

**GAMANIA DIGITAL ENTERTAINMENT CO.,
LTD. AND SUBSIDIARIES**
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
MARCH 31, 2019 AND 2018

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

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

PWCR19000024

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and subsidiaries (the “Group”) as at March 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4(3)B and 6(8), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent accountants. Those statements reflect total assets (including investments accounted for under equity method) of \$2,079,671 thousand and \$2,672,097 thousand, constituting 20% and 28% of the consolidated total assets, and total liabilities of \$653,004 thousand and \$935,400 thousand, constituting 13% and 15% of the consolidated total liabilities as at March 31, 2019 and 2018, respectively, and total comprehensive loss (including share of profit (loss) of associates and joint ventures accounted for using equity method) of \$96,233 thousand and \$33,357 thousand, constituting (25%) and (13%) of the consolidated total comprehensive income (loss) for the three months then ended, respectively.



資誠

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of insignificant consolidated subsidiaries and investments accounted for using equity method been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Lin, Yi-Fan

Pan, Penny

For and on behalf of PricewaterhouseCoopers, Taiwan

May 2, 2019

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
MARCH 31, 2019, DECEMBER 31, 2018 AND MARCH 31, 2018
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2019 and 2018 are reviewed, not audited)

Assets		Notes	March 31, 2019		December 31, 2018		March 31, 2018	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 2,932,400	28	\$ 2,796,729	29	\$ 1,791,478	19
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		390,601	4	200,150	2	-	-
1150	Notes receivable, net	6(3)	3,887	-	1,452	-	-	-
1170	Accounts receivable, net	6(3)	1,205,402	11	921,055	9	2,335,057	24
1180	Accounts receivable - related	7						
	parties		65,565	1	51,704	1	5,805	-
1200	Other receivables	6(4)	254,680	2	401,614	4	485,557	5
1210	Other receivables - related	7						
	parties		2,680	-	13,657	-	101,445	1
1220	Current income tax assets		5,711	-	6,057	-	4,198	-
130X	Inventory	6(5)	96,657	1	101,319	1	81,187	1
1410	Prepayments	6(6)	697,712	7	627,464	6	386,511	4
1470	Other current assets	8	178,749	2	179,563	2	228,520	3
11XX	Total current assets		<u>5,834,044</u>	<u>56</u>	<u>5,300,764</u>	<u>54</u>	<u>5,419,758</u>	<u>57</u>
Non-current assets								
1517	Financial assets at fair value	6(7)						
	through other comprehensive							
	income - non-current		492,989	5	461,952	5	413,762	4
1550	Investments accounted for	6(8)						
	under equity method		210,170	2	227,574	2	597,105	6
1600	Property, plant and equipment	6(9) and 8	2,883,675	28	2,896,310	29	2,745,441	29
1755	Right-of-use assets	6(10)	79,120	1	-	-	-	-
1780	Intangible assets	6(12)	675,463	6	737,468	8	246,956	3
1840	Deferred income tax assets	6(29)	141,854	1	142,103	1	120,370	1
1900	Other non-current assets	6(13) and 8	69,227	1	57,241	1	43,806	-
15XX	Total non-current assets		<u>4,552,498</u>	<u>44</u>	<u>4,522,648</u>	<u>46</u>	<u>4,167,440</u>	<u>43</u>
1XXX	Total assets		<u>\$ 10,386,542</u>	<u>100</u>	<u>\$ 9,823,412</u>	<u>100</u>	<u>\$ 9,587,198</u>	<u>100</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2019, DECEMBER 31, 2018 AND MARCH 31, 2018
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2019 and 2018 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2019		December 31, 2018		March 31, 2018	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(14)	\$ 161,072	2	\$ 139,613	1	\$ 531,678	5
2130	Current contract liabilities	6(24)	427,467	4	452,619	5	496,678	5
2150	Notes payable		1,220	-	2,441	-	837	-
2170	Accounts payable		872,390	8	634,764	6	1,822,444	19
2180	Accounts payable - related parties	7	98	-	9,677	-	25,337	-
2200	Other payables	6(15)	1,776,302	17	1,772,141	18	1,594,258	17
2220	Other payables - related parties	7	149,120	2	157,915	2	148,957	2
2230	Current income tax liabilities		510,608	5	421,726	4	96,684	1
2280	Current lease liabilities	7	23,758	-	-	-	-	-
2300	Other current liabilities	6(16)	228,344	2	196,535	2	275,465	3
21XX	Total current liabilities		<u>4,150,379</u>	<u>40</u>	<u>3,787,431</u>	<u>38</u>	<u>4,992,338</u>	<u>52</u>
	Non-current liabilities							
2540	Long-term borrowings	6(18)	560,000	5	800,000	8	1,169,105	12
2570	Deferred income tax liabilities		59,829	1	59,996	1	15,863	-
2580	Lease liabilities - non-current	7	55,320	1	-	-	-	-
2600	Other non-current liabilities	6(19)	18,249	-	17,255	-	6,071	-
25XX	Total non-current liabilities		<u>693,398</u>	<u>7</u>	<u>877,251</u>	<u>9</u>	<u>1,191,039</u>	<u>12</u>
2XXX	Total liabilities		<u>4,843,777</u>	<u>47</u>	<u>4,664,682</u>	<u>47</u>	<u>6,183,377</u>	<u>64</u>
	Equity attributable to owners of parent							
	Share capital							
3110	Share capital - common stock	6(20)	1,754,936	17	1,754,936	18	1,754,271	18
	Capital surplus	6(21)						
3200	Capital surplus		1,138,463	10	1,140,786	11	1,044,549	11
	Retained earnings	6(22)						
3350	Unappropriated retained earnings		2,447,501	24	2,089,075	21	751,368	8
	Other equity interest	6(23)						
3400	Other equity interest		(162,681)	(1)	(199,195)	(1)	(287,293)	(3)
3500	Treasury stocks	6(20)	(64,623)	(1)	(64,623)	(1)	(186,226)	(2)
31XX	Equity attributable to owners of the parent		<u>5,113,596</u>	<u>49</u>	<u>4,720,979</u>	<u>48</u>	<u>3,076,669</u>	<u>32</u>
36XX	Non-controlling interest		<u>429,169</u>	<u>4</u>	<u>437,751</u>	<u>5</u>	<u>327,152</u>	<u>4</u>
3XXX	Total equity		<u>5,542,765</u>	<u>53</u>	<u>5,158,730</u>	<u>53</u>	<u>3,403,821</u>	<u>36</u>
	Significant contingent liabilities and unrecorded contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 10,386,542</u>	<u>100</u>	<u>\$ 9,823,412</u>	<u>100</u>	<u>\$ 9,587,198</u>	<u>100</u>

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended March 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(24) and 7	\$ 2,934,286	100	\$ 4,864,458	100
5000 Operating costs	6(28) and 7	(1,716,322)	(59)	(3,634,129)	(75)
5950 Gross profit		1,217,964	41	1,230,329	25
Operating expenses	6(28) and 7				
6100 Selling expenses		(427,989)	(15)	(400,287)	(8)
6200 General and administrative expenses		(270,078)	(9)	(305,142)	(6)
6300 Research and development expenses		(75,481)	(2)	(48,216)	(1)
6450 Expected credit impairment loss	12(2)	(1,169)	-	(1,631)	-
6000 Total operating expenses		(774,717)	(26)	(755,276)	(15)
6900 Operating income		443,247	15	475,053	10
Non-operating income and expenses					
7010 Other income	6(25) and 7	10,183	-	4,218	-
7020 Other gains and losses	6(26)	3,042	-	43,033	1
7050 Finance costs	6(27)	(4,900)	-	(8,450)	(1)
7060 Share of loss of associates and joint ventures accounted for under equity method	6(8)	(15,296)	-	(7,438)	-
7000 Total non-operating income and expenses		(6,971)	-	31,363	-
7900 Profit before income tax		436,276	15	506,416	10
7950 Income tax expense	6(29)	(92,829)	(3)	(121,220)	(2)
8200 Profit for the period		\$ 343,447	12	\$ 385,196	8

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended March 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealised profit (loss) on investment in equity instruments at fair value through other comprehensive income	6(7)	\$ 27,846	1	(\$ 119,611)	(3)
8310 Other comprehensive income (loss) that will not be reclassified to profit or loss		27,846	1	(119,611)	(3)
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		15,065	-	(6,234)	-
8370 Share of other comprehensive loss of associates and joint ventures accounted for using equity method		-	-	(16)	-
8360 Other comprehensive income that will be reclassified to profit or loss		15,065	-	(6,250)	-
8300 Total other comprehensive income (loss) for the period		\$ 42,911	1	(\$ 125,861)	(3)
8500 Total comprehensive income for the period		\$ 386,358	13	\$ 259,335	5
Profit (loss) attributable to:					
8610 Owners of the parent		\$ 358,742	12	\$ 407,550	8
8620 Non-controlling interest		(15,295)	-	(22,354)	-
		\$ 343,447	12	\$ 385,196	8
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		\$ 395,256	13	\$ 279,879	5
8720 Non-controlling interest		(8,898)	-	(20,544)	-
		\$ 386,358	13	\$ 259,335	5
Earnings per share (in dollars)					
9750 Basic earnings per share	6(31)	\$ 2.07		\$ 2.41	
9850 Diluted earnings per share	6(31)	\$ 2.03		\$ 2.40	

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Capital Reserves				Equity attributable to owners of the parent				Other Equity Interest				Total	Non-controlling interest	Total equity
	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Others	Retained Earnings		Unrealised gains		Treasury stocks	Unrealised gain or loss on available-for-sale financial assets					
					Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations			(losses) from financial assets measured at fair value through other comprehensive income				
2018															
Balance at January 1, 2018	\$ 1,750,281	\$ 971,484	\$ 24,234	\$ 37,327	\$ -	\$ -	(\$ 14,270)	(\$ 73,262)	\$ -	\$ 279,076	(\$ 186,226)	\$ 2,788,644	\$ 347,169	\$ 3,135,813	
Effect of retrospective application of Balance at January 1 after adjustments	-	-	-	-	-	-	365,436	-	(86,360)	(279,076)	-	-	-	-	
Profit (loss) for the period	1,750,281	971,484	24,234	37,327	-	-	351,166	(73,262)	(86,360)	-	(186,226)	2,788,644	347,169	3,135,813	
Other comprehensive income	-	-	-	-	-	-	407,550	-	-	-	-	407,550	(22,354)	385,196	
(loss) for the period	-	-	-	-	-	-	-	(8,060)	(119,611)	-	-	(127,671)	1,810	(125,861)	
Total comprehensive income (loss)	-	-	-	-	-	-	407,550	(8,060)	(119,611)	-	-	279,879	(20,544)	259,335	
Convertible securities conversion	3,990	12,040	-	(536)	-	-	-	-	-	-	-	15,494	-	15,494	
Change in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	(6,821)	-	-	-	-	(6,821)	-	(6,821)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	(527)	-	-	-	-	(527)	-	(527)	
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	527	527	
Balance at March 31, 2018	\$ 1,754,271	\$ 983,524	\$ 24,234	\$ 36,791	\$ -	\$ -	\$ 751,368	(\$ 81,322)	(\$ 205,971)	\$ -	(\$ 186,226)	\$ 3,076,669	\$ 327,152	\$ 3,403,821	
2019															
Balance at January 1, 2019	\$ 1,754,936	\$ 886,975	\$ 220,571	\$ 33,240	\$ -	\$ -	\$ 2,089,075	(\$ 53,488)	(\$ 145,707)	\$ -	(\$ 64,623)	\$ 4,720,979	\$ 437,751	\$ 5,158,730	
Profit (loss) for the period	-	-	-	-	-	-	358,742	-	-	-	-	358,742	(15,295)	343,447	
Other comprehensive income for the period	-	-	-	-	-	-	-	8,668	27,846	-	-	36,514	6,397	42,911	
Total comprehensive income (loss)	-	-	-	-	-	-	358,742	8,668	27,846	-	-	395,256	(8,898)	386,358	
Change in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(2,323)	-	-	-	-	-	-	-	(2,323)	-	(2,323)	
Changes in non-controlling interest	-	-	-	-	-	-	(316)	-	-	-	-	(316)	-	(316)	
Balance at March 31, 2019	\$ 1,754,936	\$ 886,975	\$ 220,571	\$ 30,917	\$ -	\$ -	\$ 2,447,501	(\$ 44,820)	(\$ 117,861)	\$ -	(\$ 64,623)	\$ 5,113,596	\$ 429,169	\$ 5,542,765	

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31	
		2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 436,276	\$ 506,416
Adjustments			
Adjustments to reconcile profit (loss)			
Excepted credit impairment loss		1,169	1,631
Depreciation	6(9)(10)(28)	37,645	27,263
Amortisation	6(12)(28)	35,391	41,713
(Gain) loss on financial assets or liabilities at fair value through profit or loss	6(26)	(451)	5
Share of loss of associates accounted for using equity method	6(8)	15,296	7,438
Gain on disposal of property, plant and equipment	6(26)	(963)	(43,792)
Intangible assets transferred to other loss and expenses	6(12)	677	323
Interest income	6(25)	(7,079)	(1,061)
Interest expense	6(10)(27)	4,900	8,450
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable	(	2,435)	238
Accounts receivable	(	284,148)	(66,163)
Accounts receivables - related parties	(	13,861)	34,173
Other receivables		147,922	(482,910)
Other receivables - related parties		10,977	(97,631)
Inventories		4,662	(10,106)
Prepayments	(	70,248)	(81,077)
Other current assets	(	9,580)	(18,364)
Other non-current assets		213	(8,730)
Changes in operating liabilities			
Contract liabilities	(	25,152)	20,822
Notes payable	(	1,221)	(909)
Accounts payable		237,626	425,522
Accounts payable - related parties	(	9,579)	(120,843)
Other payables		45,249	1,177,458
Other payables - related parties		6,557	119,638
Other current liabilities		31,809	(363,322)
Other non-current liabilities		84	19
Cash inflow generated from operations		591,736	1,076,201
Interest received		7,079	1,061
Interest paid	(	4,790)	(8,421)
Income tax paid	(3,021)	(1,191)
Net cash flows from operating activities		591,004	1,067,650

