, MOEA, was USD 45,913 thousand or NTD 1,518,160 based on 33.066 spot exchange rate at December 31, 2015.

Note 2: Ceiling of $98,942 is calculated based on Jollywiz Digital Technology Co., Ltd.'s net assets as of December 31, 2015. The ceiling on investments was $126,693 when applying for approvals for investments. Investment amount was translated based on 33.066 spot exchange rate at December 31, 2015.