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets or liabilities at fair value through profit or loss		(\$ 190,000)	\$ -
Acquisition of financial assets or liabilities at fair value through other comprehensive income		(3,000)	-
Acquisition of investments accounted for using equity method		-	(31,561)
Acquisition of property, plant and equipment		(21,213)	(58,647)
Proceeds from disposal of property, plant and equipment		786	87,170
Acquisition of intangible assets		(25,496)	(40,089)
Proceeds from disposal of intangible assets		2,409	-
Increase in other financial assets		(3,969)	(143,564)
Decrease (increase) in other non-current assets		2,164	(948)
Net cash flows used in investing activities		(238,319)	(187,639)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		20,982	-
Repayment of short-term borrowings		-	(307,577)
Repayment of long-term debt		(240,000)	(166,725)
Increase in other non-current liabilities		910	-
Payments of lease liabilities	6(10)	(4,957)	-
Net cash flows used in financing activities		(223,065)	(474,302)
Effect of exchange rate changes on cash and cash equivalents		6,051	5,739
Net increase in cash and cash equivalents		135,671	411,448
Cash and cash equivalents at beginning of period		2,796,729	1,380,030
Cash and cash equivalents at end of period		\$ 2,932,400	\$ 1,791,478

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(REVIEWED, NOT AUDITED)

1. HISTORY AND ORGANISATION

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 AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on May 2, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(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”)

New standards, interpretations and amendments endorsed by the FSC effective from 2019 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by the International Accounting Standards Board</u>
Amendments to IFRS 9, ‘Prepayment features with negative compensation’	January 1, 2019
IFRS 16, ‘Leases’	January 1, 2019
Amendments to IAS 19, ‘Plan amendment, curtailment or settlement’	January 1, 2019
Amendments to IAS 28, ‘Long-term interests in associates and joint ventures’	January 1, 2019
IFRIC 23, ‘Uncertainty over income tax treatments’	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 16, ‘Leases’

A. IFRS 16, ‘Leases’, replaces IAS 17, ‘Leases’ and related interpretations and SICs. The standard requires lessees to recognise a ‘right-of-use asset’ and a lease liability (except for those leases with

terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

- B. The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the ‘modified retrospective approach’) when applying “IFRSs” effective in 2019 as endorsed by the FSC. Accordingly, the Group increased ‘right-of-use asset’ and ‘lease liability’ both by \$66,716 with respect to the lease contracts of lessees on January 1, 2019.
- C. The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:
- (a) Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.
 - (b) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
 - (c) The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of \$9,083 was recognised in the first quarter of 2019.
 - (d) The exclusion of initial direct costs for the measurement of ‘right-of-use asset’.
 - (e) The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
 - (f) The adjustment of the ‘right-of-use asset’ by the amount of any provision for onerous leases.
- D. The Group calculated the present value of lease liabilities by using weighted average incremental borrowing interest rate ranging from 0.94% to 1.40%.
- E. The Group recognised lease liabilities which had previously been classified as ‘operating leases’ under the principles of IAS 17, ‘Leases’. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate and lease liabilities recognised as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	\$	74,215
Less: Short-term leases	(	9,026)
Add: Lease contracts previously identified as service agreements		17,149
Less: Contracts reassessed as service agreements	(	15,290)
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019		67,048
Incremental borrowing interest rate at the date of initial application		0.94%~1.40%
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	\$	<u>66,716</u>

(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 IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by the International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2018, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as 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 Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (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 judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2019	December 31, 2018	March 31, 2018	
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	100	100	100	
Gamania Holdings Ltd. (GH)	Gamania International Holdings Ltd. (GIH)	Investment holdings	100	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania China Holdings Ltd.	Investment holdings	98.85	98.85	98.85	
Gamania International Holdings Ltd. (GIH)	Gamania Western Holdings Ltd.	Investment holdings	100	100	100	Notes 1 and 2
Gamania International Holdings Ltd. (GIH)	Gamania Netherlands Holdings Cooperatief U.A.	Investment holdings	100	100	100	Notes 1 and 2
Gamania International Holdings Ltd. (GIH)	Joymobee Entertainment Co., Ltd.	Software services	100	100	100	Notes 1 and 2
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment holdings	50.07	50.07	50.07	Notes 1 and 2
Gamania International Holdings Ltd. (GIH)	HaPod Digital Technology Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment holdings	100	100	100	Notes 1 and 2
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Software services and sales	100	100	100	Notes 1 and 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2019	December 31, 2018	March 31, 2018	
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design, research and development and sales of software	100	100	100	
Achieve Made International Ltd. (AMI)	Jollywiz Digital Technology Co., Ltd.	Information and supply of electronic services	100	100	100	Notes 1 and 2
Achieve Made International Ltd. (AMI)	Jollywiz International (HK) Co., Ltd.	Information and supply of electronic services	86.73	86.73	76.58	Notes 1, 2 and 3
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment holdings	100	100	100	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Information and supply of electronic services	13.27	13.27	23.42	Notes 1, 2 and 3
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Information and supply of electronic services	52.27	52.27	100	Notes 1, 2 and 4
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd.	Information and supply of electronic services	100	100	100	Notes 1 and 2
Legion Technology (Shanghai) Co., Ltd.	Jollywiz Digital Business Co., Ltd.	Information and supply of electronic services	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd.	Investment company	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Ciirco Inc.	Software services	99.57	99.57	99.40	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd.	Publishing of magazines and periodicals	100	100	100	Notes 1 and 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2019	December 31, 2018	March 31, 2018	
Gamania Digital Entertainment Co., Ltd.	JollyBuy Digital Tech. Co., Ltd.	Information and supply of electronic services	100	100	100	Notes 1, 2 and 5
Gamania Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd.	Animation production	51	51	51	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd.	Software information and supply of electronic services	90	90	90	
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd.	Customer service	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Indiland Co., Ltd.	IP commodities authorization	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	We Backers Co., Ltd.	Crowd funding	92.74	91.67	91.67	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	BeanGo! Co., Ltd.	Software services	100	100	97.5	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	MadSugr Digital Technology Co., Ltd.	Software services and sales	51	51	51	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd.	Online media production	92.54	92.54	89.81	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	GAMA PAY Co., Ltd.	Third-Party Payment	48.57	48.57	40	Note 6
Gamania Digital Entertainment Co., Ltd.	Coco Digital Technology Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2
Gamania Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd.	Broadcast and TV shows production	78.70	78.70	48.93	Notes 1, 2 and 7

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2019	December 31, 2018	March 31, 2018	
Gamania Digital Entertainment Co., Ltd.	Digicentre Company Limited	Software services	66.96	66.96	38.26	Notes 1, 2 and 8
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Software information and supply of electronic services	100	100	100	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Software information and supply of electronic services	100	100	100	Notes 1 and 2
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	Software information and supply of electronic services	100	100	100	Notes 1 and 2
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Third-Party Payment	21.43	21.43	25	Note 6
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd.	Software services	84	84	52	Notes 1 and 2
MadSugr Digital Technologies Co., Ltd.	MadSugr Digital Technology (HK) Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2
Coco Digital Technologies Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Software services and sales	100	100	100	Notes 1 and 2
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Software services	100	100	100	Notes 1 and 2
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Newspaper and magazine publishing	100	100	100	Notes 1 and 2
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Information and supply of electronic services	2.27	2.27	-	Notes 1, 2, 4 and 9
Digicentre Company Limited	Digicentre (HK) Company Limited	Software services	100	100	-	Notes 1 and 2

- Note 1: The financial statements of the entity as of and for the three months ended March 31, 2019 were not reviewed by the independent accountants as the entity did not meet the definition of a significant subsidiary.
- Note 2: The financial statements of the entity as of and for the three months ended March 31, 2018 were not reviewed by the independent accountants as the entity did not meet the definition of a significant subsidiary.
- Note 3: The Company's subsidiaries, Achieve Made International Ltd. and Jollywiz Digital Technology Co., Ltd., held an 86.73% and 13.27% equity interest in the investee, respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.
- Note 4: The Company's subsidiaries, Jollywiz Digital Technology Co., Ltd. and Gamania Asia, held a 52.27% and 2.27% equity interest in the investee, respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.
- Note 5: On September 12, 2018, Redgate Games Co., Ltd. was renamed as JollyBuy Digital Technology Co., Ltd..
- Note 6: The Company and Gash Point Co., Ltd. held a 48.57% and 21.43% equity interest in the investee, respectively. The Company and Gash Point Co., Ltd. jointly held half seats in the Board of Directors, and had control over the investee, thus, the investee was included in the consolidated financial statements.
- Note 7: On September 27, 2018, the Company acquired additional 33.55% equity of NOWnews and accordingly, the Company's ownership percentage increased from 45.14% to 78.69%. NOWnews was included in the consolidated financial statements thereafter.
- Note 8: On October 4, 2018, the Company acquired additional 28.70% equity of Digicentre and accordingly, the Company's ownership percentage increased from 38.26% to 66.96%. Digicentre was included in the consolidated financial statements thereafter.
- Note 9: On August 16, 2018, Gamania Asia acquired 2.27% equity of Bjolly Co., Ltd. during the capital increase.

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 March 31, 2019, December 31, 2018 and March 31, 2018, the non-controlling interest amounted to \$429,169, \$437,751 and \$327,152, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description (Note)
		March 31, 2019		December 31, 2018		
		Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 154,676	49.93%	\$ 154,460	49.93%	
GAMA PAY Co., Ltd.	Taiwan	94,079	30.00%	102,223	30.00%	
Digicentre Company Limited	Taiwan	110,024	33.04%	106,150	33.04%	

Name of subsidiary	Non-controlling interest		Description
	March 31, 2018		
	Amount	Ownership (%)	
AMI and subsidiaries	\$ 146,552	49.93%	(Note)
GAMA PAY Co., Ltd.	115,515	35.00%	

(Note) Registered location of AMI is Cayman Islands.

Balance sheets

	AMI and subsidiaries		
	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	\$ 424,758	\$ 430,965	\$ 424,664
Non-current assets	57,635	60,210	62,111
Current liabilities	(178,672)	(177,499)	(193,260)
Non-current liabilities	-	-	-
Total net assets	\$ 303,721	\$ 313,676	\$ 293,515

	GAMA PAY Co., Ltd.		
	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	\$ 348,839	\$ 341,316	\$ 335,758
Non-current assets	29,607	37,511	23,159
Current liabilities	(50,387)	(38,085)	(28,841)
Non-current liabilities	(14,463)	-	(32)
Total net assets	\$ 313,596	\$ 340,742	\$ 330,044

	Digicentre Company Limited	
	March 31, 2019	December 31, 2018
Current assets	\$ 295,620	\$ 241,570
Non-current assets	223,248	190,855
Current liabilities	(177,322)	(124,981)
Non-current liabilities	(34,433)	(10,723)
Total net assets	<u>\$ 307,113</u>	<u>\$ 296,721</u>

Statements of comprehensive income

	AMI and subsidiaries	
	Three months ended March 31,	
	2019	2018
Revenue	\$ 136,786	\$ 176,447
Loss before income tax	(15,972)	(31,797)
Income tax expense	-	-
Loss for the period	(15,972)	(31,797)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	<u>(\$ 15,972)</u>	<u>(\$ 31,797)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 8,769)</u>	<u>(\$ 15,876)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	GAMA PAY Co., Ltd.	
	Three months ended March 31,	
	2019	2018
Revenue	\$ 703	\$ 134
Loss before income tax	(27,145)	(24,638)
Income tax expense	-	-
Loss for the period	(27,145)	(24,638)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	<u>(\$ 27,145)</u>	<u>(\$ 24,638)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 8,144)</u>	<u>(\$ 8,623)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	Digicentre Company Limited
	Three months ended March 31, 2019
Revenue	\$ 168,700
Profit before income tax	16,802
Income tax expense	(2,394)
Profit for the period	14,408
Other comprehensive income, net of tax	-
Total comprehensive loss for the period	\$ 14,408
Comprehensive loss attributable to non-controlling interest	\$ 4,635
Dividends paid to non-controlling interest	\$ -

Statements of cash flows

	AMI and subsidiaries	
	Three months ended March 31,	
	2019	2018
Net cash used in operating activities	(\$ 22,016)	(\$ 42,725)
Net cash used in investing activities	(14,365)	(6,009)
Net cash provided by financing activities	22,366	1,559
Effect of exchange rate changes on cash and cash equivalents	3,700	2,339
Decrease in cash and cash equivalents	(10,315)	(44,836)
Cash and cash equivalents, beginning of period	64,793	137,671
Cash and cash equivalents, end of period	\$ 54,478	\$ 92,835

	GAMA PAY Co., Ltd.	
	Three months ended March 31,	
	2019	2018
Net cash used in operating activities	(\$ 77,081)	(\$ 29,806)
Net cash used in investing activities	(6,873)	(1,525)
Net cash provided by financing activities	-	-
Effect of exchange rate changes on cash and cash equivalents	-	-
Decrease in cash and cash equivalents	(83,954)	(31,331)
Cash and cash equivalents, beginning of period	326,941	346,610
Cash and cash equivalents, end of period	\$ 242,987	\$ 315,279

	Digicentre Company Limited
	Three months ended March 31, 2019
Net cash provided by operating activities	\$ 19,277
Net cash used in investing activities	(5,607)
Net cash used in financing activities	-
Effect of exchange rate changes on cash and cash equivalents	-
Increase in cash and cash equivalents	13,670
Cash and cash equivalents, beginning of period	42,246
Cash and cash equivalents, end of period	\$ 55,916

(4) Leasing arrangements (lessor) - operating leases

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

(5) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

Effective 2019

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost and the cost is comprised of the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(6) Leased assets/operating leases (lessee)

Prior to 2019

Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(7) 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 expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense 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 plan

- 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 plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit 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. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense when it can no longer withdraw an offer of termination benefits or it recognises related 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' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, 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.

(8) 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 expense 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 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 realised 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 tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the tax credits can be utilised.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

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

The preparation of these consolidated financial statements requires management to make critical judgements 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

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

- A. The Group is primarily responsible for the provision of goods or services;
- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

The Group recognises the collections of payments for game stored-value card purchases or value-added by players as contract liabilities, and amortises those amounts as revenue over expected users' relationship periods or the estimated delivery period of the virtual items, when they are actually used. The Group estimates the deferred amount and delivery period based on operating history and other known factors. Given that the Group has extensive list of virtual items spread across thousands of users and the estimation of delivery period for virtual items may be complex, the Group assesses the reasonableness of the estimation periodically.

As of March 31, 2019, the Group recognised deferred contract liability in the amount of \$427,467.

B. Impairment assessment of licence fees

The impairment assessment of licence fees depend on the Group's subjective judgement. The recoverable amount is determined based on estimated online game revenue arising from expected game points used by players and projected expenditures.

As of March 31, 2019, the Group recognised licence fees, net of impairment, amounting to \$55,114.

C. Impairment assessment of customer relationship

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

On March 31, 2019, the Group recognised customer relationship amounting to \$175,641.

D. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, 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(12) for the information of goodwill impairment.

As of March 31, 2019, the Group recognised goodwill, net of impairment loss, amounting to \$357,926.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Cash on hand and petty cash	\$ 7,938	\$ 8,951	\$ 1,529
Checking accounts and demand deposits	1,589,395	1,362,985	1,331,149
Cash equivalents - time deposits	<u>1,335,067</u>	<u>1,424,793</u>	<u>458,800</u>
	<u>\$ 2,932,400</u>	<u>\$ 2,796,729</u>	<u>\$ 1,791,478</u>

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

B. Details of the Group's cash and cash equivalents pledged to others as collateral that have been classified as financial assets (shown as 'other current assets') are provided in Note 8.

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

<u>Items</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Financial assets mandatorily measured at fair value through profit or loss			
Open-end funds	\$ 390,000	\$ 200,000	\$ -
Valuation adjustment	<u>601</u>	<u>150</u>	<u>-</u>
	<u>390,601</u>	<u>200,150</u>	<u>-</u>
Financial assets designated as at fair value through profit or loss on initial recognition			
Embedded derivative financial instruments (put and call options of convertible bonds)	-	-	2,590
Valuation adjustment	<u>-</u>	<u>-</u>	<u>(2,590)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 390,601</u>	<u>\$ 200,150</u>	<u>\$ -</u>

The Group recognised net profit of \$451 and \$5 on financial assets or liabilities designated as at fair value through profit or loss for the three months ended March 31, 2019 and 2018, respectively.

(3) Notes and accounts receivable

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Notes receivable	\$ 3,887	\$ 1,452	\$ -
Accounts receivable	\$ 1,255,818	\$ 971,272	\$ 2,383,243
Less: Allowance for doubtful accounts	(50,416)	(50,217)	(47,649)
Less: Allowance for sales returns and discounts	-	-	(537)
	<u>1,205,402</u>	<u>921,055</u>	<u>2,335,057</u>
Overdue receivables (shown as other non-current assets)	99,830	99,830	99,830
Less: Allowance for doubtful accounts	(99,830)	(99,830)	(99,830)
	<u>\$ 1,205,402</u>	<u>\$ 921,055</u>	<u>\$ 2,335,057</u>

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Not past due	\$ 1,116,001	\$ 879,705	\$ 2,250,287
Up to 30 days	55,911	18,206	46,656
31~60 days	20,378	6,739	10,541
61~90 days	4,506	4,884	4,903
91~120 days	1,387	1,352	7,766
Over 120 days	57,635	60,386	63,090
	<u>\$ 1,255,818</u>	<u>\$ 971,272</u>	<u>\$ 2,383,243</u>

The above ageing analysis was based on past due date.

B. As at March 31, 2019, December 31, 2018 and March 31, 2018, the Group has no notes receivable past due.

C. The Group does not hold any collateral. Further, the Group has no notes and accounts receivable pledged to others as collateral.

D. As at March 31, 2019, December 31, 2018 and March 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$3,887, \$1,452 and \$0, and accounts receivable were \$1,205,402, \$921,055 and \$2,335,057, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Other accounts receivable

	March 31, 2019	December 31, 2018	March 31, 2018
Other receivables	\$ 322,073	\$ 468,019	\$ 549,028
Less: Allowance for bad debts	(67,393)	(66,405)	(63,471)
	<u>\$ 254,680</u>	<u>\$ 401,614</u>	<u>\$ 485,557</u>

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

	March 31, 2019	December 31, 2018	March 31, 2018
Not past due	\$ 110,854	\$ 319,936	\$ 396,307
Up to 30 days	73,085	15,078	13,843
31 to 60 days	7,159	3,560	16,333
61 to 90 days	4,601	5,980	3,571
91 to 120 days	2,987	2,836	2,335
Over 120 days	123,387	120,629	116,639
	<u>\$ 322,073</u>	<u>\$ 468,019</u>	<u>\$ 549,028</u>

The above ageing analysis was based on past due date.

B. The Group does not hold any collateral for other accounts receivable and has not pledged to others any other accounts receivable.

C. As at March 31, 2019, December 31, 2018 and March 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's other receivables were \$254,680, \$401,614 and \$485,557, respectively.

D. Information relating to credit risk of other receivables is provided in Note 12(2).

(5) Inventories

March 31, 2019			
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 99,658</u>	<u>(\$ 3,001)</u>	<u>\$ 96,657</u>
December 31, 2018			
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 104,455</u>	<u>(\$ 3,136)</u>	<u>\$ 101,319</u>

	March 31, 2018		
		Allowance for obsolescence and market value decline	Book value
	Cost		
Merchandise inventory	\$ 83,380	(\$ 2,193)	\$ 81,187

Expenses and losses incurred on inventories for the period:

	Three months ended March 31,	
	2019	2018
Cost of goods sold	\$ 151,661	\$ 123,577
Gain on reversal of decline in market value	(135)	(130)
	\$ 151,526	\$ 123,447

(6) Prepayments

	March 31, 2019	December 31, 2018	March 31, 2018
Prepayments to suppliers	\$ 507,744	\$ 445,366	\$ 270,691
Prepaid expenses	111,650	95,271	88,440
Excess business tax paid	74,312	81,253	24,264
Others	4,006	5,574	3,116
	\$ 697,712	\$ 627,464	\$ 386,511

(7) Financial assets at fair value through other comprehensive income

Items	March 31, 2019	December 31, 2018	March 31, 2018
Non-current items:			
Equity instruments			
Emerging stocks	\$ 20,000	\$ 20,000	\$ 20,000
Unlisted stocks	597,031	594,031	609,031
	617,031	614,031	629,031
Valuation adjustment	(124,042)	(152,079)	(215,269)
	\$ 492,989	\$ 461,952	\$ 413,762

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$492,989, \$461,952 and \$413,762 as at March 31, 2019, December 31, 2018 and March 31, 2018, respectively.
- B. The Group recognised \$27,846 and (\$119,611) in other comprehensive income for the fair value change of the financial assets for the three months ended March 31, 2019 and 2018, respectively.
- C. After participating Aotter Inc.'s capital increase on August 31, 2018, Gamania Asia held 21.48% ownership of the investee and elected one director's seat. Gamania Asia therefore has significant control over the investee and recognised it as investments accounted for using equity method. In

the third quarter of 2018, financial assets at fair value through other comprehensive income in the amount of \$15,570 was classified as investments accounted for using equity method. Gain on valuation of \$571 was transferred into retained earnings from equity interest.

D. As at March 31, 2019, December 31, 2018 and March 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$492,989, \$461,952 and \$413,762, respectively.

E. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(8) Investments accounted for under the equity method

	2019	2018
At January 1	\$ 227,574	\$ 584,731
Addition of investments accounted for using equity method	-	31,561
Share of loss of investments accounted for using equity method	(15,296)	(7,438)
Changes in capital surplus	(2,323)	(6,821)
Changes in other equity items	-	16
Effects of foreign exchange	215	(4,944)
At March 31	<u>\$ 210,170</u>	<u>\$ 597,105</u>

A. List of long-term investments

Name of associates and subsidiary	March 31, 2019		December 31, 2018		March 31, 2018	
	Ownership percentage	Balance	Ownership percentage	Balance	Ownership percentage	Balance
Gungho Gamania Co., Limited (Gungho Gamania)	49.00	\$ 56,042	49.00	\$ 62,351	49.00	\$ 75,808
Jsdway Digital Technology Co., Ltd. (Jsdway)	35.38	45,202	35.04	48,363	35.04	48,760
Fantasy Fish Digital Games Co., Ltd. (Fantasy Fish)	44.08	37,881	44.08	40,944	44.08	40,486
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	29.39	22,136	29.39	25,283	30.94	25,244
Aotter Inc. (Aotter) (Note 1)	21.48	24,378	21.48	24,456	-	-
Chuang Meng Shr Ji Co.,	19.35	12,190	19.35	13,940	19.35	17,095
Polysh Co., Ltd.	20.00	8,759	20.00	8,711	20.00	14,452
Pri-One Marketing Co., Ltd.	30.00	2,706	30.00	2,528	30.00	2,734
4-Way Voice Cultural Co., Ltd.	38.00	716	38.00	818	38.00	946
Machi Pictures Co., Ltd. (Machi Pictures)	33.33	160	33.33	180	33.33	180
Digicentre Co., Ltd. (Digicentre) (Note 2)	66.96	-	66.96	-	38.26	193,422

Name of associates and subsidiary	March 31, 2019		December 31, 2018		March 31, 2018	
	Ownership percentage	Balance	Ownership percentage	Balance	Ownership percentage	Balance
NOWnews Network Co., Ltd. (NOWnews) (Note 3)	78.70	\$ -	78.70	\$ -	48.93	\$ 94,789
Mission Worldwide Group Limited (MWG) (Note 4)	-	-	-	-	27.27	77,832
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. (Ju Shr Da Jiu) (Note 5)	30.00	-	30.00	-	30.00	3,331
ACCI Group Limited (ACCI) (Note 5)	30.00	-	30.00	-	30.00	1,333
UniCube Co., Ltd. (UniCube) (Note 6)	-	-	-	-	40.00	693
Firedog Creative Co., Ltd. (Firedog) (Note 5)	40.00	-	40.00	-	40.00	-
Petsmao Co., Ltd. (Petsmao) (Note 5)	37.50	-	37.50	-	37.50	-
		<u>\$ 210,170</u>		<u>\$ 227,574</u>		<u>\$ 597,105</u>

The investments accounted for using equity method are based on financial statements of investees as of and for the three months ended March 31, 2019 and 2018 which were not reviewed by independent accountants.

Note 1: Gamania Asia has significant control over Aotter since it held 21.48% ownership of the investee and elected one director's seat after participating in the capital increase on August 31, 2018.

Note 2: On October 4, 2018, the Company acquired additional 28.7% equity of Digicentre and accordingly, the Company's ownership percentage increased from 38.26% to 66.96%. Digicentre was then included in the consolidated financial statements.

Note 3: On September 27, 2018, the Company acquired 33.55% equity of NOWnews and accordingly, the Company's ownership percentage increased from 45.14% to 78.69%. NOWnews was then included in the consolidated financial statements.

Note 4: The Company sold the shares of the associate, Mission Worldwide Group Limited, for a consideration of USD 3,141 thousand under the resolution by the Board of Directors on August 9, 2018 and the shares were transferred in October 2018.

Note 5: All impairment losses derived from equity investments have been recognised based on the Company's assessment.

Note 6: The number of share capital held by the Company in UniCube declined to zero after the associate's capital reduction to cover accumulated deficit in May 2018. The Company did not participate in the capital increase raised by UniCube afterwards.

B. Information on the Group's significant associate as of March 31, 2019, December 31, 2018 and March 31, 2018 is shown below:

Company name	Principal place of business	Ownership (%)			Nature of relationship	Method of measurement
		March 31, 2019 Note 2	December 31, 2018 Note 2	March 31, 2018		
Digicentre	Taiwan			38.26%	Owns at least 20% of the voting rights	Equity method

There is no significant associate as of December 31, 2018.

C. The summarised financial information of the associate that is material to the Group is shown below:

Balance sheet

	Digicentre March 31, 2018
Current assets	\$ 177,507
Non-current assets	197,217
Current liabilities	(57,707)
Non-current liabilities	(11,304)
Total net assets	\$ 305,713
Share in associate's net assets	\$ 116,966
Unrealised loss on downstream transactions	4,699
Goodwill	71,757
Carrying amount of the associate	\$ 193,422

Statement of comprehensive income

	Digicentre Three months ended March 31, 2018
Revenue	\$ 120,721
Profit for the period from continuing operations	10,841
Loss for the period from discontinued operations	-
Other comprehensive income, net of tax	-
Total comprehensive income	\$ 10,841
Dividends received from associates	\$ -

D. As of March 31, 2019, December 31, 2018 and March 31, 2018, the carrying amount of the Group's individually immaterial associates amounted to \$210,170, \$227,574 and \$403,683, respectively. The Group's share of the operating results are summarised below:

	Three months ended March 31,	
	2019	2018
Loss for the period from continuing operations	(\$ 15,296)	(\$ 11,847)
Loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive loss	<u>(\$ 15,296)</u>	<u>(\$ 11,847)</u>

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

(9) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
<u>At January 1, 2019</u>									
Cost	\$ 2,246,082	\$ 495,830	\$ 498,949	\$ 1,252	\$ 81,249	\$ 31,027	\$ 39,869	\$ 7,290.00	\$ 3,401,548
Accumulated depreciation	-	(71,271)	(343,358)	(1,191)	(48,026)	(13,124)	(21,886)	-	(498,856)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
<u>2019</u>	<u>\$ 2,246,082</u>	<u>\$ 424,559</u>	<u>\$ 149,209</u>	<u>\$ 61</u>	<u>\$ 33,223</u>	<u>\$ 17,903</u>	<u>\$ 17,983</u>	<u>\$ 7,290</u>	<u>\$ 2,896,310</u>
Opening net book amount as at January 1	\$ 2,246,082	\$ 424,559	\$ 149,209	\$ 61	\$ 33,223	\$ 17,903	\$ 17,983	\$ 7,290.00	\$ 2,896,310
Additions	-	171	8,761	-	3,153	3,229	2,330	3,124	20,768
Disposals	-	-	(786)	-	-	-	-	-	(786)
Depreciation charge	-	(7,893)	(18,169)	-	(2,887)	(1,415)	(2,276)	-	(32,640)
Net exchange differences	-	-	1	-	22	-	-	-	23
Closing net book amount as at March 31	<u>\$ 2,246,082</u>	<u>\$ 416,837</u>	<u>\$ 139,016</u>	<u>\$ 61</u>	<u>\$ 33,511</u>	<u>\$ 19,717</u>	<u>\$ 18,037</u>	<u>\$ 10,414</u>	<u>\$ 2,883,675</u>
<u>At March 31, 2019</u>									
Cost	\$ 2,246,082	\$ 494,550	\$ 477,955	\$ 1,282	\$ 84,015	\$ 34,258	\$ 42,201	\$ 10,414	\$ 3,390,757
Accumulated depreciation	-	(77,713)	(332,557)	(1,221)	(50,504)	(14,541)	(24,164)	-	(500,700)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 416,837</u>	<u>\$ 139,016</u>	<u>\$ 61</u>	<u>\$ 33,511</u>	<u>\$ 19,717</u>	<u>\$ 18,037</u>	<u>\$ 10,414</u>	<u>\$ 2,883,675</u>

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
<u>At January 1, 2018</u>								
Cost	\$ 2,150,050	\$ 469,795	\$ 485,626	\$ 1,275	\$ 73,239	\$ 40,701	\$ 30,448	\$ 3,251,134
Accumulated depreciation	-	(44,523)	(346,108)	(1,213)	(38,336)	(10,028)	(10,241)	(450,449)
Accumulated impairment	-	-	(6,382)	-	-	-	-	(6,382)
<u>2018</u>	<u>\$ 2,150,050</u>	<u>\$ 425,272</u>	<u>\$ 133,136</u>	<u>\$ 62</u>	<u>\$ 34,903</u>	<u>\$ 30,673</u>	<u>\$ 20,207</u>	<u>\$ 2,794,303</u>
Opening net book amount								
as at January 1	\$ 2,150,050	\$ 425,272	\$ 133,136	\$ 62	\$ 34,903	\$ 30,673	\$ 20,207	\$ 2,794,303
Additions	-	7,576	8,864	-	2,189	3,788	83	22,500
Disposals	(9,243)	(22,931)	-	-	-	(11,204)	-	(43,378)
Depreciation charge	-	(6,348)	(15,152)	-	(2,481)	(1,530)	(1,752)	(27,263)
Net exchange differences	(145)	(359)	(63)	-	5	(246)	87	(721)
Closing net book amount								
as at March 31	<u>\$ 2,140,662</u>	<u>\$ 403,210</u>	<u>\$ 126,785</u>	<u>\$ 62</u>	<u>\$ 34,616</u>	<u>\$ 21,481</u>	<u>\$ 18,625</u>	<u>\$ 2,745,441</u>
<u>At March 31, 2018</u>								
Cost	\$ 2,140,662	\$ 449,207	\$ 475,162	\$ 1,275	\$ 75,225	\$ 30,571	\$ 30,573	\$ 3,202,675
Accumulated depreciation	-	(45,997)	(341,995)	(1,213)	(40,609)	(9,090)	(11,948)	(450,852)
Accumulated impairment	-	-	(6,382)	-	-	-	-	(6,382)
	<u>\$ 2,140,662</u>	<u>\$ 403,210</u>	<u>\$ 126,785</u>	<u>\$ 62</u>	<u>\$ 34,616</u>	<u>\$ 21,481</u>	<u>\$ 18,625</u>	<u>\$ 2,745,441</u>

(1) No borrowing cost was capitalised as part of property, plant and equipment.

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

(10) Leasing arrangements-lessee

Effective 2019

A. The Group leases various assets including buildings, machinery and equipment, business vehicles and multifunction printers. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2019</u>	<u>Three months ended March 31, 2019</u>
	<u>Book value</u>	<u>Depreciation expense</u>
Buildings	\$ 61,530	\$ 3,460
Transportation equipment (Business vehicles)	3,564	650
Other equipment	14,026	895
	<u>\$ 79,120</u>	<u>\$ 5,005</u>

C. For the three months ended March 31, 2019, the additions to right-of-use assets was \$17,402.

D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Three months ended March 31, 2019</u>
<u>Items affecting profit or loss</u>	
Interest expense on lease liabilities	<u>\$ 110</u>
Expense on short-term lease contracts	<u>\$ 15,008</u>

E. For the three months ended March 31, 2019, the Group's total cash outflow for leases was \$4,957.

(11) Leasing arrangements-lessor

Effective 2019

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 and 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. Gain arising from operating lease agreements for the three months ended March 31, 2019 is as follows:

	<u>Three months ended March 31, 2019</u>
Rent income	<u>\$ 438</u>

C. The maturity analysis of the lease payments under the operating leases is as follows:

	March 31, 2019
2019	\$ 995
2020	914
2021	305
	<u>\$ 2,214</u>

(12) Intangible assets

At January 1, 2019

	Licence fees	Software	Other intangible asset	Trademark right	Customer relationship	Goodwill	Total
Cost	\$ 379,424	\$ 64,902	\$ 107,304	\$ 10,090	\$ 198,540	\$ 386,247	\$ 1,146,507
Accumulated amortisation	(256,053)	(45,928)	(42,686)	-	(18,667)	-	(363,334)
Accumulated impairment	(17,321)	-	-	-	-	(28,384)	(45,705)
	<u>\$ 106,050</u>	<u>\$ 18,974</u>	<u>\$ 64,618</u>	<u>\$ 10,090</u>	<u>\$ 179,873</u>	<u>\$ 357,863</u>	<u>\$ 737,468</u>

2019

Opening net book amount as at January 1

Additions	\$ 106,050	\$ 18,974	\$ 64,618	\$ 10,090	\$ 179,873	\$ 357,863	\$ 737,468
Amortisation charge	9,244	4,064	1,253	-	-	-	14,561
Disposals during the period	(21,883)	(8,220)	(1,006)	-	(4,282)	-	(35,391)
Transferred to expenses and losses	(38,250)	-	(2,409)	-	-	-	(40,659)
Net exchange differences	- (46)	(105)	(572)	-	-	-	(677)
	<u>\$ 55,115</u>	<u>\$ 14,720</u>	<u>\$ 61,971</u>	<u>\$ 10,090</u>	<u>\$ 175,641</u>	<u>\$ 357,926</u>	<u>\$ 675,463</u>

Closing net book amount as at March 31

At March 31, 2019

Cost	\$ 338,304	\$ 65,512	\$ 103,481	\$ 10,090	\$ 198,639	\$ 386,407	\$ 1,102,433
Accumulated amortisation	(265,868)	(50,792)	(41,510)	-	(22,998)	-	(381,168)
Accumulated impairment	(17,321)	-	-	-	-	(28,481)	(45,802)
	<u>\$ 55,115</u>	<u>\$ 14,720</u>	<u>\$ 61,971</u>	<u>\$ 10,090</u>	<u>\$ 175,641</u>	<u>\$ 357,926</u>	<u>\$ 675,463</u>

	Licence fees	Software	Other intangible asset	Goodwill	Total
<u>At January 1, 2018</u>					
Cost	\$ 394,532	\$ 55,108	\$ 79,173	\$ 46,570	\$ 575,383
Accumulated amortisation	(149,133)	(40,942)	(54,267)	-	(244,342)
Accumulated impairment	(17,321)	-	-	(27,501)	(44,822)
	<u>\$ 228,078</u>	<u>\$ 14,166</u>	<u>\$ 24,906</u>	<u>\$ 19,069</u>	<u>\$ 286,219</u>
<u>2018</u>					
Opening net book amount as at January 1	\$ 228,078	\$ 14,166	\$ 24,906	\$ 19,069	\$ 286,219
Additions	-	2,390	1,333	-	3,723
Amortisation charge	(36,132)	(4,473)	(1,108)	-	(41,713)
Transfer to other expenses and losses	-	-	(323)	-	(323)
Net exchange differences	(239)	(45)	(352)	(404)	(950)
Closing net book amount as at March 31	<u>\$ 191,707</u>	<u>\$ 12,128</u>	<u>\$ 24,456</u>	<u>\$ 18,665</u>	<u>\$ 246,956</u>
<u>At March 31, 2018</u>					
Cost	\$ 351,649	\$ 49,136	\$ 80,392	\$ 45,561	\$ 526,738
Accumulated amortisation	(142,621)	(37,008)	(55,936)	-	(235,565)
Accumulated impairment	(17,321)	-	-	(26,896)	(44,217)
	<u>\$ 191,707</u>	<u>\$ 12,128</u>	<u>\$ 24,456</u>	<u>\$ 18,665</u>	<u>\$ 246,956</u>

A. The details of amortisation are as follows:

	Three months ended March 31,	
	2019	2018
Operating costs	\$ 26,115	\$ 38,405
Selling expenses	5,253	1,912
General and administrative expenses	3,658	1,114
Research and development expenses	365	282
	<u>\$ 35,391</u>	<u>\$ 41,713</u>

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

	March 31, 2019	December 31, 2018	March 31, 2018
Goodwill:			
NOWnews	\$ 197,055	\$ 197,055	\$ -
Digicentre	141,149	141,149	-
AMI	18,984	18,920	17,927
GCH	27,541	27,448	26,008
Sino	940	937	888
The China Post Co., Ltd.	738	738	738
	<u>386,407</u>	<u>386,247</u>	<u>45,561</u>
Less: Accumulated impairment	(28,481)	(28,384)	(26,896)
	<u>\$ 357,926</u>	<u>\$ 357,863</u>	<u>\$ 18,665</u>

The recoverable amount of subsidiary has been determined based on its future cash flow. When the fair value of goodwill is higher than book value, the Group does not recognise impairment loss on goodwill.

(13) Other non-current assets

	March 31, 2019	December 31, 2018	March 31, 2018
Overdue accounts receivable	\$ 99,830	\$ 99,830	\$ 99,830
Less: Allowance for doubtful accounts	(99,830)	(99,830)	(99,830)
Refundable deposits	32,190	34,354	26,404
Other non-current financial assets (Note)	36,271	21,908	17,331
Others	766	979	71
	<u>\$ 69,227</u>	<u>\$ 57,241</u>	<u>\$ 43,806</u>

Note: Information about the other non-current financial assets that were pledged to others as collateral is provided in Note 8.

(14) Short-term borrowings

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Bank borrowings			
Secured borrowings	\$ 76,317	\$ 55,147	\$ 61,678
Unsecured borrowings	84,755	84,466	470,000
	<u>\$ 161,072</u>	<u>\$ 139,613</u>	<u>\$ 531,678</u>
Credit lines	<u>\$ 1,123,930</u>	<u>\$ 1,311,766</u>	<u>\$ 1,698,091</u>
Interest rate range	<u>1.60%~6.10%</u>	<u>3.30%~6.10%</u>	<u>1.1%~6.10%</u>

(15) Other payables

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Store-value received on behalf of others	\$ 904,450	\$ 749,050	\$ 831,970
Payable on corporate tax and withholding tax	55,721	87,628	200,554
Commission payable	64,995	79,379	184,689
Salary payable and annual bonus	106,836	166,407	87,992
Employees' compensation	327,039	270,924	72,252
Payable on equipment and intangible assets	19,245	53,523	43,460
Directors' and supervisors' remuneration payable	61,437	50,687	12,196
Payable on investment (other equity interest)	89,768	101,859	-
Others	146,811	212,684	161,145
	<u>\$ 1,776,302</u>	<u>\$ 1,772,141</u>	<u>\$ 1,594,258</u>

(16) Other current liabilities

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Bonds payable, current portion or exercise of put options	\$ -	\$ -	\$ 2,689
Long-term borrowings, current portion	160,000	160,000	160,000
Receipts under custody	8,807	17,640	4,834
Tax receipts under custody	8,040	8,614	5,658
Other current liabilities - Others	51,497	10,281	102,284
	<u>\$ 228,344</u>	<u>\$ 196,535</u>	<u>\$ 275,465</u>

(17) Bonds payable

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Bonds payable	\$ -	\$ -	\$ 2,700
Less: Discount on bonds payable	-	-	(11)
	-	-	2,689
Less: Current portion or exercise of put options	-	-	(2,689)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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: The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date (August 16, 2015) after one month of the bonds issue to the maturity date (July 15, 2018), except (1) the stop transfer period as specified in the terms of the bonds or the laws/regulations. (2) the book closure date of the issuance of bonus shares, and of cash dividends, the period between the date that is 15 business days before the book closure date of a capital increase to the ex-right date, the period between the date that is 15 business days before the date of merger and demerger to the effective date, the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased.
- (e) Conversion price and adjustment: The conversion price was \$41.5 (in 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. During the third quarter of 2018, the bonds totalling \$100 (face value) were repurchased by the Company from the Taipei Exchange.

- (j) As at December 31, 2018, the bonds with par value of \$699,900 have been converted into 17,900 thousand shares.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$10 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%.

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>March 31, 2019</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015 ~ March 20, 2025; interest is payable monthly for the first three years; starting from the fourth year, principal and interest are payable quarterly	1.4%~1.7%	Land and Buildings and structures	\$ 720,000
Less: Current portion				(160,000)
				<u>\$ 560,000</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2018</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015 ~ March 20, 2025; interest is payable monthly for the first three years; starting from the fourth year, principal and interest are payable quarterly	1.4%~1.7%	Land and Buildings and structures	\$ 960,000
Less: Current portion				(160,000)
				<u>\$ 800,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2018
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	1.4%~1.7%	Land and Buildings and structures	\$ 1,300,000
Secured borrowings	Borrowing period is October 3, 2017 ~ June 11, 2019; interest is payable monthly and principal is payable at maturity	3.47%	Bank deposit	29,105
				1,329,105
Less: Current portion				(160,000)
				<u>\$ 1,169,105</u>

(19) Pensions

A. Defined benefit plan

- (a) The Company has 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 in sufficient 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) The pension costs under the defined benefit pension plan of the Company for the three months ended March 31, 2019 and 2018 were \$166 and \$164, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending

December 31, 2020 amount to \$1,247.

B. Defined contribution plan

- (a) Effective July 1, 2005, the Company has 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 contributes 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 subsidiaries, 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 three months ended March 31, 2019 and 2018 were both 20%~22%. Other than the monthly contributions, the Group has no further obligations.
- (c) 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 plan of the Group for the three months ended March 31, 2019 and 2018 were \$7,563 and \$7,839, respectively.

(20) Common stock

- A. As of March 31, 2019, the Company’s authorised 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 \$1,754,936 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2019	2018
At January 1	173,262	168,597
Conversion of convertible bonds	-	399
At March 31	173,262	168,996

B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Name of company holding the shares	Reason for reacquisition	March 31, 2019	
		Number of shares (shares in thousands)	Carrying amount
The Company	To be reissued to employees	2,232	\$ 64,623

Name of company holding the shares	Reason for reacquisition	December 31, 2018	
		Number of shares (shares in thousands)	Carrying amount
The Company	To be reissued to employees	2,232	\$ 64,623

Name of company holding the shares	Reason for reacquisition	March 31, 2018	
		Number of shares (shares in thousands)	Carrying amount
The Company	To be reissued to employees	6,432	\$ 186,226

- (b) Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Law, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Law, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired.

(21) Capital surplus

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

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

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

(b) Donations.

(22) Unappropriated retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and appropriate or reverse for special reserve as required by the operating needs of the Company or regulations when necessary. The remainder, if any, to be retained or to be appropriated shall be proposed by the Board of Directors and to be resolved by the stockholders at the stockholders' meeting.

B. The Company's dividend policy adopts conservatism principle, with consideration of the Company's profit, financial structure and future development plans, at least 10% of the Company's distributable earnings as of the end of the period shall be appropriated as cash dividends.

C. 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.

D. (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.

E. On June 13, 2018, the shareholders during their meeting resolved to offset 2017 deficit by using capital surplus in the amount of \$14,270, and distribute cash dividends from capital surplus amounting to \$84,298 at \$0.5 (in dollars) per share.

F. On March 7, 2019, the shareholders during their meeting resolved the 2018 appropriation of retained earnings:

	Year ended December 31, 2018	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 175,997	\$ -
Special reserve appropriated	199,195	-
Cash dividends distributed to shareholders	1,074,222	6.2
	<u>\$ 1,449,414</u>	<u>\$ 6.2</u>

As of May 2, 2019, the appropriation of 2018 earnings has not yet been resolved by the shareholders.

G. Information about the appropriation approved by the Board of Directors and resolved by the shareholders and appropriation of 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' compensation and directors' and supervisors' remuneration, please refer to Note 6(28).

(23) Other equity items

	2019			
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	Total
At January 1	(\$ 53,488)	(\$ 145,707)	\$ -	(\$ 199,195)
Revaluation - group	-	27,846	-	27,846
Currency translation differences:				
- Group	8,668	-	-	8,668
At March 31	<u>(\$ 44,820)</u>	<u>(\$ 117,861)</u>	<u>\$ -</u>	<u>(\$ 162,681)</u>

	2018		
	Translation differences	Unrealised gain or loss on available-for-sale financial assets	Total
At January 1	(\$ 73,262)	(\$ 86,360)	(\$ 159,622)
Revaluation - group	-	(119,611)	(119,611)
Currency translation differences:			
- Group	(8,044)	-	(8,044)
- Associates	(16)	-	(16)
At March 31	(\$ 81,322)	(\$ 205,971)	(\$ 287,293)

(24) Operating revenue

	Three months ended March 31,	
	2019	2018
Revenue from contracts with customers	\$ 2,934,286	\$ 4,864,458

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major segments:

Three months ended March 31, 2019	Gamania Digital Entertainment Co., Ltd.	Gash Point and Gash Point (Hong Kong) Co., Ltd.	Others	Total
Revenue from external customer contracts	\$ 2,455,690	\$ 94,758	\$ 383,838	\$ 2,934,286
Timing of revenue recognition				
At a point in time	\$ 2,407,566	\$ 94,758	\$ 383,838	\$ 2,886,162
Over time	48,124	-	-	48,124
	\$ 2,455,690	\$ 94,758	\$ 383,838	\$ 2,934,286
Three months ended March 31, 2018	Gamania Digital Entertainment Co., Ltd.	Gash Point and Gash Point (Hong Kong) Co., Ltd.	Others	Total
Revenue from external customer contracts	\$ 4,212,099	\$ 108,806	\$ 543,553	\$ 4,864,458
Timing of revenue recognition				
At a point in time	\$ 4,120,275	\$ 108,806	\$ 543,553	\$ 4,772,634
Over time	91,824	-	-	91,824
	\$ 4,212,099	\$ 108,806	\$ 543,553	\$ 4,864,458

B. Contract liabilities

- (a) The Group's contract liabilities related with contract revenue are mainly deferred revenue from points stored but unused or consumed in the online game or mobile game, and are amortised as revenue over the period of the services or the estimated useful period of the virtual items, when they are actually used.
- (b) Revenue recognised that was included in the contract liability balance at the beginning of the year.

	Three months ended March 31,	
	2019	2018
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Revenue from games	\$ 452,619	\$ 475,856

(25) Other income

	Three months ended March 31,	
	2019	2018
Interest income from bank deposits	\$ 7,079	\$ 1,061
Rental revenue	438	3,157
Other income - others	2,666	-
	<u>\$ 10,183</u>	<u>\$ 4,218</u>

(26) Other gains and losses

	Three months ended March 31,	
	2019	2018
Gain on disposal of property, plant and equipment	\$ 963	\$ 43,792
Foreign exchange gain	4,079	7,716
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	451	(5)
Others gains and losses	(2,451)	(8,470)
	<u>\$ 3,042</u>	<u>\$ 43,033</u>

(27) Finance costs

	Three months ended March 31,	
	2019	2018
Interest expense:		
Bank borrowings	\$ 4,790	\$ 8,421
Bonds payable	-	29
Lease liability	110	-
	<u>\$ 4,900</u>	<u>\$ 8,450</u>

(28) Employee benefits, depreciation and amortisation expense

	Three months ended March 31,	
	2019	2018
Employee benefit expense		
Wages and salaries	\$ 249,641	\$ 252,071
Labor and health insurance fees	13,967	15,369
Pension costs	7,729	8,003
Other personnel expenses	10,632	14,328
	<u>\$ 281,969</u>	<u>\$ 289,771</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 37,645</u>	<u>\$ 27,263</u>
Amortisation expense	<u>\$ 35,391</u>	<u>\$ 41,713</u>

A. According to the Articles of Incorporation of the Company, 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 shall be 10%~15% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration.

B. For the three months ended March 31, 2019 and 2018, employees' compensation was accrued at \$53,752 and \$58,524, respectively; while directors' and supervisors' remuneration was accrued at \$10,750 and \$12,196, respectively. The aforementioned amounts were recognised in salary expenses.

For the three months ended March 31, 2019, the employees' compensation and directors' remuneration were estimated and accrued based on the Company's Articles of Incorporation of distributable profit of current year as of the end of reporting period.

Employees' compensation for 2018 amounting to \$250,711, as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2018 financial statements. For 2018, the directors' and supervisors' remuneration resolved at the meeting of Board of Directors amounted to \$50,000. The difference of \$142 between the amounts resolved at the Board meeting and the amounts recognised in the 2018 financial statements had been adjusted in the profit or loss for 2019.

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.

(29) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended March 31,	
	2019	2018
Current tax:		
Current tax on profit for the period	\$ 92,747	\$ 89,858
Prior year income tax under estimation	-	4,403
Total current tax	92,747	94,261
Deferred tax:		
Origination and reversal of temporary differences	82	44,254
Impact of change in tax rate	-	(17,295)
Income tax expense	\$ 92,829	\$ 121,220

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

	Latest Year Assessed by Tax Authority
The Company and Jollywiz	2016
Gash Point, Ants' Power, Indiland, Fundation, Gamania Asia, Ciirco, Coco, Fundation, Jollybuy, Two Tigers, Coture New Media, Madsugr, Conetter CoMarketing, GAMA PAY, WeBackers, BeanGo!, Digicentre, NOWnews	2017

(30) Earnings per share

	Three months ended March 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 358,742	173,262	\$ 2.07
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 358,742	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus (Note 1)	-	3,331	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 358,742	176,593	\$ 2.03

Three months ended March 31, 2018			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 407,550	168,785	\$ 2.41
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 407,550	-	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds (Note 2)	27	267	
Employees' bonus (Note 1)	-	749	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 407,577	169,801	\$ 2.40

(Note 1) Effective January 1, 2008, as employees' bonus could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would increase from employees' stock bonus issuance in the weighted-average number of common shares outstanding during the reporting period, taking into account the dilutive effects of stock bonus on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting period that include the shares of employees' stock bonus for the appropriation of prior year earnings, which have already been resolved at the shareholders' meeting held in the reporting period. Since capitalisation of employees' bonus no longer belongs to distribution of stock dividends (or retained earnings and capital reserve capitalised), the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively

(Note 2) If anti-dilutive effect will arise when adopting treasury stock method, anti-dilutives shares are not included in the computation.

(31) Transactions with non-controlling interest

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

A. The subsidiary, WeBackers Co., Ltd., increased capital by issuing new shares for the three months ended March 31, 2019. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 1.07%. The impact on the transaction attributed to owners of parent is as follows:

	We Backers
	Three months ended March 31, 2019
Cash	\$ -
Increase in carrying amount of non-controlling interest	(316)
Decrease in unappropriated retained earnings	(\$ 316)

B. The subsidiaries, BeanGo! Co., Ltd. and Ciirco Inc., increased capital by issuing new shares, for the three months ended March 31, 2018. However, the Company did not acquire new shares proportionately to the interest ownership, thus, the share ownership decreased by 0.63% and 0.15%, respectively. The impact on this transaction attributed to owners of parent is as follows:

	BeanGo!	Ciirco
	Three months ended	March 31, 2018
Cash	\$ -	\$ -
Increase in carrying amount of non-controlling interest	(409)	(118)
Decrease in unappropriated retained earnings	(\$ 409)	(\$ 118)

(32) Supplemental cash flow information

Investing activities with partial cash payments

	Three months ended March 31,
	2019 2018
Acquisition of property, plant and equipment	\$ 20,768 \$ 22,500
Add: Opening balance of payable on equipment	12,880 5,743
Add: Opening balance of other payables-related parties	- 34,214
Less: Ending balance of payable on equipment	(12,435) (3,810)
Cash paid during the period	\$ 21,213 \$ 58,647

	Three months ended March 31,
	2019 2018
Purchase of intangible assets	\$ 14,561 \$ 3,723
Add: Opening balance of payables	- 36,018
Add: Opening balance of other payables	40,643 39,205
Add: Opening balance of other payables-related parties	20,381 793
Less: Offsetting other payables	(38,250) -
Less: Ending balance of other payables	(6,810) -
Less: Ending balance of other payables-related parties	(5,029) (39,650)
Cash paid during the period	\$ 25,496 \$ 40,089

	Three months ended March 31,	
	2019	2018
Disposals of intangible assets	(40,659)	-
Add: Offsetting other payables	38,250	-
Cash paid during the period	(\$ 2,409)	\$ -

(33) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movement for the three months ended March 31, 2019 and 2018 are as follows:

	Short-term borrowings	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
January 1, 2019	\$ 139,613	\$ 960,000	\$ -	\$ 1,099,613
Changes in cash flow from financing activities	20,982	(240,000)	(4,957)	(223,975)
Impact of changes in foreign exchange rate	477	-	(193)	284
Changes in other non-cash items				
Interest expense	-	-	110	110
Increase in right-of-use assets	-	-	84,118	84,118
March 31, 2019	<u>\$ 161,072</u>	<u>\$ 720,000</u>	<u>\$ 79,078</u>	<u>\$ 960,150</u>
	Short-term borrowings	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
January 1, 2018	\$ 840,589	\$ 1,497,337	\$ 18,154	\$ 2,356,080
Changes in cash flow from financing activities	(307,577)	(166,725)	-	(474,302)
Impact of changes in foreign exchange rate	(1,334)	(1,507)	-	(2,841)
Changes in other non-cash items				-
Amortisation of convertible bonds	-	-	29	29
Conversion of convertible bonds	-	-	(15,494)	(15,494)
March 31, 2018	<u>\$ 531,678</u>	<u>\$ 1,329,105</u>	<u>\$ 2,689</u>	<u>\$ 1,863,472</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

As the Company's shares are widely held, the Company has no ultimate parent company and ultimate

controlling party.

(2) Names of related parties and relationship with the Company

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Pri-One Marketing Co., Ltd.	Associate
Fantasy Fish Digital Games Co., Ltd. (Fantasy Fish)	"
GungHo Gamania Co., Limited (GungHo Gomania)	"
Jsdway Digital Technology Co., Ltd. (Jsdway)	"
UniCube Co., Ltd. (UniCube)	"
Digicentre Company Limited (Digicentre) (Note 1)	Subsidiary (Associate)
Digicentre (HK) Company Limited (Note 1)	Subsidiary (Associate)
Firedog Create Company Ltd. (Firedog Creative)	Associate
NOWnews Network Co., Ltd. (Note 2)	Subsidiary (Associate)
Aotter Inc.	Associate
Fantasy Fish Digital Games (HK) Co., Ltd.	"
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd (Wanwin)	Other related party

Note 1: On October 4, 2018, the Company acquired an additional equity interest in Digicentre Company Limited and accordingly, the Company's ownership increased from 38.26% to 66.96%, therefore, Digicentre Company Limited became one of the Company's subsidiaries on the same day. Digicentre Company Limited was the Company's associate before October 4, 2018.

Note 2: On September 27, 2018, the Company acquired an additional equity interest in NOWnews Network Co., Ltd. and accordingly, the Company's ownership increased from 45.14% to 78.69%, therefore, NOWnews Network Co., Ltd. became one of the Company's subsidiaries on the same day. NOWnews Network Co., Ltd. was the Company's associate before September 27, 2018.

(3) Significant transactions and balances with related parties

A. Operating revenue

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Sales of goods:		
Associates	\$ 903	\$ 159
Wanwin	52,000	-
	<u>\$ 52,903</u>	<u>\$ 159</u>
Sales of services:		
Associates	\$ 9,192	\$ 7,868
Wanwin	20,761	17,633
	<u>\$ 29,953</u>	<u>\$ 25,501</u>

Sales of goods are on-line games revenue generated from prepaid cards sold by associates, 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 service revenue arising from a certain percentage of value-add service provided to related parties, customer services and production of advertisements that are in accordance with mutual agreements.

B. Operating costs

	Three months ended March 31,	
	2019	2018
Costs of point service:		
Associates	\$ -	\$ 28,222
Costs of customer service hotline:		
Associates	209	6,705
Mobile service costs:		
Associates	-	285
Programs cost:		
Associates	93	165
	<u>\$ 302</u>	<u>\$ 35,377</u>

Costs of point service are service cost for splitting revenue from stored values, costs of customer service hotline are costs for hotline, mobile service costs are service cost for splitting revenue from mobile service and network usage cost of mobile games and programs costs are generated from internet programs and TV programs. All are determined in accordance with mutual agreement. Advertisement costs are the costs incurred for advertising and determined based on mutual agreement.

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

	Three months ended March 31,	
	2019	2018
Other related party	\$ 95	\$ -
Associates	4,714	8,610
	<u>\$ 4,809</u>	<u>\$ 8,610</u>

The above includes donation to other related party and expenses paid to associates for the Company's advertisements and game development. Except for donation, expenses were based on mutual agreements.

D. Donation (shown in general and administrative expenses)

	Three months ended March 31,	
	2019	2018
Other related party		
Gamania Cheer Up Foundation	\$ 10,800	\$ 2,500

The Group made donations in support of projects for caring and empowering the youth which had

been approved by the Board of Directors.

E. Rental revenue (shown in other income)

	Three months ended March 31,	
	2019	2018
Associates		
Digicentre	\$ -	\$ 2,860
Others	23	-
Other realted parties	108	-
	<u>\$ 131</u>	<u>\$ 2,860</u>

Rental revenue arose from leasing offices and computer facilities and data transmission circuit devices to associates. The rental is based on mutual agreement, and is collected monthly based on the agreement. The offices' contract period is from January 1, 2019 to December 31, 2022.

F. Receivables

	March 31, 2019	December 31, 2018	March 31, 2018
Accounts receivable:			
Associates	\$ 5,892	\$ 5,209	\$ 5,805
Other related parties			
Wanwin	59,629	46,495	-
Gamania Cheer Up Foundation	44	-	-
	<u>\$ 65,565</u>	<u>\$ 51,704</u>	<u>\$ 5,805</u>
Other receivables:			
Associates	<u>\$ 2,680</u>	<u>\$ 13,657</u>	<u>\$ 101,445</u>

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

Other receivables arise mainly from rent receivable, payments on behalf of others and sale of services.

G. Payables

	March 31, 2019	December 31, 2018	March 31, 2018
Accounts payable:			
Associates	\$ 98	\$ 9,677	\$ 25,337
Other payables:			
Associates	\$ 22,008	\$ 30,602	\$ 28,728
Wanwin	127,112	127,313	120,229
	<u>\$ 149,120</u>	<u>\$ 157,915</u>	<u>\$ 148,957</u>

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 receipts under custody payable arising from value-add service provided to

related parties, less a certain percentage of service revenue, payables for mobile games development, advertisement, and purchase of intangible assets.

H. Property transactions

(a) Acquisition of property, plant and equipment

	Three months ended March 31,	
	2019	2018
Associates		
Digicentre	\$ -	\$ 482

As of March 31, 2018, the unpaid amount was \$0.

(b) Acquisition of other assets

	Three months ended March 31,	
	2019	2018
Associates		
Digicentre	\$ -	\$ 429

As of March 31, 2018, the unpaid amount was \$0.

I. Leasing arrangements-lessee

In January 2019, the Group leased offices from Jsdway Digital Technology Co., Ltd., and right-of-use assets was recognised in the amount of \$781 in accordance with IFRS 16. As of March 31, 2019, the carrying amount of right-of-use assets and lease liabilities amounted to \$616 and \$617, respectively. For the three months ended March 31, 2019, the Group recognised interest expense amounting to \$2.

The significant agreements in relation to lease liabilities are as follows:

(a) In January 2019, the Group entered into a 3-year period office lease contract with Jsdway Digital Technology Co., Ltd..

(b) Rents are based on mutual agreement and are paid monthly.

(4) Key management compensation

	Three months ended March 31,	
	2019	2018
Short-term employee benefits	\$ 46,973	\$ 45,839
Post-employment benefits	81	81
	<u>\$ 47,054</u>	<u>\$ 45,920</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value			Pledge purpose
	March 31, 2019	December 31, 2018	March 31, 2018	
Demand deposits (shown in "other current asset")	\$ -	\$ 30,000	\$ 201,000	Performance bond of on-line game card's standard contracts
Demand deposits (shown in "other current asset")	125,509	105,903	-	Guarantee for short-term borrowing (including current portion) facility
Demand deposits (shown in "other non-current asset")	36,271	21,908	8,578	Trusted electronic payment accounts
Time deposits (shown in "other current assets")	18,000	18,000	18,000	Credit card merchant guarantee
Time deposits (shown in "other non-current asset")	-	-	8,732	Guarantee for long-term borrowing facility
Property, plant and equipment				
Land	2,140,662	2,140,661	2,140,662	Short-term and long-term loans / Credit lines
Buildings	233,890	235,134	238,867	Short-term and long-term loans / Credit lines
	<u>\$ 2,554,332</u>	<u>\$ 2,551,606</u>	<u>\$ 2,615,839</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Effective 2019

A. The Group leases warehouse, offices and network equipment under non-cancellable operating lease agreements. The Group recognised rental expenses of \$9,543 for these leases in profit or loss for the three months ended March 31, 2018. The future aggregate minimum lease payments are as follows:

	December 31, 2018	March 31, 2018
Not later than one year	\$ 37,799	\$ 33,706
Later than one year but not later than five years	36,416	72,040
	<u>\$ 74,215</u>	<u>\$ 105,746</u>

- B. The Group contracted the use of cable lines, T1 and T3, with rental charges based on utilisation. In addition, the Group 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 April 17, 2019, the Board of Directors approved the following significant events:

- A. The Company invested in the subsidiary, Coture New Media Co., Ltd., in stages based on the actual operation plan amounting to \$20,000 in order to meet the Company's capital requirement. The Company's shareholding ratio in Coture New Media Co., Ltd. will increase to 93.42% after the capital increase.
- B. The Company invested in the subsidiary, NOWnews Network Co., Ltd., in stages based on the actual operation plan under the amount of \$50,000 in order to meet the Company's capital requirement. The Company's shareholding ratio in NOWnews Network Co., Ltd. will increase to 82% after the capital increase.
- C. The Company will increase its investment in the subsidiary, Achieve Made International, amounting to US\$1.2 million in order to meet the Company's capital requirement. As the Company will not participate in the capital increase proportionately, the Company's shareholding ratio in Achieve Made International will decrease to 43.27% after the capital increase.

(2) On May 2, 2019, the Board of Directors approved the following significant events:

The Company proposed to liquidate the subsidiary, Coco Digital Technology Co., Ltd., for which there are no operational needs.

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. Financial instruments by category

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 390,601</u>	<u>\$ 200,150</u>	<u>\$ -</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	<u>\$ 492,989</u>	<u>\$ 461,952</u>	<u>\$ 413,762</u>
Financial assets at amortised cost			
Cash and cash equivalents	2,932,400	2,796,729	1,791,478
Notes receivable	3,887	1,452	-
Accounts receivable (including related parties)	1,270,967	972,759	2,340,862
Other receivables (including related parties)	257,360	415,271	587,002
Guarantee deposits paid	32,190	34,354	26,404
Other financial assets	<u>179,780</u>	<u>175,811</u>	<u>236,310</u>
	<u>\$ 4,676,584</u>	<u>\$ 4,396,376</u>	<u>\$ 4,982,056</u>

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 161,072	\$ 139,613	\$ 531,678
Notes payable	1,220	2,441	837
Accounts payable (including related parties)	872,488	644,441	1,847,781
Other accounts payable (including related parties)	1,925,422	1,930,056	1,743,215
Lease liability (including related parties)	79,078	-	-
Corporate bonds payable (including current portion)	-	-	2,689
Long-term borrowings (including current portion)	720,000	960,000	1,329,105
Guarantee deposits received	11,207	10,297	157
	<u>\$ 3,770,487</u>	<u>\$ 3,686,848</u>	<u>\$ 5,455,462</u>

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:

March 31, 2019			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 41,120	30.8200	\$ 1,267,318
HKD:NTD	4,117	3.9260	16,163
HKD:USD (Note)	85,868	0.1274	337,158
USD:HKD (Note)	3,315	7.8502	102,168
<u>Non-monetary items</u>			
USD:NTD	22,833	30.8200	703,716
KRW:NTD	513,896	0.0274	14,081
JPY:NTD	101,730	0.2783	28,311
HKD:USD (Note)	37,009	0.1274	145,316
EUR:USD (Note)	181	1.1230	6,256
RMB:USD (Note)	357	0.1486	1,633
USD:HKD (Note)	113	7.8502	3,471
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	19,468	30.8200	600,004
EUR:NTD	300	34.6100	10,383

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.

	December 31, 2018		
(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 35,594	30.7150	\$ 1,093,270
HKD:NTD	4,931	3.2910	19,334
HKD:USD (Note)	67,233	0.1277	263,708
NTD:USD	382	0.0326	382
USD:HKD (Note)	3,499	7.8335	107,472
<u>Non-monetary items</u>			
USD:NTD	23,117	30.7150	710,039
KRW:NTD	484,483	0.0278	13,469
JPY:NTD	100,946	0.2782	28,083
HKD:USD (Note)	30,162	0.1277	118,304
EUR:USD (Note)	694	1.1460	24,443
RMB:USD (Note)	536	0.1456	2,396
USD:HKD (Note)	109	7.8335	3,355
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	11,091	30.7150	340,660
HKD:USD (Note)	2,086	0.1277	8,182

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.

	March 31, 2018		
(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 30,187	29.1050	\$ 878,593
HKD:NTD	4,786	3.7080	17,746
HKD:USD (Note)	86,263	0.1274	319,861
NTD:USD	17,759	0.0344	17,759
USD:HKD (Note)	3,526	7.8492	102,624
<u>Non-monetary items</u>			
USD:NTD	24,023	29.1050	699,175
KRW:NTD	397,911	0.0276	10,982
JPY:NTD	98,148	0.2739	26,883
USD:HKD (Note)	113	7.8492	3,289
HKD:USD (Note)	30,429	0.1274	112,830
EUR:USD (Note)	784	1.2324	28,139
RMB:USD (Note)	820	0.1597	3,813
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,296	29.1050	66,825
HKD:USD (Note)	2,877	0.1274	10,668

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.

- iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2019 and 2018 amounted to \$2,103 and \$4,887, respectively.

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

(Foreign currency: Functional currency)	Three months ended March 31, 2019		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 12,673	\$ -
HKD:NTD	1%	162	-
HKD:USD (Note)	1%	3,372	-
USD:HKD (Note)	1%	1,022	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	6,000	-
EUR:NTD	1%	104	-

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.

(Foreign currency: Functional currency)	Three months ended March 31, 2018		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 8,786	\$ -
HKD:NTD	1%	177	-
HKD:USD (Note)	1%	3,199	-
NTD:USD	1%	178	-
USD:HKD (Note)	1%	1,026	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	668	-
HKD:USD (Note)	1%	107	-

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held available-for-sale financial assets and financial assets at fair value through other comprehensive income. 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.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. 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 three months ended March 31, 2019 and 2018, post-tax profit for the three months ended March 31, 2019 and 2018 would have increased/decreased by \$3,125 and \$0, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$4,930 and \$4,138, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from borrowings issued at variable rates and expose the Group to cash flow 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 and variables. During the three months ended March 31, 2019 and 2018, the Group's borrowings at variable rate were denominated in NTD and RMB.
- ii. At March 31, 2019, December 31, 2018 and December 31, 2017, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the three months ended March 31, 2019 and 2018 would have been \$38 and \$146 lower/higher, respectively, mainly as a result of higher/lower 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. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss and at fair value through other comprehensive income.
- ii. 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 accounting and administrator segment ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk mainly arose from cash and cash equivalent and receivables generated from operating activity. Only banks and financial institutions with optimal credit ratings are accepted.
- iii. The Group adopts assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. When the payment is past due 30 days based on the contract terms, there is a significant increase in credit risk

on financial assets since initial recognition.

- iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the Group expects that payments cannot be collected and reclassified as overdue receivables.
- v. The Group classifies customer's accounts receivable and contract assets in accordance with product types. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vi. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, and other accounts receivable. On March 31, 2019, December 31, 2018 and December 31, 2018, the provision matrix is as follows:

March 31, 2019			
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~1.85%	\$ 1,226,855	\$ 1,175
Up to 30 days	0.10%~4.49%	128,996	715
31 to 60 days	0.00%~27.39%	27,537	1,460
61 to 90 days	16.12%~65.17%	9,107	530
91 to 120 days	24.59%~89.34%	4,374	946
Over 120 days	38.75%~100%	181,022	112,983
		<u>\$ 1,577,891</u>	<u>\$ 117,809</u>

December 31, 2018			
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~0.99%	\$ 1,200,462	\$ 426
Up to 30 days	1.38%~3.78%	32,462	393
31 to 60 days	0.00%~19.64%	10,299	479
61 to 90 days	4.77%~20.20%	10,864	540
91 to 120 days	21.73%~83.74%	4,188	886
Over 120 days	53.47%~100%	181,016	113,898
		<u>\$ 1,439,291</u>	<u>\$ 116,622</u>

March 31, 2018			
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~0.10%	\$ 2,646,594	\$ 1,470
Up to 30 days	0.10%~0.14%	60,499	121
31 to 60 days	0.14%~4.22%	26,874	426
61 to 90 days	4.22%~14.42%	8,474	688
91 to 120 days	14.42%~66.01%	10,101	726
Over 120 days	66.01%~100%	179,729	107,689
		<u>\$ 2,932,271</u>	<u>\$ 111,120</u>

Note: The above does not include overdue receivables amounting to \$99,830. All the overdue receivables had been provided with loss allowance.

- vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable (including overdue receivables) and other accounts

receivable are as follows:

	2019		
	Accounts receivable	Other receivables	Total
At January 1	\$ 150,047	\$ 66,405	\$ 216,452
Provision for impairment	199	970	1,169
Effect of exchange rate changes	-	18	18
At March 31	<u>\$ 150,246</u>	<u>\$ 67,393</u>	<u>\$ 217,639</u>

	2018		
	Accounts receivable	Other receivables	Total
At January 1_IAS 39	\$ 206,732	\$ 2,723	\$ 209,455
Adjustments under new standards	-	-	-
At January 1_IFRS 9	206,732	2,723	209,455
Provision for impairment	1,631	-	1,631
Allowance for doubtful accounts receivable reclassified to other accounts receivable	(60,748)	60,748	-
Effect of exchange rate changes	(136)	-	(136)
At March 31	<u>\$ 147,479</u>	<u>\$ 63,471</u>	<u>\$ 210,950</u>

(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

March 31, 2019	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 161,072	\$ -	\$ -
Notes payable	1,220	-	-
Accounts payable	872,390	-	-
Accounts payable - related parties	98	-	-
Other payables	1,776,302	-	-
Other payables - related parties	149,120	-	-
Lease liability	26,650	44,209	9,647
Long-term borrowings (including current portion)	169,240	331,760	242,940

Non-derivative financial liabilities:

December 31, 2018	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 139,613	\$ -	\$ -
Notes payable	2,441	-	-
Accounts payable	634,764	-	-
Accounts payable - related parties	9,677	-	-
Other payables	1,772,141	-	-
Other payables - related parties	157,915	-	-
Long-term borrowings (including current portion)	172,600	338,480	490,920

March 31, 2018	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 531,678	\$ -	\$ -
Notes payable	837	-	-
Accounts payable	1,822,444	-	-
Accounts payable - related parties	25,337	-	-
Other payables	1,594,258	-	-
Other payables - related parties	148,957	-	-
Long-term borrowings (including current portion)	180,391	377,862	849,120
Bonds payable	2,970	-	-

(3) Fair value information

A. 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.

B. 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 is as follows:

<u>March 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - current				
Open-end fund	<u>\$ 390,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,601</u>
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 4,200</u>	<u>\$ -</u>	<u>\$ 488,789</u>	<u>\$ 492,989</u>
 <u>December 31, 2018</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - current				
Open-end fund	<u>\$ 200,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,150</u>
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 4,150</u>	<u>\$ -</u>	<u>\$ 457,802</u>	<u>\$ 461,952</u>
 <u>March 31, 2018</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 11,810</u>	<u>\$ -</u>	<u>\$ 401,952</u>	<u>\$ 413,762</u>

C. 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:

	Open-end fund	Listed shares and emerging shares
Market quoted price	Net asst value	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) H and I.
- (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.
- D. For the three months ended March 31, 2019 and 2018, there was no transfer between Level 1 and Level 2.
- E. The following chart is the movement of Level 3 for the three months ended March 31, 2019 and 2018:

	Equity securities	
	2019	2018
At January 1	\$ 457,802	\$ 524,653
Gains and losses recognised in other comprehensive income	27,796 (	121,511)
Acquired during the period	3,000	-
Effects of foreign exchange	191 (	1,190)
At March 31	<u>\$ 488,789</u>	<u>\$ 401,952</u>

	Embedded derivatives	
	2019	2018
At January 1	\$ -	\$ 5
Gains and losses recognised in profit or loss (Note)	-	(5)
At March 31	\$ -	\$ -

Note: Shown as other gains and losses.

- F. For the three months ended March 31, 2019 and 2018, there was no transfer into or out from Level 3.
- G. Treasury department segment is in charge of valuation procedures for fair value measurements being categorised 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.
- H. 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 March 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments						
Unlisted shares	\$	488,789	Market comparable companies	Price to book ratio multiple	1.85~3.40 (2.43)	The higher the multiple, the higher the fair value
				Enterprise value to operating income ratio multiple	22.88~37.50 (36.63)	The higher the multiple, the higher the fair value
				Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value
		Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments						
Unlisted shares	\$	457,802	Market comparable companies	Price to book ratio multiple	2.02 (2.02)	The higher the multiple, the higher the fair value
				Enterprise value to operating income ratio multiple	23.88~33.57 (32.68)	The higher the multiple, the higher the fair value
				Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value

	Fair value at March 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted shares	\$ 401,952	Market comparable companies	Price to book ratio multiple	2.07 (2.07)	The higher the multiple, the higher the fair value
			Enterprise value to operating income ratio multiple	31.55 (31.55)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value
Embedded derivatives instruments					
Redemption and put options of convertible bonds		- The Binomial-Tree approach to convertible bonds pricing	Volatility	55.05% (55.05%)	The higher the volatility, the higher the fair value

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. 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 categorised within Level 3 if the inputs used to valuation models have changed:

			March 31, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Price to book ratio multiple	±1%	\$ -	\$ -	\$ 312	(\$ 312)
	Enterprise value to operating income ratio multiple	±1%	-	-	3,717	(3,717)
	Discount for lack of marketability	±1%	-	-	4,298	(4,298)
			December 31, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Price to book ratio multiple	±1%	\$ -	\$ -	\$ 222	(\$ 222)
	Enterprise value to operating income ratio multiple	±1%	-	-	3,528	(3,528)
	Discount for lack of marketability	±1%	-	-	4,020	(4,020)

			March 31, 2018			
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	\$ -	\$ -	\$ 528	(\$ 528)
	Enterprise value to operating income ratio multiple	±1%	-	-	2,629	(2,629)
	Discount for lack of marketability	±1%	-	-	3,426	(3,426)
Financial liabilities						
Embedded derivatives	Volatility	±1%	-	-	-	-

13. SUPPLEMENTARY DISCLOSURES

(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: None.
- 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: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

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, 2018 and 2017 is as follows:

Three months ended March 31, 2019

	Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. and Gash Point (Hong Kong)	Others	Total
Revenue from external customers	\$ 2,455,690	\$ 94,758	\$ 383,838	\$ 2,934,286
Inter-segment revenue	24,361	65,533	188,670	278,564 (Note 1)
Segment operating profit (loss)	514,933	6,561 (	78,247)	443,247
Segment profit (loss), net of tax	358,742	10,165 (	25,460)	343,447
Segment profit (loss) includes:				
Depreciation and amortisation	(53,529)	(1,967)	(17,540)	(73,036)
Income tax expense	(83,818)	(2,619)	(6,392)	(92,829)
Investment (loss) income accounted for using the equity method	(95,677)	4,453	75,928 (	15,296) (Note 2)

Three months ended March 31, 2018

	Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. and Gash Point (Hong Kong)	Others	Total
Revenue from external customers	\$ 4,212,099	\$ 108,806	\$ 543,553	\$ 4,864,458
Inter-segment revenue	1,390,873	205,983	112,822	1,709,678 (Note 1)
Segment operating profit (loss)	489,600	29,352 (	43,899)	475,053
Segment profit (loss), net of tax	407,550	37,283 (	59,637)	385,196
Segment profit (loss) includes:				
Depreciation and amortisation	(51,188)	(1,948)	(15,840)	(68,976)
Income tax expense	(105,092)	(10,962)	(5,166)	(121,220)
Investment (loss) income accounted for using the equity method	7,166	1,759 (	16,363)	(7,438) (Note 2)

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

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

(4) Reconciliation information of segment profit (loss)

The segment reports provided to the chief operating decision-maker are measured in a manner consistent with that used for the statement of comprehensive income. There is no difference between the presentation of segment report and income statement and accordingly, no reconciliation is required to be disclosed.

Gamania Digital Entertainment Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
Three months ended March 31, 2019

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	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 March 31, 2019	Outstanding endorsement/ guarantee amount at March 31, 2019	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
		Company name				March 31, 2019	March 31, 2019								
0	The Company	Hapod Digital Technology Co., Ltd.		3	\$ 526,481	\$ 92,550	\$ 92,475	\$ 84,769	\$ -	1.81	\$ 1,754,936	Y	N	N	
0	The Company	Jollywiz Digital Technology Co., Ltd.		3	526,481	30,000	30,000	20,000	-	0.59	1,754,936	Y	N	N	
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.		3	526,481	59,860	59,630	52,749	-	0.17	1,754,936	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 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.

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

March 31, 2019

Table 2

		As of March 31, 2019					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	Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	Footnote
The Company		Taishin Ta-Chong Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,528	\$ 50,104	-	\$ 50,104	
The Company		Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,705	50,111	-	50,111	
The Company		Hua Nan Phoenix Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,083	50,104	-	50,104	
The Company		Jin Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,382	50,101	-	50,101	
The Company		Yuantai De-Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,456	40,038	-	40,038	
The Company		Yuantai De- Bao Money Market Fund	None	Financial assets at fair value through profit or loss - current	4,165	50,045	-	50,045	
The Company		FSITC Taiwan Money Market	None	Financial assets at fair value through profit or loss - current	3,272	50,049	-	50,049	
The Company		FSITC Money Market	None	Financial assets at fair value through profit or loss - current	281	50,049	-	50,049	
The Company		XPEC Entertainment Inc. - Stock	None	Financial assets at fair value through other comprehensive income - non-current	4,907	26,941	2.67	26,941	

Gamania Digital Entertainment Co., Ltd. and subsidiaries

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

March 31, 2019

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

As of March 31, 2019						
Securities held by The Company	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	Number of shares (in thousands)	Book value	
					2,100 \$	349,603
	NC Taiwan Co., Ltd. - Stock	None	Financial assets at fair value through other comprehensive income - non-current			Market value (Note 2) 15.00 \$ 349,603
The Company	Hagame International Co., Ltd. - Stock	None	Financial assets at fair value through other comprehensive income - non-current	880	11,685	11,685
The Company	Microprogram Information Co., Ltd. - Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,739	22,075	22,075
The Company	Life Plus Co., Ltd. - Stock	None	Financial assets at fair value through other comprehensive income - non-current	3,000	19,483	19,483
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,000	4,200	4,200
Gamania Asia Investment Co., Ltd.	Gokube Inc. - Stock	None	Financial assets at fair value through other comprehensive income - non-current	400	3,000	3,000
Gamania International Holdings Ltd.	Ikala Global Online Corp. - Stock	None	Financial assets at fair value through other comprehensive income - non-current	27,831	30,270	30,270
Gamania International Holdings Ltd.	Vantage Metro Limited - Stock	None	Financial assets at fair value through other comprehensive income - non-current	192	25,732	25,732

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9, 'Financial instruments'.

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
Receivables from related parties in excess of \$100 million or 20% of capital
March 31, 2019

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

		Overdue receivables							
Name of creditor	Transaction parties	Relationship	Balance as of March 31, 2019	Turnover rate	Amount	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	\$ 391,755	1.40%	\$ -	-	\$ 180,328	-	Note 2

Note 1: The subsequent collections represent collections from the balance sheet date to May 2, 2019.

Note 2: Receivables for selling game cards through the subsidiary.

Gamania Digital Entertainment Co., Ltd. and subsidiaries
Significant inter-company transactions during the reporting period
Three months ended March 31, 2019

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Other payables	\$ 20,503	Note 5	0.20
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	10,966	Note 4	0.37
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	391,755	Note 5	3.77
0	The Company	Gash Point Co., Ltd.	1	Accounts payable	41,206	Note 5	0.40
0	The Company	Gash Point Co., Ltd.	1	Other payables	59,458	Note 5	0.57
0	The Company	Gamania Digital Entertainment (Europe) B.V.	1	Other payables	11,636	Note 5	0.11
0	The Company	Conetter CoMarketing Co., Ltd.	1	Advertisement expenses	45,709	Note 4 and 5	1.56
0	The Company	Conetter CoMarketing Co., Ltd.	1	Other payables	31,547	Note 5	0.30
0	The Company	Antis' Power Co., Ltd.	1	Other payables	36,136	Note 5	0.35
0	The Company	Antis' Power Co., Ltd.	1	Administrative expenses	22,647	Note 5	0.77
0	The Company	Digitcentre Co., Ltd.	1	Accounts payable	30,694	Note 5	0.30
0	The Company	Digitcentre Co., Ltd.	1	Cost of goods sold	22,943	Note 5	0.78

Gamania Digital Entertainment Co., Ltd. and subsidiaries
Significant inter-company transactions during the reporting period
Three months ended March 31, 2019

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of total operating revenues or total assets (Note 3)
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Company Limited	3	Accounts receivable	\$ 12,632	Note 5	0.12
2	Gash Point Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Other payables	11,987	Note 5	0.12
2	Gash Point Co., Ltd.	The Company	2	Sales of services	66,770	Note 5	2.28
3	Active Made International Ltd.	Jollybuy Digital Technology Co., Ltd.	3	Accounts receivable	13,219	Note 5	0.13
4	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	13,380	Note 5	0.13
4	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Sales of services	10,703	Note 5	0.36

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)

Three months ended March 31, 2019

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)			Shares held as at March 31, 2019			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at March 31, 2019	Balance as at December 31, 2018		Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Investment holdings	\$ 2,480,639	\$ 2,480,639		46,278,315	100.00	\$ 549,638	\$ 20,211	\$ 20,211	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment holdings	229,549	226,549		17,900,000	100.00	165,675	(7,139)	(7,139)	
The Company	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000		316,522	100.00	(266)	-	-	
The Company	Jollybuy Digital Technology Co., Ltd.	Taiwan	E-commerce operations	377,000	377,000		8,300,000	100.00	33,584	(27,496)	(27,496)	Note 2
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637		16,016,000	66.96	360,072	14,409	9,394	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269		626,892	51.00	6,336	3	3	
The Company	Gash Point Co., Ltd.	Taiwan	Software information and supply of electronic services	169,000	169,000		13,500,000	90.00	211,955	5,566	5,009	
The Company	Indiland Co., Ltd.	Taiwan	IP Commodities authorization	40,000	40,000		50,000	100.00	228	(11)	(11)	
The Company	Machi Pictures Co., Ltd.	Taiwan	Movie making and publishing	20,000	20,000		2,000,000	33.33	160	(60)	(20)	
The Company	Antis' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000		1,000,000	100.00	55,330	7,758	7,758	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	30,000	30,000		3,000,000	19.35	12,190	(9,043)	(1,750)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	48,040	44,040		2,875,000	92.74	(1,250)	(3,288)	(3,046)	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising	193,500	193,500		13,800,000	92.54	12,227	(2,226)	(2,060)	
The Company	MadSugr Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	45,900	45,900		4,590,000	51.00	3,515	(83)	(42)	
The Company	Gama Pay Co., Ltd.	Taiwan	Third party payment	340,000	340,000		29,142,858	48.57	152,314	(27,145)	(13,185)	
The Company	Coco Digital Technology Co., Ltd.	Taiwan	Software services and sales	10,033	10,033		921,700	100.00	9,919	151	151	
The Company	NOWnews Network Co., Ltd.	Taiwan	Producing TV programs and general advertising services	337,867	337,867		21,304,556	78.70	309,428	(9,825)	(10,625)	

Gamania Digital Entertainment Co., Ltd. and subsidiaries
Information on investee companies (not including investees in Mainland China)
Three months ended March 31, 2019

Company	Name of investee	Location	Original investment cost (Note 1)			Shares held as at March 31, 2019			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
			Balance as at March 31, 2019	Balance as at December 31, 2018		Number of shares	Percentage	Book value			
			\$	\$	\$	1,875,000	37.50	\$	-	\$	
The Company	Petmao Co., Ltd.	Taiwan									
The Company	BeanGo! Co., Ltd.	Taiwan	160,000	120,000		6,000,000	100.00	9,666 (	23,953) (	23,953)	
The Company	Ciirco Inc.	Taiwan	139,400	139,400		7,965,714	99.57	16,756 (	9,224) (	9,383)	
The Company	4-Way Voice Cultural Co., Ltd.	Taiwan	1,900	1,900		190,000	38.00	716 (	267) (	102)	
Jollywiz Digital Technology Polysh Co., Ltd.		Taiwan									
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	10,000	10,000		125,000	20.00	8,759	243	49	
Coco Digital Technology Co., Ltd.	Coco Digital Technology (HK) Co., Ltd.	Hong Kong	1,178	1,178		300,000	100.00	9,351	1,351	1,351	
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Hong Kong	-	25,126		6,400,000	100.00	3,838 (	133) (	133)	Note 4
Gamania Asia Investment Co., Ltd.	Pri-One Commercial Production Co., Ltd.	Taiwan	38,525	38,525		1,250,000	100.00	4,753 (	1,793) (	1,793)	
Gamania Asia Investment Co., Ltd.	Fantasy Fish Digital Games Co., Ltd.	Taiwan	1,500	1,500		150,000	30.00	2,706	595	178	
Gamania Asia Investment Co., Ltd.		Taiwan	22,211	22,211		3,889,935	44.08	37,881 (	6,949) (	3,063)	
Gamania Asia Investment Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Taiwan	55,125	55,125		5,250,000	35.38	45,202 (	2,482) (	838)	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	34,810	34,810		3,557,525	29.39	22,136 (	10,710) (	3,148)	
Gamania Asia Investment Co., Ltd.	China Post	Taiwan	1	1		5,500,000	100.00	531) (	38) (	38)	
Gamania Asia Investment Co., Ltd.	Bjolly Digital Co., Ltd.	Taiwan	5,000	5,000		45,455	2.27	4,715 (	4,961) (	113)	
Gamania Asia Investment Co., Ltd.	Aotter Inc.	Taiwan	25,000	25,000		170,473	21.48	24,378 (	363) (	78)	
Madsugr Digital Technology Co., Ltd.	Madsugr Digital Technology (HK) Co., Ltd.	Hong Kong	13,115	13,115		3,300,969	100.00	3,045 (	94) (	94)	

Gamania Digital Entertainment Co., Ltd. and subsidiaries
Information on investee companies (not including investees in Mainland China)
Three months ended March 31, 2019

Table 5

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)			Shares held as at March 31, 2019			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at 31, 2019	Balance as at December 31, 2018		Number of shares	Percentage	Book value			
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Software information and supply of electronic services	38,962	38,962		600	100.00	28,311	219	219	

Expressed in thousands of NTD
(Except as otherwise indicated)

Gamania Digital Entertainment Co., Ltd. and subsidiaries
Information on investee companies (not including investees in Mainland China)
Three months ended March 31, 2019

Table 5

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at March 31, 2019				Income (loss) incurred by the investee		Investment income (loss) recognised by the Company	Footnote
				Balance as at 31, 2019	Balance as at December 31, 2018	Number of shares	Percentage	Book value	\$	\$			
				\$	\$						100.00	\$	\$
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Software information and supply of electronic services	14,040	14,040	750,000	100.00	125,373	4,555	4,555			
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	South Korea	Design and sales of software	11,662	11,662	138,268	100.00	14,081	812	812		812	
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd.	Taiwan	Software information and supply of electronic services	29,250	29,250	2,625,000	84.00	57,562	5,576	5,576		4,684	
Gash Point Co., Ltd.	Gama Pay Co., Ltd.	Taiwan	Third party payment	150,000	150,000	12,857,143	21.43	67,204	(27,145)	(5,817)			
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment holdings	2,495,934	2,495,934	77,281,128	100.00	565,892	(13,225)	(13,225)			
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment holdings	1,027,556	1,027,556	40,416,628	98.85	146,128	10,892	10,767			
Gamania International Holdings Ltd.	Gamania Western Holdings Ltd.	Cayman Islands	Investment holdings	267,209	267,209	8,670,000	100.00	93,502	(791)	(791)		Note 3	
Gamania International Holdings Ltd.	Gamania Netherlands Holdings Cooperatief U.A.	Amsterdam	Investment holdings	155,745	155,745	-	100.00	6,261	(139)	(139)		Note 3	
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	121,739	121,739	30,701,775	100.00	11,140	366	366			
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	9,736	9,736	992,000	40.00	-	-	-			
Gamania International Holdings Ltd.	Achieve Made International Ltd.	BVI	Investment holdings	192,705	192,705	7,003,408	50.07	148,875	(16,661)	(8,794)			
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,472	1,472	375,000	30	-	-	-			
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	59,174	46,230	1,920,000	100	(6,398)	(12,255)	(12,255)			
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	113,264	113,264	147	49.00	56,042	(13,315)	(6,524)			
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	E-commerce operations	505,000	505,000	24,528,035	100.00	262,767	(3,183)	(11,867)			
Achieve Made International Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	E-commerce operations	33,646	33,646	17,000,000	86.73	(33,966)	(10,013)	(8,684)			
Jollywiz Digital Technology Co., Ltd.	Bjolly Digital Co., Ltd.	Taiwan	E-commerce operations	25,000	25,000	1,045,455	52.27	4,567	(4,957)	(4,957)			

Table 5, Page 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Gamania Digital Entertainment Co., Ltd. and subsidiaries
Information on investee companies (not including investees in Mainland China)
Three months ended March 31, 2019

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)			Shares held as at March 31, 2019			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at 31, 2019	\$	December 31, 2018	Number of shares	Percentage	Book value			
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	BVI	Investment holdings	151,018	\$	151,018	4,900,000	100.00	\$	84,769	\$	2,251
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	E-commerce operations	10,208		10,208	2,600,000	13.27	(	5,197	(	1,329
Gamania Western Holdings Ltd.	Gamania Digital Entertainment (U.S.) Co., Ltd.	U.S.A.	Software services and sales	265,977		265,977	1,440	100.00		94,180	(	791
Gamania Netherlands Holdings Cooperatief U.A.	Gamania Digital Entertainment (Europe) B.V.	Netherlands	Software services and sales	155,745		155,745	500,000	100.00		6,261	(	139
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment holdings	1,218,006		1,218,006	39,520,000	100.00		4,519	(	837
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	92,747		92,747	25,500,000	100.00		132,773		11,728

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

Note 2: On September 12, 2018, Redgate Games Co., Ltd. was renamed Jollywiz Digital Technology Co., Ltd.

Note 3: On January 31, 2019, the Board of Directors during its meeting resolved to liquidate those subsidiaries and holding companies which had no substantial operations.

Note 4: The liquidation of Coco Digital Technology (HK) Co., Ltd. was completed in February 2019.

Gamania Digital Entertainment Co., Ltd. and subsidiaries
Information on investments in Mainland China
Three months ended March 31, 2019

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Amount remitted from Taiwan to Mainland China/													
Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted back to Taiwan for the three months ended March 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Net income of investee for the three months ended March 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2019	Book value of investments in Mainland China as of March 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2019	Footnote (Note 1)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 1,087,946	Investment through a holding company registered in a country other than Taiwan and Mainland China	\$ 797,313	\$ -	\$ -	\$ 797,313	\$ 837	98.85	\$ 828	\$ 1,603	\$ -	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	46,230	-	-	46,230	-	-	-	-	-	Note 3
Legion Technology (Shanghai) Co., Ltd.	E-commerce operations	121,739	Investment through a holding company registered in a country other than Taiwan and Mainland China	121,739	-	-	121,739	(11,512)	50.07	(5,764)	44,277	-	Note 4
Jollywiz Digital Business Co., Ltd.	E-commerce operations	22,900	Investment through a holding company registered in a country other than Taiwan and Mainland China	-	-	-	-	(9,368)	50.07	(4,691)	14,422	-	Note 4
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd.	Sales of agricultural products	15,410	Investment through a holding company registered in a country other than Taiwan and Mainland China	-	-	-	-	-	38.66	-	-	-	Note 4

Note 1: The accumulated remittance as of January 1, 2019, remitted or collected this period, accumulated as of March 31, 2019 was translated into New Taiwan Dollars at the average exchange rate of NTD30.82 to US\$1 and RMB4.58 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 three months ended March 31, 2019 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. However, the investment amount has not yet been remitted back to Taiwan as of March 31, 2019.

Note 4: Investment profits or losses are recognized based on unaudited financial statements

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	MOEA
The Company (Note 1)	\$ 843,543	\$ 1,415,039	\$ 3,325,659
Jollywiz Digital Technology Co., Ltd. (Notes 1 and 2)	121,739	121,739	178,099

Note 1: The total investment amount approved by the Investment Commission, MOEA, was USD45,913 thousand or NTD1,415,039 based on 30.82 spot exchange rate at March 31, 2019.

Note 2: Ceiling of \$126,693 is calculated based on Jollywiz Digital Technology Co., Ltd.'s net assets as of March 31, 2019. The ceiling on investments was \$175,691 when applying for approval for investments. Investment amount was translated based on 30.82 spot exchange rate at March 31, 2019.